

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**IT CONTAINS A PROPOSAL WHICH, IF IMPLEMENTED, WILL RESULT IN THE CANCELLATION OF THE ADMISSION TO TRADING OF ELAND SHARES ON AIM.**

**If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is authorised under the FSMA 2000, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.**

This document (including any document incorporated into it by reference) and the accompanying documents should be read as a whole.

If you have sold or otherwise transferred all of your Eland Shares, please send this document, together with the accompanying documents (but not any personalised accompanying documents), at once to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in, or into, any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction. If you have sold or transferred only part of your holding of Eland Shares, you should retain these documents and should contact the bank, stockbroker or other agent through whom the sale or transfer was effected.

The release, publication or distribution of this document and/or the accompanying documents (in whole or in part) in, into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document and/or any accompanying documents come should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

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**Recommended Cash Acquisition**  
**of**  
**ELAND OIL & GAS PLC**  
**by**  
**SEPLAT PETROLEUM DEVELOPMENT COMPANY PLC**  
**to be effected by means of a**  
**Scheme of Arrangement**  
**under Part 26 of the Companies Act 2006**

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Your attention is drawn to the letter from the Chairman of Eland in Part 1 (*Letter from the Chairman of Eland*) of this document, which contains the unanimous recommendation of the Eland Directors that you vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting. A letter from Evercore explaining the Scheme appears in Part 2 (*Explanatory Statement*) of this document and constitutes an explanatory statement in compliance with section 897 of the Companies Act 2006.

Notices of the Court Meeting and the General Meeting, both of which will be held at the offices of Mayer Brown International LLP, 201 Bishopsgate, London EC2M 3AF on 20 November 2019, are set out in Parts 9 (*Notice of Court Meeting*) and 10 (*Notice of General Meeting*) of this document. The Court Meeting will start at 10.00 a.m. and the General Meeting will start at 10.15 a.m. on that date (or as soon thereafter as the Court Meeting is concluded or adjourned).

Action to be taken by Eland Shareholders is set out in the section of this document entitled "Action to be taken". Eland Shareholders will find enclosed with this document a blue Form of Proxy for use in connection with the Court Meeting and a pink Form of Proxy for use in connection with the General Meeting. Whether or not you intend to attend both or either of the Meetings in person, please complete and sign both of the enclosed Forms of Proxy in accordance with the instructions printed on them and return them to Eland's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ (as described on pages 8 and 9 of this document) as soon as possible and, in any event, so as to be received by no later than 10.00 a.m. on 18 November 2019 (in the case of the blue Form of Proxy) and 10.15 a.m. on 18 November 2019 (in the case of the pink Form of Proxy) (or, in the case of adjournment, not later than 48 hours before the time and date fixed for the holding of the adjourned meeting). Eland Shareholders who hold Eland Shares in CREST may also appoint a proxy using the CREST proxy voting service by following the

instructions set out on page 9 of this document. Full details of the action to be taken are set out on pages 8 and 9 of this document. If the blue Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be handed to Computershare Investor Services PLC on behalf of the Chairman of the Court Meeting at the Court Meeting before the taking of the poll. However, in the case of the General Meeting, if the pink Form of Proxy is not lodged by the relevant time, it will be invalid.

Overseas Shareholders should refer to paragraph 14 of Part 2 (*Explanatory Statement*) of this document, which contains important information relevant to such holders.

Certain terms and expressions used in this document, are defined in Part 8 (*Definitions*) of this document. If you have any questions about this document, the Court Meeting or the General Meeting, or are in any doubt as to how to complete the Forms of Proxy, please call Eland's Registrars, Computershare Investor Services PLC, between 9.00 a.m. and 5.30 p.m. on Monday to Friday (except UK public holidays), on 0370 707 1525 or on +44 (0) 370 707 1525 if calling from outside the UK. Please note that calls may be recorded and monitored for training and security purposes and Computershare Investor Services PLC cannot provide legal, tax or financial advice or advice on the merits of the Scheme.

Citi, which is authorised by the PRA and regulated in the UK by the FCA and the PRA, is acting as sole financial adviser for Seplat and for no one else in connection with the Acquisition and other matters described in this document, and will not be responsible to anyone other than Seplat for providing the protections afforded to clients of Citi nor for providing advice in connection with Acquisition, the contents of this document or any other matters referred to in this document. Neither Citi nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, in delict, under statute or otherwise) to any person who is not a client of Citi in connection with this document, any statement contained herein, the Acquisition or otherwise.

Investec, which is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting as joint corporate broker to Seplat and for no one else in connection with the Acquisition and will not be responsible to anyone other than Seplat for providing the protections afforded to its clients or for providing advice in relation to the Acquisition, the contents of this document or any other matters referred to in this document. Apart from the responsibilities and liabilities, if any, which may be imposed on Investec by the Financial Services and Markets Act 2000 (as amended) or the regulatory regime established thereunder, Investec does not make any representation express or implied in relation to, nor accepts any responsibility whatsoever for, the Acquisition, the contents of this document or any other matters referred to in this document. Investec (and its affiliates) accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability (save for any statutory liability) whether arising in tort, delict, contract or otherwise which it might have in respect of the Acquisition, the contents of this document or any other matters referred to in this document.

Evercore, which is authorised and regulated by the FCA, is acting exclusively for Eland and no one else in connection with the Acquisition and the other matters referred to in this document, and will not be responsible to anyone other than Eland for providing the protections afforded to clients of Evercore, nor for providing advice in connection with the Acquisition or any matter or arrangement referred to herein. Neither Evercore nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort or in delict, under statute or otherwise) to any person who is not a client of Evercore in connection with the Acquisition or any statement contained herein or otherwise. Nothing in this document is, or should be relied upon as, a promise or representation as to the future. Neither the receipt of this document by any person nor any information contained herein or supplied herewith or subsequently communicated in written, electronic or oral form to any person in connection with the Acquisition constitutes, or shall be relied upon as constituting, the giving of investment advice by Evercore to any such person. Any recommendations that may be contained herein have not been based upon a consideration of the investment objectives, financial situation or particular needs of the recipient. Evercore is under no obligation to affirm or update the information in this document or to correct any inaccuracies herein or to provide, update or correct any additional information.

Peel Hunt, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Eland and no-one else in connection with the Acquisition and/or any other matter referred to in this document, and will not be responsible to anyone other than Eland for providing the protections afforded to clients of Peel Hunt or for providing advice in connection with the Acquisition or any matter or arrangement referred to herein.

Stifel, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Eland and no one else in connection with the Acquisition and the other matters referred to in this document, and will not be responsible to anyone other than Eland for providing the protections afforded to clients of Stifel or for providing advice in connection with the Acquisition or any matter or arrangement referred to herein.

Dated: 28 October 2019

## IMPORTANT NOTICES

### OVERSEAS JURISDICTIONS

The release, publication or distribution of this document in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to the laws of other jurisdictions should inform themselves of, and observe, any applicable requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

Unless otherwise determined by Seplat or required by the Takeover Code and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this document and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this document and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

The availability of the Acquisition to Eland Shareholders who are not resident in the United Kingdom (and, in particular, their ability to vote their Eland Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf) may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements, as any failure to comply with such requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

Overseas Shareholders should refer to paragraph 14 of Part 2 (*Explanatory Statement*) of this document in respect of the implications of the Scheme and the Acquisition on their holdings of Eland Shares.

This document does not constitute a prospectus or prospectus equivalent document.

### NOTE TO US SHAREHOLDERS

The Acquisition is being made to acquire the securities of a Scottish company by means of a scheme of arrangement provided for under the laws of Scotland. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act. Accordingly, the Scheme will be subject to disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement, which are different from the disclosure requirements of the US tender offer rules. The financial information included in this document and the Scheme documentation has been or will have been prepared in accordance with IFRS and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. If Seplat were to elect to implement the Acquisition by means of a takeover offer, such takeover offer would be made in compliance with applicable US laws and regulations, including Section 14(e) of the US Exchange Act and Regulation 14E thereunder. Such a takeover would be made in the United States by Seplat and no one else.

The receipt of cash pursuant to the Acquisition by a US holder as consideration for the transfer of its Eland Shares pursuant to the Scheme will likely be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each Eland Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him.

It may be difficult for US holders to enforce their rights and claims arising out of the US federal securities laws, since Seplat and Eland are located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. US holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Seplat, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Eland outside of the United States, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes Effective, lapses or is otherwise withdrawn. Also, in accordance with Rule 14e-5(b) of the US Exchange Act, Citi will continue to act as an exempt principal trader in Eland Shares on the London Stock Exchange. If such purchases or arrangements to purchase were to be made they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including the US Exchange Act. Any information about such purchases or arrangements to purchase will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).

### **ADDITIONAL INFORMATION FOR NIGERIAN INVESTORS**

This document does not constitute or form a part of any offer or solicitation to purchase or subscribe for, or otherwise invest in, Seplat's securities in Nigeria.

### **STATEMENTS MADE IN THIS DOCUMENT**

The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set out in this document since such date. Nothing contained in this document shall be deemed to be a forecast, projection or estimate of the future financial performance of Eland, or of Seplat or the Seplat Group except where expressly stated.

No person should construe the contents of this document as legal, financial or tax advice but should consult their own advisers in connection with the matters contained in this document.

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This document (including information incorporated by reference in this document) contains statements about Seplat and Eland that are or may be forward-looking statements. All statements other than statements of historical facts included in this document may be forward-looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "estimates", "projects" or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Seplat's or Eland's operations resulting from the Acquisition; and (iii) the effects of government regulation on Seplat's or Eland's business.

Such forward-looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof.

Neither Seplat, Eland, Evercore, Citi, nor any of their respective affiliates nor the directors, officers, members, employees or advisers of any such person, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any such forward looking statements will actually occur. Given these risks and uncertainties, no reliance should be placed on forward looking statements.

Each forward looking statement speaks only as at the date of this document. Seplat, Eland, Evercore, Citi, and each of their respective affiliates, and the directors, officers, members, employees and advisers of each such person expressly disclaims any obligation to update any forward looking or other statements contained herein, other than as required by applicable law or the rules of any competent regulatory authority, whether as a result of new information, future events or otherwise.

All forward looking statements contained in this document and any subsequent oral or written forward looking statements attributable to Seplat, Eland, Evercore, Citi, or their respective affiliates or any of their respective directors, officers, members, employees or advisers or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document.

#### **NO PROFIT FORECASTS OR ESTIMATES**

No statement in this document is intended as a profit forecast or estimate for any period and no statement in this document should be interpreted to mean that earnings or earnings per share for Eland for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Eland.

#### **DEALING DISCLOSURE REQUIREMENTS**

Under Rule 8.3(a) of the Takeover Code, any person who is interested (directly or indirectly) in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of: (i) the offeree company; and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) of the Takeover Code applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of: (i) the offeree company; and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8 of the Takeover Code. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Takeover Code applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Takeover Code.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Takeover Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Takeover Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

#### **PUBLICATION ON WEBSITE AND AVAILABILITY OF HARD COPIES**

This document together with all information incorporated in this document by reference to another source required to be published pursuant to Rule 26.1 of the Takeover Code and pursuant to Rule 26 of the AIM Rules will be available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Eland's website at [www.elandoilandgas.com](http://www.elandoilandgas.com) and Seplat's website at [www.seplatpetroleum.com](http://www.seplatpetroleum.com) by no later than 12:00 noon (London time) on the Business Day following the publication of this document.

Neither the content of any website referred to in this document nor the content of any website accessible from hyperlinks is incorporated into, or forms part of, this document.

You may request a hard copy of this document by contacting Computershare Investor Services PLC on +44 (0)370 707 1525. You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

#### **ELECTRONIC COMMUNICATIONS**

Please be aware that addresses, electronic addresses and certain other information provided by Eland Shareholders, persons with information rights and other relevant persons for the receipt of communications from Eland may be provided to Seplat during the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.

#### **ROUNDING**

Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

The date of publication of this document is 28 October 2019.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

*The following indicative timetable sets out expected dates for the implementation of the Scheme.*

<i>Event</i>	<i>Expected time and/or date</i>
Publication of this document	28 October 2019
Latest time for lodging BLUE Form of Proxy for the Court Meeting	10.00 a.m. on 18 November 2019 <sup>(1)</sup>
Latest time for lodging PINK Form of Proxy for the General Meeting	10.15 a.m. on 18 November 2019 <sup>(2)</sup>
Voting Record Time for the Court Meeting and General meeting	6.00 p.m. on 18 November 2019 <sup>(3)</sup>
<b>Court Meeting</b>	10.00 a.m. on 20 November 2019
<b>General Meeting</b>	10.15 a.m. on 20 November 2019 <sup>(4)</sup>
<b>The following dates are subject to change; please see note<sup>(5)</sup> below</b>	
Scheme Hearing (to sanction the Scheme)	12 December 2019
Issue of Scheme Shares pursuant to exercise of options effective vesting on sanction of the Scheme	13 December 2019
Last day of dealings in, and for registration of, transfers of Eland Shares	16 December 2019
Suspension of trading of, and dealings in, Eland Shares on AIM	close of business on 16 December 2019
Scheme Record Time	6.00 p.m. on 16 December 2019
<b>Effective Date of the Scheme</b>	17 December 2019
Cancellation of admission to trading of Eland Shares on AIM	7.00 a.m. on 18 December 2019
Latest date for settlement through CREST	14 days after the Effective Date
Long Stop Date	15 April 2020 <sup>(6)</sup>

Notes:

- (1) It is requested that blue Forms of Proxy for the Court Meeting be lodged not later than 48 hours prior to the time appointed for the Court Meeting (excluding any day that is not a working day). Blue Forms of Proxy not so lodged may be handed to Eland's Registrars, Computershare Investor Services PLC, on behalf of the Chairman of the Court Meeting at the Court Meeting before the taking of the poll.
- (2) Pink Forms of Proxy for the General Meeting must be lodged not later than 48 hours prior to the time appointed for the General Meeting (excluding any day that is not a working day). Please refer to pages 8 and 9 *Actions to be Taken*.
- (3) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the relevant adjourned meeting will be 6.00 p.m. on the date which is two Business Days before the date fixed for the relevant adjourned meeting. Please refer to pages 8 and 9 *Actions to be Taken*.
- (4) To commence at 10.15 a.m. or as soon thereafter as the Court Meeting has been concluded or adjourned.
- (5) These dates are indicative only and will depend, among other things, on the date upon which (i) the Conditions are satisfied or, if capable of waiver, waived; (ii) the Court sanctions the Scheme; and (iii) the Court Order is delivered to the Registrar of Companies.
- (6) This is the latest date by which the Scheme may become effective unless Eland and Seplat agree, with the consent of the Takeover Panel and (if required) the Court, a later date.

Unless otherwise stated, all references in this document to times are to London time.

The dates and times given are indicative only and are based on Eland's current expectations and may be subject to change (including as a result of changes to Court times and the regulatory timetable). If any of the dates and/or times in this expected timetable change, the revised dates and/or times will be notified to the Eland Shareholders by announcement through a Regulatory Information Service.

Overseas Shareholders should refer to paragraph 14 of Part 2 (*Explanatory Statement*) of this document, which contains important information relevant to such holders.

The Court Meeting and the General Meeting will both be held at the offices of Mayer Brown International LLP, 201 Bishopsgate, London, EC2M 3AF, on 20 November 2019.

## ACTION TO BE TAKEN

**For the reasons set out in this document, the Eland Directors unanimously recommend that you vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting, as they have irrevocably undertaken to do in respect of their respective legal and/or beneficial holdings of Eland Shares, and that you take the actions described below.**

The Court Meeting and the General Meeting will be held at the offices of Mayer Brown International LLP, 201 Bishopsgate, London EC2M 3AF on 20 November 2019 at 10.00 a.m. and 10.15 a.m. respectively (or, in the case of the General Meeting, as soon thereafter as the Court Meeting has been concluded or adjourned). The Scheme requires approval at both of these Meetings.

**Please check you have received the following with this document:**

- a BLUE Form of Proxy for use in respect of the Court Meeting; and
- a PINK Form of Proxy for use in respect of the General Meeting.

If you have not received all of these documents, please contact Eland's Registrars, Computershare Investor Services PLC on the telephone number set out at the end of this section.

### **To vote at the Meetings**

**It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholder opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy as soon as possible.**

### *To vote at the Meetings using the Forms of Proxy*

Whether or not you plan to attend the Meetings, you should:

1. complete, sign and return the blue Form of Proxy for use at the Court Meeting, so as to be received by no later than 10.00 a.m. on 18 November 2019; and
2. complete, sign and return the pink Form of Proxy for use at the General Meeting, so as to be received by no later than 10.15 a.m. on 18 November 2019,

(or, in the case of adjournment, by no later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any day that is not a working day)).

