

**THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this Prospectus or the action you should take, you are recommended to seek your own financial advice immediately from an appropriately authorised stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000 ("FSMA").

This Prospectus comprises a prospectus in the form of a single document relating to Curzon Energy Plc (the "Company" or "Curzon") prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the "FCA") made under section 73A of FSMA and approved by the FCA under section 87A of FSMA. This Prospectus has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

Applications have been made to the UK Listing Authority for all of the ordinary shares of £0.01 each of the Company (the "Ordinary Shares") to be admitted to the Official List of the UK Listing Authority (the "Official List") (by way of a standard listing under Chapter 14 of the Listing Rules) and to the London Stock Exchange plc (the "London Stock Exchange") to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that admission will become effective, and that unconditional dealings in the Ordinary Shares will commence, at 8.00 a.m. on 4 October 2017.

**PROSPECTIVE INVESTORS SHOULD READ THE WHOLE OF THE TEXT OF THIS PROSPECTUS. YOUR ATTENTION IS SPECIFICALLY DRAWN TO THE DISCUSSION OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE ORDINARY SHARES AS SET OUT IN THE SECTION ENTITLED "RISK FACTORS" BEGINNING ON PAGE 20 OF THIS PROSPECTUS.**

**PROSPECTIVE INVESTORS SHOULD BE AWARE THAT AN INVESTMENT IN THE COMPANY INVOLVES A SIGNIFICANT DEGREE OF RISK AND THAT, IF CERTAIN OF THE RISKS DESCRIBED IN THIS PROSPECTUS OCCUR, INVESTORS MAY FIND THEIR INVESTMENT IS MATERIALLY ADVERSELY AFFECTED. ACCORDINGLY, AN INVESTMENT IN THE ORDINARY SHARES IS ONLY SUITABLE FOR INVESTORS WHO ARE PARTICULARLY KNOWLEDGEABLE IN INVESTMENT MATTERS AND WHO ARE ABLE TO BEAR THE LOSS OF THE WHOLE OF PART OF THEIR INVESTMENT.**

The Directors, whose names appear on page 38 and the Company accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

**The latest time and date for subscribing for shares under the Placing is 10 a.m. on 27 September 2017. Further details of the Placing are set out in Part III of this Prospectus.**

---

## **Curzon Energy Plc**

*(Incorporated in England and Wales under the Companies Act 2006 with registered number 9976843)*



**Placing of 23,265,000 Ordinary Shares at £0.10 per Ordinary Share, and Admission of the Ordinary Shares to the Official List (by way of Standard Listing under Chapter 14 of the Listing Rules) and to trading on London Stock Exchange's main market for listed securities**

**Issued ordinary share capital immediately following Admission at the £0.10 Placing Price**

**Ordinary Shares  
of £0.01**

**Number  
72,594,700**

**Market Capitalisation  
£7,259,470**

**Placing Agent**

**And, From Admission, Financial Adviser  
and Broker**

**SP Angel Corporate Finance LLP**

**Solicitors to the Company**

**McCarthy Denning Limited**

---

SP Angel Corporate Finance LLP ("SP Angel"), which is authorised and regulated in the UK by the FCA, is the Company's UK placing agent and is acting exclusively for the Company and no one else in connection with the Placing and will not regard any other person (whether or not a recipient of this Prospectus) as a client in relation to the Placing and will not be responsible to anyone other than the Company for providing the protections afforded to clients of SP Angel or for providing advice in relation to the Placing or any other matters referred to in this Prospectus.

McCarthy Denning Limited ("McCarthy Denning") is acting exclusively for Curzon and for no-one else in connection with the Placing and Admission and will not be responsible to anyone other than Curzon for providing advice in relation to the contents of this Prospectus or any matter referred to in it. McCarthy Denning is not making any representation, express or implied, as to the contents of this Prospectus, for which Curzon and the Directors are solely responsible. Without limiting the statutory rights of any person to whom this Prospectus is issued, no liability whatsoever is accepted by McCarthy Denning for the accuracy of any information or opinions contained in this Prospectus or for any omission of information, for which Curzon and the Directors are solely responsible. The information contained in this Prospectus has been prepared solely for the purpose of the Placing and Admission and is not intended to be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them.

The Ordinary Shares when issued will rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company and will rank *pari passu* in all other respects with all other Ordinary Shares in issue on Admission.

This Prospectus does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer or invitation to buy or subscribe for, Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company.

The Ordinary Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction of the United States or under applicable securities laws of Australia, Canada or Japan. Subject to certain exceptions, the Ordinary Shares may not be offered, sold, resold, transferred or distributed directly or indirectly, within, into or in the United States or to or for the account or benefit of persons in the United States, Australia, Canada, Japan or any other jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction. This Prospectus does not constitute an offer to sell or a solicitation of an offer to purchase or subscribe for Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. The Ordinary Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly within, into or in the United States except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the Securities Act. There will be no public offer in the United States.

The distribution of this Prospectus in or into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possessions this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

*None of the Ordinary Shares have been approved or disapproved by the United States Securities and Exchange Commission (the "SEC"), any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed comment upon or endorsed the merit of the offer of the Ordinary Shares or the accuracy or the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.*

**Application has been made for the Ordinary Shares to be admitted to a Standard Listing on the Official List. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in companies with Premium Listings on the Official List, which are subject to additional obligations under the Listing Rules.**

**It should be noted that the UK Listing Authority will not have authority to (and will not) monitor the Company's compliance with any of the Listing Rules and/or any provision of the QCA Code which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company to so comply.**

**This Prospectus is dated 29 September 2017**

## CONTENTS

	<u>Page</u>
SUMMARY.....	4
RISK FACTORS.....	20
EXPECTED TIMETABLE OF PRINCIPAL EVENTS.....	37
STATISTICS.....	37
DEALING CODES.....	37
DIRECTORS, SECRETARY AND ADVISERS.....	38
CONSEQUENCES OF A STANDARD LISTING.....	39
IMPORTANT INFORMATION.....	41
 PART I INFORMATION ON THE GROUP AND MARKET OVERVIEW .....	 46
PART II COUNTRY, INDUSTRY AND REGULATORY FRAMEWORK .....	58
PART III THE PLACING AND THE RULE 9 WAIVER .....	66
PART IV DIRECTORS, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE .....	71
PART V COMPETENT PERSON'S REPORT.....	 76
PART VI SELECTED FINANCIAL INFORMATION.....	110
(A) ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE COMPANY.....	 110
(B) HISTORICAL FINANCIAL INFORMATION OF THE COMPANY.....	112
(C) ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF COOS BAY.....	 121
(D) HISTORICAL FINANCIAL INFORMATION OF COOS BAY .....	123
(E) ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE US GROUP.....	 131
(F) HISTORICAL FINANCIAL INFORMATION OF THE US GROUP.....	133
PART VII (A) OPERATING AND FINANCIAL REVIEW OF THE COMPANY.....	156
(B) OPERATING AND FINANCIAL REVIEW OF COOS BAY.....	159
(C) OPERATING AND FINANCIAL REVIEW OF THE US GROUP.....	161
PART VIII (A) UNAUDITED PRO FORMA FINANCIAL INFORMATION.....	164
(B) ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION .....	 168
PART IX TAXATION.....	170
PART X ADDITIONAL INFORMATION.....	172
PART XI NOTICE TO INVESTORS.....	200
DEFINITIONS.....	202
GLOSSARY OF TECHNICAL TERMS.....	209

## SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These elements are numbered in Sections A-E (A.1-E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the summary with the mention of “not applicable”.

SECTION A – INTRODUCTION AND WARNINGS		
<b>A.1</b>	<b>Warning to investors</b>	<p>This summary should be read as an introduction to this Prospectus.</p> <p>Any decision to invest in the Ordinary Shares should be based on consideration of this Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in this Prospectus is brought before a court the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating this Prospectus before legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled this summary including any translation thereof but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
<b>A.2</b>	<b>Consent for intermediaries</b>	Not applicable. This is not a public offer of securities and consent will not be given by the Company for the use of this Prospectus for subsequent resale or final placement of securities by financial intermediaries.

SECTION B – ISSUER		
<b>B.1</b>	<b>Legal and commercial name</b>	The legal and commercial name of the issuer is Curzon Energy Plc (“Curzon”, the “Company”, and including its subsidiaries and subsidiary undertakings, the “Group”).
<b>B.2</b>	<b>Domicile / Legal form / Legislation / Country of incorporation</b>	The Company was incorporated as a public limited company under the laws of England and Wales on 29 January 2016 with registered number 9976843 under the Companies Act 2006 (the “Act”), and is subject to the UK City Code on Takeovers and Mergers (the “City Code”). The registered office of the Company is Kemp House, 152 City Road, London EC1V 2NX.
<b>B.3</b>	<b>Current operations / Principal activities and markets</b>	<p>The Company has been formed to acquire oil and gas assets. Its first acquisition is of Coos Bay Energy LLC (“Coos Bay”). The Company is not currently evaluating and has not identified any other projects. The Directors expect to identify and assess other oil and gas opportunities in the future and expect to return to the market if they wish to acquire and/or raise funds for other projects.</p> <p>The Group is active in exploration, appraisal and development of an identified US oil and gas project, which is not yet active in production. This project is the first development and exploration project in the CBM sector in the State of Oregon. The first project for which capital is being raised is an opportunity to appraise, develop and produce coalbed methane gas</p>

		<p>from Prospective and Contingent Resources in the Coos Bay Basin in the state of Oregon, which has benefitted from approximately \$20 million in previous project expenditures. This project is the first development and exploration project in the CBM sector in the State of Oregon.</p> <p>The Group has under lease approximately 45,370 acres of prospective coalbed methane lands in the Coos Bay Basin, under two major leases and three ancillary leases.</p> <p>The Group intends to develop the Coos Bay CBM project in three phases: Phase I (proof of concept), Phase II (initial development) and Phase III (large scale development).</p> <p>Phase I which is a \$1.3 million program, consists of re-entry of five existing wells, drilling two new wells, installation of all remaining infrastructure required to establish gas production in the field, and evaluation of the commercial viability of the seven Phase I wells and the larger field-wide, development program. Following a successful completion of Phase I, the Group intends to raise additional funding, estimated to be \$21.5 million, and proceed to Phase II, a 58 well development program in a pre-defined core area of the Coos Bay CBM project. The Competent Person's Report prepared by MHA Petroleum Consultants LLC and set out in Part V of this Prospectus ("CPR") estimates Contingent Resources for an aggregate of 58 wells from Phase I and Phase II at 25.17 BCF and \$34.6m NPV10 to the Company. Following a successful Phase II, the Group will raise further additional funding and embark on a field-wide development program of up to 400 new wells during Phase III.</p> <p>Phases I and II will predominantly take place on property under an oil and gas lease with Rayonier Olympus Corporation, a private landowner (the "2004 Lease"). The 2004 Lease covers approximately 16,000 acres and can accommodate approximately 160 wells, assuming an average well spacing of 100 acres. The five wells to be re-entered during Phase I are located on the Rayonier property, already drilled and completed and have oversized drill pads to accommodate possible offset wells in the future. They are accessible by 8 kilometres of previously constructed road, have PC pumps and motors and are connected to new natural gas generators, water gas separators and 12,500-gallon water tanks at each site. The wells are already connected to an installed underground gathering system that connects the five wells to a connection point selected by the local pipeline operator. At the connection point a compressor will be installed and the final 15 meters of pipe will tie the five wells into the pipeline. An existing water disposal permit will be used for the produced water and, prior to putting the wells in production, they will be cleaned out of any residual sand, coal fines and scale to enhance production.</p> <p>The Group's other major lease is with Coos County, which covers approximately 29,000 acres of land that is in municipal ownership (the "Coos County Lease") and can accommodate approximately 290 wells, also assuming an average well spacing of 100 acres.</p> <p>In addition to providing the Company with sufficient working capital to meet day-to-day running expenses for the 24-month period post Admission, the Directors of the Company intend to use the net proceeds from the Placing to enable the Group to complete Phase I of its development plan on the 2004 Lease.</p> <p>Phase II and Phase III of the Company's development plan will only occur following a successful outcome of Phase I.</p>
--	--	---

B.4a	Significant trends	Recent trends include reduction in costs to drill and operate oil and gas assets due to on-going downturn of the industry as a whole. The Group sees these lower cost metrics as an opportunity to commence the project in a downturn at costs that are significantly below what the costs would have been several years ago when oil prices were \$100 per barrel. While this will allow the Group to start Phase I in a favourable cost environment there is no guarantee that future costs will not increase to the point that may render further development economically unviable.																									
B.5	Group structure	<p>The Company is the parent company of the Group. The material Subsidiaries of the Company are:</p> <table><tr><td>Name</td><td>Country of Incorporation</td><td>Date of Organization/ Acquisition</td><td>Proportion of equity ownership</td><td>Principal activity</td></tr><tr><td>Coos Bay Energy LLC ("Coos Bay")</td><td>Nevada, USA</td><td>Incorporated on 2 September 2016.  Conditionally acquired by the Company on 20 May 2017</td><td>100%</td><td>Gas Exploration &amp; Development</td></tr><tr><td>Westport Energy Acquisition, Inc.</td><td>Delaware, USA</td><td>Date of Acquisition by Coos Bay - 4 November 2016</td><td>100%</td><td>Holding Company</td></tr><tr><td>Westport Energy LLC</td><td>Delaware, USA</td><td>Date of Acquisition by Coos Bay - 4 November 2016</td><td>100%</td><td>Gas Exploration &amp; Development</td></tr></table>					Name	Country of Incorporation	Date of Organization/ Acquisition	Proportion of equity ownership	Principal activity	Coos Bay Energy LLC ("Coos Bay")	Nevada, USA	Incorporated on 2 September 2016.  Conditionally acquired by the Company on 20 May 2017	100%	Gas Exploration & Development	Westport Energy Acquisition, Inc.	Delaware, USA	Date of Acquisition by Coos Bay - 4 November 2016	100%	Holding Company	Westport Energy LLC	Delaware, USA	Date of Acquisition by Coos Bay - 4 November 2016	100%	Gas Exploration & Development	
Name	Country of Incorporation	Date of Organization/ Acquisition	Proportion of equity ownership	Principal activity																							
Coos Bay Energy LLC ("Coos Bay")	Nevada, USA	Incorporated on 2 September 2016.  Conditionally acquired by the Company on 20 May 2017	100%	Gas Exploration & Development																							
Westport Energy Acquisition, Inc.	Delaware, USA	Date of Acquisition by Coos Bay - 4 November 2016	100%	Holding Company																							
Westport Energy LLC	Delaware, USA	Date of Acquisition by Coos Bay - 4 November 2016	100%	Gas Exploration & Development																							
B.6	Major shareholders	<p>Insofar as the Directors and the Company are aware, as at the date of this Prospectus, the Shareholders identified below had a notifiable, direct or indirect, interest in three per cent. or more of the Company's capital or voting rights:</p> <table><tr><td>Shareholder</td><td>Number of Ordinary Shares</td><td>Percentage of Issued Share Capital</td></tr><tr><td>YA Global Investments, L.P ("YA Global").</td><td>1,262,500</td><td>15.53%</td></tr><tr><td>Regency Mines PLC</td><td>2,187,500</td><td>26.91%</td></tr><tr><td>GSC Global Fund, a sub-Fund of GSC SICAV</td><td>1,875,000</td><td>23.06%</td></tr><tr><td>Vikrant Bhargava</td><td>1,250,000</td><td>15.38%</td></tr><tr><td>Shard Capital Management Ltd</td><td>1,000,000</td><td>12.30%</td></tr><tr><td>Walter B Edwards</td><td>429,500</td><td>5.28%</td></tr></table> <p>Such Shareholders will not have special voting rights and the Ordinary Shares owned by each of them will rank <i>pari passu</i> in all respects with other Ordinary Shares.</p> <p>The Company is not aware of any person who, either as at the date of this Prospectus or immediately following the Admission, exercises, or</p>					Shareholder	Number of Ordinary Shares	Percentage of Issued Share Capital	YA Global Investments, L.P ("YA Global").	1,262,500	15.53%	Regency Mines PLC	2,187,500	26.91%	GSC Global Fund, a sub-Fund of GSC SICAV	1,875,000	23.06%	Vikrant Bhargava	1,250,000	15.38%	Shard Capital Management Ltd	1,000,000	12.30%	Walter B Edwards	429,500	5.28%
Shareholder	Number of Ordinary Shares	Percentage of Issued Share Capital																									
YA Global Investments, L.P ("YA Global").	1,262,500	15.53%																									
Regency Mines PLC	2,187,500	26.91%																									
GSC Global Fund, a sub-Fund of GSC SICAV	1,875,000	23.06%																									
Vikrant Bhargava	1,250,000	15.38%																									
Shard Capital Management Ltd	1,000,000	12.30%																									
Walter B Edwards	429,500	5.28%																									

		could exercise, directly or indirectly, jointly or severally, control over the Company.																																												
B.7	Selected historical key financial information	<p>The audited financial information included in this element B.7 was prepared in accordance with IFRS.</p> <p>The Company was incorporated on 29 January 2016. The following statement of financial position was drawn up as at 31 December 2016.</p> <table><tr><td></td><td><b>Audited as at 31 December 2016 £</b></td></tr><tr><td><b>Assets</b></td><td></td></tr><tr><td><b>Current assets</b></td><td></td></tr><tr><td>US Group receivables</td><td>437,427</td></tr><tr><td>Cash and cash equivalents</td><td>10,715</td></tr><tr><td><b>Total current assets</b></td><td><b>448,142</b></td></tr><tr><td><b>Total assets</b></td><td><b>448,142</b></td></tr><tr><td><b>Equity and liabilities</b></td><td></td></tr><tr><td><b>Equity</b></td><td></td></tr><tr><td>Share capital</td><td>81,295</td></tr><tr><td>Share premium</td><td>569,052</td></tr><tr><td>Accumulated losses</td><td>(293,661)</td></tr><tr><td><b>Total equity</b></td><td><b>356,686</b></td></tr><tr><td>Trade and other payables</td><td>91,456</td></tr><tr><td><b>Total liabilities</b></td><td><b>91,456</b></td></tr><tr><td><b>Total equity and liabilities</b></td><td><b>448,142</b></td></tr></table> <p>The following statement of comprehensive income was drawn up for the period from incorporation on 29 January 2016 to 31 December 2016:</p> <table><tr><td></td><td><b>Audited Period ended 31 December 2016 £</b></td></tr><tr><td>Administrative expenses</td><td>(315,084)</td></tr><tr><td>Finance income</td><td>21,423</td></tr><tr><td><b>Loss before tax</b></td><td><b>(293,661)</b></td></tr><tr><td>Income tax expense</td><td>-</td></tr><tr><td><b>Loss for the period from continuing operations</b></td><td><b>(293,661)</b></td></tr></table> <p>During the period from incorporation on 29 January 2016 to 31 December 2016, the Company issued 81,295 ordinary shares of £1 each ("Old Ordinary Shares") for aggregate cash of £650,347. From this amount, £437,427 was loaned to the US Group, a related party, for working capital purposes at the Coos Bay Basin licence area. A further £202,173 was paid on account of Costs and £32 in relation to bank charges. As at 31 December 2016, the Company had £10,715 of cash reserves. In addition to the £202,173 of Costs paid in cash, a further £91,456 of Costs were invoiced prior to 31 December 2016 but remained unpaid as at that date and remain as trade payables on the Company's statement of financial</p>		<b>Audited as at 31 December 2016 £</b>	<b>Assets</b>		<b>Current assets</b>		US Group receivables	437,427	Cash and cash equivalents	10,715	<b>Total current assets</b>	<b>448,142</b>	<b>Total assets</b>	<b>448,142</b>	<b>Equity and liabilities</b>		<b>Equity</b>		Share capital	81,295	Share premium	569,052	Accumulated losses	(293,661)	<b>Total equity</b>	<b>356,686</b>	Trade and other payables	91,456	<b>Total liabilities</b>	<b>91,456</b>	<b>Total equity and liabilities</b>	<b>448,142</b>		<b>Audited Period ended 31 December 2016 £</b>	Administrative expenses	(315,084)	Finance income	21,423	<b>Loss before tax</b>	<b>(293,661)</b>	Income tax expense	-	<b>Loss for the period from continuing operations</b>	<b>(293,661)</b>
	<b>Audited as at 31 December 2016 £</b>																																													
<b>Assets</b>																																														
<b>Current assets</b>																																														
US Group receivables	437,427																																													
Cash and cash equivalents	10,715																																													
<b>Total current assets</b>	<b>448,142</b>																																													
<b>Total assets</b>	<b>448,142</b>																																													
<b>Equity and liabilities</b>																																														
<b>Equity</b>																																														
Share capital	81,295																																													
Share premium	569,052																																													
Accumulated losses	(293,661)																																													
<b>Total equity</b>	<b>356,686</b>																																													
Trade and other payables	91,456																																													
<b>Total liabilities</b>	<b>91,456</b>																																													
<b>Total equity and liabilities</b>	<b>448,142</b>																																													
	<b>Audited Period ended 31 December 2016 £</b>																																													
Administrative expenses	(315,084)																																													
Finance income	21,423																																													
<b>Loss before tax</b>	<b>(293,661)</b>																																													
Income tax expense	-																																													
<b>Loss for the period from continuing operations</b>	<b>(293,661)</b>																																													

position as at that date. A loss of £293,661 was recorded in the period since incorporation to 31 December 2016, comprising £315,052 on account of Costs, £32 of bank charges paid on receipt of bank transfers for Ordinary Shares issued, less accrued interest of £21,423 on the US Group loan. On 26 May 2017, the Company subdivided each Old Ordinary Share into 100 ordinary shares of £0.01 each ('Ordinary Shares'). On 28 September 2017 and as consideration for the Acquisition, the Company issued 40 million Ordinary Shares at a price per Ordinary Share of £0.08, conditional on Admission. On 26 September 2017, Coos Bay assigned the promissory note issued to YA Global Investments, L.P. to the Company. On Admission, the promissory note will be satisfied by the issue to YA Global Investments L.P. of 1,200,000 Ordinary Shares at £0.10 per Ordinary Share. On 26 September 2017, Coos Bay assigned the Gellis Note to the Company, conditional on Admission. On 26 September 2017, Coos Bay transferred the Cuart Note to the Company, conditional on Admission. Subsequent to 31 December 2016, Coos Bay has paid £101,000 of Costs on behalf of the Company. This amount remains outstanding as at the date of this document. Other than the significant changes set out above, there have been no other significant changes in the financial condition or operating results of the Company in the either period ended to 31 December 2016 or subsequent thereto.

Coos Bay:

Coos Bay was incorporated on 2 September 2016 in Nevada, USA. The following statement of financial position was drawn up as at 31 December 2016:

	<b>Audited as at 31 December 2016 \$</b>
<b>Assets</b>	
<b>Current assets</b>	
Cash and cash equivalents	350,815
<b>Total current assets</b>	<b>350,815</b>
<b>Total assets</b>	<b>350,815</b>
<b>Members' interest and liabilities</b>	
<b>Members' interest</b>	
Members' interest	300
Accumulated deficit	(17,452)
<b>Total members' interest</b>	<b>(17,152)</b>
Trade and other payables	17,417
<b>Total current liabilities</b>	<b>17,417</b>
Borrowings	350,550
<b>Total non-current liabilities</b>	<b>350,550</b>
<b>Total liabilities</b>	<b>367,967</b>
<b>Total members' interest and liabilities</b>	<b>350,815</b>

On incorporation on 2 September 2016, Coos Bay issued an aggregate of \$300 of members' interest. On 29 December 2016, Coos Bay issued the Cuart Note. After payment of \$35 of administrative costs, Coos Bay had cash of \$350,815 as at 31 December 2016. During the period ended 31 December 2016, Stephen Schoepfer, a Director of the Company, provided \$17,417 of services to Coos Bay in relation to the Acquisition. No other significant changes to the trading or financial position of Coos Bay have occurred since 31 December 2016. Subsequent to 31



December 2016, Coos Bay issued a \$150,000 short-term promissory note to YA Global on 18 April 2017. The promissory note is unsecured, repayable on or before 31 December 2018 and bears an annual interest rate of 10%. On 26 September 2017, Coos Bay assigned the promissory note to the Company conditional on Admission. From the proceeds of the two promissory notes, Coos Bay paid £101,000 of Costs on behalf of the Company and this amount remains outstanding as at the date of this document. On 1 September 2017, Coos Bay issued a \$100,000 short-term promissory note to Jonathan Gellis. The short-term promissory note is unsecured, repayable on or before 31 December 2018 and bears an annual interest rate of 15%. On 26 September 2017, Coos Bay assigned the promissory note to the Company conditional on Admission. Other than the significant changes set out above, there have been no other significant changes in the financial condition or operating results of Coos Bay in either the period ended 31 December 2016 or subsequent thereto.

#### US Group:

The following audited statements of financial position were drawn up as at 31 December 2014, 31 December 2015 and 31 December 2016:

	<b>Audited As at 31 Dec 2014 \$</b>	<b>Audited As at 31 Dec 2015 \$</b>	<b>Audited As at 31 Dec 2016 \$</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	4,717,000	4,717,000	2,559,000
Note receivable	142,500	-	-
Restricted cash	426,390	124,424	125,315
	<b>5,285,890</b>	<b>4,841,424</b>	<b>2,684,315</b>
<b>Current assets</b>			
Prepayments and other receivables	1,047	-	-
Investments held for sale	26,300	-	-
Cash and cash equivalents	134,383	595	6,689
	<b>161,730</b>	<b>595</b>	<b>6,689</b>
<b>Total assets</b>	<b>5,447,620</b>	<b>4,842,019</b>	<b>2,691,004</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	1	1	1
Additional paid in capital	26,076,084	26,076,084	31,742,840
Accumulated losses	(25,707,737)	(26,948,973)	(30,072,169)
	<b>363,348</b>	<b>(872,888)</b>	<b>1,682,146</b>
<b>Current liabilities</b>			
Trade and other payables	1,312,955	1,694,736	508,582
Amounts owed to parent company	3,757,317	4,020,171	-
Borrowings	-	-	511,750
<b>Total liabilities</b>	<b>5,079,272</b>	<b>5,714,907</b>	<b>1,020,332</b>
<b>Total equity and liabilities</b>	<b>5,447,620</b>	<b>4,842,019</b>	<b>2,691,004</b>

The following audited statements of comprehensive income were drawn up for each of the years ended 31 December 2014, 31 December 2015 and 31 December 2016:

	<b>Audited Year ended 31 Dec 2014 \$</b>	<b>Audited Year ended 31 Dec 2015 \$</b>	<b>Audited Year ended 31 Dec 2016 \$</b>
Administrative expenses	(905,305)	(665,676)	(654,919)

		<table><tr><td>Loss from operations</td><td>(905,305)</td><td>(665,676)</td><td>(654,919)</td></tr><tr><td>Finance expense</td><td>(389,981)</td><td>(414,343)</td><td>(373,155)</td></tr><tr><td>Impairment of financial assets</td><td>(17,542)</td><td>(157,085)</td><td>-</td></tr><tr><td>Impairment of exploration and evaluation assets</td><td></td><td></td><td>(2,158,000)</td></tr><tr><td>Loss on sale of securities</td><td>-</td><td>(4,132)</td><td>-</td></tr><tr><td>Other income</td><td>5,950</td><td>-</td><td>62,878</td></tr><tr><td>Loss before taxation</td><td>(1,303,529)</td><td>(1,071,389)</td><td>(3,123,196)</td></tr><tr><td>Taxation</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Comprehensive loss on ordinary activities retained</td><td>(1,303,529)</td><td>(1,071,389)</td><td>(3,123,196)</td></tr></table> <p>During the three-year period ended 31 December 2016, the US Group did not record any revenue, incurring only administrative expenses with an aggregate value of \$2,225,900, comprising Directors' consultancy fees of \$1,346,213, operational overheads of \$802,496 and operating lease rentals of \$77,191. Of these administrative expenses, \$2,165,490 were settled in cash. No additional expenditure was incurred on the US Group's coalbed methane assets. To fund the cash element of the administrative expenditure, the US Group issued senior convertible debt and promissory notes with an aggregate value of \$1,543,085 and utilised brought forward cash reserves of \$54,157. During the year ended 31 December 2016, the carrying value of the US Group's oil and production assets located at Coos Bay Property and the Chehalis Basin Property was impaired by \$2,158,000, resulting in a carrying value of \$2,559,000 at this date. Other than the significant changes set out above, there have been no other significant changes in the financial condition or operating results of the US Group during either the three years ended 31 December 2016 or subsequent thereto.</p>	Loss from operations	(905,305)	(665,676)	(654,919)	Finance expense	(389,981)	(414,343)	(373,155)	Impairment of financial assets	(17,542)	(157,085)	-	Impairment of exploration and evaluation assets			(2,158,000)	Loss on sale of securities	-	(4,132)	-	Other income	5,950	-	62,878	Loss before taxation	(1,303,529)	(1,071,389)	(3,123,196)	Taxation	-	-	-	Comprehensive loss on ordinary activities retained	(1,303,529)	(1,071,389)	(3,123,196)																																		
Loss from operations	(905,305)	(665,676)	(654,919)																																																																					
Finance expense	(389,981)	(414,343)	(373,155)																																																																					
Impairment of financial assets	(17,542)	(157,085)	-																																																																					
Impairment of exploration and evaluation assets			(2,158,000)																																																																					
Loss on sale of securities	-	(4,132)	-																																																																					
Other income	5,950	-	62,878																																																																					
Loss before taxation	(1,303,529)	(1,071,389)	(3,123,196)																																																																					
Taxation	-	-	-																																																																					
Comprehensive loss on ordinary activities retained	(1,303,529)	(1,071,389)	(3,123,196)																																																																					
B.8	Selected key pro form financial information	<p>Set out below are an unaudited pro-forma balance sheet and statement of combined comprehensive income of the Company as at 31 December 2016 and the period then ended (the "Pro Forma Financial Information"). The Pro Forma Financial Information has been prepared on the basis set out in the notes below to illustrate the effects of the Acquisition and the Placing on the net assets of the Company had the Admission occurred on 31 December 2016 and on the earnings of the Company for the period then ended:</p> <p><b>Unaudited pro forma balance sheet</b></p> <table><tr><td></td><td>Company as at 31 December 2016</td><td>Coos Bay as at 31 December 2016</td><td>US Group as at 31 December 2016</td><td>Adjustment Acquisition and consolidation adjustments</td><td>Adjustment Placing and Costs</td><td>Unaudited pro forma balance sheet of the Group</td></tr><tr><td></td><td>(Note 1)</td><td>(Note 2)</td><td>(Note 3)</td><td>(Note 4)</td><td>(Note 5)</td><td></td></tr><tr><td></td><td>£</td><td>£</td><td>£</td><td>£</td><td>£</td><td>£</td></tr><tr><td>Intangible assets</td><td>-</td><td>-</td><td>1,968,462</td><td>-</td><td>-</td><td>1,968,462</td></tr><tr><td>Restricted cash</td><td>-</td><td>-</td><td>96,396</td><td>(96,396)</td><td>-</td><td>-</td></tr><tr><td>Non-current assets</td><td>-</td><td>-</td><td>2,064,858</td><td>(96,396)</td><td>-</td><td>1,968,462</td></tr><tr><td>Related party receivables</td><td>437,427</td><td>-</td><td>-</td><td>(437,427)</td><td>-</td><td>-</td></tr><tr><td>Other receivables</td><td>-</td><td>-</td><td>-</td><td>-</td><td>43,561</td><td>43,561</td></tr><tr><td>Cash at bank</td><td>10,715</td><td>269,858</td><td>5,145</td><td>192,308</td><td>1,616,792</td><td>2,094,818</td></tr><tr><td>Current assets</td><td>448,142</td><td>269,858</td><td>5,145</td><td>(245,119)</td><td>11,660,353</td><td>2,138,378</td></tr></table>		Company as at 31 December 2016	Coos Bay as at 31 December 2016	US Group as at 31 December 2016	Adjustment Acquisition and consolidation adjustments	Adjustment Placing and Costs	Unaudited pro forma balance sheet of the Group		(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)			£	£	£	£	£	£	Intangible assets	-	-	1,968,462	-	-	1,968,462	Restricted cash	-	-	96,396	(96,396)	-	-	Non-current assets	-	-	2,064,858	(96,396)	-	1,968,462	Related party receivables	437,427	-	-	(437,427)	-	-	Other receivables	-	-	-	-	43,561	43,561	Cash at bank	10,715	269,858	5,145	192,308	1,616,792	2,094,818	Current assets	448,142	269,858	5,145	(245,119)	11,660,353	2,138,378
	Company as at 31 December 2016	Coos Bay as at 31 December 2016	US Group as at 31 December 2016	Adjustment Acquisition and consolidation adjustments	Adjustment Placing and Costs	Unaudited pro forma balance sheet of the Group																																																																		
	(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)																																																																			
	£	£	£	£	£	£																																																																		
Intangible assets	-	-	1,968,462	-	-	1,968,462																																																																		
Restricted cash	-	-	96,396	(96,396)	-	-																																																																		
Non-current assets	-	-	2,064,858	(96,396)	-	1,968,462																																																																		
Related party receivables	437,427	-	-	(437,427)	-	-																																																																		
Other receivables	-	-	-	-	43,561	43,561																																																																		
Cash at bank	10,715	269,858	5,145	192,308	1,616,792	2,094,818																																																																		
Current assets	448,142	269,858	5,145	(245,119)	11,660,353	2,138,378																																																																		

	448,142	269,858	2,070,003	(341,515)	1,660,353	4,106,840
<b>Total assets</b>						
Share capital	81,295	-	1	411,999	238,050	731,345
Share premium	569,052	-	-	2,908,000	1,987,634	5,464,686
Members' interest	-	231	-	(231)	-	-
Additional paid in capital	-	-	24,417,569	(24,417,569)	-	-
Merger reserve	-	-	-	(1,971,835)	-	(1,971,835)
Accumulated losses	(293,661)	(13,425)	(23,132,438)	23,369,380	(511,331)	(581,475)
<b>Equity</b>	<b>356,686</b>	<b>(13,194)</b>	<b>1,285,132</b>	<b>299,744</b>	<b>1,714,353</b>	<b>3,642,721</b>
Trade and other payables	91,456	13,398	391,217	(324,528)	(54,000)	117,534
Borrowings	-	269,654	393,654	(316,731)	-	346,577
<b>Total liabilities</b>	<b>91,456</b>	<b>293,052</b>	<b>784,871</b>	<b>(641,259)</b>	<b>(54,000)</b>	<b>464,120</b>
<b>Total equity and liabilities</b>	<b>448,142</b>	<b>269,858</b>	<b>2,070,003</b>	<b>(341,515)</b>	<b>1,660,353</b>	<b>4,106,841</b>

### Unaudited pro forma statement of comprehensive income

	Company Period ended 31 December 2016  (Note 1)	Coos Bay Period ended 31 December 2016  (Note 2)	US Group Period ended 31 December 2016  (Note 3)	<u>Adjustment</u> Acquisition and consolidation adjustments  (Note 4)	<u>Adjustment</u> Placing and Costs  (Note 5)	Unaudited pro forma results of the Group
	£	£	£	£	£	£
Administrative expenses	(315,084)	(13,425)	(503,784)	-	(511,331)	(11,343,624)
<b>Loss before interest and taxation</b>	<b>(315,084)</b>	<b>(13,425)</b>	<b>(503,784)</b>	<b>-</b>	<b>(511,331)</b>	<b>(1,343,624)</b>
Finance expense	-	-	(297,042)	(4,615)	-	(291,657)
Impairment costs	-	-	(1,660,000)	-	-	(1,660,000)
Other income	21,243	-	48,368	228,132	-	297,923
<b>Loss before taxation</b>	<b>(293,661)</b>	<b>(13,425)</b>	<b>(2,402,458)</b>	<b>223,517</b>	<b>(511,331)</b>	<b>(2,997,358)</b>
Taxation	-	-	-	-	-	-
<b>Comprehensive loss on ordinary activities retained</b>	<b>(293,661)</b>	<b>(13,425)</b>	<b>(2,402,458)</b>	<b>223,517</b>	<b>(511,331)</b>	<b>(2,997,358)</b>
Basic and diluted loss per Ordinary Share						\$(0.63)

### Notes:

1. The financial information relating to the Company has been extracted without adjustment from the audited Company Financial Information set out in Part VI (B) *"Historical Financial Information of the Company"* of this Prospectus.
2. The financial information relating to Coos Bay has been extracted without adjustment from the audited Coos Bay Financial Information set out in Part VI (D) *"Historical Financial Information of Coos Bay"* of this Prospectus, translated from \$ to £ at the rate of \$1.3 to £1.
3. The financial information relating to the US Group has been extracted from the unaudited interim financial information of the US Group set out in Part VI (F) *"Historical Financial Information of the US Group"* of this Prospectus, translated from \$ to £ at the rate of \$1.3 to £1.

		<p>4. The adjustment of £192,308 to cash reflects the receipt of the £120,000 (\$150,000) YA Global promissory note and the receipt of the £76,923 (\$100,000) Jonathan Gellis promissory note.</p> <p>The Acquisition adjustment reflects the issue, conditional on Admission, of 40,000,000 Ordinary Shares at £0.08 each, resulting in an increase of £400,000 to share capital and £2,800,000 to share premium. The £3,200,000 value of Ordinary Shares issued, plus the £13,194 net liabilities to be acquired on the acquisition of Coos Bay, less the £1,285,132 net assets acquired on the acquisition of the US Group, plus the foreign exchange difference of £43,773 arising on the cancellation of the intercompany loans, results in a merger reserve balance of £1,971,835 within equity.</p> <p>In addition to the 40,000,000 Ordinary Shares issued, conditional on Admission, to effect the Acquisition, 1,200,000 Ordinary Shares have been issued, conditional on Admission, at £0.10 each to satisfy the YA Global Note giving rise to an increase of £12,000 in share capital and £120,000 in share premium. The £1 of share capital issued by the US Group cancels on consolidation.</p> <p>The adjustment of £324,528 to trade and other payables relates to settlement of the consultancy fees due to the Directors, of which £96,396 will be paid in cash from the release of the restricted cash and the balance of £228,132 being written off and included within other income in the income statement.</p> <p>The adjustment of £316,731 to borrowings relates to the cancellation of the £393,654 intercompany loan on consolidation plus the receipt of the £76,923 (\$100,000) loan note issued to Jonathan Gellis.</p> <p>The adjustment of £4,615 to the finance expense represents the interest due on the YA Global Note.</p> <p>5. The adjustment of £1,616,792 to cash reflects the gross cash received of £2,326,500 from the issue of the Placing Shares, less associated transaction costs of £709,708. The adjustment of £43,561 to other receivables represents the input VAT recoverable on the transaction costs. The adjustment of £54,000 to trade and other payables represents transaction costs settled by way of the issue of Ordinary Shares. The adjustment of £238,050 to share capital represents the nominal value of the Placing Shares of £232,650 plus the nominal value of shares issued to settle transaction costs, being £5,400. The adjustment of £1,987,634 to share premium represents the share premium of the Placing Shares, being £209,385, the share premium of the Ordinary Shares issued to settle transaction costs, being £48,600, less £154,816 of transaction costs allocated to share premium in accordance with IFRS. The balance of the Costs not allocated to share premium, being £511,331, has been allocated against administrative expenses in accordance with IFRS.</p> <p>The Pro-Forma Financial Information does not reflect any changes in the trading position or any other changes arising from other transactions, since 31 December 2016 for the Company, Coos Bay and the US Group.</p>
<b>B.9</b>	<b>Profit forecasts or estimates</b>	Not applicable; no profit forecast or estimate is made.
<b>B.10</b>	<b>Qualified audit report</b>	Not applicable. There are no qualifications in the accountant's report on the historical financial information.

<b>B.11</b>	<b>Working capital explanation</b>	The Company is of the opinion that, taking into account the Net Proceeds, the working capital available to the Group is, for at least the next twelve months from the date of this Prospectus, sufficient for its present requirements.
-------------	------------------------------------	---

<b>SECTION C – SECURITIES</b>		
<b>C.1</b>	<b>Description of the type and the class of the securities being offered</b>	The securities being admitted to trading are the Ordinary Shares of £0.01 each of the Company. The ISIN number of the Ordinary Shares is GB00BD97ND60 and the SEDOL number BD97ND6.
<b>C.2</b>	<b>Currency of the securities issue</b>	The Ordinary Shares are denominated in UK Sterling; Ordinary Shares of £0.01 each. The Placing Price is being paid in UK Sterling.
<b>C.3</b>	<b>Issued share capital</b>	As at the date of this Prospectus the Company has an issued share capital of £4,932,970 comprising 49,329,700 fully paid Ordinary Shares of nominal value £0.01 each. On Admission the Company will have an issued share capital of £7,259,470 comprising 72,594,700 fully paid Ordinary Shares.  There are no shares in issue that are not fully paid.
<b>C.4</b>	<b>Rights attaching to the securities</b>	All Ordinary Shares in issue rank equally in full for all dividends and other distributions thereafter declared, made or paid on the issued share capital of the Company.  Each Ordinary Share confers the right to receive notice of and attend all meetings of Shareholders. Each holder of Ordinary Shares present at a general meeting in person or by proxy or by its authorised corporate representative has one vote, and, on a poll, one vote for every Ordinary Share of which he is a holder.  On a voluntary winding-up of the Company, the liquidator may, with the sanction of a special resolution of the Company and subject to the Act, having realised the Company's assets and discharged the Company's liabilities, divide amongst the Shareholders in specie the whole or any part of the assets of the Company, or vest the whole or any part of the assets in trustees upon such trusts for the benefit of the member(s) as the liquidator shall determine.
<b>C.5</b>	<b>Restrictions on free transferability</b>	All Ordinary Shares are freely transferable and there are no restrictions on transfer.
<b>C.6</b>	<b>Application for admission to trading on a regulated market</b>	Application will be made to the UK Listing Authority and the London Stock Exchange for all of the Ordinary Shares to be admitted to the standard segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that unconditional dealings will commence on the London Stock Exchange at 8.00 a.m. 4 October 2017.
<b>C.7</b>	<b>Dividend policy</b>	The objective of the Directors is the achievement of substantial capital growth. In the short term, they do not intend to declare a dividend and any earnings during this time will be retained for use in business operations.

<b>SECTION D – RISKS</b>		
<b>D.1</b>	<b>Key information on the key risks that are specific to the</b>	An investment in the Company involves risks, including risks relating to the Company's business strategy:

<p>issuer or its industry</p>	<p><b><i>The Company is a newly formed entity with no operating history and no historical revenues, and there is no basis on which to evaluate the Company's ability to carry out its business objective of operating a coalbed methane gas company or project.</i></b></p> <p>The Company is newly formed, having been incorporated on 29 January 2016. It has no operating history, and any revenues or results of operations, meaning that there is no basis on which to evaluate the Company's performance or its ability to achieve its business objectives of operating a suitable CBM business. The Company's operating subsidiary, Coos Bay is an appraisal and development stage company seeking to appraise, develop and produce CBM gas from Prospective and Contingent Resources but will not generate any revenues from operations, if any, unless and until it completes development of drilled wells, and there can be no guarantee that this will be achieved.</p> <p><b><i>The due diligence carried out in respect of the Acquisition may not have revealed all relevant facts or uncovered significant liabilities.</i></b></p> <p>The Company conducted appropriate, practicable and focused due diligence in respect of the Acquisition, with the objective of identifying any material issues that may have affected the decision to proceed with the Acquisition. During the due diligence process, the Company relied on the information available to it, including publicly available information. Any information that was provided or obtained from available sources may not have been accurate at the time of delivery and/or remain accurate during the due diligence process and in the run-up to the Acquisition. More broadly, there can be no assurance that the due diligence undertaken revealed all relevant facts or uncovered all significant liabilities. If the due diligence investigation failed to identify key information in respect of the US Group, the Company may be forced to write-down or write-off assets in respect of the US Group acquired, which may have a material adverse effect on the Company's business, financial condition or results of operations.</p> <p><b><i>The development of CBM properties involves substantial risks.</i></b></p> <p>The business of exploring, appraising and, to a lesser extent, developing and operating CBM properties involves a high degree of business and financial risk that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The selection of prospects for CBM gas drilling, the drilling, ownership and operation of CBM wells and the ownership of interests in CBM properties are highly speculative. The Directors cannot always predict whether any of the Group's wells will produce commercial quantities of CBM.</p> <p><b><i>Coos Bay is in the appraisal and development phase (Phase I) and has substantial capital requirements for its Phase II work program that, if not met, will hinder its ability to continue as a going concern.</i></b></p> <p>Coos Bay faces significant challenges, expenses and difficulties as an appraisal and development stage company seeking to appraise, develop and produce CBM gas. The development of its projects in the Coos Bay Basin will require that it obtain funding to satisfy very significant expenditures, estimated to be \$21.5million, for the Phase II development program, should Phase I prove successful. Success will depend on securing additional capital to fund the required capital expenditure under the Phase II work program until such time as revenues are sufficient to fund the Group's activities beyond Phase I. If the Company cannot obtain adequate capital ahead of Phase II, or does not have sufficient revenue to fund its activities beyond Phase I, and cannot obtain extensions of its gas</p>
-------------------------------	--

	<p>leases, it will not be able to successfully complete its appraisal and development activities and it may lose rights under its gas leases. This would materially and adversely affect the Company's business, financial condition and results of operations.</p> <p><b><i>Coos Bay has not earned any revenues since its incorporation and only has a limited operating history in its current business, which raises doubt about its ability to continue as a going concern outside the working capital period.</i></b></p> <p>Coos Bay has a limited operating history in its current business and must be considered in the appraisal and development stage. It has not generated any revenues since its inception and will, in all likelihood, continue to incur operating expenses without significant revenues until it connects the existing five wells to the regional pipeline as part of the Phase I work program. The primary source of funds for Coos Bay has been loans from the Company. The Directors cannot assure that the Group will be able to generate any significant revenues or income from either Phase II or Phase III, both of which are dependent on the successful outcome of Phase I.</p> <p>With respect to Phase I, the Company is of the opinion that the working capital available to the Group is sufficient for its present requirements, that is for at least twelve months from the date of this Prospectus and it will use such cash primarily to provide working capital to the Group to complete the \$1.3 million Phase I work program.</p> <p>With respect to Phase II and Phase III, the Group will need to raise additional financing to support the required development programs.</p> <p>The Group's ability to develop and commercialize CBM properties is dependent upon the ability to raise significant additional financing to complete Phase II and Phase III. If the Group is unable to obtain such financing, it will not be able to fully develop and commercialize its gas properties. Future capital requirements will depend upon many factors, including:</p> <ul style="list-style-type: none"> <li>• test and long-term performance results from the Phase I development program;</li> <li>• the number of wells included in the Phase II and Phase III development programs;</li> <li>• the ability to find ready buyers for the gas at commercially viable prices;</li> <li>• the ability to establish collaborative relationships; and</li> <li>• pipeline and transportation availability.</li> </ul> <p>The Group has limited financial resources and to date, no cash flow from the operations of Coos Bay and the Group is dependent for funds on its ability to sell its common stock, primarily on a private placement basis, or issue convertible debt security. There can be no assurance that the Group will be able to obtain financing on that basis in light of factors such as the market demand for its securities, the state of financial markets generally and other relevant factors. Furthermore, there is no assurance that the Group will not incur debt in the future, that the Group will have sufficient funds to repay any future indebtedness or that the Group will not default on its future debts, jeopardizing its business viability. Finally, the Group may not be able to borrow or raise additional capital in the future to meet its</p>
--	---

	<p>needs or to otherwise provide the capital necessary to continue the development of its gas properties.</p> <p><b><i>Access to the pipeline and contractual agreements with Northwest Natural.</i></b></p> <p>The Directors believe it is important to secure access to the regional pipeline that is owned by Coos Country and managed by Northwest Natural to commence operations. Accordingly, Curzon met with representatives from Coos Bay and Northwest Natural to discuss the process for connecting to the regional pipeline and selling gas directly to Northwest Natural. No final contract has been negotiated with Northwest Natural. The Directors anticipate that the off-take agreement will not be finalized prior to Admission and no guarantee can be given that it will be finalized during the period between Admission and the date of connection to the pipeline, as anticipated by the Directors.</p> <p><b><i>The Company may not be able to renew its Leases.</i></b></p> <p>The ability of the Group to exploit and develop gas reserves depends on its current leases. The Group currently has under lease approximately 45,370 acres of prospective coalbed methane lands in the Coos Bay Basin under two major leases and three ancillary leases.</p> <p>The leases may be terminated early in various circumstances including for breach of contract, bankruptcy or insolvency, use of the leased acreage for unlawful or illegal purposes or if commercial drilling has not been commenced within the specified time.</p> <p>There is no guarantee that existing leases will be continued beyond their primary term. If the leases are not continued or extended or if leases on new areas are not acquired the Group would be forced to attempt to acquire additional leasehold acreage, which may not be available on reasonable terms. This could have a material adverse effect on the Group's business, prospects, financial conditions and results of operations. Accordingly, the Group's future natural gas reserves and production, and therefore future cash flow and income, are highly dependent on the Group's success in developing its undeveloped leasehold acreage.</p> <p><b><i>Because the Group faces uncertainties in estimating resources, investors should not place undue reliance on such resources information.</i></b></p> <p>There are various risks associated with estimating Contingent Resources and Prospective Resources, which should be considered.</p> <p>The Group's resources data with respect to its wells, on which the Group's production and capital investment program are based, are estimates that were provided by the Group and reviewed and substantiated by the independent expert, MHA Petroleum Consultants LLC ("MHA").</p> <p>There are numerous uncertainties inherent in estimating quantities of resources and reserves and associated cash flows, including factors beyond the Group's control and the control of its independent petroleum and geological engineers. The assessment of resources and reserves is a subjective process of estimating underground resources of natural gas and oil that cannot be measured in an exact manner. The accuracy of an estimate of quantities of resources and reserves, or of cash flows attributable to them, is a function of the available data; assumptions regarding future natural gas and oil prices; expenditures for future</p>
--	---



		<p>development and exploitation activities; and engineering and geological interpretation and judgment. Resources/ reserves and future cash flows may also be subject to material downward or upward revisions based upon production history, development and exploitation activities and natural gas and oil prices. Actual future production, revenue, taxes, development expenditures, operating expenses, quantities of recoverable resources/reserves and value of associated cash flows may vary significantly from any assumptions and estimates, as made by the Directors. Any significant variance from these assumptions to actual figures could greatly affect the estimates of resources/reserves, the economically recoverable quantities of natural gas attributable to any particular group of properties, the classification of resources/reserves based on risk of recovery, and estimates of the future net cash flows. In addition, reserve engineers may make different estimates of resources/reserves and cash flows based on the same available data. The estimated quantities of resources/reserves and the discounted present value of future net cash flows attributable to them are not intended to represent the fair market value of such reserves. If the Group's actual resources and reserves are less than current estimates, the Group's prospects, value, business, results of operations and financial condition may be adversely affected.</p>
D.3	<p><b>Key information on the key risks that are specific to the securities</b></p>	<p><b><i>There are also risks relating to the Ordinary Shares.</i></b></p> <p>The Standard Listing of the Ordinary Shares will afford investors a lower level of regulatory protection than a Premium Listing.</p> <p>A Standard Listing will not permit the Company to gain a FTSE indexation, which may have an adverse effect on the valuation of the Ordinary Shares.</p> <p>Any further issues of Ordinary Share may dilute the investors' shareholdings.</p> <p>Returns on investment may not be realised within investors' perceived reasonable timescales, due to the potential illiquidity of the Ordinary Shares</p> <p>The Company may be unable or unwilling to transition to a Premium Listing in the future.</p> <p><b><i>Fluctuation</i></b></p> <p>The Company's share price will fluctuate and may decline as a result of a number of factors, some of which are outside of the Company's control.</p> <p><b><i>Dividend payments on the Ordinary Shares are not guaranteed</i></b></p> <p>The ability of the Company to pay dividends on the Ordinary Shares is a function of its profitability and the extent to which, as a matter of law, it will have available to it sufficient distributable reserves out of which any proposed dividend may be paid. The Company can give no assurances that it will be able to pay a dividend going forward.</p>

SECTION E – OFFER		
E. 1	<p><b>Total net proceeds / estimate of expenses</b></p>	<p>The Company has raised gross proceeds of £2,326,500 through the Placing conditional upon Admission. The total expenses incurred (or to be incurred) by the Company in connection with the Placing and Admission are approximately £709,708. The total Net Proceeds available to the Company are therefore £1,616,792. No expenses are to be charged to investors in the Company by the Company.</p> <ul style="list-style-type: none"> <li>The expenses that the Company expects to fund through the Net Proceeds (and income earned from the use of Net Proceeds) total £1,146,734 in the first year, to include Directors' fees, projected at</li> </ul>

		<p>£221,000 in the first twelve months following Admission;</p> <ul style="list-style-type: none"> <li>US and UK operational costs and expenses which will include (but will not be limited to) the fees and expenses of the Registrar, the brokers, as well as, audit and license fees, intellectual property fees, insurance and other similar costs and ongoing listing fees, legal, registration, printing, advertising and distribution costs and any other applicable expenses, projected to total £925,734 in the first year.</li> </ul>
<b>E.2a</b>	<b>Reasons for the offer/use of proceeds/net amount of proceeds</b>	<p>The Company was formed to acquire all the membership interests of Coos Bay which is the ultimate parent company of Westport Energy LLC which owns coalbed methane gas wells in the Coos Bay Basin area of Oregon.</p> <p>The gross proceeds of the Placing will be used to pay the expenses of Admission and the Placing as well as the Company's ongoing costs and expenses. The Net Proceeds of the Placing will primarily be used to enable the Group to complete Phase I of its development plan which will entail connecting the five existing wells to the nearby major regional pipeline, which will allow the Group to commence selling gas, and then drill two additional wells with first gas from these wells expected in Q2 of 2018. The Directors expect, if they decide to proceed with Phase II, that it will be necessary to raise further funds in order to complete the Phase II work program.</p> <p>Under the Placing, gross proceeds of £2,326,500 before expenses have been raised conditional upon Admission and 23,265,000 Ordinary Shares are to be issued to investors at the Placing Price of £0.10 per Ordinary Share (the "Placing Shares") Net of the cash expenses of Admission, the proceeds will be approximately £1,616,792 (the "Net Proceeds").</p>
<b>E.3</b>	<b>Terms and conditions of the offer</b>	<p>The completion of the Placing is conditional on Admission. The Company raised £2,326,500 gross in the Placing. This amount may only be waived or amended through the production of a supplementary prospectus. Irrevocable commitments, conditional upon Admission, have been received for an aggregate of £ 2,326,500. If Admission does not take place for any reason by 8.00 a.m. GMT on or prior to 4 October 2017 (or such later date being no later than 31 October 2017 as agreed by SP Angel and the Company), monies will be returned to investors without interest.</p> <p>The rights attaching to the Ordinary Shares will be uniform in all respects and all of the Ordinary Shares will form a single class for all purposes</p>
<b>E.4</b>	<b>Material interests</b>	Not applicable. There are no interests, known to the Company, material to Admission or which are conflicting interests
<b>E.5</b>	<b>Selling shareholders / lock-in agreements</b>	<p>Not applicable; no person or entity is offering to sell the relevant securities.</p> <p>Under lock-in deeds dated 28 September 2017, each of M10 Ventures LLC, 4 Sea-Sons LLC, Riverfort Capital Limited and Gate Energy Limited, corporate vehicles of the Directors, each of the Sellers (including YA Global), Vikrant Bhargava and Shard Capital Management Limited agreed with the Company not to dispose of any of the Ordinary Shares held by him/it for a period of twelve months, In addition, each of the foregoing has undertaken that it will only dispose of any interest in the Ordinary Shares in the period of twelve months following the first anniversary of Admission in such manner as SP Angel may reasonably require to ensure an orderly market in the Ordinary Shares provided that if SP Angel is unable to make the disposal within ten business days, then the shareholder shall be entitled to effect the disposal through another broker.</p>

		Under a lock-in deed dated 28 September 2017 Regency Mines plc agreed with the Company not to dispose of any of the Ordinary Shares held by it for a period of six months respectively from Admission without the prior written consent of the Company and SP Angel except in certain permitted circumstances and has undertaken that it will only dispose of any interest in the Ordinary Shares in the period of twelve months following the expiry of such six month period in such manner as SP Angel may reasonably require to ensure an orderly market in the Ordinary Shares provided that if SP Angel is unable to make the disposal within ten business days, then the shareholder shall be entitled to effect the disposal through another broker.
<b>E.6</b>	<b>Dilution</b>	The existing shareholders will hold 64.76 per cent. of the enlarged Issued Share Capital.
<b>E.7</b>	<b>Expenses charged to investors</b>	Not applicable; no expenses will be charged to investors.

## RISK FACTORS

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

*Existing Shareholders and prospective investors should note that the risks relating to the Group, its industry and the Ordinary Shares summarised in the section of this Prospectus headed "Summary" are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks that the Group faces relate to events and depend on circumstances that may or may not occur in the future, existing Shareholders and prospective investors should consider not only the information on the key risks summarised in the section of this Prospectus headed "Summary" but also, among other things, the risks and uncertainties described below.*

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

### RISKS RELATING TO THE BUSINESS OF THE GROUP

***The Company is a newly formed entity with no operating history and no historical revenues, and there is no basis on which to evaluate the Company's ability to carry out its business objective of operating a coalbed methane gas company or project.***

The Company is newly formed, having been incorporated on 29 January 2016. It has no operating history, revenues or results of operations, meaning that there is no basis on which to evaluate the Company's performance or its ability to achieve its business objectives of operating a suitable CBM business. The Company's operating subsidiary, Coos Bay is an appraisal and development stage company seeking to appraise, develop and produce CBM gas from Prospective and Contingent Resources but will not generate any revenues from operations, if any, unless and until it completes development of drilled wells. There can be no guarantee that this will be achieved (see below).

***The due diligence carried out in respect of the Acquisition may not have revealed all relevant facts or uncovered significant liabilities.***

The Company conducted appropriate, practicable and focused due diligence in respect of the Acquisition, with the objective of identifying any material issues that may have affected the decision to proceed with the Acquisition. During the due diligence process, the Company relied on the information available to it, including publicly available information. Any information that was provided or obtained from available sources may not have been accurate at the time of delivery and/or remain accurate during the due diligence process and in the run-up to the Acquisition. More broadly, there can be no assurance that the due diligence undertaken revealed all relevant facts or uncovered all significant liabilities. If the due diligence investigation failed to identify key information in respect of the US Group, the Company may be forced to write-down or write-off assets in respect of the US Group, which may have a material adverse effect on the Company's business, financial condition or results of operations.

***The development of CBM properties involves substantial risks.***

The business of exploring, appraising and, to a lesser extent, developing and operating CBM properties involves a high degree of business and financial risk that even a combination of

experience, knowledge and careful evaluation may not be able to overcome. The selection of prospects for CBM gas drilling, the drilling, ownership and operation of CBM wells and the ownership of interests in CBM properties are highly speculative. The Directors cannot always predict whether any of the Group's wells will produce commercial quantities of CBM.

***Reliance on skilled personnel and experienced management.***

Coos Bay (the "US Subsidiary") currently employs only two executive officers and one senior manager and relies heavily upon the technical expertise of a small group of experienced engineers, geoscientists and other technical and professional personnel. The loss of any of these officers, managers, engineers, geoscientists and other technical and professional personnel, upon whose knowledge and expertise Coos Bay relies, may harm its ability to execute its business plan. The US Subsidiary's ability to maintain and grow its businesses will depend on its ability to maintain the necessary management resources and on its ability to attract, train and retain personnel with skills that enable it to keep pace with growing demands and evolving industry standards. The Directors believe that its future success will depend on its ability to attract and retain highly skilled and qualified personnel, which is not guaranteed.

***Coos Bay is in the appraisal and development phase (Phase I) and has substantial capital requirements for its Phase II work program that, if not met, will hinder its ability to continue as a going concern.***

Coos Bay faces significant challenges, expenses and difficulties as an appraisal and development stage company seeking to appraise, develop and produce CBM gas. The development of its projects in the Coos Bay Basin will require that it obtain funding, estimated to be \$21.5million, to satisfy very significant expenditures for the Phase II development program. Commencing Phase II will depend on the success of Phase I and securing additional capital to fund the required capital expenditure under the Phase II work program until such time as revenues are sufficient to fund the Group's activities beyond Phase I. If the Company cannot obtain adequate capital ahead of Phase II, or does not have sufficient revenue to fund its activities beyond Phase I, and cannot obtain extensions of its gas leases, it will not be able to successfully complete its appraisal and development activities, and it may lose rights under its gas leases. This would materially and adversely affect the Company's business, financial condition and results of operations.

***Currently the US Subsidiary's gas properties are located solely in the Coos Bay Basin of Oregon, making it vulnerable to risks associated with having its operations concentrated in one area.***

The US Subsidiary's gas properties are currently geographically concentrated solely in the Coos Bay Basin of Oregon. As a result of this concentration, the Group may be disproportionately exposed to the impact of delays or interruptions of development of, and future production from, these wells caused by significant governmental regulation, transportation capacity constraints, curtailment of future production, natural disasters, adverse weather conditions or interruption of transportation of natural gas produced from the wells in this basin or other events which impact this area. Potential investors in the Ordinary Shares should be aware that the risk of investing in the Company could be greater than investing in an entity which acquires and operates a range of projects in a variety of sectors and geographic areas.

***Coos Bay has not earned any revenues since its incorporation and only has a limited operating history in its current business, which raises doubt about its ability to continue as a going concern outside the working capital period.***

Coos Bay has a limited operating history in its current business and must be considered in the appraisal and development stage. It has not generated any revenues since its inception and will, in all likelihood, continue to incur operating expenses without significant revenues until it connects the existing five wells to the regional pipeline as part of the Phase I work program. The primary sources of funds for Coos Bay has been loans from the Company, YA Global and Cuart Investments PCC. Ltd., a company of which Brian Kinane is a director and shareholder ("Cuart"). The Directors cannot assure that the Group will be able to generate any significant revenues or income from either Phase II or Phase III, both of which are dependent on the successful outcome of Phase I.

With respect to Phase I, the Company is of the opinion that the working capital available to the Group is sufficient for its present requirements, that is for at least 12 months from the date of this Prospectus and it will use such cash primarily to provide working capital to the Group to complete the \$1.3 million Phase I work program.

With respect to Phase II and Phase III, the Group will need to raise additional financing to support the required development programs.