If the blue Form of Proxy for the Court Meeting is not returned by the above time, it may be handed to Computershare Investor Services PLC on behalf of the Chairman of the Court Meeting at the Court Meeting before the taking of the poll. However, in the case of the General Meeting, if the pink Form of Proxy is not returned so as to be received by the time mentioned above and in accordance with the instructions in the Form of Proxy it will be invalid.

The completion and return of Forms of Proxy will not prevent you from attending and voting at the Court Meeting and/or General Meeting, or any adjournments thereof, in person should you wish to do so and should you be so entitled.

Eland Shareholders are entitled to appoint more than one proxy in respect of some or all of their Eland Shares.

Eland Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact Eland's Registrars, Computershare Investor Services PLC, for further Forms of Proxy or photocopy the Forms of Proxy as required. Such Eland Shareholders should also read the Forms of Proxy in respect of the appointment of multiple proxies.

### ***To vote at the Meetings using a proxy appointment through CREST***

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so using the procedures described in the CREST Manual, which can be viewed at [www.euroclear.com](http://www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear’s specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Eland’s Registrars, Computershare Investor Services PLC (participant ID 3RA50) not later than 10.00 a.m. on 18 November 2019 in the case of the Court Meeting and not later than 10.15 a.m. on 18 November 2019 in the case of the General Meeting (or, in the case of an adjourned meeting, by no later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any day that is not a working day)). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting system providers, are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Eland may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Regulations.

### **Helpline**

If you have any questions about this document, the Court Meeting or the General Meeting, or are in doubt about the procedure for completing and returning of the Forms of Proxy, please telephone **Computershare Investor Services PLC between 9.00 a.m. and 5.30 p.m. Monday to Friday (excluding UK public holidays) on 0370 707 1525 from within the United Kingdom or +44 (0)370 707 1525 if calling from outside the United Kingdom**. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Acquisition nor give any financial, legal or tax advice.

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## PART 1

### LETTER FROM THE CHAIRMAN OF ELAND

#### ELAND OIL & GAS PLC

(Incorporated and registered in Scotland with registered no. SC364753)



#### Directors

Russell Harvey, *Non-Executive Chairman*  
George Maxwell, *Chief Executive Officer*  
Ron Bain, *Chief Financial Officer*  
Henry Obi, *Non-Executive Director*  
Henry Turcan, *Non-Executive Director*  
Grégory Stoupnitzky, *Non-Executive Director*  
Brian O’Cathain, *Non-Executive Director*  
Nicholas Gay, *Non-Executive Director*

#### Registered Office

28 Albyn Place,  
Aberdeen AB10 1YL,  
United Kingdom

28 October 2019

#### To Eland Shareholders and for information only to participants in the Eland Share Plans

#### RECOMMENDED CASH ACQUISITION OF ELAND OIL & GAS PLC BY SEPLAT PETROLEUM DEVELOPMENT COMPANY PLC

Dear Eland Shareholder

#### 1. Introduction

On 15 October 2019, the boards of Eland and Seplat announced that they had reached agreement on the terms of a recommended cash acquisition by Seplat of the entire issued and to be issued ordinary share capital of Eland. The Acquisition is to be implemented by means of a scheme of arrangement under Part 26 of the Companies Act 2006 which requires the approval of the Scheme Shareholders and the sanction of the Court.

The purpose of this letter is to explain:

- the background to, and the terms of, the Acquisition; and
- why the Eland Directors are unanimously recommending that Eland Shareholders vote in favour of the resolutions to be proposed at the Court Meeting and the General Meeting, as they have irrevocably undertaken to do in respect of those Eland Shares in respect of which they are able to control the exercise of voting rights.

This letter also explains the action you are now asked to take. Further details of the Acquisition are set out in the explanatory statement in Part 2 (*Explanatory Statement*) of this document.

Certain terms and expressions used in this letter, and throughout this document, are defined in Part 8 (*Definitions*) of this document.

#### 2. Summary of the terms of the Acquisition

It is intended that the Acquisition will be implemented by way of a Scheme, full details of which are set out in Part 7 (*The Scheme of Arrangement*) of this document.

The Scheme requires the approval of the Scheme Shareholders at the Court Meeting and the sanction of the Court. The Scheme also requires the passing of the Special Resolution to be proposed at the General Meeting.

Under the terms of the Acquisition, which is subject to the conditions set out in Part 3 (*Conditions relating to the implementation of the Scheme and the Acquisition*) of this document, it is proposed that the Scheme Shareholders on the register of members at the Scheme Record Time will receive:

**for every Scheme Share 166 pence in cash**

The terms of the Acquisition value the entire existing issued and to be issued share capital of Eland at approximately £382 million on a fully diluted basis and represents:

- a premium of approximately 28.5 per cent. to the Closing Price per Eland Share of 129.2 pence on 14 October 2019 (being the latest practicable date prior to the Rule 2.7 Announcement);
- a premium of approximately 32.6 per cent. to the three-month volume weighted average price per Eland Share as of 14 October 2019 of 125.2 pence; and
- a premium of approximately 32.7 per cent. to the six-month volume weighted average price per Eland Share as of 14 October 2019 of 125.1 pence.

In addition, Eland Shareholders who were on the register at the close of business on 18 October 2019 are entitled to receive and retain the interim dividend of 1 pence per Eland Share to be paid on 31 October 2019.

### **3. Background to and reasons for the Acquisition**

Seplat is a leading indigenous E&P with a robust operational platform, an experienced management team and a proven track record of operational delivery. The Seplat Board believes that a combination with Eland will create a scaled Nigerian E&P champion with the footprint and technical capabilities to further grow and consolidate in Nigeria, cementing Seplat's position as one of the leading independent players.

In line with Seplat's growth strategy to prioritise opportunities in the onshore and offshore areas of Nigeria that offer near-term production, cash flow and reserve replacement potential, the Seplat Board has followed the development of Eland for some time and believes that it is a strong business and that there is a compelling, complementary fit between Seplat and Eland. The Seplat Board believes this combination will leverage Seplat's core production and development expertise to capture potential upsides and increase growth and profitability. The combined business will have greater scale in production and reserves and should create long-term value for stakeholders.

The combination will enable:

- Seplat's Working Interest liquids production to increase to 38Kbopd, based on Seplat's and Eland's 2019 production guidance with Seplat's gas production of 158MMscfd (26Kboepd), giving a total Working Interest production of 64Kboepd;
- Seplat's 2P Liquids Reserves to increase by 41MMbbls to 268MMbbls and Seplat's 2P Oil Reserves and 2C Oil Resources to increase by approximately 65MMbbls to 330MMbbls, giving total oil and gas reserves and resources of 626Mmboe; and
- additional upside potential with un-appraised discoveries.

Seplat has the financial and technical capacity to develop Eland's assets and will deliver long-term benefits for employees, partners, host communities and Nigeria as a whole. As a leading indigenous operator, Seplat understands the critical role it must play to drive a positive socio-economic impact among its communities. Seplat's management team's knowledge of Eland's producing assets and operations will allow the assets to be efficiently integrated into Seplat's existing portfolio.

#### **4. Background to and reasons for recommending the Acquisition**

Eland is an independent oil and gas company focused on production, development and exploration in West Africa, particularly the Niger Delta region of Nigeria. Eland was founded in 2009 and was admitted to trading on AIM in 2012.

Led by its experienced senior management and operating team, Eland's strategy has been to deliver exceptional shareholder returns through a combination of asset development, production growth and exploration success on its assets.

In 2012, Eland, through its joint venture company, Elcrest, completed the acquisition of a 45 per cent. equity stake in OML 40. Development activities on OML 40 continued throughout 2013, and in early 2014 production recommenced from Opuama. In late 2015 and 2016 Eland executed a successful workover campaign, taking production on Opuama from approximately 3,500bopd to in excess of 11,500bopd. In 2017, Eland began a continuous drilling campaign, drilling five wells on Opuama before moving to Gbetiokun.

Production from Gbetiokun (on OML 40) commenced this year, having received regulatory approval for the Gbetiokun development plan from the Nigerian Department of Petroleum Resources earlier in 2019. The first two wells were successfully flow tested with cumulative rates up to 12,000bopd with the third well in the initial six-well programme, Gbetiokun-4, near completion.

The continuous drilling campaign on both Opuama and Gbetiokun has led to OML 40's average net production increasing for five consecutive half-year periods with average net production of 9,948bopd seen during the first half of 2019.

Eland acquired a 40 per cent. stake in a second licence, Ubima, in 2014, and appraisal of Ubima was carried out in 2018 via the Ubima-1 re-entry, successfully increasing Ubima's gross 2P Reserves to 9.3MMbbls of oil.

The Eland Group took gross production on OML 40 from 3,338bopd average daily production for producing days in 2014 to a peak 2018 production rate of over 31,000bopd, an increase of over 800 per cent. This process has been achieved together with the help of Eland's partners and local host communities and Eland believes they will continue to benefit from ongoing investment in its asset portfolio as part of Seplat.

In 2019, the Eland Board also approved a debut dividend of one pence per Eland Share.

The Eland Board believes that its management team has done an excellent job executing the company's strategy with a strong track record of operational delivery and value creation in Nigeria from high-quality assets. The Acquisition allows Eland Shareholders to benefit from an accelerated and enhanced realisation of this value through a cash offer at a significant premium to the current market value. In addition, the business will benefit from the opportunity to become part of a more significant player in the Nigerian oil and gas market.

The Eland Board welcomes Seplat's recognition of the importance and value of the skills and experience of existing Eland employees, and Seplat's commitment to safeguard the contractual rights of Eland's management and employees. The Eland Board notes Seplat's intention to continue to operate Eland as a standalone business within the combined company immediately following completion and to initiate an integration process over time, and that the integration process would be subject to comprehensive planning and appropriate engagement with stakeholders and employees.

The Eland Board notes that the functional currency of Eland is US\$. As a result, the Sterling value of the business can be affected by movements in the US\$/Sterling exchange rate. As the Acquisition is priced in Sterling, any such exchange rate movements prior to the Effective Date will not affect the value placed on Eland Shares by the Acquisition.

## **5. Seplat's intentions with regard to Eland's Employees, Directors, Management, Pensions and Locations of Eland**

### **5.1 *Eland employees and management***

Seplat believes that Eland is a strong business and recognises the importance and value of the skills and experience of existing Eland employees and believes they will be a key factor in maximising the success of the combined group following the Scheme becoming Effective.

Following completion of the Acquisition, the existing contractual and statutory employment rights of existing management and employees of Eland will be safeguarded, and existing pension obligations complied with.

Immediately following completion of the Acquisition, Seplat's intention is for Eland to continue to operate as a standalone business, within the combined company. Within 12 months of completion, Seplat intends to carry out a review of the Eland business in order to assess any organisational and structural changes that may benefit the combined company. As part of this review Seplat will make an assessment of the strengths and fit of Eland's management team and employees.

The review will be subject to comprehensive planning and appropriate engagement with stakeholders and employees. Any employees affected by the review, the number of whom is expected to be non-material, will be treated in a manner consistent with Seplat's high standards, culture and practices.

The Acquisition will affect participants in the Eland Share Plans, further details of which are set out in paragraph 9 of Part 2 (*Explanatory Statement*) of this document.

It is intended that the non-executive Eland Directors will resign as directors of Eland on completion of the Acquisition.

### **5.2 *Eland headquarters***

Eland has offices in Aberdeen, London, Lagos, Abuja and close to the field location in Benin. There is significant overlap of office locations between Eland and Seplat. Following the review period mentioned above, Seplat intends to maximise the integration of both companies by re-locating Eland's staff to Seplat's locations where possible.

The exception is Eland's head office based in Aberdeen where Seplat is not present. Seplat's intention is to determine how best to integrate key staff members of Eland into Seplat and whether the retention of the physical Aberdeen office is critical in achieving this.

### **5.3 *AIM quotation***

Eland also intends to seek the cancellation of the trading of Eland's Shares on AIM from or shortly after completion of the Acquisition. As a result, Eland's "plc"-related functions will no longer be required and following completion of the review referred to above, some central corporate and support functions of Eland will see a reduction or change in scope, although it is expected that the impact on overall headcount from this would be limited.

### **5.4 *Re-deployment of fixed assets***

Seplat does not intend, as a consequence of the Acquisition, to make any material changes to the deployment of Eland's fixed assets. Eland has no research and development function.

## **6. Eland Share Plans**

Appropriate proposals will be made to the holders of options under the Eland Share Option Schemes. Details on the impact of the Scheme on the Eland Share Plans are set out in paragraph 9 of Part 2 (*Explanatory Statement*) of this document.

## **7. Irrevocable undertakings**

The Eland Directors who are interested in Eland Shares have irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and the Special Resolution at the General Meeting in respect of those Eland Shares in respect of which they are able to control the exercise of voting rights, amounting in aggregate to 609,657 Eland Shares and representing approximately 0.28 per cent. of the issued share capital of Eland.

Seplat had, at the date of the Rule 2.7 Announcement, also received irrevocable undertakings from Helios, LOAME and Richard I Griffiths to vote, or procure the voting, to approve the Scheme at the Court Meeting and vote, or procure the voting, in favour of the Special Resolution at the General Meeting in respect of a total of 129,118,048 Eland Shares, representing approximately 59.89 per cent. of the existing issued ordinary share capital of Eland.

Seplat further announced that LOAME had notified them on 15 October 2019, in accordance with the provisions of the LOAME Irrevocable, that LOAME converted its position in 1,610,913 Eland Shares through contracts for difference. Accordingly the number of Eland Shares in respect of which irrevocable undertakings from Helios, LOAME and Richard I Griffiths are given has increased by 1,610,913 from 129,118,048 to 130,728,961, representing approximately 60.64 per cent of Eland Shares in issue on the day before the Rule 2.7 Announcement, and in aggregate, therefore, irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting have been received in respect of a total of 131,338,618 Eland Shares, representing approximately 60.92 per cent. of the ordinary share capital of Eland in issue at the latest practicable date prior to the posting of this document.

Further details of the above-mentioned irrevocable undertakings are set out in paragraph 5 of Part 6 (*Additional Information*) to this document.

## **8. Offer-related arrangements**

### **8.1 Confidentiality Agreement**

On 24 April 2015, Seplat and Eland entered into a Confidentiality Agreement. Pursuant to the Confidentiality Agreement, Seplat and Eland has each undertaken to keep confidential any information relating to Seplat, Eland, any joint venture opportunities between the two companies and the Acquisition, and not disclose such to third parties. Unless terminated earlier by mutual agreement, the Confidentiality Agreement will terminate on 23 April 2021. Seplat's and Eland's confidentiality undertakings under the Confidentiality Agreement will remain in force until three years after the date of termination. The Confidentiality Agreement further includes customary standstill obligations on Seplat from the period commencing on 12 September 2019 and ending on 11 September 2020. The Confidentiality Agreement is governed by and construed in accordance with the laws of England.

### **8.2 Cooperation Agreement**

On 15 October 2019, Seplat and Eland entered into a Cooperation Agreement, pursuant to which, Seplat will use reasonable endeavours to: (i) implement the Acquisition; (ii) make the notifications or filings described in the Cooperation Agreement to satisfy the Conditions referred to in paragraph 1.2(a) and 1.2(b) of Part 3 (*Conditions relating to the implementation of the Scheme and the Acquisition*) to this document as promptly as practicable; (iii) provide Eland with advance drafts of all notifications or filings and to take into account any reasonable comments made by Eland; (iv) notify Eland of, and provide copies of, any material communications with a relevant regulatory authority in connection with the satisfaction of the Conditions referred to in paragraph 1.2(a) and 1.2(b) of Part 3 (*Conditions relating to the implementation of the Scheme and the Acquisition*) to this document; and (v) promptly pay all filing fees, costs, charges and expenses arising in connection with and incidental to the Conditions referred to in paragraph 1.2(a) and 1.2(b) of Part 3 (*Conditions relating to the implementation of the Scheme and the Acquisition*) to this document.

Eland undertakes to Seplat, subject to Seplat's compliance with its obligations under the Cooperation Agreement, to make all such notifications to satisfy the Conditions referred to in paragraph 1.2(a) and 1.2(b) of Part 3 (*Conditions relating to the implementation of the Scheme and the Acquisition*) to this

document. Seplat agrees to promptly provide relevant information about itself and reasonable assistance for the preparation of this document.