The Group's ability to develop and commercialize CBM properties is dependent upon the ability to raise significant additional financing to complete Phase II and Phase III. If the Group is unable to obtain such financing, it will not be able to fully develop and commercialize its gas properties. Future capital requirements will depend upon many factors, including:

- test and long-term performance results from the Phase I development program;
- the 458 wells included in the Phase II and Phase III work programs;
- the ability to find ready buyers for the gas at commercially viable prices;
- the ability to establish collaborative relationships; and
- pipeline access and transportation availability.

The Group has limited financial resources and, to date, no cash flow from the operations of Coos Bay and the Group is dependent for funds on its ability to sell its share capital, primarily on a private placement basis, or issue convertible debt security. There can be no assurance that the Group will be able to obtain financing on that basis in light of factors such as the market demand for its securities, the state of financial markets generally and other relevant factors. Furthermore, there is no assurance that the Group will not incur debt in the future, that the Group will have sufficient funds to repay any future indebtedness or that the Group will not default on its future debts, jeopardizing its business viability. Finally, the Group may not be able to borrow or raise additional capital in the future to meet its needs or to otherwise provide the capital necessary to continue the development of its gas properties.

***Access to the pipeline and contractual agreements with Northwest Natural.***

The Directors believe it is important to secure access to the regional pipeline that is owned by Coos County and managed by Northwest Natural to commence operations. Accordingly, Curzon met with representatives from Coos Bay and Northwest Natural to discuss the process for connecting to the regional pipeline and selling gas directly to Northwest Natural.

As a result of those discussions the Company has entered into letters of intent with Northwest Natural and Coos County, pursuant to which Northwest Natural has expressed its willingness to purchase CBM gas from Coos Bay and Coos County has expressed its willingness to permit the Company to connect to its regional pipeline. Neither party has expressed any concern that the Company is a smaller operator, as most of the Phase I gas produced will most likely supply only the Coos Bay area.

The Northwest Natural letter of intent, dated 15 February 2017, indicates that Northwest Natural would be willing to purchase the Company's gas at a market-related price provided that the CBM gas meets its requirements (including greenhouse gas emissions and quality standards). For the past five years (2012-2016) Northwest Natural's purchase price history has averaged \$5.04/Dth. There can be no certainty that the CBM gas produced by the Group will meet the requirements of Northwest Natural.

Additionally, no final contract has been negotiated with Northwest Natural. Northwest Natural has indicated that once the Phase I project is financed and ready to move forward they will commence negotiations with Coos Bay for an off-take agreement. Such agreement may be subject to certain terms and conditions that are beyond the Directors' control and may include limits on the amount of gas that Northwest Natural will agree to purchase from the Group based on Northwest Natural's gas

sales in Coos County. The Directors anticipate that the off-take agreement will not be finalized prior to Admission and no guarantee can be given that it will be finalized during the period between Admission and the date of connection to the pipeline, as anticipated by the Directors.

Regarding connection to the Coos County pipeline, the Coos County Board of Commissioners has confirmed in a letter dated 6 January 2017 that if Coos Bay and Northwest Natural agree an off-take agreement, the County would be willing to explore negotiating a connection to the Coos County pipeline to accommodate transmission of Coos Bay's CBM. However, to date, there is no legally binding connection agreement and any potential future negotiations for such an agreement will be contingent on, but not necessarily limited to, Coos Bay's strict adherence to all legal, regulatory, and environmental requirements regarding CBM exploration, production and processing as well as finalization of the off-take agreement with Northwest Natural. Notwithstanding the risks involved in finalizing the off-take agreement and connection agreement described above, the Group currently has no reason to believe that both agreements will not be finalized. The Directors have budgeted a cost of \$150,000 for a 6 week programme to connect to the Coos County pipeline. Cost may vary and no guarantee can be given with regards to the timeline.

***Third parties may operate certain properties of the Group.***

Coos Bay and the Group, in order to expand development beyond the currently planned three phases, may from time-to-time acquire additional leasehold interests in properties that for many years have produced natural gas. Although the previous owners of these interests may have used operating and disposal practices that were standard in the industry at the time, hydrocarbons or other wastes may have been disposed of or released on or under such properties. In addition, such properties may be operated in the future by third parties over whom the Directors have no control. Notwithstanding the lack of control over properties operated by others, the failure of the operator to comply with applicable environmental regulations may, in certain circumstances, adversely impact the Company's business operations.

***Because the Group faces uncertainties in estimating resources, investors should not place undue reliance on such resources information.***

There are various risks associated with estimating Contingent Resources and Prospective Resources, which should be considered.

The Group's resources data with respect to its wells, on which the Group's future production and capital investment program are based, are estimates that were provided by the Group and reviewed and substantiated by the independent expert, MHA.

There are numerous uncertainties inherent in estimating quantities of resources and reserves and associated cash flows, including factors beyond the Group's control and the control of its independent petroleum and geological engineers. The assessment of resources and reserves is a subjective process of estimating underground resources of natural gas and oil that cannot be measured in an exact manner. The accuracy of an estimate of quantities of resources and reserves, or of cash flows attributable to them, is a function of the available data; assumptions regarding future natural gas and oil prices; expenditures for future development and exploitation activities; and engineering and geological interpretation and judgment. Resources/ reserves and future cash flows may also be subject to material downward or upward revisions based upon production history, development and exploitation activities and natural gas and oil prices. Actual future production, revenue, taxes, development expenditures, operating expenses, quantities of recoverable resources/reserves and value of associated cash flows may vary significantly from any assumptions and estimates, as made by the Directors. Any significant variance from these assumptions to actual figures could greatly affect the estimates of resources/reserves, the economically recoverable quantities of natural gas attributable to any particular group of properties, the classification of resources/reserves based on risk of recovery, and estimates of the future net cash flows. In addition, reserve engineers may make different estimates of resources/reserves and cash flows based on the same available data. The estimated quantities of resources/reserves and the discounted present value of future net cash flows attributable to them are not intended to represent the fair market value of such reserves. If the Group's actual resources and reserves are less than current estimates, the Group's prospects, value, business, results of operations and financial condition may be adversely affected.

***CBM and resources data are only estimates and are inherently uncertain, and the actual amounts may be more or less than these estimates.***

The assessment of CBM reserves is a subjective process which involves estimating underground resources of natural gas that cannot be measured in an exact manner. Estimates of the value and quantity of economically recoverable natural gas reserves and rates of production necessarily depend upon several variables and assumptions, including the following:

- historical production from the area compared with production from other comparable producing areas;
- interpretation of geological, geophysical and core hole data;
- interpretation of data from third parties;
- assumptions concerning the future performance of wells and surface facilities;
- assumptions concerning development planning;
- assumed effects of regulations adopted by governmental agencies;
- assumptions concerning future natural gas prices;
- assumptions on capital expenditures; and
- assumptions concerning future operating costs, tax on the extraction of commercial minerals, development costs and workover and remedial costs.

Because all reserve and resource estimates are subjective, each of the following items may individually or collectively differ from those assumed in the estimates of reserves and resources as set out in the CPR, which is reproduced in Part V of this Prospectus:

- the quantity and quality of natural gas that is ultimately recovered;
- the production and operating costs incurred;
- the amount and timing of additional exploration and future development expenditures; and
- future natural gas sales prices.

The assumptions used in estimating reserves and resources are beyond the Company's control and may prove to be incorrect over time. The accuracy of any reserves or resources evaluation depends on the quality of available information and engineering and geological interpretation. Exploration, drilling, interpretation, testing and production after the date of the estimates may require substantial upward or downward revisions in the Company's reserves or resources data. Moreover, different reservoir engineers may make different estimates of reserves and resources based on the same available data. Changes in the price of natural gas may also adversely affect the estimates of the Company's reserves because the reserves are evaluated based on prices and costs as of the appraisal date. Actual production, revenues and expenditures with respect to reserves and resources will vary from estimates, and the variances may be significant. If actual production is lower than expected, then the Company's financial conditions and results of operations will be adversely affected. The Company has substantial Prospective Resources and Contingent Resources. If estimates of the Company's reserves and resources prove to be incorrect, the Company's business and results of operations may be adversely affected.

***Most of the Group's leasehold acreage is undeveloped, and that acreage may not ultimately be developed or become commercially productive, which could have a material adverse effect on future natural gas reserves and production and, therefore, future cash flow and income.***

Most of the Group's leasehold acreage is undeveloped acreage on which wells have not been drilled or completed to a point that would permit the production of commercial quantities of oil and natural gas. In addition, the Group's leases require drilling operations to be commenced or drill wells that are commercially productive, and if the Group is unsuccessful in drilling such wells, it could lose its rights under such leases.

#### ***The Company may not be able to renew its Leases***

The ability of the Group to exploit and develop gas reserves depends on its current leases. The Group currently has under lease approximately 45,370 acres of prospective coalbed methane lands in the Coos Bay Basin under two major leases and three ancillary leases.



The leases may be terminated early in various circumstances including for breach of contract, bankruptcy or insolvency, use of the leased acreage for unlawful or illegal purposes or if commercial drilling has not been commenced within the specified time.

There is no guarantee that existing leases will be continued beyond their primary term. If the leases are not continued or extended or if leases on new areas are not acquired the Group would be forced to attempt to acquire additional leasehold acreage, which may not be available on reasonable terms. This could have a material adverse effect on the Group's business, prospects, financial conditions and results of operations. Accordingly, the Group's future natural gas reserves and production, and therefore future cash flow and income, are highly dependent on the Group's success in developing its undeveloped leasehold acreage.

***The Group may incur losses as a result of title defects in the properties in which it invests.***

As is customary in the oil and gas industry, it is the Group's practice in acquiring US oil and natural gas leases or interests not to incur the expense of retaining lawyers to examine the title to the mineral interest at the time of acquisition. Rather, the Group relies upon the judgment of lease brokers, land men or the Group's internal personnel who perform only a cursory examination of records in the appropriate governmental office before attempting to acquire a lease in a specific mineral interest. The existence of a material title deficiency can render a lease worthless and can adversely affect the results of operations and financial condition of the Group. While the Group does typically obtain title opinions prior to commencing drilling operations on a lease or in a unit, the failure of title may not be discovered until after a well is drilled, in which case the Group may lose the lease and the right to produce all or a portion of the minerals under the property.

***The NPDES permit may not be approved.***

The Group currently holds a DEQ permit (permit number 102935) from the State of Oregon pursuant to the Clean Water Act, allowing it to construct, install, modify, or operate a wastewater collection, treatment, control and disposal system and discharge to public waters from authorised discharge points into the Davis Slough.

The Department of Environmental Quality ("DEQ") has not formally renewed the permit, although it has confirmed that it regards the permit as active until the DEQ renews it. SHN Consulting Engineers & Geologists, Inc. have reviewed the permit for Coos Bay and advised that the permit is still active and can be utilized for CBM well process water discharge provided the discharge quality meets the permits requirements.

Based on the Group's discussions with DEQ and the fact that the Group remains current on its payments of the annual permit fee, the Directors believe it is unlikely that the permit will not be renewed or that the Group will be fined for operating with an out of date permit.

If for any reason the permit is not renewed, the Group would need to file a new permit application, which would cause the Group to incur additional costs and delay the implementation of wastewater collection, treatment, control and disposal system.

**RISKS RELATING TO THE CBM SECTOR IN WHICH THE COMPANY OPERATES**

***The US Subsidiary's operations are subject to operating risks that could result in decreased production which could reduce its revenues.***

The level of the US Subsidiary's CBM future gas production is subject to operating conditions and events beyond its control that could disrupt operations and affect future production at particular wells for varying lengths of time. These conditions and events include:

- depletion of the Group's reserves;
- the Group's inability to transport the gas to market and sell the product to a ready buyer;

- the US Subsidiary's inability to acquire, maintain or renew necessary permits for drilling or surface rights in a timely manner, or at all;
- the unavailability of qualified drilling labour in the US when or where Coos Bay seeks employees and contractors;
- the unavailability, or decreased availability, of drilling rigs and other field equipment;
- changes in governmental regulation of the CBM industry, including the imposition of additional taxes, fees or actions to suspend or revoke Coos Bay's permits or changes in the manner of enforcement of existing regulations;
- adverse weather and natural disasters, such as heavy rains and flooding;
- increased or unexpected reclamation costs; and
- interruptions due to transportation delays.

***The Coos Bay project is the first CBM project in the Coos Bay Basin.***

Since the Coos Bay Project is the first CBM project in the Coos Bay area, Coos Bay does not have historical or comparative costs to rely upon in making estimates of its future exploration and development expenditures, as one would in project areas that have had ongoing exploration and development operations.

The Directors will endeavour to anticipate, identify and manage the risks relating to those of a "first mover" CBM exploration company in the State of Oregon, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of Curzon and its business operations. The ability of the Directors to do so may be affected by matters outside their control and no assurance can be given that the Directors will be successful in these endeavours.

***An increase in future production costs could have a material adverse effect on the Group's profitability.***

An increase in the US Subsidiary's future production costs could have a major impact on its profitability. Changes in the costs of its drilling and processing operations could occur as a result of unforeseen events, including international and local economic and political events, and could result in changes in profitability or reserve estimates. Many of these factors may be beyond the control of the US Subsidiary. Wage levels may increase at above inflation rates in the future, which would have an adverse effect on the US Subsidiary's results of operations and financial condition.

***Failure, or a perceived failure, in Coos Bay's business practices and ethics.***

As a CBM company, Coos Bay has the potential to make a significant impact upon the environment and the communities in which it works. Any failure or perceived failure by Coos Bay or any of its employees and contractors to act ethically (for example, by engaging in disreputable business practices) may cause reputational damage to the Group. The Group has a system of governance, policies and monitoring in place which have the aim of ensuring that such practices are not engaged in by any of the Group's employees and contractors but there can be no guarantee that these systems and policies will prevent failure or a perceived failure to act ethically.

***Contractors or supplier failure.***

Coos Bay is dependent on contractors and suppliers to maintain its operations. In the event that a contractor or supplier fails to deliver and/or ceases to be financially viable, the timetable of the relevant development or scheme may be delayed; Coos Bay may need to provide additional resources (financial or otherwise) to the development and/or may incur financial liabilities. Failure of a contractor or a supplier could, therefore, have an adverse effect on the US Subsidiary's business,

results of operations, financial condition and/or prospects, which in turn may have a negative impact on the Group.

***Increasing competitiveness of alternative energy sources.***

The increasing competitiveness of alternative energy sources, including solar and wind power, may lead to less demand for oil and gas in the medium- to long term, and in turn, the Group's services. Without the benefit of government subsidies or mandates, alternative energy sources have generally not been competitive with oil and gas. However, changes in technology and consumer preferences have begun to alter fuel choices, an example being the growing popularity of alternatively fuelled vehicles.

Furthermore, alternative energy sources have been increasingly competitive due to governmental support in the forms of tax relief and subsidies for alternative energy providers, the adoption of cap and trade regimes, carbon taxes, increased efficiency standards and incentives or mandates for renewable energy. Governments are also promoting research into new technologies to reduce the cost and increase the scalability of alternative energy sources. These measures could reduce demand for oil and gas in the medium to long-term, thereby reducing demand for the Group's services.

***The present value of natural gas resources may not be the same as the current market value.***

The present value of future net cash flows from any Contingent Resources is not necessarily the same as the current market value of estimated resources. The Directors intend to base the estimated discounted future net cash flows from any proved reserves on prices and costs. However, actual future net cash flows from the Group's natural gas also will be affected by factors such as:

- geological conditions;
- changes in governmental regulations and taxation;
- assumptions governing future prices;
- the amount and timing of actual production;
- availability of funds;
- future operating and development costs; and
- capital costs of drilling new wells.

The timing of both future production and the incurrence of expenses in connection with the development and future production of natural gas properties will affect the timing of actual future net cash flows from any proved reserves, and thus their actual present value.

***Competition***

The Group intends to supply local gas to an area that currently depends on a supply of remote gas via the Coos Bay/Northwest Pipeline network. The Group's only competition for gas sales therefore is gas being delivered by means of this Coos Bay/Northwest pipeline network. Competition with gas via the Coos Bay/Northwest Pipeline network implies competition with other oil and gas companies that market their gas via that network. The Group is not aware of any direct competition with other local oil and gas companies that operate in the Coos Bay area and are currently seeking access to the Coos Bay pipeline. However, a successful appraisal and development of the Coos Bay CBM asset is likely to attract other companies in due course and the Directors expect that competition for new leases may increase as a result. The Group is well placed to expand its land position but increased competition will likely increase lease costs and the Group may not be successful in acquiring additional leases.

With regards to the Company's ability to grow and add additional assets outside the Coos Bay area is important to note that other currently active oil and gas companies have been engaged in the natural gas business much longer than the Group and possess substantially larger operating staffs and greater capital resources. These companies may be able to pay more for exploratory projects and productive natural gas properties and may be able to define, evaluate, bid for and purchase a greater number of properties and prospects than the Group's financial or human resources permit. Additionally, these companies may be able to expend greater resources on the existing and changing technologies that the Directors believe are and will be increasingly important to attaining success in the industry. Such competitors may also be in a better position to secure field services and equipment on a timely basis or on more favourable terms. The Group may not be able to conduct operations, evaluate and select suitable properties and consummate transactions successfully in this highly competitive environment, which could adversely affect the Group's business, financial condition, results of operations and prospects. There can be no guarantee that the Company will be able to compete against large, already established market participants.

***The results of the 2016 United States presidential and congressional elections may create regulatory uncertainty for the energy sector and may materially harm the business, financial condition and results of operations.***

On 8 November 2016, Mr. Donald J. Trump was elected the next president of the United States. Donald Trump's victory in the U.S. presidential election, as well as the Republican Party maintaining control of both the House of Representatives and Senate of the United States in the congressional election, may create regulatory uncertainty in the oil and natural gas sector. In May 2016, President Trump made comments suggesting that he was in favour of accomplishing complete American energy independence by adopting policies that call for increased fossil fuel drilling and reducing regulations and bureaucracies.

However, it remains uncertain which specific policies President Trump will implement to pursue these initiatives, and the level of support he would have for any potential changes to such legislative programs and initiatives in the United States Congress, even if both the House of Representatives and Senate are controlled by the Republican Party.

***The Group faces substantial governmental regulation and regulatory risk.***

The production and sale of gas are subject to various US federal, state and local governmental regulations, which may be changed from time to time in response to economic or political conditions and can have a significant impact upon overall operations. Matters subject to regulation include discharge permits for drilling operations, drilling bonds, reports concerning operations, the spacing of wells, unitization and pooling of properties, taxation, abandonment and restoration and environmental protection. These laws and regulations are under constant review for amendment or expansion. From time to time, regulatory agencies have imposed price controls and limitations on production by restricting the rate of flow of gas wells below actual production capacity in order to conserve supplies of gas. Changes in these regulations could require the Company to expend significant resources to comply with new laws or regulations or changes to current requirements and could have a material adverse effect on the Company's future business operations. For example, an initiative was recently placed before the Coos County voters which proposed the establishment of a "community bill of rights providing for a sustainable energy future" that would provide, among other things, to make it unlawful to (i) "engage in fossil fuel transportation through or into Coos County" and (ii) acquire land for "non-sustainable energy systems," which includes energy systems either using fossil fuels or that violate the proposed right to a sustainable energy future. At the election held on 16 May 2017, the voters of Coos County defeated the initiative with approximately 75 per cent. voting against, and 25 per cent. voting in favour of the initiative. Had the initiative been approved, it could have potentially suspended oil and gas exploration and production-related activities in Coos County while the bill's legality was litigated and, to the extent determined not to violate federal and/or state law, this bill could have hindered or prohibited oil and gas exploration and production in Coos County.

***Regulation of Gas Production***

The US Subsidiary's and Group's future natural gas exploration, appraisal, production and related operations will be subject to extensive rules and regulations promulgated by federal, state and local

authorities and agencies. Failure to comply with such rules and regulations can result in substantial penalties. The regulatory burden on the natural gas industry increases the US Subsidiary's cost of doing business and affects the Group's profitability.

Although the Directors believe the Group to be in substantial compliance with all applicable laws and regulations, because such rules and regulations are frequently amended or reinterpreted, it remains difficult to predict the future cost or impact of complying with such laws.

Many states require permits for drilling operations, drilling bonds and reports concerning operations and impose other requirements relating to the exploration, appraisal and production natural gas. Such states also have statutes or regulations addressing conservation matters, including provisions for the unitization or pooling of natural gas properties, the establishment of maximum rates of production from wells, and the regulation of spacing, plugging and abandonment of such wells.

### ***Federal Regulation of Natural Gas***

The Federal Energy Regulatory Commission ("FERC") regulates interstate natural gas transportation rates and service conditions, which affect the marketing of any natural gas produced by the Company, as well as the revenues received for sales of such future production. Since the mid-1980's, FERC has issued a series of orders that have significantly altered the marketing and transportation of natural gas. These orders mandated a fundamental restructuring of interstate pipeline sales and transportation service, including the unbundling by interstate pipelines of the sale, transportation, storage and other components of the city- gate sales services such pipelines previously performed. One of FERC's purposes in issuing the orders was to increase competition within all phases of the natural gas industry. These orders could be modified and it is difficult to predict the ultimate impact of the orders on the Group and others. Generally, the orders eliminated or substantially reduced the interstate pipelines' traditional role as wholesalers of natural gas in favour of providing only storage and transportation service, and have substantially increased competition and volatility in natural gas markets.

The price, which the Group may receive for natural gas and natural gas liquids, would be affected by the cost of transporting products to markets. FERC has implemented regulations establishing an indexing system for transportation rates for pipelines, which, generally, would index such rates to inflation, subject to certain conditions and limitations. The Directors are not able to predict with certainty the effect, if any, of these regulations on any future operations. However, the regulations may increase transportation costs or reduce wellhead prices for natural gas liquids.

### ***The National Environmental Policy Act ("NEPA") may be applicable to many of the US Subsidiary's and the Group's planned activities and operations.***

NEPA is a broad procedural statute intended to ensure that federal agencies consider the environmental impact of their actions by requiring such agencies to prepare environmental impact statements ("EIS") in connection with all federal activities that significantly affect the environment. Although NEPA is a procedural statute only applicable to the federal government, a portion of the Company's/Group's future properties may be acreage located on federal land. The Bureau of Land Management's issuance of leases and drilling permits can constitute federal action within the scope of NEPA. In addition, the US Subsidiary's and the Group's planned activities and operations may require permits from other federal agencies, such as from the U.S. Army Corps of Engineers. Unless the responsible federal agency determines that the US Subsidiary's and the Group's relevant activities will not materially impact the environment, the responsible agency will be required to prepare an EIS prior to the issuance of any permit or approval. Furthermore, the federal agency may need to first prepare an environmental assessment to determine whether to prepare an EIS.

### ***Environmental Matters***

The Company's operations and properties may be subject to extensive and changing federal, state and local laws and regulations relating to environmental protection, including the generation, storage, handling, emission, transportation and discharge of materials into the environment, and relating to safety and health. The trend in environmental legislation and regulation generally is toward stricter standards. These laws and regulations (i) require the acquisition of a permit or other authorization

before construction or drilling commences and for certain other activities; (ii) may limit or prohibit construction, drilling and other activities on certain lands lying within wilderness and other protected areas; and (iii) impose substantial liabilities for pollution resulting from the operations. Governmental authorities have the power to enforce their regulations, and violations are subject to fines or injunctions, or both. Changes in existing environmental laws and regulations or in interpretations thereof could have a significant impact on the Company's business operations, as well as natural gas industry in general.

***The Company's/ Group's business activities may destroy or modify the living habit of living species.***

The Endangered Species Act ("ESA") seeks to ensure that federal actions (e.g., permitting by a federal agency) are not likely to jeopardize endangered or threatened animals, fish and plant species, nor destroy or adversely modify the designated critical habitat of such species. In addition, the ESA prohibits anyone from, among other things, harassing, harming, wounding and killing listed species. ESA provides for criminal penalties for knowingly violating the Act. Other statutes that provide protection to animal and plant species and that may apply to the operations include, but are not necessarily limited to, the Fish and Wildlife Coordination Act, the Magnuson-Stevens Fishery Conservation and Management Act, and the Migratory Bird Treaty Act. Although the Directors believe that the operations are in substantial compliance with such statutes, any change in these statutes or any reclassification of a species as threatened or endangered could subject the Company to significant expense to modify the operations or could force the Company/the Group to discontinue certain operations altogether.

***Water Depletion and Surface Water Disposal***

CBM production typically generates large volumes of formation waters from the coal fractures. On average, approximately 12-15 gallons of water per minute are pumped from each well. These waters must be removed in the early production life of a well so as to lower reservoir pressure before methane can be desorbed and captured. The produced water often has high saline content, and may have other unacceptable qualities, such that direct stream discharge is often prohibited.

The removal and disposal of so much groundwater raises several concerns. One concern is that drainage of a coal bed aquifer will cause shallower aquifers to drain into the cavity created by the coal bed water extraction. This is a particular concern for local landowners relying on well water pumped from shallow aquifers, which is often the case, as aquifers used for domestic water wells tend to be shallower than coal bed aquifers. In several reported cases, local water wells have drained dry after coal bed methane operations have begun. A similar concern exists for coal bed aquifers that are tributaries to surface waters or adjacent groundwater aquifers, i.e., coal bed aquifers that contribute to other water sources. The drainage of tributary coal bed aquifers can cause a corresponding decline in the water levels of the contributory water sources. Consequently, water depletion from coal bed methane operations can have a significant impact on residents, farmers and businesses relying on affected water supplies.

Because surface discharge is the most common disposal option for the extracted coal bed water, the compositional characteristics of coal bed water can have a tremendous impact on the surrounding ecology. The quality of coal bed water varies considerably from well to well and basin to basin, but on average, the deeper the coal bed, the more saline the water becomes. Other compositional elements typically seen in extracted coal bed water include:

- Major Cations (positively charged ions such as sodium, potassium, magnesium, & calcium)
- Major Anions (negatively charged ions such as chlorine, sulfate, & hydrogen carbonate)
- Trace Elements & Metals (iron, manganese, barium, chromium, arsenic, selenium, & mercury)
- Organics (hydrocarbons and additives).

The saline and sodic quality of coal bed water can have catastrophic impacts on local agriculture when discharged into local waterways. The moderate to high levels of salt in coal bed water can destroy soils and decrease crop production. The salts gather in the root base of plants, making it harder for the plants to extract water from the soil and inhibiting growth. As many farmers make use

of stream and river diversion to water their crops and grazing fields, the surface discharge of coal bed water can negatively impact local agriculture.

Unlike salinity, which measures the quantity of dissolved salts in water, sodic water is measured by the proportion of sodium to calcium and magnesium. Sodic water interacts with fine soils, like clay, and results in the formation of a hard crust that severely impairs water and air permeation. Sodic water can cause a sharp decrease in the growth of crops and other vegetation. The Company may be required to comply with environmental regulations requiring it to purify or decontaminate the coal bed water resulting from its CBM production, and any failure to comply with regulations might result in fines or injunctions, or both. The Company may incur significant expenses in the process of complying with any such requirements. Failure to comply with its existing obligations or any new environmental laws and regulations or interpretations thereof could have a significant impact on the Company's business operations, as well as natural gas industry in general.

### ***Greenhouse gas emissions and climate change***

Natural gas offers a number of environmental benefits over other sources of energy, particularly other fossil fuels, some air emissions that commonly occur during exploration and production operations. However, emissions may include NO<sub>x</sub>, volatile organic compounds, SO<sub>2</sub>, particulate matter and methane.

The key issue is how much methane escapes during exploration and production – these 'fugitive emissions' are critically important as methane, the main constituent of natural gas, contributes to climate change at a level 25 times greater than carbon dioxide over a 100- year timeframe (and over shorter timeframes methane's impact is greater still). Opinion is still divided on methane emissions: the US EPA has recently significantly cut its estimates of methane leakage, but monitoring has shown that leakage could be up to four per cent. of total well production, and up to nine per cent. in one gas field in Utah.

The Company may be required to comply with new environmental regulations regarding air emissions, and any failure to comply with regulations might result in fines or injunctions, or both. The Company may incur significant expenses in the process of complying with any such requirements. Failure to comply with its existing obligations or any new environmental laws and regulations or interpretations thereof could have a significant impact on the Company's business operations, as well as natural gas industry in general.

Additionally, in the process of CBM development the risk of radioactive material should be considered. The potential for low levels of radioactive material (NORM) that is brought to the surface in the rock pieces of the drill cutting, remains in solution with produced water, or under certain conditions, precipitates out in the scales or sludges.

### ***The volatility of natural gas prices could harm the Group's business.***

The Group's future revenues, profitability and growth as well as the carrying value of its gas properties depend to a large degree on prevailing gas prices. Commercial lending sources are not currently available to the Group because of its lack of operating history and income. The ability to borrow and to obtain additional equity funding on attractive terms also substantially depends upon gas prices. Prices for gas are subject to large fluctuations in response to relatively minor changes in the supply and demand for gas, uncertainties within the market and a variety of other factors beyond the Group's control. These factors include weather conditions in the Coos Bay Basin area, the condition of the U.S. economy, the foreign supply of gas, the price of foreign imports and the availability of alternative fuel sources. Prices for natural gas have been and are likely to remain extremely unstable.

In addition, the Coos Bay area benefits from natural gas prices that are above the national average price for natural gas posted. Whilst this price differential has existed in the past and exists currently there is no guarantee that this will remain so in the future.

In addition, the company has no information at present that natural gas produced from the Coos Bay area can be hedged to lock in prices for a specific volume of produced gas in the future.

***The production and producing life of wells is uncertain and production will decline.***

If any well becomes commercially productive, it will not be possible to predict the life and production of that well. The actual producing lives could differ from those anticipated. Sufficient CBM may not be produced for the Group to receive a profit or even to recover initial investment. In addition, once production commences from the CBM gas wells it will decline over time, and will not indicate any consistent level of future production.

***The Group is dependent upon transportation and storage services provided by third parties.***

The Group is dependent on the transportation and storage services offered by various interstate and intrastate pipeline companies for the delivery and sale of gas supplies. Both the performance of transportation and storage services by interstate pipelines and the rates charged for such services are subject to the jurisdiction of the FERC, and the performance of transportation and storage services by intrastate pipelines and the rates charged for such services are subject to the jurisdiction of state regulatory agencies. An inability to obtain transportation and/or storage services at competitive rates could hinder the Group's processing and marketing operations and/or affect the Company's sales margins.

***The Group may suffer losses or incur liability for events as the operator of a property or as to which it has chosen not to obtain insurance.***

The Group's operations are subject to hazards and risks inherent in producing and transporting natural gas, such as fires, natural disasters, explosions, pipeline ruptures, spills, and acts of terrorism, all of which can result in the loss of hydrocarbons, environmental pollution, personal injury claims and other damage to properties and others. The occurrence of any of these events could result in the following:

- Substantial losses due to injury and loss of life;
- Severe damage to and destruction of property, natural resources and equipment;
- Pollution and other environmental damage;
- Clean-up responsibilities; and
- Regulatory investigation and penalties and suspension of operations.

As protection against operating hazards, the Group maintains insurance coverage against some, but not all, potential losses. The occurrence of an event that is not covered, or not fully covered, by insurance could have a material adverse effect on the business, financial condition and results of operations.

***Environmental hazards and liabilities may adversely affect the Group and result in liability.***

There are numerous natural hazards involved in the drilling of CBM wells, including unexpected or unusual formations, pressures, and blowouts, which may result in damage to property and third parties, surface damage, bodily injuries, damage to and loss of equipment, reservoir damage and loss of reserves. The Group could also be liable for environmental damages caused by previous property owners. As a result, substantial liabilities to third parties or governmental entities may be incurred which could have a material adverse effect on financial condition and results of operations.

***The unavailability or high cost of drilling rigs, equipment, supplies, personnel and gas field services could adversely affect the Group's ability to execute its appraisal, development and exploitation plans on a timely basis and within the Group's budget.***

Although qualified and experienced field personnel and drilling rigs are currently readily available for the Company and its planned Phase I operations and the Directors do not anticipate any such change to such availability in the near term, the demand for qualified and experienced field personnel to drill wells and conduct field operations, geologists, geophysicists, engineers and other professionals in



the oil and natural gas industry, as well as drilling rigs and other equipment, can fluctuate significantly, often in correlation with natural gas prices, causing periodic shortages. Any such shortages or an increase in cost of drilling rigs, equipment, supplies or personnel could delay or interrupt operations during Phase I and subsequent phases, which could impact the financial condition and results of operations and, in particular, the ability to commence gas production by Q4 of 2017. Drilling activity in the geographic areas in which the Group conducts drilling activities may increase, which would lead to increases in associated costs, including those related to drilling rigs, equipment, supplies and personnel and the services and products of other vendors to the industry. Increased drilling activity in these areas may also decrease the availability of rigs. The Group does not have any contracts with providers of drilling rigs and the Directors cannot assure that drilling rigs will be readily available when needed. Drilling and other costs may increase further and necessary equipment and services may not be available to us at economical prices.

***The Group is subject to market risks including currency exchange risks.***

The Company's functional and presentational currency is UK Sterling. As a result, the Company's consolidated financial statements carry the Company's assets in UK Sterling, whilst the revenues and costs of Coos Bay are denominated in US Dollars. The Group conducts operations and any sales will be in foreign currencies, being primarily US Dollars and Euros. As such, foreign exchange risk arises from the Group's future commercial and financial transactions, recognised assets and liabilities denominated in a currency that is not the Company's and the Group's functional currency. Changes in exchange rates between UK Sterling and other currencies, including Euros and US Dollars may lead to significant changes in the Company's reported financial results from period to period. The Company will seek to manage its foreign exchange exposure, including by active use of hedging and derivative instruments, but there is no assurance that such arrangements will be entered into or available at all times when the Company wishes to use them or that they will be sufficient to cover the risk.

***Force Majeure***

The Group's operations now or in the future may be adversely affected by risks outside the control of the Group including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

**RISKS RELATING TO THE ORDINARY SHARES**

***The listing on the Standard List will afford investors a lower level of regulatory protection than a Premium Listing.***

Application has been made for the Ordinary Shares to be admitted to a Standard Listing on the Official List. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules. A Standard Listing will not permit the Company to gain a FTSE indexation, which may have an adverse effect on the valuation of the Ordinary Shares.

While the Company has a Standard Listing, it is not required to comply with the provisions of, *inter alia*:

- Chapter 8 of the Listing Rules regarding the appointment of a sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not and does not intend to appoint such a sponsor in connection with the Placing and Admission;
- Chapter 9 of the Listing Rules relating to further issues of shares, issuing shares at a discount in excess of 10 per cent. of market value, notifications and contents of financial information;
- Chapter 10 of the Listing Rules relating to significant transactions, meaning that any subsequent additional acquisitions by the Company, would not require shareholder approval. However, the Company intends to seek shareholder approval where a potential transaction

is outside the description outlined in this Prospectus or where more than 100 per cent. of the Company's Ordinary Shares are to be issued as consideration for an acquisition;

- Chapter 11 of the Listing Rules regarding related party transactions. Nevertheless, the Company will not enter into any transaction which would constitute a "related party transaction" as defined in Chapter 11 of the Listing Rules without the specific prior approval of a majority of the Directors;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares. In particular, the Company has not adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2. The Company will have unlimited authority to purchase Ordinary Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

Further details regarding the differences in the protections afforded by a Premium Listing as against a Standard Listing are set out in the section entitled "*Consequences of a Standard Listing*" on page 39.

***The Company may be unable or unwilling to transition to a Premium Listing in the future***

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules. There can be no guarantee that the Company will ever meet such eligibility criteria or that a transition to a Premium Listing will be achieved. If the Company does not achieve a Premium Listing, the Company will not be obliged to comply with the higher standards of corporate governance or other requirements which it would be subject to upon achieving a Premium Listing and, for as long as the Company continues to have a Standard Listing, it will be required to continue to comply with the lesser standards applicable to a company with a Standard Listing.

Further details regarding the differences in the protections afforded by a Premium Listing as against a Standard Listing are set out in the section entitled "*Consequences of a Standard Listing*" on page 39.

***Active trading in Ordinary Shares may not develop, which would adversely affect the liquidity and price of the Ordinary Shares.***

Investors should be aware that the value of the Ordinary Shares may go down as well as up and that they may not be able to realise their investment. Although the Company has applied for listing and admission of the Ordinary Shares to the standard listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities, and it is expected that these applications will be approved, the Company can give no assurance that the trading market for the Ordinary Shares will be active or, if developed, will be sustained following Admission or otherwise. If an active trading market is not developed or maintained, the liquidity and/or trading price of the Ordinary Shares could be adversely affected. Investors may be unable to sell their Ordinary Shares unless a market can be established and maintained, and if the Company subsequently obtains a listing on an exchange in addition to, or in lieu of, the London Stock Exchange, the level of liquidity of the Ordinary Shares may decline.

***Fluctuation of share price***

The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares will be influenced by a number of factors, some specific to the Group's business, operations and performance and some which are outside the Company's control such as general economic conditions and forecasts. Period to period comparisons of the Group's results may not be meaningful and investors should not rely on them as indications of the Group's future performance. Additionally, stock markets have from time to time experienced significant price and volume fluctuations that have affected the market prices of the companies whose shares are traded on such markets. Such fluctuations could affect the Company's share price, though they may be unrelated to the Group's actual operating performance and prospects.

***Investors may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable.***

Investments in Ordinary Shares may be relatively illiquid. There may be a limited number of Shareholders and this factor may contribute both to infrequent trading in the Ordinary Shares on the London Stock Exchange and to volatile Ordinary Share price movements. Investors should not expect that they would necessarily be able to realise their investment in the Ordinary Shares within a period that they would regard as reasonable. Accordingly, the Ordinary Shares may not be suitable for short-term investment. Admission should not be taken as implying that there will be an active trading market for the Ordinary Shares. Even if an active trading market develops, the market price for the Ordinary Shares may fall below the Placing Price.

***Dividend payments on the Ordinary Shares are not guaranteed.***

To the extent the Company intends to pay dividends on the Ordinary Shares, it will pay such dividends at such times (if any) and in such amounts (if any) as the Board may determine. The Company's current intention is to retain any earnings for use in its business operations and the Company does not anticipate declaring any dividends in the foreseeable future. The Company will only pay dividends to the extent that to do so is in accordance with all applicable laws.

***Substantial sales of Ordinary Shares by significant shareholders could depress the price of the Ordinary Shares.***

Subsequent sales by the major shareholders (or any other substantial shareholders) of a substantial number of Ordinary Shares may significantly reduce the Company's share price. YA Global and others have agreed in the Lock-in Deed to certain restrictions on its respective ability to sell, transfer and otherwise deal in its Ordinary Shares for a period of twelve months from Admission and thereafter for a period of twelve months, to only dispose of its respective interest in the Ordinary Shares in such manner as SP Angel may reasonably require so as to ensure an orderly market in the Ordinary Shares provided that if SP Angel is unable to make the disposal within ten business days, then the Director shall be entitled to effect the disposal through another broker. Nevertheless, the Company is unable to predict whether substantial amounts of Ordinary Shares will be sold in the open market following the termination of the lock-in arrangements. Any sales of substantial amounts of Ordinary Shares in the public market, or the perception that such sales might occur, could materially and adversely affect the market price of the Ordinary Shares.

***Possible issue or sale of shares***

The Company may issue additional shares in the future, which may adversely affect the market price of the outstanding Ordinary Shares at that time. The Company has no current plans for a subsequent offering of its shares or of rights or invitations to subscribe for shares. The perception by the public that an offering may occur could also have an adverse effect on the market price of the Company's issued Ordinary Shares.

***Terms of subsequent financings may adversely impact shareholder's investment.***

The Group may have to raise equity, debt or preferred share financing in the future. Investors' rights and the value of the investment in the Ordinary Shares could be reduced. For example, if the Company issue secured debt securities, the holders of the debt would have a claim against the Company's assets that would be prior to the rights of shareholders until the debt is paid.

In addition, if the Company issues convertible debt instruments that give the debt holders the right to convert all, or a portion, of their debt instruments into equity of the Company, the holders of Ordinary Shares could experience dilution, depending upon the debt conversion price, and the market price of the Ordinary Shares could be adversely affected as described in the risk factor above. Interest on these debt securities would also increase costs and negatively impact operating results.

Preferred shares could be issued from time to time with such benefits, rights, preferences, and limitations as are needed to raise capital. The terms of preferred shares could be more advantageous to the holders of preferred shares than to the holders of Ordinary Shares.

The Articles authorise the Directors to issue an unlimited number of Ordinary Shares, subject to the rights of pre-emption and other rights set out in the Articles. The Company has disapplied the pre-emption provisions set out in the Articles by resolution dated 5 February 2016.

## **RISKS RELATING TO TAXATION**

***There can be no assurance that the Company will be able to make returns for Shareholders in a tax-efficient manner.***

The Company acts as the holding company to a trading group, to maximise returns for Shareholders in as fiscally efficient a manner as is practicable. The Company has made certain assumptions regarding taxation. However, if these assumptions are not borne out in practice, taxes may be imposed with respect to any of the Company's assets, or the Company may be subject to tax on its income, profits, gains or distributions in a particular jurisdiction or jurisdictions in excess of taxes that were anticipated. This could alter the post-tax returns for Shareholders (or Shareholders in certain jurisdictions). The level of return for Shareholders may also be adversely affected. Any change in laws or tax authority practices could also adversely affect any post-tax returns of capital to Shareholders or payments of dividends (if any, which the Company does not envisage the payment of, at least in the short to medium-term). In addition, the Company may incur costs in taking steps to mitigate any such adverse effect on the post-tax returns for Shareholders.

***Changes in tax law may reduce any net return to Shareholders.***

Changes in applicable tax law in the UK, US or any other relevant jurisdiction may result in adverse consequences to Shareholders and/or reduce any net return derived by Shareholders from an investment in the Company.

The tax treatment of Shareholders of Ordinary Shares issued by the Company, any of the Group companies, any special purpose vehicle that the Company may establish and any company which the Company may acquire are all subject to changes in tax laws or practices in the UK or any other relevant jurisdiction. Any change may reduce any net return derived by Shareholders from an investment in the Company.

### ***US Federal income Tax Consequences of the Acquisition***

Although, it is expected that neither Coos Bay nor the Company will incur U.S. federal income tax as a result of the completion of the Acquisition, this may not be the case. After the Acquisition, the Company should be subject to U.S. federal income tax on its worldwide income in the same manner as is applicable to Coos Bay, as a result of the application of Section 7874 of the US Internal Revenue Code.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Prospectus	29 September 2017
Admission to the Official List and commencement of unconditional dealings in the Ordinary Shares	8.00am on 4 October 2017
Crediting of CREST accounts in respect of the Ordinary Shares	4 October 2017
Ordinary Share certificates dispatched by	9 October 2017

All references to time in this Prospectus are to London GMT time unless otherwise stated.  
The times set out above are subject to change.

Any such change will be notified by an announcement on a regulatory information service.

## STATISTICS

Number of Existing Ordinary Shares	49,329,700
Number of Placing Shares	23,265,000
Number of Ordinary Shares in issue on Admission	72,594,700
Percentage of Enlarged Ordinary Share Capital represented by the Placing Shares	32.05 per cent.
Placing Price	10p
Gross Proceeds of the Placing	£2,326,500
Net Placing Proceeds	£1,616,792
Market Capitalisation of the Company at the Placing Price on Initial Admission	£7,259,470

## DEALING CODES

ISIN	GB00BD97ND60
SEDOL	BD97ND6
OPOL	XLON
TICKER	CZN

## DIRECTORS SECRETARY AND ADVISERS

### Directors

John McGoldrick  
Thomas Wagenhofer  
Thomas Mazzarisi  
Stephen Schoepfer  
Brian James Kinane  
Owen May

Chairman and *Non-Executive Director*  
*Executive Director*  
*Executive Director*  
*Executive Director*  
*Non-Executive Director*  
*Non-Executive Director*

The Company's registered address and the business address for each of the Directors is:

Kemp House  
152 City Road  
London  
EC1V 2NX  
Tel: +44 (0) 203 542 0981  
website: [www.curzonenergy.com](http://www.curzonenergy.com)

### Secretary

Thomas Mazzarisi  
Kemp House  
152 City Road  
London  
EC1V 2NX  
Tel: +44 (0) 203 542 0981

### Company's Solicitors

McCarthy Denning Limited  
25 Southampton Buildings  
London  
WC2A 1AL  
Tel: +44 (0) 20 7769 6741

### Placing Agent (And, From Admission, Financial Adviser & Broker)

SP Angel Corporate Finance LLP  
Prince Frederick House  
35-39 Maddox Street  
London  
W1S 2PP  
Tel: +44 (0) 20 3470 0470

### Registrars

Neville Registrars Limited  
Neville House  
18 Laurel Lane  
Halesowen  
B63 3DA  
Tel: +44 (0) 121 585 1131

### Auditors and Reporting Accountants

Crowe Clark Whitehill LLP  
St Bride's House  
10 Salisbury Square  
London  
EC4Y 8EH  
Tel: +44 (0) 20 7842 7100

### US Legal Advisors

Stoel Rives LLP  
760 SW Ninth Avenue, Suite 3000  
Portland  
OR 97205  
Tel: +1 503 224 3380

### Bankers

Barclays Bank plc  
Level 27  
One Churchill Place  
London  
E14 5HP  
Tel: +44 (0) 207 116 9383

### Competent Person

Dr. John Seidle Vice-President of  
MHA Petroleum Consultants LLC  
730 17th Street, Suite 410  
Denver, CO 80202  
USA  
Tel: +1 303 277 0270

## CONSEQUENCES OF A STANDARD LISTING

Application has been made for the Ordinary Shares to be admitted to the standard segment of the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings. A Standard Listing affords Shareholders and investors in the Company a lower level of regulatory protection than that afforded to investors in companies whose securities are admitted to the premium segment of the Official List, which are subject to additional obligations under the Listing Rules.

The Company intends to comply with the Listing Principles set out in Chapter 7 of the Listing Rules at Listing Rule 7.2.1 which apply to all companies with their securities admitted to the Official List. In addition, the Company also intends to comply with the Listing Principles at Listing Rule 7.2.1A notwithstanding that they only apply to companies which obtain a premium listing on the Official List. With regard to the Listing Principles at 7.2.1A, the Company is not, however, formally subject to such Listing Principles and will not be required to comply with them by the UK Listing Authority.

### **Listing Rules which are not applicable to a Standard Listing**

While the Company has a Standard Listing, it is not required to comply with the provisions of, among other things:

- Chapter 8 of the Listing Rules regarding the appointment of a sponsor to guide the Company in understanding and meetings its responsibilities under the Listing Rules in connection with certain matters. The Company has not and does not intend to appoint such a sponsor on Admission;
- Chapter 9 of the Listing Rules relating to further issues of shares, issuing shares at a discount in excess of 10 per cent. of market value, notifications and contents of financial information;
- Chapter 10 of the Listing Rules relating to significant transactions, meaning that any subsequent additional acquisitions by the Company, would not require shareholder approval. However, the Company intends to seek shareholder approval where a potential transaction is outside the description outlined in this Prospectus or where more than 100 per cent. of the Company's Ordinary Shares are to be issued as consideration for an acquisition;
- Chapter 11 of the Listing Rules regarding related party transactions. Nevertheless, the Company will not enter into any transaction which would constitute a "related party transaction" as defined in Chapter 11 of the Listing Rules without the specific prior approval of a majority of the Directors;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares. In particular, the Company has not adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2. The Company will have unlimited authority to purchase Ordinary Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

**It should be noted that the UK Listing Authority will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply. However, the FCA would be able to impose sanctions for non-compliance where the statements regarding compliance in this Prospectus are themselves misleading, false or deceptive.**

### **Listing Rules and Disclosure Guidance and Transparency Rules with which the Company must comply under a Standard Listing**

There are, however, a number of continuing obligations set out in Chapter 14 of the Listing Rules that will be applicable to the Company:

- compliance with the Listing Principles set out in Listing Rule 7.2.1;

- inclusion of a corporate governance statement in accordance with DTR 7.2 in its directors' report;
- compliance with the reverse takeover rules set out in Listing Rule 5.6.1R;
- where shares of the same class of shares that are already listed are allotted, the Company must apply for such newly allotted shares to be admitted to listing. The application must be made as soon as possible and in any event, within one year of the allotment;
- the forwarding of circulars and other documentation to the UKLA for publication through the document viewing facility and related notification to a regulatory information service;
- the provision of contact details of appropriate persons nominated to act as a first point of contact with the UKLA in relation to compliance with the Listing Rules and the Disclosure Guidance and Transparency Rules;
- the form and content of temporary and definitive documents of title;
- the appointment of a UK registrar;
- compliance with DTR 4, 5, 6 and 7.2;
- the making of regulatory information service notifications in relation to a range of debt and equity capital issues. This information includes proposed changes to the capital structure, any redemption of listed shares, any extension of time granted for the currency of temporary documents of title and the results of any new issue of equity securities or public offering of existing equity securities; and
- save where the FCA accepts a lower percentage than 25 per cent., at least 25 per cent. of the Ordinary Shares need to be held by the public in one or more EEA states.

Notwithstanding the above, it must be noted that the Issuer will be admitted to trading on the regulated market of an EU member state and as such, the Issuer must further comply with all the provisions of the EU Directives as transposed by National Laws.

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules and does not currently intend to seek to transfer to either a Premium Listing or other listing venue. Should the Company determine to seek a transfer to a Premium Listing there is no guarantee that it would be able to fulfil the relevant eligibility criteria.



## IMPORTANT INFORMATION

In deciding whether or not to invest in Ordinary Shares prospective investors should rely only on the information contained in this Prospectus. No person has been authorised to give any information or make any representations other than as contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company or the Directors. Without prejudice to the Company's obligations under the FSMA, the Prospectus Rules, Listing Rules and Disclosure Guidance and Transparency Rules, neither the delivery of this Prospectus nor any subscription made under this Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Prospectus or that the information contained herein is correct as at any time after its date.

Prospective investors must not treat the contents of this Prospectus or any subsequent communications from the Company, the Directors, or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

The section headed "Summary" should be read as an introduction to this Prospectus. Any decision to invest in the Ordinary Shares should be based on consideration of this Prospectus as a whole by the investor. In particular, investors must read the section headed Section D (Risks) of the Summary together with the risks set out in the section headed "*Risk Factors*" beginning on page 20 of this Prospectus.

This Prospectus is being furnished by the Company in connection with an offering exempt from registration under the Securities Act solely to enable prospective investors to consider the purchase of the Ordinary Shares. Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Ordinary Shares hereby is prohibited.

This Prospectus does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or the solicitation of an offer or invitation to subscribe for or buy, any Ordinary Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation. The distribution of this Prospectus and the offering of Ordinary Shares in certain jurisdictions may be restricted. Accordingly, persons outside the United Kingdom who obtain possession of this Prospectus are required by the Company and the Directors, to inform themselves about, and to observe any restrictions as to the offer or sale of Ordinary Shares and the distribution of, this Prospectus under the laws and regulations of any territory in connection with any applications for Ordinary Shares including obtaining any requisite governmental or other consent and observing any other formality prescribed in such territory. No action has been taken or will be taken in any jurisdiction by the Company or the Directors that would permit a public offering of the Ordinary Shares in any jurisdiction where action for that purpose is required nor has any such action been taken with respect to the possession or distribution of this Prospectus other than in any jurisdiction where action for that purpose is required. Neither the Company nor the Directors accept any responsibility for any violation of any of these restrictions by any person.

The Ordinary Shares have not been and will not be registered under the Securities Act, or under any relevant securities laws of any state or other jurisdiction in the United States, or under the applicable securities laws of Australia, Canada or Japan. Subject to certain exceptions, the Ordinary Shares may not be offered, sold, resold, reoffered, pledged, transferred, distributed or delivered, directly or indirectly, within, into or in the United States, Australia, Canada or Japan or to any national, resident or citizen of Australia, Canada or Japan.

**The Ordinary Shares have not been approved or disapproved by the SEC, any federal or state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or confirmed the accuracy or determined the adequacy of the information contained in this Prospectus. Any representation to the contrary is a criminal offence in the United States.**

Investors may be required to bear the financial risk of an investment in the Ordinary Shares for an indefinite period.

### **Available information**

The Company is not subject to the reporting requirements of section 13 or 15(d) of the US Securities Exchange Act of 1934, as amended (the “Exchange Act”). For so long as any Ordinary Shares are “restricted securities” within the meaning of Rule 144(a)(3) of the Securities Act, the Company will, during any period in which it is neither subject to section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide, upon written request, to Shareholders and any owner of a beneficial interest in Ordinary Shares or any prospective purchaser designated by such holder or owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

### **Data protection**

The Company may delegate certain administrative functions to third parties and will require such third parties to comply with data protection and regulatory requirements of any jurisdiction in which data processing occurs. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

- (a) verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- (b) carrying out the business of the Company and the administering of interests in the Company;
- (c) meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere; and
- (d) disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Where appropriate it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

- (a) disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and
- (b) transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as the United Kingdom.

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any third party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

### **Investment considerations**

In making an investment decision, investors must rely on their own examination, analysis and enquiry of the Company, this Prospectus and the terms of the Admission, including the merits and risks involved. The contents of this Prospectus are not to be construed as advice relating to legal, financial, taxation, investment decisions or any other matter. Investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares or distributions by the Company, either on a liquidation and distribution or otherwise. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objective will be achieved.

It should be remembered that the price of the Ordinary Shares and any income from such Ordinary Shares, could go down as well as up.

This Prospectus should be read in its entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Memorandum of the Company and the Articles, which investors should review.

### **Forward-looking statements**

This Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "targets", "believes", "estimates", "anticipates", "expects", "intends", "may", "will", "should" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the Document and include statements regarding the intentions, beliefs or current expectations of the Company and the Directors concerning, among other things: the Group's strategy, plans and future financial and operating performance, capital resources, prospects, capital appreciation of the Ordinary Shares and dividends. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performances. The Company's actual performance, results of operations, financial condition, distributions to shareholders and the development of its financing strategies may differ materially from the forward-looking statements contained in this Prospectus. In addition, even if the Company's actual performance, results of operations, financial condition, distributions to shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to:

- the inability of the Group to achieve its business objectives of operating a suitable CBM business, or delays in doing so, including failure to complete Phase I (proof of concept) or Phase II (initial development) and Phase III (large scale development);
- the inability of the Company's operating subsidiary, Coos Bay, to successfully appraise, develop and produce CBM gas or delays in doing so;
- the inability of the Group to generate any revenues from its operations, if any;
- the Group failing to complete, or encountering delays, the development of drilled wells;
- the loss of any of the Group's senior management or key employees;
- the effect of adverse litigation or arbitration awards against the Group;

- adverse economic conditions in the jurisdictions in which the Group operates, such as recession or weak recoveries, increased unemployment or a decline in consumer confidence; the availability and cost of equity or debt capital for future transactions;
- currency exchange rate fluctuations, as well as the success of the Company's hedging strategies in relation to such fluctuations (if such strategies are in fact used); and
- legislative and/or regulatory changes, including changes in taxation regimes.

Investors should carefully review the “*Risk Factors*” section of this Prospectus for a discussion of additional factors that could cause the Company's actual results to differ materially, before making an investment decision. For the avoidance of doubt, nothing in this paragraph constitutes a qualification of the working capital statement contained in paragraph 8 of Part X “*Additional Information*”.

Forward-looking statements contained in this Prospectus apply only as at the date of this Prospectus. Subject to any obligations under Listing Rules, the Disclosure Guidance and Transparency Rules and the Prospectus Rules, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

### **Market and industry data**

Where information contained in this Prospectus has been sourced from a third party, the Company and the Directors confirm that such information has been accurately reproduced and, so far as they are aware and have been able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Such information has not been audited or independently verified. Where third party data has been used in this Prospectus, the source of such information has been identified.

### **Currency presentation**

Unless otherwise indicated, all references in this Prospectus to “UK Sterling”, “British pound sterling”, “sterling”, “£”, or “pounds” are to the lawful currency of the U.K. The Company prepares its financial statements in pound sterling. All references to “\$”, “US\$”, “US Dollar” or “USD” are to the lawful currency of the United States. All references to the “€”, “EUR” or “Euro” are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

### **Exchange Rate Information**

The financial information provided on the Company is quoted in and the placing monies being raised are in sterling. A large part of costs of the Group are incurred in USD and historically monies raised by the US Group were in USD. The exchange rates to be used for the conversion of cost and income in future reporting periods will be converted using the average rate during relevant period.

### **International Financial Reporting Standards**

As required by the Act and Article 4 of the European Union IAS Regulation, the financial statements of the Company and Coos Bay are prepared in accordance with IFRS issued by International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Committee of the IASB as adopted by the European Union.

### **Incorporation of information by reference**

The contents of the Company's website, any website mentioned in this Prospectus or any website directly or indirectly linked to these websites have not been verified and do not form part of this Prospectus, and prospective investors should not rely on them.

**Definitions**

A list of defined terms used in this Prospectus is set out in “*Definitions*” beginning at page 202.

## **PART I**

### **INFORMATION ON THE GROUP AND MARKET OVERVIEW**

#### **1. Introduction**

The Company has been formed to acquire oil and gas assets. Its first acquisition is of Coos Bay. The Company is not currently evaluating and has not identified any other projects. The Directors expect to identify and assess other oil and gas opportunities in the future and expect to return to the market if they wish to acquire and/or raise funds for other projects.

The Group is active in exploration, appraisal and development of an identified US oil and gas project, which is not yet active in production. The first project for which capital is being raised is an opportunity to appraise, develop and produce coalbed methane gas from Prospective Resources and Contingent Resources in the Coos Bay Basin in the state of Oregon, which has benefitted from approximately \$20 million in previous project expenditures. This project is the first development and exploration project in the CBM sector in the State of Oregon.

The Group recently commissioned a technical report (the Competent Person's Report) from Dr. John Seidle, Vice-President of MHA, produced in accordance with accepted engineering principles (PRMS, 2007 and 2011). The Competent Person's Report, comprises a resource and reserve evaluation and pre-feasibility study and is set out in part V of this Prospectus. The report has evaluated the Prospective Resources and Contingent Resources in the Coos Bay Basin.

The Competent Person's Report notes that the Group has under lease approximately 45,370 acres of prospective coalbed methane lands in the Coos Bay Basin, under two major leases and three ancillary leases.

The Group intends to develop the Coos Bay CBM project in three phases: Phase I (proof of concept), Phase II (initial development) and Phase III (large scale development). Phase I, which is a \$1.3 million program, consists of re-entry of five existing wells, drilling of two new wells, installation of all remaining infrastructure required to establish gas production in the field and evaluation of the commercial viability of the seven Phase I wells and the larger field-wide development program. Following a successful completion of Phase I, the Group intends to raise additional funding, estimated to be \$21.5million, and proceed to Phase II, a 58 well development program in a pre-defined core area of the Coos Bay CBM project. The CPR estimates Contingent Resources for an aggregate of 58 wells from Phase I and Phase II at 25.17 BCF and \$34.6m NPV10 to the Company. Following a successful Phase II the Group will raise further additional funding and embark on a field-wide development program of up to 400 new wells during Phase III.

Phases I and II will predominantly take place on property under an oil and gas lease with Rayonier Olympus Corporation, a private landowner (the "2004 Lease"). The 2004 Lease covers approximately 16,000 acres and can accommodate approximately 160 wells, assuming an average well spacing of 100 acres. The five wells to be re-entered during Phase I are located on the Rayonier property, already drilled and completed and have oversized drill pads to accommodate possible offset wells in the future. They are accessible by 8 kilometres of previously constructed road, have PC pumps and motors and are connected to new natural gas generators, water gas separators and 12,500-gallon water tanks at each site. The wells are already connected to an installed underground gathering system that connects the five wells to a connection point selected by the local pipeline operator. At the connection point a compressor will be installed and the final 15 meters of pipe will tie the five wells into the pipeline. An existing water disposal permit will be used for the produced water and prior to putting the wells in production they will be cleaned out of any residual sand, coal fines and scale to enhance production.

The Group's other major lease is with Coos County, which covers approximately 29,000 acres of land that is in municipal ownership (the "Coos County Lease") and can accommodate approximately 290 wells, also assuming an average well spacing of 100 acres. The new Coos County Lease was entered into on 18 April 2017 by Coos County Board of Commissioners ("Coos County") and Coos Bay.

The Company is seeking admission to the Standard List to provide access to capital market sources of funding. The Group plans to develop its acreage in accordance with a three-phase development plan. The net proceeds of the Placing are expected to be £1,616,792 and will primarily be used to enable the Group to complete Phase I of its development plan which will entail:

- in months 1 to 3 post-Admission, connecting the five existing wells to the nearby regional pipeline which will allow the Group to commence selling gas with effect from month 4 post-Admission (at a cost of \$500,000);
- in months 4 and 5 post-Admission, drilling and connecting to the regional pipeline 2 additional wells, with gas sales from these wells expected effective from months 7 and 8 post-Admission respectively (at a cost of \$640,000); and
- operating of the combined seven wells for the remainder of the 18-month period post-Admission to prove the economics of the seven Phase I wells (at a cost of \$1,860,000).

## 2. Background and history of the Group

The Company will on Admission be a holding company with the following subsidiaries:

<i>Name</i>	<i>Country of Incorporation</i>	<i>Proportion of equity ownership</i>	<i>Principal activity</i>
Coos Bay Energy LLC	Nevada, USA	100%	Gas Exploration & Development
Westport Energy Acquisition, Inc.	Delaware, USA	100%	Holding Company
Westport Energy, LLC	Delaware, USA	100%	Gas Exploration & Development

The Company was incorporated on 29 January 2016 in England and Wales to acquire oil and gas assets. Its first acquisition is of Coos Bay. The Company is not currently evaluating and has not identified any other projects. The Directors expect to identify and assess other oil and gas opportunities in the future and expect to return to the market if they wish to acquire and/or raise funds for other projects.

Following the acquisition of Coos Bay by the Company (the “Acquisition”), the Group’s main focus will be to develop the business of Coos Bay and to focus on the CBM gas sector in Oregon. The Company raised £650,362 in a private funding round principally from UK, US and European investors prior to Admission. These funds were primarily used to meet start-up costs and costs associated with acquiring Coos Bay. The consideration for the Acquisition is by the issue of 40 million Ordinary Shares to the members in Coos Bay and assumption by the Company of the YA Global Note and the Cuart Note.