Eland and Seplat agree that the principal terms of the Acquisition shall be as set out in this document and shall proceed by way of the Scheme. However, Seplat may elect at any time (subject to the consent of the Takeover Panel) to implement the Acquisition by way of a Takeover Offer on the same terms as those set out in the Rule 2.7 Announcement.

Seplat confirms it is unaware at the time of entering into the Cooperation Agreement of the existence of any circumstances which would entitle Seplat to invoke any Conditions, and undertakes to confirm to Eland prior to the Court Hearing either that all Conditions have been satisfied or that it intends to invoke one or more of the Conditions.

Seplat and Eland agree to contact participants of Eland Share Option Schemes at or around the time of posting of this document with Seplat's proposals.

The Cooperation Agreement will terminate: (i) if agreed in writing; (ii) if the Effective Date has not occurred by the Long Stop Date; (iii) upon the occurrence of the Effective Date; (iv) if the Scheme is not approved by the requisite majority of Eland Shareholders at the Court Meeting or the Resolution is not passed by the requisite majority at the General Meeting and Seplat has not elected, within ten Business Days of the date of the relevant meeting, to implement the Acquisition by means of a Takeover Offer; (v) if the Scheme is not sanctioned at the Court Hearing and Seplat has not elected, within ten Business Days of the date of the relevant hearing, to implement the Acquisition by means of a Takeover Offer; (vi) save where Seplat has effected a Switch, if the Eland Board: (A) does not include the Eland Board Recommendation in this document; (B) withdraws, adversely qualifies or adversely modifies the Eland Board Recommendation prior to the Court Hearing or General Meeting; or (C) prior to the publication of this document, withdraws, adversely qualifies or adversely modifies its intention to give the Eland Board Recommendation in any such statement or announces that it intends not to post this document or convene the Court Meeting or the General Meeting; (vii) following a Switch which has been made with Eland's prior written consent, if the Eland Board: (A) does not include the Eland Board Recommendation in the Offer Document; (B) withdraws, adversely qualifies or adversely modifies the Eland Board Recommendation prior to the date on which the Takeover Offer is declared unconditional as to acceptances; or (C) prior to the publication of the Offer Document, withdraws, adversely qualifies or adversely modifies its intention to give the Eland Board Recommendation in any such document; (viii) upon notice prior to the Long Stop Date by Seplat to Eland that any Condition is incapable of satisfaction and will not be waived in circumstances where the invocation of the relevant Condition has been permitted by the Takeover Panel; (ix) upon notice prior to the Long Stop Date by either party if a competing proposal is recommended by the Eland Board; (x) if a competing proposal completes, becomes effective or is declared or becomes unconditional in all respects; (xi) on written notice by Eland to Seplat where Seplat effects a Switch without Eland's prior consent; or (xii) if, with the permission of the Takeover Panel, the Scheme lapses or is withdrawn prior to the Long Stop Date (other than in connection with a Switch or a different offer on equal or improved terms).

The Cooperation Agreement is governed by and construed in accordance with the laws of England.

## **9. UK taxation**

Your attention is drawn to Part 5 (*United Kingdom Taxation*) of this document. If you are in any doubt as to your tax position, or if you are subject to taxation in any jurisdiction other than the UK, you should consult your independent professional adviser immediately.

## **10. Overseas shareholders**

Overseas Shareholders should refer to paragraph 14 of Part 2 (*Explanatory Statement*) of this document in respect of the implications of the Scheme and the Acquisition on their holdings of Eland Shares.

## **11. Meetings and action to be taken**

Details of the Court Meeting and the General Meeting to be held and the action to be taken in respect of the Scheme are set out in paragraph 11.2 of Part 2 (*Explanatory Statement*) and pages 8 and 9 *Actions to be Taken* of this document.

**It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholder opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy for both the Court Meeting and the General Meeting as soon as possible.**

Notices convening the Court Meeting and the General Meeting are set out in Parts 9 (*Notice of Court Meeting*) and 10 (*Notice of General Meeting*) of this document.

## **12. Scheme becoming effective**

If the Scheme becomes effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and if they attended whether or not they voted in favour), and share certificates in respect of Eland Shares will cease to be valid and of value. Cheques in respect of the cash consideration will be despatched by the Registrar on behalf of Seplat to Scheme Shareholders (or the cash consideration will be settled through CREST, as the case may be) within 14 days of the Effective Date.

The last day of dealings in, and for registration of transfers of, Eland Shares is expected to be 16 December 2019. At close of business on 16 December 2019 the Eland Shares will be suspended from trading on AIM and no transfer will be registered after such time.

Prior to the Effective Date, applications will be made by Eland to the London Stock Exchange for Eland Shares to cease to be admitted to trading on AIM. It is expected that the cancellation and cessation will take place at 7.00 a.m. on the Effective Date.

## **13. Further information**

Your attention is drawn to the letter from Evercore set out in Part 2 (*Explanatory Statement*) of this document (being the Explanatory Statement pursuant to section 897 of the Companies Act 2006). The terms of the Scheme are set out in full in Part 7 (*The Scheme of Arrangement*) of this document.

## **14. Recommendation**

**The Eland Directors, who have been so advised by Evercore as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing its advice, Evercore has taken into account the commercial assessments of the Eland Directors. Evercore is providing independent financial advice to the Eland Directors for the purpose of Rule 3 of the Takeover Code.**

**Accordingly, the Eland Directors unanimously recommend that Eland Shareholders vote in favour of: (i) the Scheme at the Court Meeting; and (ii) the Special Resolution at the General Meeting, in each case as the Eland Directors who are interested in Eland Shares have irrevocably undertaken to do in respect of those Eland Shares in respect of which they are able to control the exercise of voting rights, amounting in aggregate to 609,657 Eland Shares and representing approximately 0.28 per cent. of the issued share capital of Eland as at 24 October 2019 (being the last practicable date prior to publication of this document).**

Yours faithfully

**Russell Harvey**  
*Chairman of Eland Oil & Gas PLC*

## PART 2

### EXPLANATORY STATEMENT

(in compliance with Part 26 of the Companies Act 2006)

# EVERCORE

(registered in England and Wales under no. OC357957)

Evercore Partners International LLP  
15 Stanhope Gate,  
London, W1K 1LN

28 October 2019

**To: Eland Shareholders and for information only to participants in Eland Share Plans**

**RECOMMENDED CASH ACQUISITION OF ELAND OIL & GAS PLC  
BY SEPLAT PETROLEUM DEVELOPMENT COMPANY PLC**

Dear Eland Shareholder

#### 1. Introduction

On 15 October 2019, the boards of Eland and Seplat announced that they had reached agreement on the terms of a recommended cash acquisition by Seplat of the entire issued and to be issued ordinary share capital of Eland. The Acquisition is to be implemented by means of a scheme of arrangement under Part 26 of the Companies Act 2006 which requires the approval of Scheme Shareholders and the sanction of the Court.

This Part 2 (*Explanatory Statement*) sets out the terms of the Acquisition and provides you with other relevant information.

**Your attention is drawn to the letter from Russell Harvey, the Chairman of Eland, set out in Part 1 (*Letter from the Chairman of Eland*) of this document, which forms part of this explanatory statement. That letter contains the unanimous recommendation of the Eland Directors to vote in favour of the resolutions to approve and implement the Scheme to be proposed at the Meetings.**

The terms of the Scheme are set out in full in Part 7 (*The Scheme of Arrangement*) of this document. Your attention is also drawn to the information contained in the other parts of this document, which all form part of this Explanatory Statement.

#### 2. Summary of the terms of the Acquisition

Under the terms of the Acquisition, which is subject to the conditions set out in Part 3 (*Conditions relating to the implementation of the Scheme and the Acquisition*) of this document, it is proposed that Scheme Shareholders on the register of members at the Scheme Record Time will receive:

**for every Eland Share 166 pence in cash**

The terms of the Acquisition value the entire existing issued and to be issued share capital of Eland at approximately £382 million on a fully diluted basis and represents:

- a premium of approximately 28.5 per cent. to the Closing Price per Eland Share of 129.2 pence on 14 October 2019 (being the latest practicable date prior to the Rule 2.7 Announcement);

- a premium of approximately 32.6 per cent. to the three-month volume weighted average price per Eland Share as of 14 October 2019 of 125.2 pence; and
- a premium of approximately 32.7 per cent. to the six-month volume weighted average price per Eland Share as of 14 October 2019 of 125.1 pence.

In addition, Eland Shareholders who were on the register at the close of business on 18 October 2019 are entitled to receive and retain the interim dividend of 1 pence per Eland Share to be paid on 31 October 2019.

The implementation of the Scheme is subject to the Conditions, which are summarised in paragraph 12 of this Part 2 (*Explanatory Statement*) of this document and set out in Part 3 (*Conditions relating to the implementation of the Scheme and the Acquisition*) of this document.

The Scheme requires, amongst other things, the approval of the Scheme Shareholders at the Court Meeting and the sanction of the Court. The Scheme also requires the passing of the Special Resolution to be proposed at the General Meeting.

It is expected that the hearing to sanction the Scheme will be held on 12 December 2019.

If the Scheme becomes effective, it will be binding upon all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and if they attended whether or not they voted in favour), and share certificates in respect of Eland Shares will cease to be valid or of value. Cheques in respect of the cash consideration will be despatched by the Registrars on behalf of Seplat to Scheme Shareholders (or the cash consideration will be settled through CREST, as the case may be) within 14 days of the Effective Date.

### **3. Irrevocable undertakings**

Your attention is drawn to paragraph 7 of Part 1 (*Letter from the Chairman of Eland*) and paragraph 5 of Part 6 (*Additional Information*) of this document for more information in relation to irrevocable undertakings received in respect of the Acquisition.

### **4. Information on Seplat**

Seplat is a leading independent oil and natural gas producer in the Niger Delta area of Nigeria, and a leading supplier of processed natural gas to the domestic market, fully listed on both the Nigerian Stock Exchange and the London Stock Exchange since April 2014.

As a full cycle upstream oil and gas exploration and production company, Seplat's focus is on maximising hydrocarbon production and recovery from existing production and development assets, realising the upside potential within the portfolio through focused appraisal and exploration activities and farm-in into new opportunities in Nigeria (specifically those which offer production, cash flow and reserve replacement potential with a particular focus on the onshore and shallow water offshore areas).

Seplat's existing portfolio comprises of direct interests in five blocks in the Niger Delta area and a revenue interest in an additional block. Since acquiring its first interests in 2010, Seplat has grown oil production through the drilling of new wells and employing advanced and proven technologies. Alongside the oil business, Seplat also prioritises the commercialisation and development of the substantial natural gas reserves identified at Seplat's existing blocks, which is supplied to the domestic market.

For the financial year ended 31 December 2018, Seplat generated revenue of US\$746.1 million, operating profit of US\$309.9 million and profit before tax of US\$263.3 million. On 30 July 2019, Seplat released its unaudited results for the first half of year ended 30 June 2019. Seplat generated consolidated revenue of US\$355.1 million (an increase of 4 per cent. from US\$342.7 million in the prior year), reported a profit before tax of US\$120.4 million (a marginal decrease of 1 per cent. from US\$121.3 million in the prior year) and a cash balance as at 30 June 2019 of US\$433.3 million.

A strong track record of operational delivery, portfolio integration and capital raising has enabled Seplat to balance its organic growth initiatives with complementary acquisitions delivering value for stakeholders.

## **5. Information on Eland**

Eland is an AIM-quoted independent oil and gas company focused on production and development in West Africa, particularly the Niger Delta region of Nigeria.

Through its joint venture company, Elcrest, Eland holds its core asset, a 45 per cent. interest in OML 40 which is in the Northwest Niger Delta approximately 75 kilometres northwest of Warri and which has an area of 498 kilometres. Elcrest completed its acquisition of the 45 per cent. equity stake in OML 40 in September 2012 and has been producing oil from Opuama since 2014. Gbetiokun was discovered in 1987 and further appraised in the early 1990s. Following a field development plan approved in July 2019, Gbetiokun came onstream.

In addition, Eland has a 40 per cent. interest in Ubima, onshore Niger Delta, in the northern part of Rivers State and which covers an area of 65 square kilometres. Ubima was discovered in 1963 but was never developed. Eland acquired the licence in August 2014 and after a period of assessment, commenced appraisal operations in July 2018 with a re-entry and flow test of the discovery well, Ubima-1. Further flow testing from an extended well test is being executed in H2 2019 which will allow the reservoir model to be fine-tuned and the resulting development design to be optimised.

Eland's headquarters are in Aberdeen, with additional offices in London, Lagos, Benin City and Abuja.

OML 40 holds gross 2P Reserves of 82.2MMbbls, gross 2C Resources of 50.7MMbbls and a best estimate of 252.1MMbbls of gross un-risked prospective resources.

Ubima holds gross 2P Reserves of 9.3MMbbls of oil and gross 2C Resources estimates of 4.2MMbbls.

Net production figures relate to Elcrest, Eland's joint venture company. Production rates, when oil is exported via the Forcados oil terminal in Nigeria, are as measured at the Opuama PD Meter and are subject to reconciliation and will differ from sales volumes.

## **6. Current trading and prospects**

Eland published its interim results for the six months ended 30 June 2019 on 11 September 2019, which are incorporated by reference into this document.

As at 30 June 2019, Eland generated revenue of US\$106.0 million, operating cash flow before movements in working capital of US\$59.1 million and operating profit of US\$40.0 million.

## **7. Eland Directors and the effect of the Scheme on their interests**

The Eland Directors have given irrevocable undertakings to Seplat to vote in favour of the resolutions to approve the Scheme to be proposed at the Court Meeting and the General Meeting as set out in paragraph 5 of Part 6 (*Additional Information*) of this document and as described in paragraph 7 of Part 1 (*Letter from the Chairman of Eland*).

Details of the interests of the Eland Directors in Eland Shares are set out in paragraph 4 of Part 6 (*Additional Information*) of this document.

In common with other employees who hold options granted pursuant to the Eland Share Option Schemes, appropriate proposals will be made to the Eland Directors in respect of any options granted to them under the Eland Share Option Schemes. These proposals will reflect the exercise of discretion in October under the Eland 2017 LTIP as regarding the acceleration of vesting of options.

Any Eland Shares held by Eland Directors at the Scheme Record Time will be subject to the Scheme.

Details of the existing service contracts and/or letters of appointment of the Eland Directors are set out in paragraph 7 of Part 6 (*Additional Information*) of this document. Save as set out in this paragraph 7 of this Part 2 (*Explanatory Statement*), no amendments to the service contracts or letters of appointment have been agreed in connection with the Scheme.

In recognition of his contribution to the creation of shareholder value since his appointment as Chairman of Eland, particularly in connection with the Acquisition by Seplat, Eland has entered into an agreement with Russell Harvey on 15 October 2019 under which he will receive a cash bonus of £800,000 in the event that an acquisition of Eland completes by 31 March 2020. This agreement with Russell Harvey has been approved in writing by each of Helios, LOAME and Richard I Griffiths, who as at the date of this document hold in aggregate more than 60 per cent. of the voting rights of Eland and accordingly are deemed to have so consented for the purposes of Rule 21.1(c)(iii) of the Takeover Code.

Except as set out in this paragraph 7 of this Part 2 (*Explanatory Statement*), the effect of the Scheme on the interests of the Eland Directors does not differ from its effect on the like interests of any other person.

## **8. Deferred Shares**

Eland has in issue 155,263,214 Deferred Shares. The Deferred Shares are not listed on any exchange and effectively have no rights, in particular they do not confer on their holders any right to any dividend nor the right to receive notice of, attend, speak or vote at general meetings of Eland. The holders of Deferred Shares are technically entitled, on a distribution of assets on a winding-up or other return of capital, to receive the amount paid up on their Deferred Shares, however, first, £100,000,000 would have to have already been distributed to the holders of the ordinary shares in respect of each ordinary share, rendering this right to receive amounts practically non-existent.

The Deferred Shares will not form part of, and will be unaffected by, the Acquisition and the Scheme. In accordance with Eland's Articles, Eland shall procure the transfer of the Deferred Shares to Seplat on the Scheme becoming Effective.

## **9. Eland Share Plans**

The effect of the Scheme on options and awards under the Eland Share Plans is summarised below.

All Eland Shares issued or transferred on the exercise of options under the Eland Share Option Schemes on or before the Scheme Record Time will be subject to the terms of the Scheme and will constitute Scheme Shares. The Scheme will not extend to Eland Shares issued or transferred, including on the exercise of options, after the Scheme Record Time. However, as described in paragraph 11.5 of this Part 2 (*Explanatory Statement*) of this document, an amendment to the Eland Articles is to be proposed at the General Meeting to the effect that Eland Shares issued (other than to Seplat or its nominees) on the exercise of options after the Scheme Record Time would be automatically transferred to Seplat in consideration for and conditional on the payment by Seplat of an amount in cash equal to the cash consideration per share payable pursuant to the Scheme for each share as if it were a Scheme Share.

Participants in the Eland Share Option Schemes will be contacted regarding the effect of the Acquisition on their rights and appropriate proposals will be made to the participants in due course.

Participants in the Eland SIP will be contacted regarding the effect of the Acquisition on their rights. Any Eland Shares held in the Eland SIP for participants in that plan at the Scheme Record Time will be subject to the terms of the Scheme and will constitute Scheme Shares.

## **10. Financing of the Acquisition**

As required by the Takeover Code, Citi, financial advisor to Seplat, is satisfied that sufficient resources are available to Seplat to satisfy the consideration payable to Scheme Shareholders under the terms of the Scheme. The cash consideration payable under the Acquisition is being wholly funded through a combination of existing cash resources of Seplat and a new loan facility available to Seplat.

Further information on the financing of the Acquisition is set out in paragraph 9 of Part 6 (*Additional Information*) of this document.

## 11. Description of the Scheme and the Meetings

### 11.1 *The Scheme*

The Acquisition is to be effected by a means of a scheme of arrangement between Eland and the Scheme Shareholders under Part 26 of the Companies Act 2006. The terms of the Scheme are set out in full in Part 7 (*The Scheme of Arrangement*) of this document. The procedure involves an application by Eland to the Court to sanction the Scheme. As consideration under the Scheme, Scheme Shareholders will receive cash.

The purpose of the Scheme is to provide for Seplat and/or other members of Seplat's Group to become the owners of the entire issued and to be issued share capital of Eland. This will be achieved by the transfer to Seplat and/or its nominee(s) of the Scheme Shares held by Scheme Shareholders.

Scheme Shareholders who are on the register of members at the Scheme Record Time will receive cash on the basis outlined in paragraph 2 of this Part 2 (*Explanatory Statement*) above.

Implementation of the Scheme requires the approval of a majority in number of the Scheme Shareholders who are present and voting either in person or by proxy at the Court Meeting and who represent 75 per cent. or more in value of all Scheme Shares held by such Scheme Shareholders.

The Scheme also requires the sanction of the Court and the passing of the Special Resolution to be proposed at the General Meeting, as well as satisfaction or waiver of the other Conditions set out in Part 3 (*Conditions relating to the implementation of the Scheme and the Acquisition*) of this document. Upon the Scheme becoming effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attend or vote at the Court Meeting or the General Meeting and, if they vote, whether or not they voted for or against the Scheme or the Special Resolution.

### 11.2 *The Meetings*

Before the Court's approval can be sought to sanction the Scheme, the Scheme will require approval of the Scheme Shareholders at the Court Meeting and the Eland Shareholders at the General Meeting. Notices of the Court Meeting and the General Meeting are set out in Parts 9 (*Notice of Court Meeting*) and 10 (*Notice of General Meeting*) of this document. Eland will announce the results of the voting at the meetings as soon as practicable and in any event by no later than 8.00 a.m. on the Business Day following the date of the meetings.

#### *The Court Meeting*

The Court Meeting, which has been convened for 10.00 a.m. on 20 November 2019, is being held at the direction of the Court to seek the approval of the Scheme Shareholders to the Scheme. All Scheme Shareholders whose names appear on the register of members of Eland at 6.00 p.m. on 18 November 2019, or if the Court Meeting is adjourned, on the register of members of Eland at 6.00 p.m. on the date two days before the date set for the adjourned meeting, will be entitled to attend and vote at the Court Meeting in respect of the Scheme Shares registered in their name at the relevant time. At the Court Meeting, voting will be by way of poll and each Scheme Shareholder present in person or by proxy will be entitled to one vote for each Scheme Share held. The approval required at the Court Meeting is a majority in number of those Scheme Shareholders present and voting, either in person or by proxy, representing at least 75 per cent. in value of all Scheme Shares held by such Scheme Shareholders.

Scheme Shareholders have the right to raise any objections they may have to the Scheme at the Court Meeting.

**It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholder opinion.**

### *The General Meeting*

The General Meeting has been convened for 10.15 a.m. on 20 November 2019, or as soon thereafter as the Court Meeting has concluded or been adjourned, to consider and, if thought fit, pass the Special Resolution (which requires votes in favour representing at least 75 per cent. of the votes cast) to:

- authorise the Eland Directors to take all such actions as they may consider necessary or appropriate for giving effect to the Scheme; and
- approve certain amendments to the Eland Articles as described in paragraph 11.5 of this Part 2 (*Explanatory Statement*) below and in paragraph (b) of the Special Resolution set out in the notice of General Meeting in Part 10 (*Notice of General Meeting*) of this document.

All Eland Shareholders whose names appear on the register of members of Eland at 6.00 p.m. on 18 November 2019, or if the General Meeting is adjourned, on the register of members of Eland at 6.00 p.m. on the date two days before the date set for the adjourned meeting, will be entitled to attend and vote at the General Meeting in respect of Eland Shares registered in their name at the relevant time.

Voting on the Special Resolution will be on a show of hands unless a poll is demanded. The Chairman reserves the right to demand a poll and, in such event, each Eland Shareholder present in person or by proxy will be entitled to one vote for every Eland Share held. All Eland Shareholders will be entitled to vote on the Special Resolution.

### 11.3 *Sanction of the Scheme by the Court*

Under the Companies Act 2006, the Scheme also requires the sanction of the Court. The Scheme Hearing is expected to be held on 12 December 2019 and Eland will make an announcement stating the decision of the Court as soon as practicable following the Scheme Hearing. Seplat has confirmed that they will be represented by counsel at the Scheme Hearing and will undertake to be bound by, and to take all steps necessary to implement, the Scheme.

Any Eland Shareholder or other person who considers that he or she has an interest in the Scheme (each an “**Interested Party**”) and who is concerned that the Scheme may adversely affect him or her is entitled to be heard by the Court.

If an Interested Party wishes to raise concerns in relation to the Scheme with the Court or appear at the Court Hearing, he or she should seek independent legal advice and lodge written answers to the petition with the Court at Parliament House, Parliament Square, Edinburgh, EH1 1RQ within the period of time specified in the advertisement of the petition (which is expected to be published on or around 26 November 2019) and pay the required fee. Written answers are a formal Court document which must comply with the rules of the Court and are normally prepared by Scottish counsel.

The Court may consider written objections which are not in the form of written answers and/or allow an Interested Party who has not lodged written answers to appear at the Court Hearing. Each Interested Party should note that, although the practice of the Court is to consider informal objections made in person or in writing, the decision to do so is entirely at the discretion of the Court, and that the Court may require an Interested Party to lodge written answers in order to raise objections to the Scheme and/or appear at the Court Hearing.

The Scheme will become effective in accordance with its terms on delivery of an office copy of the Court Order to the Registrar of Companies and an announcement will be made stating that the Scheme has become effective as soon as practicable on the Effective Date.

If the Scheme becomes effective, it will be binding on all Scheme Shareholders irrespective of whether or not they attend or vote at the Court Meeting or the General Meeting and, if they vote, whether or not they voted for or against the Scheme or the Special Resolution. If the Scheme does not become effective by 15 April 2020 (or such later date (if any) as Eland and Seplat may agree and (if required) the Court and the Takeover Panel may allow), the Acquisition will not proceed.

Eland Shareholders are entitled to attend the Court Meeting in person or through counsel, or other suitably qualified persons to support or oppose the sanction of the Scheme.

#### 11.4 *Modifications to the Scheme*

The Scheme contains provisions for Seplat and Eland jointly to consent on behalf of all concerned to any modifications of, or additions to, the Scheme or to any condition which the Court may approve or impose. Any such modification or addition may also require the consent of the Takeover Panel if not made by the date which is 14 days prior to the date of the Court Meeting and Shareholder Meeting.

The Court would be unlikely to approve any modifications of or additions to, or impose a condition to the Scheme which might be materially adverse to the interests of Scheme Shareholders, unless Scheme Shareholders were informed of any such modification, addition or condition. It would be a matter for the Court to decide, in its discretion, whether or not a further meeting should be held in these circumstances.

#### 11.5 *Amendment to Eland Articles*

It is proposed that the Eland Articles be amended to provide that, subject to the Scheme becoming effective, any Eland Shares issued after the Scheme Record Time (other than to Seplat or its nominee(s)) will automatically be transferred to Seplat (or as it may direct) in consideration for and conditional on the payment by Seplat of an amount in cash equal to the cash consideration per share payable pursuant to the Scheme for each share as if it were a Scheme Share.

It is also proposed that the Eland Articles be amended to ensure that any Eland Shares which are issued after the Special Resolution is passed and on or before the Scheme Record Time will be subject to and bound by the Scheme.

These amendments will ensure that no person (other than members of Seplat's Group or its nominees) hold Eland Shares after the Effective Date. Eland will not issue any Eland Shares after the Scheme Record Time until after the Effective Date.

The proposed amendments to the Eland Articles are set out in full in the notice of the General Meeting in Part 10 (*Notice of General Meeting*) of this document.

## 12. **Conditions to the Scheme**

The conditions to the Scheme are set out in full in Part 3 (*Conditions relating to the implementation of the Scheme and the Acquisition*) of this document. The Scheme is conditional, amongst other things, upon:

- approval of the Scheme by a majority in number, representing not less than 75 per cent. in value, of the Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting, or any adjournment of that meeting;
- the Special Resolution being duly passed by the requisite majority at the General Meeting or any adjournment of that meeting;
- the sanction (with or without modification on terms acceptable to Eland and Seplat acting reasonably) of the Scheme by the Court and an office copy of the Court Order being delivered to the Registrar of Companies;
- the Scheme becoming unconditional and effective, subject to the Takeover Code, by not later than the Long Stop Date;
- a joint notification having been made by Seplat and Eland to the Nigerian Department of Petroleum Resources pursuant to the Nigerian Department of Petroleum Resources Guidelines, notifying the Nigerian Minister of Petroleum Resources of the Acquisition and the acquisition of interests by Seplat in Eland, whose subsidiaries and affiliates hold certain interests in hydrocarbon-related assets. This condition was deemed satisfied on 23 October 2019;

- a joint notification having been made by Seplat and Eland to the Nigerian Federal Competition and Consumer Protection Commission pursuant to the Nigerian Federal Competition and Consumer Protection Act, notifying the Nigerian Federal Competition and Consumer Protection Commission of the Acquisition and the indirect transfer of the business of Elcrest to Seplat; and
- the other conditions set out in Part 3 (*Conditions relating to the implementation of the Scheme and the Acquisition*) of this document which are not summarised above.

If any of the Conditions are not capable of being satisfied by the date specified in the relevant Condition (if any), Seplat will make an announcement as soon as practicable and in any event by no later than 8.00 a.m. on the Business Day following the date so specified.

### **13. United Kingdom taxation**

Your attention is drawn to Part 5 (*United Kingdom Taxation*) of this document.

If you are in any doubt as to your tax position, or if you are subject to taxation in any jurisdiction other than the United Kingdom, you should consult your independent professional adviser immediately.

### **14. Overseas Shareholders**

The implications of the Scheme and the Acquisition for Overseas Shareholders may be affected by the laws of the relevant jurisdiction. Overseas Shareholders should inform themselves about and observe applicable legal requirements. It is the responsibility of each Overseas Shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

The Acquisition relates to the shares of a Scottish company and is proposed to be made by means of a scheme of arrangement under Scots company law. Thus the Scheme is subject to the disclosure requirements, rules and practices applicable in Scotland to schemes of arrangement. A transaction properly effected by means of an approved scheme of arrangement is not subject to the tender offer rules under Regulations 14D and 14E of the US Exchange Act. Financial information included in this document has been prepared in accordance with accounting standards applicable in the United Kingdom that may not be comparable with the financial statements of US companies.

This document does not constitute an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to this document or otherwise in any jurisdiction in which such offer or solicitation is unlawful.

This document has been prepared for the purposes of complying with the laws of Scotland, the AIM Rules, the rules of the London Stock Exchange, the Takeover Code and the information disclosed in this document may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of any other jurisdiction.

**Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme in their particular circumstances.**

### **15. Suspension and trading cancellation of Eland shares and re-registration of Eland**

The last day of dealings in, and for registration of transfers of, Eland Shares is expected to be 16 December 2019. At close of business on 16 December 2019 the Eland Shares will be suspended from trading on AIM and no transfer of Eland Shares will be registered after 6.00 p.m. on that date.

It is intended that applications will be made by Eland to the London Stock Exchange to cancel the admission to trading of Eland Shares on AIM. It is expected that the cancellation and cessation will take place at 7.00 a.m. on the Effective Date.

Following the Scheme becoming effective and the Eland Shares having been cancelled from trading on AIM, Seplat will seek to procure the re-registration of Eland as a private limited company.

## **16. Settlement**

Subject to the Scheme becoming effective, settlement of the cash consideration to which Scheme Shareholders are entitled under the Scheme will be effected within 14 days of the Effective Date in the manner set out below.

Except with the consent of the Takeover Panel, settlement of consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme, free of any lien, right of set off, counterclaim or other analogous right to which Seplat may otherwise be, or claim to be, entitled against such shareholder.

All documents and remittances sent to or from Scheme Shareholders pursuant to the Scheme will be sent at their own risk.

### **16.1 *Scheme Shares held in uncertificated form (that is, in CREST)***

Where, at the Scheme Record Time, a Scheme Shareholder holds Scheme Shares in uncertificated form, the cash consideration to which such Scheme Shareholder is entitled will be transferred to such person through CREST by Seplat procuring the creation of an assured payment obligation in favour of the appropriate CREST account through which the relevant Scheme Shareholder holds such uncertificated shares in respect of the cash consideration due to him.

As from the Effective Date, each holding of Scheme Shares credited to any stock account in CREST will be disabled and all Scheme Shares will be removed from CREST in due course.

Seplat reserves the right to pay all or part of the cash consideration referred to above to all or any Scheme Shareholder(s) who hold Scheme Shares in uncertificated form at the Scheme Record Time in the manner referred to in paragraph 16.2 of this Part 2 (*Explanatory Statement*) below if, for any reason, it wishes to do so.

### **16.2 *Scheme Shares held in certificated form***

Where, at the Scheme Record Time, a Scheme Shareholder holds Scheme Shares in certificated form, settlement of cash consideration due under the Scheme in respect of the Scheme Shares will be dispatched by:

- first class post (or international standard (formerly airmail), if overseas), by cheque drawn on a branch of a UK clearing bank; or
- such other method as may be approved by the Takeover Panel.

All such cash payments shall be made in pounds sterling. Payments made by cheque shall be payable to the Scheme Shareholder concerned or, in the case of joint holders, to the holder whose name stands first in the register of members of Eland in respect of the joint holding concerned. Cheques shall be dispatched as soon as practicable after the Effective Date any in any event within 14 days after the Effective Date.

## **17. Alternative means of implementing the Acquisition**

Seplat reserves the right (subject to the Takeover Panel's consent) to elect to implement the Acquisition by way of a Takeover Offer for the entire issued and to be issued share capital of Eland not already held by Seplat as an alternative to the Scheme. In such an event a Takeover Offer will be implemented on the same terms, so far as applicable, as those which would apply to the Scheme and subject to the appropriate amendments referred to in Part 3 (*Conditions relating to the implementation of the Scheme and the Acquisition*) of this document.

If the Acquisition is effected by way of a Takeover Offer and such Takeover Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Seplat intends to: (i) request that the London Stock Exchange cancel the admission to trading of the Eland Shares on AIM; and (ii) exercise its rights to apply the provisions of Part 28 of the Companies Act 2006 to acquire compulsorily any outstanding Eland Shares to which such Takeover Offer relates.

**18. Return of documents of title**

If the Scheme is withdrawn or lapses, documents of title submitted and other documents lodged with a Form of Proxy will be returned to the relevant Scheme Shareholder as soon as practicable and in any event within 14 days of such lapse or withdrawal.

**19. Action to be taken**

Your attention is drawn to page 8 of this document which explains the actions you should take in relation to the Scheme.