Coos Bay owns certain CBM and related assets, which it acquired on 4 November 2016 by acquiring the US Group from Westport Energy Holdings Inc., a publicly held company trading on the OTC Pink Market. The US Group had been operating a CBM business in Coos Bay, Oregon for 6 years. At the time of the Acquisition, the US Group’s CBM business consisted of leases to approximately 45,370 acres in Coos Bay, Oregon. Coos Bay acquired the US Group pursuant to a foreclosure agreement dated 4 November 2016 among Coos Bay, Westport Energy Holdings, Inc., the US Group and the creditors of Westport Energy Holdings Inc., being Mountainville Limited, Queensbury, Inc. and YA Global (which at the time of the foreclosure was the parent company of the US Group) (“Creditors”). YA Global was the major creditor and holds a 75 per cent. interest in Coos Bay prior to the Acquisition. YA Global is expected to hold up to a maximum of 44.72 per cent. of the issued shares of the Company on Admission. Pursuant to the terms of the foreclosure agreement, all outstanding debt of Westport Energy Holdings Inc., which was secured by all of the assets of the US Group, was

terminated, along with the Creditors' related security interests in the assets of the US Group. In addition, outstanding royalty agreements with Queensbury, Inc. and YA Global were also terminated pursuant to the terms of the foreclosure agreement.

The management team of the US Group, will continue in their management roles after the Acquisition allowing the group to maintain management continuity and continuity in field operations.

Prior to the acquisition of the US Group by Coos Bay, the US Group was wholly-owned by Westport Energy Holdings Inc., which had acquired the Oregon CBM business, on 17 August 2010 from New Earthshell Corporation ("NEC"), a corporation formed in Delaware in October 2008 to hold title to the CBM assets through Westport Energy LLC. The parent company of NEC was YA Global who had, foreclosed on, and took title to, those Oregon CBM assets from Torrent Energy on 26 November 2008.

A summary of the Group's history is as follows:

<b>History of the Group</b>	
<i>Date</i>	<i>Event</i>
26 November 2008	Acquisition of the CBM assets by YA Global Oregon from Torrent Energy and Methane Energy
17 August 2010	Acquisition of the US Group by Westport Energy Holdings Inc.
29 January 2016	The Company was incorporated in England and Wales
8 February 2016 – 19 September 2016	The Company received Initial Subscriptions for the aggregate subscription of £650.362.
2 September 2016	Coos Bay was incorporated
4 November 2016	Acquisition of the US Group by Coos Bay

### **3. Introduction to coalbed methane (CBM)**

Coalbed methane gas (CBM), coal seam gas (CSG), or coal-mine methane (CMM) is a form of natural gas extracted from coal beds. It is an unconventional form of natural gas found in coal seams or coal deposits. CBM is generated during the process of coalification which is the transformation of plant material into coal and is contained in the coal microstructure. Typical recovery entails pumping water out of the coal to allow the gas to escape. Methane is the principal component of natural gas. Coalbed methane can be added to natural gas pipelines without any special treatment. CBM is made up of 95 per cent methane and does not contain sulphur compounds such as hydrogen sulphite.

CBM wells are different from conventional wells as they tend to be cheaper to drill as they are mainly shallower and less pressurised. They also produce gas for longer than conventional gas wells. In addition, CBM reservoirs can hold up to five times more gas than a conventional sandstone gas reservoir. Further details of CBM and its industry are set out in Part II, of this Prospectus.

### **4. Market overview of the CBM Industry in the US**

During the past two decades, CBM has emerged as a viable source of natural gas in the US, compared to the late 1980s when there was no significant production outside of the still dominant San Juan Basin in New Mexico, and the Black Warrior Basin in Alabama. CBM has been extracted successfully in the Powder River Basin, located in north eastern Wyoming and Horseshoe Canyon, located in Alberta, Canada According to data from the U.S. Department of Energy's Energy Information Administration, CBM production totalled 1.269 TCF in 2015<sup>1</sup>.

The Directors believe that the success of CBM developments has largely been the result of improved drilling and completion techniques (including horizontal/lateral completions), better hydraulic fracture

---

<sup>1</sup> U.S. Energy Information Administration, US Coalbed Methane Production, accessible via [https://www.eia.gov/dnav/ng/hist/rngr52nus\\_1a.htm](https://www.eia.gov/dnav/ng/hist/rngr52nus_1a.htm)



designs and significant cost reductions as a result of highly dependable gas content and coalbed reservoir performance analysis. Also aiding this sector's growth is the apparent shortage of quality domestic conventional exploration and development projects.

In addition, the Directors believe that a major factor driving the growth in CBM production is its relatively low finding and development costs. CBM fields are often found where deeper conventional oil and gas reservoirs have already been developed. Therefore, considerable exploration cost-reducing geologic information is often readily available. This available geological information, combined with comparatively shallow depths of prospective coalbed reservoirs, reduces finding and development costs.

Further details of CBM industry in the US and Canada are set out in Part II, of this Prospectus.

## 5. The Group's business description

The Group's business is to operate through the US Group, a US focused oil and gas business which is active in exploration, appraisal and development of US oil and gas assets, with the goal of commencing production from certain assets in the near term. Its first project is to appraise, develop and produce CBM gas from Prospective and Contingent Resources in the Coos Bay Basin, primarily targeting natural gas from coal seams of the Coaledo Formation in the Coos Bay Basin. Secondary objectives of the Group may include the exploration, production and acquisition of natural gas, and possibly oil, trapped in conventional reservoirs. Further details of the Group's business description and strategy are set out in paragraph 2 and 8 of this Part I of the Prospectus.

## 6. Group Resources

The CPR set out in Part V of this Prospectus identified Contingent and Prospective Resources in accordance with the Petroleum Resources Management System (PRMS) (published by the Society of Petroleum Engineers/World Petroleum Council/American Association of Petroleum Geologists/Society of Petroleum Evaluation Engineers (SPE/WPC/AAPG/SPEE) in March 2007 and the PRMS Guidelines for Application of the Petroleum Resources Management System published by the SPE/WPC/AAPG/SPEE I November 2011.

The following table sets out the estimated Contingent Resources for the Lower Coaledo coals and Prospective Resources for the Upper Coaledo coals as at 13 June 2016. The information has been extracted from Part V to this Prospectus entitled "*Competent Person's Report*" and must be read in conjunction with, and is qualified in its entirety by, such report.

Resources bcf			
	1C	2C	3C
Upper Coaledo = Prospective Resources	8.77	28.1	43.1
Lower Coaledo – Contingent Resources	85.6	273.5	419.4

Source: MHA Competent Person's Report

The anticipated lifetime for the project is 15 years.

## 7. The Group's Competitive Strengths

The Company believes that its key strengths are:

- focus on CBM development and production in the US, a country with low political risk and a projected increasing demand for natural gas over the long-term;
- 2C Contingent Resources of 273.5 of CBM gas over the company's current lease holdings of approximately 45,370 acres as per the CPR;
- five wells already drilled and scheduled to be re-entered and put into production along with the drilling and connection to the regional pipeline of two new wells in the Phase I appraisal

and development program. An additional 58 new wells are planned for Phase II, subject to the successful outcome of Phase I and the Company raising the necessary capital to complete Phase II;

- the CPR estimates Contingent Resources for an aggregate of 58 wells from Phase I and Phase II at 25.17 BCF and \$34.6m NPV10 net to the Company;
- following a successful implementation of Phase I and Phase II, the Company estimates up to 400 additional locations could be drilled on the entirety of its current 45,370 acre lease position, provided further appraisal wells demonstrate commercial viability outside the area selected for Phase I and Phase II and the necessary capital is raised;
- coring and test production samples suggest the gas is pipeline quality and that the coals are saturated with gas;
- “first-mover” advantage in the State of Oregon as the first CBM exploration company;
- experienced management;
- Citygate gas prices in the Coos Bay, Oregon area higher than national averages;
- close proximity to the major regional pipeline; and
- the recent victory of President Donald Trump who has released a Presidential Executive Order on Promoting Energy Independence and Economic Growth on 28 March 2017 which aims to reduce regulations and bureaucracies in the oil and natural gas sector.

## **8. Curzon’s operations in the Coos Bay Area**

### **8.1 Operations in the Coos Bay Area**

The Coos Bay Basin is located along the Pacific coast in southwest Oregon, approximately 200 miles south of the Columbia River and 80 miles north of the Oregon/California border. The onshore portion of the Coos Bay Basin is elliptical in outline, elongated in a north-south direction and covers over 250 square miles. More than 150,000 acres in the Coos Bay Basin are underlain by the Coos Bay coalfield and appear prospective for CBM gas production. Most areas in Coos County are accessible year-round via logging and fire control roads maintained by the county or by timber companies. In addition, numerous timber recovery staging areas are present and it may be possible to modify them for drill-site locations.

The Coos Bay Basin is the southernmost of a series of sedimentary basins that are present in western Oregon and Washington west of the Cascade Range. The region containing this series of basins is generally referred to as the Puget-Willamette Trough. These basins contain thick sequences of predominantly non-marine, coal-bearing sedimentary rock sequences that are correlative in age, closely related in genesis, and very similar in many other characteristics.

The Coos Bay Basin is a structural basin formed by folding and faulting and contains a thick section of coal-bearing sediments. Coal-bearing rocks contained within the Coos Bay Basin form the Coos Bay Coal Field. Coal mining from the Coos Bay field began in 1854 and continued through the mid 1950’s. Much of the coal was shipped to San Francisco. Since mining activity ended several companies such as Sumitomo Corporation, Shell and American Coal Company have done exploratory work and feasibility studies on the Coos Bay Coal Field but no mining operations were conducted. In addition, approximately 20 exploratory oil and/or gas wells have been drilled in the Coos Bay Basin during the years 1914 to 1993. Many of these wells encountered gas shows in the coal seams that were penetrated during drilling.

Approximately 250 miles north of the Group’s leasehold acreage is the Mist Gas Field located in Columbia County, which has been of significant economic importance to Columbia County and the State of Oregon. The field has produced over 65 billion cubic feet of natural gas since its discovery. Exploration wells continue to be drilled at the Mist Gas Field each year and the use of modern seismic

technology is used to continue to discover new pools at the field. Although the Mist Gas field produces natural gas it, along with the Coos Bay Project, serves as an example of the state's and county's commitment to develop its gas resources. This is further evidenced by the facts that (1) Coos County, the owner of the nearby regional pipeline, has entered into an oil and gas lease for approximately 29,000 acres of county property, which is one of the Group's five leases and (2) all well and water disposal permits have been issued by the state for the Coos Bay Project (the state's first CBM project) and are renewed annually by the state.<sup>2</sup>

Coalbeds are contained in both the Lower and Upper Member of the Middle Eocene Coaledo Formation. The coal-bearing sandstones and siltstones of the Middle Eocene Coaledo Formation are estimated to form a section up to 6,400 feet thick. Total net coal thickness for the Lower Coaledo Member can range up to 70 feet and over 30 feet for the Upper Coaledo Member. Coos Bay coal rank ranges from sub bituminous to high-volatile bituminous, with a heating value of 8,300 to 14,000 British Thermal Units per pound ("BTU/LB."), low sulphur content, and a moderate percentage of ash.

The vast majority of all of the natural gas presently consumed in the Pacific Northwest must be delivered by interstate pipelines from Western Canada and the State of Wyoming.

Work on the Group's leasehold acreage originally commenced in 2008 and was further developed over the past several years. To date, the Group has invested approximately \$20 million in soft costs, site and infrastructure improvements, including:

- well permits for the existing five drilled wells;
- water disposal permit;
- 8 kilometres of gravel roadways;
- 7 gravel drilled well site pads;
- 5 drilled wells with PC pumps and motors;
- 5x 36 KW Genrac natural gas generators on each drilled well site;
- 5 gas/water separators installed on each drilled well site;
- 6x 12,500 gallon water storage tanks;
- approximately 6,500 meters of underground pipe installed to within 15 meters of the regional pipeline;
- 110 meters of underground diagonally drilled drainage pipe for water disposal;
- utility shed;
- security fences; and
- extensive engineering and geological studies.

The Group currently plans to continue its development of the leasehold acreage in three phases. Phase I, which will take place over a twelve-month period post-Admission and is being funded by the net proceeds from the Placing is the continuation of the above-mentioned development work. It involves optimising and connecting the five existing wells on the Rayonier property to the nearby regional pipeline, as well as drilling and connecting to the regional pipeline two additional wells on the Rayonier property.

---

<sup>2</sup> Source: <https://www.oregon.gov/DOGAMI/Pages/oil/oilhome.aspx>

The regional pipeline is owned by Coos County and managed by Northwest Natural. The Group has been in discussions with both Northwest Natural and Coos County about connecting to the regional pipeline. Both have indicated that they are willing for the Group to connect to the pipeline. The Group will need to negotiate the final contract to connect to the pipeline with Northwest Natural and Coos County, which it intends to do as soon as possible after Admission. Northwest Natural engineers have selected the connection point where the produced gas will enter the pipeline on site (15 meters from the pipeline). The underground gathering system that connects the five current wells is installed to that location. In Phase I a compressor will be delivered and the gathering system will connect to the compressor. The gas will then be sent from the compressor into the pipeline through the final 15 meters of pipe that will be installed in Phase I. The cost for the compressor and the connection to the pipeline are estimated at \$150,000. The Directors estimate connection to the pipeline will take approximately 6 weeks commencing on Admission. Curzon is currently in talks with Northwest Natural and Coos County to work out the details of the final agreement.

In letters of intent to Coos Bay dated 18 November 2016 and 15 February 2017, Northwest Natural expressed its willingness to purchase CBM gas from Coos Bay at a market-related price if the CBM gas meets its requirements (including greenhouse gas emissions). The off-take agreement will be subject to the terms and conditions of the Northwest Pipeline LLC FERC Gas Tariff and there will be a limitation on quantity, which would relate to Northwest Natural's gas sales in Coos County. Northwest Natural will also require the expected carbon footprint of the Coos Bay CBM operations to be comparable to the best practices employed for conventional natural gas production, gathering, processing and transportation, which the Group is confident it can meet. The Group expects the off-take agreement with Northwest Natural to be finalized during the period between Admission and the anticipated connection date to the pipeline.

The Coos County Board of Commissioners has confirmed in a letter dated 6 January 2017 that if Coos Bay and Northwest Natural agree an off-take agreement, the County would be willing to explore negotiating a connection to the County's pipeline to accommodate transmission of Coos Bay's CBM. Future negotiations will be subject to Coos Bay's strict adherence to all legal, regulatory, and environmental requirements regarding CBM exploration, production and processing.

In the event the Group is unable to connect to the nearby regional pipeline the Group would examine the possibility of selling its gas to several local industrial companies (e.g., asphalt and timber), which require large amounts of gas for their operations. Doing so would, however, increase the Group's gas transportation costs as its gas would most likely need to be shipped by truck to such local industrial customers. One local industrial company near the Group's project site does have its own pipeline on its property that feeds gas into its operations. However, the Directors have not yet determined whether a connection to such pipeline would be feasible.

The capex costs and working capital requirements for Phase I are \$1,140,000 and \$1,860,000, respectively. The successful completion of Phase I will require the Group to achieve the following milestones:

#### Months 1 to 3 post-Admission

- clean-out and optimise the existing five wells;
- obtain final approval from the regional pipeline operator for the connection of the five existing wells to the regional pipeline;
- install and connect the remaining pipe required to connect the five existing wells to the regional pipeline;

#### Months 4 and 5 post-Admission

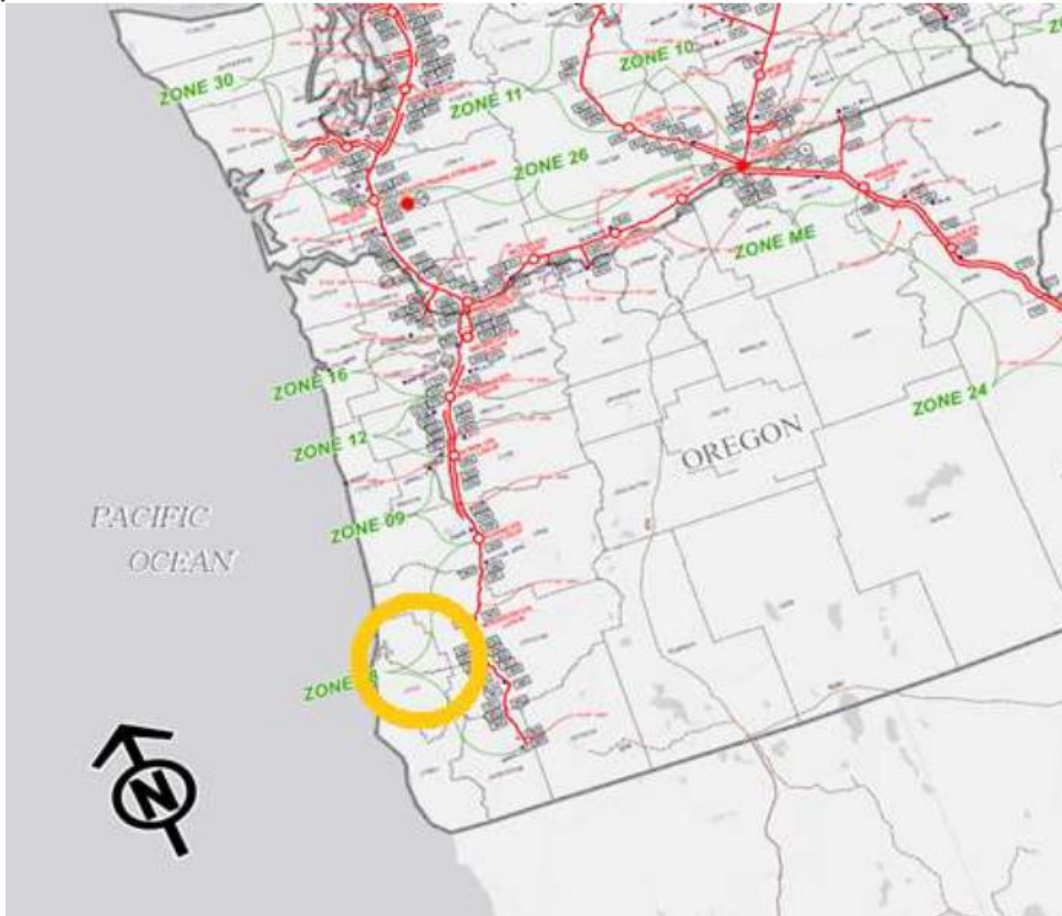
- obtain permits to drill the two additional wells;
- drill the two additional wells;
- install the pipe required to connect the two additional wells to the regional pipeline;

- perform other required ancillary work; and

Months 6 to 24 post-Admission

- operate the seven wells.

The following map shows the proximity of the acreage the Group has under lease to the nearby main regional pipeline.



Source: Williams, Northwest Pipeline, System Map

If Phase I is successfully completed, the Group intends to raise additional funds of approximately \$21.5m to pursue its planned Phase II development, which will involve drilling 58 additional wells on the Rayonier Property at the rate of approximately three wells per month and, likewise, connecting those 58 wells to the regional pipeline. Commencement of Phase II will be subject to the successful completion of an offering sufficient to raise the funds necessary for the Phase II development program.

Phase III will involve large scale development of the leased properties by drilling a further 400 additional wells that would be connected to the regional pipeline and also placed into production and will also require the Group to successfully raise substantial additional funds before Phase III can be commenced. Given its large scale, no current timetable or budget has been established for Phase III.

## 8.2 Historic operations in the Coos Bay Area

On 6 October 2004, Methane Energy Corp., a predecessor in interest to Westport Energy LLC, commenced a multi-hole coring program in connection with the Coos Bay leases. Coring was needed to collect coal samples so that accurate gas content data could be measured. Cores were collected, desorption work was done on the coals and evaluation was completed by mid-2005. This data, as well as other geologic information, was provided to Sproule Associates, Inc., an international reservoir

engineering firm, for an independent evaluation. To date, natural gas analyses performed on samples from Methane Energy Corp. coal samples and wells indicate that the gas is pipeline quality and that the coals are fully saturated with gas. It is important to note that technically recoverable gas volumes do not necessarily qualify as proved reserves, and the Group has not recorded any proven reserves at any of its projects at this time.

Drilling and testing programs were then initiated at three pilot sites—Beaver Hill, Radio Hill and Westport. A total of eleven exploratory wells have been drilled.

### **8.3 The Group's leases in the Coos Bay Area**

The Group has under lease approximately 45,370 mostly undeveloped acres in the Coos Bay Basin as of the date of this Prospectus. Of the acreage under lease, approximately 16,000 acres are leased from Rayonier Olympus Corporation (and several other lessors) under the 2004 Lease and approximately 29,000 acres from Coos County under the Coos County Lease. The term of the 2004 Lease commenced on 7 May 2004 and continues until 7 May 2020 and as long thereafter as oil and gas, or either of them, is produced in commercial quantities from the leased land or land pooled therewith. Annual rent under the 2004 Lease is \$0.50 per mineral acre. The term of the Coos County Lease commenced on 18 April 2017 and continues until 17 April 2020 and so long thereafter as leased substances, or any of them, are produced in paying quantities from the leased land or from land pooled with the leased land, or drilling operations are continued as provided in the lease. Annual rent under the Coos County Lease is \$1.00 per mineral acre. In addition, the Group has granted the landowners royalties of 12.5 per cent. on gross sales resulting from the leases.

### **8.4 Legal, economic and environmental conditions for exploring and developing the Group's leases.**

The Clean Water Act prohibits any person from discharging wastes or wastewater through a point source into a water of the United States without a NPDES permit. This permit normally contains limits on what can be discharged, monitoring and reporting requirements, and other provisions to ensure that the discharge does not hurt water quality or people's health. In essence, the permit translates general requirements of the Clean Water Act into specific provisions tailored to the operations discharging pollutants.

#### *The NPDES permit*

On 26 April 2007 Methane Energy Corporation secured a low cost DEQ permit (permit number 102935) from the State of Oregon pursuant to the Clean Water Act. The permit allows its holder to construct, install, modify, or operate a wastewater collection, treatment, control and disposal system and discharge to public waters from authorised discharge points into the Davis Slough, being located five miles south of Coos Bay. On 6 March 2012, the permit was transferred to Westport Energy. Prior to permit expiration on 31 October 2012, Westport Energy submitted a renewal application on 7 August 2012 and continued paying the annual fee in connection with the permit. DEQ has not formally renewed the permit but the Group has been informed that the permit will remain active and can be utilized for CBM well process water discharge provided the discharge quality meets the permits requirements. The annual fee for the permit is USD\$ 3,500. Based on the Group's discussions with DEQ and the fact that the Group remains current on its payments of the annual permit fee, the Directors believe it is unlikely that the permit will not be renewed or that the Group will be fined for operation with an out of date permit. If for any reason the permit was not renewed, the Group would then need to file a new permit application, which would incur additional costs and delay the implementation of wastewater collection, treatment, control and disposal system. In order to avoid delaying Phase I development while such new permit application is being processed, the Group would need to transport wastewater via truck to the nearby wastewater treatment facility, which would also incur additional costs.

Upon commencement of production, the produced water from each well will be piped to a gathering station at the Davis Slough and then released. The water will be filtered through a wetlands filter at the gathering station and monitored for compliance and reporting. The produced water has been tested and is in compliance with the guideline of the permit. Well tests showed 85 bbl of water per day per well. The permit covers 2,400 bbl of water per day, covering up to 28 wells. The Directors

may apply for additional surface water discharge permits, if required or alternatively may decide to seek permits for underground injection wells in addition to or in lieu of the surface water discharge permit(s).

## 9. The Group's shareholders, structure and employees

### 9.1 Principal shareholders

Immediately prior to Admission, YA Global will own 1,262,500 Ordinary shares representing 15.53 per cent. of the issued shares of the Company. Following completion of the Placing and Admission, YA Global will own 32,462,500 Ordinary shares and 44.72 per cent. of the issued shares of the Company, further details of which are set out in paragraph 3 of Part X of this Prospectus

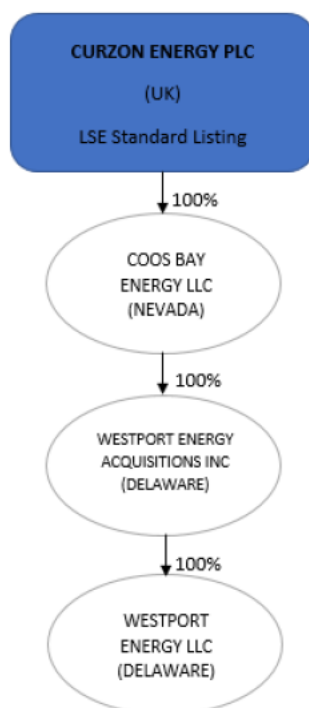
### 9.2 The Group's structure

The Company is a holding company. The following chart sets forth the Group's structure as at the date of publication of this Prospectus. The Company has one directly owned subsidiary, Coos Bay, which employs the Group's employees and conducts operations in the Coos Bay Basin Area, and two indirectly owned subsidiaries, Westport Energy Acquisition Inc. and its wholly-owned subsidiary, Westport Energy LLC.

Coos Bay was formed on 2 September 2016 and incorporated in the State of Nevada, USA as a limited liability company. Its registered office is at 1370 Crowley Avenue SE, Salem, OR 97302 and its principal place of business is 1001 SW 5<sup>th</sup> Avenue, Suite 1100, Portland, OR 97204.

The Directors propose to merge Westport Energy Acquisition Inc. and Westport Energy LLC into Coos Bay in the near term.

An organisational structure chart is set out below.



### 9.3 Employees

The Group has four personnel.

Mr. Schoepfer, through his limited liability company, 4 Sea-Sons LLC entered into a services agreement with Coos Bay dated 1 September 2017 pursuant to which he agreed to serve as Manager, Chief Executive Officer and President of Coos Bay. The term of the agreement commences on Admission and is due to expire on the second anniversary of Admission. Mr. Schoepfer's

compensation pursuant to the services agreement is £100,000 per annum for the first year of the agreement, while compensation for each subsequent year will be subject to a three per cent. increase. Mr. Schoepfer is also entitled to an allowance for health insurance and an annual bonus which is milestone related. The agreement can be terminated on the payment of three months' severance pay.

Mr. Mazzarisi, through his limited liability company, M10 Ventures LLC, entered into a services agreement with Coos Bay dated 1 September May 2017 pursuant to which he agreed to serve as Manager, Chief Financial Officer, Treasurer, Executive Vice President & General Counsel and Secretary of Coos Bay. The term of the agreement commences on Admission and is due to expire on the second anniversary of Admission. Mr. Mazzarisi's compensation pursuant to the services agreement is £100,000 per annum for the first year of the agreement, while compensation for each subsequent year will be subject to a three per cent. increase. Mr. Mazzarisi is also entitled to an allowance for health insurance and an annual bonus which is milestone related. The agreement can be terminated on the payment of three months' severance pay.

Mr. Robinson entered into a services agreement with Coos Bay dated 1 September May 2017 pursuant to which he agreed to serve as Vice President-Field Operations of Coos Bay. The term of the agreement commences on Admission and is due to expire on the second anniversary of Admission. Mr. Robinson's compensation pursuant to the consulting agreement is £44,000 per annum for the first year of the agreement, while compensation for each subsequent year will be subject to a three per cent. increase. The agreement can be terminated on the payment of three months' severance pay.

Mr. Wagenhofer's services are being made available to the Group pursuant to a consultancy agreement between the Company and Gate Energy Limited dated 28 September 2017 pursuant to which Mr. Wagenhofer will act as Technical Executive Director of the Company. The agreement will commence on Admission and is terminable by either side on three months' notice from the beginning of the tenth month following Admission. Gate Energy will be paid a monthly retainer of £10,000.

## **10. The Group's trading, strategy and prospects**

Before completing the Acquisition, the Company was an investment vehicle with a cash balance of £8,215 as at 30 June 2017. Following the Acquisition, the Group's main focus is on developing the business of Coos Bay.

Going forward, the Group's main objectives are to complete Phase I (proof of concept) which involves re-entering the five existing wells and bringing them to production followed by the drilling and completion of two additional wells with first gas from these new wells projected in Q2 of 2018. Should Phase I be successful, the Company would seek further capital to progress to Phase II (initial development). Should Phase II prove successful, a further funding round will be required to commence and complete Phase III (large scale development).

## **11. Insurance**

The Group's operations are subject to numerous operating risks typically associated with exploration and production activities. The Directors believe that its existing insurance coverage is reasonable to cover all general material risks associated with the Group's operations (and that of contractors/operators of its assets).

## **12. Taxation**

Further information on taxation with regards to the Ordinary Shares and the effect on the Company's domicile is set out in Part IX of this Prospectus.



### **13. Admission to a Standard Listing on the Official List**

The Company has now published the Prospectus, which has been approved by the UK Listing Authority and accordingly applications have been made for the Ordinary Shares to be admitted to trading on the Official List of the London Stock Exchange by way of a Standard Listing. It is anticipated that the Admission and dealings in the Ordinary Shares are expected to commence at 8.00 a.m. on 4 October 2017.

In accordance with Listing Rule 14.2.2, the Company and the Directors have ensured that on Admission the Company shall have sufficient shares in public hands (25 per cent.) as defined in the Listing Rules.

### **14. Risk factors**

Prior to investing in the Ordinary Shares, prospective investors should consider, together with the other information contained in this Prospectus, the factors and risks attaching to an investment in the Company including, in particular, the factors set out in the section entitled “*Risk Factors*” on pages 20 - 36 of this Prospectus.

### **15. Further information**

The attention of prospective investors is also drawn to the remainder of this Prospectus, which contains further information on the Group.

## PART II

### COUNTRY, INDUSTRY AND REGULATORY FRAMEWORK

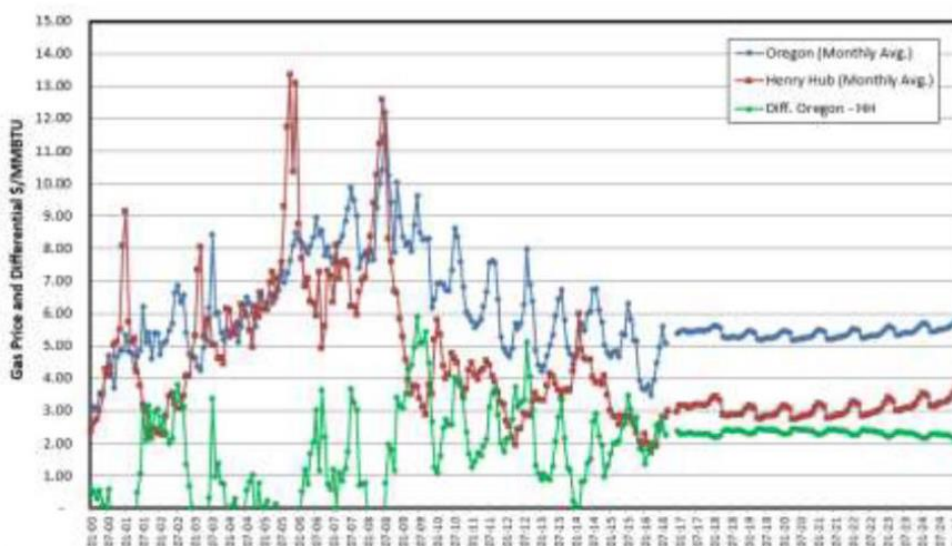
#### Country Overview – Demographic data of Oregon

Most of the Group's operations are located in the State of Oregon, USA. It is bordered on the east by Idaho, on the south by California, on the southeast by Nevada, on the west by the Pacific Ocean and on the north by Washington. The Snake River delineates much of the eastern boundary and the Columbia River delineates much of Oregon's northern boundary. The Directors of the Company believe Oregon to be an economically attractive State to conduct business operations of the Group, for the following reasons:

- *Population* - in 2014, Oregon's population grew by 1.5 per cent and Portland's year-on-year growth from 2014 to 2015 was 1.6 per cent;
- *Personal income* – in 2016, only California and Utah exceeded Oregon's 4.35 per cent increase in personal income;
- *Workforce* – Oregon created more jobs than 44 States, with employment growth of 2.73 percent;
- *Energy usage* – between 2014 and 2015, natural gas consumption increased by 7.57 per cent;
- *Gas pipeline* – there are four miles of pipeline already laid on the site leased by the Group which is within 15 meters of the Coos Bay Pipeline, a regional feeder line that connects to a large interstate pipeline; and
- *Current high gas price* - typically Oregon gas prices are higher than the Henry Hub natural gas price, which is generally seen to be the primary price set for the North American natural gas market. Currently Oregon prices are within the range of 100 per cent to 150 per cent premium to the Henry Hub.

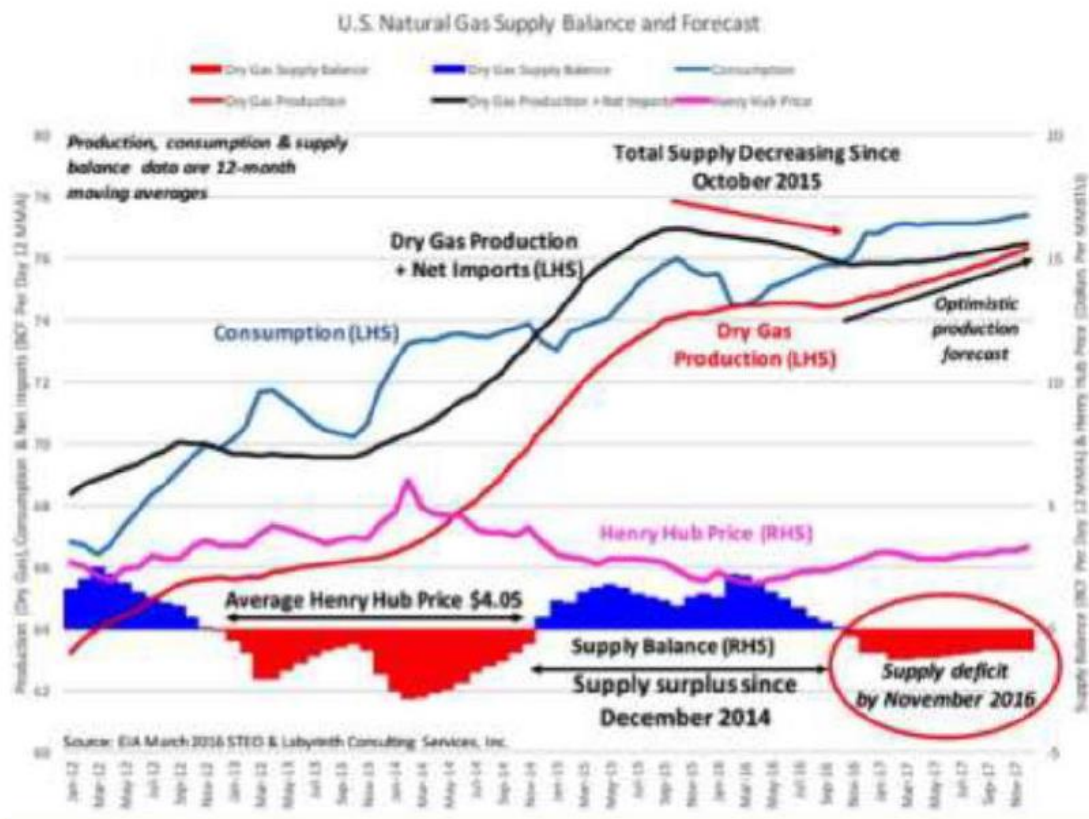
#### Gas prices in Oregon

Oregon traditionally pays a high gas price to local producers which has consistently been higher than the US national average for gas prices. A correlation exists between the Henry Hub and Oregon Citygate prices, showing a general decline of differential with an increasing Henry Hub price. The correlation appears to have a price differential of approximately \$3 per MMTBTU at a \$2 per MMBTU Henry Hub price with the differential declining to around \$1 per MMBTU above a \$5 per MMTBTU Henry Hub price. The forward price for Henry Hub implies \$5-\$6 per MMBTU for the Coos Bay project going forward. The Oregon gas price has traditionally traded at premium to the national gas price (100 per cent to 150 per cent premium to Henry Hub).



Source: Competent Person's Report

It is estimated that gas supply is decreasing. Dry gas production plus net imports have been declining since October 2015 as gas production is flat, imports are decreasing and exports are increasing. Shale gas production has stopped growing and conventional gas production has been declining for the past 15 years. The surplus that has existed since December 2014, is now disappearing and gas supply was expected to move into deficit by November 2016 as is shown in the following table:



Source: "Natural Gas Prices Should Double" by Art Berman dated 7 April 2016

During the last supply deficit from December 2012 to November 2014, Henry Hub spot prices averaged \$4.05 per MMBTU. Henry Hub prices averaged \$1.99 per MMBTU in the first quarter of 2016. EIA forecast an increase of Henry Hub gas prices to \$3.31 by the end of 2017.

## Regulatory framework

### *Federal and Oregon laws and regulations relating to exploration and production*

Oil and gas exploration and production is subject to extensive regulation at the federal, state, and local levels. These laws and regulations may be changed and/or supplemented at any time typically leading to increased regulatory burden. Satisfying the applicable standards and completing all the regulatory approval processes for a particular project can require significant time and expense and is not guaranteed. Non-compliance can result in substantial monetary penalties, injunctions or both. Key legal requirements are summarized below.

### *Drilling*

A permit from the Oregon Department of Geology and Mineral Industries ("DOGAMI") is required before drilling or operating an oil and gas well in the State of Oregon. In conjunction with the permit, a bond must be posted, and wells must ultimately be properly plugged and abandoned and surface disturbances reclaimed. DOGAMI also enforces conservation laws, including those governing the establishment of spacing units.

### *Hydraulic Fracturing*

Hydraulic fracturing is currently allowed in the State of Oregon. Efforts at the federal, state, or local level to increase regulation of, and/or prohibit, hydraulic fracturing may occur. For example, a bill now pending in the Oregon Legislature would impose a moratorium on hydraulic fracturing (proposed to be broadly defined as “the drilling technique of expanding existing fractures or creating new fractures in rock by injecting water, with or without chemicals, sand or other substances, into or underneath the surface of the rock for the purpose of stimulating oil or gas production”) until the end of 2027, but CBM extraction wells in existence on the effective date of the bill, if enacted, would be exempt from the proposed moratorium.

### *Water Rights*

A permit from the Oregon Water Resources Department (“WRD”) is generally required to divert surface water or appropriate groundwater from wells. Among other things, WRD can deny a surface water permit application if it determines that water is unavailable and can deny a groundwater permit application if groundwater pumping would cause substantial interference with surface water.

### *Water Discharges*

The Clean Water Act (“CWA”) and associated state requirements impose restrictions and strict controls on the discharge of pollutants, including discharges of produced water, into jurisdictional waters. A National Pollutant Discharge Elimination System (“NPDES”) permit, issued by the Oregon Department of Environmental Quality (“DEQ”), is required to discharge produced water into surface waters. A NPDES permit can also be necessary to discharge storm water associated with oil and gas operations. An approved Spill Prevention, Control, and Countermeasure (SPCC) plan to protect waters from discharges of oil may also be needed in connection with development and operations.

### *Underground Injection*

The underground injection of produced water is subject to the Safe Drinking Water Act (“SDWA”) and associated state requirements. Established pursuant to the SDWA, the underground injection control program includes requirements for permitting and operation of injection wells. A Water Pollution Control Facility permit is required from DEQ for such activities.

### *Non-Hazardous and Hazardous Solid Wastes/Substances*

The Resource Conservation and Recovery Act (“RCRA”) and associated state requirements regulate the generation, transportation, treatment, storage, disposal and clean-up of non-hazardous and hazardous solid wastes. Although certain solid wastes from oil and gas operations may be exempt from regulation as hazardous waste under RCRA, other RCRA requirements continue to apply. The Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”) and associated state requirements impose liability, including for the costs of remediation, without regard for fault, for the release of hazardous substances. Potentially responsible parties can include the current and past owners or operators of a site where a release occurred. Although CERCLA generally exempts “petroleum” from regulation, “oil” is a hazardous substance under Oregon’s state analog to CERCLA. Furthermore, oil and gas operations may generate other wastes that constitute hazardous substances under CERCLA.

### *Air Emissions*

The Clean Air Act and associated state requirements govern emissions of various air pollutants, including greenhouse gases. Permits from, and reporting emissions to, DEQ may be required to operate equipment used in oil and gas operations. DEQ is in the midst of strengthening its industrial air toxics regulations.

### *Fill/Removal in Waterbodies*

Section 404 of the CWA prohibits the discharge of fill material (e.g., for access roads or gathering lines) into waters of the United States, including wetlands, unless authorized by a permit issued by

the U.S. Army Corps of Engineers. Permits are also required from the Oregon Department of State Lands to remove or fill material in state waters, including wetlands.

#### *Local Government Regulation*

Land use is regulated by local governments in the State of Oregon, but local land use regulations must comply with state-wide planning goals and state agencies cannot issue permits for activities that are not compatible with local land use regulations. Land use permits from Coos County may be required.

#### *Transportation*

Transportation of natural gas on interstate pipelines, including non-discriminatory service standards and rates, is regulated by the Federal Energy Regulatory Commission. Transportation of natural gas on intrastate pipelines in the State of Oregon is regulated by the Oregon Public Utility Commission ("OPUC"). The federal Pipeline and Hazardous Materials Safety Administration and the OPUC regulate transportation safety.

#### *Taxation*

In addition to property taxes and federal and state income taxes, the State of Oregon imposes a six per cent. severance tax on oil and gas production within the state.

#### *Federal and Oregon laws and regulations relating to protection of the environment*

The aforementioned laws and regulations related to oil and gas exploration and production (excluding tax requirements) contain numerous standards and requirements relating to protection of the environment. However, federal permitting actions also trigger a suite of federal environmental laws summarized below. Compliance with these statutes can be time consuming and expensive.

#### *National Environmental Policy Act ("NEPA")*

NEPA ensures consideration of environmental issues in federal decision-making. Specifically, NEPA requires federal agencies to determine whether their action, such as the approval of a permit application, is a "major Federal action significantly affecting the quality of the human environment." To make this determination, an agency often prepares an environmental assessment ("EA"). If the agency determines that its action is not "significant," the agency will issue a finding of no significant impact and an environmental impact statement ("EIS") need not be prepared. However, if the agency finds that its action is "significant," then it must prepare an EIS. NEPA does not require that a federal agency take the action that is most compatible with environmental conservation but instead requires that it give serious weight to environmental factors in making decisions.

#### *Endangered Species Act ("ESA")*

The ESA prohibits the "take," which is defined broadly to include harassing or harming (including significant habitat modification or degradation where it actually kills or injures wildlife), of any species listed as threatened or endangered. It also requires that a federal agency ensure that any action authorized by that agency (i) is not likely to jeopardize the continued existence of any species listed as threatened or endangered and (ii) is not likely to result in the destruction or adverse modification of designated critical habitat for such species. If an agency's action may affect a listed species or its critical habitat, then the federal agency must consult with either the U.S. Fish and Wildlife Service or the National Marine Fisheries Service (depending upon the species) to determine whether the federal action at issue would have an effect. Unlike NEPA, the ESA imposes substantive requirements on federal agency decision-making.

#### *National Historic Preservation Act ("NHPA")*

Section 106 of the NHPA requires each federal agency with direct or indirect jurisdiction over a proposed federal "undertaking," such as the approval of a permit application, consider the effect of its undertaking on any property or item included or eligible for inclusion on the National Register of

Historic Places. This is done through consultation with the Oregon State Historic Preservation Office and/or the applicable Tribal Historic Preservation Office. (In addition, Oregon law requires that state agencies make a reasonable effort to cooperate with tribes in the development and implementation of programs that affect tribes.) Like NEPA, the NHPA creates primarily procedural requirements on federal agency decision-making.

#### *Water Quality Certification*

Section 401 of the CWA prohibits the issuance of a federal permit or approval for any project that involves a discharge into waters of the United States unless the state certifies that the discharge will comply with specified provisions of the CWA, including state water quality standards established under the CWA. DEQ administers Oregon's water quality certification program.

#### *Coastal Zone Management Act ("CZMA")*

Under the CZMA, no federal permits can be issued for an activity that affects any land or water use or natural resource within Oregon's coastal zone unless the Oregon Department of Land Conservation and Development concurs that the activity is consistent with the enforceable policies of Oregon's coastal management program. The Coos Bay Project is located in Oregon's coastal zone.

#### *Federal and Oregon laws and regulations relating to employment and labour/health and safety*

Federal and state laws and regulations govern a variety of employment issues, including harassment, discrimination, discipline, discharge, whistle-blower protection, leaves and disability accommodation, wage and hour issues, health care, and workers' compensation. Worker health and safety is regulated by both the federal Occupational Safety and Health Administration (OSHA) and its state counterpart. In addition, federal and state laws require that employers warn employees regarding chemical hazards and may require public communications regarding hazardous substances.

#### **United States Federal Income Tax consequences of the exchange of Coos Bay membership interests for Ordinary Shares**

The Company will be subject to U.S. federal income tax on its worldwide income in the same manner as treatment currently applies to Coos Bay. Pursuant to Section 7874 of the U.S. Internal Revenue Code of 1986 (the "Code") the Company should be treated as a U.S. corporation for all purposes under the Code because the Company is unlikely to have substantial business activities in the UK. Because the Company will be treated as a U.S. corporation for all purposes under the Code, the Company will not be treated as a "passive foreign investment company," as such rules apply only to non-U.S. corporations for U.S. federal income tax purposes.

#### **Overview of the CBM industry**

The United States has the longest history and greatest volumes of CBM production, however other countries such as Canada, China and Australia have increased production over the last decade.

#### **Overview of the CBM industry in America and Canada**

During the past two decades, CBM has emerged as a viable source of natural gas in the US, compared to the late 1980s when there was no significant production outside of the still dominant San Juan Basin in New Mexico, and the Black Warrior Basin in Alabama. According to data from the U.S. Department of Energy's Energy Information Administration, CBM production totalled 1.269 TCF in 2015.<sup>3</sup> This production accounted for nearly five per cent. of the country's total dry-gas output of 27.1 trillion cubic feet.<sup>4</sup> CBM production currently comes from fifteen basins located in the Rocky

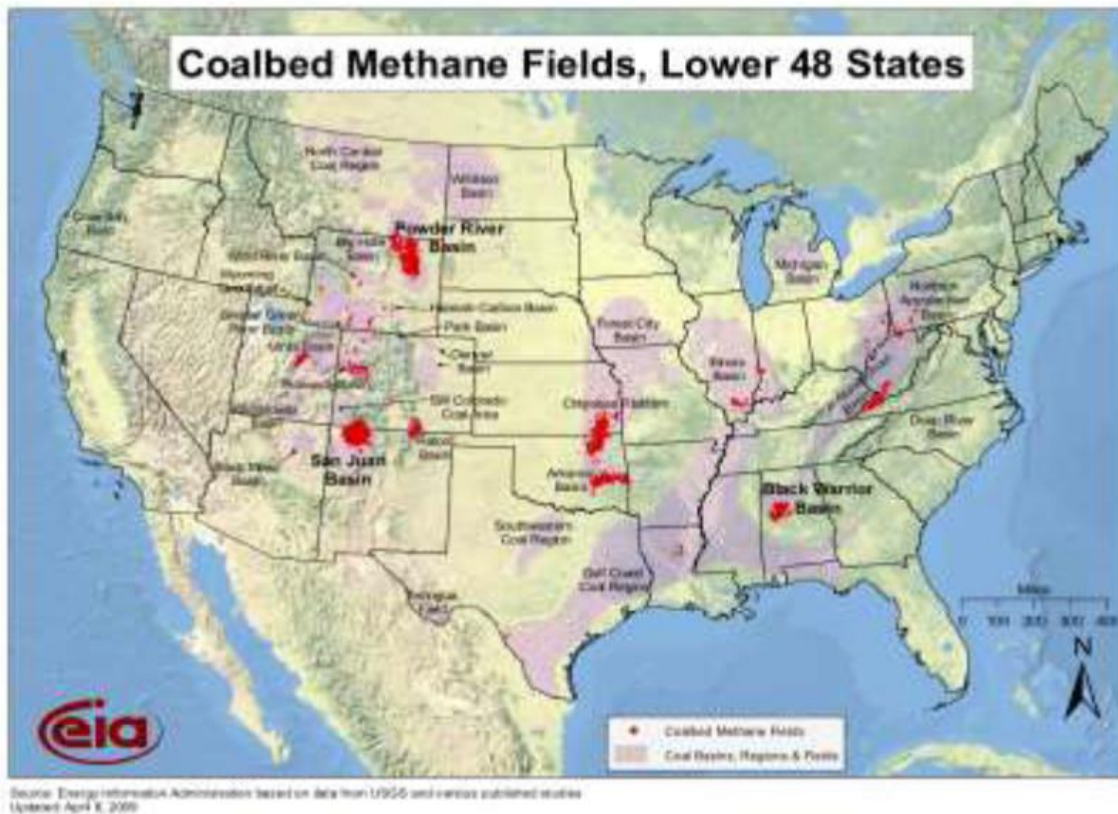
---

<sup>3</sup> U.S. Energy Information Administration, Coalbed Methane Production, accessible via [https://www.eia.gov/dnav/ng/ng\\_prod\\_coalbed\\_s1\\_a.htm](https://www.eia.gov/dnav/ng/ng_prod_coalbed_s1_a.htm)

<sup>4</sup> U.S. Energy Information Administration, U.S. Dry Natural Production, accessible via <https://www.eia.gov/dnav/ng/hist/n9070us2a.htm>



Mountain, Mid-Continent and Appalachian regions. One of the CBM industry's leading information specialists estimates that the number of CBM producing wells nationwide (including those close to achieving production) is approaching 35,000. By comparison, more than 493,100 wells produce natural gas nationwide. However, none of this production of natural gas currently comes from Oregon. All of the natural gas presently consumed in the Pacific Northwest must be delivered by interstate pipelines from Western Canada and the State of Wyoming. The map below from the Energy Information Administration reflects the various CBM fields in the lower 48 states of the U.S.



A number of US government agencies and industry organizations use various statistical methodologies to estimate the volume of potentially recoverable CBM using currently available technology and specific economic conditions. The Potential Gas Committee, which provides the most frequent assessments of the US' natural gas resource base, estimates technically recoverable CBM resources of 158.0 trillion cubic feet as of year-end 2014.<sup>5</sup>

CBM gas is a type of natural gas found in coal seams of various types of coal. As coal is formed, large quantities of natural gas are generated and adsorbed on the internal surface area of the coal. CBM exploration and production involves drilling into a known coal deposit and extracting the natural gas that is contained in the coal. A coal seam is often saturated with water, with methane gas being held in the coal by water pressure. To produce CBM from coalbeds, water must first be pumped from the seam in order to reduce the water pressure that holds the gas in the seam. This process is called dewatering. When the water pressure is reduced, the gas absorbed on the coal is released and diffuses through the fractures, or cleats, contained in the coal seam. Gas flows to the wellbore through the cleat system as well as any of the other cracks, crevices and fractures found in the coalbed. Dewatering volumes decrease as peak CBM production is reached. The productivity potential of a well depends on many reservoir and geological characteristics, including permeability, thickness and depth of the coalbed, the coal ranking of the coalbed, gas content and other factors.

CBM has been extracted successfully for decades in the US and the late 1990s saw a significant development across the United States. The Powder River Basin (PRB) in Northeast Wyoming is the

<sup>5</sup> Potential Gas Committee, press release dated 8 April 2015, accessible via <http://potentialgas.org/press-release>

largest coal mining region in the United States and has Proven Reserves which have been exploited since the 1970s. At its peak in 2008, the Powder River Basin produced more than 537 bcf, accounting for nine per cent of the country's gas supply and it was the third largest source of gas in the United States.<sup>67</sup>

In recent years, there have been several mergers and acquisitions in the Powder River Basin region including:

- the sale of 1.6 million net acres (200,000 acres of which are located in the Powder River Basin) from Yates Petroleum Co to EOG Resources, Inc. for a price of USD\$ 2.5 billion in 2016;<sup>8</sup>
- the sale of WPX Energy's remaining mature CBM assets to Moriah Powder River, LLC for a price of USD\$ 80 million;<sup>9</sup> and
- the purchase by Carbon Creek Energy, LLC, a company formed by Moriah Group, LLC of 7,500 wells from Anadarko Petroleum Corporation and WPX Energy.<sup>10</sup>

The Horseshoe Canyon development is the largest coalbed methane development in Canada and accounts for about 90 per cent of all coalbed methane production in Alberta. In 2012, nearly all coalbed methane wells drilled in Alberta have targeted the thinner coal seams in the Horseshoe Canyon (ultimate gas in place 179 Tcf) and Belly River coal zones along the Calgary-Red Deer corridor. Wells targeting these seams tend to produce gas with little or no water, with production referred to as "dry CBM". The first commercial production of CBM in Alberta was from these coals, and they constitute the majority of CBM reserves booked. The depth range of these coals is 200m to 800 m.<sup>11</sup>

The Directors believe there are similarities between Coos Bay and the Powder River Basin and Horseshoe Canyon CBM projects:

Powder River Basin similarities: The Directors believe that the Coos Bay Basin is similar to the Powder River Basin, located in north-eastern Wyoming, in terms of geologic age, coal quality and structural setting. Some key differences are that the Coos Bay Basin typically has a higher gas content which may translate into similar and possible higher per well recoverable volumes. Conversely, the Powder River Basin has thicker coal seams which allows for simpler completion and more certainty with respect to volumes. The Powder River Basin also has better permeability. Hence, production rates at Coos Bay Basin can be expected to be lower.

---

<sup>6</sup> U.S. Geological Survey Digital Data Series DDS-69-C, Chapter 2 titled 'Coalbed Methane in the Powder River Basin, Wyoming and Montana: An Assessment of the Tertiary-Upper Cretaceous Coalbed Methane Total Petroleum System' by Romeo M. Flores

<sup>7</sup> U.S. Energy Information Administration 'Top 100 Oil and Gas Fields', Appendix B, accessible via [https://www.eia.gov/pub/oil\\_gas/natural\\_gas/data\\_publications/crude\\_oil\\_natural\\_gas\\_reserves/historical/2007/pdf/appb.pdf](https://www.eia.gov/pub/oil_gas/natural_gas/data_publications/crude_oil_natural_gas_reserves/historical/2007/pdf/appb.pdf)

<sup>8</sup> EOG press release titled 'EOG Resources and Yates Agree to Combine in Transaction Valued at \$2.5 Billion', dated 6 September 2016, accessible via <http://investors.eogresources.com/2016-09-06-EOG-Resources-and-Yates-Agree-to-Combine-in-Transaction-Valued-at-2-5-Billion>

<sup>9</sup> WPX Energy press release titled 'WPX Energy sells Powder River Basin assets', dated 1 September 2015, accessible via <http://www.wpxenergy.com/news-and-media/press-releases/pressrelease.aspx?id=dc65d799-b706-4ac6-9caa-0ce42291007f>

<sup>10</sup> Natural Gas Intel, article titled 'New Player Muscles Into Powder River, Buying CBM Wells, Gas Plant' dated 3 September 2015, accessible via <http://www.naturalgasintel.com/articles/103548-new-player-muscles-into-powder-river-buying-cbm-wells-gas-plant>

<sup>11</sup> Alberta Energy website, section titled 'Alberta's geology - learning from projects in Alberta', accessible via <http://www.energy.alberta.ca/OurBusiness/754.asp>



Horseshoe Canyon similarities: The Directors believe that the Coos Bay Basin is similar to Horseshoe Canyon, located in western Canada, in terms of lower permeability, limited quantities of movable water, and presence of larger number of thinner coal seams which need to be commingled for production. The Coos Bay Basin typically has a higher gas content, which may deliver similar, and possibly higher, per well recoverable volumes. Permeabilities are similar and production rates at Horseshoe Canyon compare well with test rates at Coos Bay Basin. The rates at Coos Bay are prior to compression benefits however, and can be expected to increase with compression.

## Overview of the CBM industry in Australia

Australia is a major CBM producer. The two major Australian coal seam gas basins are the Bowen and Surat basins. The Bowen basin, which is where the first commercial production took place in Australia, is part of the Sydney-Gunnedah-Bowen basin. It extends along the eastern coast where most CMB resources are located; specifically in Queensland and New South Wales.<sup>12</sup> In the so called 'Eastern Gas Market' which includes New South Wales, Queensland, Victoria, South Australia and Tasmania, coal seam gas makes up of 78 per cent of the gas reserves.<sup>13</sup> Major CBM producers in Australia include Santos, BG Group and Shell.<sup>14</sup> There have been several mergers and acquisitions in recent years with a total value of over AUD\$ 30 billion including:

- the acquisition of Arrow Energy Pty Limited by CS CSG Pty Limited which is a 50/50 joint venture company owned by a subsidiary of PetroChina Company Limited and Shell for a price of AUD\$ 3.5 billion;<sup>15</sup>
- the acquisition of Queensland Gas Company Pty Limited by BG Group for USD\$ 2.4 billion in 2008;<sup>16</sup> and the purchase of 11.7 per cent. shares in Santos by China's ENN Energy Holdings Limited for a price of USD\$ 750 million.<sup>17</sup>

---

<sup>12</sup> Unconventional Oil& Gas, Surat basin, dated 22 September 2015, accessible via <http://www.unconventionaloilandgas.com.au/surat-basin/>

<sup>13</sup> SBS Factbox: CSG in Australia, accessible via <http://www.sbs.com.au/news/article/2013/03/12/factbox-csg-australia>

<sup>14</sup> Reuters 'Factbox: Australia's coal-seam gas projects' dated 21 April 2011, accessible via <http://uk.reuters.com/article/us-australia-gas-coal-seam-idUKTRE73K1LW20110421>

<sup>15</sup> The Telegraph, 'Arrow Energy accepts raised offer from Shell, PetroChina', dated 22 March 2010, accessible via <http://www.telegraph.co.uk/finance/newsbysector/epic/rdsb/7495833/Arrow-Energy-accepts-raised-offer-from-Shell-PetroChina.html>

<sup>16</sup> Reuters 'BG Group to buy Queensland Gas', dated 27 October 2018, accessible via <http://uk.reuters.com/article/uk-qgc-bg-idUKTRE49Q8BY20081027>

<sup>17</sup> Reuters, 'UPDATE 1-China's ENN buys \$750 mln stake in Australia's Santos', dated 23 March 2016, accessible via <http://www.reuters.com/article/santos-ltd-enn-ec-idUSL3N16V52K>

## **PART III**

### **THE PLACING AND THE RULE 9 WAIVER**

#### **1. Share Capital**

On 29 January 2016, the date of its incorporation, the Company issued one ordinary share of £1.00 each to each of M10 Ventures LLC and 4 Sea-Sons LLC at par value. Between 8 February 2016 and 19 September 2016 the Company allotted 81,295 ordinary shares of £1.00 each to various pre Admission investors for a subscription price of £8.00 per share. All issues of shares prior to and on 19 September 2016 are referred to as the Initial Subscription.

On 26 May 2017 the Company subdivided each ordinary share of £1.00 each into 100 Ordinary Shares of £0.01 each.

Further details of the Company's share capital are set out in paragraph 2.2 of Part X of this Prospectus.

#### **2. Placing**

The Company has entered into: (i) a Placing Agreement with the Directors and SP Angel, pursuant to which SP Angel, acting as agent for the Company, has placed conditionally with investors Placing Shares; and (ii) Subscription Agreements with institutional and other investors pursuant to which Subscribers have subscribed conditionally direct with the Company (the "Subscription"); for an aggregate 23,265,000 Placing Shares at the Placing Price, raising an aggregate of £2,326,500 (before expenses), further details of which are set out below at paragraph 5 of this Part III of this Prospectus.

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

The Net Proceeds amount to approximately £1,616,792. The Placing is conditional on Admission occurring on or before 4 October 2017 (or such later date being no later than 31 October 2017 as agreed by SP Angel and the Company). If Admission does not occur by such date, the Placing will not proceed and all monies paid will be refunded to the applicants. In accordance with Listing Rule 14.3, at Admission at least 25 per cent. of the Ordinary Shares of this listed class will be in public hands (as defined in the Listing Rules). Completion of the Placing will be announced via a regulatory information service on Admission, which is expected to take place at 8.00 a.m. on 4 October 2017.

#### **3. Rule 9 Waiver**

By a membership interest purchase agreement dated 20 May 2017, between YA Global, the Company and Coos Bay (the "Acquisition Agreement"), the Company agreed to acquire all the membership interests in Coos Bay (the "Acquisition"). The Acquisition is conditional on Admission and agreement to the Accelerated Whitewash by the Panel. The consideration for the Acquisition includes the issue of an aggregate of 40 million Ordinary Shares to the members of Coos Bay ("Consideration Shares"), 30 million of which will be issued to YA Global. It has been agreed that on Admission the Company shall issue 1.2 million Ordinary Shares to YA Global (the "Loan Satisfaction Shares") in full and final settlement of all obligations of the YA Global Note. The proposed issue of an aggregate 31.2 million Ordinary Shares to YA Global gives rise to certain considerations under the Code as the issue will result in YA Global holding 44.72 per cent. of the voting rights of the Company on completion of the Placing and the Acquisition.

Brief details of the Panel, the Code and the protections they afford are described below.

The Code is issued and administered by the Panel. The Code applies to all takeover and merger transactions, however effected, where the offeree company is, *inter alia*, a listed or unlisted public company resident in the United Kingdom (and to certain categories of private limited companies). The Company is a listed public company and its Shareholders are entitled to the protections afforded by the Code.

Under Rule 9 of the Code if any person acquires an interest in shares, which when taken together with shares in which he and persons acting in concert with him are already interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Code, that person is normally required to make a general offer in cash to all shareholders in the company at the highest price paid by him or any person acting in concert with him for an interest in such shares within the preceding 12 months.

Rule 9 also provides that if any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company which is subject to the Code but does not hold shares carrying more than 50 per cent. of such voting rights, and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in such company in which he is interested, that person is normally required to make a general offer in cash to all shareholders in the company at the highest price paid by him or any person acting in concert with him for an interest in such shares within the preceding 12 months.

YA Global does not have any concert parties. for the purposes of the Acquisition. Following the Acquisition and the Placing, YA Global will hold more than 30 per cent. of the Company's voting share capital and as a result, without a waiver of the obligations under Rule 9, YA Global would be obliged to make a general offer to Shareholders under Rule 9 of the Code.

Under Note 1 on the Notes on the Dispensations from Rule 9, the Takeover Panel (the "Panel") will normally waive the requirement for a general offer to be made in accordance with Rule 9 (a "Rule 9 Offer") if, inter alia, the shareholders of the Company who are independent of the person who would otherwise be required to make an offer and any persons acting in concert with it (the "Independent Shareholders") pass an ordinary resolution on a poll at a general meeting (a "Whitewash Resolution") approving such a waiver. The Panel indicated to the Company that they may waive the requirement for a Whitewash Resolution to be considered at a general meeting (and for a circular to be prepared in accordance with Section 4 of Appendix 1 to the Code) if Independent Shareholders holding more than 50 per cent. of the Company's shares capable of being voted on such a resolution confirm in writing that they would vote in favour of the Whitewash Resolution were such a resolution to be put to the shareholders of the Company at a general meeting ("Accelerated Whitewash")

The Independent Shareholders detailed below have provided the Panel with the relevant written confirmations in connection with the Company and the Panel has accordingly waived the requirement for a general offer to be made in accordance with Rule 9 of the Code. Accordingly, the Acquisition will be effected without the requirement for YA Global and any person deemed to be acting in concert with it to make a general offer.

Name of Shareholder	Number of Ordinary Shares held	Percentage of Existing Capital	of Share	Percentage of Voting Rights in the Independent Shares
Riverfort Capital Ltd	125,000		1.54%	1.54%
Shard Capital Management Ltd	1,000,000		12.30%	12.30%
Walter B. Edwards	429,500		5.28%	5.28%
Vikrant Bhargava	1,250,000		15.38%	15.38%
Regency Mines plc	2,187,500		26.91%	26.91%
GSC Global Fund	1,875,00		23.06%	23.06%
<b>Total</b>	<b>6,867,000</b>		<b>84.48%</b>	<b>84.48%</b>

Each of the Independent Shareholders (who together are the beneficial owners of 6,867,000 Ordinary Shares in aggregate, representing 84.48% per cent. of the voting rights in the Company's issued share capital as at the date of this Prospectus, prior to the issue of the Placing Shares, the Consideration Shares and the Loan Satisfaction Shares, which are eligible to give written consent) has written to the Takeover Panel to confirm:

- (1) that it/he/she has absolute discretion over the manner in which its/his/her respective Ordinary Shares are voted and that these Ordinary Shares are held free of all liens, pledges, charges and encumbrances;

(2) that:

- (a) save for the fact that they are shareholders in the Company, there is no connection between it/him/her and YA Global;
- (b) it/he/she does not have any interest or potential interest, whether commercial, financial or personal, which is conditional on the outcome of the Acquisition; and
- (c) he/she is an Independent Shareholder of the Company; and

(3) that, in connection with the Acquisition:

- (a) it/he/she has consented to the Takeover Panel granting a waiver from the obligation for the concert party to make a Rule 9 offer to the Company's shareholders;
- (b) subject to independent shareholders holding more than 50 per cent. of the Ordinary Shares capable of being voted on a Whitewash Resolution giving separate confirmations in writing, it/he/she consents to the Takeover Panel dispensing with the requirement that independent shareholders approve a Whitewash Resolution at a general meeting of the Company; and
- (c) it/he/she would vote in favour of a Whitewash Resolution were such a resolution put to the independent shareholders of the Company at a general meeting.

In giving confirmations referred to above, each of the Independent Shareholders acknowledged:

- (1) that, if the Panel receives written confirmation from independent shareholders holding more than 50 per cent. of the shares capable of being voted on a Whitewash Resolution, the Takeover Panel will approve a waiver from the obligation for the concert party to make a Rule 9 Offer, without the requirement for the waiver to be approved by independent shareholders of the Company at a general meeting;
- (2) that, if no general meeting is held to approve the Whitewash Resolution:
  - (a) there will not be an opportunity for any other person to make any alternative proposal to the Company conditional on such Whitewash Resolution not being approved by independent shareholders of the Company;
  - (b) there would not be an opportunity for other Shareholders to make known their views on the Acquisition (other than at the General Meeting to authorise the Directors to issue inter alia the Consideration Shares and the Loan Satisfaction Shares and to disapply pre-emption rights in relation to the issue of inter alia the Consideration Shares and the Loan Satisfaction Shares); and
  - (c) there would be no requirement for the Company either: (i) to obtain and make known to its shareholders competent independent advice under Rule 3 of the Code on either the Acquisition or the waiver of the obligation for YA Global to make a Rule 9 Offer; or (ii) to publish a circular to shareholders of the Company in compliance with Appendix 1 of the Code in connection with this matter.

The Independent Shareholders also confirmed that they will not sell, transfer, pledge, charge or grant any option or other right over, or create any encumbrance over, or otherwise dispose of their Ordinary Shares until after the conclusion of the General Meeting.

The Panel has agreed to an Accelerated Whitewash subject to receipt of originals of the written confirmations referred to above.

Shareholders should note that, following the Acquisition and the Placing, YA Global will not be entitled to increase its interest in the voting rights of the Company without incurring a further obligation under Rule 9 of the Code to make a general offer (unless a dispensation from this requirement has been obtained from the Panel in advance).

Shareholders should also note that, following completion of the Acquisition and the Placing, YA will control 44.72 per cent. of the voting rights of the Company and that this will increase the percentage of the Ordinary Shares that are not in public hands. This may in turn have the effect of reducing the liquidity of trading in the Ordinary Shares. YA Global's stake in the voting rights of the Company will also mean that YA Global will be able, if it so wishes, to exert significant influence over resolutions proposed at future general meetings of the Company. The Company and YA Global have entered into the Relationship Agreement pursuant to which YA Global has given certain undertakings to the Company and SP Angel in relation to its relationship with the Company with respect to their shareholdings in the Company. Further details of the Relationship Agreement are set out in paragraph 25.4 of Part X of this Prospectus.

#### **4. Admission, Dealings and CREST**

The Placing is subject to Admission occurring on or before 4 October 2017 (or such later date being no later than 31 October 2017 as agreed by SP Angel and the Company).

Admission is expected to take place and unconditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on 4 October 2017. Dealings on the London Stock Exchange before Admission will only be settled if Admission takes place. All dealings in Ordinary Shares prior to commencement of unconditional dealings will be at the sole risk of the parties concerned.

The expected date for electronic settlement of such dealings will be 5 October 2017. All dealings between the commencement of conditional dealings and the commencement of unconditional dealings will be on a "when issued basis". If the Placing does not become unconditional in all respects, any such dealings will be of no effect and any such dealings will be at the risk of the parties concerned.

Where applicable, definitive share certificates in respect of the Ordinary Shares to be issued pursuant to the Placing are expected to be despatched, by post at the risk of the recipients, to the relevant holders, in the week commencing 9 October 2017. The Ordinary Shares are in registered form and can also be held in uncertificated form. Prior to the despatch of definitive share certificates in respect of any Ordinary Shares which are held in certificated form, transfers of those Ordinary Shares will be certified against the register of members of the Company. No temporary documents of title will be issued.

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. The Company will apply for the Ordinary Shares to be admitted to CREST with effect from Admission and it is expected that the Ordinary Shares will be admitted with effect from that time. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any investor so wishes.

CREST is a voluntary system and investors who wish to receive and retain certificates for their securities will be able to do so. Subscribers may elect to receive Ordinary Shares in uncertificated form if such investor is a system-member (as defined in the CREST Regulations) in relation to CREST.

#### **5. Placing and Pricing**

All Ordinary Shares issued pursuant to the Placing will be issued at the Placing Price which has been determined by the Directors. The Placing is conditional on Admission occurring on or before 4 October 2017 (or such later date being no later than 31 October 2017 as agreed by SP Angel and the Company). The Company has raised £2,326,500 gross in the Placing. This amount may only be waived or amended through the production of a supplementary prospectus. The Board have ensured that a minimum of 23,527,500 Ordinary Shares have been allocated to investors whose individual and unconnected shareholdings will each equate to less than 5.0 per cent. of the issued share capital of the Company on Admission, and who do not fall within any of the other excluded categories of investors in Listing Rule 14.2.2 (4).

Conditional upon Admission occurring and becoming effective by 8.00 a.m. London time on or prior to 4 October 2017 (or such later date being no later than 31 October 2017 as agreed by SP Angel and the Company), each of the Subscribers agrees to become a member of the Company and agrees to subscribe for those Ordinary Shares set out in his Placing Agreement or Subscription Agreement. To the fullest extent permitted by law, investors will not be entitled to rescind their agreement at any time. In the event that Admission does not become effective by 8.00 a.m. London time on or prior to 31 October 2017 (or such later date as the Subscribers and the Company may agree), Subscribers will receive a full refund of monies subscribed.

The rights attaching to the Placing Shares will be uniform in all respects and all of the Ordinary Shares will form a single class for all purposes

## **6. Payment**

Each Subscriber has placed the Placing Price for the Placing Shares in the bank account of the Company. Liability (if any) for stamp duty and stamp duty reserve tax is as described in Part IX of this Prospectus.

If Admission does not occur, the Placing Price will be returned to each Subscriber without interest by the Company.

## **7. Use of Proceeds**

The Net Proceeds of £1,616,792, being the gross proceeds of £2,326,500 raised through the Placing less transaction costs of £709,708 to be settled in cash, will primarily be used to provide working capital to the Group to enable it to complete the Phase I work program, comprising:

- in months 1 to 3 post-Admission, the connection of the five existing wells to the nearby regional pipeline which will allow the Group to commence selling gas with effect from month 4 post-Admission (at a cost of \$510,000);
- in months 4 and 5 post-Admission, the drilling and connection to the regional pipeline of 2 additional wells, with gas sales from these wells expected effective from months 7 and 8 post-Admission respectively (at a cost of \$640,000);
- in months 1 to 5, the lodging of Letter of Credit guarantees and payment of regulatory compliance fees (at a cost of \$177,000);
- contribution to the operation of the combined seven wells for the remainder of the 18-month period post-Admission to prove the economics of the 7 Phase I wells (at a cost of \$£289,792).

## **8. Selling restrictions**

The Ordinary Shares have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the US and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or in the US.

The Placing is being offered and sold outside the United States in “offshore” transactions exempt from the registration requirements of the U.S. Securities Act of 1933 in reliance on Regulation S. The Company has not been and will not be registered under the US Investment Company Act, and Investors will not be entitled to the benefits of that Act.

Certain restrictions that apply to the distribution of this Prospectus and the Ordinary Shares being issued pursuant to the Placing in certain jurisdictions are described in the section headed Part XI “*Notice to Investors*” of this Prospectus.

## **9. Transferability**

The Ordinary Shares are freely transferable and tradable and there are no restrictions on transfer.

## PART IV

### DIRECTORS, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE

#### 1. Directors

The Board currently consists of six Directors. Any further appointments to the Board would be made after due consideration to the Company's requirements and to the availability of candidates with the requisite skills and where applicable, depth of sector experience. Details of the current Directors and their backgrounds are as follows:

**John McGoldrick** *(Chairman and Non-Executive Director, aged 60)*

John McGoldrick has over thirty years of experience in a variety of senior management roles, notably at Enterprise Oil where he was responsible for its US operations up until Shell's takeover in 2002. Since then Mr. McGoldrick has served as executive chairman of Caza Oil & Gas Inc. (formerly Falcon Bay Energy LLC), a US onshore exploration and production company, which went public in Toronto and London in 2007, becoming non-executive chairman in 2010. From 2008 to 2013, Mr. McGoldrick was a non-executive director of Vanguard Natural Resources LLC, a NYSE-listed Oil & Gas company focused on the US. In January 2012 Mr. McGoldrick joined Dart Energy International as CEO, subsequently becoming CEO of Dart Energy in March 2013. He held this post until Dart Energy's £ takeover by IGas at the end of 2014. Mr. McGoldrick holds a Bachelor of Engineering in Chemical Engineering with Management economics from University of Bradford.

**Thomas Wagenhofer** *(Technical Executive Director, aged 46)*

Mr. Wagenhofer is a petroleum engineer and oil and gas executive with over 20 years' international industry experience. He offers an excellent blend of technical, commercial and financial acumen from a diversified career in operations, reserves evaluations and energy finance. He is the president of Gate Energy, a UK based oil and gas consulting firm as well as a founder partner of Giant Capital, an oil and gas investment specialist. He was non-executive chairman of AIM listed Magnolia Petroleum plc, which has assets in the United States, until 31 March 2017. Prior to founding Giant Capital and Gate Energy, Mr. Wagenhofer served as Senior Managing Director of Macquarie Bank's oil and gas investment division in London. Prior to that he was Vice President at Ryder Scott Company in Houston, Texas, where his responsibilities included reserves evaluations and field development studies. He started his career in 1996 as a petroleum engineer with Atlantic Richfield Company in Dallas, Texas. Mr. Wagenhofer holds a MS degree in Petroleum Engineering from the University of Texas at Austin (1995) and a BS degree in Petroleum Engineering from the University of Alaska Fairbanks (1994). He is a registered Professional Engineer with the Texas Board of Professional Engineers (current status inactive) in the State of Texas, USA

**Thomas Mazzarisi** *(Executive Director, Chief Financial Officer, Executive Vice President & General Counsel, Secretary, aged 60)*

Mr Mazzarisi has over 30 years of experience in legal and executive positions with varied organizations. He began his career in 1983 as Deputy General Counsel for the New York Convention Center Development Corporation, the developer of the Jacob K. Javits Convention Center in New York City. While there he represented the corporation in various legal matters, including various real estate, construction law, corporate and finance matters in connection with the development and operation of the Jacob K. Javits Convention Center.

In 1988 Mr. Mazzarisi joined the international law firm of Coudert Brothers, where he represented U.S. and foreign clients in various real estate acquisition, development, leasing and financing matters, international construction projects, such as cogeneration plants, wastewater treatment plants, oil pipeline projects, pulp & paper mill plants and mixed-use high-rise and hotel projects, as well as dispute resolutions in connection with such projects.

Following his position at Coudert Brothers, Mr. Mazzarisi started his own firm in 1997 where he

continued to represent clients involved in domestic and international construction projects.

In 1999 Mr. Mazzarisi joined JAG Media Holdings, Inc., a publicly traded company, which provided live online video-streamed financial news and mobile video surveillance software products and which broadcast its live programming from NYC into 20 million cable homes and streamed its live programming to countless financial websites. Mr. Mazzarisi served as director and Executive Vice President & General Counsel of JAG Media, and subsequently as its Chairman and Chief Executive Officer, where he oversaw the company's U.S. operations and legal matters, as well as the expansion of its operations in Europe and Latin America.

After leaving JAG Media in 2009, Mr. Mazzarisi provided management consulting services to CardioGenics, a Canadian development stage company engaged in the development and marketing of an ultrasensitive immunoassay point-of-care analyser and a battery of four cardiovascular diagnostic tests that seek to create a major shift in the way heart attacks and heart failure are diagnosed and treated, resulting in improved patient outcomes and reduced costs associated with such healthcare. As part of these services, Mr. Mazzarisi advised the company on various matters including strategic partnerships, product distribution, joint ventures, corporate restructurings and other operational matters.

In 2010, Mr. Mazzarisi became a manager of Westport Energy LLC, where he helped take the company public on the OTC market in the U.S., oversaw its recapitalization and currently supervises all corporate, financial, legal and operational matters in connection with the company's development of its gas properties in Coos Bay, Oregon.

Mr. Mazzarisi is a graduate of Fordham University in New York, where he received a B.A. in Political Economy in 1979 and was elected to Phi Beta Kappa, and Hofstra University School of Law, where he received his J.D in 1982. Mr. Mazzarisi is admitted to the bar in the State of New York, USA.

**Stephen Schoepfer** *(Executive Director, Chief Executive Officer, aged 57)*

Mr. Schoepfer has over 20 years of senior management and consulting experience working with start-up companies in the US, Canada and the UK. Mr. Schoepfer has also negotiated cross-border transactions and raised early stage funding for development stage companies, including investments from various hedge funds and Wall Street investment banks.

After starting on Wall Street with Prudential Securities in 1993 and Legg Mason in 1995, where he managed clients' assets and trained brokers, he then moved to working with early stage companies. He joined JAG Media Holdings, Inc., in 1999. While at JAG Media Holdings, Mr. Schoepfer served as a director of the company, as well as Chief Operating Officer and Chief Financial Officer overseeing the company's operations in the U.S., UK and Latin America.

Mr. Schoepfer subsequently provided management consulting services to CardioGenics, including assisting the company with investor relations, regulatory filings and business development. CardioGenics is a Canadian development stage company engaged in the development and marketing of an ultrasensitive immunoassay point-of-care analyser and a battery of four cardiovascular diagnostic tests that seek to create a major shift in the way heart attack and heart failure are diagnosed and treated, resulting in improved patient outcomes and reduced costs associated with such healthcare.

Mr. Schoepfer served as Chief Executive Officer of Westport Energy LLC since 2010. Among his many functions with the company, Mr. Schoepfer reorganized the company, took it public on the OTC market in 2010 and negotiated a plan of commercialization with NW Natural Gas, a leading gas utility and manager of the Northwest pipeline which traverses several states in the western U.S.

Mr. Schoepfer attended Wagner College in New York from 1976-1980 where he studied economics and finance.



**Brian James Kinane** *(Non-Executive Director, aged 46)*

Brian Kinane is a UK-based corporate finance executive with over 20 years of industry and finance experience.

After graduating from Trinity College Dublin, Mr. Kinane joined the Ericsson Group, a global leader in telecommunications systems, and worked for Ericsson group companies in product management.

Mr. Kinane was subsequently recruited by Telenor Group, a major Nordic telecoms group where he worked as a management consultant in the transition from voice to data-based business models.

Subsequently, Mr Kinane moved into an entrepreneurial phase including being a founding shareholder and executive director of MobileAware Ltd and FeedHenry Ltd, specialist mobile technology companies. In 2014, FeedHenry was acquired by Red Hat Inc. for approximately Euro 63 million. RedHat Inc. is a public software company with a market capitalisation in excess of \$15bn.

Mr Kinane is currently a partner at Shard Capital and a director of Riverfort Global Capital, both FCA-authorized investment advisors, where he is an investment manager for venture capital and special situations mezzanine/venture debt funds. Prior to his current role, Mr Kinane was a partner at Yorkville advisors UK LLP, an FCA-authorized investment advisor allocating capital to mezzanine special situations debt investments. Mr. Kinane holds a BA in Computer Science from Trinity College Dublin and Master of Business Administration Degrees from Columbia Business School and London Business School.

**Owen May** *(Non-Executive Director, aged 57)*

Mr. Owen May is an American banker with over 30 years of experience on Wall Street. He currently serves as a Managing Director of MD Global Partners, a full-service investment-banking firm, and is actively involved in a broad range of investment activities in Israel, China, and Europe.

Mr. May started his career at Lehman Brothers as a Financial Advisor in the high net worth division in 1985. After leaving Lehman Brothers in 1989, Mr. May joined D.H. Blair & Co., a small boutique firm on Wall Street.

In 1993, Mr May went on to establish May Davis Group, a full-service investment banking firm on Wall Street that offered a full range of investment banking, research, sales, trading and retail brokerage services. The firm had offices in New York and Baltimore, and catered to a niche clientele, mainly small to middle-sized firms that were too small to gain access to large investment banking services.

In 2007 Mr. May established MD Global Partners LLC, a firm that specializes in corporate finance, mergers & acquisitions, restructuring and business development.

Mr. May has been involved in advising, restructuring and taking public many biotech firms and is actively seeking investment opportunities in start-up companies in the medical science sector, especially in Israel. In 2013, Mr May acted as an advisor to IntelliCell Biosciences Inc, a regenerative medicine company utilizing adult autologous vascular fraction cells (SVFCs) derived from the blood vessels in lipoaspirate, to advise on the company's restructuring, corporate positioning, and strategic opportunities.

Following his undergraduate degree in biology at University of Miami, Mr. May earned an MBA in finance from Duke University's Fuqua School of Business, where he currently sits on the Board of Visitors and offers career coaching and opportunities to program participants. He also continues to hold a position on the President's Council for the University of Miami.

## **2. Senior Managers**

**Manager, CEO & President of Coos Bay**– Stephen J. Schoepfer (*Please see biographical details above*)

**Manager, Chief Financial Officer, Treasurer, Executive Vice President & General Counsel and Secretary of Coos Bay**– Thomas J. Mazzarisi (*Please see biographical details above*)

**Vice President-Field Operations of Coos Bay**– Ronald Robinson

Mr. Robinson is a lifetime resident of the state of Oregon and twenty-five-year resident of Coos County, Oregon. He spent fifteen years as a road master with Moore Mill Timber Company of Bandon, Oregon, where his management responsibilities included overseeing construction, planning and maintenance of an extensive road system in compliance with state regulations.

In 2007, Mr. Robinson joined Methane Energy Corporation of Oregon to manage the discharge of effluent water from its existing CBM wells, supervise the maintenance of all well sites and roads and supervise all local subcontractors at its CBM project in Coos Bay, Oregon.

In 2010, Mr. Robinson joined Westport Energy LLC, where he continued overseeing field operations for the CBM project in Coos Bay, Oregon and also served as the company's local representative interfacing with the lease holders, county officials, state officials and local subcontractors.

Mr. Robinson received an associate's degree in water quality and treatment from Portland State University, where he was named to the Dean's List. Mr. Robinson also has certifications/licenses from the Oregon Department of Environmental Quality in underground storage tank removal, soil testing and remediation and ground water clean-up.

## **3. Corporate Governance**

As a Company listed on the Standard Segment of the Official List of the UK Listing Authority, the Company is not required to comply with the provisions of the UK Corporate Governance Code. However, the Board is committed to maintaining high standards of corporate governance and so far, as appropriate given the Company's size and the constitution of the Board, complies and intends to comply with The Corporate Governance Guidelines for Small and Mid-Sized Companies (the "QCA Code").

### ***The Board***

The Board currently comprises three executive directors and three non-executive directors. The Board is ultimately responsible for the day-to-day management of the Company's business, its strategy and key policies. Members of the Board are appointed by the Shareholders. The Board also has power to appoint additional directors, subject to such appointments being approved by Shareholders. At least eight board meetings are held per year.

As prescribed by the QCA Code, the Board has established three committees: an Audit and Risk Committee, a Remuneration Committee and a Nomination Committee.

### ***Audit and Risk Committee***

The Audit and Risk Committee, which comprises Brian Kinane and Thomas Wagenhofer, is responsible, amongst other things, for monitoring the Group's financial reporting, external and internal audits and controls, including reviewing and monitoring the integrity of the Group's annual and half-yearly financial statements, reviewing and monitoring the extent of non-audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing the Group's relationship with its external auditors, reviewing the effectiveness of the external audit process and reviewing the effectiveness of the Group's internal control review function. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board. The Audit and Risk Committee gives due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the Listing Rules. The

Audit and Risk Committee shall meet at least three times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required.

#### ***Remuneration Committee***

The Remuneration Committee, which comprises Brian Kinane and Owen May, is responsible, amongst other things, for assisting the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on executive remuneration, including setting the parameters and governance framework of the Group's remuneration policy and determining the individual remuneration and benefits package of each of the Company's Executive Directors and the Group. It is also responsible for approving the rules and basis for participation in any performance related pay-schemes, share incentive schemes and obtaining reliable and up-to-date information about remuneration in other companies. The Remuneration Committee shall meet at least two times a year.

#### ***Nomination Committee***

The Nomination Committee, which comprises John McGoldrick as Chairman, Brian Kinane and Owen May, will identify and nominate, for the approval of the Board, candidates to fill Board vacancies as and when they arise. The Nominations Committee will meet as required.

### **4. Share dealing policy**

The Company has adopted a share dealing policy which sets out the requirements and procedures for dealings in any of its listed securities. The share dealing policy applies widely to the Directors of the Company and its subsidiaries, certain employees' and person closely associated with them. The policy complies with the Market Abuse Regulations, which came into effect on 3 July 2016.

### **5. Dividend policy**

The objective of the Directors is the achievement of substantial capital growth. In the short-term they do not intend to declare a dividend.

### **6. Anti-bribery and corruption policy**

The Company has adopted an anti-corruption and bribery policy which applies to the Directors and all employees of the Company. The Directors believe that the Group, through its internal controls, has appropriate procedures in place to reduce the risk of bribery and that all employees, agents, consultants and associated persons are made fully aware of the Group's policies and procedures with respect to ethical behaviour, business conduct and transparency.

### **7. Health and safety**

The safety of the Group's employees and contractors is critical to its operations. Coos Bay requires its contractors working on site to comply with all applicable laws in connection with the performance of its work, including applicable requirements of the Occupational Health and Safety Act and the rules promulgated thereunder (OSHA). As Coos Bay currently maintains a limited number of employees and almost all work on site is performed by independent contractors, Coos Bay has not developed any formal safety procedures or training programs beyond those that may be required by OSHA or other applicable laws. As Coos Bay's field operations expand, the Board intends to review Coos Bay's health and safety practices from time-to-time to insure that they remain consistent with current industry standards.

## PART V

### COMPETENT PERSON'S REPORT



**Address**

730 17<sup>th</sup> St, Suite 410  
Denver, CO 80202 USA

Phone: 01 303 277 0270  
Email: [jseidle@mhausa.com](mailto:jseidle@mhausa.com)  
[www.mhausa.com](http://www.mhausa.com)

# CURZON/COOS BAY ENERGY COOS BAY CBM PROJECT COMPETENT PERSON'S REPORT

Compiled in accordance with the European and Securities Markets Authority (ESMA)  
Update of the Committee of European Securities Regulator's recommendations for the  
implementation of Commission Regulation No.809/2004 implementing the Prospectus  
Directive (ESMA 2013/319) relating to Mineral Companies dated March 20, 2013

To The Directors of:  
**Curzon Energy PLC**  
Kemp House, 152 City Road  
London EC1V 2NX

**May 4, 2017**

---

# Competent Person's Report

## Executive Summary

Curzon Energy Plc (“Curzon”), through its U. S. subsidiary Coos Bay Energy, LLC (“Coos Bay”) is developing a coalbed methane (CBM) project to recover natural gas held in the coals of the Coos Bay Basin, located along the Pacific coast of southwest Oregon (the “Coos Bay Project”). These geologically young, thermally immature coal deposits are shallow and structurally complex. Major targets are the Upper and Lower Coaledo coals which have been mapped across this area, subjected to limited sampling for coalbed gas contents and adsorption isotherms, and briefly production tested with five wells in August and September of 2008. The production tests were terminated before the full potential of the wells was evident and they remain inactive.

Low, mid, and high estimates of original gas in place volumes for the subject acreage (Table 1) were obtained by adjusting volumes calculated in a Sproule report (1) which assessed coalbed gas in place over a large portion of this basin.

Table 1. Coos Bay Project Coalbed Methane Original Gas In Place, bcf			
Coal Zone	Low	Mid	High
Upper Coaledo	45.5	73.0	101.5
Lower Coaledo	399.7	638.8	888.5
Total	445.2	711.7	989.9

The production test wells were all completed in the Lower Coaledo coals. Reported gas and water volumes from the three week production test were used to anchor type curves based upon analog Powder River Basin coals wells. The resulting type curves appear reasonable and yield low, mid, and high estimates of 30-year cumulative gas recoveries of 301.2 MMCF, 500.9 MMCF, and 747.3 MMCF, respectively. Assuming a 100 acre well spacing, and comparing these technically recoverable volumes with volumetric original gas in place volumes based on low, mid, and high sorption isotherms yields recovery factors of 88%.

Single well economics based upon these type curves, current well capital costs and operating expenses, and the current NYMEX Henry Hub price corrected with the historic differential for this area yielded low, mid, and high net present values at a discount rate of 10% (PV10's) of 181.5 k\$, 493.2 k\$, and 758.9 k\$, respectively, for a 15 year well life. For an 100 acre well spacing, the associated recovery factor for all three cases is 59% of original gas in place. The single well NYMEX Henry Hub breakeven price is 1.006 \$/mmb.

Project economics for the first two of three proposed development phases, both in the Lower Coaledo coals, were run based upon the mid type curve, the current natural gas price for this area, and current well capital costs and operating expenses. Produced gas will be marketed via a pipeline running across the property which connects to multiple regional markets. Water produced from the Coaledo coals is fairly fresh and Coos Bay has secured the necessary permit, NPDES #102935, to dispose of all produced water in sloughs on the subject property. Phase I involves returning the five shutin wells to production and drilling an

additional two wells located near them. All wells are scheduled to be on production by 4Q 2017. For a 15 year project lifetime, the resulting Phase I PV10 is \$5,518,555, the internal rate of return (IRR) 112%, and the time to payout 1.6 years. Dependent on positive results from Phase I and raising additional capital, Phase II will be comprised of 58 wells, stepping out from the Phase I wells and drilled at a rate of 3 wells per month. Based upon a 15 year project life, the Phase II PV10 is \$29,066,590, the IRR 46%, and the payout 4.6 years.

None of the existing wells in this project has attained commercial gas production consequently no reserves can be assigned to the subject property. Resources reported herein were estimated in accordance with the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers/World Petroleum Council/American Association of Petroleum Geologists/Society of Petroleum Evaluation Engineers (SPE/WPC/AAPG/SPEE) in March 2007 (Ref 12) and the PRMS Guidelines for Application of the Petroleum Resources Management System published by the SPE/WPC/AAPG/SPEE I November 2011 (Ref 13).

Based upon current data, the Lower Coaledo coals contain substantial coal gas volumes that are technically recoverable with existing technology but lack demonstration of commerciality. Thus, these gas volumes can be classified as Contingent Resources with risked 1C, 2C, and 3C estimates of 85.6 bcf, 273.5 bcf, and 419.4 bcf, respectively.

The Upper Coaled coals, generally thinner and less areally extensive than the Lower Coaledo coals, have not been tested for the presence of coalbed methane (CBM) and may contain undiscovered coalbed methane gas volumes. These gas volumes can be classified as Prospective Resources with risked low, mid, and high estimates of 8.77 bcf, 28.1 bcf, and 43.1 bcf, respectively.

## **List of tables**

Table 1. Coos Bay Project Coalbed Methane Original Gas In Place

Table 2. Sproule Langmuir sorption isotherm constants

Table 3. CGT Injection/Falloff Test summary

Table 4 –Low, mig, and high OGIP estimates

Table 5 – Economic assumptions (10)

Table 6 – NYMEX Henry Hub June 13, 2016 price forecast

Table 7 – Single well economics summary

Table 8 – Phase I & II economics summary

Table 9 – Coos Bay Project – Lower Coaledo coals – Contingent Resources

Table 10 –Coos Bay Project – Upper Coaledo coals – Prospective Resources

## **List of figures**

Fig. 1 – Coos Bay Project location map

Fig. 2 – Coos Bay Project acreage map

Fig. 3 – Coos Bay Basin stratigraphic column

Fig. 4 – N-S schematic cross-section

Fig. 5 - Lower Coaledo structure map

Fig. 6 – Lower Coaledo isopach map

Fig. 7 – Upper Coaledo structure map

Fig. 8 – Upper Coaledo isopach map

Fig. 9 – Lower Coaledo stratigraphic column

Fig 10 – Sproule sorption isotherms

Fig. 11 – Phase I well locations

Fig. 12 – Coos Bay Project gas type curves

Fig. 13 – Coos Bay Project gas type curves – cumulatives

Fig. 14 – Coos Bay Project water type curves

Fig. 15 – Phases I & II well locations

## Introduction

The Coos Bay Project, seeks to recover methane gas from shallow, geologically young, thermally immature coal deposits in southwest Oregon, United States. Exploration activities indicate the presence of two coal sections in this prospect and have estimated original gas in place in both the Upper and Lower Coaledo coals. A total of 5 wells have been completed in selected seams of the Lower Coaledo section and briefly tested. The production tests were of insufficient duration to dewater the coals, precluding attainment of peak gas rates and subsequent decline. The project has lain dormant for nearly a decade with all wells completed but inactive. Current drilling and stimulation costs and operating expenses, reduced from previous levels due to recent drops in oil and gas prices, and reduced water disposal expenses have been incorporated into this report.

This evaluation begins with a review of geological information, then estimates original gas in place and technically recoverable gas volumes, followed by a review of well performance and type curves, and economic analyses for a single well and the proposed field wide Phase I and Phase II developments. Phase I involves returning the 5 existing wells to production followed by drilling and completing 2 new wells the following month. Dependent on positive results from Phase I and raising additional capital, Phase II will encompass development of up to 58 additional wells in the core area.

As none of the existing wells attained commercial gas production during limited testing several years ago, no reserves can be assigned to the subject property. Original gas in place in the Upper and Lower Coaledo coals, estimated as of June 13, 2016, are collected in Table 1 above. Contingent Resources were assigned to the Lower Coaledo coals while Prospective Resources were assigned to the untested Upper Coaledo coals.

Information utilized in the preparation of this CPR include:

1. Sproule letter to Michael D'Ecclesiis, Yorkville Advisors, March 3, 2009, "Estimation of CBM Resources within the Upper and Lower Coaledo Coals, Coos Bay Area, Oregon, for YA Global Investments, L.P. (As of January, 31, 2009)
2. Structure Contour Map on D Coal Bed, Lower Coaledo Formation, Coos Bay Basin, Oregon, Plate 10, Russell Ralls (North Oregon Resources) January 2006
3. Isopach Map – Total Coal Thickness of Lower Coaledo Coal, Plate 9, Dr. Alan Niem (Pacific Northwest Geology), Russell Ralls (North Oregon Resources) January 2006
4. Structure Contour Map on the Beaver Hill Coal, Upper Coaledo Formation, Plate 14, Russell Ralls (North Oregon Resources) June 2005
5. Isopach Map – Upper Coaledo Coals, Coaledo Formation, Plate 13, Russell Ralls (North Oregon Resources) January 2006
6. Westport 09-21-26-13 Injection/Fall-Off Reservoir Test Results Summary, Coal Gas Technology, July 9, 2007
7. Daily Completion and Well Servicing Report, Westport 09-21-26-13, Methane Energy Corp, Coal Gas Technology
8. Westport\_corporate\_overview – v15.pdf, April 19, 2016
9. "Coos Bay Westport Field Evaluation", MHA memo to Yorkville Advisors, November 12, 2009.
10. Westport First Pass Forecasts – 15Mar2016 – 2.pdf



11. Bustin, R. M., and Clarkson, C. R., 1999, "Free gas storage in matrix porosity: a potentially significant coalbed resource in low rank coals", paper 9956, presented at the International Coalbed Methane Symposium, University of Alabama, Tuscaloosa, Alabama.
12. Petroleum Resources Management System (PRMS), Oil and Gas Reserves Committee of the Society of Petroleum Engineers, 2007.
13. Guidelines for Application of the Petroleum Resources Management System (PRMS), Oil and Gas Reserves Committee of the Society of Petroleum Engineers, November 2011.
14. U.S. Energy Information Administration
15. EOG Resources Inc. press release
16. Oil and Gas Financial Journal-WPX Energy Sells PRB Assets
17. Natural Gas Intel 3rd September 2015- New Player Muscles into PR, Buying CBM Wells, Gas plant.

## Overview of project and land holdings

The Coos Bay coalbed methane project (Figure 1) is located in the Coos Bay Basin along the Pacific coast of southwest Oregon, U.S.A. Anecdotal reports indicate near surface coals in the basin were intermittently mined from the mid 1800's through the mid 1900's but all production has now ceased. To the best of our knowledge, a prior effort by Torrent Energy and Methane Energy Corporation was the sole attempt to exploit coalbed methane held in the Coos Bay coals and no other commercial oil and gas operations, targeting conventional or unconventional reservoirs, are active in this area. Two brief production pilots conducted by Methane Energy Corporation in late August and early September 2008 were shut in quickly when the project encountered financial difficulties and have lain dormant since. Anecdotal reports indicate some wells have been tested sporadically since then, producing both gas and water.

The subject project is comprised of two major leases covering approximately 45,370 acres and three smaller ancillary leases covering approximately 370 acres across T 26 – 28 S and R 12 - 14W (Figure 2). The 2004 Lease, located to the north, covers roughly 16,000 acres while the Coos County Lease to the south occupies approximately 29,000 acres. The Sproule report of March 3, 2009 (1), noted that multiple leases may have been terminated under the Methane Energy Corporation bankruptcy proceedings. However, these are not the leases that Curzon owns.

An Oregon law firm was engaged by Curzon to provide an opinion on the legal title and ownership of the 2004 Lease and the Coos County lease. We have reviewed that legal opinion and note that the leases are held by Coos Bay a subsidiary of Curzon, that the leases are active and that the lease payments due under the leases have been made. The main terms and duration of the Rayonier and Coos Bay leases are set out in the following table:

Lease	Concession Type	Acreage	Commencement Date	Expiration Date	Curzon Interest	Comment
Rayonier	Methane gas	16,000	May, 7 2004	May 7, 2020 <sup>1</sup>	100%	N/A
Coos County	Methane gas	29,000	Mar 7, 2017	Mar 6, 2020 <sup>2</sup>	100%	N/A

<sup>1</sup>And as long thereafter as oil and gas, or either of them, is produced in commercial quantities from the leased land or land pooled therewith.

<sup>2</sup>And so long thereafter as leased substances, or any of them, are produced in paying quantities from the leased land or from land pooled with the leased land, or drilling operations are continued as provided in the lease.

Curzon envisions developing this acreage in three phases. Phase I (proof of concept) involves re-entering the 5 existing wells and returning them to production followed by the drilling and completion of 2 new wells with delivery of first gas scheduled for Q2 of 2018. Dependent on positive results from Phase I and raising additional capital, Phase II (initial development) will commence a year after Phase I begins and entails drilling and completion of 58 additional wells at the rate of 3 wells per month. First gas from Phase II is anticipated in Q2 of 2018 and all 58 wells should be on production by 4Q 2019. Dependent on positive results from Phase II and raising additional capital, Phase III (large scale development) would entail an additional 400 new wells. A drilling schedule for this final phase has not yet been developed. Dividing total leased acreage of 45,370 acres by the 465 wells planned for full field development gives a nominal spacing of 100 acres per well.

A 12 inch diameter regional pipeline (Coos County Gas Pipeline) operated by Northwest Natural Pipeline runs through the property in a north-south direction. This regional pipeline connects with the 4,000 mile long Northwest Pipeline Network operated by Williams and services 6 Western states with a maximum capacity of 115 bcf/mon (3.8 bcf/d). Discussions between Curzon and NW Natural have resulted in an informal, non-binding letter of intent being issued by NW Natural to purchase CBM produced by the Coos Bay project. Curzon has installed their gathering lines up to a connection point on the Coos County Gas Pipeline identified by NW Natural during a site visit. Interconnection with this pipeline will be negotiated between Curzon and Coos County following successful completion of the Placing. Curzon has already laid 4 miles of pipeline running from the 5 wells to within 15 meters of the identified connection point.

The regional pipeline is owned by Coos County and managed by Northwest Natural. The Group has been in discussions with both Northwest and Coos County about connecting to the regional pipeline. Both are willing for the Group to connect to the pipeline. The Group will need to negotiate the final contract to connect to the pipeline with Northwest Natural which it intends to do as soon as possible after Admission. Northwest Natural engineers have selected the connection point where the produced gas will enter the pipeline on site (15 meters from the pipeline). The underground gathering system that connects the five current wells is installed to that location. In Phase I a compressor will be delivered and the gathering system will connect to the compressor. The gas will then be sent from the compressor into the pipeline through the final 15 meters of pipe that will be installed in Phase I. The cost for the compressor and the connection to the pipeline are estimated at \$150,000. We estimate connection to the pipeline will take approximately 6 weeks commencing on Admission. Curzon is currently in talks with Northwest Natural and Coos County to work out the details of the sales agreement. In a letter to Coos Bay dated 18 November 2016, Northwest Natural expressed its willingness to purchase CBM gas from Coos Bay at a market-related price if the CBM gas meets its quality standards and as long as the CBM development is done in accordance with all legal, regulatory and environmental requirements. The Group expects the sales agreement with Northwest Natural to be finalized during the period between the Admission date and the anticipated

connection date to the pipeline. There will be a limitation on quantity which would relate to NW Natural's gas sales in Coos County. Northwest Natural will also require the expected carbon footprint of the Coos Bay CBM operations to be comparable to the best practices employed for conventional natural gas production, gathering, processing and transportation which the Group is confident it can meet.

Coal deposits almost always require some dewatering before commercial gas production is achieved and individual wells can produce substantial water volumes throughout their life. Consequently, water disposal costs can play an important role in coalbed methane project economics. Water produced from the Coos Bay coals is relatively fresh, typical of coal waters. The company has obtained a permit to dispose of all produced water from this project in sloughs on the property, NPDES #102935. The produced water from each well will be piped to a gathering station at the Slough and released. Grants Pass Water Lab has tested the produced water and it is in compliance with the guidelines of the permit. The water will be filtered through a wetlands filter at the gathering station and monitored for compliance and reporting. The cost of the permit is \$3,500 per year. Well tests showed 85 bbl of water per day per well. The permit is for 2,400 bbl of water per day which covers up to 28 wells. Additional discharge permits can be applied for as well count increases. Alternatively, water disposal wells may be drilled in addition to or in lieu of new permits.

### **Geology of Coos Bay coals**

The Curzon Energy Coos Bay CBM prospect lies in the Coos Bay basin, a complex basin with numerous folds and faults. The basin contains a thick section of coal bearing sediments and this project targets the Eocene age Upper and Lower Coaledo coals. A stratigraphic column is presented in Figure 3 and a S-N cross section through the subject acreage is shown in Figure 4. Both Upper and Lower Coaledo coals occur as numerous thin beds typically less than 10 feet thick across an interval of several hundred feet resulting in a reservoir with small net-to-gross ratios. The coal beds are structurally complex with some dips up to 65 degrees. Accurate calculation of coal volumes and hence, original gas in place, often required dividing distances by the cosine of the dip angle (Sproule (1)).

The Lower Coaledo section consists of more than twenty coal seams varying in depth from outcrop to -8,000 ft SS with the deepest coals located in the northwest portion of the acreage (Figure 5). An isopach map of Lower Coaledo total net coal thickness (fig 6) shows two maxima, both with approximately 60 to 70 feet of net coal, lie in the west central and northeast areas. The pay cut-off used to define net coal was not reported.

The Upper Coaledo coals are absent across roughly half the subject acreage. Where present, the Upper Coaledo section hosts a dozen or more seams varying in depth from surface to -4,000 ft SS with deepest coals occurring in the northwest portion of the acreage (Figure 7). An isopach map of total coal thickness (Figure 8) shows the thickest coals, approximately 34 feet of net coal, lie in the extreme southern portion of the project.

The pay cut-off used to define net coal was not reported.

Coals in this prospect were reported by Sproule (1) as being subbituminous in rank but the basis was not reported. No proximate or ultimate analyses of the subject coals were available for this report.

## Estimates of original gas in place

Original gas in place volumes for the Upper and Lower Coaledo coals were calculated volumetrically by Sproule (1) assuming the coal matrix was fully saturated with gas and the coal cleats (fractures) were fully saturated with water. Under these assumptions, original gas in place in a coal deposit is the product of area, net coal thickness, mean coal density, and coalbed gas content.

The Sproule calculations covered a large portion of the Coos Bay Basin, approximately 143,000 acres, on a section by section basis. The gas in place volume calculations were spot checked and appeared reasonable, allowing estimation of original gas in place for the subject acreage by summing the Sproule volumes for the Coos Bay Project acreage (Figure 2).

Sproule utilized a density of 1.75 gm/cm<sup>3</sup> in their calculations, which is reasonable, however many current studies utilize a density cut-off 2.0 gm/cm<sup>3</sup>. The impact of pay cut-off on gas in place could not be assessed for this project as no density logs or other density data were available.

Sproule calculated coalbed gas contents using Langmuir sorption isotherm constants and assuming a normally pressured coal deposit with a gradient of 0.433 psi/ft. To capture uncertainty in the isotherm data, Sproule employed three Langmuir isotherms (Table 2, Figure 10) in their work.

Table 2. Sproule Langmuir isotherm constants			
Langmuir constant	Low	Mid	High
VL, scf/ton	140.0	224.3	312.0
pL, psia	727.4	727.4	727.4

The Sproule report (1) notes pressure data from two injection/falloff tests in the Westport area and a build-up test in the Radio Hill area suggest a gradient of 0.4 psi/ft but did not specify which coals were tested. Original gas in place volumes calculated by Sproule assumed a normally pressured coal deposit with a gradient of 0.433 psi/ft. In contrast, injection/falloff tests (IFOT's) performed by Coal Gas Technology (6) in the Westport 09-21-26-13 well in the Lower Coaledo coals indicated all tested seams were underpressured. This well was drilled on the structural high located in the central portion of the acreage shown in Figure 5.

A stratigraphic column of the Lower Coaledo coals is included as Figure 9. The seven IFOT's, summarized in Table 3, had an average pressure gradient of 0.33 psi/ft.

Table 3. MEC Westport 09-21-26-13 Pressure Falloff Tests Summary (6)						
Seam ID	Mid perf depth, ft TVD	net thickness, ft	Perm md	Skin	Pressure, psia	Pressure gradient, psi/ft
R	1,850	4.0	24	-5.2	506	0.27
R (retest)	1,850	4.0	29	-5.1	Na	Na

7A & 7B	1,754	5.0	11	-4.4	525	0.30
#2	1,355	10.0	2.3	-1.6	502	0.37
A & B	1,205	5.0	15.8	0.4	476	0.39
C	1,118	7.0	0.9	-3.6	365	0.33
D,E,F, & G	992	21.5	0.4	-3.1	336	0.34
Average = 0.33						

The Coal Gas Technology report (6) noted that these pressure gradients were consistent with those observed in the Westport 16-16-26-13 well (located in the adjacent section to the north) and the Beaver Hill #2 well (located approximately 5 miles to the southwest). Using Langmuir isotherm constants and depths given in the Sproule report (1) coupled with this lower pressure gradient, coalbed gas contents were calculated and compared with those of the Sproule report. Although the pressure decreased by roughly one-third ( $0.433/0.33 = 1.31$ ), gas contents of the Lower Coaledo coals were reduced by a factor of 0.907 and gas contents of the Upper Coaledo coals were reduced by a factor of 0.856. Gas content drops were more modest than the reservoir pressure decrease as the coals are sufficiently deep enough that associated reservoir pressures gave gas contents which fall on the plateaus of the isotherms shown in Figure 10. Both of the Sproule low and mid OGIP estimates were reduced to reflect the 0.33 pressure gradient while the Sproule high OGIP volume was utilized for this study.

Shallow, immature coals such as the Coaledo coals can hold both thermogenic and biogenic methane. The amount of thermogenic methane depends on burial history while biogenic methane is controlled by meteoric water moving thru the coal deposit. Thermogenic gas resources generally vary smoothly over a deposit as compared to biogenic gas resources which can be highly variable over short distances. In coal deposits with blended thermogenic and biogenic gas, such as the Coaledo coals, the gas resource can be highly variable both areally and stratigraphically, ranging from virtually barren to fully saturated coals. Coals which hold less gas than their physical maximum are described as undersaturated. Undersaturated coals can be economically challenging to exploit as they often require long dewatering times before gas production commences. Exploitation of these Coaledo coals could require expensive, long term dewatering operations prior to generating any income from gas sales. Although the production tests reviewed below indicate nearly saturated coals, these represent limited tests of the Lower Coaled coals in a small area and undersaturation remains a significant risk for this project. Inspection of the Upper and Lower Coaledo structure maps (figs 7 and 5, respectively) show a good fraction of the coals lie in synclines with one limb open to outcrop, perhaps allowing gas to escape over geologic time. To account for this risk the pressure corrected Low OGIP volume was multiplied by an undersaturation factor of 0.5. While this factor is admittedly subjective, it is believed reasonable based on current information. Low, mid, and high estimates of original gas in place are shown in Table 4 below.

Table 4. Coos Bay Project CBM – Original Gas in Place Estimates, bcf			
	Low	Mid	High
Upper Coaledo	20.6	66.2	101.5
Lower Coaledo	181.3	579.4	888.5
Total	201.9	645.5	989.9

The 5 existing wells and 2 locations for Phase I of this project all lie on a structural high (Fig. 11) approximately 1 mile wide and 6 miles long oriented in a northeast-southwest direction. Net thickness of the Lower Coaledo coals in this area ranges from 40 to 70 feet and represents some of the thickest coals in the subject acreage. Assuming 100 acre well spacing, an average coal density of 1.75 gm/cm<sup>3</sup> (Sproule (1)), and 56.5 feet of net coal (CGT (6)) in conjunction with the low, mid estimate, and high sorption isotherms of Sproule (1) gives the volumetric original gas in place volumes for a Phase I well of 504 mmcf, 808 mmcf, and 1,124 mmcf, respectively.

The remainder of the structural high will be developed as Phase II of this project and the mid type well is thought to be a reasonable analog for Phase II wells. Areas of low gas resource most likely occur on the periphery of the coal deposits and structurally shallow coals.

### **Production tests & type curves**

Five wells located in Sections 15, 16, 21, and 22 of T21S-R13W and completed in the Lower Coaledo coals were production tested from August 27 to September 15, 2008. No rate or pressure data were available for this evaluation but anecdotal reports indicate the wells were each producing roughly 100 mcf/d of gas and 100 bpd of water throughout the 19 day test period. These reported gas and water flowrates are in fair agreement with those calculated from Darcy's Law using the permeability, net thickness, and pressure (6 md, 56.5 ft, and 488 psia, respectively) determined by the Coal Gas Technology injection/falloff tests (6) in one of the wells. The calculations assumed a wellbore skin factor of -2 (typical of coal well stimulations) and a gas relative permeability of 0.1 (typical of native coal deposits).

Previous MHA scoping simulations (9) indicated recoveries for wells in the Phase I and Phase II areas ranging from 300 to 900 mmcf were reasonable. Curzon assumed low, mid, and high estimated ultimate recoveries (EUR's) of 300 mmcf, 500 mmcf, and 750 mmcf, respectively, for Phase I wells (10). The Westport 1-21 well was production tested in April and June of 2012. Gas rate climbed steadily throughout these tests from an initial rate of 55 mcf/d to a rate of 68 mcf/d. Test data is included in this report as Figure 16. It should be noted that this well had not been cleaned out or any other remedial work performed after the long shut-in. For comparison, the initial rate used for type wells is 50 mcf/d for low case and 100 mcf/d for base and high side mcf/d. Also noted in the 2012 Gas Volume production tests (Figure 16) was a reading of 16.6% Nitrogen. As gas composition analyses were not performed as part of those tests, we see this reading as not representative of the original gas-in-place composition. The source of this nitrogen fraction has not been confirmed although Curzon management has provided MHA with documentation that highlights that, as a result of a number of nitrogen fracs undertaken in 2006, material volumes of nitrogen were pumped into all the Coos Bay wells by the operator at that time.

Dividing these low, mid, and high EUR's by their respective OGIP volumes calculated with information in Tables 2 and 3 above gives low, mid, and high recovery factors of 59%, 62%, and 67%, respectively. For comparison, coalbed methane recovery factors generally range from 50% to 90%.

Combining production test results and estimated ultimate recoveries from the MHA simulations, Curzon has developed low, mid, and high gas production type curves based on the typical Powder River Basin (PRB) coal well signature. Coals of the Powder River Basin, located in northeastern Wyoming, are shallow, young, thermally immature coal deposits, making them reasonable analogs for the Coos Bay coals. PRB coal wells typically show inclining gas production for several months, before plateauing for several more months then falling on an exponential decline. Coos Bay Project type curves (Figures 12 and 13) were assumed to follow this behavior. Coos Bay coals typically have a higher gas content than PRB coals, which may translate into similar, and possibly higher, per well recoverable volumes. Although type curves were not based on any coal well signatures from Horseshoe Canyon, located in western Canada, it is worth noting that Coos Bay coals are also similar to HC coals in terms of having similar lower permeability, limited quantities of movable water and the presence of larger numbers of thinner coal seams. In addition, as Coos Bay coals typically have a higher gas content than HC coals, Coos Bay coals may deliver similar, and possibly higher, per well recoverable volumes.

Water production type curves developed by Westport (10) and shown in Figure 14, bracket reported initial water production rates and show an exponential decline behavior often seen in shallow coalbed methane wells. Cumulative water production volumes for the low, mid, and high type curves are 1,117 mstb, 1,907 mstb, and 2,495 mstb, respectively. Assuming an 100 acre drainage area, a net coal thickness of 56.5 feet, a porosity of 10% (Bustin and Clarkson, 11), and an initial water saturation of 100%, the volumetric original water in place is 3,405 mstb. Thus, the low, mid, and high type curve cumulative water volumes represent recoveries of 33%, 56%, and 73% of original water in place.

### Single well economics

Single well economics were run for the low, mid, and high gas and water type curves coupled with the assumptions shown in Table 5 (10).

Table 5. Economic inputs (10)	
WI, %	100
NRI, %	87.5
Capex, k\$	350
Fixed Opex, \$/mon	500
Variable Opex – Gas, \$/mcf	0.50
Variable Opex – Water, \$/bbl	0.10
Shrink, %	6
Tax rate, %	6.0

Natural gas trades in this area at a premium compared to NYMEX Henry Hub pricing. At Henry Hub prices of 2 to 3 \$/mmbtu, the historic differential is roughly 2 \$/mcf (8). This evaluation utilized the June 13, 2016 NYMEX Henry Hub forecast (Table 6) with this differential applied.

Table 6. NYMEX Henry Hub June 13, 2016 price forecast	
Year	\$/mmbtu
2016	2.825
2017	3.114
2018	3.041

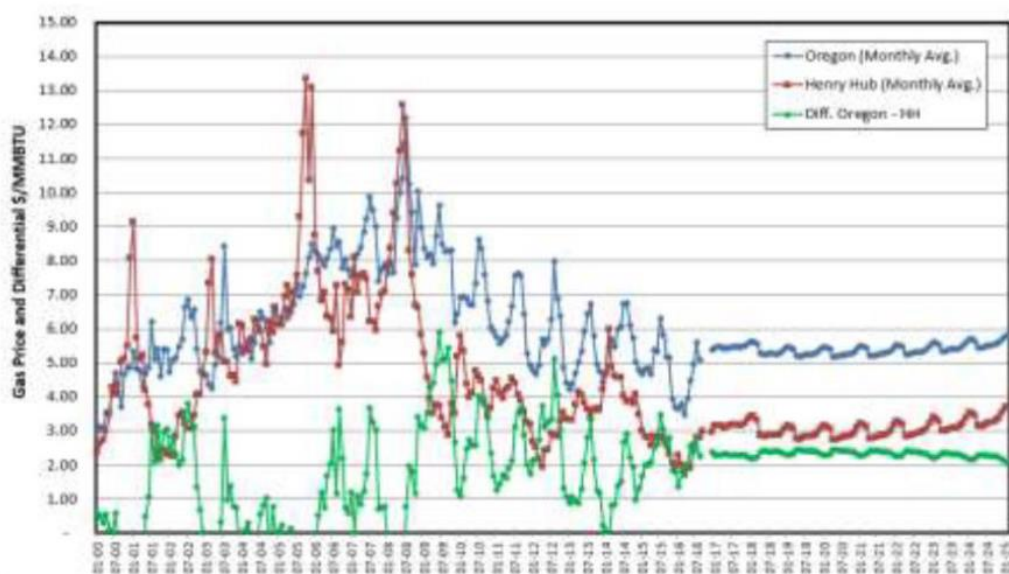
2019	3.023
2020	3.092
2021	3.232
2022	3.390
2023	3.557
2024 & beyond	3.735

The 15 year net gas recoveries associated with the three type curves varied by a factor of 2.2, ranging from 240.5 mmcf to 533.2 mmcf (Table 7). Net present values at a discount rate of 10% (PV10's) increased by a factor of 4 between the low and high type curves, 181.5 k\$ to 758.9 k\$, while the internal rates of return (IRR's) changed by a factor of 2.1 from low to high type curve, 22.6 % to 47.8%. The more productive high type curve well achieved payout in 2.6 years, about two-thirds of the 4.2 year payout of the low type curve well.

Table 7. Single well economics summary – 15 year well life							
Type Curve	Net gas, mmcf	Net Revenue, k\$	Net Opex, k\$	Taxes, k\$	PV10, k\$	IRR, %	Payout, yrs
Low	240.5	1,213.8	320.0	72.8	181.5	22.6	4.2
Mid	392.9	1,988.5	512.0	119.3	493.2	40.1	3.1
High	533.2	2,717.5	657.3	163.0	758.9	47.8	2.6

Breakeven NYMEX Henry Hub gas price for a single well with the mid type curve was calculated to be 1.006 \$/mmbtu (2.89 \$/mcf wellhead price).

The following table shows the comparison between Oregon City Gate prices vs Henry Hub:



Source: U.S. Energy Information Administration



## Phase I and Phase II economics

Curzon envisions developing this acreage in three phases. Phase I (proof of concept) involves reentering and cleaning out the 5 existing wells, returning them to production, drilling and completion of 2 additional wells (Figure 15) at the rate of 2 wells per month, installing related infrastructure, connecting to the Coos County regional pipeline, with first gas from these new wells expected in 4Q 2017. Dependent on positive results from Phase I and raising additional capital, Phase II (initial development) is scheduled to commence a year after Phase I begins. This phase covers drilling and completion of 58 additional wells at the rate of 3 wells per month with first gas in 2Q 2018. Dependent on positive results from Phase II and raising additional capital, Phase III (large scale development) would entail an additional 400 new wells. A drilling schedule for this final phase has not yet been developed. Dividing total leased acreage of 45,370 acres by the 465 wells planned for full field development gives a nominal spacing of 100 acres per well.

Phase I economics were run under the same assumptions as were the single well economics with three changes. Gas and water production for all wells was modeled with the mid type curve. Capital required to return the 5 existing wells to production was assumed to be 104 k\$. Total Capex for Phase I was estimated to be 1.2mm\$ to cover (a) connection of the 5 existing wells to the pipeline – 500k\$ and (b) drilling and connecting 2 further wells – 640k\$. The wellhead gas price was assumed to be the current local price of 5.50 \$/mcf (8), equivalent to a NYMEX Henry Hub price of 3.646 \$/mmbtu. Operating expenses include general and administrative expenses, lease and permits, operational payroll, professional fees, overheads, field operating expenses and transportation costs. Economics for the Phase II package of 58 wells utilized the same mid type curve and wellhead gas price. Forecast net gas volume and the associated economics for both Phase I and II are summarized in Table 8 below. Operating expenses and capital costs were based on information provided by Curzon and used in its business plan. All economics assumed the same 6% tax rate as was used for single well economics.

Table 8. Phase I & II economics summary – 15-year project life								
	Net gas, bcf	Net Revenue, mm\$	Cap Ex, mm\$	Net Opex, mm\$	Taxes, mm\$	PV10, mm\$	IRR,%	Payout, yrs
Phase I	2.75	15.1	1.2	3.6	0.9	5.5	112%	1.6
Phase II	22.42	123.3	21.5	28.4	7.4	29.1	46%	4.6
Phase I + II	25.17	138.4	22.7	32.0	8.3	34.6	N/A	N/A

## Contingent and Prospective Resources

The presence of gas in the Lower Coaledo coals has been demonstrated but commercial production has not yet been attained, allowing these gas volumes to be classified as Contingent Resources (12, 13). Contingent Resource volumes shown in Table 9 were calculated by multiplying the original gas in place volumes shown in Table 4 by the single well recovery factor of 59% and a chance of commerciality of 80%.

As specified in PRMS (12, 13), the chance of commerciality reflects the risk of commercial development of a given project. Commercial risk may be considered to have three components: Technical, Economic, and Regulatory. The company faces substantial Technical risk as the unavailability or high cost of drilling rigs, equipment, supplies,

personnel, and field services could adversely affect the company's development schedule and budget. In addition, exploitation of coalbed methane resources may present challenges which even experienced, knowledgeable geoscience and engineering professionals may be unable to overcome. Economic risk associated with this project is considerable and may result in lower than anticipated revenues for reasons beyond the company's control. Regulatory risk for the Coos Bay project, similar to all U.S. oil and gas projects, is substantial and expected to increase with time. Local, state, and Federal regulations pertaining to oil and gas production are frequently revised or reinterpreted. Company efforts to comply with new or revised regulations could have an adverse impact on the company's operations.

While the 80% chance of commerciality assigned here is admittedly subjective it is believed to be reasonable as Curzon has the benefit of the previous operator's experience and has secured a water disposal permit, NPDES #102935, which will substantially reduce the high water disposal costs which plagued the previous operator. Pilot well completions are adequate but not yet optimal, development wells will be economic if projected well capital costs and operating expenses can be realized, and the regulatory climate in this area continues to be generally supportive of oil and gas operations.

Table 9. Coos Bay Project CBM – Lower Coaledo coals – Contingent Resources, bcf		
1C	2C	3C
85.6	273.5	419.4

The Upper Coaledo coals appear to exist across a portion of the subject acreage but the presence of hydrocarbons has not been tested, allowing classification of any undiscovered coalbed methane gas volumes as prospective resources. Following PRMS guidelines (12, 13), a chance of discovery assigned here, 90%, is based on analogy with the Lower Coaledo coals.

Prospective resources were estimated similar to contingent resource with the additional multiplication of the change of discovery. The resulting prospective resources are presented in Table 10.

Table 10. Coos Bay Project CBM – Upper Coaledo coals – Prospective Resources, bcf		
Low	Mid	High
8.77	28.1	43.1

## Statement of Risk

The accuracy of resource, reserve and economic evaluations is always subject to uncertainty. The magnitude of this uncertainty is generally proportional to the quantity and quality of data available for analysis. As a project or well matures and new information becomes available, revisions may be required which may either increase or decrease the previous resource and reserve assignments. Sometimes these revisions may result not only in a significant change to the resources, reserves, and value assigned to a property, but also may impact the total company resource, reserve, and economic status. The resources, reserves, and forecasts contained in this report were based upon a technical analysis of the available data using accepted engineering principles (PRMS, 2007 and 2011). However, they must be accepted with the understanding that further information and future reservoir performance subsequent to the date of the estimate may justify their revision. It is MHA's

opinion that the estimated resources and reserves and other information as specified in this report are reasonable, and have been prepared in accordance with generally accepted petroleum engineering and evaluation principles (PRMS, 2007 and 2011). Notwithstanding the aforementioned opinion, MHA makes no warranties concerning the data and interpretations of such data. In no event shall MHA be liable for any special or consequential damages arising from Curzon Energy's use of MHA's interpretation, reports, or services produced as a result of its work for Coos Bay (or any of its predecessors).