**20. Further information**

The terms of the Scheme are set out in full in Part 7 (*The Scheme of Arrangement*) of this document. Your attention is also drawn to the further information contained in this document and, in particular, to the Conditions to the implementation of the Acquisition in Part 3 (*Conditions relating to the implementation of the Scheme and the Acquisition*), the financial information contained in Part 4 (*Financial Information*), the information on UK taxation in Part 5 (*United Kingdom Taxation*) and the additional information set out in Part 6 (*Additional Information*) of this document.

Yours faithfully

**Evercore Partners International LLP**

## PART 3

### CONDITIONS RELATING TO THE IMPLEMENTATION OF THE SCHEME AND THE ACQUISITION

The Acquisition is conditional upon the Scheme becoming unconditional and becoming effective, subject to the Takeover Code, on or before Long Stop Date or such later date (if any) as Eland and Seplat may agree and (if required) the Takeover Panel and the Court may approve.

#### 1. Conditions of the Scheme

The Scheme is subject to:

##### 1.1 *Scheme Approval*

- (a) (i) approval of the Scheme at the Court Meeting by a majority in number of the Scheme Shareholders on the register of members of Eland at the Voting Record Time, present and voting, whether in person or by proxy, representing 75 per cent. in value of the Scheme Shares held by those Scheme Shareholders (or the relevant class or classes thereof, if applicable); and (ii) such Court Meeting being held on or before the 22nd day after the expected date of the Court Meeting to be set out in this document in due course or such later date (if any) as Seplat and Eland may agree and the Court may approve, subject to the Takeover Code and, if required, the consent of the Takeover Panel;
- (b) (i) the Special Resolution set out in the notice of the General Meeting being duly passed by the requisite majority (or majorities, if applicable) at the General Meeting; and (ii) the General Meeting being held on or before the 22nd day after the expected date of the General Meeting to be set out in this document in due course or such later date (if any) as Seplat and Eland may agree and the Court may approve, subject to the Takeover Code and, if required, the consent of the Takeover Panel; and
- (c) (i) the sanction of the Scheme by the Court (without modification or with modification on terms acceptable to Seplat and Eland); (ii) the Court Hearing being held on or before the 22nd day after the expected date of the Court Hearing to be set out in this document in due course or such later date (if any) as Seplat and Eland may agree and the Court may approve; and (iii) the delivery of a copy of the Scheme Court Order to the Registrar of Companies.

In addition, subject as stated in paragraph 2 of this Part 3 (*Conditions relating to the implementation of the Scheme and the Acquisition*) and to the requirements of the Takeover Panel, the Acquisition is conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless the following Conditions have been satisfied (where capable of satisfaction) and continue to be satisfied pending the commencement of the Court Hearing or, where relevant, waived prior to the Scheme being sanctioned by the Court:

##### 1.2 *Regulatory approvals and clearances*

- (a) a joint notification having been made by Seplat and Eland to the Nigerian Department of Petroleum Resources pursuant to the Nigerian Department of Petroleum Resources Guidelines, notifying the Nigerian Minister of Petroleum Resources of the Acquisition and the acquisition of interests by Seplat in Eland, whose subsidiaries and affiliates hold certain interests in hydrocarbon-related assets;
- (b) a joint notification having been made by Seplat and Eland to the Nigerian Federal Competition and Consumer Protection Commission pursuant to the Nigerian Federal Competition and Consumer Protection Act, notifying the Nigerian Federal Competition and Consumer Protection Commission of the Acquisition and the indirect transfer of the business of Elcrest to Seplat;

- (c) excluding the Third Parties referred to in paragraphs 1.2(a) and 1.2(b) of this Part 3 (*Conditions relating to the implementation of the Scheme and the Acquisition*) above, no Third Party having decided or given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything, or having enacted or made any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to (in any case to an extent or in a manner which is material in the context of the Acquisition, the Wider Eland Group, or the Wider Seplat Group, as the case may be):
- (i) require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider Seplat Group or by any member of the Wider Eland Group of all or any material part of their respective businesses, assets, property or any shares or other securities (or the equivalent) in any member of the Wider Eland Group or any member of the Wider Seplat Group or impose any material limitation on the ability of all or any of them to conduct their respective businesses (or any part thereof) or to own, control or manage any of their respective assets or properties (or any part thereof);
  - (ii) except pursuant to Chapter 3 of Part 28 of the Companies Act 2006 in the event that Seplat elects to implement the Acquisition by way of a Takeover Offer, require any member of the Wider Seplat Group or the Wider Eland Group to acquire or offer to acquire shares, other securities (or the equivalent) or interest in any member of the Wider Eland Group or any asset owned by any Third Party (other than in connection with the implementation of the Acquisition), in a manner which is material in the context of the Wider Seplat Group;
  - (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Seplat Group, directly or indirectly, to acquire, hold or exercise effectively all or any rights of ownership in respect of shares or other securities in Eland or on the ability of any member of the Wider Eland Group or any member of the Wider Seplat Group, directly or indirectly, to hold or exercise effectively all or any rights of ownership in respect of shares or any other securities (or the equivalent) in, or to exercise voting or management control over, any other member of the Wider Eland Group or any member of the Wider Seplat Group;
  - (iv) result in any member of the Wider Eland Group, or Wider Seplat Group ceasing to be able to carry on business under any names under which it currently carries on business;
  - (v) make the Acquisition, its implementation or the acquisition of any shares or other securities in, or control or management of, Eland by any member of the Wider Seplat Group void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise, directly or indirectly materially prevent or prohibit, restrict, restrain or delay or otherwise to a material extent interfere with the implementation of, or impose material additional conditions or obligations with respect to, or otherwise materially challenge, impede, interfere or require amendment to the terms of the Acquisition or the acquisition of any shares or other securities in, or control or management of, Eland by any member of the Wider Seplat Group;
  - (vi) impose any material limitation on, or result in any material delay in, the ability of any member of the Wider Seplat Group or any member of the Wider Eland Group to conduct, integrate or coordinate all or any part of its business with all or any part of the business of any other member of the Wider Seplat Group and/or the Wider Eland Group;  
or

- (vii) otherwise materially adversely affect all or any of the business, assets, liabilities, profits, financial or trading position or prospects of the Wider Eland Group taken as a whole,

and all applicable waiting and other time periods (including any extensions thereof) during which any Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any relevant jurisdiction in respect of the Acquisition or the acquisition of any Eland Shares having expired, lapsed or been terminated;

### 1.3 ***Other regulatory approvals***

each Third Party (other than the Third Parties referred to in paragraphs 1.2(a) and 1.2(b) of this Part 3 (*Conditions relating to the implementation of the Scheme and the Acquisition*) above), which regulates any member of the Wider Eland Group and whose prior approval, consent or non-objection to any change in control, or acquisition of (or increase in) control in respect of that or any other member of the Wider Eland Group is required under applicable law or regulation, or any Third Party, whose prior approval, consent or non-objection of the Acquisition is otherwise required under applicable law or regulation, or whose permissions are required under applicable law or regulation in order to complete the Acquisition, having given its required approval, non-objection or legitimate deemed consent or consent in writing thereto and, as the case may be, having granted such permissions as required and in each case where the absence of the same would materially adversely affect the Wider Eland Group, taken as a whole and all such approvals, consents, non-objections or permissions are in full force and effect and there being no notice of any intention to revoke, suspend, restrict, modify or not to renew any of the same;

### 1.4 ***Certain matters arising as a result of any arrangement, agreement etc.***

except as Disclosed, (and other than in relation to actions taken by the Third Parties referred to in paragraphs 1.2(a) and 1.2(b) of this Part 3 (*Conditions relating to the implementation of the Scheme and the Acquisition*) above) there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider Eland Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or subject which, as a consequence of the Acquisition or the proposed acquisition by any member of the Wider Seplat Group of any shares or other securities in Eland or because of a change in the control or management of any member of the Wider Eland Group or otherwise, would or might reasonably be expected to result in (in each case to an extent which is material in the context of the Wider Eland Group taken as a whole or in the context of the Acquisition):

- (a) any monies borrowed by or any other indebtedness or liabilities, actual or contingent, of, or any grant available to, any member of the Wider Eland Group being or becoming repayable or being capable of being declared repayable immediately or prior to their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur indebtedness being withdrawn or inhibited or becoming capable of being withdrawn or inhibited;
- (b) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Eland Group or any such mortgage, charge or security interest (whenever arising or having arisen) becoming enforceable otherwise than in the ordinary course of business;
- (c) any such arrangement, agreement, licence, permit, franchise or instrument, or the rights, liabilities, obligations or interests of any member of the Wider Eland Group thereunder, being, or becoming capable of being, terminated or adversely modified or affected or any adverse action being taken;

- (d) any material asset or interest of any member of the Wider Eland Group being or falling to be disposed of or charged or ceasing to be available to any member of the Wider Eland Group or any material right arising under which any such asset or interest could be required to be disposed of or could cease to be available to any member of the Wider Eland Group otherwise than, in each case, in the ordinary course of business;
- (e) any member of the Wider Eland Group ceasing to be able to carry on business under any name under which it presently does so;
- (f) the creation of any liability (actual or contingent) by any member of the Wider Eland Group other than trade creditors or other liabilities incurred in the ordinary course of business;
- (g) the interests or business of any member of the Wider Eland Group in or with any other person, firm, company or body, or any agreements or arrangements relating to any such interests or business, being terminated or adversely modified or affected; or
- (h) the financial or trading position or the value of the Wider Eland Group taken as a whole being prejudiced or adversely affected,

and no event having occurred which, under any provision of any such arrangement, agreement, licence, permit or other instrument, would, as a consequence of the Scheme or the Acquisition, result in any of the events or circumstances which are referred to in paragraphs (a) to (h) of this Condition 1.4, in any such case, to an extent which is material in the context of the Wider Eland Group taken as a whole;

#### 1.5 *Certain events occurring since 31 December 2018*

except as Disclosed, no member of the Wider Eland Group having, since 31 December 2018:

- (a) issued or agreed to issue or authorised or announced its intention to authorise or propose the issue, of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold or agreed to transfer or sell or authorised the transfer or sale of Eland Shares out of treasury (except, where relevant, as between Eland and wholly-owned subsidiaries of Eland or between the wholly-owned subsidiaries of Eland and except for the issue or transfer out of treasury of Eland Shares on the exercise of employee share options or grant or vesting of employee share awards in the ordinary course under the Eland Share Plans, including, for the avoidance of doubt, the Eland SIP);
- (b) recommended, declared, paid or made, or proposed to, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly-owned subsidiary of Eland to Eland or any of its wholly-owned subsidiaries;
- (c) other than pursuant to the Acquisition and except for transactions between Eland and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Eland and transactions in the ordinary course of business, implemented, effected, authorised or proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition, disposal, transfer, mortgage, charge or creation of any security interest of or over any asset or shares in any undertaking, or any right, title or interest in any asset which is material in the context of the Wider Eland Group taken as a whole or in the context of the Acquisition;
- (d) except for transactions between Eland and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Eland and except for transactions in the ordinary course of business, disposed of, or transferred, mortgaged or created any security interest over any material asset or any right, title or interest in any material asset or authorised or announced any intention to do so;

- (e) except for transactions between Eland and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Eland issued, authorised or announced an intention to authorise or propose, the issue of or made any change in or to the terms of any debentures or become subject to any contingent liability (other than as incurred in the ordinary course of business) or incurred or increased any indebtedness which is material in the context of the Wider Eland Group taken as a whole or in the context of the Acquisition;
- (f) except in the ordinary course of business, entered into or varied or authorised or announced its intention to enter into or vary any contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is material in the context of the Wider Eland Group taken as a whole, which is of a long term, unusual or onerous nature or magnitude or which is or which involves or could involve an obligation of an unusual or onerous nature or magnitude;
- (g) entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary the terms of any contract, service agreement, commitment or arrangement with any director or senior executive of any member of the Wider Eland Group, otherwise than in the ordinary course of business;
- (h) proposed, agreed to provide or modified the terms of the Eland Share Plans, incentive scheme or other benefit relating to the employment or termination of employment of any employee of the Wider Eland Group which is material in the context of the Wider Eland Group taken as a whole, other than in the ordinary course of business;
- (i) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or made any other change to any part of its share capital (except, in each case, where relevant, by a wholly-owned subsidiary of Eland);
- (j) waived, compromised or settled any claim, other than in the ordinary course of business which is material in the context of the Wider Eland Group as a whole or in the context of the Acquisition;
- (k) terminated or varied the terms of any agreement or arrangement between any member of the Wider Eland Group and any other person in a manner which would or might reasonably be expected to have a material adverse effect on the financial position of the Wider Eland Group taken as a whole;
- (l) save as required in connection with the adoption of the amended articles of association of Eland in connection with the Acquisition, made any material alteration to its memorandum or articles of association;
- (m) except in relation to changes made or agreed as a result of, or arising from changes to legislation, made or agreed or consented to any significant change to the following in a way that is material in the context of the Wider Eland Group taken as a whole or in the context of the Acquisition:
  - (i) the terms of the trust deeds and rules constituting the pension scheme(s) established by any member of the Wider Eland Group for its directors, employees or their dependants;
  - (ii) the contributions payable to any such scheme(s) or to the benefits which accrue, or to the pensions which are payable, thereunder;
  - (iii) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
  - (iv) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued, made, agreed or consented to,
 to an extent which is in any such case material in the context of the Wider Eland Group taken as a whole;

- (n) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business which is material in the context of the Wider Eland Group taken as a whole or in the context of the Acquisition;
- (o) (other than in respect of a member of the Wider Eland Group which is dormant and was solvent at the relevant time) taken any steps, corporate action or had any legal proceedings instituted or threatened in writing against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of a receiver, administrator, manager, administrative receiver, trustee or similar officer of all or any material part of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed, which is in any such case material in the context of the Wider Eland Group taken as a whole or in the context of the Acquisition;
- (p) (except for transactions between Eland and its wholly-owned subsidiaries or between Eland's wholly-owned subsidiaries) made, authorised or announced any change in its loan capital;
- (q) entered into, implemented or authorised the entry into, any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities, which in any such case is material in the context of the Wider Eland Group as a whole or in the context of the Acquisition; or
- (r) entered into any agreement, arrangement, commitment or contract or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition 1.5;

1.6 ***No adverse change, litigation or regulatory enquiry***

except as Disclosed and/or other than as a result of the Acquisition, since 31 December 2018 there having been:

- (a) no adverse change and no circumstance having arisen which would reasonably be expected to result in any adverse change in, the business, assets, financial or trading position or profits, operational performance or prospects of any member of the Wider Eland Group which in any such case is material in the context of the Wider Eland Group taken as a whole;
- (b) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Eland Group is or may become a party (whether as a claimant, defendant or otherwise) having been threatened in writing, announced or instituted by or against or remaining outstanding against or in respect of, any member of the Wider Eland Group, in each case which would reasonably be expected to have a material adverse effect on the Wider Eland Group taken as a whole;
- (c) no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Eland Group (or any person in respect of which any such member has or may have responsibility or liability) having been threatened in writing, announced, implemented or instituted or remaining outstanding by, against or in respect of any member of the Wider Eland Group, in each case, which would reasonably be expected to have a material adverse effect on the Wider Eland Group taken as a whole;
- (d) no contingent or other liability having arisen or increased other than in the ordinary course of business which is reasonably likely to affect adversely the business, assets, financial or trading position or profits of any member of the Wider Eland Group to an extent which is material in the context of the Wider Eland Group taken as a whole; and

- (e) no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Eland Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which would reasonably be expected to have a material adverse effect on the Wider Eland Group taken as a whole;

1.7 ***No discovery of certain matters***

save as Disclosed, Seplat not having discovered that:

- (a) any financial, business or other information concerning the Wider Eland Group announced publicly and delivered by or on behalf of Eland through a Regulatory Information Service prior to the date of the Rule 2.7 Announcement or disclosed to any member of the Wider Seplat Group by or on behalf of any member of the Wider Eland Group prior to the date of the Rule 2.7 Announcement is misleading, contains a misrepresentation of any fact, or omits to state a fact necessary to make that information not misleading, in any such case which is material in the context of the Wider Eland Group taken as a whole;
- (b) any member of the Wider Eland Group is subject to any liability, contingent or otherwise, arising other than in the ordinary course of business and which is material in the context of the Wider Eland Group taken as a whole;
- (c) any information which affects the import of any information disclosed at any time by or on behalf of any member of the Wider Eland Group in each case which is material in the context of the Wider Eland Group taken as a whole;
- (d) no circumstance having arisen or event having occurred in relation to any intellectual property owned, used or licensed by the Wider Eland Group, including: (i) any member of the Wider Eland Group losing its title to any intellectual property or any intellectual property owned by the Wider Eland Group being revoked, cancelled or declared invalid; (ii) any agreement regarding the use of any intellectual property licensed to or by any member of the Wider Eland Group being terminated or varied; or (iii) any claim being filed suggesting that any member of the Wider Eland Group infringed the intellectual property rights of a third party or any member of the Wider Eland Group being found to have infringed the intellectual property rights of a third party, in each case which is material in the context of the Wider Eland Group taken as a whole;
- (e) any past or present member of the Wider Eland Group has not complied with any applicable legislation or regulations of any jurisdiction with regard to the use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health, or otherwise relating to environmental matters or the health and safety of any person, or that there has otherwise been any such use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission (whether or not this constituted a noncompliance by any person with any legislation or regulations and wherever the same may have taken place) which, in any case, would be likely to give rise to any liability (whether actual or contingent) or cost on the part of any member of the Wider Eland Group which in any case is material in the context of the Wider Eland Group taken as a whole or in the context of the Acquisition; and
- (f) there is, or is likely to be, any liability, whether actual or contingent, to make good, repair, reinstate or clean up any property now or previously owned, occupied or made use of by any past or present member of the Wider Eland Group or any other property or any controlled waters under any environmental legislation, regulation, notice, circular, order or other lawful requirement of any relevant authority or third party or otherwise which in any case is material in the context of the Wider Eland Group taken as a whole or in the context of the Acquisition;

## 1.8 ***Anti-corruption, sanctions and criminal property***

except as Disclosed, Seplat not having discovered that:

- (a) (i) any past or present member, director, officer or employee of the Wider Eland Group is or has at any time during the course of such person's employment with any member of the Wider Eland Group engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other anti-corruption legislation applicable to the Wider Eland Group; or (ii) any person that performs or has performed services for or on behalf of the Wider Eland Group is or has at any time during the course of such person's performance of services for any member of the Wider Eland Group engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, the Nigerian Economic and Financial Crimes Commission (Establishment) Act 2004 or any other applicable anticorruption legislation; or
- (b) any material asset of any member of the Wider Eland Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition); or
- (c) any past or present member, director, officer or employee of the Wider Eland Group, or any person that performs or has performed services for or on behalf of any such company is or has, at any time during the course of such person's employment with, or performance of services for or on behalf of, any member of the Wider Eland Group, engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from:
  - (i) any government, entity or individual in respect of which US or EU persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US or EU laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Revenue & Customs or the laws of the Republic of Nigeria; or
  - (ii) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states or the Republic of Nigeria; or
- (d) a member of the Wider Eland Group has engaged in any transaction which would cause Seplat to be in breach of any law or regulation upon its Acquisition of Eland, including the economic sanctions of the United States Office of Foreign Assets Control, or HM Revenue & Customs, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states or the Republic of Nigeria.

## **2. Certain further terms of the Acquisition**

- (a) The Scheme will not become Effective unless the Conditions have been fulfilled or (if capable of waiver) waived or, where appropriate, have been determined by Seplat to be or remain satisfied by no later than the Long Stop Date (or such later date as Seplat and Eland may, with the consent of the Takeover Panel, agree and (if required) the Court may allow).
- (b) To the extent permitted by law and subject to the requirements of the Takeover Panel, Seplat reserves the right to waive, in whole or in part, all or any of Conditions, except Condition 1.1 of this Part 3 (*Conditions relating to the implementation of the Scheme and the Acquisition*).
- (c) Seplat reserves the right to elect to implement the Acquisition by way of a Takeover Offer, subject to the Takeover Panel's consent. In such event, such offer will (unless otherwise determined by Seplat and subject to the consent of the Takeover Panel) be implemented on the same terms and conditions, so far as applicable, as those which would apply to the Scheme subject to appropriate amendments to reflect the change in method of effecting the Acquisition including (without limitation and subject to the consent of the Takeover Panel) an acceptance condition set at 90 per cent. (or such lesser

percentage, being more than 50 per cent., as Seplat may decide) of the voting rights then exercisable at a general meeting of Eland, including, for this purpose, any such voting rights attaching to Eland Shares that are unconditionally allotted or issued, and to any Treasury Shares which are unconditionally transferred or sold by Eland, before the Takeover Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise.

- (d) Seplat reserves the right (with the consent of the Takeover Panel and subject to the terms of the Cooperation Agreement) for any other entity controlled by Seplat from time to time to implement the Acquisition.
- (e) Under Rule 13.5(a) of the Takeover Code, Seplat may not invoke a Condition to the Acquisition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to Seplat in the context of the Acquisition. Condition 1.1 of this Part 3 (*Conditions relating to the implementation of the Scheme and the Acquisition*) and, if applicable, any acceptance condition if the Acquisition is implemented by means of a Takeover Offer, are not subject to this provision of the Takeover Code.
- (f) In the event the Acquisition is implemented, the Eland Shares under offer will be acquired by Seplat with full title guarantee, fully paid and free from all liens, equitable interests, charges, encumbrances, rights of preemption and any other third party rights and interests whatsoever and together with all rights existing at the date of the Rule 2.7 Announcement or thereafter attaching thereto, including (without limitation) the right to receive and retain, in full, all dividends and other distributions (if any) declared, made or paid or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made on or after the date of the Rule 2.7 Announcement in respect of the Eland Shares.
- (g) Subject to the terms of the Scheme, if, on or after the date of the Rule 2.7 Announcement, any dividend, other than the interim dividend of 1 pence per Eland Share to be paid on 31 October 2019, and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Eland Shares, Seplat reserves the right, to reduce the offer consideration for the Eland Shares by an amount up to the amount of such dividend and/or distribution and/or return of capital in which case: (i) any reference in the Rule 2.7 Announcement or in the document to the offer consideration for the Eland Shares will be deemed to be a reference to the offer consideration as so reduced; and (ii) the relevant eligible Eland Shareholders will be entitled to receive and retain such dividend and/or distribution and/or return of capital. To the extent that any such dividend and/or distribution and/or other return of capital announced, declared or paid is: (x) transferred pursuant to the Acquisition on a basis which entitles Seplat to receive the dividend or distribution or return of capital and to retain it; or (y) cancelled, the offer consideration will not be subject to change in accordance with this paragraph. Any exercise by Seplat of its rights referred to in this paragraph shall be the subject of an announcement and the consent of the Takeover Panel and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition.
- (h) The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction. Any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements. Further information in relation to Overseas Shareholders is set out in paragraph 14 of Part 2 (*Explanatory Statement*).
- (i) Unless otherwise determined by Seplat or required by the Takeover Code and permitted by applicable law and regulations, the Acquisition is not being, and will not be, made, directly or indirectly, in, into or by the use of the mails of, or by any other means or instrumentality (including, but not limited to, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction.

- (j) Each of the Conditions shall be regarded as a separate Condition and not be limited by reference to any other Condition.
- (k) The Scheme is governed by the laws of Scotland and is subject to the jurisdiction of the Court and to the Conditions and further terms set out in this Part 3 (*Conditions relating to the implementation of the Scheme and the Acquisition*). The Scheme is subject to the applicable requirements of the Takeover Code, the Takeover Panel, AIM and the Financial Conduct Authority.

## **PART 4**

### **FINANCIAL INFORMATION**

#### **1. Financial information on the Eland Group**

Eland's audited consolidated accounts for the periods ended 31 December 2017 and 31 December 2018 have been published on the following website: [www.elandoilandgas.com/investors/](http://www.elandoilandgas.com/investors/) and are incorporated into this document by reference.

Eland's interim financial information for the period ended 30 June 2019 has been published on the following website: [www.elandoilandgas.com/investors/](http://www.elandoilandgas.com/investors/) and is incorporated into this document by reference.

Eland will provide without charge to each person to whom a copy of this document has been delivered (upon the written or oral request of such person) a copy of any document incorporated by reference to this document. Requests for copies of any such documents should be directed in writing to Eland's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ or by telephone on 0370 707 1525 or, if calling from outside the United Kingdom, on +44 (0)370 707 1525. Copies of any document or information incorporated by reference into this document will not be provided unless such a request is made.

#### **2. Financial information on the Seplat Group**

Seplat's audited consolidated accounts for the periods ended 31 December 2017 and 31 December 2018 have been published on the following website: [www.seplatpetroleum.com/investors/](http://www.seplatpetroleum.com/investors/) and are incorporated into this document by reference.

Seplat's half-yearly financial report for the period ended 30 June 2019 has been published on the following website: [www.seplatpetroleum.com/investors/](http://www.seplatpetroleum.com/investors/) and is incorporated into this document by reference.

The Acquisition will result in the earnings, assets and liabilities of Eland being consolidated with earnings, assets and liabilities of Seplat.

## PART 5

### UNITED KINGDOM TAXATION

The following paragraphs, which are intended as a general guide only, are based on current UK tax legislation and what is understood to be HMRC practice as at the date of this document as it applies to disposing of the Scheme Shares. They summarise certain limited aspects of the UK taxation treatment of the Scheme, do not constitute tax advice and relate only to the position of Scheme Shareholders who are resident in the United Kingdom for taxation purposes, who hold their Scheme Shares beneficially as an investment (other than under a personal equity plan or an individual savings account) who are the absolute beneficial owners of the Scheme Shares and who have not (and are not deemed to have) acquired their Scheme Shares by virtue of an office or employment. **If you are in any doubt as to your taxation position or if you are subject to taxation in a jurisdiction other than the United Kingdom, you should consult an independent professional financial adviser immediately.**

Special tax provisions may also apply to Scheme Shareholders who have acquired or who acquire their Scheme Shares by exercising options under the Eland Share Option Schemes, including provisions which may impose a charge to income tax (the treatment of which may differ between the different jurisdictions of the United Kingdom) rather than capital gains tax. Such shareholders are advised to seek professional independent financial advice.

#### 1. UK taxation of chargeable gains

Liability to UK taxation of chargeable gains will depend on a Scheme Shareholder's individual circumstances and on the form of consideration received.

##### 1.1 *Cash Consideration*

The transfer of Scheme Shares under the Scheme in return for cash should constitute a disposal (or part disposal) of their Scheme Shares for the purposes of UK taxation of chargeable gains which may, depending on the Scheme Shareholder's individual circumstances (including the availability of exemptions, reliefs and allowable losses), give rise to a liability to UK taxation of chargeable gains or an allowable capital loss.

##### 1.2 *General*

Subject to available reliefs or allowances, gains arising on a disposal of Scheme Shares by an individual Scheme Shareholder will be taxed at the rate of 10 per cent. except to the extent that the gain, when it is added to the Scheme Shareholder's other taxable income and gains in the relevant tax year, exceeds the upper limit of the income tax basic rate band (£50,000 for the tax year ending 5 April 2020), in which case it will be taxed at the rate of 20 per cent.

The capital gains tax annual exemption (£12,000 for the tax year ending 5 April 2020) may be available to an individual Scheme Shareholder to offset against chargeable gains realised on the disposal of the Scheme Shareholder's Shares.

A Scheme Shareholder which is a company will be liable to corporation tax on chargeable gains at the corporation tax rate applicable to the company (subject to any applicable exemptions and reliefs including the substantial shareholding exemption). Indexation allowance may be available to a company to reduce the amount of a chargeable gain on a disposal of Scheme Shares for the period of ownership up to 31 December 2017. However, indexation cannot create or increase an allowable loss for UK capital gains tax purposes. Indexation allowance is not available for the period of ownership from 1 January 2018.

#### 2. Stamp duty and stamp duty reserve tax ("SDRT")

No UK stamp duty or SDRT should be payable by Scheme Shareholders as a result of the transfer of the Scheme Shares under the Scheme.

## PART 6

### ADDITIONAL INFORMATION

#### 1. Responsibility

- 1.1 The Eland Directors, whose names are set out in paragraph 2.1 of this Part 6 (*Additional Information*) below, accept responsibility for the information contained in this document other than information for which Seplat Directors accept responsibility pursuant to paragraph 1.2 of this Part 6 (*Additional Information*) below. To the best of the knowledge and belief of the Eland Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Seplat Directors, whose names are set out in paragraph 2.3 of this Part 6 (*Additional Information*) below, accept responsibility for the information contained in this document relating to Seplat, the Seplat Directors and members of their respective immediate families and persons connected with them (within the meaning in section 252 of the Companies Act 2006). To the best of the knowledge and belief of the Seplat Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Directors of Eland and Seplat

- 2.1 The Eland Directors and their respective positions are as follows:

<i>Name</i>	<i>Position</i>
Russell Harvey	Non-Executive Chairman
George Maxwell	Chief Executive Officer
Ron Bain	Chief Financial Officer
Henry Obi	Non-Executive Director
Henry Turcan	Non-Executive Director
Grégory Stoupnitzky	Non-Executive Director
Brian O’Cathain	Non-Executive Director
Nicholas Gay	Non-Executive Director

- 2.2 The registered office of Eland is 28 Albyn Place, Aberdeen AB10 1YL, United Kingdom.

- 2.3 The Seplat Directors and their respective positions are as follows:

<i>Name</i>	<i>Position</i>
Ambrosie Bryant	
Chukwueloka Orjiako	Non-Executive Chairman
Ojunekwu Augustine Avuru	Chief Executive Officer and Executive Director
Roger Thompson Brown	Chief Financial Officer and Executive Director
Effiong Okon	Executive Director Operations
Michael Richard Alexander	Senior Independent Non-Executive Director
Basil Omiyi	Independent Non-Executive Director
Lord Mark Malloch-Brown	Independent Non-Executive Director
Charles Okeahalam	Independent Non-Executive Director
Ifueko M. Omoigui Okauru	Independent Non-Executive Director
Damian Dinshiya Dodo	Independent Non-Executive Director
Michel Hochard	Non-Executive Director
Nathalie Delapalme	Non-Executive Director

- 2.4 The registered office of Seplat is 16A Temple Road, Ikoyi, Lagos, Nigeria.

### 3. Market quotations

The following table shows the Closing Price of Eland Shares, as derived from Bloomberg on the following dates:

- the first Business Day of each of the six months immediately before the date of this document;
- 14 October 2019, being the last Business Day before the commencement of the Offer Period; and
- 24 October 2019, being the last practicable Business Day prior to the posting of this document.

<i>Date</i>	<i>Price per Eland Share (pence)</i>
1 May 2019	123.8
3 June 2019	127.2
1 July 2019	118.0
1 August 2019	124.8
2 September 2019	123.8
1 October 2019	126.0
14 October 2019	129.2
24 October 2019	163.2

### 4. Disclosure of interests and dealings in shares

#### *Definitions*

4.1 For the purposes of this paragraph 4 of this Part 6 (*Additional Information*) of this document:

- “**acting in concert**” has the meaning attributed to it in the Takeover Code;
- “**connected adviser**” has the meaning attributed to it in the Takeover Code;
- “**control**” means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights attributable to the share capital of the company which are exercisable at a general meeting, irrespective of whether such interest, or interests give *de facto* control;
- “**dealings**” has the meaning attributed to it in the Takeover Code;
- “**derivative**” includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security;
- “**disclosure date**” means 24 October 2019, being the last practicable date prior to the posting of this document;
- “**disclosure period**” means the period commencing on 15 October 2018, being the date twelve months prior to the commencement of the Offer Period, and ending on the disclosure date;
- “**exempt principal trader**” and “**exempt fund manager**” have the meanings attributed to them in the Takeover Code;
- a person being treated as “**interested**” in securities means he or she has long economic exposure, whether absolute or conditional, to changes in the price of those relevant securities (and a person who only has a short position in securities is not treated as interested in those securities) and “**interests**” shall be construed accordingly. In particular a person is treated as “**interested**” in securities if:
  - he or she owns them;
  - he or she has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;

- (iii) by virtue of any agreement to purchase, option or derivative, he or she has the right or option to acquire them or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
  - (iv) he or she is party to any derivative whose value is determined by reference to their price and which results, or may result, in him or her having a long position;
- (j) “**relevant Seplat securities**” include:
- (i) securities of Seplat which carry voting rights;
  - (ii) equity share capital of Seplat; and
  - (iii) securities of Seplat carrying conversion or subscription rights into any of the foregoing;
- (k) “**relevant Eland securities**” include:
- (i) securities of Eland which are being offered for or which carry voting rights;
  - (ii) equity share capital of Eland; and
  - (iii) securities of Eland carrying conversion or subscription rights into any of the foregoing; and
- (l) “**Eland’s Dealing Disclosure Period**” means the period commencing on 15 October 2019, being the first day of the Offer Period and ending on the disclosure date.