Neither MHA, nor any of our employees have any interest in the subject properties and neither the employment to do this work, nor the compensation, is contingent on our estimates of reserves for the properties in this report.

This report was prepared for the exclusive use of Curzon Energy PLC and will not be released by MHA to any other parties without Curzon's written permission. The data and work papers used in the preparation of this report are available for examination by authorized parties in our offices.

### **Qualifications**

MHA Petroleum Consultants LLC is an independent oil and gas consulting firm specializing in petroleum reservoir evaluations and economic analysis. The work in this Competent Person's Report was completed by Dr. John Seidle, Vice President, with 35 years of experience in unconventional gas and oil reservoir engineering in domestic and international plays. A Registered Professional Engineer in Colorado, Oklahoma, and Wyoming, he is a member of SPE, AAPG, and SPEE. He is the author or co-author of 29 technical papers, the author of "Fundamentals of Coalbed Methane Reservoir Engineering", and editor of SPEE Monograph 4 "Estimating Ultimate Recovery of Developed Wells in Low-Permeability Reservoirs". He received a PhD in Mechanical Engineering from the University of Colorado.

It has been a pleasure preparing this report for Curzon Energy PLC. If you have any questions or wish to discuss something in more detail, please feel free to contact me.

Sincerely,

John P. Seidle

## **Glossary**

1C	Low estimate of Contingent Resources (PRMS)
2C	Best estimate of Contingent Resources (PRMS)
3C	High estimate of Contingent Resources (PRMS)
BTU	British Thermal Unit
bcf	billions of standard cubic feet
CBM	Coalbed methane
IRR	Internal rate of return
K\$	Thousands of U.S. dollars
mcf	Thousands of standard cubic feet
mmcf	Millions of standard cubic feet
MM\$	Millions of U.S. dollars
OGIP	Original Gas in Place
PRMS	Petroleum Resources Management System
PV10	Net present value at a discount rate of 10%/yr

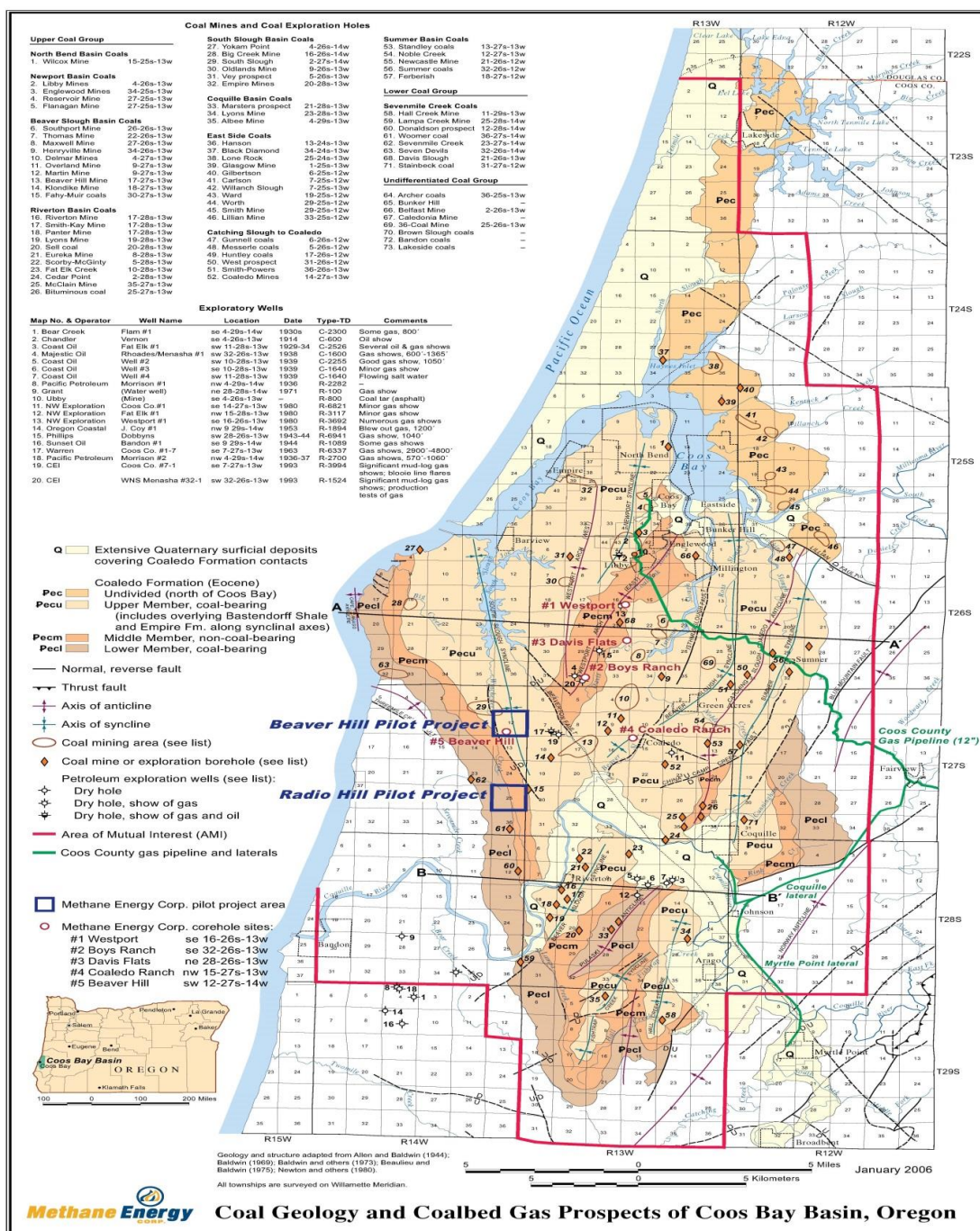


Figure 1 – Coos Bay Project location map



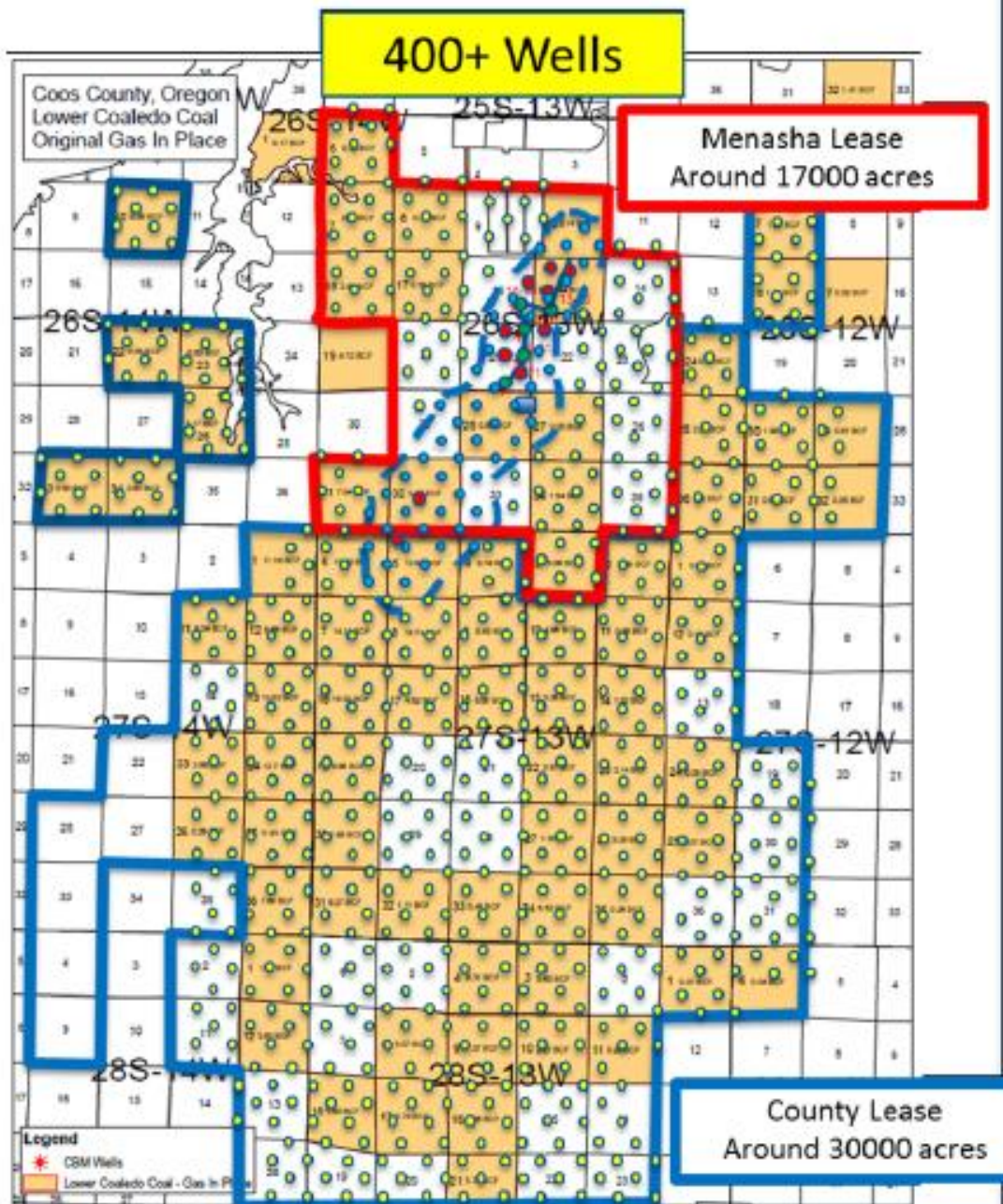


Figure 2: Original Gas-in-Place in the Lower Coaledo Coals in Coos Bay, Oregon. Values based on 2009 Spruile Report.

Figure 2 - Coos Bay Project acreage map

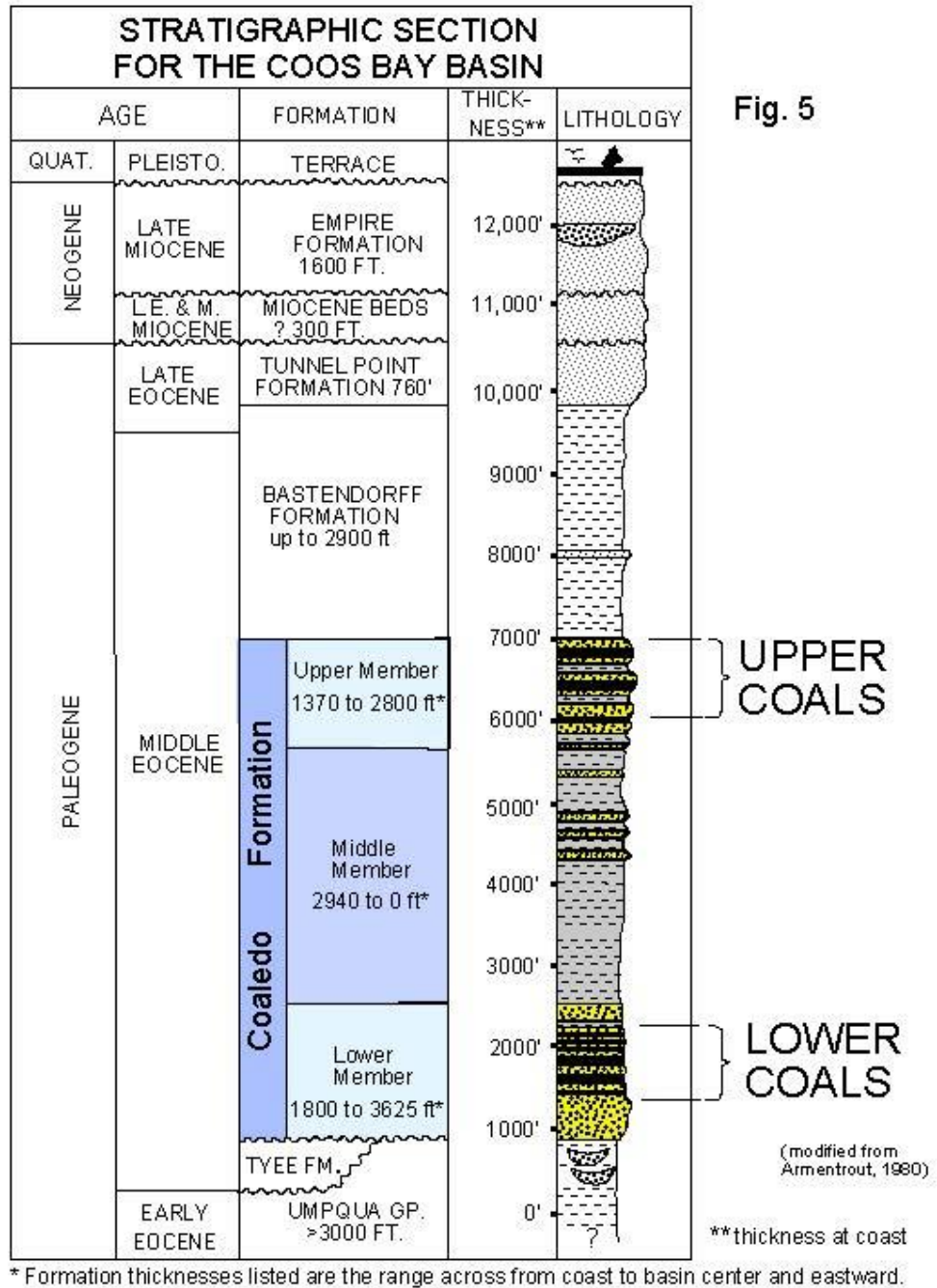


Figure 3 – Coos Bay Basin stratigraphic column





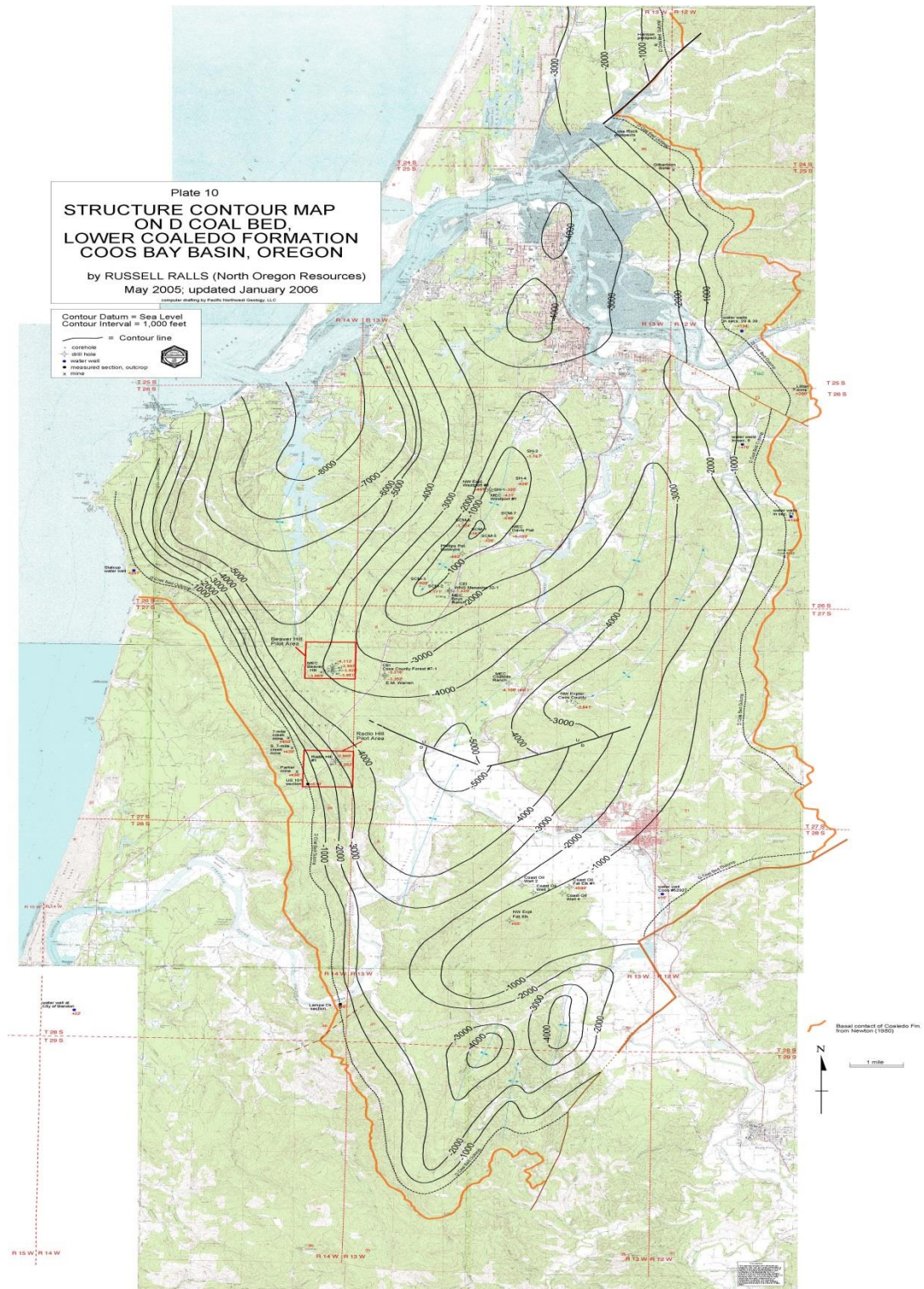


Figure 5 - Lower Coaledo structure map



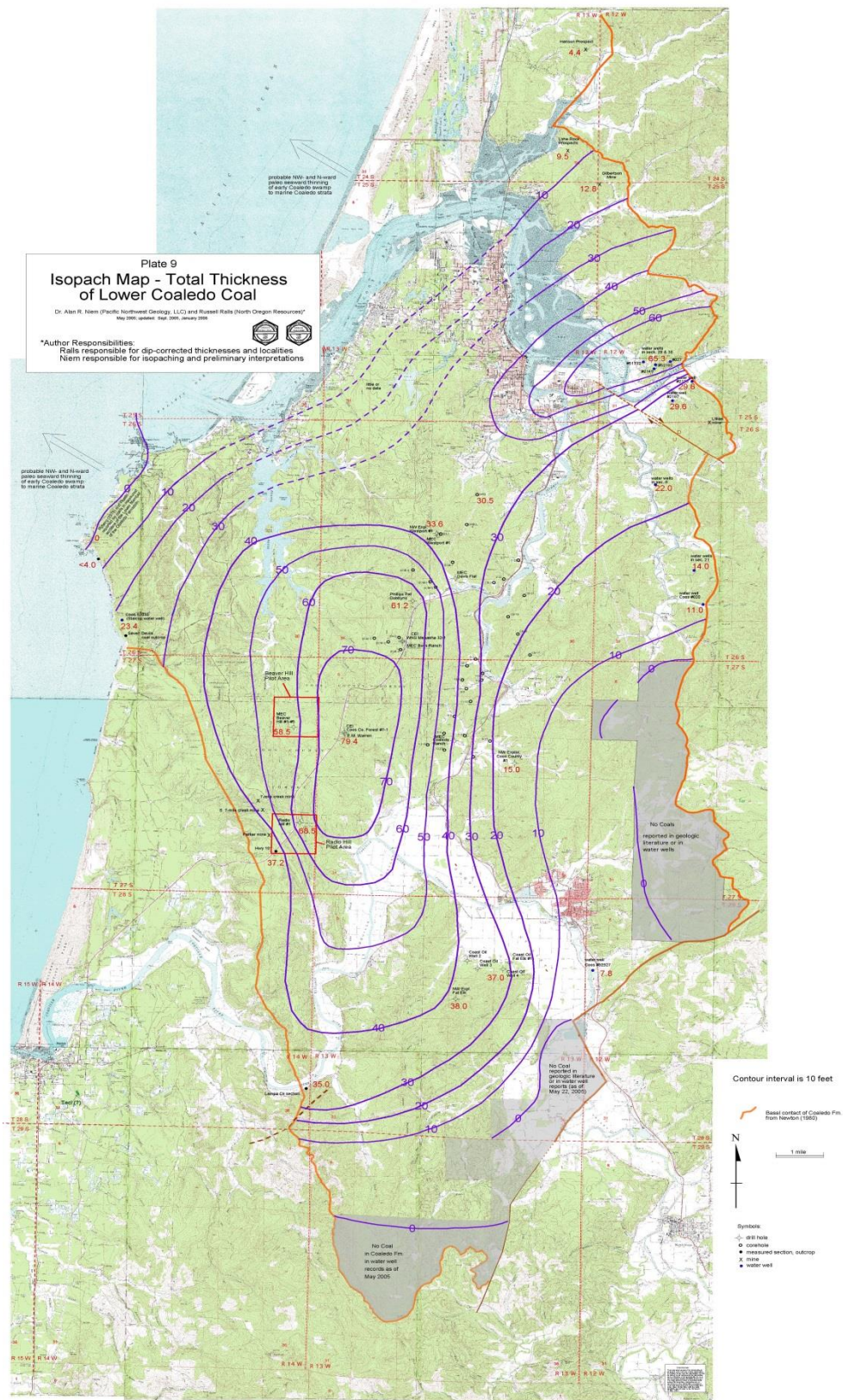


Figure 6 – Lower Coaledo isopach map



by Russell Ralls (North Oregon Resources)  
computer drafting by Pacific Northwest Geology, LLC

June 2005



Figure 7 – Upper Coaledo structure map



Plate 13  
**ISOPACH MAP - Upper Coaledo Coals**  
 Coaledo Formation

by Russell Ralls (North Oregon Resources)  
 computer drafting by Pacific Northwest Geology, LLC  
 May 2005; updated: January 2006


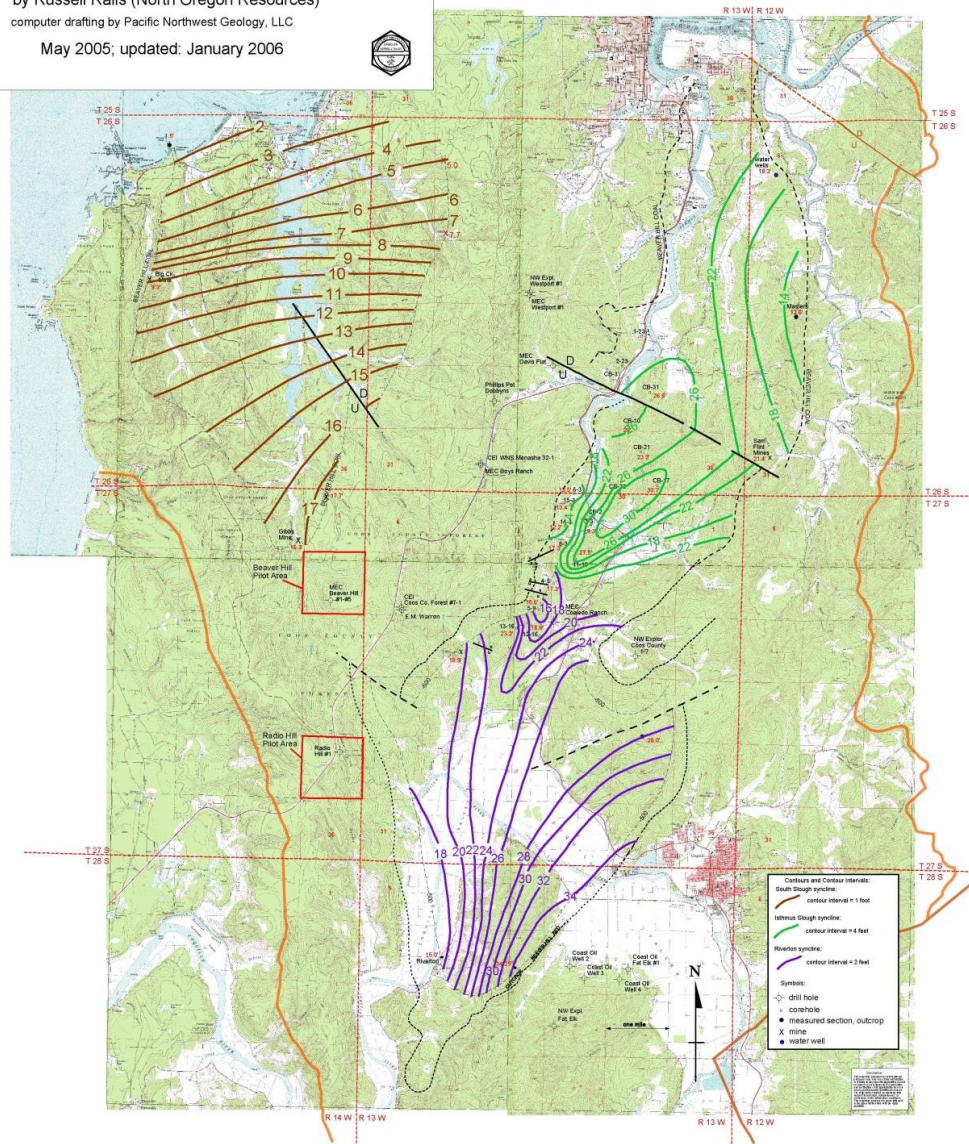
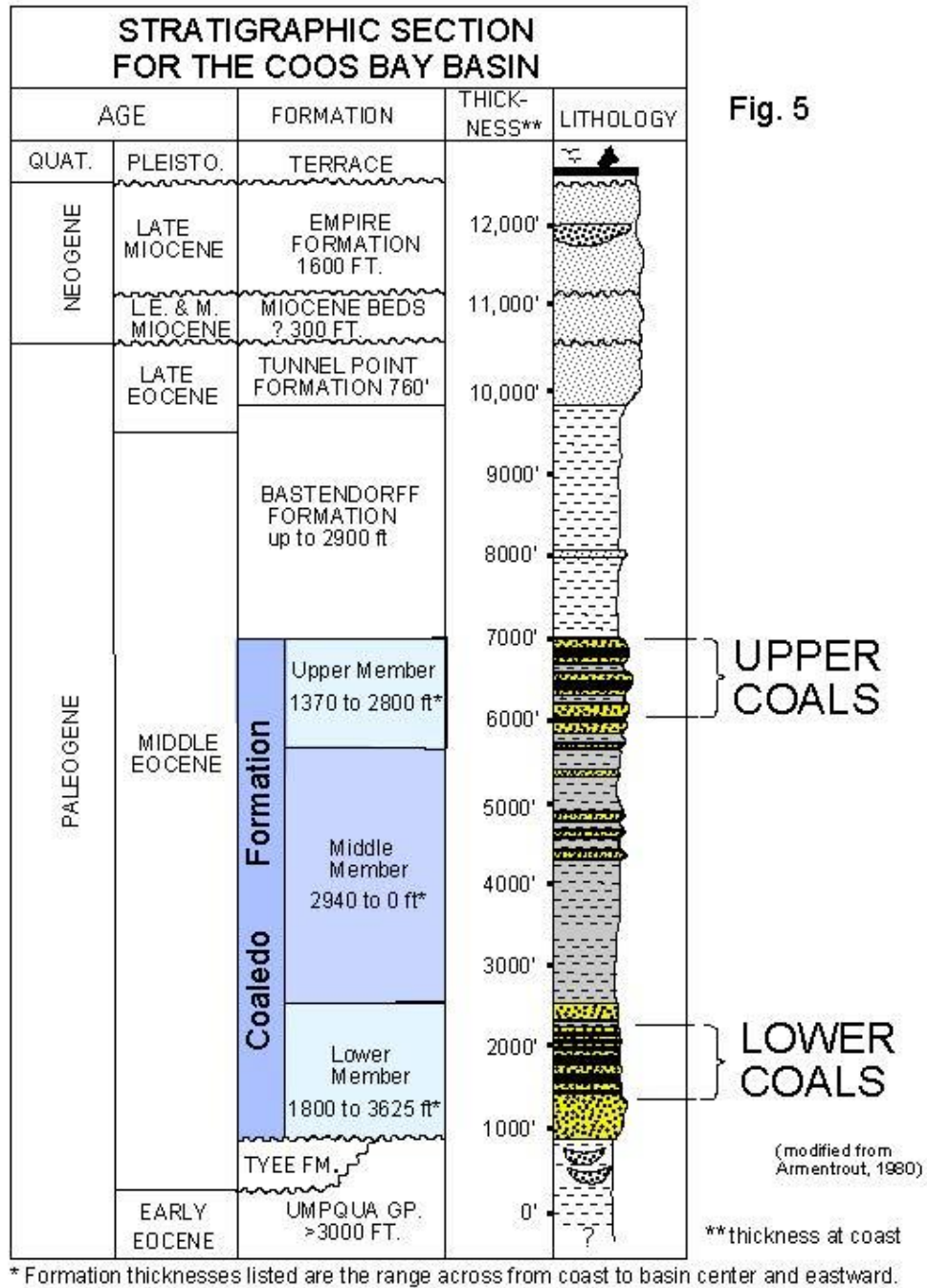



Figure 8 – Upper Coaledo isopach map



\* Formation thicknesses listed are the range across from coast to basin center and eastward.

Figure 9 – Lower Coaledo stratigraphic column

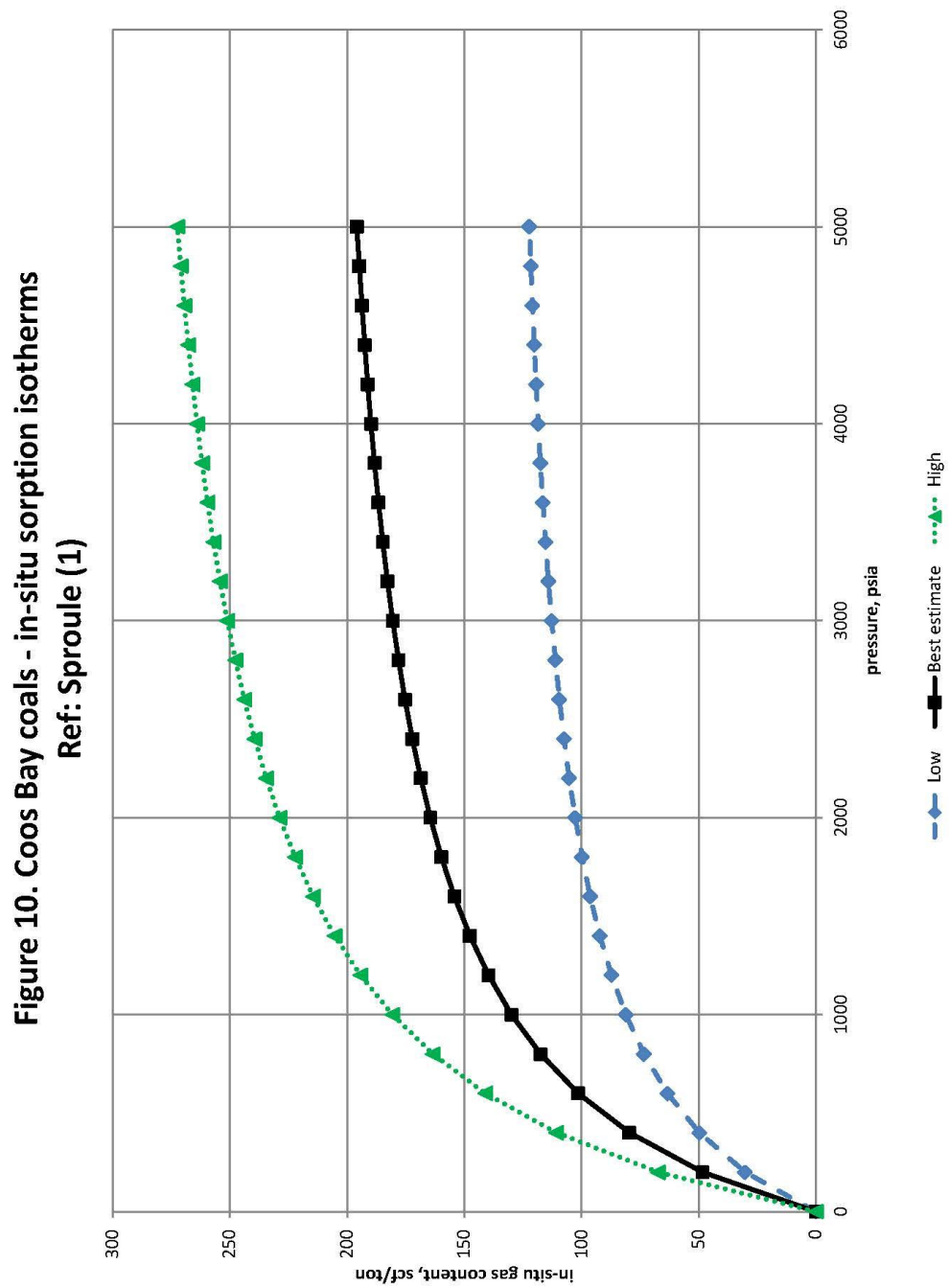


Figure 10 – Sproule sorption isotherms

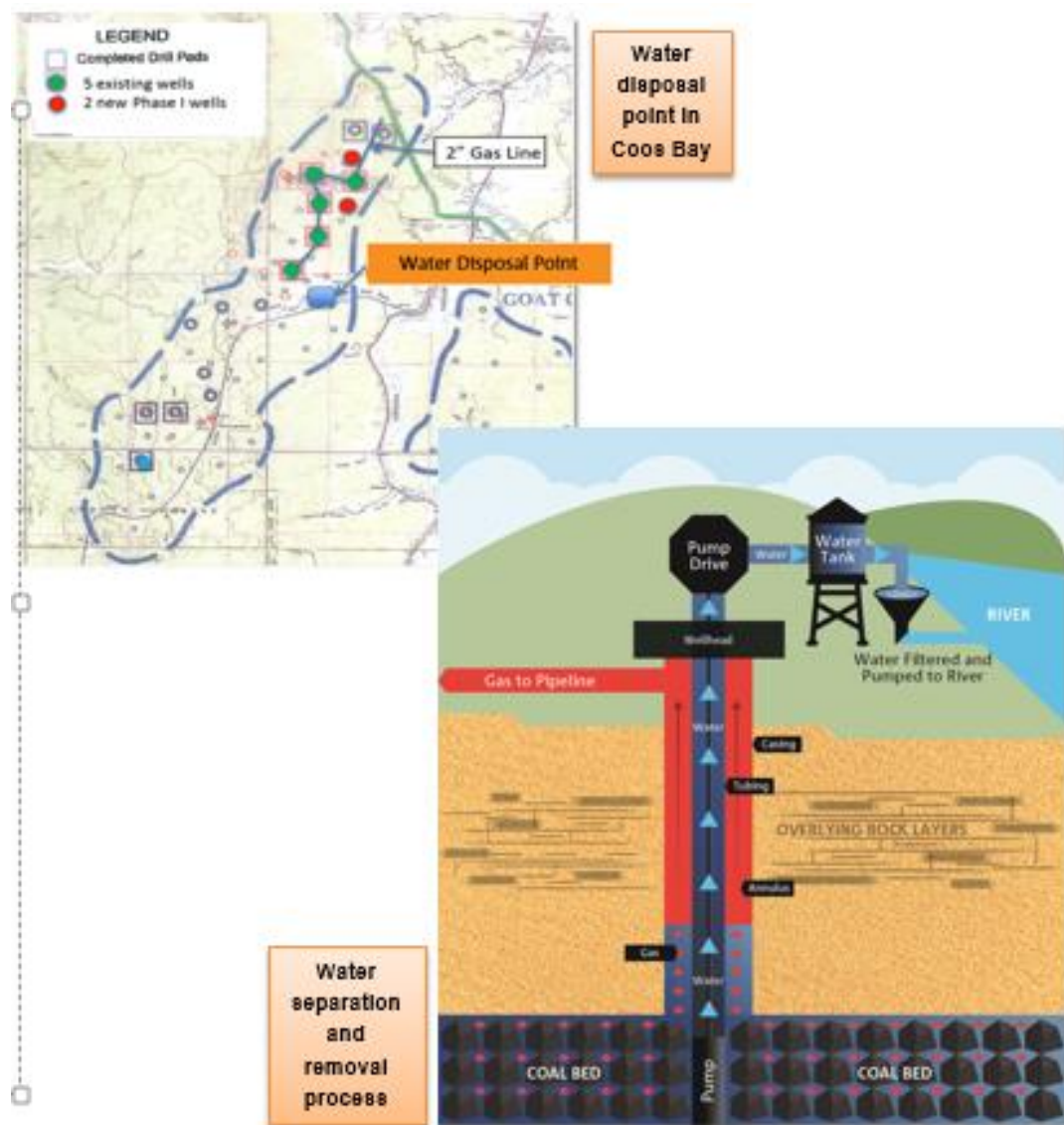


Figure 11 – Phase I well locations



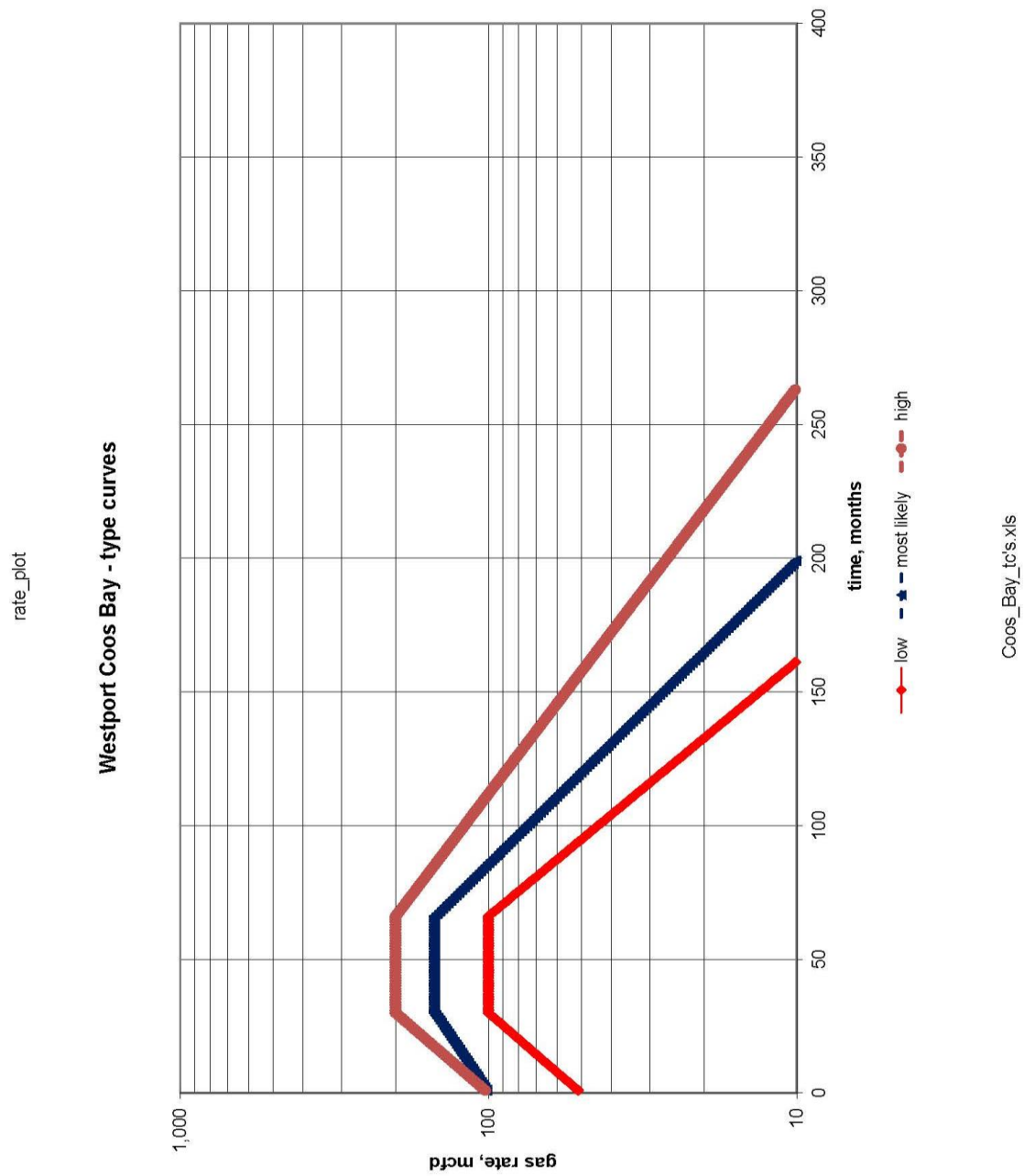


Figure 12 – Coos Bay Project gas type curves



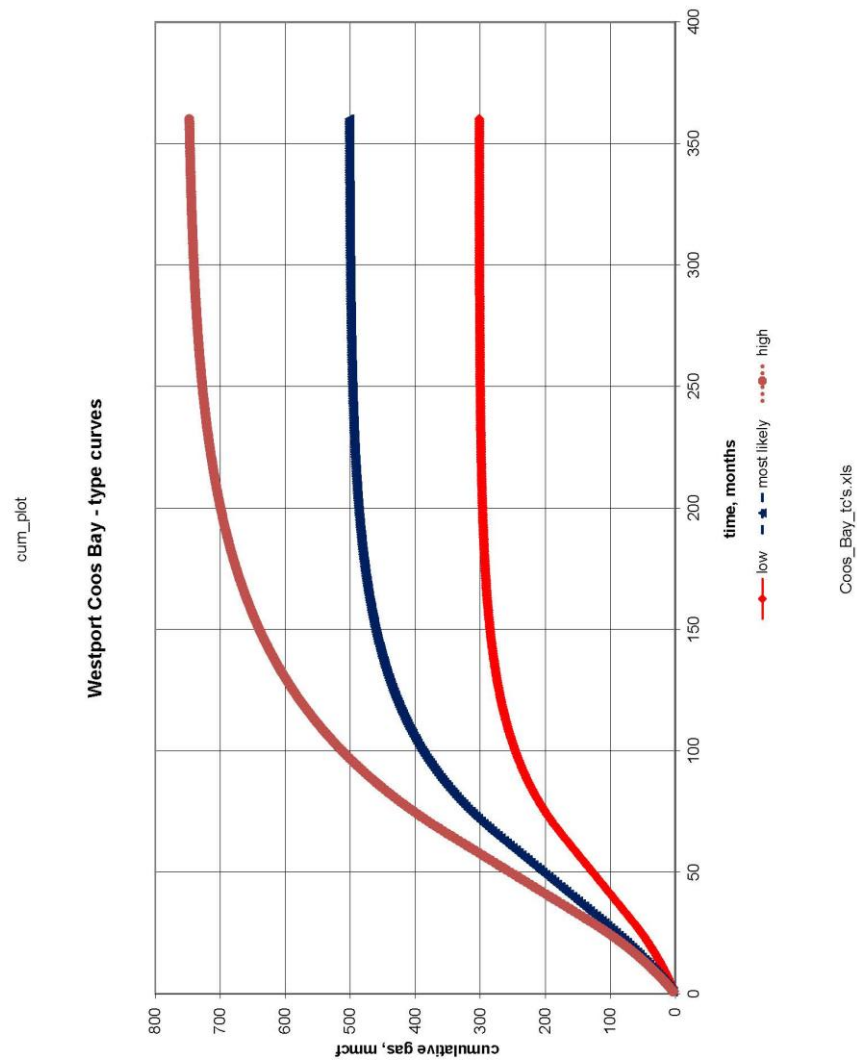


Figure 13 – Coos Bay Project gas type curves – cumulatives

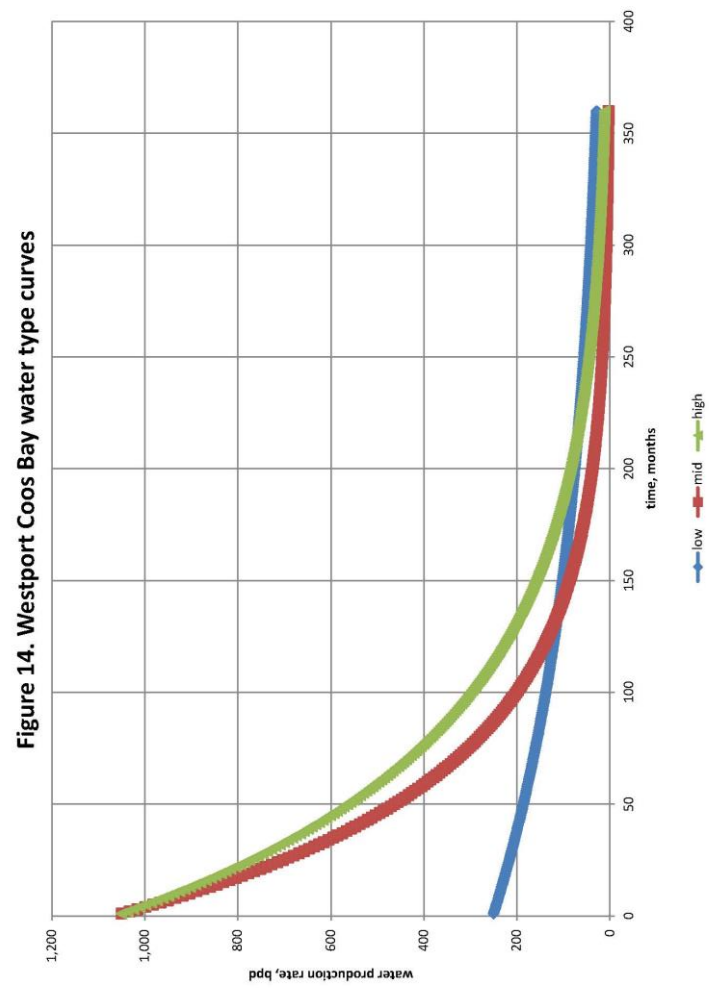


Figure 14 – Coos Bay Project water type curves

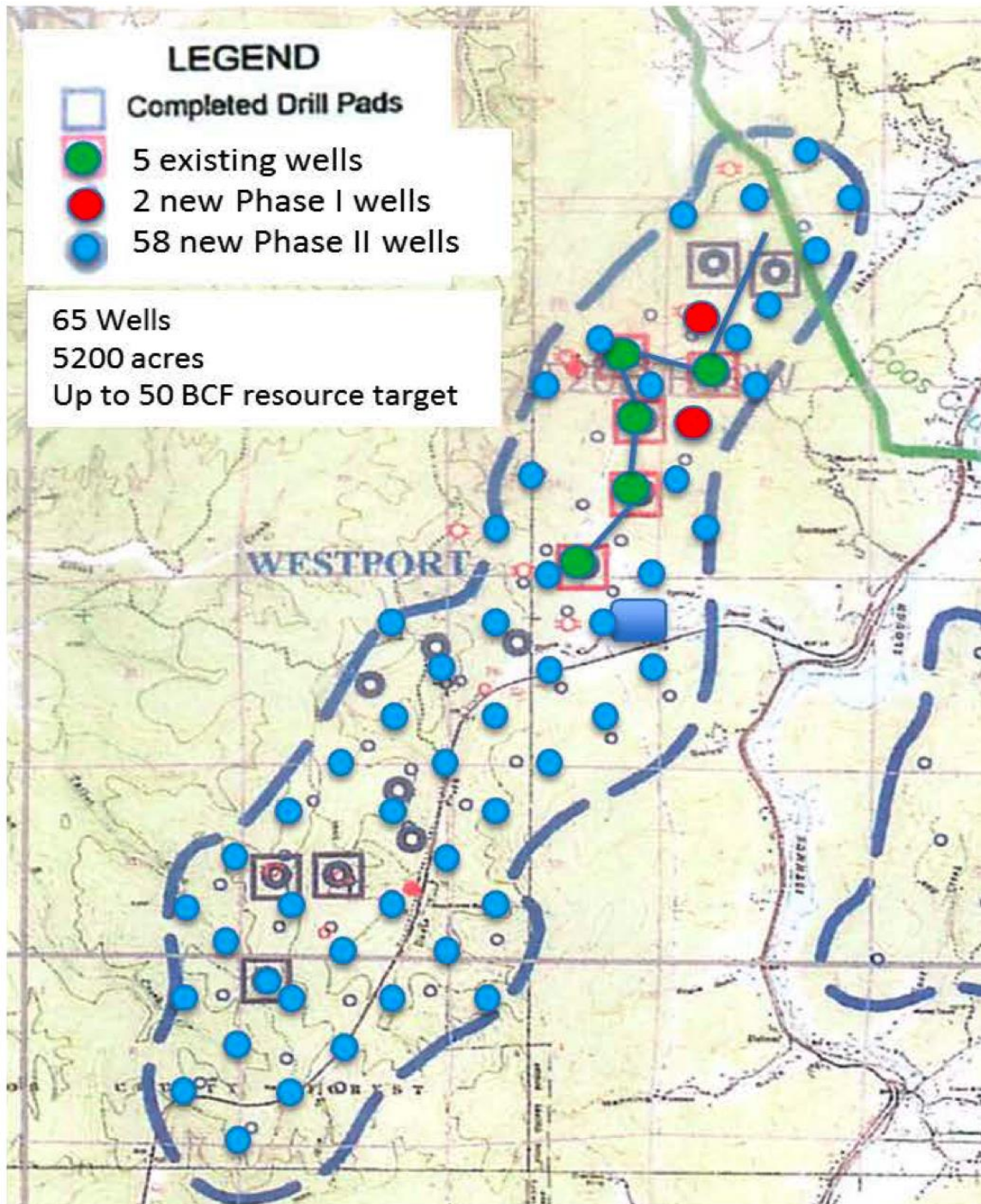


Figure 15 – Phases I & II well locations

# Alamo Precision Services, Inc.

"Meeting your measurement needs since 1986"

140 Weitzer, Suite 735  
San Antonio, Texas 78232  
(210)490-4527

P.O.Box 700530  
San Antonio, Texas 78270-0530  
Fax (210)490-8869

## Gas Volume Statement April, 2012

16-MAY-2012

Arch Energy

Meter #: 3573  
Station ID: 1-21 26-13  
WESTPORT 1-21

Pressure Base	14.7	Static Range	500	Sample Date	01-APR-12	Ethane	0.022	I-Pentane	0.000
Temperature Base	60	Differential	100	Carbon Dioxide	0.021	Propane	0.000	N-Pentane	0.000
Atmospheric Press	14.70	Temp Range	150	Nitrogen	16.661	I-Butane	0.000	N-Hexane	0.000
Super Comp Type	F S	PSI Code	G	Methane	83.296	N-Butane	0.000	Hexane+	0.000
Tap Type & Loc	F D	Rotation	16						
Elev & Latitude	300 29	Tube Size	2.067						
C1= Fb*Ftb*Fpb*MC		C2= Fr*Fa*Fl*Y							

LEGEND: A= Analysis Changed D= Diff Changed E= Estimate Code  
I= Init Delivery S= Static Changed T= Tube Changed

-D A T E-		SPEC	ORIF	--- F L O W I N G ---		- C O U N T S -		----- F A C T O R S -----				L BTU		BTU	
ON	OFF	GRAV		DIFF	PRES TEMP HRS	INTG	PRES TIME	C1	C2	Fg	Ftf	Fpv	G SAT	DRY	MCF
04/06	04/19	0.6239	0.500	1.01	375 59 94.4	134	7790 281	708.7	1.0021	1.266	1.0010	1.0214	0.8298	0.8436	123
04/19	05/02	0.6239	0.500	9.99	151 75 339.1	862	3313 883	810.0	1.0012	1.266	0.9859	1.0077	0.8298	0.8436	879
														<b>433.5</b>	<b>1,002</b>
														AVG	NMBTU
														BTU	
														Sat	831
														Dry	846
														Act	846

Figure 16

# Alamo Precision Services, Inc.

"Meeting your measurement needs since 1986"

140 Heimer, Suite 735  
San Antonio, Texas 78232  
(210)490-4527

P.O.Box 700530  
San Antonio, Texas 78270-0530  
Fax (210)490-0849

## Gas Volume Statement June, 2012

20-JUL-2012

Arch Energy  
93575 Lookout Lane #2  
Coos Bay, OR 97420

Meter #: 3573  
Station ID: 1-21 26-13  
WESTPORT 1-21

Pressure Base	14.7	Static Range	500	Sample Date	01-APR-12	Ethane	0.022	I-Pentane	0.000
Temperature Base	60	Differential	100	Carbon Dioxide	0.021	Propane	0.000	N-Pentane	0.000
Atmospheric Press	14.70	Temp Range	150	Nitrogen	16.661	I-Butane	0.000	N-Hexane	0.000
Super Comp Type	S	PSI Code	G	Methane	83.296	N-Butane	0.000	Hexane+	0.000
Tap Type & Loc	F D	Rotation	16						
Elev & Latitude	300 29	Tube Size	2.067						

LEGEND: A= Analysis Changed D= Diff Changed E= Estimate Code  
I= Init Delivery S= Static Changed T= Tube Changed

C1= Pb\*Ftb\*Fpb\*MC C2= Fr\*Fa\*Fl\*Y

-DATE-		SPEC	ORIF	--- FLOWING ---			- COUNTS -			----- F A C T O R S -----					L	BTU	BTU											
ON	OFF	GRAV		DIFF	PRES	TEMP	NRS	INTG	PRES	TIME	C1	C2	Fg	Ftf	Fpv	G	SAT	DRY	MCF									
06/02	06/17	0.6239	0.500	9.11	176	78	360.6	940	3820	939	010.0	1.0012	1.266	0.9831	1.0088	0.8298	0.8436		957									
06/17	07/03	0.6239	0.500	8.07	229	73	377.9	1047	4872	984	010.0	1.0009	1.266	0.9877	1.0118	0.8298	0.8436		1,074									
																			<b>738.4</b>									<b>2,031</b>
																			AVG									
																			BTU									NMBTU
																			Sat	0.8298								1,685
																			Dry	0.8436								1,713
																			Act	0.8436								1,713

Figure 17

## PART VI (A)

### ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE COMPANY



Crowe Clark Whitehill LLP  
Chartered Accountants  
Member of Crowe Horwath International  
St Bride's House  
10 Salisbury Square  
London EC4Y 8EH, UK  
Tel +44 (0)20 7842 7100  
Fax +44 (0)20 7583 1720  
DX: 0014 London Chancery Lane  
[www.croweclarkwhitehill.co.uk](http://www.croweclarkwhitehill.co.uk)

29 September 2017

The Directors  
Curzon Energy Plc  
Kemp House  
152 City Road  
London EC1V 2NX

Dear Sirs,

#### Introduction

We report on the audited financial information of Curzon Energy Plc (the "Company") for the period from incorporation on 29 January 2016 to 31 December 2016 (the "Company Financial Information"). The Company Financial Information has been prepared for inclusion in Part VI (B) "*Historical Financial Information of the Company*" of the Company's prospectus dated 29 September 2017 (the "Prospectus"), on the basis of the accounting policies set out in note 2 to the Company Financial Information. This report is required by Annex 1 item 20.1 of Commission Regulation (EC) No. 809/2004 (the "Prospectus Directive Regulation") and is given for the purpose of complying with that requirement and for no other purpose.

#### Responsibilities

The directors of the Company (the "Directors") are responsible for preparing the Company Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

It is our responsibility to form an opinion on the Company Financial Information and to report our opinion to you.

#### Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Company Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the Company Financial Information underlying the financial statements and whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

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

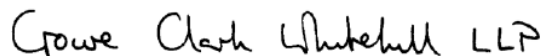
## **Opinion**

In our opinion, the Company Financial Information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Company as at the date stated and of its profits/losses, cash flows and changes in equity for the period stated in accordance with IFRS.

## **Declaration**

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex I item 1.2 of the Prospectus Regulation.

Yours faithfully,

A handwritten signature in black ink that reads "Crowe Clark Whitehill LLP". The signature is written in a cursive, flowing style.

**Crowe Clark Whitehill LLP**  
*Chartered Accountants*

## PART VI (B)

### HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

#### Statement of Financial Position

The audited statement of financial position of the Company as at 31 December 2016 is set out below:

	Note	Audited as at 31 December 2016 £
<b>Assets</b>		
<i>Current assets</i>		
US Group receivables	3	437,427
Cash and cash equivalents		10,715
<b>Total assets</b>		<b>448,142</b>
<b>Equity and liabilities</b>		
<i>Capital and reserves</i>		
Share capital	4	81,295
Share premium	4	569,052
Accumulated losses		(293,661)
<b>Total equity attributable to equity holders</b>		<b>356,686</b>
Trade and other payables		91,456
<b>Total liabilities</b>		<b>91,456</b>
<b>Total equity and liabilities</b>		<b>448,142</b>



## STATEMENT OF COMPREHENSIVE INCOME

The audited statement of comprehensive income of the Company from the date of incorporation on 29 January 2016 to 31 December 2016 is stated below:

	Note	Audited Period ended 31 December 2016 £
<b>Revenue and gross profit</b>		-
Administrative expenses	5	(315,084)
Loss from operations		(315,084)
Finance income	3	21,423
Loss before tax		(293,661)
Income tax expense		-
<b>Loss for the period from continuing operations</b>		<b>(293,661)</b>
<b>Total comprehensive loss attributable to equity owner</b>		<b>(293,661)</b>
<b>Loss per Ordinary Share</b>		
Basic and diluted (£ per Ordinary Share)	6	£(0.06)

## STATEMENT OF CHANGES IN EQUITY

The audited statement of changes in equity of the Company for period from incorporation on 29 January 2016 to 31 December 2016 are set out below:

	<b>Share capital £</b>	<b>Share premium £</b>	<b>Accumulated deficit £</b>	<b>Total £</b>
On incorporation*	2	-	-	2
Result for the period	-	-	(293,661)	(293,661)
Issue of Ordinary Shares	81,293	569,052	-	650,345
As at 31 December 2016	81,295	569,052	(293,661)	356,686

The share capital comprises the Ordinary Shares of the Company.

\*Issued share capital was 2 ordinary shares of £1.00 each.

## STATEMENT OF CASH FLOWS

The audited cash flow statement of the Company from the date of incorporation on 29 January 2016 to 31 December 2016 is set out below:

	<b>Audited Period ended 31 December 2016 £</b>
<b>Cash flows from operating activities</b>	
Loss for the period	(293,661)
Finance costs	(21,423)
<i>Movements in working capital:</i>	
Increase in trade and other payables	91,456
<b>Cash used in operations</b>	<b>(223,628)</b>
<b>Financing activities</b>	
Proceeds from issue of Ordinary Shares	650,347
<b>Net cash from financing activities</b>	<b>650,347</b>
<b>Investing activities</b>	
Increase in US Group receivable	(416,004)
<b>Net cash from investing activities</b>	<b>(416,004)</b>
<b>Net increase in cash and cash equivalents</b>	<b>10,715</b>
Cash and cash equivalents at beginning of period	-
<b>Cash and cash equivalents at end of period</b>	<b>10,715</b>

## **NOTES TO THE COMPANY FINANCIAL INFORMATION**

### **1. General information**

The Company is a newly-established company incorporated and registered in England and Wales on 29 January 2016 as a public limited company. The Company's registered number is 09976843 and its registered office is at Kemp House, 152 City Road, London EC1V 2NX.

The principal activity of the Company is that of a holding company for the Group, as well as performing all administrative, corporate finance, strategic and governance functions of the Group. The Company's investments comprise subsidiaries in companies which operate in the coalbed methane gas sector.

The Company Financial Information has been prepared in accordance with IFRS. The standards have been applied consistently.

### **2. Accounting Policies**

#### **Basis of preparation**

The principal accounting policies adopted by the Company in the preparation of the Company Financial Information are set out below.

The Company Financial Information has been presented in £, being the functional currency of the Company.

The Company Financial Information has been prepared in accordance with IFRS, including interpretations made by the International Financial Reporting Interpretations Committee issued by the International Accounting Standards Board. The standards have been applied consistently.

#### **Comparative figures**

No comparative figures have been presented as the Company Financial Information covers the period from incorporation on 29 January 2016 to 31 December 2016.

#### **Standards and interpretations issued but not yet applied**

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective and in some cases have not yet been adopted by the European Union.

The Directors do not expect that the adoption of these standards will have a material impact on the financial information of the Company in future periods, except that IFRS 9 "*Financial Instruments*" will impact both the measurement and disclosures of financial instruments, IFRS 15 "*Revenue from Contracts with Customers*" may have an impact on revenue recognition and related disclosures and IFRS 16 "*Leases*" will have an impact on the recognition of operating leases. At this point it is not practicable for the Directors to provide a reasonable estimate of the effect of these standards as their detailed review of these standards is still ongoing.

#### **Financial assets and liabilities**

The Directors determine the classification of the Company's financial assets and liabilities at initial recognition.

#### **Cash and cash equivalents**

The Company considers any cash on short-term deposits and other short-term investments to be cash equivalents.

## Use of assumptions and estimates

In preparing the Company Financial Information, the Directors have to make judgements on how to apply the Company's accounting policies and make estimates about the future. The Directors do not consider there to be any critical judgments that have been made in arriving at the amounts recognised in the Company Financial Information.

### 3. Related party receivables

	<b>Audited as at 31 December 2016 £</b>
US Group	<u>437,427</u>

The US Group is a related party through common control.

During the period ended 31 December 2016, the maximum amount owed by the US Group to the Company was £437,427. The related party loan is unsecured and is repayable on demand. Interest is receivable at a rate of 9%. At 31 December 2016 £21,423 was accrued and included in the above balance.

### 4. Share capital

	<b>Audited as at 31 December 2016 £</b>
<b>Share capital</b>	
2 ordinary shares issued at £1 each	2
81,293 ordinary shares issued at £8 each	81,293
<b>Total share capital</b>	<u><b>81,295</b></u>
<b>Share premium</b>	
2 ordinary shares issued at £1 each	-
81,293 ordinary shares issued at £8 each	569,052
<b>Total share capital</b>	<u><b>569,052</b></u>

On 29 January 2016, the Company was incorporated and on incorporation, the issued share capital of the Company was £2, comprising 2 ordinary shares of £1.00 each issued to 4 Seasons, LLC and M10 Ventures LLC fully paid up.

On 8 February 2016, the Company allotted and issued to YA Global 6,375 Ordinary Shares of £1.00 each for a subscription price of £8.00 per Ordinary Share.

On 12 February 2016, the Company allotted and issued to YA Global 6,250 Ordinary Shares of £1.00 each for a subscription price of £8.00 per Ordinary Share.

On 23rd March 2016 the Company issued and allotted to:

- Riverfort Capital 1,250 ordinary shares of £1.00 each for a subscription price of £8.00 per Ordinary Share; and
- Shard Capital Management 10,000 ordinary shares of £1.00 each for a subscription price of £8.00 per Ordinary Share.