***Interests in relevant Eland securities***

- 4.2 As at the close of business on the disclosure date, no interests or rights to subscribe or short positions in relevant Eland securities were held by Seplat.
- 4.3 As at the close of business on the disclosure date, no interests or rights to subscribe or short positions in relevant Eland securities were held by the Seplat Directors or any persons whose interests the Seplat Directors are taken to be interested in pursuant to Part 22 of the Companies Act 2006.
- 4.4 As at the close of business on the disclosure date, the following interests or rights to subscribe or short positions in relevant Eland securities were held by persons acting in concert with Seplat:

<i>Name</i>	<i>Number and type of relevant Eland securities</i>	<i>Nature of interest or rights</i>
Investec Wealth and Investment	15,685	Eland ordinary shares

Other than as disclosed above, as at the close of business on the disclosure date, no interests or rights to subscribe or short positions in relevant Eland securities were held by persons acting in concert with Seplat.

- 4.5 As at the close of business on the disclosure date, no interests or rights to subscribe or short positions in relevant Eland securities were held by any person with whom Seplat, or any person acting in concert with Seplat, has any arrangement of the kind referred to in Note 11 of the definition of acting in concert.
- 4.6 As at the close of business on the disclosure date, no relevant Eland securities were borrowed or lent by Seplat or any person acting in concert with Seplat, other than any borrowed shares which have been either on-lent or sold.

- 4.7 As at the close of business on the disclosure date, the interests of the Eland Directors and any persons whose interests the Eland Directors are taken to be interested in pursuant to Part 22 of the Companies Act 2006 in the issued capital of Eland were as follows:

<i>Name</i>	<i>Number of Eland Shares</i>
Russell Harvey	42,888
George Maxwell	399,869
Ron Bain	17,500
Grégory Stoupnitzky	25,000
Julie Maxwell	104,400
Nicholas Maxwell	15,000
Andrew Maxwell	15,000
Cameron Maxwell	15,000

As at the close of business on the disclosure date, the following outstanding options over Eland Shares were held by the Eland Directors:

<i>Name</i>	<i>Eland Share Option Scheme</i>	<i>Number of Eland Shares under option</i>	<i>Date of grant</i>	<i>Exercise period</i>	<i>Exercise price</i>
Russell Harvey	Eland 2012 NESOP	500,000	05/01/2016	04/01/2019 to 01/01/2026	£0.29
George Maxwell	Eland 2012 SOP	700,815	02/09/2012	02/09/2014 to 02/09/2022	£1.00
George Maxwell	Eland 2012 SOP	500,000	05/01/2016	04/01/2019 to 01/01/2026	£0.29
George Maxwell	Eland 2017 LTIP	2,800,000	17/07/2017	17/07/2020 to 17/07/2027	£0.10
George Maxwell	Eland 2017 LTIP	450,000	25/05/2018	25/05/2021 to 25/05/2028	£0.10
George Maxwell	Eland 2017 LTIP	360,000	01/08/2019	31/07/2022 to 31/07/2029	£0.10
Ron Bain	Eland 2017 LTIP	1,200,000	17/07/2017	17/07/2020 to 17/07/2027	£0.10
Ron Bain	Eland 2017 LTIP	250,000	25/05/2018	25/05/2021 to 25/05/2028	£0.10
Ron Bain	Eland 2017 LTIP	180,000	01/08/2019	31/07/2022 to 30/09/2029	£0.10

Further, Henry Turcan holds 489,368 derivatives of shares in Eland.

Other than as disclosed above, as at the close of business on the disclosure date, no interests or rights to subscribe or short positions in relevant Eland securities were held by the Eland Directors or any persons whose interests the Eland Directors are taken to be interested in pursuant to Part 22 of the Companies Act 2006.

- 4.8 As at the close of business on the disclosure date, the following interests or rights to subscribe or short positions in relevant Eland securities were held by persons acting in concert with Eland:

<i>Name</i>	<i>Number and type of relevant Eland securities</i>	<i>Nature of interest or rights</i>
Helios Natural Resources Ltd	62,669,943	Ordinary shares in Eland

Other than as disclosed above, and as disclosed in paragraphs 4.6 and 4.7 of this Part 6 (*Additional Information*) as at the close of business on the disclosure date, no interests or rights to subscribe or short positions in relevant Eland securities were held by persons acting in concert with Eland.

- 4.9 As at the close of business on the disclosure date, no interests or rights to subscribe or short positions in relevant Eland securities were held by any person with whom Eland, or any person acting in concert with Eland, has any arrangement of the kind referred to in Note 11 of the definition of acting in concert.
- 4.10 As at the close of business on the disclosure date, no relevant Eland securities have been borrowed or lent by Eland or any person acting in concert with Eland, other than any borrowed shares that have been either on-lent or sold.

### ***Dealings in relevant Eland securities***

- 4.11 During the disclosure period, there were no dealings in relevant Eland securities by Seplat.
- 4.12 During the disclosure period, there were no dealings in relevant Eland securities by Seplat Directors or any persons whose interests the Seplat Directors are taken to be interested pursuant to Part 22 of the Companies Act 2006.
- 4.13 During the disclosure period, the following dealings in relevant Eland securities by persons acting in concert with Seplat have taken place:

<i>Name</i>	<i>Date</i>	<i>Nature of Transaction</i>	<i>Number and type of relevant Eland securities</i>	<i>Price per relevant Eland security (pence)</i>
Investec Wealth and Investment	15 October 2019	Sale	10,000	163.90

Other than as disclosed above, during the disclosure period, there were no dealings in any relevant Eland securities by persons acting in concert with Seplat.

- 4.14 During the disclosure period, there were no dealings in relevant Eland securities by persons with whom Seplat, or any person acting in concert with Seplat, has any arrangement of the kind referred to in Note 11 of the definition of acting in concert.
- 4.15 During Eland's Dealing Disclosure Period, there were no dealings in relevant Eland securities by Eland Directors or any persons whose interests the Eland Directors are taken to be interested in pursuant to Part 22 of the Companies Act 2006.
- 4.16 During Eland's Dealing Disclosure Period, there were no dealings in relevant Eland securities by persons acting in concert with Eland.
- 4.17 During Eland's Dealing Disclosure Period, there were no dealings in relevant Eland securities by any person with whom Eland, or any person who is acting in concert with Eland, has any arrangement of the kind referred to in Note 11 of the definition of acting in concert.
- 4.18 During the disclosure period, there were no redemptions or purchases of relevant Eland securities by Eland.

### ***Interests in relevant Seplat securities***

- 4.19 As at the close of business on the disclosure date, no interests or rights to subscribe or short positions in relevant Seplat securities were held by Eland.
- 4.20 As at the close of business on the disclosure date, no interests or rights to subscribe or short positions in relevant Seplat securities were held by the Eland Directors or any persons whose interests the Eland Directors are taken to be interested in pursuant to Part 22 of the Companies Act 2006.

### ***Dealings in relevant Seplat securities***

- 4.21 During Eland's Dealing Disclosure Period, there were no dealings in relevant Seplat securities by Eland.
- 4.22 During Eland's Dealing Disclosure Period, there were no dealings in relevant Seplat securities by Eland Directors.

## 5. Irrevocable undertakings

### 5.1 Irrevocable undertakings by Eland Directors

Each of the Eland Directors has irrevocably undertaken to vote in favour of the resolutions to be proposed at the Court Meeting and the General Meeting in respect of their registered holdings of Eland Shares, and to direct, where possible, or otherwise procure, that the registered holder should vote in favour in relation to their other beneficial shareholdings.

<i>Person providing irrevocable undertaking</i>	<i>Number of Eland Shares committed</i>	<i>Percentage of existing issued ordinary share capital</i>
Russell Harvey	42,888	0.02%
George Maxwell	549,269	0.25%
Ron Bain	17,500	0.01%

Seplat has received irrevocable undertakings from the Eland Directors who are interested in Eland Shares in respect of which they are able to control the exercise of voting rights in respect of Eland Shares representing approximately 0.28 per cent. of the existing issued share capital of Eland:

- (i) to cast (or procure the casting of) all voting rights attaching to such Eland Shares in favour of the Scheme at the Court Meeting and in favour of the Special Resolution at the General Meeting; and
- (ii) if the Acquisition is structured as a Takeover Offer, to accept or procure the acceptance of such Takeover Offer in respect of all such Eland Shares, provided such Takeover Offer is made on terms at least as favourable as the terms of the Scheme.

Further, Seplat has received an irrevocable undertaking from Grégory Stoupnitzky to use reasonable efforts to obtain control of the voting rights of the 25,000 Eland Shares in which he is interested, and, provided such control is obtained, has undertaken to vote as described in (i) and (ii) above.

The irrevocable undertakings from the Eland Directors will only cease to be binding if: (i) Seplat announces with the consent of the Takeover Panel, that it does not intend to make an offer or proceed with the Acquisition; (ii) this document is not sent to the Eland Shareholders by 5:30 p.m. (London time) on the date which is 28 days after the date of the Rule 2.7 Announcement, or such later time or date as Seplat and Eland (with the consent of the Takeover Panel, if required) agree; (iii) the Scheme lapses or is withdrawn; (iv) the Scheme has not become Effective by 5:30 p.m. (London time) on or before the Long Stop Date or such later time or date as Seplat and Eland (with the approval of the Court and/or the consent of the Takeover Panel, if required) agree; or (v) if any other: (A) takeover offer within the meaning of section 974 of the Companies Act 2006 made for the entire ordinary share capital of Eland becomes or is declared wholly unconditional; or (B) scheme of arrangement under section 895 of the Companies Act 2006 in respect of Eland becomes effective in accordance with its terms.

### 5.2 Irrevocable undertakings by Eland Shareholders

<i>Shareholders providing irrevocable undertaking</i>	<i>Number of Eland Shares committed</i>	<i>Percentage of existing issued ordinary share capital</i>
Helios	62,669,943	29.07%
LOAME	55,296,916	25.65%
Richard I Griffiths	12,762,102	5.92%

Seplat has received irrevocable undertakings from Helios, LOAME and Richard I Griffiths in respect of 130,728,961 Eland Shares, in respect of which they are able to exercise discretionary and voting control, representing approximately 60.64 per cent. of the existing issued ordinary share capital of Eland:

- (a) to cast (or procure the casting of) all voting rights attaching to such Eland Shares in favour of the Scheme at the Court Meeting and in favour of the Special Resolution at the General Meeting; and
- (b) if the Acquisition is structured as a Takeover Offer, to accept or procure the acceptance of such Takeover Offer in respect of all such Eland Shares, provided such Takeover Offer is made on terms at least as favourable as the terms of the Scheme.

#### *Helios*

The irrevocable undertaking from Helios will only cease to be binding if: (i) Seplat announces with the consent of the Takeover Panel, that it does not intend to make an offer or proceed with the Acquisition; (ii) this document is not sent to the Eland Shareholders by 5:30 p.m. (London time) on the date which is 28 days after the date of the Rule 2.7 Announcement, or such later time or date as Seplat and Eland (with the consent of the Takeover Panel, if required) agree; (iii) the Scheme lapses or is withdrawn; (iv) the Scheme has not become Effective by 5:30 p.m. (London time) on or before the Long Stop Date or such later time or date as Seplat and Eland (with the approval of the Court and/or the consent of the Takeover Panel, if required) agree; or (v) if any other: (A) takeover offer within the meaning of section 974 of the Companies Act 2006 made for the entire ordinary share capital of Eland becomes or is declared wholly unconditional; or (B) scheme of arrangement under section 895 of the Companies Act 2006 in respect of Eland becomes effective in accordance with its terms.

#### *LOAME*

The irrevocable undertaking from LOAME will only cease to be binding if: (i) Seplat announces with the consent of the Takeover Panel, that it does not intend to make an offer or proceed with the Acquisition; (ii) this document is not sent to the Eland Shareholders by 5:30 p.m. (London time) on the date which is 28 days after the date of the Rule 2.7 Announcement, or such later time or date as Seplat and Eland (with the consent of the Takeover Panel, if required) agree; (iii) the Scheme lapses or is withdrawn; (iv) the Scheme has not become Effective by 5:30 p.m. (London time) on or before the Long Stop Date or such later time or date as Seplat and Eland (with the approval of the Court and/or the consent of the Takeover Panel, if required) agree; or (v) if any other: (A) takeover offer within the meaning of section 974 of the Companies Act 2006 made for the entire ordinary share capital of Eland becomes or is declared wholly unconditional; or (B) scheme of arrangement under section 895 of the Companies Act 2006 in respect of Eland becomes effective in accordance with its terms, or at 5:30 p.m. (London time) on 30 March 2020.

#### *Richard I Griffiths*

The irrevocable undertaking from Richard I Griffiths will only cease to be binding if: (i) Seplat announces with the consent of the Takeover Panel, that it does not intend to make an offer or proceed with the Acquisition; (ii) this document is not sent to the Eland Shareholders by 5:30 p.m. (London time) on the date which is 28 days after the date of the Rule 2.7 Announcement, or such later time or date as Seplat and Eland (with the consent of the Takeover Panel, if required) agree; (iii) the Scheme lapses or is withdrawn; (iv) the Scheme has not become Effective by 5:30 p.m. (London time) on or before the Long Stop Date or such later time or date as Seplat and Eland (with the approval of the Court and/or the consent of the Takeover Panel, if required) agree; or (v) if any other: (A) takeover offer within the meaning of section 974 of the Companies Act 2006 made for the entire ordinary share capital of Eland becomes or is declared wholly unconditional; or (B) scheme of arrangement under section 895 of the Companies Act 2006 in respect of Eland becomes effective in accordance with its terms.

## **6. Material contracts**

### **6.1 Eland Group's material contracts**

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by Eland and/or its subsidiaries during the period commencing on 15 October 2017 (being the date two years prior to the commencement of the Offer Period) and ending on 24 October 2019 (the latest practical date prior to publication of this document) and are or may be considered material.

#### **2018 Amended and Restated RBL Facility Agreement**

Under the 2018 Amended and Restated RBL Facility Agreement, the 2018 RBL Lenders provided a facility in an original amount of US\$75 million in order for Westport to, amongst other:

- (i) lend to other obligors to: (A) fund capex of Elcrest in the initial borrowing base asset; (B) the obligors' working capital and general corporate purposes (including amongst others, administrative expenses, exploration commitments, expenditure in respect of any petroleum asset, certain permitted acquisitions) and (C) subject to meeting certain condition, capital expenditures of the development of the Gbetiokun field; and
- (ii) fund Westport's general corporate purposes.

The 2018 Amended and Restated RBL Facility Agreement facility had a five-year term (or a term to the reserve tail date, if earlier) and has an annual interest rate of (i) 7.5 per cent. plus LIBOR where the total amount of outstanding during an interest period as determined by the facility agent is lower than 50 per cent. of the higher of the total commitments and the borrowing base amount; and (ii) 8 per cent. plus LIBOR where the total amount of outstanding during that interest period as determined by the facility agent is equal or higher than 50 per cent. of the higher of the total commitments and the borrowing base amount.

Repayment is by semi-annual instalments on 30 June and 31 December commencing 31 December 2019 and the 2018 Amended and Restated RBL Facility Agreement will be repaid in full at the final maturity date, subject to certain circumstances which trigger mandatory prepayment of the loan (including a change of control of Eland).

The 2018 Amended and Restated RBL Facility Agreement includes the right for Westport to request, prior to 30 June 2021, an increase in the facility amount of up to US\$ 125 million less any increases implemented from effective date (being 29 November 2019). In June 2019, Westport requested an increase of US\$50 million to the total commitment which was effected on 28 June 2019 and pursuant to which The Standard Bank of South Africa Limited took participation in the 2018 Amended and Restated RBL Facility Agreement as a 2018 RBL Lender. In September 2019, The Standard Bank of South Africa Limited transferred part of its commitments to FBNQuest Merchant Bank Limited.

The 2018 Amended and Restated RBL Facility Agreement provides for the inclusion of new assets as borrowing base assets with the consent of the 2018 RBL Lenders.

The facility under the 2018 Amended and Restated RBL Facility Agreement is secured by a security package, including:

- (i) fixed and floating charges over the assets of Elcrest and Eland Nigeria;
- (ii) charges over shares in each of Eland Nigeria, Elcrest and Westport;
- (iii) assignment of rights over hedging receivables;
- (iv) assignment of rights over insurances;
- (v) assignment of intragroup loans, including the on loan documents relating to the loan from Westport to Elcrest of 2014;

- (vi) assignment of any agreement to which an obligor is a party, including field documents and the Elcrest's shareholders agreement; and
- (vii) charges over the project accounts of each obligor, Westport's stamp duty reserve account and Westport's debt service reserve account.