On 11 July 2016 the Company issued and allotted to:

- Walter B. Edwards Jnr, 4,295 ordinary shares of £1.00 each for a subscription price of £8.00 per Ordinary Share;

- Regency Mines PLC 12,500 ordinary shares of £1.00 each for a subscription price of £8.00 per Ordinary Share;
- GSC Global Fund, a sub-Fund of GSC SICAV p.l.c. 18,750 ordinary shares of £1.00 each for a subscription price of £8.00 per Ordinary Share.

On 12 September 2016 the Company issued and allotted to:

- Vikrant Bhargava 12,500 Ordinary Shares of £ 1.00 each for a subscription price of £ 8.00 per Ordinary Share.

On 19 September 2016 the Company issued and allotted to:

- Regency Mines PLC 9,375 Ordinary Shares of £1.00 each for a subscription price of £8.00 per Ordinary Share.

## 5. Administrative expenses

	<b>Audited Period ended 31 December 2016 £</b>
Costs in connection with the Acquisition and Admission	315,052
Bank charges	32
	<b><u>315,084</u></b>

No remuneration was paid to key management or employees during the period.

## 6. Loss per Ordinary Share

The calculation for loss per Ordinary Share (basic and diluted) for the relevant period is based on the loss after income tax attributable to equity holders for the period from incorporation on 29 January 2016 to 31 December 2016, as amended for the subdivision of shares as set out in note 10 to the Company Financial Information, and is as follows:

Loss attributable to equity holders (£) £(277,944)

Weighted average number of Ordinary Shares 4,681,713

Loss per Ordinary Share (£) £(0.06)

No remuneration was paid to key management or employee during the period.

## 7. Financial instruments – risk management

The Company is exposed through its operations to credit risk and liquidity risk. In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Directors' objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout the Company Financial Information.

## 8. Financial instruments

The carrying value of the financial instruments of the Company as at 31 December 2016 comprised £10,715 of cash, £ 437,427 of receivables and £91,456 of trade and other payables.

### General objectives, policies and processes

The Directors have overall responsibility for the determination of the Company's risk management objectives and policies. Further details regarding these policies are set out below:

## **Credit risk**

The Company had cash of £10,715 as at 31 December 2016. The maximum exposure to credit risk at the end of the reporting period is the fair value of cash set out above. The Company held no collateral as security.

## **Liquidity risk**

Liquidity risk arises from the Directors' management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Directors' policy is to ensure that the Company will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, the Directors seek to maintain a cash balance sufficient to meet expected requirements.

The Directors have prepared Group cash flow projections on a monthly basis through to 31 December 2019. At the end of the period under review, these projections indicated that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

## **9. Capital risk management**

The Directors' objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. At the date of the Company Financial Information, the Company had been financed by equity. In the future, the capital structure of the Company is expected to consist of borrowings and equity attributable to equity holders of the Company, comprising issued share capital and reserves

## **10. Subsequent events**

On 28 May 2017, the Company subdivided each Ordinary Share of £1 each into 100 Ordinary Shares of £0.01 each. Following the subdivision, the aggregate number of Ordinary Shares in issue was 8,129,700.

On 28 September 2017 as consideration for the Acquisition, the Company issued (conditional on Admission):

- 30 million Ordinary Shares to YA Global.;
- 4 million Ordinary Shares to Queensbury, Inc;
- 3.2 million Ordinary Shares to Mountainville Limited;
- 1.2 million Ordinary Shares to M10 Ventures LLC;
- 1.2 million Ordinary Shares to 4 Sea-Sons LLC; and
- 400,000 Ordinary Shares to Ronald Robinson,

being the shareholders of Coos Bay at a price per Ordinary Share of £0.08.

On 26 September 2017, Coos Bay assigned the YA Global Note to the Company, conditional on Admission..

On 26 September 2017, Coos Bay assigned the Gellis Note to the Company, conditional on Admission.

On 26 September 2017, Coos Bay transferred the Cuart Note to the Company, conditional on Admission.

Subsequent to 31 December 2016, Coos Bay has paid £101,000 of Costs on behalf of the Company. This amount remains outstanding as at the date of this document.

Under the terms of the Placing on 28 September 2017 a further 23,265,000 Ordinary Shares were issued at a price of £0.10 per Ordinary Share, conditional on Admission.

**11. Ultimate controlling party**

As at 31 December 2016, the Company did not have an ultimate controlling party.

**12. Nature of the Company Financial Information**

The Company Financial Information presented above does not constitute statutory accounts for the period under review.



## PART VI (C)

### ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF COOS BAY



Crowe Clark Whitehill LLP  
Chartered Accountants  
Member of Crowe Horwath International  
St Bride's House  
10 Salisbury Square  
London EC4Y 8EH, UK  
Tel +44 (0)20 7842 7100  
Fax +44 (0)20 7583 1720  
DX: 0014 London Chancery Lane  
[www.croweclarkwhitehill.co.uk](http://www.croweclarkwhitehill.co.uk)

29 September 2017

The Directors  
Curzon Energy Plc  
Kemp House  
152 City Road  
London EC1V 2NX

Dear Sirs,

#### Introduction

We report on the audited financial information of Coos Bay Energy LLC ("Coos Bay") for the period from incorporation on 2 September 2016 to 31 December 2016 (the "Coos Bay Financial Information"). The Coos Bay Financial Information has been prepared for inclusion in Part VI (D) "*Historical Financial Information of Coos Bay*" of Curzon Energy Plc's (the "Company") prospectus dated 29 September 2017 (the "Prospectus"), on the basis of the accounting policies set out in note 2 to the Coos Bay Financial Information. This report is required by Annex 1 item 20.1 of Commission Regulation (EC) No. 809/2004 (the "Prospectus Directive Regulation") and is given for the purpose of complying with that requirement and for no other purpose.

#### Responsibilities

The directors of the Company (the "Directors") are responsible for preparing the Coos Bay Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

It is our responsibility to form an opinion on the Coos Bay Financial Information and to report our opinion to you.

#### Basis of Opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Coos Bay Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information underlying the Coos Bay Financial Information and whether the accounting policies are appropriate to Coos Bay's circumstances, consistently applied and adequately disclosed.

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

#### Opinion

In our opinion, the Coos Bay Financial Information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of Coos Bay as at the date stated and of its profits/losses, cash flows and changes in equity for the period stated in accordance with IFRS.

## Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f), we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex I item 1.2 of the Prospectus Directive Regulation.

Yours faithfully,

*Crowe Clark Whitehill LLP*

**Crowe Clark Whitehill LLP**  
Chartered Accountants

## PART VI (D)

### HISTORICAL FINANCIAL INFORMATION OF COOS BAY

#### STATEMENT OF FINANCIAL POSITION

The statement of financial position of Coos Bay as at 31 December 2016 is stated below:

		<b>Audited As at 31 December 2016 \$</b>
	<b>Note</b>	
<b>Assets</b>		
<i>Current assets</i>		
Cash and cash equivalents	6	350,815
<b>Total assets</b>		<b>350,815</b>
<b>Members' interest and liabilities</b>		
<i>Members' interest and reserves</i>		
Members' interest	3	300
Accumulated deficit		(17,452)
<b>Total members' interest attributable to members</b>		<b>(17,152)</b>
<b>Current liabilities</b>		
Trade and other payables	10	17,417
<b>Non-current liabilities</b>		
Borrowings	5	350,550
<b>Total liabilities</b>		<b>367,967</b>
<b>Total members' interest and liabilities</b>		<b>350,815</b>

## STATEMENT OF COMPREHENSIVE INCOME

The audited statement of comprehensive income of Coos Bay from the date of incorporation on 2 September 2016 to 31 December 2016 is stated below:

	Note	Audited Period ended 31 December 2016 \$
<b>Revenue and gross profit</b>		-
Administrative expenses		(17,452)
		<hr/>
Loss from operations		(17,452)
Finance income		-
		<hr/>
Loss before tax		(17,452)
Income tax expense		-
		<hr/>
<b>Loss for the period from continuing operations</b>		<b>(17,452)</b>
		<hr/>
<b>Total comprehensive loss attributable to members</b>		<b>(17,452)</b>
		<hr/>
<b>Loss per members' percentages</b>	4	
Basic and diluted (\$ per members' percentage)		(174.52)
		<hr/>

## STATEMENT OF CHANGES IN MEMBERS' INTEREST

The audited statement of changes in members' interest of Coos Bay for the period from incorporation on 2 September 2016 to 31 December 2016 are set out below:

	<b>Members' interest \$</b>	<b>Accumulated deficit \$</b>	<b>Total \$</b>
On incorporation*	300	-	300
Result for the period	-	(17,452)	(17,452)
As at 31 December 2016	300	(17,452)	(17,152)

The members' interest comprises the cash contributions paid by members on incorporation of Coos Bay.

## STATEMENT OF CASH FLOWS

The audited cash flow statement of Coos Bay from the date of incorporation on 2 September 2016 to 31 December 2016 is set out below:

	<b>Audited Period ended 31 December 2016 \$</b>
<b>Cash flows from operating activities</b>	
Loss for the period	(17,452)
<b>Cash used in operations before working capital changes</b>	<b>(17,452)</b>
Changes in working capital	
Increase in trade and other payables	17,417
<b>Cash used in operations</b>	<b>(35)</b>
 <b>Financing activities</b>	
Members contributions	300
Net proceeds from borrowings	350,550
<b>Net cash from financing activities</b>	<b>350,850</b>
 <b>Net increase in cash and cash equivalents</b>	<b>350,815</b>
 Cash and cash equivalents at beginning of period	-
<b>Cash and cash equivalents at end of period</b>	<b>350,815</b>

## NOTES TO THE COOS BAY FINANCIAL INFORMATION

### 1. General information

Coos Bay is a newly established company incorporated and registered in Nevada, United States of America on 2 September 2016 as a limited liability company. Coos Bay's registered number is 1247749.93. Its registered agent's office is located at 1370 Crowley Avenue SE, Salem, Oregon 97302. Its principal trading office is located at Suite 1100, 1001 SW 5<sup>th</sup> Avenue, Portland, Oregon 97204.

The principal activity of Coos Bay is that of an intermediate holding company for the Group, as well as performing all administrative, corporate finance, strategic and governance functions of the Group. Coos Bay's investments will comprise subsidiaries in companies which operate in the coalbed methane gas sector

The Coos Bay Financial Information has been prepared in accordance with IFRS. The standards have been applied consistently.

### 2. Accounting policies

#### ***Basis of preparation***

The principal accounting policies adopted by Coos Bay in the preparation of the Coos Bay Financial Information are consistent with those which will be adopted by the Company in the preparation of its next published annual financial statements and are set out below.

The Coos Bay Financial Information has been presented in \$, being the functional currency of Coos Bay.

The Coos Bay Financial Information has been prepared in accordance with IFRS, including interpretations made by the International Financial Reporting Interpretations Committee issued by the International Accounting Standards Board. The standards have been applied consistently.

The accounting policies of Coos Bay have been changed where necessary to ensure consistency with the policies adopted, and to be adopted, by the Company.

#### ***Comparative figures***

No comparative figures have been presented as the Coos Bay Financial Information covers the period from incorporation on 2 September 2016 to 31 December 2016.

#### ***Standards and interpretations issued but not yet applied***

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective and in some cases have not yet been adopted by the EU.

The directors of Coos Bay (the "Coos Bay Directors") do not expect that the adoption of these standards will have a material impact on the financial information of Coos Bay in future periods, except that IFRS 9 will impact both the measurement and disclosures of financial instruments, IFRS 15 may have an impact on revenue recognition and related disclosures and IFRS 16 will have an impact on the recognition of operating leases. At this point it is not practicable for the Coos Bay Directors to provide a reasonable estimate of the effect of these standards as their detailed review of these standards is still on-going.

#### ***Financial assets and liabilities***

The Directors determine the classification of the Company's financial assets and liabilities at initial recognition.

#### ***Cash and cash equivalents***

The Company considers any cash on short-term deposits and other short-term investments to be cash equivalents.

## **Foreign currency**

### *Functional and presentation currency*

The financial information is measured in the currency of the primary economic environment in which the entity operates (its functional currency) and therefore is presented in \$, which is the functional currency and presentation currency of Coos Bay.

### *Transactions and balances*

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

### **Use of assumptions and estimates**

In preparing the Coos Bay Financial Information, the Coos Bay Directors have to make judgments on how to apply Coos Bay's accounting policies and make estimates about the future. The Coos Bay Directors do not consider there to be any critical judgments that have been made in arriving at the amounts recognised in the Coos Bay Financial Information.

## **3. Members' interest**

On 2 September 2016, Coos Bay was incorporated and, on incorporation, members were allocated \$300 of members' interest into Coos Bay. As at 15 September 2015, the members' interest and percentages were as follows:

<b>Member</b>	<b>Members' interest \$</b>	<b>Members' percentage</b>
YA Global.	100	76%
Queensbury Inc.	100	13%
Mountainville Ltd.	100	11%
	<b>300</b>	<b>100%</b>

As at 31 December 2016, the \$300 of members' interest remained unpaid.

## **4. Loss per members' percentage**

The calculation for loss per members' percentage (basic and diluted) for the relevant period is based on the profit after income tax attributable to members for the period from incorporation on 2 September 2016 to 31 December 2016 and is as follows:

Loss attributable to members (\$)	(35)
Weighted average members' percentage (\$)	100
Loss per members' percentage (\$)	(0.35)

## **5. Non-current liabilities**

	<b>As at 31 December 2016 \$</b>
Borrowings	350,550
Total non-current liabilities	350,550



On 29 December 2016, Coos Bay issued a £300,000 promissory note to Cuart. The Cuart Note is unsecured, repayable on or before 31 December 2017 and bears an annual interest rate of 12%. On issue, a 5% implementation fee was paid from the proceeds of the Cuart Note and has been included within the liability to unwind over the life of the loan, the effective interest rate is 14%. On 9 May 2017, an addendum to the 29 December 2016 Cuart Note was entered into, under which the maturity date was extended to 31 December 2018. All other terms remained unchanged.

Coos Bay has entered into a memorandum of understanding with the Company, pursuant to which the Company will acquire all of the outstanding membership interests of Coos Bay. In addition, the Company is pursuing the Admission, with the intention that such Admission will become effective during autumn 2017. In the event Admission occurs within six (6) months after the date of the Cuart Note, Coos Bay shall cause the Company to issue to the lender a warrant to purchase a number of Ordinary Shares equal to 50% of the original principal amount divided by the Placing Price. The warrant shall be for a term of three years from the date of issuance and shall have an exercise price equal to 125% of the Placing Price. In the event Admission does not occur within six (6) months after the date of the Cuart Note, Coos Bay shall cause one or more of its members to transfer to the lender membership interests in Coos Bay, which, in the aggregate, equal 3% of the outstanding membership interests in Coos Bay. The fair value of the instrument has been attributed to the Cuart Note as the fair value of the warrants at 31 December 2016 is negligible.

## **6. Financial instruments – risk management**

Coos Bay is exposed through its operations to credit risk and liquidity risk. In common with all other businesses, Coos Bay is exposed to risks that arise from its use of financial instruments. This note describes the Coos Bay Directors' objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout this Coos Bay Financial Information.

### ***Financial instruments***

The carrying value of the financial instruments of Coos Bay as at 31 December 2016 comprised \$350,815 of cash and cash equivalents and non-current liabilities of \$350,550, being the Cuart Note payable (see note 5 to the Coos Bay Financial Information) and trade and other payables of \$17,416 which is payable in one month.

### ***General objectives, policies and processes***

The Coos Bay Directors have overall responsibility for the determination of Coos Bay's risk management objectives and policies. Further details regarding these policies are set out below.

#### ***Credit risk***

Coos Bay had cash of \$350,635 as at 31 December 2016. The maximum exposure to credit risk at the end of the reporting period is the fair value of the cash. The company held no collateral as security.

#### ***Liquidity risk***

Liquidity risk arises from the Coos Bay Directors' management of working capital. It is the risk that Coos Bay will encounter difficulty in meeting its financial obligations as they fall due.

The Coos Bay Directors' policy is to ensure that Coos Bay will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, the Coos Bay Directors seek to maintain a cash balance sufficient to meet expected requirements.

The Directors have prepared Group cash flow projections on a monthly basis through to 31 December 2018. At the end of the period under review, these projections indicated that Coos Bay expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

## **7. Capital risk management**

The Coos Bay Directors' objectives when managing capital are to safeguard Coos Bay's ability to continue as a going concern in order to provide returns for Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. At the date of this Coos Bay Financial Information, Coos Bay had been financed by equity. In the future, the capital structure of Coos Bay is expected to consist of borrowings and equity attributable to equity holders of Coos Bay, comprising issued share capital and reserves

## **8. Ultimate controlling party**

As at 31 December 2016, the ultimate controlling party of Coos Bay was YA Global, owner of 76% of the membership percentage.

## **9. Subsequent events**

On 18 April 2017, Coos Bay issued a \$150,000 short-term promissory note to YA Global. The short-term promissory note is unsecured, repayable on or before 31 December 2018 and bears an annual interest rate of 10%. On 26 September 2017, Coos Bay assigned the promissory note to the Company, conditional on Admission. From the proceeds of the two promissory notes, Coos Bay paid £101,000 of Costs on behalf of the Company and this amount remains outstanding as at the date of this document.

On 1 September 2017, Coos Bay issued a \$100,000 short-term promissory note to Jonathan Gellis. The short-term promissory note is unsecured, repayable on or before 31 December 2018 and bears an annual interest rate of 15%. On 26 September 2017, Coos Bay assigned the promissory note to the Company, conditional on Admission. From the proceeds of the two promissory notes, Coos Bay paid £101,000 of Costs on behalf of the Company and this amount remains outstanding as at the date of this document.

## **10. Related party transaction**

During the period, Coos Bay paid Stephen Schoepfer, the executive Director of the Company, \$17,417 for services rendered in connection with the Acquisition. The balance remained payable as at 31 December 2016.

## **11. Nature of the Coos Bay Financial Information**

The Coos Bay Financial Information presented above does not constitute statutory accounts for the period under review.

## PART VI (E)

### ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE US GROUP



Crowe Clark Whitehill LLP  
Chartered Accountants  
Member of Crowe Horwath International  
St Bride's House  
10 Salisbury Square  
London EC4Y 8EH, UK  
Tel +44 (0)20 7842 7100  
Fax +44 (0)20 7583 1720  
DX: 0014 London Chancery Lane  
[www.croweclarkwhitehill.co.uk](http://www.croweclarkwhitehill.co.uk)

29 September 2017

The Directors  
Curzon Energy Plc  
Kemp House  
152 City Road  
London EC1V 2NX

Dear Sirs,

#### Introduction

We report on the audited financial information of Westport Acquisitions Inc. and its wholly owned subsidiary, Westport Energy, LLC (together the "US Group") for the three-year period ended 31 December 2016 (the "US Group Financial Information"). The US Group Financial Information has been prepared for inclusion in Part VI (F) "*Historical Financial Information of the US Group*" of Curzon Energy Plc's (the "Company") prospectus dated 29 September 2017 (the "Prospectus"), on the basis of the accounting policies set out in note 1 to the US Group Financial Information. This report is required by Annex 1 item 20.1 of Commission Regulation (EC) No. 809/2004 (the "Prospectus Directive Regulation") and is given for the purpose of complying with that requirement and for no other purpose.

#### Responsibilities

The directors of the Company (the "Directors") are responsible for preparing the US Group Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

It is our responsibility to form an opinion on the US Group Financial Information and to report our opinion to you.

#### Basis of Opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the US Group Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information underlying the US Group Financial Information and whether the accounting policies are appropriate to US Group's circumstances, consistently applied and adequately disclosed.

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

#### Opinion

In our opinion, the US Group Financial Information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the US Group as at the dates stated and of its profits/losses, cash flows and changes in equity for the periods stated in accordance with IFRS.

## Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f), we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex I item 1.2 of the Prospectus Directive Regulation.

Yours faithfully,

*Crowe Clark Whitehill LLP*

**Crowe Clark Whitehill LLP**  
Chartered Accountants

## PART VI (F)

### HISTORICAL FINANCIAL INFORMATION OF THE US GROUP

#### Consolidated statements of comprehensive income

The consolidated statements of comprehensive income of the US Group for each of the three years ended 31 December 2014, 2015 and 2016 are set out below:

		Year ended 31 December 2014 \$	Year ended 31 December 2015 \$	Year ended 31 December 2016 \$
<b>Continuing operations</b>	<i>Note</i>			
Administrative expenses		(905,305)	(665,676)	(654,919)
<b>Loss from operations</b>		(905,305)	(665,676)	(654,919)
Finance expenses	6	(389,981)	(414,343)	(373,155)
Impairment of financial assets	11,15	(17,542)	(157,085)	-
Impairment of exploration and evaluation assets	9			(2,158,000)
Loss on sale of securities	15	-	(4,132)	-
Other income		5,950	-	62,878
<b>Loss before tax</b>	4	(1,306,878)	(1,241,236)	(3,123,196)
Income tax expense	7	-	-	-
<b>Loss attributable to owners of the parent</b>		(1,306,878)	(1,241,236)	(3,123,196)
<b>Total comprehensive loss for the year</b>		(1,306,878)	(1,241,236)	(3,123,196)
Basic and diluted loss per share attributable to owners of the parent (\$)	8	(0.28)	(0.27)	(0.67)

The accompanying notes are an integral part of the US Group Financial Information.

## Consolidated statements of financial position

The consolidated statements of financial position of the US Group as at 31 December 2014, 2015 and 2016 are set out below:

	Note	As at 31 December 2014 \$	As at 31 December 2015 \$	As at 31 December 2016 \$
<b>Non-current assets</b>				
Intangible assets	9	4,717,000	4,717,000	2,559,000
Note receivable	11	142,500	-	-
Restricted cash	12	426,390	124,424	145,315
<b>Total non-current assets</b>		<b>5,285,890</b>	<b>4,841,424</b>	<b>2,684,315</b>
<b>Current assets</b>				
Prepayments and other receivables	13	1,047	-	-
Investments held for sale	15	26,300	-	-
Cash and cash equivalents	14	134,383	595	6,689
<b>Total current assets</b>		<b>161,730</b>	<b>595</b>	<b>6,689</b>
<b>TOTAL ASSETS</b>		<b>5,447,620</b>	<b>4,842,019</b>	<b>2,691,004</b>
<b>Current liabilities</b>				
Trade and other payables	16	1,321,955	1,694,736	508,582
Borrowings	18	-	-	511,750
Amounts due to parent company	17	3,757,317	4,020,171	-
<b>Total current liabilities</b>		<b>5,714,907</b>	<b>5,079,272</b>	<b>1,020,332</b>
<b>Total liabilities</b>		<b>5,079,272</b>	<b>5,714,907</b>	<b>1,020,332</b>
<b>Equity</b>				
Share capital	19	1	1	1
Additional paid in capital		26,076,084	26,076,084	31,742,840
Accumulated losses		(25,707,737)	(26,948,973)	(30,072,169)
<b>Total equity</b>		<b>368,348</b>	<b>(872,888)</b>	<b>1,682,146</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,447,620</b>	<b>4,842,019</b>	<b>2,691,004</b>

## Consolidated statements of changes in equity

The consolidated statements of changes in equity of the US Group for each of the three years ended 31 December 2014, 2015 and 2016 are set out below:

### Attributable to owners of the parent

	Share capital \$	Additional paid in capital \$	Accumulated losses \$	Total \$
<b>Equity as at 1 January 2014</b>	1	26,076,084	(24,400,859)	1,675,226
Loss for the year	-	-	(1,306,878)	(1,306,878)
<b>Equity as at 31 December 2014</b>	<b>1</b>	<b>26,076,084</b>	<b>(25,707,737)</b>	<b>368,348</b>
Loss for the year	-	-	(1,241,236)	(1,241,236)
<b>Equity as at 31 December 2015</b>	<b>1</b>	<b>26,076,084</b>	<b>(26,948,973)</b>	<b>(872,888)</b>
Loss for the year	-	-	(3,123,196)	(3,123,196)
Capital contribution arising on forgiveness of debt	-	5,666,756	-	5,666,756
<b>Equity as at 31 December 2016</b>	<b>1</b>	<b>31,742,840</b>	<b>(30,072,169)</b>	<b>1,670,672</b>

## Consolidated statements of cash flows

The consolidated statements of cash flows of the US Group for each of the three years ended 31 December 2014, 2015 and 2016 are set out below:

	Year ended 31 December 2014 \$	Year ended 31 December 2015 \$	Year ended 31 December 2016 \$
<i>Note</i>			
<b>Cash flows from operating activities</b>			
Loss before tax	(1,306,878)	(1,241,236)	(3,123,196)
<u>Adjustments for:</u>			
Impairment charges	17,542	157,085	2,158,000
Loss on sale of investments	-	4,132	-
Net finance costs	389,981	414,343	373,155
Foreign currency translation gain	-	-	(62,878)
<b>Operating cashflows before working capital changes</b>	<b>(899,355)</b>	<b>(665,676)</b>	<b>(654,919)</b>
<u>Changes in working capital:</u>			
(Increase) / decrease in prepayments and other receivables	(8,389)	(13,538)	-
Increase in trade and other payables	405,094	413,581	435,191
<b>Net cash used in operating activities</b>	<b>(502,650)</b>	<b>(265,633)</b>	<b>(219,728)</b>
<b>Investing activities</b>			
Cash released from restriction	250,803	301,966	-
Receipts from the sale of investments	-	22,168	-
<b>Net cash from investing activities</b>	<b>250,803</b>	<b>324,134</b>	<b>-</b>
<b>Financing activities</b>			
Borrowings from parent company	722,054	222,054	-
Finance costs	(389,981)	(444,343)	(373,155)
Proceeds from promissory notes	-	-	598,977
<b>Net cash from financing activities</b>	<b>332,073</b>	<b>(192,289)</b>	<b>225,822</b>
<b>Net change in cash and cash equivalents</b>	<b>80,226</b>	<b>(133,788)</b>	<b>6,094</b>
Cash and cash equivalents at the beginning of the year	54,157	134,1383	595
<b>Cash and cash equivalents at the end of the year</b>	<b>134,383</b>	<b>595</b>	<b>6,689</b>

14

During the year to 31 December 2016 there was a significant non-cash transaction of \$5,666,756 being the capital contribution arising on the forgiveness of debt.



## NOTES TO THE US GROUP FINANCIAL INFORMATION

### 1. General information

The US Group Financial Information represents the consolidated results of Westport Energy Acquisition, Inc. and its wholly-owned subsidiary, Westport Energy, LLC (together, the “US Group”).

Westport Energy Acquisition, Inc., was incorporated in May 2010 in Delaware, USA. Its registered office is located at 100 Overlook Center, 2<sup>nd</sup> Floor, Princeton Junction, NJ 08540, USA.

Westport Energy, LLC was incorporated in December 2008 in Delaware, USA. Its registered office is located at 100 Overlook Center, 2<sup>nd</sup> Floor, Princeton Junction, NJ 08540, USA.

The principal business of the US Group is the exploration for coalbed methane in the Coos Bay region of Oregon, USA. The US Group holds leases to approximately 45,370 acres of prospective coalbed methane lands in the Coos Bay Basin.

The immediate parent company of the US Group is Coos Bay, a limited liability corporation incorporated in Nevada, USA whose registered office is 1370 Crowley Avenue SE, Portland, Oregon 97302, USA.

Coos Bay owns certain CBM and related assets, which it acquired on 4 November 2016 by acquiring the US Group from Westport Energy Holdings Inc., a publicly held company trading on the OTC Pink Market. The US Group’s CBM business consisted of leases to approximately 50,000 acres in Coos Bay, Oregon. Coos Bay acquired the US Group pursuant to a foreclosure agreement dated 4 November 2016 between Coos Bay, Westport Energy Holdings, Inc., the US Group and the three creditors of Westport Energy Holdings Inc. (which at the time of the foreclosure was the parent company of the US Group). YA Global Investments L.P. was the major creditor and held a 75 per cent. interest in Coos Bay prior to the Acquisition. YA Global Investments L.P. now holds a majority interest in the Company. Pursuant to the terms of the foreclosure agreement, all outstanding debt and security instruments of Westport Energy Holdings Inc., which was secured by all of the assets of the US Group, was terminated, along with the creditors’ related security interests in the assets of the US Group. In addition, outstanding royalty agreements with Queensbury, Inc. and YA Global Investments Limited were also terminated.

Prior to the acquisition of the US Group by Coos Bay, the US Group was wholly-owned by Westport Energy Holdings Inc., which had acquired the Oregon CBM business, on 17 August 2010 from New Earthshell Corporation, a corporation formed in Delaware in October 2008 to hold title to the CBM assets through Westport Energy LLC. The parent company of New Earthshell Corporation was YA Global Investments L.P. who had, foreclosed on, and took title to, those Oregon CBM assets from Torrent Energy on 26 November 2008.

The entire share capital of Coos Bay was, conditional Admission on gran acquired by the Company pursuant to a membership interest purchase agreement dated 20 May 2017 between the Company, Coos Bay and the members of Coos Bay (the “Acquisition Agreement”).

### 2. Accounting policies

The principal accounting policies applied in the preparation of the US Group Financial Information are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

The accounting policies of the US Group have been changed where necessary to ensure consistency with the policies adopted, and to be adopted, by the Company.

#### Accounting convention

The US Group Financial Information has been prepared on a going concern basis under the historical cost convention as modified for any financial assets which are stated at fair value through profit or loss.

The US Group Financial Information is presented in US Dollars.

### **Basis of preparation**

The US Group Financial Information has been prepared in accordance with the requirements of the Listing Rules for Companies for the purposes of this Prospectus and represents consolidated historical financial information for the US Group for each of the three years ended 31 December 2016. The Company is planning to be admitted to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange's Main Market for listed securities.

The US Group Financial Information has been prepared in accordance with IFRS.

The US Group Financial Information does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The financial statements of Westport Energy Acquisition, Inc., are not required to be filed in the UK.

The preparation of the US Group Financial Information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise their judgment in the process of applying the US Group's accounting policies. The areas involving a higher degree of judgment and complexity, or areas where assumptions and estimates are significant to the US Group Financial Information are disclosed below.

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective and in some cases have not yet been adopted by the European Union.

The Directors do not expect that the adoption of these standards will have a material impact on the financial information of the US Group in future periods, except that IFRS 9 "Financial Instruments" will impact both the measurement and disclosures of financial instruments, IFRS 15 "Revenue from Contracts with Customers" may have an impact on revenue recognition and related disclosures and IFRS 16 "Leases" will have an impact on the recognition of operating leases. At this point it is not practicable for the Directors to provide a reasonable estimate of the effect of these standards as their detailed review of these standards is still ongoing.

The Directors have considered those Standards and Interpretations, which have not been applied in the preparation of the US Group Financial Information but are relevant to the US Group's operations, which are in issue but not yet effective. The Directors do not consider that any will have a material impact on the future results of the US Group.

### **Basis of consolidation**

Where the US Group has power, either directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities, it is classified as a subsidiary.

A subsidiary is defined as an entity over which the US Group has control. The US Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the US Group. They are deconsolidated from the date that control ceases.

Business combinations are accounted for under the acquisition method. Under the acquisition method, the results of the subsidiaries acquired or disposed of are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the US Group Financial Information. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the US Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. Any excess of the purchase consideration of the business combination over the fair value of the identifiable assets and liabilities acquired is recognised as goodwill. Goodwill, if any, is not amortised but reviewed for impairment at least annually. If the consideration is less than the fair value of assets and liabilities acquired, the difference is recognised directly in the statement of comprehensive income.

Acquisition-related costs are expensed as incurred.

Intra-group transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the US Group.

### **Going concern**

The US Group Financial Information has been prepared on the going concern basis, which assumes that the US Group will continue to be able to meet its liabilities as they fall due for the foreseeable future.

The operations of the US Group are currently being financed from funds provided by Coos Bay and the Company. The US Group has not yet earned revenue as it is still in the exploration phase of its business. The US Group is reliant on the continuing support from its Shareholders and the expected support of future Shareholders. As at 31 December 2016, the US Group was not compliant with the terms of its promissory notes and was then in default.

The US Group held cash balances of \$6,689 as at 31 December 2016 and has funding plans in place for further capital to meet its planned activities

The Directors believe that the US Group will be able to raise, as required, sufficient cash or reduce its commitments to enable it to continue its operations, including the pursuit of future exploration opportunities, and to continue to meet, as and when they fall due, its liabilities for at least the next twelve months from the date of approval of the US Group Financial Information. The US Group Financial Information has, therefore, been prepared on the going concern basis.

The US Group Financial Information does not include the adjustments that would result if the US Group was unable to continue in operation.

### **Functional currency**

#### *Functional and presentation currency*

The individual financial information of each US Group entity is measured in the currency of the primary economic environment in which the entity operates (its functional currency). The US Group Financial Information is presented in US Dollars, which is the functional currency and presentation currency of Westport Energy Acquisition, Inc., and Westport Energy LLC.

#### *Transactions and balances*

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

### **Oil and gas exploration and evaluation expenditure**

All exploration and evaluation costs incurred or acquired on the acquisition of a subsidiary are accumulated in respect of each identifiable project area. These costs are classified as intangible assets and are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves (the “*successful efforts*” method). Other costs are written off unless commercial reserves have been established or the determination process has not been completed. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences the accumulated costs for the relevant area of interest are transferred from intangible assets to tangible assets as “*Developed Oil and Gas Assets*” and amortised over the life of the area according to the rate of depletion of the economically recoverable costs.

The properties are currently unproved, and therefore capitalised costs are not amortised, but subject to impairment testing. In addition, as no properties have been classified as proved, development activities have not commenced.

### **Impairment of oil and gas exploration and evaluation assets**

The carrying value of unevaluated areas is assessed when there has been an indication that impairment in value may have occurred. The impairment of unevaluated prospects is assessed based on the Directors' intention with regard to future exploration and development of individual significant areas and the ability to obtain funds to finance such exploration and development.

### **Decommissioning costs**

Where a material liability for the removal of production facilities and site restoration at the end of the field life exists, a provision for decommissioning is made. The amount recognised is the present value of estimated future expenditure determined in accordance with local conditions and requirements. An asset of an amount equivalent to the provision is also created and depreciated on a unit of production basis. Changes in estimates are recognised prospectively, with corresponding adjustments to the provision and the associated asset. As at each of 31 December 2014, 31 December 2015 and 31 December 2016, no provisions were deemed necessary.

### **Impairment**

#### *Impairment of financial assets*

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period as to whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

#### *Impairment of non-financial assets*

The carrying values of assets, other than those to which IAS 36 "*Impairment of Assets*" does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

## **Financial instruments**

Financial instruments are recognised in the statements of financial position when the US Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

A financial instrument is recognised initially at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the US Group has transferred substantially all the risks and rewards of ownership. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

### *Financial assets*

The US Group classifies its financial assets as loans and receivables and available for sale.

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The US Group's loans and receivables financial assets comprise notes and other receivables, deposits and cash and cash equivalents included in the Consolidated Statement of Financial Position.

Available for sale financial assets are non-derivatives and are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the reporting period.

### *Financial liabilities*

Financial liabilities are recognised when the US Group becomes a party to the contractual provisions of the financial instrument.

All financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through the Statement of Comprehensive Income.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same party on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

### *Equity instruments*

Shares of common stock are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from proceeds. Dividends on ordinary shares are recognised as liabilities when approved for distribution.

## **Taxation**

Income tax for each reporting period comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the US Group Financial Information.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the US Group's interest in the net fair value of the acquired company's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax assets to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity.

Deferred tax arising from a business combination is included in the resulting goodwill or excess of the US Group's interest in the net fair value of the acquired company's identifiable assets, liabilities and contingent liabilities over the business combination costs.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, bank balances, bank overdrafts, deposits with financial institutions and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **Restricted cash**

Restricted cash and trading securities relate to funds held related to stand-by letters of credit related to the US Group's oil and gas properties.

### **Loans and borrowings**

Borrowings are presented as current liabilities unless the US Group has an unconditional right to defer settlement for at least twelve months after the reporting date, in which case they are presented as non-current liabilities.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

## **Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

The US Group holds leases to approximately 45,370 acres of prospective coalbed methane lands in the Coos Bay Basin. The annual rental payments under these operating leases are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The US Group also leases equipment under operating leases where the annual rentals are recognised in a similar manner.

There were no leases classified under the category of finance leases

## **Employee benefits**

### *Short-term benefits*

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the US Group.

### *Post-employment benefits*

The US Group does not currently make provision for post-employment benefits by way of pension plans or similar arrangements.

## **Provisions, contingent liabilities and contingent assets**

Provisions are recognised when the US Group has a present or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each financial reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the US Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the US Group. The US Group does not recognize contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

## **Share-based payment arrangements**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 20 to the US Group Financial Information.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Directors' estimate of equity instruments that will eventually vest, with a corresponding increase in equity. Where the conditions are non-vesting, the expense and equity reserve arising from share based payment transactions is recognised in full immediately on grant.

At the end of each reporting period, the Directors revised their estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to other reserves.

### **Operating segments**

An operating segment is a component of the US Group that engages in business activities from which it may earn revenues and incur expenses. The results of an operating segment are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

### **Summary of critical accounting estimates and judgements**

The preparation of the US Group Financial Information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise their judgement in the process of applying the accounting policies, which are detailed above. These judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key estimates and underlying assumptions concerning the future and other key sources of estimation uncertainty at the Statement of Financial Position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The prime areas involving a higher degree of judgement or complexity, where assumptions and estimates are significant to the financial statements, are as follows:

#### *Going concern*

The US Group Financial Information has been prepared on a going concern basis as the Directors have assessed the US Group's ability to continue in operational existence for the foreseeable future. The operations are currently being financed by loans from the Company and Coos Bay.

The US Group is reliant on the continuing support from the Shareholders and the expected support of future Shareholders.

The US Group Financial Information does not include the adjustments that would result if the US Group were not to continue as a going concern. See *Going Concern* section of Note 2 for more details.

#### *Impairment of capitalised exploration and evaluation expenditure*

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest the carrying value may exceed its recoverable amount. During the year ended 31 December 2016, there was sufficient data available to indicate that, although the development of the remaining wells is expected to proceed, the previous carrying value of exploration and evaluation assets were unlikely to be recovered in full from successful development or sales. Therefore, the Directors deemed that an impairment of \$ 2,158,000 was necessary as described in Note 9.



### 3. Segmental analysis

IFRS 8 “*Operating Segments*” requires operating segments to be identified on the basis of internal reports about components of the US Group that are regularly reviewed by the chief operating decision maker (which takes the form of the Directors) as defined in IFRS 8 “*Operating Segments*”, in order to allocate resources to the segment and to assess its performance.

The US Group’s business involves exploring for hydrocarbon liquids and gas. As at each of 31 December 2014, 31 December 2015 and 31 December 2016, the Directors consider there is one reportable operating segment

Accordingly, an analysis of segment profit or loss, segment assets, segment liabilities and other material items has not been presented.

The US Group operates in one geographic area, being the USA. All Intangible assets and operating assets and liabilities are located in the USA. The US Group has not yet commenced production and therefore has no revenue.

### 4. Loss before tax

Loss before tax is stated after charging / (crediting):

	Year ended 31 December 2014 \$	Year ended 31 December 2015 \$	Year ended 31 December 2016 \$
Impairment charges			
- marketable securities	17,542	-	-
- loan note receivable	-	157,085	-
- exploration and evaluation expenditure	-	-	2,158,000
Loss on disposal of investments	-	4,132	-
Directors’ remuneration	510,213	418,000	418,000
Foreign currency translation gains	-	-	(62,878)
Operating lease rentals			
- property	8,053	1,400	1,462
- mineral rights	25,159	32,904	8,213

### 5. Directors and staff

There were no staff employed by the US Group during the three years ended 31 December 2016.

#### Remuneration of key management personnel

The directors of Westport Energy Acquisition, Inc., are considered to be the key management personnel of the US Group.

Directors’ emoluments and benefits as follows:

	Year ended 31 December 2014 \$	Year ended 31 December 2015 \$	Year ended 31 December 2016 \$
Consultancy fees	510,213	418,000	418,000
<b>Total remuneration of key management</b>	<b>510,213</b>	<b>418,000</b>	<b>418,000</b>

## 6. Finance expenses (net)

	Year ended 31 December 2014 \$	Year ended 31 December 2015 \$	Year ended 31 December 2016 \$
Interest received on note receivable	(14,193)	(13,538)	-
Other interest received	-	-	(891)
Loans from parent company	404,174	427,881	334,186
Promissory notes	-	-	39,860
	<b>389,981</b>	<b>414,343</b>	<b>373,155</b>

## 7. Taxation

The US Group has made no provision for taxation as it has not yet generated any taxable income. A reconciliation of income tax expense applicable to the loss before taxation at the statutory tax rate to the income tax expense at the effective tax rate of the US Group is as follows:

	Year ended 31 December 2014 \$	Year ended 31 December 2015 \$	Year ended 31 December 2016 \$
Loss before tax	(1,306,878)	(1,241,236)	(3,123,196)
Tax at statutory federal rates of 34%	(444,338)	(422,020)	(1,061,887)
State and local taxes at 6%	(78,413)	(74,474)	(187,392)
Unrelieved tax losses	522,751	496,494	1,249,279
<b>Total current tax</b>	-	-	-
<b>Deferred tax:</b>			
Origination and reversal of timing differences	-	-	-
<b>Total tax expense</b>	-	-	-

The US Group had federal and state net operating loss carry forwards of approximately \$2,050,000 as at 31 December 2016 (2015: \$1,370,000, 2014: \$1,030,000) which, subject to agreement with taxation authorities, are available to carry forward against future profits and which are expected to expire between 2022 and 2036. The tax value of such losses amounted to \$820,000 as at 31 December 2016 (2015: \$547,000, 2014: \$412,000).

As at 31 December 2016, the tax effects of temporary timing differences giving rise to deferred tax assets was \$1,812,000 (2015: \$1,392,000, 2014: \$495,000) .

A deferred tax asset in respect of these losses and temporary differences has not been established as the US Group has not yet generated any revenues and the Directors have therefore assessed the likelihood of future profits being available to offset such deferred tax assets to be uncertain.

## 8. Pro forma basic and diluted loss per share

The US Group Financial Information represents the historical information prior to a group reorganisation on completion of the Acquisition, whereby the Company became the new parent company of Coos Bay and the US Group. It is of limited significance to calculate loss per share on the historical equity of the companies forming the US Group prior to the reorganisation. Accordingly, a pro forma loss per share has been included based on the weighted average number of Ordinary Shares of the Company in issue for the period ended 31 December 2016, as set out in note 6 to Company Financial Information set out in Part VI(B) "Historical Financial

*Information of the Company.* The calculation of loss per share is based on the following losses and number of shares:

	Year ended 31 December 2014	Year ended 31 December 2015	Year ended 31 December 2016
Weighted average number of shares for the purpose of loss per share	4,681,713	4,681,713	4,681,713
Loss after tax (\$)	(1,306,878)	(1,241,236)	(3,123,196)
Loss per share (\$)	(0.28)	(0.27)	(0.67)

## 9. Intangible assets

	As at 31 December 2014 \$	As at 31 December 2015 \$	As at 31 December 2016 \$
<b>Exploration and evaluation expenditure</b>			
Cost:			
At beginning and end of year	24,141,000	24,141,000	24,141,000
Impairment provision:			
At beginning of the year	(19,424,000)	(19,424,000)	(19,424,000)
Provision for the year	-	-	(2,158,000)
At end of the year	(19,424,000)	(19,424,000)	(21,582,000)
<b>Net book value</b>	<b>4,717,000</b>	<b>4,717,000</b>	<b>2,559,000</b>

The oil and gas properties are currently unproven and ongoing exploration activities are planned and will require additional significant expenditures. These exploration activities include formation stimulation and production testing of existing wells drilled in the Coos Bay project. Assuming that additional funding is obtained, additional time will be required to complete the first phase of exploration activities on certain unproved properties and at that time an assessment will be made as to whether a reclassification of a portion of the unproved reserves to proved reserves should be made. Once properties have been classified as proven, they are transferred from intangible assets to tangible assets as “*Developed Oil and Gas Assets*” and amortised over the life of the area according to the rate of depletion of the economically recoverable costs.

### Impairment

In accordance with IFRS 6 “*Exploration and Evaluation of Mineral Resources*”, the Directors have assessed whether any indication of impairment exists in respect of these intangible assets as follows:

In the period up to 31 December 2012, impairment losses totalling \$19,424,000 were made.

During the year ended 31 December 2016, the carrying amount of the Coos Bay Property was assessed to be greater than the fair value of the remaining wells and a further impairment loss of \$2,158,000 was recorded. The fair value was independently valued based upon a discounted cash flow using the Directors’ estimates, which are considered level 3 inputs. The impairment was recognised immediately in the statement of comprehensive income.

In assessing the fair value of the assets, the key inputs were considered to be the discount rate of 10%, which is considered to be an industry standard rate for appraising such assets, and the gas price. For the gas price the 2016 average Oregon price of \$4.39/mcf was used. If this price varied by \$0.10/mcf the impact on the impairment would have been approximately \$650,000.

## Environmental matters

The US Group has established procedures for a continuing evaluation of its operations to identify potential environmental exposures and to assure compliance with regulatory policies and procedures. The Directors monitor these laws and regulations and periodically assesses the propriety of its operational and accounting policies related to environmental issues. The nature of the US Group's business requires routine day-to-day compliance with environmental laws and regulations. The US Group has incurred no material environmental investigation, compliance or remediation costs for each of the years ended 31 December 2014, 31 December 2015, and 31 December 2016. The Directors are unable to predict whether the US Group's future operations will be materially affected by these laws and regulations. It is believed that legislation and regulations relating to environmental protection will not materially affect the results of operations of the US Group.

## 10. Subsidiary company

As at the date of the US Group Financial Information and throughout the period presented, the wholly-owned subsidiary of Westport Energy Acquisition, Inc., is Westport Energy LLC. The principal activity of Westport Energy LLC is the exploration for coalbed methane in the Coos Bay region of Oregon, USA.

The accounting reference date of the Westport Energy LLC is co-terminous with that of Westport Energy Acquisition, Inc.

## 11. Loan note receivable

On 1 June 2013, Westport Acquisition Energy, Inc., through its then parent, Westport Energy Holdings Inc., entered into a debt swap agreement with YA Global Investments L.P. whereby it was assigned a note receivable in Neomedia Technologies Inc., a public company that traded on the OTC market, for \$150,000 plus accrued interest of \$14,831 in exchange for a note payable issued to YA Global Investments L.P. for \$200,000. During the year ended 31 December 2015, the directors of Westport Energy Acquisition, Inc. determined that the note receivable was not collectible and an impairment loss of \$157,085 was charged to the statement of comprehensive income. The US Group recorded interest income on the note of \$nil during the year ended 31 December 2016 (2015: \$13,538, 2014: \$14,193).

## 12. Restricted cash

Restricted cash relates to funds held relating to stand-by letters of credit related to the US Group's oil and gas properties. The letters of credit secure the US Group's reclamation obligations under the leases and state law. The cash can be taken by Umpqua Bank in the event the letters of credit are drawn on by the State of Oregon, Department of Geology & Mineral Industries (DOGAMI). The cash is in the form of a Certificate of Deposit.

## 13. Receivables, deposits and prepayments

	As at 31 December 2014 \$	As at 31 December 2015 \$	As at 31 December 2016 \$
Prepayments and accrued interest	1,047	-	-
<b>Total</b>	<b>1,047</b>	<b>-</b>	<b>-</b>

The fair value of receivables and deposits approximates their carrying amount, as the impact of discounting is not significant. The receivables are not impaired and are not past due.

## 14. Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:

	As at 31 December 2014	As at 31 December 2015	As at 31 December 2016
--	------------------------------	------------------------------	------------------------------

	\$	\$	\$
Cash and bank balances	134,383	595	6,689

#### 15. Investments held for sale

	As at 31 December 2014 \$	As at 31 December 2015 \$	As at 31 December 2016 \$
Listed investments	26,300	-	-

During the year ended 31 December 2014, Westport Energy Acquisition, Inc., through its then parent, Westport Energy Holdings Inc., converted \$43,842 of a note receivable and related accrued interest into 262,995,864 shares of common stock in Neomedia Technologies Inc. Neomedia became insolvent and was liquidated. The shares were fair valued to \$26,300 at 31 December 2014 based on Neomedia Technologies Inc.'s share price at that date. The impairment loss of \$17,542 arising from the valuation was recognised in the statement of comprehensive income. During the year ended 31 December 2015, the shares were sold for \$22,006. The loss on disposal of \$4,132 was recognised in the statement of comprehensive income.

#### 16. Trade and other payables

	As at 31 December 2014 \$	As at 31 December 2015 \$	As at 31 December 2016 \$
Amounts due to parent company (note 17)	3,757,317	4,020,171	-
Accruals and other payables	1,321,955	1,694,736	508,582
<b>Total</b>	<b>5,079,272</b>	<b>5,714,907</b>	<b>508,582</b>

Included in accruals as at 31 December 2016 is accrued interest of \$nil payable to the then parent company, Westport Energy Holdings Inc. (2015: \$1,312,399, 2014: \$925,318). All amounts outstanding were extinguished in the year ended 31 December 2016 as described in Note 17 to the US Group Financial Information.

Included in accruals as at 31 December 2016 is accrued interest of \$39,860 payable to the Company in respect of promissory notes issued during the year ended 31 December 2016, as described in Note 18 to the US Group Financial Information.

#### 17. Amounts due to the then parent company, Westport Energy Holdings Inc.

The amounts due to Westport Energy Holdings Inc., underlie senior secured convertible debentures ("senior debentures") that were issued to Westport Energy Holdings Inc., with the proceeds subsequently funded to the US Group. The balances of these advances accrue interest based on the stated rates of the senior debentures (at 9 per cent. to 12 per cent. per annum).

#### Foreclosure

On 4 November 2016, the US Group entered into a strict foreclosure agreement all obligations under the debentures, and all security interests held by the debenture holders were terminated, satisfied and extinguished. The US Group recorded a capital contribution on extinguishment of debt of \$5,666,756 which has been recognised as additional paid in capital.

In addition, the three members of management holding the warrants described in Note 20 to the US Group Financial Information below cancelled those warrants in consideration for being issued equity interests in Coos Bay equal to 3 per cent., 3 per cent. and 1 per cent. respectively.

## 18. Borrowings

During the year ended 31 December 2016, the US Group issued six short term promissory notes totalling £435,797 (equivalent to \$598,977), being an interest rate of 9 per cent. per annum.

The promissory notes were recorded and translated into \$ at the rate of exchange ruling at their date of issue. At 31 December 2016, the notes were retranslated into \$536,099 at the prevailing exchange rate, resulting in a transaction gain of \$62,878 which has been recognised in the statement of comprehensive income.

Although each of the note described above have matured, the lender has not made a demand for payment. Expenses totalling £19,793 (\$24,349) paid by the US Group on behalf of the Company have been deducted against the notes so that at 31 December 2016, the outstanding balance due was \$511,750 (£416,004).

## 19. Share capital

The allotted, called-up and fully paid share capital of Westport Energy Acquisition, Inc., is as follows:

	As at 31 December 2014 \$	As at 31 December 2015 \$	As at 31 December 2016 \$
Common stock: \$0.001 par value, 1,000 shares authorised, 1,000 issued and outstanding	1	1	1

The common stock shares carry the right to one vote per share at general meetings of the company and the rights to share in any distribution of profits or returns of capital and to share in any residual assets available for distribution in the event of a winding up.

## 20. Warrants

On 3 October 2016, the US Group issued three separate warrants to three members of the management team of the US Group (or their wholly-owned affiliates), which gave each such party the right to acquire a specified percentage interest in the US Group, upon exercise of their warrant. Two of the warrants gave its respective holders the right to exercise the warrant and receive a number of shares equal to 3 per cent. of the outstanding common shares of the company. The third warrant gave its holder the right to exercise the warrant and receive a number of shares equal to 1 per cent. of the outstanding common shares of the company. The term of each warrant was for 5 years.

As described in Note 17 to the US Group Financial Information, these warrants were cancelled in consideration for the warrant -holders being issued equity interests in Coos Bay equal to 3 per cent., 3 per cent. and 1 per cent. respectively.

The fair value of the warrants at grant was considered to be immaterial and consequently no charge has been recognised.

## 21. Reserves

The additional paid in capital account represents the amount received on the issue of ordinary shares by the US Group in excess of their nominal value and is non-distributable. It also includes the capitalisation of debt forgiven by a shareholder as described in Note 17 to the US Group Financial Information.

## 22. Financial instruments – risk management

### General objectives, policies and processes

The overall objective of the Directors is to set policies that seek to reduce risk as far as possible without unduly affecting the US Group's competitiveness and flexibility. Further details regarding these policies are set out below.

The Directors review the US Group's monthly reports through which they assess the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

### Categories of financial assets and liabilities

The US Group's activities are exposed to a variety of market risk (including interest rate and currency risk) and liquidity risk. The US Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

The principal financial instruments used by the US Group, from which financial instrument risk arises, are as follows:

- trade and other receivables;
- cash and cash equivalents;
- trade and other payables; and
- borrowings.

Trade and other receivables are initially measured at fair value and subsequently at amortised cost. Book values and expected cash flows are reviewed by the Directors and any impairment charged to the consolidated statement of comprehensive income in the relevant period.

The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.

The US Group had no financial assets or liabilities carried at fair values at the end of each reporting date.

A summary of the financial instruments held by category is provided below:

	As at 31 December 2014 \$	As at 31 December 2015 \$	As at 31 December 2016 \$
<b>Financial assets</b>			
<b>Loans and receivables:</b>			
Cash and cash equivalents	134,383	595	6,689
Deposits and other receivables (excluding prepayments)	1,047	-	-
Note receivable	142,500	-	-
Restricted cash	426,390	124,424	145,315
<b>Total</b>	<b>694,320</b>	<b>125,019</b>	<b>132,004</b>

	As at 31 December 2014 \$	As at 31 December 2015 \$	As at 31 December 2016 \$
<b>Available for sale:</b>			

Investments held for sale	26,300	-
---------------------------	--------	---

	As at 31 December 2014 \$	As at 31 December 2015 \$	As at 31 December 2016 \$
<b>Financial liabilities</b>			
<b>At amortised cost:</b>			
Trade and other payables	1,321,955	1,694,736	508,582
Amounts due to parent company	3,757,317	4,020,171	-
Borrowings	-	-	511,750
<b>Total</b>	<b>5,079,272</b>	<b>5,714,907</b>	<b>1,020,332</b>

### **Credit risk**

The US Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from notes and other receivables. The Directors manage the US Group's exposure to credit risk by the application of monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Directors minimise credit risk by dealing exclusively with high credit rating counterparties.

In the years ended 31 December 2014 and 2015, the US Group established an allowance for impairment against marketable securities and loan notes receivable respectively that represented its estimate of incurred losses. The allowances comprised provisions against individually significant exposures.

#### *Credit risk concentration profile*

The US Group's receivables do not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Directors define major credit risk as exposure to a concentration exceeding 10 per cent. of a total class of such asset.

#### *Exposure to credit risk*

As the US Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of each reporting period.

#### *Market risk - interest rate risk*

The US Group's interest rate risk arises from short-term borrowings. Borrowings issued at variable rates expose the US Group to cash flow interest rate risk, which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the US Group to fair value interest rate risk. The Directors' policy is to maintain a majority of the US Group's borrowings in fixed rate instruments.

The Directors have analysed the US Group's interest rate exposure on a dynamic basis. This takes into consideration refinancing, renewal of existing positions and alternative financing. Based on these considerations, the Directors believe the US Group's exposure to cash flow and fair value interest rate risk is not significant.

#### *Market risk - currency risk*

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the US Group's measurement currency. The US Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to £. The Directors monitor the exchange rate fluctuations on a continuous basis and acts accordingly.



The following sensitivity analysis shows the effects on loss before tax of 10% increase/decrease in the exchange rates of the £ versus closing exchange rates as at 31 December 2016:

	<b>+10%</b> \$	<b>-10%</b> \$
£	(51,175)	44,571

The US Group was not exposed to currency risk as at either 31 December 2015 or 31 December 2014.

### **Liquidity risk**

The US Group currently holds cash balances to provide funding for normal trading activity. The US Group also has access to both short-term and long-term borrowings from its parent to finance capital expenditure requirements. Trade and other payables are monitored as part of normal management routine.

The US Group is reliant on further funding in order to meet its liabilities as they fall due, see the *Going Concern* section of Note 2 for more details.

### **Capital management**

The US Group defines capital as the total equity of the US Group. The Directors' objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

To meet these objectives, the Directors review the budgets and projections on a regular basis to ensure there is sufficient capital to meet the needs of the US Group through to profitability and positive cash flow.

The capital structure of the US Group consists of shareholders' equity as set out in the consolidated statement of changes in equity. All working capital requirements are financed from existing cash resources and borrowings.

Whilst the US Group does not currently have distributable profits, it is part of the capital strategy to provide returns for shareholders and benefits for members in the future.

Capital for further development of the US Group's activities will, where possible, be achieved by share issues or other finance as appropriate.

In order to maintain or adjust the capital structure, the Directors may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. It also ensures that distributions to shareholders do not exceed working capital requirements.

The US Group has no external debt finance and is not subject to any external capital requirements.

### **Fair value hierarchy**

All the financial assets and financial liabilities recognised in the US Group Financial Information are shown at the carrying value, which also approximates the fair values of those financial instruments. Therefore, no separate disclosure for fair value hierarchy is required.

## **23. Leases commitments**

The amounts of minimum lease payments under non-cancellable operating leases are as follows:

<b>As at</b>	<b>As at</b>	<b>As at</b>
<b>31 December</b>	<b>31 December</b>	<b>31 December</b>

	2014 \$	2015 \$	2016 \$
<i>Operating lease which expire:</i>			
Within one year	2,872	10,000	10,000
Between one and five years	-	35,750	27,537
	2,872	45,750	37,537

Payments recognised as an expense under these operating leases were as follows:

	As at 31 December 2014 \$	As at 31 December 2015 \$	As at 31 December 2016 \$
Minimum lease payments	33,212	34,304	9,675

## 24. Related party transactions

Balances and transactions between Westport Energy Acquisition, Inc., and Westport Energy LLC are eliminated on consolidation and are not disclosed in this note. Balances and transactions between the US Group and other related parties are disclosed below.

### Amounts due to parent company

As at 31 December 2016, Westport Energy Holdings Inc., had advanced \$nil (2015: \$4,002,171, 2014: \$3,757,317) to the US Group, as more fully described in Note 17 to the US Group Financial Information.

In addition, interest accrued on these advances amounted to \$nil as at 31 December 2016 (2015: \$1,312,399, 2014: \$925,318). Interest of \$334,186 was charged to the statement of comprehensive income in the year ended 31 December 2016 (2015: \$310,693, 2014: \$404,174).

The US Group capitalised debt of \$5,666,756 as more fully described in Note 17 to the US Group Financial Information.

### Loan note receivable

The US Group, through its then parent, Westport Energy Holdings Inc., entered into a debt swap agreement with YA Global Investments L.P. as more fully described in Note 11 to the US Group Financial Information.

### Promissory notes

During the year ended 31 December 2016, the US Group issued six short-term promissory notes totalling £435,797 (equivalent to \$598,977) as described in Note 17 to the US Group Financial Information above. Interest of \$39,860 was charged to the statement of comprehensive income during the year ended 31 December 2016.

### Remuneration of Directors

The remuneration of the senior Executive Management Committee members, who are the key management personnel of the US Group, is set out in aggregate for each of the categories specified in IAS 24 "Related Party Disclosures" in Note 5 to the US Group Financial Information.

The two executive directors of the Company received consultancy fees totalling \$418,000 during the year ended 31 December 2016 under the terms of consultancy agreements with Coos Bay (2015: \$406,833 2014: one director - \$40,708).

**Amounts due to key management personnel**

Included in trade and other payables as at 31 December 2016 were amounts totalling \$405,386 payable to key management personnel (2015: \$361,754, 2014: \$350,587).

**25. Ultimate controlling party**

The Directors consider that YA Global controls the US Group and YA Global is the ultimate controlling party.

**26. Nature of US Group Financial Information**

The US Group Financial Information presented above does not constitute statutory accounts for the period under review.

## PART VII

### (A) OPERATING AND FINANCIAL REVIEW OF THE COMPANY

*The following operating and financial review contains financial information that has been extracted or derived without material adjustment from the Company's audited financial information for the period from incorporation on 29 January 2016 to 31 December 2016, which is the only relevant period, included in Part VI (B) "Historical Financial Information of the Company" prepared in accordance with IFRS.*

*The following discussion should be read in conjunction with the other information in this Prospectus, in particular with the entire Part VI "Selected Financial Information" and Part VIII "Unaudited Pro Forma Financial Information". This discussion contains forward-looking statements, which, although based on assumptions that the Directors consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. Investors should read the notice in relation to forward looking statements contained on page 43.*

*The key risks and uncertainties, include, but are not limited to those described in the section of this Prospectus entitled "Risk Factors" on pages 20 to 36.*

#### Summary statement of financial position

Summarised below is the audited balance sheet of the Company as at 31 December 2016:

	Audited as at 31 December 2016 £
US Group receivable	437,427
Cash and cash equivalents	10,715
<b>Total current assets</b>	<b>448,142</b>
<b>Total assets</b>	<b>426,719</b>
Share capital	81,295
Share premium	569,052
Accumulated losses	(293,661)
<b>Total equity</b>	<b>356,686</b>
Trade and other payables	91,456
<b>Total liabilities</b>	<b>91,456</b>
<b>Total equity and liabilities</b>	<b>448,142</b>

Source: Audited financial statements

## Summary income statement

Summarised below is the audited income statement of the Company for the period from incorporation on 29 January 2016 to 31 December 2016:

	<b>Audited Period ended 31 December 2016 £</b>
Administrative expenses	(315,084)
Finance income	21,423
<b>Loss for the period from continuing operations</b>	<b>(277,944)</b>

Source: Audited financial statements

## Summary cash flow statement

Summarised below is the audited cash flow statement of the Company for the period from incorporation on 29 January 2016 to 31 December 2016:

	<b>Audited Period ended 31 December 2016 £</b>
Loss for the period	(293,661)
Finance costs	(21,423)
Increase in trade and other payables	91,456
<b>Cash used in operations</b>	<b>(223,628)</b>
Proceeds from issue of Ordinary Shares	650,347
<b>Net cash from financing activities</b>	<b>650,347</b>
Increase in US Group receivable	(416,004)
<b>Net cash from financing activities</b>	<b>(416,004)</b>
<b>Net increase in cash and cash equivalents</b>	<b>10,715</b>
Cash and cash equivalents at beginning of period	-
<b>Cash and cash equivalents at end of period</b>	<b>10,715</b>

Source: Audited financial statements

## Overview

The Company was formed on 29 January 2016 as a holding company for the Group as well as performing all administrative, corporate finance, strategic and governance functions of the Group. The Company's investments comprise subsidiaries in companies which operate in the coalbed methane gas sector.

During the period from incorporation on 29 January 2016 to 31 December 2016, the Company issued 81,295 ordinary shares of £1 each for aggregate cash of £650,347. From this amount, £437,427 was loaned to the US Group, a related party, and £202,173 was paid on account of Costs and £32 in relation to bank charges. As at 31 December 2016, the Company had £10,715 of cash reserves.

£91,456 of Costs were invoiced prior to 31 December 2016 but remained unpaid as at that date.

## Result for the period

A loss of £293,661 was recorded during the period from incorporation on 29 January 2016 to 31 December 2016. The loss comprised £315,052 on account of Costs, £32 of bank charges paid on receipt of bank transfers for ordinary shares issued, less accrued interest of £21,423 on the US Group loan.

On 26 May 2017, the Company subdivided each ordinary share of £1 each into 100 ordinary shares of £0.01 each ("Ordinary Shares"). On 28 September 2017 and as consideration for the Acquisition, the Company allotted, 40 million Ordinary Shares at a price per Ordinary Share of £0.08, conditional

on Admission. On 26 September 2017, Coos Bay assigned the promissory note issued to YA Global Investments, L.P. to the Company conditional on Admission. On the same day, it was agreed (conditional on Admission) that the promissory note will be converted into 1,200,000 Ordinary Shares at £0.10 per Ordinary Share. On 26 September 2017, Coos Bay assigned the \$100,000 promissory note issued to Jonathan Gellis to the Company, conditional on Admission. On 26 September 2017, Coos Bay transferred the Cuart Note to the Company, conditional on Admission. Subsequent to 31 December 2016, Coos Bay has paid £101,000 of Costs on behalf of the Company. This amount remains outstanding as at the date of this document.

No other significant changes to the trading or financial position of the Company have occurred since 31 December 2016.

## (B) OPERATING AND FINANCIAL REVIEW OF COOS BAY

*The following operating and financial review contains financial information that has been extracted or derived without material adjustment from Coos Bay's audited financial information for the period from incorporation on 2 September 2016 to 31 December 2016, which is the only relevant period, included in Part VI (D) "Historical Financial Information of Coos Bay" prepared in accordance with IFRS.*

*The following discussion should be read in conjunction with the other information in this Prospectus, in particular with the entire Part VI "Selected Financial Information" and Part VIII "Unaudited Pro Forma Financial Information". This discussion contains forward-looking statements, which, although based on assumptions that the Directors consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. Investors should read the notice in relation to forward looking statements contained on page 43.*

*The key risks and uncertainties, include, but are not limited to those described in the section of this Prospectus entitled "Risk Factors" on pages 20 to 36.*

### Summary statement of financial position

Summarised below is the audited balance sheet of Coos Bay as at 31 December 2016:

	Audited as at 31 December 2016 \$
Cash and cash equivalents	350,815
<b>Total current assets</b>	<b>350,815</b>
<b>Total assets</b>	<b>350,815</b>
Members' interest	300
Accumulated deficit	(17,452)
<b>Total members' interest</b>	<b>(17,152)</b>
Trade and other payables	17,417
<b>Total current liabilities</b>	<b>17,417</b>
Borrowings	350,550
<b>Total non-current liabilities</b>	<b>350,550</b>
<b>Total liabilities</b>	<b>367,967</b>
<b>Total members' interest and liabilities</b>	<b>350,815</b>

Source: Audited financial statements

### Summary income statement

During the period from incorporation on 2 September 2016 to 31 December 2016, Coos Bay recorded \$nil revenue and \$17,452 of administrative costs, comprising \$17,417 of services rendered by Stephen Schoepfer, a Director of the Company, in relation to the Acquisition and \$35 of other administrative expenses. As such, a summary income statement has not been presented.

## Summary cash flow statement

Summarised below is the audited cash flow statement of Coos Bay for the period from incorporation on 2 September 2016 to 31 December 2016:

	<b>Audited Period ended 31 December 2016 \$</b>
Loss for the period	(17,452)
Increase in trade and other payables	17,417
<b>Cash used in operations</b>	<b>(35)</b>
Members' contributions	300
Net proceeds from borrowings	350,550
<b>Cash from financing operations</b>	<b>350,850</b>
<b>Net increase in cash during the period</b>	<b>350,815</b>
Cash brought forward	-
<b>Cash carried forward</b>	<b>350,815</b>

Source: Audited financial statements

## Overview

On incorporation on 2 September 2016, Coos Bay issued an aggregate of \$300 of members' interests. On 29 December 2016, Coos Bay issued the Cuart Note. After payment of \$35 of administrative costs, Coos Bay had cash of \$350,815 as at 31 December 2016.

## Result for the period

During the period ended 31 December 2016, Stephen Schoepfer, a Director of the Company, provided \$17,417 of services to Coos Bay in relation to the Acquisition. As at 31 December 2016, this amount remained payable. No other transactions were recorded by Coos Bay during the 4-month period ended 31 December 2016.

Subsequent to 31 December 2016, Coos Bay issued a \$150,000 short-term promissory note to YA Global on 18 April 2017. The promissory note is unsecured, repayable on or before 30 June 2017 and bears an annual interest rate of 10%. On 26 September 2017, Coos Bay assigned the promissory note to the Company, conditional on Admission, and agreed that the maturity date would be extended to 31 December 2018. On 1 September 2017, Coos Bay issued a \$100,000 short-term promissory note to Jonathan Gellis conditional on Admission. The promissory note is unsecured, repayable on or before 31 December 2018 and bears an annual interest rate of 15%. On 26 September 2017, Coos Bay assigned the promissory note to the Company. From the proceeds of the two promissory notes, Coos Bay paid £101,000 of Costs on behalf of the Company and this amount remains outstanding as at the date of this document.

No other significant changes to the trading or financial position of Coos Bay have occurred since 31 December 2016.



## (C) OPERATING AND FINANCIAL REVIEW OF THE US GROUP

The following operating and financial review contains financial information that has been extracted or derived without material adjustment from the US Group's audited financial information for the three years ended 31 December 2015 and the unaudited interim financial information for the six-month period ended 30 June 2016, which are the only relevant periods, included in Part VI (F) "Historical Financial Information of the US Group" and Part VI (G) "Unaudited Interim Financial Information of the US Group" prepared in accordance with IFRS.

The following discussion should be read in conjunction with the other information in this Prospectus, in particular with the entire Part VI "Selected Financial Information" and Part VIII "Unaudited Pro Forma Financial Information". This discussion contains forward-looking statements, which, although based on assumptions that the Directors consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. Investors should read the notice in relation to forward looking statements contained on page 43.

The key risks and uncertainties, include, but are not limited to those described in the section of this Prospectus entitled "Risk Factors" on pages 20 to 36.

### Summary statement of financial position

Summarised below are the audited balance sheets of the US Group as at 31 December 2014, 31 December 2015 and 31 December 2016:

	Audited as at 31 December 2014 \$	Audited as at 31 December 2015 \$	Audited as at 31 December 2016 \$
Intangible assets	4,717,000	4,717,000	2,559,000
Note receivable	142,500	-	-
Restricted cash	426,390	124,424	1245,315
<b>Non-current assets</b>	<b>5,285,890</b>	<b>4,841,424</b>	<b>2,684,315</b>
Prepayments and other receivables	1,047	-	-
Investments held for sale	26,300	-	-
Cash and cash equivalents	134,383	595	6,689
<b>Current assets</b>	<b>161,730</b>	<b>595</b>	<b>6,689</b>
<b>Total assets</b>	<b>5,447,620</b>	<b>4,842,019</b>	<b>2,690,113</b>
Share capital	1	1	1
Additional paid in capital	26,076,084	26,076,084	31,742,840
Accumulated losses	(25,707,737)	(26,948,973)	(30,072,169)
<b>Equity</b>	<b>368,348</b>	<b>(872,888)</b>	<b>1,682,146</b>
Trade and other payables	1,312,955	1,694,736	508,582
Amounts due to parent company	3,757,317	4,020,171	-
Borrowings	-	-	511,750
<b>Total liabilities</b>	<b>5,079,272</b>	<b>5,714,907</b>	<b>1,020,332</b>
<b>Total equity and liabilities</b>	<b>5,447,620</b>	<b>4,842,019</b>	<b>2,691,004</b>

Source: Audited financial statements

## Summary comprehensive income statements

Summarised below are the audited comprehensive income statements of the US Group for the three years ended 31 December 2016:

	Audited Year ended 31 December 2014 \$	Audited Year ended 31 December 2015 \$	Audited Year ended 31 December 2016 \$
Administrative expenses	(905,305)	(665,676)	(654,919)
<b>Loss before interest and taxation</b>	<b>(905,305)</b>	<b>(665,676)</b>	<b>(654,919)</b>
Finance expense	(389,981)	(414,343)	(373,151)
Impairment of financial assets	(17,542)	(157,085)	-
Impairment of exploration and evaluation assets			(2,158,000)
Loss on sale of securities	-	(4,132)	-
Other income	5,950	-	-
<b>Loss before taxation</b>	<b>(1,306,878)</b>	<b>(1,241,236)</b>	<b>(3,123,196)</b>
Taxation	-	-	-
<b>Comprehensive loss on ordinary activities retained</b>	<b>(1,306,878)</b>	<b>(1,241,236)</b>	<b>(3,123,196)</b>

Source: Audited financial statements

## Summary cash flow statements

Summarised below are the audited cash flow statements of the US Group for the three years ended 31 December 2016:

	Audited Year ended 31 December 2014 \$	Audited Year ended 31 December 2015 \$	Audited Year ended 31 December 2016 \$
Net loss before tax	(1,306,878)	(1,241,236)	(3,123,196)
Impairment charges	17,542	157,085	2,158,000
Foreign currency translation gain	-	-	(62,878)
Loss on sale of investments	-	4,132	-
Increase in prepayments and other receivables	(8,389)	(13,538)	-
Increase in trade and other payables	405,094	413,581	435,191
<b>Net cash used in operating activities</b>	<b>(892,631)</b>	<b>(679,976)</b>	<b>(592,883)</b>
Restricted cash	250,803	301,966	-
Receipts from sale of investments	-	22,168	-
<b>Net cash from investing activities</b>	<b>250,803</b>	<b>324,134</b>	<b>-</b>
Borrowings from parent company	722,054	222,054	-
Proceeds from issue of promissory notes	-	-	598,977
<b>Net cash from financing activities</b>	<b>722,054</b>	<b>222,054</b>	<b>598,977</b>
<b>Net cash increase/(decrease)</b>	<b>80,226</b>	<b>(133,788)</b>	<b>6,094</b>
Cash brought forward	54,157	134,383	595

<b>Cash carried forward</b>	<b>134,383</b>	<b>595</b>	<b>6,689</b>
-----------------------------	----------------	------------	--------------

Source: Audited financial statements

## Operating and financial review

During the year ended 31 December 2014, the US Group did not record any revenue, incurring only administrative expenses with an aggregate value of \$905,305, comprising Directors' consultancy fees of \$510,213, operational overheads of \$361,880 and operating lease rentals of \$33,212. Of these administrative expenses, \$892,631 were settled in cash. No additional expenditure was incurred on the US Group's coalbed methane assets. To fund the cash element of the administrative expenditure, the US Group issued senior convertible debt with an aggregate value of \$722,054 and utilised brought forward cash reserves of \$54,157. No change to the carrying value of the US Group's oil and production assets located at Coos Bay Property and the Chehalis Basin Property was recorded during the year ended 31 December 2014, resulting in a carrying value of \$4,717,000 at this date. As at 31 December 2014, the US Group had in issue \$3,757,317 of promissory notes to related parties and \$560,773 of cash and restricted cash on its balance sheet.

During the year ended 31 December 2015, the US Group did not record any revenue, incurring only administrative expenses with an aggregate value of \$665,676, comprising Directors' consultancy fees of \$418,000, operational overheads of \$213,372 and operating lease rentals of \$34,304. Of these administrative expenses, \$679,976 were settled in cash. No additional expenditure was incurred on the US Group's coalbed methane assets. To fund the cash element of the administrative expenditure, the US Group issued senior convertible debt with an aggregate value of \$222,054 and utilised brought forward cash and restricted cash reserves of \$134,383. No change to the carrying value of the US Group's oil and production assets located at Coos Bay Property and the Chehalis Basin Property was recorded during the year ended 31 December 2015, resulting in a carrying value of \$4,717,000 at this date. As at 31 December 2015, the US Group had in issue \$4,020,171 of promissory notes to related parties and \$125,019 of cash and restricted cash on its balance sheet.

During the year ended 31 December 2016, the US Group did not record any revenue, incurring only administrative expenses with an aggregate value of \$654,919, comprising Directors' consultancy fees of \$418,000, operational overheads of \$227,244 and operating lease rentals of \$9,675. Of these administrative expenses, \$592,883 were settled in cash. No additional expenditure was incurred on the US Group's coalbed methane assets. To fund the cash element of the administrative expenditure, the US Group issued promissory notes with an aggregate value of \$598,977 and utilised brought forward cash and restricted cash reserves of \$125,019. The carrying value of the US Group's oil and production assets located at Coos Bay Property and the Chehalis Basin Property was impaired by \$2,158,000 during the year ended 31 December 2016, resulting in a carrying value of \$2,559,000 at this date. As at 31 December 2016, the US Group had in issue \$511,750 of promissory notes and had \$132,004 of cash and restricted cash on its balance sheet.

No other significant changes to the trading or financial position of the US Group have occurred since 31 December 2016.

**PART VIII (A)**  
**UNAUDITED PRO FORMA FINANCIAL INFORMATION**

Set out below are an unaudited pro-forma balance sheet and statement of combined comprehensive income of the Company as at 31 December 2016 and the period then ended (the “Pro Forma Financial Information”). The Pro Forma Financial Information has been prepared on the basis set out in the notes below to illustrate the effects of the acquisitions of Coos Bay and the US Group, the Subscription and the issues of the Cuart, YA Global and Jonathan Gellis promissory notes on the net assets of the Company, had the Admission occurred on 31 December 2016 and on the earnings of the Company for the period then ended. The Pro Forma Financial Information has been prepared for illustrative purposes only. Because of its nature, the Pro Forma Financial Information addresses a hypothetical situation and, therefore, does not represent the Company’s actual financial position or earnings. It is based on the schedules used in preparing the audited balance sheet and results of the Company as at 31 December 2016 and the twelve-month period then ended, which is reproduced in Part VI (B) “*Historical Financial Information of the Company*” of this Prospectus, the audited balance sheet and results of Coos Bay as at 31 December 2016 and the four-month period then ended, which is reproduced in Part VI (D) “*Historical Financial Information of Coos Bay*” of this Prospectus and the audited balance sheet and results of the US Group as at 31 December 2016 and the year then ended, which is reproduced in Part VI (F) “*Historical Financial Information of the US Group*” of this Prospectus.

Users should read the whole of this Prospectus and not rely solely on the Pro Forma Financial Information contained in this Part VIII (A) “*Unaudited Pro Forma Financial Information*” of this Prospectus.

The report on the Pro Forma Financial Information is set out in Part VIII (B) “*Accountant’s Report on the Unaudited Pro Forma Financial Information*” of this Prospectus.

## Unaudited pro forma balance sheet

	Company as at 31 December 2016 (Note 1) £	Coos Bay as at 31 December 2016 (Note 2) £	US Group as at 31 December 2016 (Note 3) £	<u>Adjustment</u> Acquisition and consolidation adjustments (Note 4) £	<u>Adjustment</u> Placing and Costs (Note 5) £	Unaudited pro forma balance sheet of the Group £
Intangible assets	-	-	1,968,462	-	-	1,968,462
Restricted cash	-	-	96,396	(96,396)	-	-
<b>Non-current assets</b>	<b>-</b>	<b>-</b>	<b>2,064,858</b>	<b>(96,396)</b>	<b>-</b>	<b>1,968,462</b>
US Group receivables	437,427	-	-	(437,427)	-	-
Other receivables	-	-	-	-	43,561	43,561
Cash at bank	10,715	269,858	5,145	192,308	1,616,792	2,094,818
<b>Current assets</b>	<b>448,142</b>	<b>269,858</b>	<b>5,145</b>	<b>(245,119)</b>	<b>1,660,353</b>	<b>2,138,378</b>
<b>Total assets</b>	<b>448,142</b>	<b>269,858</b>	<b>2,070,003</b>	<b>(341,515)</b>	<b>1,660,353</b>	<b>4,106,840</b>
Share capital	81,295	-	1	411,999	238,050	731,345
Share premium	569,052	-	-	2,908,000	1,987,634	5,464,686
Additional paid in capital	-	-	24,417,569	(24,417,569)	-	-
Members' interest	-	231	-	(231)	-	-
Merger reserve	-	-	-	(1,971,835)	-	(1,971,835)
Accumulated losses	(293,661)	(13,425)	(23,132,438)	23,369,380	(511,331)	(581,475)
<b>Equity</b>	<b>356,686</b>	<b>(13,194)</b>	<b>1,285,132</b>	<b>299,744</b>	<b>1,714,353</b>	<b>3,642,721</b>
Trade and other payables	91,456	13,398	391,217	(324,528)	(54,000)	117,543
Borrowings	-	269,654	393,654	(316,731)	-	346,577
<b>Total liabilities</b>	<b>91,456</b>	<b>283,052</b>	<b>784,871</b>	<b>(641,259)</b>	<b>(54,000)</b>	<b>464,120</b>
<b>Total equity and liabilities</b>	<b>448,142</b>	<b>269,858</b>	<b>2,070,003</b>	<b>(341,515)</b>	<b>1,660,353</b>	<b>4,106,841</b>

## Unaudited pro forma statement of combined comprehensive income

	Company Period ended 31 December 2016 (Note 1) £	Coos Bay Period ended 31 December 2016 (Note 2) £	US Group Period ended 31 December 2016 (Note 3) £	<u>Adjustment</u> Acquisition and consolidation adjustments (Note 4) £	<u>Adjustment</u> Placing and Costs (Note 5) £	Unaudited pro forma results of the Group £
Administrative expenses	(315,084)	(13,425)	(503,784)	-	(511,331)	(1,343,624)
<b>Loss from operations</b>	<b>(315,084)</b>	<b>(13,425)</b>	<b>(503,784)</b>	<b>-</b>	<b>(511,331)</b>	<b>(1,343,624)</b>
Finance expense	-	-	(287,042)	(4,615)	-	(291,657)
Impairment costs	-	-	(1,660,000)	-	-	(1,660,000)
Other income	21,243	-	48,368	228,132	-	297,923
<b>Loss before taxation</b>	<b>(293,661)</b>	<b>(13,425)</b>	<b>(2,402,458)</b>	<b>223,517</b>	<b>(511,331)</b>	<b>(2,997,358)</b>
Taxation	-	-	-	-	-	-
<b>Comprehensive loss on ordinary activities retained</b>	<b>(293,661)</b>	<b>(13,425)</b>	<b>(2,402,458)</b>	<b>223,517</b>	<b>(511,331)</b>	<b>(2,997,358)</b>
Basic and diluted loss per Ordinary Share						\$(0.64)

### Notes:

1. The financial information relating to the Company has been extracted without adjustment from the audited Company Financial Information set out in Part VI (B) "*Historical Financial Information of the Company*" of this Prospectus.
2. The financial information relating to Coos Bay has been extracted without adjustment from the audited Coos Bay Financial Information set out in Part VI (D) "*Historical Financial Information of Coos Bay*" of this Prospectus translated from \$ to £ at the rate of \$1.3 to £1.
3. The financial information relating to the US Group has been extracted from the unaudited interim financial information of the US Group set out in Part VI (F) "*Historical Financial Information of the US Group*" of this Prospectus, translated from \$ to £ at the rate of \$1.3 to £1.
4. The adjustment of £192,308 to cash reflects the receipt of the £120,000 (\$150,000) YA Global promissory note and the receipt of the £76,923 (\$100,000) Jonathan Gellis promissory note.

The Acquisition adjustment reflects the issue of 40,000,000 Ordinary Shares at £0.08 each, conditional on Admission, resulting in an increase of £400,000 to share capital and £2,800,000 to share premium. The £3,200,000 value of Ordinary Shares issued, plus the £13,194 net liabilities acquired on the acquisition of Coos Bay, less the £1,285,132 net assets acquired on the acquisition of the US Group, plus the foreign exchange difference of £43,773 arising on the cancellation of the intercompany loans, results in a merger reserve balance of £1,971,835 within equity.

In addition to the 40,000,000 Ordinary Shares issued to effect the Acquisition, 1,200,000 Ordinary Shares have been issued, conditional on Admission, at £0.10 to satisfy the YA Global Note, giving rise to an increase of £12,000 in share capital and £108,000 in share premium. The £1 of share capital issued by the US Group cancels on consolidation.

The adjustment of £324,528 to trade and other payables relates to settlement of the consultancy fees due to the Directors, of which £96,396 will be paid in cash from the release of the restricted cash and the balance of £228,132 being written off and included within other income in the income statement.

The adjustment of £316,731 to borrowings relates to the cancellation of the £393,654 intercompany loan on consolidation plus the receipt of the £76,923 (\$100,000) loan note issued to Jonathan Gellis.

The adjustment of £4,615 to the finance expense represents the interest due on the YA Global Note.

5. The adjustment of £1,616,792 to cash reflects the gross cash received of £2,326,500 from the issue of the Placing Shares, less associated transaction costs of £709,708. The adjustment of £43,561 to other receivables represents the input VAT recoverable on the transaction costs. The adjustment of £54,000 to trade and other payables represents transaction costs settled by way of the issue of Ordinary Shares. The adjustment of £238,050 to share capital represents the nominal value of the Placing Shares of £232,650 plus the nominal value of shares issued to settle transaction costs, being £5,400. The adjustment of £1,987,634 to share premium represents the share premium of the Placing Shares, being £209,385, the share premium of the Ordinary Shares issued to settle transaction costs, being £48,600, less £154,816 of transaction costs allocated to share premium in accordance with IFRS. The balance of the Costs not allocated to share premium, being £511,331, has been allocated against administrative expenses in accordance with IFRS.
6. The Pro-Forma Financial Information does not reflect any changes in the trading position or any other changes arising from other transactions, since 31 December 2016 for the Company, Coos Bay and the US Group.

## PART VIII (B)

### ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION



29 September 2017

The Directors  
Curzon Energy Plc  
Kemp House  
152 City Road  
London EC1V 2NX

Crowe Clark Whitehill LLP  
Chartered Accountants  
Member of Crowe Horwath International  
St Bride's House  
10 Salisbury Square  
London EC4Y 8EH, UK  
Tel +44 (0)20 7842 7100  
Fax +44 (0)20 7583 1720  
DX: 0014 London Chancery Lane  
[www.croweclarkwhitehill.co.uk](http://www.croweclarkwhitehill.co.uk)

Dear Sirs,

#### Introduction

We report on the audited pro forma basic and diluted loss per share included in Part VI(F) "*Historical Financial Information of the US Group*" and the unaudited pro forma statement of net assets as at 31 December 2016 and on the unaudited pro forma statement of earnings for the period then ended (the "Pro Forma Financial Information") set out in Part VIII (A) "*Unaudited Pro-Forma Financial Information*" of Curzon Energy Plc's (the "Company") prospectus (the "Prospectus") dated 29 September 2017, which has been prepared on the basis described, for illustrative purposes only, to provide information about how the Admission of the Company and its securities to trading on the standard segment of the Official List of the UK Listing Authority and the:

- the acquisition by the Company of Coos Bay Energy LLC;
- the acquisitions of Westport Energy Acquisition, Inc. and Westport Energy LLC;
- the issue of 40,000,000 consideration shares;
- the issue of the \$150,000 10% promissory note to YA Global Investments, L.P.;
- the conversion of the \$150,000 10% promissory note issued to YA Global Investments, L.P. into 1,200,000 ordinary shares; and
- the issue of 23,265,000 Placing Shares

might have affected the net assets and earnings presented on the basis of the accounting policies adopted by the Company in preparing the audited financial information for the period ended 31 December 2016. This report is required by Annex I, item 20.2 of Commission Regulation (EC) N 809/2004 and is given for the purpose of complying with that requirement and for no other purpose.

#### Responsibilities

It is the responsibility of the directors of the Company (the "Directors") to prepare the Pro-Forma Financial Information in accordance with Annex I, item 20.2 and Annex II, items 1 to 6 of Commission Regulation (EC) N 809/2004.

It is our responsibility to form an opinion, in accordance with Annex I, item 20.2 of Commission Regulation (EC) N 809/2004, as to the proper compilation of the Pro-Forma Financial Information and to report that opinion to you in accordance with Annex II, item 7 of Commission Regulation (EC) N 809/2004.



## **Basis of opinion**

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro-Forma Financial Information with the Directors.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with reasonable assurance that the Pro-Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

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

## **Opinion**

In our opinion:

- the Pro-Forma Financial Information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of the Company.

## **Declaration**

For the purpose of Prospectus Rule 5.5.3R, we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Annex I, item 1.2 of Commission Regulation (EC) N 809/2004.

Yours faithfully,



**Crowe Clark Whitehill LLP**  
*Chartered Accountants*

## **Part IX**

### **TAXATION**

The following information is based on UK tax law, the 8 March 2017 Budget, subsequent finance bill amendments and HM Revenue and Customs ("HMRC") practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional advisor immediately.

#### **Tax treatment of UK investors**

The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

- who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10 per cent., of any of the classes of shares in the Company; or
- who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or
- who are in any doubt as to their taxation position.

Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

Shareholders who are neither resident, nor temporarily non-resident, in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

#### **Dividends**

Where the Company pays dividends no UK withholding taxes are deducted at source, Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

UK resident individual Shareholders who are domiciled in the UK, and who hold their Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

Dividend income received by UK tax resident individuals has a £5,000 dividend tax allowance. Dividend receipts in excess of £5,000 will be taxed at 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers, and 38.1 per cent. for additional rate taxpayers.

Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received but will not be entitled to claim relief in respect of any underlying tax.

#### **Disposals of Ordinary Shares**

Any gain arising on the sale, redemption or other disposal of Ordinary Shares will be taxed at the time of such sale, redemption or disposal as a capital gain.

The rate of capital gains tax on disposal of Ordinary shares by basic rate taxpayers is 10 per cent., and for upper rate and additional is 20 per cent..

For Shareholders within the charge to UK corporation tax, indexation allowance may reduce any chargeable gain arising on disposal of Ordinary Shares but will not create or increase an allowable loss.

Subject to certain exemptions, the corporation tax rate applicable to its taxable profits is currently 19 per cent., falling to 17 per cent. after 1 April 2020.

### **Further information for Shareholders subject to UK income tax and capital gains tax**

#### *“Transactions in securities”*

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HM Revenue and Customs to raise tax assessments so as to cancel “tax advantages” derived from certain prescribed “transactions in securities”.

### **Stamp Duty and Stamp Duty Reserve Tax**

The statements below are intended as a general guide to the current position. They do not apply to certain intermediaries who are not liable to stamp duty or SDRT or (except where stated otherwise) to persons connected with depositary arrangements or clearance services who may be liable at a higher rate.

#### *Ordinary Shares held in certificated form*

No UK stamp duty or stamp duty reserve tax will be payable on the issue of the Ordinary Shares.

Most investors will purchase existing Ordinary Shares using the CREST paperless clearance system and these acquisitions will be subject to Stamp Duty Reserve Tax at 0.5 per cent.. Where Ordinary Shares are acquired using paper (i.e. non-electronic settlement), stamp duty will become payable if the purchase consideration exceeds £1,000.

**This summary of UK taxation issues can only provide a general overview of these areas and it is not a description of all the tax considerations that may be relevant to a decision to invest in the Company. The summary of certain UK tax issues is based on the laws and regulations in force as of the date of this Prospectus and may be subject to any changes in UK laws occurring after such date. Legal advice should be taken with regard to individual circumstances. Any person who is in any doubt as to his tax position or where he is resident, or otherwise subject to taxation, in a jurisdiction other than the UK, should consult his professional adviser.**

### ***United States Federal Income Tax Consequences of the Exchange of Coos Bay Shares for Ordinary Shares and Post-Reorganization Treatment of Curzon Energy PLC***

It is expected that neither Coos Bay nor the Company will incur U.S. federal income tax as a result of the completion of the Acquisition in a “reorganization” under Section 368(a) of the Code. Following the reorganization, the Company is subject to U.S. federal income tax on its worldwide income in the same manner as applies to Coos Bay.

Pursuant to Section 7874 of the Code, the Company should be treated as a U.S. corporation for all purposes under the Code because after the Acquisition, the Company does not have substantial business activities in the UK. Because the Company will be treated as a U.S. corporation for all purposes under the Code, the Company will not be treated as a “passive foreign investment company,” as such rules apply only to non-U.S. corporations for U.S. federal income tax purposes.

## PART X

### ADDITIONAL INFORMATION

#### 1. Responsibility

##### 1.1 The Directors

The Directors, whose names appear on pages 38, and the Company accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Directors and the Company (who have each taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

##### 1.2 The Competent Person

The information appearing in this Prospectus concerning estimates of the Group's mineral resources and ore reserves and the CPR included in Part V of this Prospectus were prepared by Dr. John Seidle, Vice-president of MHA. The business address of MHA is 730 17<sup>th</sup> Street, Suite 410, Denver CO 80202, USA. MHA is an independent oil and gas consulting firm specialising in petroleum reservoir evaluations and economic analysis and a suitably qualified and independent technical consultant. MHA belongs to many leading organisations within its scope of practice and expertise, including the Society of Petroleum Engineers (SPE), the American Association of Petroleum Geologists (AAPG) and the Society of Petroleum Evaluation Engineers (SPEE). MHA's employees belong to many additional organisations, both domestically and internationally, including SPE, AAPG and SPEE. MHA accepts responsibility for the information contained in Part V of this Prospectus entitled "*Competent Person's Report*" that it is responsible for, and has given and not withdrawn its consent to the inclusion of such information in the Prospectus in the form and the context in which it is included. To the best of the knowledge and belief of MHA (which has taken all reasonable care to ensure that such is the case), the information contained in Part V of this Prospectus entitled "*Competent Person's Report*" that it is responsible for is in accordance with the facts and does not omit anything likely to affect the import of such information.

MHA has received, and will receive, professional fees for its preparation of the CPR. However, none of MHA or its directors, staff or subcontractors who contributed to the CPR has any interest in the Company or the CBM assets reviewed or the outcome of the Placing. MHA has given and not withdrawn its consent to the inclusion of its name and all references to MHA in this Prospectus.

#### 2. The Company and its share capital

##### 2.1 The Company

The Company was incorporated and registered in England and Wales as a company limited by shares on 29 January 2016 under the Companies Act 2006, as amended, with the name Westport Energy Plc and with registered number 9976843. The Company changed its name from Westport Energy Plc to Curzon Energy Plc on 2 December 2016.

The registered office, telephone number and principal place of business of the Company are set out on page 38 of this Prospectus.

With effect from Admission, the Company will be subject to the Listing Rules and the Disclosure Guidance and Transparency Rules (and the resulting jurisdiction of the UK Listing Authority) to the extent such rules apply to companies with a Standard Listing pursuant to Chapter 14 of the Listing Rules.

The principal legislation under which the Company operates, and pursuant to which the Ordinary Shares were created is the Companies Act 2006, as amended. The Company operates in conformity with its constitution.

The liability of the members of the Company is limited.

The accounting reference date of the Company is 31 December and the current accounting period will end on 31 December 2017.

## 2.2 Share Capital

2.2.1 The following table shows the issued and fully paid share capital of the Company (comprising of the 200 Ordinary Shares (arising on the subdivision of the 2 shares issued on incorporation of the Company) and the 8,129,500 Ordinary Shares (arising on the sub-division of the shares issued under the Initial Subscription), at the date of this Prospectus, not including those shares conditionally allotted pursuant to the Placing or the 40 million Consideration Shares and the 1.2 million Loan Satisfaction Shares conditionally allotted pursuant to the Acquisition):

	<i>Number of Issued Shares (Fully paid)</i>	<i>Share capital</i>
Ordinary Shares of £0.01	8,129,700	£81,297

2.2.2 Upon Admission the issued capital of the Company, comprised of the 8,129,700 Ordinary Shares in issue at the date of this Prospectus, together with the 64,465,000 Ordinary Shares to be issued pursuant to the Placing, the Acquisition and the settlement of the YA Note will be as follows:

	<i>Number of Issued Shares (Fully paid)</i>	<i>Share capital</i>
Ordinary Shares of £0.01	72,594,700	£725,947

2.2.3 The following is a summary of the changes in the issued share capital of the Company from incorporation:

- (a) On incorporation, the Company allotted and issued one ordinary share of £1 to M10 Ventures LLC and one ordinary share of £1 to 4 Sea-Sons LLC at par.
- (b) On 8 February 2016, the Company allotted and issued to YA Global 6,375 ordinary shares of £1.00 each for a subscription price of £8.00 per share.
- (c) On 12 February 2016, the Company allotted and issued to YA Global 6,250 ordinary shares of £1.00 each for a subscription price of £8.00 per share.
- (d) On 23 March 2016, the Company allotted and issued to:
  - a. Riverfort Capital Limited 1,250 ordinary shares of £1.00 each for a subscription price of £8.00 per share; and
  - b. Shard Capital Management Limited 10,000 ordinary shares of £1.00 each for a subscription price of £8.00 per share
- (e) On 11 July 2016, the Company allotted and issued to:
  - a. Walter B. Edwards Jnr, 4295 ordinary shares of £1.00 each for a subscription price of £8.00 per share.
  - b. Regency Mines PLC 12,500 ordinary shares of £1.00 each for a subscription price of £8.00 per share.
  - c. GSC Global Fund, a sub-Fund of GSC SICAV p.l.c. 18,750 ordinary shares of £1.00 each for a subscription price of £8.00 per share.
- (f) On 12 September 2016, the Company allotted and issued to Vikrant Bharagava 12,500 ordinary shares of £1.00 each for a subscription price of £8.00 per share.
- (g) On 19 September 2016, the Company allotted and issued to Regency Mines PLC 9,375 ordinary shares of £1.00 each for a subscription price of £8.00 per share.
- (h) On 26 May 2017, the Company subdivided each ordinary share of £1 each into 100 Ordinary Shares of £0.01 each. Following that subdivision the aggregate average subscription price paid by YA Global. for the 1,262,500 shares then held by it was £0.08 per Ordinary Share.

2.2.4 All the issued Ordinary Shares are in registered form, and capable of being held in certificated or uncertificated form. The Registrar is responsible for maintaining the share register. The ISIN of the Ordinary Shares is GB00BD97ND60. The SEDOL number of the Ordinary Shares is BD97ND6.

2.2.5 The rights attaching to the issued Ordinary Shares are uniform in all respects and all of the Ordinary Shares form a single class for all purposes. All the issued Ordinary Shares will rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company and will rank pari passu in all other respects with other Ordinary Shares in issue on Admission.

2.2.6 The Company has disapplied the pre-emption provisions set out in the Articles by resolution dated 5 February 2016 and by a further resolution on 26 May 2017.

2.2.7 There are no restrictions on transfer of the Ordinary Shares.

2.2.8 Except as stated in this Part X:

- (a) the Company does not have in issue any securities not representing share capital;
- (b) there are no outstanding convertible securities issued by the Company;
- (c) no person has any preferential subscription rights for any share capital of the Company; and
- (d) no share or loan capital of the Company is currently under option, other than described in paragraph 4 of this Part X below, or agreed conditionally or unconditionally to be put under option.

### 3. Substantial shareholders

Save for the interests of the Directors, which are set out in paragraph 5 of this Part X below, as at the date of this Prospectus, the Directors are aware of the following holdings of Ordinary Shares which as at the date of this Prospectus or immediately following Admission will represent more than three per cent. of the nominal value of the Company's share capital:

<i>Shareholder</i>	<i>Number of Ordinary Shares as at the date of this Prospectus</i>	<i>Percentage of issued share capital as at the Date of this Prospectus</i>	<i>Number of Ordinary Shares immediately following Admission</i>	<i>Percentage of issued share capital immediately following Admission</i>
YA Global	1,262,500	15.53%	32,462,500	44.72%
Queensbury Inc			4,000,000	5.51%
Regency Mines PLC	2,187,500	26.91%	6,467,500	8.91%
Mountainville Limited			3,200,000	4.41%
GSC Global Fund, a sub-Fund of GSC SICAV	1,875,000	23.06%	1,875,000	2.58%
Vikrant Bhargava	1,250,000	15.38%	2,250,000	3.10%
Shard Capital Management Limited	1,000,000	12.30%	1,000,000	1.38%
Walter B Edwards	429,500	5.28%	429,500	0.59%

The Company has granted a warrant to Letzdream Foundation which is described below in paragraph 4 of this Part X. Letzdream Foundation is an English company limited by guarantee. Vikrant Bhargava

is the guarantor. Mr. Bhargava is also a director and trustee of the Letzdream Foundation which is a UK registered charity.

Except for the holdings of the Directors and the holdings stated above, the Directors are not aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

Any person who is directly or indirectly interested in three per cent. or more of the Company's issued share capital, will be required to notify such interests, and any increases of multiples of one per cent to the Company in accordance with the provisions of Chapter 5 of the Disclosure and Transparency Rules, and such interests will be notified by the Company to the public.

Those interested, directly or indirectly, in three per cent. or more of the issued share capital of the Company do not now, and, following the Admission, will not, have different voting rights from other holders of Ordinary Shares.

#### 4. Options and Warrants

Subject to Admission, a total of 8,263,904 Options and Warrants will be granted pursuant to the terms of the Company's stock option plan to subscribe for Ordinary Shares of £0.01 each in the capital of Curzon at the time of completion of the IPO:

<i>Name</i>	<i>Number of Options or Warrants</i>	<i>Exercise Price</i>	<i>Vesting</i>	<i>Expiry Date</i>
Riverfort Capital Limited – a company owned by Mr. Brian Kinane	421,152	£0.10	On Date of Grant	5 years from Admission
Riverfort Capital Limited – a company owned by Mr. Brian Kinane	421,152	£0.15	6 month anniversary of Admission	5 years from Admission
Riverfort Capital Limited – a company owned by Mr. Brian Kinane	421,152	£0.30	1 year from Admission	5 years from Admission
Gate Energy Limited – a company owned by Mr. Thomas Wagenhofer	842,562	£0.10	1 year from Admission	5 years from Admission
Gate Energy Limited – a company owned by Mr. Thomas Wagenhofer	842,562	£0.15	2 years from Admission	5 years from Admission
Gate Energy Limited – a company owned by Mr. Thomas Wagenhofer	842,562	£0.30	3 years from Admission	5 years from Admission
John McGoldrick	280,854	£0.10	1 year from Admission	5 years from Admission
John McGoldrick	280,854	£0.15	2 years from Admission	5 years from Admission
John McGoldrick	280,854	£0.30	3 years from Admission	5 years from Admission
James Lewis	500,000 warrants	£0.15		1 year from Admission

Candice Jane Glenday	500,000 warrants	£0.15		1 year from Admission
Letzdream Foundation	1 million warrants	£0.15		1 year from Admission
Cuart Investments PCC Limited	1.5 million warrants	£0.125		3 years from Admission
SP Angel	130,200 warrants	£0.10		3 years from Admission

The Options granted to Riverfort Capital vest over one year and the Options granted to Gate Energy, and John McGoldrick vest over three years. Each Option is conditional upon the relevant Director being a director of the Company on the date of vesting.

The Warrants granted to James Lewis, Candice Jane Glenday, and Letzdream Foundation are each exercisable at any time during the one-year period commencing on Admission.

The Warrants granted to Cuart and to SP Angel are each exercisable at any time during the three-year period commencing on Admission.

## 5. Directors' and Senior Management Interests

The interests of the Directors and senior management and their connected persons in the share capital of the Company, as of the date of this Prospectus and immediately following Admission, all of which are beneficial, are as follows:

<i>Director</i>	<i>Number of Ordinary Shares as at the date of this Prospectus</i>	<i>Percentage of issued share capital as at the Date of this Prospectus</i>	<i>Number of Ordinary Shares on Admission</i>	<i>Percentage of issued share capital immediately following Admission</i>
Mr. Brian Kinane	125,000	0.25%	125,000	0.17%
Mr. Thomas Mazzarisi	1,200,000	2.40%	1,200,000	1.70%
Mr. Stephen Schoepfer	1,200,000	2.40%	1,200,000	1.70%
Mr. Thomas Wagenhofer	125,000	0.25%	125,000	0.17%
Mr. Ronald Robinson	400,000	0.81%	400,000	0.55%

## 6. Memorandum

The Company's Memorandum is silent on its objects. Accordingly, the Company has full power and authority to carry out any object not prohibited by law.

## 7. Articles of Association

The Articles, which have been adopted conditional upon Admission, contain, *inter alia*, provisions to the following effect;

### 7.1 Share Capital, modification of rights and transferability

- i. There are no rights of pre-emption in respect of transfers of issued Ordinary Shares;
- ii. The Company may make arrangements for any class of its shares to be issued in uncertificated form and in accordance with and subject as provided in The Uncertificated Securities Regulations 2001. Uncertificated shares may be transferred in accordance with the rules, procedures and practices of the relevant system and the uncertificated securities rules. Shares held in certificated form may be changed to uncertificated form and those held in uncertificated form may be changed to certificated form.



- iii. Transfers of shares in certificated form may be effected by an instrument of transfer in writing in any usual form or in any form as may be approved by the Directors. Such instrument of transfer must be executed by or on behalf of the transferor and, if the shares are not fully paid, by or on behalf of the transferee.
- iv. The Directors may refuse to register the transfer of a share held in certificated form unless:
  - a) It is for a share which is fully paid up;
  - b) It is for a share upon which the Company has no lien;
  - c) It is only for one class of share;
  - d) It is in favour of a single transferee or no more than four joint transferees;
  - e) It is duly stamped or duly certificated or otherwise shown to the satisfaction of the Directors to be exempt from stamp duty (if this is required); and
  - f) Is accompanied by the certificate(s) for shares to which it relates and such other evidence as the Directors may reasonably require to prove the title of the transferor to make the transfer and the due execution of the transfer, or if the transfer is executed by some other person on his behalf, the authority of that person to do so.
- v. The Ordinary Shares are not redeemable or convertible.
- vi. The Directors may offer, allot, grant options over or otherwise deal with or dispose of shares or grant rights to subscribe for or convert any security into shares to such persons at such times and upon such terms as the Directors may decide subject to the Companies Act.
- vii. The Directors have been given authority by way of a shareholder resolution for a period of five years from 26 May 2017 to exercise all the powers of the Company to allot shares up to an aggregate nominal amount of £5,000,000. This authority shall only apply insofar as the Company has not, subject to the Articles, renewed, waived or revoked it by ordinary resolution. The Articles provide the Directors with the further authority to exercise all the powers of the Company to allot shares up to an aggregate nominal amount of £5,000,000 pursuant to such authority as if the pre-emption rights set out in section 561 of the Companies Act 2006 did not apply to such allotment.
- viii. The Directors are also empowered to allot equity securities (as defined by the Act) for any prescribed period (not exceeding five years) wholly for cash:
  - (i) in connection with a rights issue; and
  - (ii) otherwise than in connection with a rights issue in an aggregate nominal amount not exceeding £5,000,000.
- ix. Subject to the superior rights of any other class or classes of shares that are, or may be, issued by the Company the rights and restrictions attaching to the Ordinary Shares as regards participation in the profits and assets of the Company are as follows:
  - a) any profits which the Company may determine to distribute in respect of any financial year shall be distributed among the holders of the Ordinary Shares pro rata according to their respective rights and interests in the profits of the Company; and
  - b) on a capitalisation of reserves, the capital of the Company shall be applied in repaying to the holders of the Ordinary Shares in proportion to the nominal amounts of the shares (whether or not fully paid) held by them respectively which would entitle them to participate in a distribution of that sum if the shares were fully paid and the sum were then distributable and were distributed by way of dividend.
- x. All or any of the rights attached to any class or shares in the Company may be varied or abrogated either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. At every such separate general meeting the quorum shall be two persons holding or representing by proxy one-third of the nominal amount paid up on the issued shares of that class.
- xi. The Articles do not impose any conditions governing changes in the capital of the Company which are more stringent than is required by law.

## 7.2 Voting

Each Ordinary Share confers the rights to receive notice of and attend all meetings of Shareholders. Each holder of Ordinary Shares present at a general meeting in person or by proxy or by its authorised corporate representative has one vote on a show of hands, and, on a poll, one vote for each Ordinary Share of which he is a holder.

## 7.3 Dividends

Subject to the Act, the Company may, by ordinary resolution, declare dividends to be paid to members of the Company according to their respective rights and interests in the profits of the Company, but no dividend shall exceed the amount recommended by the Board.

Subject to the provisions of the Act, the directors may declare and pay such interim dividends as appears to the Directors to be justified by the profits of the Company available for distribution.

All dividends are apportioned and paid *pro-rata* according to the amounts paid up on the shares. No dividend or other monies payable on or in respect of a share will bear interest as against the Company. The Directors may deduct from any dividend or other monies payable to any person on or in respect of a share all such sums as may be due from him to the Company on account of calls or otherwise in relation to the shares of the Company. Sums so deducted can be used to pay amounts owing to the Company in respect of the shares.

All dividends, interest or other sums payable and unclaimed for 12 months after having become payable may be invested or otherwise made use of by the directors of the Company until claimed. Any dividend unclaimed for 12 years will be forfeited and shall cease to remain owing by the Company.

Dividends may be declared or paid in any currency. The Directors may decide the rate of exchange of any currency conversions that may be required and how any costs involved are to be met.

The Directors may, by ordinary resolution of the Company direct, or in case of an interim dividend may without the authority of an ordinary resolution direct, that payment of any dividend may be satisfied wholly or partly by the distribution of assets.

## 7.4 Distribution of assets on liquidation

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company and any other authority required by law, divide amongst the members *in specie* the whole or any part of the assets of the Company, or transfer the whole or any part of the assets to trustees upon such trusts for the benefit of the member(s) as the liquidator shall determine.

## 7.5 Restrictions on voting, dividends and transfer of default shares

If a member or any person appearing to be interested in shares in the Company has been duly served with a notice under section 793 of the Act and is in default in supplying to the Company the information required in respect of the shares to which the notice relates ("default shares") within 14 days after the service of such notice, (the "direction notice") the following restrictions shall apply unless the Directors determine otherwise:

- a) The member shall not be entitled in respect of the default shares to attend or vote, either personally or by proxy, at a general meeting or class meeting of the Company or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll.
- b) Where default shares represent at least 0.25 per cent. in nominal value of the class of shares concerned, (i) any dividend or other money payable for such shares shall be withheld by the Company, which shall have no obligation to pay interest and the member shall not be entitled to elect to receive shares instead of that dividend and (ii) no transfer, other than an excepted transfer of any shares held by the member shall be registered. For these purposes an excepted transfer is a transfer by the acceptance of a takeover offer or a transfer on sale of through a sale through a recognised investment exchange as defined

in the FSMA or a transfer which is shown to the satisfaction of the Directors to be made in consequence of a sale of the whole of the beneficial interest in the shares to an unconnected person.

The terms of a direction notice shall cease to have effect seven days following due compliance to the satisfaction of the Directors, with the notice under section 793 of the Act or if the transfer of any default shares is by way of an excepted transfer, but only in respect of the default shares which are transferred.

#### 7.5 Untraced Shareholders

The Company shall be entitled to sell at the best price reasonably obtainable any share of a member or any share to which a person is entitled by transmission if during a period of 12 years at least three cash dividends in respect of those shares have become payable and no dividend in respect of those shares during that period has been claimed and on or after the expiry of the said period of 12 years, the Company has given notice of its intention to sell such shares and has used reasonable efforts to trace the member or person entitled to the share and within a further period of three months following the date of such notice and prior to the exercise of power of sale the Company, has not received any communication from such member or person entitled by transmission to the share and if the shares are listed on the Official List or dealt in on the London Stock Exchange, the Company has given notice to the UKLA of its intention to make such sale. The Company shall account to the member or other person entitled to the share for the net proceeds of sale.

#### 7.6 General meetings

The Company must hold an annual general meeting each year in addition to any other general meetings held in the year. The Directors can call a general meeting at any time. All members who are entitled to receive notice under the Articles must be given notice. The Company may give such notice by any means or combination of means permitted by the Act.

#### 7.7 Indemnity and Insurance

To the extent permitted by the Act, the Articles permit the Company to indemnify any Director or other officer or former director of the Company or an associated company (a relevant officer) against any loss or liability which has been or may be incurred or suffered by him in connection with his duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company.

The Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred in the preceding paragraph and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

The Directors may decide to purchase and maintain insurance, at the expense of the Company for the benefit of any relevant officer in respect of any relevant loss.

#### 7.8 Directors

##### *Number of Directors*

Unless otherwise determined by ordinary resolution the number of Directors shall be not less than three and not more than seven.

##### *Power of Directors to appoint Directors*

The Directors shall have power at any time to appoint any person as a Director either to fill any casual vacancy or as an addition to the existing Board.

##### *Annual election*

At each annual general meeting of the Company, any Director who has been appointed by the Board since the previous annual general meeting and for whom it is the third annual general meeting since he was elected or last re-elected shall retire from office but shall be eligible for re-appointment..

### *Removal of Directors*

The Company may by special resolution or by ordinary resolution of which special notice has been given remove any Director before the expiry of his period of office and may by ordinary resolution appoint another person who is willing to act to be a director in his place.

A Director may also be removed if:

- a) he is requested to resign by all of the other Directors by written notice; or
- b) he resigns or offers to resign from office by written notice to the Company;
- c) he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from or disqualified from being a Director; or
- d) he becomes bankrupt, or makes an arrangement or composition with his creditors generally, or is adjudged insolvent or any analogous event occurs under the laws of any jurisdiction; or
- e) a registered medical practitioner who is treating him states in writing that he has become physically or mentally incapable of acting as a director and may remain so for more than three months or he is or has been suffering from mental or physical ill health and the Board resolves that his office be vacated; or
- f) he is absent, for more than 6 consecutive months, without permission of the Board from meetings of the Board, and/or of any committee of which he is a member, held during that period and the Board resolve that his office be vacated.

### *Directors' fees*

The Board shall determine the amount of any fees payable to Directors. However, the aggregate of all fees payable to the Directors must not exceed £100,000 per annum or such higher amount as may be decided by an ordinary resolution. Any fees payable are distinct from salary, remuneration or other amounts payable to a Director. Each Director is also entitled to be repaid all expenses properly and reasonably incurred by him in the performance of his duties as a Director.

### *Directors' additional remuneration and benefits*

The Board may provide additional remuneration to any Director for any special duties or services outside his ordinary duties as a Director.

The Board may provide pensions, or other retirement or superannuation benefits and death and disability benefits or other allowances or gratuities for past and present Directors or employees and for any member of his family and any person who is or was dependent on him.

### *Borrowing powers*

Subject to the Act, the Board may exercise all powers of the Company to borrow money, indemnify and guarantee, to mortgage or charge all or any part of its undertaking, property and assets (present or future) and uncalled capital, and to create and issue debentures and other securities, and give security either outright or as collateral security for any debt, liability or obligation of the Company or any third party.

### *Meetings of Directors*

The Directors can decide when and where to have meetings and how they will be conducted. They may also adjourn meetings. A Director may, and the Secretary on the request of a Director shall, at any time call a meeting of the Board.

The quorum for a Board meeting shall be determined by the Board and until otherwise determined shall be two Directors.

Any Director may participate by conference telephone or other communications equipment. A person so participating shall be deemed to be present at the meeting and shall be entitled to vote and be counted in the quorum. The meeting shall be deemed to take place where the largest group of those participating is assembled or if there is no group which is larger than any other group, where the chairman of the meeting then is.

A resolution in writing signed or confirmed electronically by all the Directors for the time being entitled to receive notice of a Board meeting and to vote on the resolution and not being less than a quorum shall be as valid and effective for all purposes as a resolution duly passed at a meeting of the Board.

#### *Chairman*

The Board may appoint one or more of its body as chairman or joint chairman of the Board and one or more of its body as deputy chairman and may at any time remove him or them from office. If no such chairman or deputy chairman is elected, or, if neither is present within ten minutes after the time appointed for the meeting, the Directors present may appoint one of their number to be chairman of that meeting.

#### *Voting*

Questions arising at any meeting of the Board shall be decided by a majority of votes and, in case of any equality of votes, the chairman shall have a second or casting vote.

#### *Transactions or other arrangements with the Company*

Subject to the Act, and provided that he has declared the nature and extent of his interest in accordance with the Act, a Director may be party to or otherwise interested in any transaction or arrangement with the Company, act by himself or through his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, be a director, employee, officer of or a party to a transaction or arrangement with, or otherwise interested in any body corporate in which the Company is otherwise interested and hold any office or place of profit with the Company (except as auditor) on such terms as the Board may decide. A Director shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he derives from any such contract, transaction, office or employment or interest.

#### *Interests and Conflicts*

The Board may, in accordance with the Act authorise any matter or situation proposed to them by any Director which would if not authorised, involve a Director breaching his duty under the Act to avoid conflict of interests.

A Director shall declare the nature and extent of his interest in a conflict of interest to the Board as soon as is reasonably practicable together with such additional information as may be requested by the Board.

Any authorisation will be effective only if, to the extent permitted by the Act, the matter in question was proposed by any Director in the same way as any other matter may be proposed to Directors under the Articles, the interested Director(s) is not counted in the quorum for consideration of, and does not vote on, the relevant matter. The authorisation must be recorded in writing.

The Directors may revoke or vary any authorisation at any time and may attach conditions to the authorisation.

A general notice given to the Board that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified.

An interested Director may not vote or be counted in a quorum on any resolution relating to any transaction or arrangement with the Company in which he has an interest and which may reasonably be regarded as likely to give rise to a conflict of interest but he can vote and be counted in the quorum on the following:

- a) resolutions giving him any security, guarantee or indemnity for any money or any liability which he or any other person has lent or any obligations he or any other person has undertaken at the request, or for the benefit, of the Company or any of its subsidiary undertakings;
- b) resolutions giving any security, guarantee or indemnity to any other person for a debt or obligation which is owed by the Company or any of its subsidiary undertakings, to that other person if the Director has taken responsibility for some or all of that debt or obligation by giving a guarantee, indemnity or security;
- c) a proposal or contract relating to an offer of any shares or debentures or other securities for subscription or purchase by the Company or any of its subsidiary undertakings, if the Director takes part because he is a holder of shares, debentures or other securities or if he takes part in the underwriting or sub-underwriting of the offer;

- d) any arrangement for the benefit of employees of the Company or any of its subsidiary undertakings which only gives him benefits which are also generally given to employees to whom the arrangement relates;
- e) any arrangement involving other company if the Director (together with any person connected with him) has an interest of the kind in that company;
- f) a contract relating to insurance which the Company can buy or renew for the benefit of the Directors or a group or people which includes Directors; and
- g) a contract relating to a pension, superannuation or similar scheme or retirement, death, disability benefits scheme or employees' share scheme which gives the Director benefits which are also generally given to the employees to whom the scheme relates.

A Director cannot vote or be counted in the quorum on a resolution relating to his own appointment or the settlement or variation of the terms of his appointment to an office or place of profit with the Company or any other company in which the Company has an interest.

## 7.9 Change of Control

There are no provisions in the Articles which would have the effect of delaying, deferring or preventing a change of control of the Company.

## 8. Working capital

The Company is of the opinion that, taking into account the Net Proceeds the working capital available to the Group is sufficient for its present requirements, that is for at least twelve months from the date of this Prospectus.

## 9. Sources of cash, Liquidity and Capital Resources

The Group's ability to finance its strategy in the twelve months following Admission and to meet the Group's obligations as they become due will be fulfilled by cash currently held by the Company and the Net Proceeds of the Placing. It will use such cash primarily to provide working capital to the Group to complete the Phase I work program.

As at the date of this Prospectus, the Group has cash resources of £63,000.

## 10. Capitalisation and Indebtedness

The Company's capitalisation and indebtedness, as at the date of the latest unaudited financial information (being 30 June 2017 for the Company) is summarised in the table below:

	<b>Unaudited as at 30 June 2017</b>
	<b>£</b>
<b>Total Current Debt</b>	
- Guaranteed	-
- Secured	-
- Unguaranteed/Unsecured	523,772
<b>Total Non-Current Debt (excluding current portion of long-term debt)</b>	
- Guaranteed	-
- Secured	-
- Unguaranteed/Unsecured	-
<b>Total debt</b>	<hr/> 523,772
<b>Shareholder's Equity</b>	
a) Share capital	81,295
b) Share premium	523,312

c) Accumulated deficit	(682,737)
<b>Total capitalisation</b>	<b>(78,130)</b>

#### Statement of material change

Since 30 June 2017, there have been no material changes in the capitalisation and indebtedness of the Company, save for

- the assignment of the \$150,000 (£120,000) YA Global Investments, L.P. promissory note from Coos Bay and its subsequent capitalisation into 1,200,000 Ordinary Shares at £0.10 each; and
- the assignment of the \$100,000 (£76,923) Jonathan Gellis promissory note from Coos Bay.

#### Coos Bay

Coos Bay's capitalisation and indebtedness, as at the date of the latest unaudited financial information (being 30 June 2017 for Coos Bay) is summarised in the table below:

	Unaudited as at 30 June 2017
	\$
<b>Total Current Debt</b>	
- Guaranteed	-
- Secured	-
- Unguaranteed/Unsecured	517,967
<b>Total Non-Current Debt (excluding current portion of long-term debt)</b>	
- Guaranteed	-
- Secured	-
- Unguaranteed/Unsecured	-
<b>Total debt</b>	<b>517,967</b>
<b>Member's interest</b>	
d) Members' interest	300
e) Share premium	-
f) Accumulated deficit	(319,162)
<b>Total capitalisation</b>	<b>(318,862)</b>

#### Statement of material change

Since 30 June 2017, there have been no material changes in the capitalisation and indebtedness of Coos Bay, save for:

- the assignment (conditional on Admission) of the \$150,000 YA Global Investments, L.P. promissory note to the Company and the agreement that the maturity date would be extended to 31 December 2018; and
- on 1 September 2017, Coos Bay issued a \$100,000 short-term promissory note to Jonathan Gellis. The short-term promissory note is unsecured, repayable on or before 31

December 2018 and bears an annual interest rate of 15%. On 26 September 2017, Coos Bay assigned (conditional on Admission) the promissory note to the Company.

## The US Group

The US Group's capitalisation and indebtedness, as at the date of the latest unaudited financial information (being 30 June 2017 for the US Group) is summarised in the table below:

	<b>Unaudited as at 30 June 2017</b>
	<b>\$</b>
<b>Total Current Debt</b>	
- Guaranteed	-
- Secured	-
- Unguaranteed/Unsecured	1,020,332
<b>Total Non-Current Debt (excluding current portion of long-term debt)</b>	
- Guaranteed	-
- Secured	-
- Unguaranteed/Unsecured	-
<b>Total debt</b>	<b>1,020,332</b>
<b>Shareholder's Equity</b>	
a) Share capital	1
b) Additional paid in capital	31,742,840
c) Accumulated deficit	(30,074,911)
<b>Total capitalisation</b>	<b>1,667,930</b>

## Statement of material change

Since 30 June 2017, there have been no material changes in the capitalisation and indebtedness of the US Group.

## 11. Further Disclosures on Directors and Senior Managers

- 11.1 The Directors and Senior Managers currently are, and have during the five years preceding the date of this Prospectus been, members of the administrative, management or supervisory bodies ("directorships") or partners of the following companies or partnerships:

<b>Name</b>	<b>Current Directorships/partnerships</b>	<b>Past Directorships/partnerships</b>
Thomas Wagenhofer (Director)	Gate Energy Limited Giant Capital Management Limited Giant Capital Bermuda Limited	Magnolia Petroleum PLC
Thomas Mazzarisi (Director)	Westport Energy LLC Coos Bay M10 Ventures LLC Thomas J. Mazzarisi, P.C.	
Stephen Schoepfer (Director)	Westport Energy Holdings Inc. Westport Energy Acquisition Inc. Westport Energy LLC Coos Bay 4 Sea-Sons LLC	
John McGoldrick (Director)	PPS Partners, LLC	Dart Energy Limited Caza Oil & Gas, Inc.



		Vanguard Natural Resources, LLC
Brian Kinane (Director)	Riverfort Capital Limited Riverfort Global Capital Limited Shard Capital Partners, LLP Shard Capital AIFM LLP HealTech Limited Clarinova UK Limited Cuart Investments PCC Limited	FeedHenry Limited; Yorkville Advisors UK Limited Mobile Aware Ltd.
Owen May (Director)	May Davis Acquisition Company LLC	
Ronald Robinson (Senior Manager)	N/A	N/A

## 11.2 Receiverships and liquidations

The outstanding shares of Westport Energy Acquisition Inc. were acquired by Coos Bay pursuant to an agreement dated 4 November 2016 among Coos Bay, Westport Energy Holdings, Inc. Westport Energy Acquisition Inc., Westport Energy LLC and the Creditors of Westport Energy Holdings Inc. (which at the time of the foreclosure was the parent company of Westport Energy Acquisition Inc.). At the time of that acquisition, YA Global was the major creditor of Westport Energy Holdings Inc., held 75 per cent. of the membership interests in Coos Bay and held a 15.53 per cent. interest in the Company. Stephen Schoepfer and Thomas Mazzarisi each held 3 per cent of the membership interests of Coos Bay. The foreclosure agreement provided that, in consideration for the cancellation of all debt and security instruments held by the Creditors, Westport Energy Holdings Inc. would transfer to Coos Bay, as nominee of the Creditors, all of the outstanding shares of Westport Energy Acquisition Inc., which owned all of the membership interest of Westport Energy LLC, which in turn, owned all of the Coos Bay CBM assets. Mr. Schoepfer is a director of Westport Energy Holdings Inc.

## 11.3 Potential conflicts of interest

None of the Directors are required to commit all of their time to the Company's affairs, which could create a conflict of interest when allocating their time between the Company's operations and their other commitments. The Company cannot provide any assurance that none of the Directors will become involved in one or more other business opportunities that would also present conflicts of interest in the time they allocate to the Company.

Save as disclosed above, there are no potential conflicts of interests between the duties of each Director to the Company and his private interests or other duties.

## 11.4 Save as set out in paragraph 11.2 above, as at the date of this Prospectus, none of the Directors and Senior Managers for at least the previous five years has:

- (a) had any convictions in relation to fraudulent offences; or
- (b) been bankrupt; or
- (c) been a director of any company which, at that time or within 12 months after his ceasing to be a director, became bankrupt, had a receiver appointed or was liquidated (other than solvent liquidations); or
- (d) been a partner of any partnership which, at that time or within 12 months after his ceasing to be a partner, became bankrupt, had a receiver appointed or was liquidated (other than solvent liquidations);
- (e) been subject to any public criticism by statutory or regulatory authority (including recognised professional bodies); or
- (f) been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of a company.

11.5 YA Global is a substantial shareholder in the Company. YA Global was a hedge fund launched and managed by Yorkville Advisors LLC. Mark Angelo, David Gonzalez, Matthew Beckman and Gerald Eicke bought out the investors in YA Global in 2013. Today YA Global is a privately owned private investment vehicle owned 60 per cent. by Mark Angelo, 20 per cent. by David Gonzalez and 20 per cent. by Matt Beckman.

Yorkville Advisors LLC is the investment manager of YA Global pursuant to an investment management agreement. The members of Yorkville Advisors LLC are Mark Angelo (55 per cent.), Matthew Beckman (15 per cent), David Gonzalez (15 per cent) and Gerald Eicke (15 per cent).

Edward Schinik is the chief financial officer of Yorkville Advisors Global LP. Yorkville Advisors Global LP is the investment manager of YA Global Investments II Ltd. Yorkville Advisors Global LP is owned by Mark Angelo (33 per cent.), Matthew Beckman (33 per cent) and David Gonzalez (33 per cent). Yorkville Advisors Global LP is not an investor in or associated in any other way with the Company. Mr Schinik plays no role in either Yorkville Advisors LLC or YA Global.

Matthew Beckman is the key individual at YA Global and at Yorkville Advisors LLC who has management responsibility for YA Global's investment in the Company. Mr Beckman is not and will not be a shareholder, employee or director of the Company following Admission. YA Global will have no involvement in the day to day management of the Company. It will be a passive shareholder.

11.6 In October 2012 the SEC filed a civil enforcement action against Yorkville Advisors LLC, Mark Angelo and Edward Schinik, civil action No. 12-CV-7728. The complaint is that in 2008/2009 Yorkville Advisors LLC did not write down the value of its assets quickly enough and made certain misrepresentations in that regard. The SEC and the defendants filed briefs for summary judgment. This might result in a hearing or simply a ruling. Neither of these are expected to happen until 2018. At that point it will be decided whether the proceedings will be dismissed or reduced in scope or will proceed to trial. If it proceeds to trial in whole or in part that trial is expected to be at the earliest late 2018/2019. The ongoing SEC enforcement action will have no impact on the Company.

None of Matthew Beckman, Mark Angelo and Edward Schinik is or will be a shareholder, employee or director of the Company following Admission. In the Relationship Agreement, YA Global has agreed that neither Edward Schinik nor Mark Angelo will play any role in the management of YA Global's interest in the Company and that YA Global will not propose or vote in favour of any resolution to appoint either of those individuals to the board of the Company. Further details of the Relationship Agreement are set out in paragraph 25.4 of this Part X.

## **12. Directors' and Senior Managers' terms of employment**

John McGoldrick has been appointed by the Company with effect from Admission to act as Chairman and a Non-Executive Director of the Company under a letter of appointment dated 26 September 2017. His appointment is for an initial term of 36 months and is terminable on three months' written notice on either side. He is entitled to a fee of £50,000 per annum.

Thomas Wagenhofer was appointed a director on 27 September 2016. He has been appointed to act as an executive director of the Company pursuant to a letter of appointment dated 26 September 2017 which takes effect on Admission pursuant to which he will receive no fee. His appointment is for an initial term of 36 months and is terminable on three months' written notice on either side.

Stephen Schoepfer was appointed a director on 29 January 2016. He has been appointed as an Executive Director under a letter of appointment with the Company dated 26 September 2017, which takes effect on Admission pursuant to which he will receive no fee. His appointment is for an initial term of 36 months and is terminable on three months' written notice on either.

Thomas Mazzarisi was appointed a director on 29 January 2016. He has been appointed as an Executive Director under a letter of appointment with the Company dated 26 September 2017, which takes effect on Admission, pursuant to which he will receive no fee. His appointment is for an initial term of 36 months and is terminable on three months' written notice on either side.

Brian Kinane was appointed a director on 29 January 2016. He has been appointed to act as a Non-Executive Director of the Company pursuant to a letter of appointment with the Company dated 26 September 2017, which takes effect on Admission. His appointment is for an initial term of 36 months and is terminable on three months' written notice on either side. He is not entitled to a fee for the first

twelve months of the agreement and is entitled to a fee determined by the Board of up to £10,000 per annum thereafter.

Owen May was appointed a director on 27 September 2016. He has been appointed to act as a Non-Executive Director of the Company pursuant to a letter of appointment with the Company dated 23 May 2017, which takes effect on Admission. His appointment is for an initial term of 36 months and is terminable on three months' written notice on either side. He is not entitled to a fee for the first twelve months of the agreement and is entitled to a fee determined by the Board of up to £10,000 per annum thereafter.

Save as disclosed above and in paragraph 9.3 of Part I, there are no existing or proposed service agreements between any of the Directors and Senior Managers and the Company providing for benefits upon termination of employment.

### **13. Directors' lock-in**

Each of M10 Ventures LLC, 4 Sea-Sons LLC, Riverfort Capital Limited and Gate Energy Limited, corporate vehicles of the directors Thomas Mazzarisi, Stephen Schoepfer, Brian Kinane and Thomas Wagenhofer respectively, will hold shares in the Company on Admission, and has agreed that it shall not, for a period of twelve months from Admission, without the prior written consent of the Company or in certain permitted circumstances, dispose of any Ordinary Shares it holds and, for a period of twelve months thereafter, will only sell Ordinary Shares in such manner as SP Angel may reasonably require to ensure an orderly market in the Ordinary Shares provided that if SP Angel is unable to make the disposal within ten business days, then the Director shall be entitled to effect the disposal through another broker.

### **14. Pension arrangements and bonus plan**

#### ***Pension arrangements***

There are no pension arrangements.

#### ***Bonus plan***

There is no bonus plan.

### **15. Employees and Premises**

During the period covered by the historical financial information the Group has employed on average the following number of people

Category of Activity	As at the date of the Prospectus	2016	2015	2014
Executive and Senior Management	3	3	3	3
Total	3	3	3	3

All of the employees were employed in the USA.

The Company does not own any premises.

### **16. Subsidiaries and investments**

The business of the Company and its principal activity is to act as the holding company of the Group. The Group's activities and operations are carried on by Coos Bay. The Group includes the following principal subsidiaries and significant investments:

Company	State/ Country of Incorporation	Registration Number	Issued capital	Proportion ownership
Coos Bay	Nevada, USA	E0389452016-3	Membership Interests	100%

Westport Acquisitions, Inc.	Delaware	4819971	100 Shares	100%
Westport Energy LLC	Delaware	4617880	Membership Interests	100%

## **17. Dilution of Ordinary Share Capital**

The Placing and Admission will result in 23,265,000 Ordinary Shares being issued and completion of the Acquisition will result in 41,200,000 Ordinary Shares being issued. The existing shareholders of the Company will be diluted by of 35.24 per cent of the Shares in issue immediately following Admission.

## **18. Related Party Transactions**

In the ordinary course of its business the Group has engaged, and in certain circumstances, continues to engage in transactions with related parties. Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the other party in making financial or operational decisions or if such parties are under common control.

The Group seeks to conduct all transactions with entities under common control or otherwise related to it on market terms and in accordance with relevant legislation. The terms and conditions of sales to related parties are determined based on arrangements specific to each contract or transaction. However, there can be no assurance that any or all of these transactions have been or will be conducted on market terms.

Save for the related party transactions set out in the audited consolidated financial statements of the Group for the financial years 2013, 2014 and 2015, there are no related party transactions that were entered into by the Group up to and including the date of this Prospectus apart from the Acquisition Agreement, the Cuart Note, the warrants to be issued to Cuart and the YA Global Note.

## **19. Statutory auditor**

The auditor of the Company is Crowe Clark Whitehill LLP, whose registered address is at St Bride's House, 10 Salisbury Square, London. Crowe Clark Whitehill LLP was the auditor of the Group for the whole period covered by the financial information set out in Part VI ("Selected Financial Information"). Crowe Clark Whitehill LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

## **20. Accounts and annual general meetings**

The accounting reference date of the Company is 31 December and the first accounting period ended on 31 December 2016. After Admission, it is expected that the Company will make public its annual financial report within four months of each financial year end (or earlier if possible). The Company will publish its first unaudited half-yearly financial report to 20 June 2017. It is expected that the Company will make public its unaudited half-yearly financial reports within two months of the end of each interim period.

## **21. Significant Change**

Since 31 December 2016 (being the date as at which the financial information contained in Part VI (B) has been prepared), save for £330,950 of transaction costs incurred by the Company and the £101,366 payable to Coos Bay (which has caused a significant change in the financial position of the Company) the allotment of 23,265,000 Ordinary Shares on 28 September 2017, subject only to Admission, raising a further £2,326,500 (gross) in cash and £1,161,792 (net of Costs), the liabilities assumed by the Group under the Registrar's Agreement, the Director's Letters of Appointment, there has been no significant change in the financial or trading position of the Company.

Since 31 December 2016 (being the date as at which the financial information contained in Part VI(D) has been prepared), there has been no significant change in the financial or trading position of Coos Bay, save for the issue of the YA Global Note, payment of £101,366 of transaction costs on behalf of the Company and payment of £232,084 of administrative costs.

Since 31 December 2016 (being the date as at which the financial information contained in Part VI(F) has been prepared), there has been no significant change in the financial or trading position of the US

Group. Further information regarding the issue of the Ordinary Shares pursuant to the Placing is set out in paragraph 2 of Part III of this Document.

No material changes have occurred since the date of the Competent Person's Report, the omission of which would make the Competent Person's Report misleading.

## **22. CREST**

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within CREST if any Shareholder so wishes. However, CREST is a voluntary system and Shareholders who wish to receive and retain share certificates are able to do so.

## **23. Litigation**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened so far as the Company is aware) which may have, or have had during the previous twelve months prior to the date of this Prospectus a significant effect on the financial position or profitability of the Group.

## **24. City Code**

The City Code applies to the Company.

The City Code is issued and administered by the Panel. The Panel has been designated as the supervisory authority to carry out certain regulatory functions in relation to takeovers pursuant to the Directive on Takeover Bids (2004/25/EC) (the "Directive"). Following the implementation of the Directive by the Takeovers Directive (Interim Implementation) Regulations 2006, the rules in the City Code which are derived from the Directive now have a statutory basis.

The City Code applies to all takeovers and merger transactions, however effected, where, *inter alia*, the offeree company is a public company which has its registered office in the United Kingdom, the Isle of Man or the Channel Islands, if the company has its securities admitted to trading on a regulated market or a multilateral trading facility in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man. The City Code will therefore apply to the Company from Admission and its Shareholders will be entitled to the protection afforded by the City Code.

Under Rule 9 of the City Code, where: (i) 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 in which persons in which he is already interested and in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company subject to the City Code; or (ii) any person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. but not more than 50 per cent. of the voting rights of such a company, if such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then, except with the consent of the Panel, he, and any person acting in concert with him, must make a general offer in cash to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights to acquire the balance of the shares not held by him and his concert party.

Save where the Panel permits otherwise, an offer under Rule 9 of the City Code must be in cash and at the highest price paid within the twelve months prior to the announcement of the offer for any shares in the company by the person required to make the offer or any person acting in concert with him. Offers for different classes of equity share capital must be comparable; the Panel should be consulted in advance in such cases.

The Act provides that if an offer is made in respect of the issued share capital of the Company, the offeror is entitled to acquire compulsorily any remaining shares if it has received acceptances amounting to 90 per cent. in value of the shares to which the offer relates, subject to the rights of any shareholders who have not accepted the offer to apply to the Court for relief. Certain time limits apply.

## **25. Material contracts**

The following contracts which: (i) other than contracts entered into in the ordinary course of business are or may be material and have been entered into by a member of the Group within the two years immediately preceding the date of this Prospectus or (ii) not being a contract entered into the ordinary course of business have been entered into at any time before the date of this Prospectus by any member of the Group where those contracts contain provisions under which any member of the Group has an obligation or entitlement which is, or may be, material to the Group as at the date of this Prospectus.

### ***25.1 Agreements Relating to the Placing, Admission and Broker***

#### **25.1.1 Letter of Engagement with Raglan Capital**

The Company and Raglan Capital signed an engagement letter dated the 30 of January 2017 agreeing the terms on which Raglan would help the Company and its Founders structure the Company as an attractive IPO candidate including assisting on strengthening the leadership team and the project management of certain aspects of the IPO and IPO preparation work. The terms of this engagement letter were subsequently amended. In consideration of its services Raglan shall be paid a monthly retainer of £10,000 per month, (plus VAT where applicable), for a maximum of seven months from the period beginning 1 November 2016.

#### **25.1.2 Letter of Engagement with SP Angel**

The Company and SP Angel signed an engagement letter dated 6 April 2017 agreeing the terms on which SP Angel will act as a placing agent prior to Admission and, following, Admission, as a financial adviser and broker to the Company.

In consideration of SP Angel's services as placing agent in relation to the Placing, SP Angel shall be paid a commission rate of between 1 per cent. and 6 per cent. of funds raised from investors and broker warrants and an advisory fee of £25,000 and, following Admission, an annual retainer as financial adviser and broker of £7,500 per quarter (plus VAT where applicable). It has also been agreed that SP Angel will act on any potential Reverse Takeover on a basis to be agreed and is entitled to a fee should it identify an Acquisition which the Company completes. Following Admission, SP Angel's engagement letter can be terminated on three months' notice after an initial period of twelve months.

#### **25.1.3 Placing Agreement**

The Company entered into a placing agreement dated 27 September 2017 with each of the Directors and SP Angel (the "Placing Agreement"). The Placing Agreement is conditional, inter alia, upon Admission taking place on or before 8.00am on 4 October 2017 or such later date as SP Angel and the Company may agree, but in any event not later than 31 October 2017. In consideration of SP Angel agreeing to use reasonable endeavours to procure funds from investors, the Company shall pay SP Angel commission and broker warrants pursuant to the Placing together with an advisory fee.

The Company and the Directors have given certain warranties as to the accuracy of the information contained in this document and other matters in relation to the Company, and the Company has given certain customary indemnities to SP Angel. SP Angel may terminate the Placing Agreement in certain specified circumstances prior to Admission, principally in the event of a material breach of the Placing Agreement or any of the warranties contained in it or any failure by the Directors or the Company to comply with their obligations which is or will be in the opinion of SP Angel, materially prejudicial in the context of the Placing.

#### **25.1.4 Subscription Agreement**

The Company has entered into Subscription Agreements with institutional investors for Placing Shares at the Placing Price conditional on Admission having occurred not later than 8.00 am on 4 October 2017 or such later date as the Company and the Broker may agree Admission to take place but in any event not later than 8.00 am on 31 October 2017.

Each Subscriber must pay the Placing Price for the Placing Shares issued to such Subscriber immediately on Admission.

Each Subscriber and any person subscribing for or applying to subscribe for Placing Shares under the Subscription Agreements, or agreeing to subscribe for Placing Shares on behalf of a Subscriber confirms, represents, warrants and undertakes to the Company, *inter alia*, the following:

- it is subscribing for Ordinary Shares for its own account or on account of the named shareholder or on behalf of a client in its role as portfolio manager or manager of a managed account, it does not have any contract, understanding or arrangement with any person to sell, pledge, transfer, or grant a participation therein to such person or any third person with respect to any Ordinary Shares;
- it (or the person on whose behalf such person is subscribing) is/are resident in the UK the Investor is a person who falls within Article 19 or 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or a “qualified investor” as defined in section 86(7) of the Financial Services and Markets Act 2000 (as amended), or an “eligible counterparty” within the meaning of Chapter 3 of the FCA’s Conduct of Business Sourcebook or is otherwise a person to whom an invitation or inducement to engage in investment activity may be communicated without contravening section 21 of the Financial Services and Markets Act 2000 and the Ordinary Shares are being purchased for investment only and not for resale or distribution;
- the Subscriber is not a national, citizen or resident of the United States of America (the “USA”), Australia, Canada, Japan, New Zealand, South Africa or the Republic of Ireland or any other jurisdiction in which the Placing is or would be unlawful, and the Investor will not offer, sell, renounce or deliver as principal or agent, directly or indirectly, Ordinary Shares in, into or within the USA, Australia, Canada, Japan, New Zealand, South Africa, the Republic of Ireland or any other jurisdiction in, into or within which such action is or would be unlawful, or to or for the benefit of any person who is a citizen of, or taxpayer to, or is resident in any of those territories or to any person purchasing such shares with a view to their re-offer, sale or transfer in or into any such territory;
- the Subscriber understands the potential risks in making the investment in the Company and understands that all of that investment in the Company may be lost;
- the Subscriber is entitled to subscribe for the Ordinary Shares under the laws of all relevant jurisdictions which apply to it, that it has fully observed and will fully observe such laws and has obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid any issue, transfer or other taxes due in connection with its acceptance in any jurisdiction and that it has not taken any action or omitted to take any action which will or may result in the Company or any of its directors, officers, agents, employees or advisers acting in breach of the legal and regulatory requirements of any jurisdiction in connection with the Placing;
- in agreeing to subscribe for Ordinary Shares, the Subscriber is relying solely on this Prospectus, any supplementary prospectus and any regulatory announcement issued by or on behalf of the Company or on or after the date of this Prospectus and prior to Admission, and not on any other information or representation concerning the Company or the Placing. The Subscriber agrees that none of the Company or any of its officers or directors will have any liability for any other information or representation. The Subscriber irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
- it is liable for all and any stamp duty or stamp duty reserve tax and any related costs, fines, penalties and interest arising in respect of the delivery and settlement in respect of the Ordinary Shares;
- it will comply with all applicable anti-money laundering and due diligence requirements set out in any rules, regulations and laws in connection with a subscription for Ordinary Shares, including but not limited to its obligation to provide the information requested by the Company or any person on its behalf to verify its identity and/or source of funds; and
- if it is agreeing on behalf of a Subscriber to subscribe for Ordinary Shares under the Placing it represents and warrants that it has authority to do so and to enter into the letter on behalf of the Subscriber.

### **25.1.5 Lock-In Deeds**

Under lock-in deeds dated 28 September 2017, each of M10 Ventures LLC, 4 Sea-Sons LLC, Riverfort Capital Limited and Gate Energy Limited, corporate vehicles of the Directors, each of the Sellers (including YA Global), Vikrant Bhargava and Shard Capital Management Limited agreed with the Company not to dispose of any of the Ordinary Shares held by him/it for a period of twelve months. In addition, each of the foregoing has undertaken that it will only dispose of any interest in the Ordinary Shares in the period of twelve months following the first anniversary of Admission in such manner as SP Angel may reasonably require to ensure an orderly market in the Ordinary Shares provided that if SP Angel is unable to make the disposal within ten business days, then the shareholder shall be entitled to effect the disposal through another broker.

Under a lock-in deed dated 28 September 2017, Regency Mines plc agreed with the Company not to dispose of any of the Ordinary Shares held by it for a period of six months respectively from Admission without the prior written consent of the Company and SP Angel except in certain permitted circumstances and has undertaken that it will only dispose of any interest in the Ordinary Shares in the period of twelve months following the expiry of such six month period in such manner as SP Angel may reasonably require to ensure an orderly market in the Ordinary Shares provided that if SP Angel is unable to make the disposal within ten business days, then the shareholder shall be entitled to effect the disposal through another broker.

### **25.1.6 SP Angel Warrant**

On 28 September 2017, pursuant to the terms of the Placing Agreement, the Company issued to SP Angel warrants to subscribe for an aggregate of 130,200 Ordinary Shares, conditional on Admission. Each warrant entitles the holder to subscribe for one Ordinary Share to be issued at the Placing Price. The warrants are exercisable at any time from the date of Admission and the date falling on the third anniversary of Admission. The warrants are freely assignable and are governed by the terms of a warrant instrument which is governed by the laws of England and Wales.

### **25.1.7 James Lewis and Candice Jane Glenday Warrants**

On 28 September 2017, the Company issued to James Lewis and Candice Jane Glenday, conditional on Admission, warrants to subscribe for an aggregate of 1 million Ordinary Shares. The holders are entitled to exercise warrants at 15p per Ordinary Share. Each warrant entitles the holder to subscribe for one Ordinary Share to be issued at the relevant subscription price. The warrants are exercisable at any time from the date of Admission and the date falling on the anniversary of Admission. The warrants are freely assignable and are governed by the terms of a warrant instrument, which is governed by the laws of England and Wales.

### **25.1.8 Letzdream Warrant**

On 28 September 2017, the Company issued to Letzdream Foundation, conditional on Admission, warrants to subscribe for an aggregate of 1 million Ordinary Shares. Letzdream Foundation is entitled to exercise warrants at 15p per Ordinary Share. Each warrant entitles the holder to subscribe for one Ordinary Share to be issued at the relevant subscription price. The warrants are exercisable at any time from the date of Admission and the date falling on the anniversary of Admission. The warrants are freely assignable and are governed by the terms of a warrant instrument, which is governed by the laws of England and Wales.

## **25.2 Acquisition Related Documents**

### **25.2.1 Foreclosure Agreement**

Coos Bay acquired all the outstanding shares of Westport Energy Acquisition Inc. from Westport Energy Holdings Inc. pursuant to a foreclosure agreement dated 4 November 2016 among Coos Bay Westport Energy Acquisition Inc., Westport Energy LLC, Westport Energy Holdings Inc., and the Creditors. The foreclosure agreement provided that, in consideration for the cancellation of all debt and security instruments held by the Creditors, Westport Energy Holdings Inc. would transfer to Coos Bay, as nominee of the Creditors, all of the outstanding shares of Westport Energy Acquisition Inc., which owned all of the membership interest of Westport Energy LLC, which in turn, owned all of the Coos Bay CBM assets. Pursuant to the terms of the foreclosure agreement all the Creditors' security interests in the assets of the US Group, including debentures, were terminated and outstanding royalty agreements entered into by Queensbury, Inc. and YA Global. with Westport Energy LLC. were also terminated.



### **25.2.2 Acquisition Agreement**

The Company conditionally agreed to acquire the entire membership interest of Coos Bay pursuant to a membership interest purchase agreement dated 20 May 2017 among the Company, Coos Bay and YA Global (the "Acquisition Agreement"). YA Global has agreed to sell its membership interest and to procure the sale of all remaining membership interests to the Company.

The consideration for the Acquisition to be satisfied by the issue of an aggregate of 40 million Ordinary Shares to the members of Coos Bay on a pro rata basis based upon their percentage membership interest in Coos Bay together with assumption by the Company of the YA Global Note and the Gellis Note.

The Acquisition is conditional upon Admission and the Company receiving the Rule 9 Waiver.

The Acquisition Agreement contained various customary representations, warranties, covenants and conditions to closing generally found in transactions of this type and size. YA Global's liability under the warranties is limited to \$3 million.

### **25.2.3 The Cuart Note and the Cuart Warrant**

On 29 December 2016 Coos Bay issued the Cuart Note to Cuart, a company associated with Shard Capital Management Ltd, Brian Kinane (a Director of the Company), and another party. The Cuart Note is unsecured, repayable on or before 31 December 2017 and bears an annual interest rate of 12 per cent. On 9 May 2017, Coos Bay and Cuart agreed to amend and restate the promissory note so as to (a) extend the maturity date to 31 December 2018 without a requirement for Coos Bay to pay any fee for such extension and (b) delete that mandatory payment obligation upon Coos Bay completing any equity fundraise of not less than \$3,400,000. On 26 September 2017, Coos Bay transferred the Cuart Note to the Company, conditional on Admission.

YA Global has separately agreed with Cuart that if the Company does not repay the Cuart Note by 31 December 2018, which the Company does not intend to, then YA Global will purchase the Cuart Note from Cuart.

On 28 September 2017, pursuant to the terms of the Cuart Note, the Company issued warrants to Cuart to subscribe for an aggregate of 1,500,000 Ordinary Shares, conditional on Admission. Each warrant entitles the holder to subscribe for one Ordinary Share at 12.5p. The warrants are exercisable at any time from the date of Admission and the date falling on the third anniversary of Admission. The warrants are freely assignable and are governed by the terms of a warrant instrument which is governed by the laws of England and Wales.

### **25.2.4 The YA Global Note**

On 18 April 2017, Coos Bay issued a \$150,000 short-term promissory note to YA Global Investments, L.P. (the "YA Global Note"). The YA Global Note is unsecured, and originally repayable on or before 30 June 2017 and bears an annual interest rate of 10 per cent. On 26 September 2017, Coos Bay assigned the YA Global Note to the Company, conditional on Admission and the repayment date was changed to 31 December 2018. YA Global and the Company have agreed that, conditional on Admission, the YA Global Note 1.2 million Ordinary Shares shall be issued, conditional on Admission, in full and final settlement of the YA Global Note.

### **25.2.5 Promissory Notes**

During the year ended 31 December 2016, the US Group issued six short term promissory notes totalling £435,797 to the Company. These promissory notes bear interest at 9 per cent. per annum. The maturity date of each of the promissory notes has been extended to 31 December 2018.

### **25.2.6 Gellis Promissory Note**

On 1 September 2017 Coos Bay issued a short term promissory note for \$100,000 to Jonathan Gellis. The promissory is unsecured is repayable on or 31 December 2018 and bears interest at 15 per cent. per annum. On 26 September 2017 Coos Bay assigned the Gellis Note to the Company conditional on Admission and the repayment date was changed to 31 December 2018.

### **25.2.7 The Loan Agreement with YA Global**

The Company, as borrower, has entered into an unsecured loan facility agreement with Y A Global, as lender, which allows the Company from time to time to draw down up to \$1,000,000 in aggregate principal amount as described below. The loan facility consists of two tranches. The first tranche consists of \$500,000 in aggregate principal amount, and the lender has agreed upon the request of the Company to lend up to certain specific amounts on a monthly basis beginning on the date six months following the date of Admission through the date 11 months following the date of Admission to satisfy the Company's capital requirements. Any of the amounts designated for monthly drawn downs which are not drawn shall accumulate and be available for drawn down by the Company for the subsequent months through and until the 11th month after the date of Admission.

In addition from such date six months after the date of Admission upon the mutual agreement of the Company and YA Global which such consent can withhold in their sole discretion, YA Global will lend the Company up to an additional \$500,000 as part of tranche two in full or in such portions of sub-tranches and on such dates as the Company and the YA Global may agree. Each draw down under the facility is subject to the absence of an event of default and the warranties made by the Company being true and correct. The events of default and warranties are customary for a debt facility of this kind. There are no financial covenants.

Beginning the last day of the calendar month which is 12 months after the date of Admission and upon each successive calendar month thereafter, the Company shall repay the outstanding principal amount by an amount, if any, equal to 10% of the free cash flow above \$100,000 per month arising out of monthly free cash flow from Coos Bay field production up and not to exceed the then prevailing outstanding principal amount. The remaining principle outstanding under the loan facility as of the last day of the calendar month occurring 24 months after the date of Admission shall be due and payable on such date (the "Maturity Date"). Upon the Maturity Date, in addition to paying the remaining outstanding principle amount, the Company shall pay interest on the outstanding principal amount as was outstanding from time to time such that the annualised rate of return on the outstanding principal will equal to 15% simple annual interest on the outstanding principal which shall be rolled up to the maturity date. The amount of free cash flow from Coos Bay field production used to pay YA Global shall not exceed the principal amounts borrowed and the total due interest calculated as described above through and on the maturity date. Neither the Company nor the YA Global has the right or obligation to exchange the principal or interest under the debt facility into ordinary shares, preference shares, convertible shares, warrants or any other equity security.

### **25.3 The Leases**

The Group has under lease approximately 45,370 mostly undeveloped acres in the Coos Bay Basin as of the date of this Prospectus. Of the acreage under lease, approximately 29,000 acres are leased from Coos County and 16,000 acres are leased from Rayonier Olympus Development Corporation, New Growth Olympus, LLC, Bavarian Olympus Timber, LLC, and FIA Timber Growth and Value Master, LLC, with the remaining acreage held under three ancillary leases.

#### **25.3.1 Lease with Coos Country**

Coos Bay entered into a new lease with Coos County (the "County"), a political subdivision of the State of Oregon, on 18 April 2017 (the "Coos County Lease"). The County leases to Coos Bay the exclusive right and privilege to explore, prospect, drill and mine for and to develop, operate and dispose of all the oil, gas, coalgas, other hydrocarbons produced in liquid or gaseous form, sulphur, and all other associated substances, that may be produced from any well drilled by Coos Bay on the leased acreage (amounting to approximately 29,000 acres). The County also granted surface entry rights (subject to approval of a surface-entry permit) for the purposes of the lease, where the County owns the surface rights. The right to construct on the land is limited to the right held by the County. The County expressly retains the right to lease or otherwise use the surface of the leased land for any purpose which it deems appropriate.

The lease is for a primary term of three years and for so long thereafter as leased substances or any of them are produced in paying quantities from the leased acreage or from land pooled with all or any part thereof or drilling operations are continued in accordance with the lease.

Coos Bay is required to provide and maintain until termination of the lease a surety bond in the sum of \$100,000, which the County can increase as reasonable necessary to protect the public interest, and to

maintain certain insurances, including commercial general liability, comprehensive automobile liability, and workers' compensation and employer's liability coverage.

The total annual lease rental payments related to the approximately 29,000 leased acres are approximately \$29,000, based on a rent of one dollar per net mineral acre. Rent is payable on a semi-annual basis commencing on the date of the lease. Rent shall continue to be due for as long as Coos Bay remains in possession under the lease, notwithstanding the expiry of the primary term or the payment of royalties. Coos Bay must pay certain royalties to the County, including royalties of 12.5 per cent. on gross sales of oil and gas produced from the lease and, in certain circumstances described in the lease, a shut-in royalty of \$10 per acre per year. The payment of shut-in royalties cannot extend the lease for more than five (5) years after oil and/or gas is discovered in paying quantities on the leased acreage. The lease also includes provisions relating to exploration and production data and other information to be provided to the County, and the County has the right to inspect the leased acreage and Coos Bay's books relating to determining royalty income.

Coos Bay is obliged to commence operations for the drilling of a well on the leased acreage within three years of the date of the lease or to surrender the leased acreage. The County may extend the three-year period for drilling in the manner and for such period as conditions may warrant and are in the best interest of the County. If leased substances are discovered on the leased acreage or land pooled therewith, Coos Bay is required to drill additional wells for the proper development and commercial production of the leased substances in the said lands, and Coos Bay is required to drill offset wells as a reasonably prudent operator would drill, or as the County may determine is necessary, to protect the leased acreage from drainage by wells located on other lands.

Coos Bay must conduct its operations in accordance with all applicable state and federal laws and rules and regulations and County ordinances, orders and resolutions. The lease also contains provisions relating to pooling, preventing waste and paying taxes, wages and employee benefits, and various other requirements that may affect Coos Bay's operations on the leased acreage or the costs of such operations. For example, Coos Bay cannot remove timber from the County's forest lands without first obtaining permission from the County's forester. Where the County does not own the surface rights, Coos Bay shall not engage in exploration activities without the consent of the surface owner(s) and must reimburse the surface owner for actual damage to the surface and improvements thereon. There are restrictions on where the wells may be drilled.

Coos Bay may not assign or transfer the lease or any interest in, nor sublet the leased acreage without obtaining the prior written consent of the County, such consent not to be unreasonably withheld.

The County may cancel the lease if it was procured by fraud, deceit or misrepresentation, or for the use of the lands for unlawful or illegal purposes, or for the violation of the covenants of the lease, express or implied. The lease states that it will automatically and immediately terminate on the bankruptcy of Coos Bay and on the occurrence of certain insolvency related events.

On termination of the lease, Coos Bay is obliged to deliver the leased premises with all existing permanent structures thereon in good order and conditions, to plug all wells that it has drilled and remove its equipment within ninety days. The County can also require that Coos Bay remove all permanent structures and restore, as nearly as possible, the surface to its original pre-lease condition.

Coos Bay may surrender the lease at any time, subject to the continuing obligation to pay all rentals and royalties theretofore accrued and to place all wells on the lands or in the zones surrendered in condition for suspensions or abandonment in accordance with the applicable lease terms, regulations and law.

The County has reserved the right to (i) use the surface for public purposes, including recreation and forestry practices and to lease, or otherwise dispose of, the surface of the leased acreage, but only insofar as the surface is not necessary for the use of Coos Bay in the extraction and removal of leased substances from said land and (ii) grant such other rights of way and easements so long as they do not conflict with the operations of the Coos Bay. The County has also reserved the right to require alteration or modification of the quantity and rate of production to the end that waste may be eliminated and to issue an order suspending operations if Coos Bay is in violation or breach of any provision of the lease and such violation or breach, in the County's judgment, jeopardizes the environment or the public health, welfare or safety of the people of the State of Oregon or the County. Coos Bay also gives certain indemnities in the lease. Water produced in conjunction with the drilling and production operations shall be disposed of at the County's direction and must comply with applicable State and County regulations. The County granted Coos Bay the right to store gas produced from the leased premises on the property and reserved the right to charge Coos Bay a storage fee on all stored gas which would be the subject of a separate agreement. If agreement cannot be reached, Coos Bay's right to storage will be subject

to cancellation. Coos Bay does not have any current intention to use the premises under the Coos County lease for such gas storage and therefore do not anticipate incurring any such storage costs in Phase I. If Coos Bay defaults in the performance any of the terms, covenants and stipulations of the lease, or the general oil and gas lease rules adopted by any Oregon state agency, then on notice from the County and failure by Coos Bay to cure within the applicable period, the County has the right to immediately terminate the lease.

**25.3.2 Lease with Rayonier Olympus Development Corporation, New Growth Olympus, LLC, Bavarian Olympus Timber, LLC, and FIA Timber Growth and Value Master, LLC**

On 7 May 2004 Menasha Development Corporation, now renamed Rayonier Olympus Development Corporation ("Rayonier"), entered into a lease with Methane Energy Corp., which was subsequently amended on 19 November 2004, 2 November 2005, 15 December 2005, 11 July 2006, 4 August 2006, 7 February 2007, 7 May 2009, 30 November 2015 and 1 April 2017 (as amended, the "2004 Lease"). As part of the bankruptcy of Methane Energy Corp. and pursuant to a court order of the bankruptcy court, Methane Energy Corp.'s interest in the lease was assigned to Westport Energy, LLC, the membership interests of which are now (via mesne conveyances) indirectly held by Coos Bay. Westport Energy, LLC has now assigned its interest in the lease to Coos Bay, and Menasha Development Corporation has assigned its interest in the lease in certain portions of the leased acreage to New Growth Olympus, LLC, Bavarian Olympus Timber, LLC, and FIA Timber Growth and Value Master, LLC (collectively with Rayonier, the "Lessors").

Pursuant to the lease, Lessors lease to Coos Bay certain land (amounting to approximately 16,000 acres) for the sole and only purposes of exploring by geological, geophysical and all other methods, mining, drilling and operating for and producing all oil and gas, including CBM, and granted the right to build structures and facilities on that land as reasonably required in connection with treating, producing, caring for and saving such products, including but not limited to rights to pipelines, roads, power and communication lines, pump and power stations and to drill, establish and utilize wells to and facilities for the extraction and disposition of water.

The primary term of the lease expires on 7 May 2020, and the lease remains in force as long thereafter as oil and gas (or either of them) is produced in commercial quantities from the leased acreage or acreage pooled therewith, drilling operations are continued in accordance with the lease, or until the lease is terminated in accordance with its terms, whichever occurs sooner. Upon the expiration of the primary term or the end of any drilling operations continued in accordance with the lease, whichever is later, the lease expires with respect to all land not then within a pooled unit either (i) containing a well producing, or capable of producing, in paying quantities, or (ii) upon which operations to restore production are occurring in accordance with the lease. The lease provides that for each lease year (i.e., the year between each anniversary of the lease) during the primary term, if neither actual drilling operations nor commercial production has occurred and there are no shut-in wells on the leased acreage, then the lease shall terminate unless Coos Bay pays a delay rental payment on or before such anniversary of the lease. The annual delay rental payment is \$10,000. The payment due on or before 7 May 2016 has been made.

Coos Bay is obliged to pay royalties of 1/6 of all oil produced and saved from the leased premises, a royalty of 1/6 of all proceeds received from gas produced from the leased premises and sold, and a royalty of 1/6 of the market value for gas used on or off the leased premises, provided that for the three-year period commencing 1 April 2017 the aforementioned royalty rates are reduced to 1/8. Where a well proved capable of producing gas in paying quantities is shut in for a period of 90 consecutive days, Coos Bay may maintain the lease in force (if it is not otherwise being maintained for that year by payment of royalty on production from other wells) by making annual payments of \$1 per mineral acre retained under the lease. Coos Bay may not maintain the lease by making such payment for more than five (5) consecutive years.

The lease allows for pooling or combining the acreage covered by the lease with other contiguous lands under lease from Lessors in certain circumstances. If a well capable of producing gas or oil in paying quantities is drilled within 1000 feet of the leased acreage (or land pooled therewith), then Coos Bay is required to drill an offset well.

Coos Bay has a nonexclusive right to use existing roads owned by Lessors for such use as is reasonably necessary to afford Coos Bay ingress to and egress from leased lands, provided Coos Bay's use cannot unreasonably interfere with Lessors' use of such roads. Coos Bay is required to maintain or share in

the maintenance of all roads it uses under the lease and is required to leave the roads in as good condition as when they were first used by Coos Bay.

Coos Bay must conduct its operations in accordance with all applicable federal, state and local laws, regulations and orders. The lease also contains various other requirements that may affect Coos Bay's operations on the leased acreage or the costs of such operations. For example, there are restrictions on how Coos Bay will conduct its operations and what roads it will build and use so as to avoid disturbing Lessors' timber growing operations on the leased lands. There are also obligations on Coos Bay to bury pipelines and to pay for all damages to Lessors' timber, pulpwood, sawlogs, trees, forest growth and other property interests, including damages by forest fire, caused by Coos Bay or its agents. A clearance fee is also payable to Lessors when Coos Bay's operations result in the clearance of timber that is not ready to commercial harvest. Coos Bay is obliged to use best efforts to extinguish any fire which may result from Coos Bay's operations and to prevent its operations from polluting waters. Surface discharge of produced water will only be permitted if the water contains no injurious substances and the discharge complies with all applicable laws and regulations. All well site locations shall be consented to and approved by Lessors and shall be no more than one-fourth acre for permanent facilities. There are restrictions on where the wells may be drilled.

At the end of the lease, the Coos Bay has 180 days to remove its machinery and fixtures and, unless otherwise expressly permitted by Lessors in writing, restore the premises to their original condition. If Coos Bay does not remove its machinery and fixtures within such period, Lessors have the right to do so and charge Coos Bay for the costs of so doing.

Coos Bay may surrender the lease, or any portion of the lease, at any time, subject to liability for breach of any monetary obligation under the lease, with respect to which Coos Bay is in default at the time of the filing of such surrender, and a surrender shall not relieve Coos Bay's liability for damage as provided in the lease.

Lessors have the right to inspect the leased land and the work done in progress on the land and may examine Coos Bay's books relating to the amount and character of production from the leased lands and has a right to request copies of well logs and other proprietary information related to the development of oil and gas from the leased acreage. Coos Bay also gives certain indemnities in the lease and is required to maintain certain insurances, including comprehensive general liability, motor vehicle public liability and property damage, and workers' compensation and employer's liability coverage.

If Coos Bay fails to deliver or pay the Lessors' royalty or any payment required under and in accordance with the lease, or if Coos Bay is in breach of the covenants, requirements and provisions of the lease then on notice from Lessors and failure by Coos Bay to cure within the applicable period, the lease will automatically terminate.

Coos Bay may not assign the lease, in whole or in part, without the prior written consent of Lessors, such consent not to be unreasonably withheld.

Any disputes involving payment for damages or liability under the lease that cannot be settled between the parties will be referred to binding arbitration.

Lessors reserve the right to develop or lease to others some or all of its coal seams for surface, auger or underground mining operations on certain stipulated areas.

The lease is governed by the laws of the State of Oregon.

The Directors do not believe that any restrictions in the Leases will have a material adverse effect on Phases II and III.

#### **25.4 Relationship Agreement**

A Relationship Agreement dated 28 September 2017 was entered into between the Company, SP Angel and YA Global, pursuant to which YA Global has undertaken, conditional upon Admission, that so long as it and its associates hold in aggregate 20 per cent. or more of the voting rights attaching to the Company's shares, that it shall (acting reasonably) exercise its/his voting rights to procure that, inter alia, (i) the Group is capable of carrying on its business independently of any undue influence of YA Global and its associates; (ii) ensure that the voting rights in respect of any Ordinary Shares in which it has an interest are not voted in favour of any variation to the Company's articles of association which could reasonably be expected to fetter the Company's ability to carry out its business independently and (iii) ensure that all transactions, agreements or arrangements entered into between YA Global or any of

its related parties and the Company or any member of its Group (or their enforcement, implementation or amendment) will be made at arm's length and on a normal commercial basis. YA Global has also agreed neither Edward Schinik nor Mark Angelo will play any role in the management of YA Global's interest in the Company and that YA Global will not propose or vote in favour of any resolution to appoint either of those individuals to the board of the Company.

### **25.5 Registrar's Agreement**

The Company has entered into an agreement with Neville Registrars Limited dated 22 February 2017 pursuant to which Neville Registrars Limited has agreed to act as registrar from Admission. The Registrar will be responsible for maintaining and amending the Company's register of members, processing CREST register update requests and other standard services. The minimum aggregate charge is £1,488 per annum. The agreement is terminable on three months' written notice by either party.

Other than the Directors' service contracts and letters of appointment summarised at paragraph 12 above, and the agreements referred to in this paragraph 25, the Group has not entered into any material contracts.

### **26. Other Information**

- (a) There are no governmental, legal or arbitration proceedings (including any such proceedings, which are pending or threatened, of which the Company is aware) since the Company's incorporation which may have, or have had in the recent past, significant effects on the Group's financial position or profitability.
- (b) There are no governmental, legal or arbitration proceedings (including any such proceedings, which are pending or threatened, of which the Company is aware) since the date falling twelve months prior to the publication of this Prospectus which may have, or have had in the recent past, significant effects on the US Group's financial position or profitability.
- (c) The Group does not have any registered patents or other intellectual property rights, licences or particular contracts and is not dependent on any patents, licenses, industry, commercial or financial contracts or new manufacturing processes, where such are of fundamental importance to the Company's business or profitability.
- (d) There are no significant investments in progress.
- (e) There are no significant trends in production, sales and inventory, costs and selling prices since the end of the last financial year to the date of this Prospectus.
- (f) No exceptional factors have influenced the Company's activities.
- (g) The estimated costs of Admission (including fees and commissions inclusive of VAT) are £709,708, and are payable by the Company. The estimated Net Proceeds, after deducting fees and expenses in connection with Admission are approximately £1,616,792.
- (h) Assets required by the Group for exploration and production activities are currently are owned by the Group.
- (i) Crowe Clark Whitehill LLP has given and not withdrawn its consent to the inclusion in this Prospectus of its accountant's reports and report on the unaudited pro forma financial information in Parts VI and VIII respectively in the form and context in which it is included and has authorised the contents of that report for the purposes of Rule 5.5.3R (2)(f) of the Prospectus Rules.
- (j) MHA Petroleum Consultants LLC has given and not withdrawn its consent to the inclusion in this Prospectus of its expert's in Parts V in the form and context in which it is included and has authorised the contents of that report for the purposes of Rule 5.5.3R (2)(f) of the Prospectus Rules.
- (k) SP Angel Corporate Finance LLP has given and not withdrawn its consent to the inclusion of its name in this Prospectus in the form and context in which it is included for the purposes of Rule 5.5.3R (2)(f) of the Prospectus Rules.
- (l) Where information contained in this Prospectus has been sourced from a third party, the Company and the Directors confirm that such information has been accurately reproduced and, so far as they are aware and have been able to ascertain from information published by that

third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Such information has not been audited or independently verified. Where third party data has been used in this Prospectus, the source of such information has been identified.

- (m) No documents or content of any websites are incorporated by reference.
- (n) Copies of the following documents will be available for inspection during normal business hours on any business day at the offices of McCarthy Denning and SP Angel for at least one month after the date of admission:
  - a. the Prospectus;
  - b. the Memorandum and Articles of Association of the Company;
  - c. the audited consolidated financial statements of the Company as set out in Part VI together with the independent auditor's audit reports thereon;
  - d. the report by MHA Petroleum Consultants LLC set out in Part V;
  - e. the letters confirming the consent of Crowe Clark Whitehill LLP referred to in paragraph (l) above, SP Angel Corporate Finance LLP referred to in paragraph (k) above and MHA Petroleum Consultants LLC referred to in paragraph (j) above.
- (o) In addition, this Prospectus will be published in electronic form and be available on the Company's website, [www.curzonenergy.com](http://www.curzonenergy.com), subject to certain access restrictions applicable to persons located or resident outside the United Kingdom.

## PART XI

### NOTICE TO INVESTORS

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

#### General

No action has been or will be taken in any jurisdiction that would permit a public offering of the Ordinary Shares, or possession or distribution of this Prospectus or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Prospectus does not constitute an offer to subscribe for any of the Ordinary Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This Prospectus has been approved by the FCA as a prospectus which may be used to offer securities to the public for the purposes of section 85 of the FSMA and of the Prospectus Directive. No arrangement has however been made with the competent authority in any other EEA State (or any other jurisdiction) for the use of this Prospectus as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdiction. Issue or circulation of this Prospectus may be prohibited in countries other than those in relation to which notices are given below. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for, or buy, shares in any jurisdiction in which such offer or solicitation is unlawful.

#### For the Attention of European Economic Area Investors

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), an offer to the public of the Ordinary Shares may only be made once the prospectus has been passported in such Relevant Member State in accordance with the Prospectus Directive as implemented by such Relevant Member State. For the other Relevant Member States an offer to the public in that Relevant Member State of any Ordinary Shares may only be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than \$43,000,000 and (3) an annual net turnover of more than \$50,000,000, as shown in its last annual or consolidated accounts;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such Relevant Member State; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any offer of Ordinary Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “Prospectus Directive” includes any relevant implementing measure in each Relevant Member State.



During the period up to but excluding the date on which the Prospectus Directive is implemented in member states of the European Economic Area, this prospectus may not be used for, or in connection with, and does not constitute, any offer of Ordinary Shares or an invitation to purchase or subscribe for any Ordinary Shares in any member state of the European Economic Area in which such offer or invitation would be unlawful.

The distribution of this prospectus in other jurisdictions may be restricted by law and therefore persons into whose possession this prospectus comes should inform themselves about and observe any such restrictions.

**For the Attention of UK Investors**

This Prospectus comprises a prospectus relating to the Company prepared in accordance with the Prospectus Rules and approved by the FCA under section 87A of FSMA. This Prospectus has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

29 September 2017

## DEFINITIONS

The following definitions apply throughout this Prospectus, unless the context requires otherwise.

“2004 Lease”	the lease entered into by Menasha Development Corporation now renamed Rayonier Olympus Development Corporation with Methane Energy Corporation on 7 May 2004 which was subsequently amended on 19 November 2004, 15 December 2005, 11 July 2006, 4 August 2006, 7 February 2007, 7 May 2007, 30 November 2015 and 1 April 2017, covering approximately 16,000 acres, further details of which are set out in paragraph 25.3.2 in Part X of this Prospectus
“Accelerated Rule 9 Waiver”	the approval by the Panel of the waiver from the obligations that would otherwise apply to YA Global to make a general offer for the Company pursuant to Rule 9 of the City Code as a result of its receiving Consideration Shares and the Loan Satisfaction Shares in the Acquisition, the Panel having received written confirmation from Independent Shareholders consenting to this waiver without the requirement for the waiver to be approved by independent shareholders at the General Meeting
“Act”	the Companies Act 2006
“Acquisition”	the acquisition by the Company of Coos Bay pursuant to the terms of the Acquisition Agreement
“Acquisition Agreement”	the acquisition agreement dated • 2017 between YA Global, Coos Bay and the Company in relation to the sale and purchase of all of the membership interests in Coos Bay further details of which are set out in paragraph 25.2.2 of Part X of this Prospectus
“Admission”	the admission of the Ordinary Shares to the standard listing segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities
“Articles” or “Articles of Association”	the articles of association of the Company for the time being
“AUD” or “AUD\$”	Australian Dollar, the lawful currency of the Commonwealth of Australia
“BG Group”	BG Group plc, a British multinational oil and gas company that was acquired by Shell in February 2016
“Board” or “Directors”	the directors of the Company from time to time being Brian James Kinane, Owen May, Thomas Mazzarisi, Stephen Schoepfer and Thomas Wagenhofer at the date of this Prospectus and John McGoldrick from Admission
“CBM”	refers to coalbed methane
“Change of Control”	following the Acquisition, the acquisition of control of the Company by any person or party (or any group of persons or parties who are acting in concert)
“City Code”	the UK City Code on Takeovers and Mergers

“Clean Water Act”	the U.S. statute (33 U.S.C. §1251 et seq), and its related regulations, which establish the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters.
“Company” or “Curzon”	Curzon Energy Plc
“Company Financial Information”	the audited financial information of the Company for the period from incorporation on 29 January 2016 to 30 April 2016, as set out in Part VI (B) of this Prospectus
“Competent Person”	Dr John Seidle, Vice-president of MHA Petroleum Consultants LLC of 730 17 <sup>th</sup> Street, Suite 410, Denver, CO 80202, USA
“Connected Persons”	has the meaning attributable to it in section 252 of the Act
“Consideration Shares”	the Ordinary Shares issued and to be issued pursuant to the Acquisition Agreement, further details of which are set out in paragraph 25.2.2 of Part X of this Prospectus
“Control”	an interest, or interests, in Ordinary Shares carrying in aggregate 30 per cent. Or more of the voting rights of a company, irrespective of whether such interest or interests give de facto control
“Coos Bay”	Coos Bay Energy LLC, a limited liability company organised under the laws of the State of Nevada whose registered office is 1370 Crowley Avenue SE, Portland OR 97302
“Coos Bay Directors”	Thomas Mazzarisi and Stephen Schoepfer
“Coos Bay Financial Information”	the audited financial information of Coos Bay for the period from incorporation on 2 September 2016 to 31 December 2016, as set out in Part VI (D) of this Prospectus
“Coos County Lease”	the lease entered into by Coos Bay with Coos County a political subdivision of the State of Oregon on 7 March 2017 covering approximately 29,000 acres, further details of which are set out in paragraph 25.3.1 of Part X of this Prospectus.
“Costs”	total expenses incurred (or to be incurred) by the Company in connection with the Acquisition, the Placing and Admission
“CPR” or “Competent Person’s Report”	the Competent Person’s Report prepared by MHA Petroleum Consultants LLC set out in Part V of this Prospectus
“Creditors”	Mountainville Limited, Queensbury, Inc. and YA Global
“CREST”	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and holding shares in uncertificated form which is administered by Euroclear
“CREST Regulations”	the Uncertificated Securities Regulations 2001 of the UK (SI 2001/3755) (as amended)

“Cuart”	Cuart Investment PCC Limited, a company of which Brian Kinane is a director and shareholder
“Cuart Note”	the £300,000 promissory note issued by Coos Bay to Cuart Investments PCC Ltd. on 29 December 2016 as amended and restated on 9 May 2017
“Directors’ Letters of Appointment”	the letters of appointment for certain of the Directors, details of which are set out in paragraph 12 of Part X of this Prospectus
“Disclosure and Transparency Rules” or “DTR”	the Disclosure Rules and Transparency Rules made by the FCA pursuant to section 73A of the FSMA, as amended from time to time
“EIA”	the U.S. Energy Information Administration
“Euroclear”	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales
“Exchange Act”	the US Securities Exchange Act of 1934, as amended
“Executive Directors”	Thomas Mazzarisi, Stephen Schoepfer and Thomas Wagenhofer
“FCA”	the UK Financial Conduct Authority
“FERC”	the US Federal Energy Regulatory Committee
“FSMA”	the Financial Services and Markets Act 2000
“FTSE”	the Financial Times Stock Exchange 100 Index
“Group”	the Company and Coos Bay together with their respective consolidated subsidiaries and subsidiary undertakings from time to time
“IFRS”	International Financial Reporting Standards as adopted by the European Union
“Independent Shareholders”	those Shareholders who have consented to the Accelerated Rule 9 Waiver, being Shareholders who are listed paragraph 3 of Part III of this Prospectus and who in aggregate hold more than 50 per cent. of the Independent Shares, as at the date of this Prospectus
“Independent Shares”	Ordinary Shares held by independent shareholders, being Shareholders other than YA Global, any Shareholders deemed to be acting in concert with YA Global and Shareholders participating in the Placing
“Initial Subscriptions”	the subscriptions for ordinary shares of £1 each in the capital of the Company which were subscribed prior to and on 19 September 2016 for the aggregate subscription of £650.362
“Issued Share Capital”	the issued share capital of the Company comprising 72,594,700 Ordinary Shares
“Listing Rules”	the listing rules made by the FCA pursuant to section 73A of FSMA, as amended from time to time
“Loan Satisfaction Shares”	the Ordinary Shares issued and to be issued pursuant to the Acquisition Agreement on conversion of the YA Global Note, further details of which are set out in paragraph 25.2.2 of Part X of this Prospectus

“Lock-in Deeds”	the conditional lock-in deeds dated 28 September 2017 further details of which are contained in paragraph 25.1.5 of Part X of this Prospectus
“London Stock Exchange” or “LSE”	London Stock Exchange plc
“MHA”	MHA Petroleum Consultants LLC
“NEC”	New Earthshell Corporation
“Net Proceeds”	the funds received in the Placing less Costs
“Non-Executive Directors”	Brian James Kinane, Owen May and John McGoldrick
“Official List”	the Official List of the UK Listing Authority
“Old Ordinary Shares”	ordinary shares of £1 each in the capital of the Company
“Ordinary Shares”	ordinary shares of £0.01 each in the Company
“Option”	an option over Ordinary Shares granted by the Company
“Panel”	the Panel on Takeovers and Mergers
“Phase I”	<p>the Company’s initial 12-month work program on the Rayonier Licence (proof of concept), comprising:</p> <ul style="list-style-type: none"> <li>• in months 1 to 3 post-Admission, the connection the five existing wells to the nearby regional pipeline which will allow the Group to commence selling gas with effect from month 4 post-Admission (at a cost of \$500,000);</li> <li>• in months 4 and 5 post-Admission, the drilling and connection to the regional pipeline of two additional wells, with gas sales from these wells effective from months 7 and 8 post-Admission respectively (at a cost of \$640,000); and</li> <li>• the operation of the combined seven wells for the remainder of the 24-month period post-Admission to prove the economics of the seven Phase I wells (at a cost of \$1,860,000)</li> </ul>
“Phase II”	conditional on a successful outcome from Phase I, the drilling and connection to the regional pipeline of an additional 58 wells at the Rayonier Licence (initial development)
“Phase III”	conditional on a successful outcome from Phase II, the drilling and connection to the regional pipeline of an additional 400 wells across the Group’s full licence area (large scale development)
“Placing”	the placing of the Placing Shares by: (i) SP Angel as agent for the Company on the terms and subject to the conditions set out in the Placing Agreement; and (ii) the Company on the terms and subject to the conditions set out in the Subscription Agreements, as described in Part III of this Prospectus
“Placing Agreement”	the placing agreement entered into between the Company, the Directors and SP Angel dated 27 September 2017 setting out the terms of the Placing

	as described in paragraph 25.1.2 of part X of this Prospectus
“Placing Price”	10p per Placing Share
“Placing Shares”	23,265,000 Ordinary Shares issued by the Company, conditional on Admission, pursuant to the Placing
“Potential Gas Committee”	a private group in the U.S., which utilizes experienced volunteer geoscientists and engineers to periodically (every two years) assess the future supply of natural gas in the U.S.
“Premium Listing”	a Premium Listing under Chapter 6 of the Listing Rules
“Pro Forma Financial Information”	the unaudited pro forma financial information on the Group as set out in Part VIII of this Prospectus
“Prospective Directive”	the Directive 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading
“Prospective Directive Regulation”	Regulation number 809/2004 of the European Commission specifying details of the form and content of a prospectus as required by the Prospectus Directive
“Prospectus” or “Document”	this prospectus constituting a prospectus in the meaning of the Prospectus Directive 2003/71/EC of the European Parliament and of the Council of the European Union of November 4, 2003, prepared by or for the purpose of Admission
“Prospectus Rules”	the prospectus rules made by the FCA pursuant to section 73A of the FSMA, as amended from time to time
“Registrar”	Neville Registrars Limited
“QCA Code”	the Corporate Governance Guidelines for Small and Mid-Sized Quoted Companies 2013 published by the Quoted Companies Alliance and as updated from time to time
“Relationship Agreement”	The relationship agreement dated 28 September 2017 between (1) the Company (2) SP Angel and (3) YA Global, governing the relationship between the Company and YA Global further details of which are set out in paragraph 25.4 of Part X of this Prospectus
“Reverse Takeover”	a transaction defined as a reverse takeover under Listing Rule 5.6.4 (1) and (2)
‘Rule 9 Waiver’	the waiver granted by the Panel, normally conditional upon the approval by the Independent Shareholders of a Whitewash Resolution, of any obligation which would otherwise be imposed on YA Global (and those Shareholders deemed to be acting in concert with YA Global) under Rule 9 of the City Code as a result of its receipt of Consideration Shares and Loan Satisfaction Shares
“Santos”	Santos Limited, a predominantly Australian owned oil and gas company

“SEC”	the United States Securities and Exchange Commission
“Securities Act”	U.S. Securities Act of 1933, as amended
“Sellers”	YA Global, Queensbury, Inc., Mountainville Limited, M10 Ventures Limited, 4 Sea-Sons LLC and Ronald Robinson being the holders of the membership interests in Coos Bay that are being acquired by the Company pursuant to the Acquisition Agreement
“Shareholders”	holders of Ordinary Shares
“Shell”	Royal Dutch Shell plc
“SP Angel”	SP Angel Corporate Finance LLP
“Standard Listing”	a Standard Listing under Chapter 14 of the Listing Rules
“Subscribers”	investors subscribing for the Ordinary Shares in the Placing (whether pursuant to placing letters or to Subscription Agreements)
“Subscription Agreements”	the subscription agreements received by the Company from investors, pursuant to which investors have irrevocably applied for the allotment of, in aggregate, 4,945,000 Ordinary Shares, to be allotted conditionally on Admission, further details of which are set out in paragraph 25.1.4 in Part X of this Prospectus
“Subsidiary” or “Subsidiaries”	a subsidiary undertaking shall have the meaning given in the Act
“UK”	the United Kingdom of Great Britain and Northern Ireland
“UK Corporate Governance Code”	the UK Corporate Governance Code issued by the Financial Reporting Council in the UK from time to time
“UK Listing Authority” or “UKLA”	the FCA in its capacity as the competent authority for listing in the UK pursuant to Part VI of FSMA
“United States”, “US”, “U.S.” or “USA”	the United States of America
“US Group”	Westport Energy Acquisition, Inc. and its wholly owned subsidiary Westport Energy LLC
“US Group Directors”	Thomas Mazzarisi and Stephen Schoepfer
“US Group Financial Information”	the audited financial information of the US Group for the years ended 31 December 2014, 31 December 2015 and 31 December 2016, as set out in Part VI (F) of this Prospectus
“US Subsidiary”	Coos Bay
“Voting Rights”	all the voting rights attributable to the capital of a company which are currently exercisable at a general meeting
“Warrant”	a right to subscribe for Ordinary Shares granted by the Company on terms of a warrant
“Whitewash Resolution”	an ordinary resolution to approve the Panel’s waiver of the obligation to make an offer under Rule 9 of the

	City Code passed on a poll at a general meeting by the shareholders of a company who are independent of the person who would otherwise be required to make an offer under Rule 9 of the City Code and any person acting in concert with him
"YA Global"	YA Global Investments LP
"YA Global Note"	the \$150,000 promissory note issued by Coos Bay to YA Global on 18 April 2017
"\$" or "US Dollar" or "USD" or "US\$"	US Dollar, the lawful currency of the United States
"£" or "UK Sterling" or "GBP" or "British pound sterling" or "sterling" or "pounds"	Pound Sterling, the lawful currency of the United Kingdom



## GLOSSARY OF TECHNICAL TERMS

Set out below is a glossary of selected technical terms.

"1C"	low estimate scenario of Contingent Resources (PRMS)
"2C"	best estimate scenario of Contingent Resources (PRMS)
"3C"	high estimate of Contingent Resources (PRMS)
"BTU"	British Thermal Unit
"bcf"	billions of standard cubic feet
"CBM"	coalbed methane
"Contingent Resources"	those quantities of CBM which are estimated, on a given date, to be potentially recoverable from known accumulations, but which are not currently considered to be commercially recoverable
"Dth"	roughly energy equivalent of a thousand cubic feet of natural gas (MCF). Equivalent to 1 000 000 BTU; dekatherm (EC) based on the widespread International Steam Table BTUIT. 1 Dekatherm (Dth EC) = 1 055 055 852.62 joules (J).
"ft"	feet
"gm/cm3"	gram per cubic centimetre
"IRR"	internal rate of return
"K\$"	thousands of US dollars
"mcf"	thousands of standard cubic feet
"mmcf"	millions of standard cubic feet
"MM\$"	millions of US dollars
"OGIP"	original gas in place
"PRMS"	petroleum resources management system
"Prospective Resources"	quantities of petroleum which are estimated, on a given date, to be potentially recoverable from undiscovered accumulations.
"psi"	pounds per square inch
"PV10"	net present value at a discount rate of 10 per cent. per year