## 6.2 *Seplat's material contracts*

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by Seplat or any of its subsidiaries during the period commencing on 15 October 2017 (being the date two years prior to the commencement of the Offer Period) and ending on 24 October 2019 (the latest practical date prior to publication of this document) and are or may be considered material.

### *Bridge Facility Agreement*

Seplat entered into a US\$350 million bridge facility agreement, as detailed in paragraph 9 of this Part 6 (*Additional Information*).

### *Revolving Facility Agreement*

Seplat is party to a secured revolving facility agreement (the "RCF") originally dated 30 December 2014 (and as amended and restated on 12 March 2018 and further amended on 9 April 2019) entered into between, amongst others, Seplat, Standard Chartered Bank as corporate facility agent, Standard Advisory London Limited as offshore security agent and Stanbic IBTC Trustee Limited as onshore security agreement.

The initial commitments under the RCF were US\$300 million, the termination date is 30 June 2022 and interest is charged at LIBOR plus 6.00 per cent. per annum other than in certain circumstances. The RCF is for general corporate purposes and contains customary representations and undertakings. Seplat's obligations are guaranteed by certain of its subsidiaries and also secured by share pledges over the shares held by Seplat in certain of Seplat's subsidiaries and all asset debentures granted by Seplat and certain of Seplat's subsidiaries. The RCF is governed by English law.

### *Senior Notes due 2023*

On 21 March 2018, Seplat issued US\$350 million 9.25 per cent. senior notes due 2023 (the "Notes") pursuant to an indenture dated 21 March 2018, among, *inter alios*, Seplat as issuer, Seplat West Ltd, Newton Energy Ltd and Seplat East Swamp Ltd as guarantors, Citibank, N.A., London Branch as trustee, paying agent, transfer agent and registrar (the "Indenture"). The net proceeds of the Notes were used to: (i) repay existing indebtedness; and (ii) repay all amounts outstanding under the Mercuria prepayment facility, pursuant to which Mercuria Energy Trading S.A. agreed to make purchases of crude oil production from OML 4, OML 38 and OML 41 commencing in January 2019. The Notes: (i) are listed for trading on the International Securities Market of the London Stock Exchange; and (ii) are also listed on the Official List of the Luxembourg Stock Exchange and are traded on the Luxembourg Stock Exchange's Euro MTF Market.

### *Ranking*

The Notes: (i) are senior obligations of Seplat; (ii) rank pari passu in right of payment with all existing and future obligations of Seplat that are not expressly contractually subordinated in right of payment to the Notes; (iii) are senior in right of payment to all future obligations of Seplat that are subordinated in right of payment to the Notes; (iv) are effectively subordinated to all existing and future secured obligations of Seplat, including obligations under the RCF; (v) are structurally subordinated to all existing and future obligations of Seplat's subsidiaries that do not guarantee the Notes, including any trade payables and letters of credit issued on behalf of such subsidiaries; and (vi) are guaranteed on a senior subordinated basis by the guarantors of the Notes, subject to certain limitations under applicable law.

#### Guarantees

The Notes are guaranteed on a senior basis by each of Seplat West Ltd, Newton Energy Ltd and Seplat East Swamp Ltd.

#### Interest

The Notes accrue interest at a fixed rate of 9.25 per cent. per annum with interest being payable semi-annually in arrears on 1 April and 1 October in each year.

#### Optional redemption and change of control

At any time prior to 15 April 2020, Seplat may, at its option, redeem all or a part of the Notes at a redemption price equal to 100 per cent. of the principal amount of the Notes redeemed plus a make whole premium.

The Notes are subject to redemption at any time on or after 1 April 2020, at the option of Seplat, in whole or in part, at the redemption prices (expressed as percentages of principal amount) set forth below, if redeemed during the twelve-month period beginning on 1 April of the years indicated below:

<i>Year</i>	<i>2023 Dollar Notes</i>
2020	104.625%
2021	102.313%
2022 and thereafter	100.000%

At any time prior to 1 April 2020, Seplat may redeem up to 40 per cent. of the initial aggregate principal amount of the Notes, using the net proceeds from one or more equity offerings at a redemption price equal to 109.25% of the principal amount of the Notes, plus accrued and unpaid interest to the date of redemption, provided that at least 60 per cent. of the original aggregate principal amount of the Notes issued under the Indenture remains outstanding after the redemption, so long as such redemption occurs within 180 days of the closing of the equity offering.

Upon the occurrence of certain change of control events, each holder of the Notes may require Seplat to repurchase all or a portion of its Notes at a purchase price equal to 101 per cent. of the principal amount of such Notes, plus accrued and unpaid interest to the date of purchase.

If Seplat sells assets under certain circumstances, it is required to make an offer to purchase the Notes at a purchase price equal to at least 100 per cent. of the principal amount of the Notes, plus accrued and unpaid interest to the date of purchase, with the excess proceeds from the sale of the assets.

In the event of certain developments affecting taxation, Seplat may redeem the affected series of Notes, in whole, but not in part, at any time, at a redemption price of 100 per cent. of the principal amount, plus accrued and unpaid interest, if any, and additional amounts, if any, to but excluding the date of redemption.

In connection with any tender offer or other offer to purchase for all of the Notes, if holders of not less than 90 per cent. of the aggregate principal amount of the then outstanding Notes validly tender and do not validly withdraw such Notes, Seplat will have the right to redeem all Notes that remain outstanding.

#### Covenants

The Notes are “high-yield” bonds and contain a covenant package consistent with debt securities of such nature. Such covenant package, amongst other things, limits the ability of Seplat and its restricted subsidiaries to, amongst other things and, in each case, subject to certain exceptions as set out in the Indenture:

- (i) incur or guarantee additional indebtedness;
- (ii) pay dividends, redeem capital stock and make certain investments and other restricted payments;

- (iii) create or permit to exist certain liens;
- (iv) impose restrictions on the ability of the restricted subsidiaries to pay dividends;
- (v) transfer or sell certain assets;
- (vi) merge or consolidate with other entities; and
- (vii) enter into certain transactions with affiliates.

These covenants are subject to a number of important exceptions and qualifications. Among other exceptions, the Indenture permits the incurrence of indebtedness by Seplat or any of its restricted subsidiaries so long as the fixed charge coverage ratio (pro forma for such transaction) is not greater than 2.25 to 1.0. In addition, subject to compliance with the 3.0 to 1.0 consolidated net leverage ratio (pro forma for such a transaction) and so long as no default or event of default has occurred and is continuing, the Indenture permits: (i) the distribution of dividends and other restricted payments in an amount equivalent to 50 per cent. of the net cash proceeds received by Seplat or any of its 'Restricted Subsidiaries' (as defined in the Indenture) from all dispositions of oil and gas properties, in an unlimited amount; and (ii) the declaration and payment of dividends on the capital stock of Seplat in an amount per annum not to exceed the greater of: (a) five cents per share; or (b) 7.0 per cent. of the market capitalisation of Seplat.

Certain of the covenants will be suspended if Seplat obtains an investment grade rating.

#### Events of Default

The Indenture contains customary events of default, including, among others: (i) the non-payment of principal, interest, premium or additional amounts on the Notes; (ii) certain failures to perform or observe any other obligation under the Indenture; (iii) (A) the failure to pay certain indebtedness at its stated maturity after giving effect to any applicable grace period provided in such indebtedness; or (B) any default of indebtedness which results in the acceleration of such indebtedness prior to its stated maturity, in both cases, only where the principal amount of such indebtedness is in aggregate US\$30 million or more; (iv) the failure to pay any final and non-appealable judgments entered by a court aggregating in excess of US\$30 million; and (v) the bankruptcy or insolvency of any 'Significant Subsidiary' (as defined in the Indenture) or group of 'Restricted Subsidiaries' (as defined in the Indenture) of Seplat that, taken together, would constitute a significant subsidiary. The occurrence of any of the events of default would, subject to the standstill provision discussed below, permit or require the acceleration of all obligations outstanding under the Notes.

#### Standstill

The guarantees of the Notes are subject to certain limitations and restrictions on the taking of any enforcement action. Subject to certain exceptions, such as certain insolvency events, senior lender consent or failure to pay principal amounts at maturity, where there has been an event of default under the Indenture, the trustee may not take any enforcement action in relation to the guarantees of the Notes until all senior indebtedness has been repaid in full or the stand still period (which is equal to 179 days after the trustee provides notice to the holders of the senior indebtedness) has elapsed or otherwise terminated.

#### Governing Law

The Notes are governed by and construed in accordance with the laws of the State of New York.

### **7. Eland directors' service contracts**

Save as disclosed below, there are no service contracts in force between any director or proposed director of Eland and Eland or any of its subsidiaries and, save as set out below, no such contract has been entered into or amended during the six months preceding publication of this document.

The key terms of the existing service agreements of the executive Eland Directors are as follows:

- George Maxwell and Ron Bain are each engaged under service agreements with Eland. George Maxwell's service agreement is dated 3 September 2012 and was amended by deed on 7 September 2014 and again in 6 February 2017. Ron Bain's service agreement was entered into on 29 June 2017.

#### ***George Maxwell***

- George Maxwell was appointed for a non-fixed term commencing on 3 September 2012. The service agreement may be terminated by Eland on 12-months written notice or by George Maxwell on 6-months written notice.
- George has an annual base salary of £350,000 as amended by a deed of variation dated 7 September 2014. The service agreement provides for an annual review by the Eland Board with no obligation to award an increase. All reasonable expenses are reimbursable by Eland.
- Additionally to the base salary, the service agreement provides for a voluntary participation in the incentive schemes (as approved from time to time by the Eland Board) and for an absolute discretionary bonus (which is not to be pensionable).
- His total annual pay for the year ending 31 December 2019 is estimated to be £412,000.

#### ***Ron Bain***

- Ron Bain was appointed for a non-fixed term commencing on 1 August 2017. The service agreement may be terminated by Eland on 9-months written notice or by Ron Bain on 3-months written notice.
- Ron has an annual base salary of £200,000. The service agreement provides for an annual review by the Eland Board with no obligation to award an increase. All reasonable expenses are reimbursable by Eland.
- Additionally to the base salary, the service agreement provides for an absolute discretionary bonus (which is not to be pensionable).
- His total annual pay for the year ending 31 December 2019 is estimated to be £235,740.

#### ***Standard terms of the service agreements***

- Under the terms of these service agreements, the benefits provided to Ron include an eligibility to join Eland's permanent health insurance scheme, subject to the terms of the scheme and also include life assurance of 3 times the annual salary if the employee dies during his appointment.
- They may also join the Eland's group personal pension scheme subject to satisfying certain criteria and subject to the rules of the scheme. Eland shall contribute an amount equal to 11 per cent. of the employee's salary to the scheme during each year of the appointment or such employee may elect to have such amount contributed to a personal pension scheme.
- Under the terms of these service agreements, they are also eligible to participate in Eland's private medical insurance scheme, subject to the terms of that scheme. This benefit extends to the executive directors' families.
- As an alternative to giving notice (as above mentioned), Eland may in its discretion terminate the employment of George immediately by making a payment in lieu of notice. Payment in lieu of notice comprises the basic salary as at the date of termination which he would have been entitled to receive under the notice period (or the remainder of it) less income tax and national insurance contributions.

#### ***Further awards***

- Eland entered into award deeds with both George Maxwell and Ron Bain which take effect in the event of a change of control of Eland. Under the terms of these deeds, George and Ron are entitled to cash payments of £1,705,600 and £852,801 respectively on completion of the Acquisition.

The key terms of the existing letters of appointment relating to the non-executive Eland Directors are as follows:

<i>Non-executive director</i>	<i>Date of appointment</i>	<i>Unexpired term</i>	<i>Notice period</i>	<i>Contractual termination payments</i>	<i>Fee per annum</i>
Russell Harvey <sup>(1)</sup>	31 December 2015	Not applicable	3 months	Accrued fees and disbursements only	£60,000; additional fee of £2,000 for each Eland Board committees attendance; additional fee at pro rata rate of £1,500 per day
Henry Obi	10 July 2016	Not applicable	3 months	Accrued fees and disbursements only	£45,000; additional fee of £2,000 for each Eland Board committees attendance; additional fee at pro rata rate of £1,500 per day
Henry Turcan	1 January 2015	Not applicable	3 months	Accrued fees and disbursements only	£45,000; additional fee of £2,000 for each Eland Board committees attendance; additional fee at pro rata rate of £1,500 per day
Grégory Stoupnitzky	31 December 2015	Not applicable	3 months	Accrued fees and disbursements only	£45,000; additional fee of £2,000 for each Eland Board committees attendance; additional fee at pro rata rate of £1,500 per day
Brian O’Cathain	1 October 2017	Not applicable	3 months	Accrued fees and disbursements only	£45,000; additional fee of £2,000 for each Eland Board committees attendance; additional fee at pro rata rate of £1,500 per day
Nicholas Gay	22 June 2018	Not applicable	3 months	Accrued fees and disbursements only	£45,000; additional fee of £2,000 for each Eland Board committees attendance; additional fee at pro rata rate of £1,500 per day

(1) Eland has entered into an agreement dated 15 October 2019 with Russell Harvey under which he will receive a cash bonus of £800,000 in the event that an acquisition of Eland completes by 31 March 2020.

## 8. Information on Seplat

Seplat was incorporated in the Federal Republic of Nigeria on 17 June 2009 with the name Seplat Petroleum Development Company Limited under the Nigerian Companies and Allied Matters Act CAP C20, Laws of the Federation of Nigeria 2004 as a private limited liability company and was registered as a public limited liability company on 3 October 2013. The registered number of Seplat is RC824838.

## 9. Financing the Acquisition

The cash consideration payable under the Acquisition is being wholly funded through a combination of existing cash resources of Seplat and a new loan facility available to Seplat.

Seplat has entered into a US\$350 million bridge facility agreement (the “**Bridge Facility Agreement**”) with Citibank, N.A., London Branch as lender. The US\$350 million term loan available under the Bridge Facility Agreement (the “**Term Loan**”) is for an initial term of six (6) months from the date of the Bridge Facility Agreement. Seplat may, on not more than two (2) occasions (each an “**Extension Request**”), request that the term of the Term Loan be extended by three (3) months per Extension Request.

Loans under the Term Loan will bear an interest rate of LIBOR plus a margin of: (i) 4.50 per cent. per annum for the period from and including the date of the Bridge Facility Agreement to the date falling three (3) months after the date of the Bridge Facility Agreement; (ii) 5.25 per cent. per annum for the period from and including the date falling three (3) months after the date of the Bridge Facility Agreement to the date falling six (6) months after the date of the Bridge Facility Agreement; (iii) 6.00 per cent. per annum for the period from and including the date falling six (6) months after the date of the Bridge Facility Agreement to the date falling nine (9) months after the date of the Bridge Facility Agreement; and (iv) 7.00 per cent. per annum from and including the date falling nine (9) months after the date of the Bridge Facility Agreement and thereafter.

The Term Loan shall be secured, to the extent permitted following proposed amendments to Seplat's existing revolving facility agreement, by a Scots law share pledge over shares in Eland to be granted by Seplat as soon as reasonably practicable following the first utilisation under the Term Loan. The Bridge Facility Agreement contains customary representations and warranties, affirmative and negative covenants (including, amongst others, covenants in respect of compliance with laws, security and quasi-security, disposals, merger, financial indebtedness, change of business, distributions, environmental compliance and sanctions and anti-corruption), indemnities and events of default, each with appropriate carve-outs and materiality thresholds. There is no obligation to refinance the Term Loan.

## **10. Significant or material changes**

### ***Eland***

- 10.1 Save as disclosed in this document, there has been no significant change in the financial or trading position of the Eland Group since 30 June 2019, being the date to which the latest unaudited consolidated financial statements for the Eland Group were prepared.
- 10.2 Save as disclosed in this document, the Eland Directors are not aware of any material change in relation to any material information previously published by or on behalf of Eland during the Offer Period.

## **11. Acting in concert**

- 11.1 The persons who, for the purposes of the Takeover Code, are acting in concert with Eland (in addition to the Eland Directors (including members of their immediate families, close relative and related trusts) and members of the Wider Eland Group) are:
- (i) Helios;
  - (ii) Starcrest Nigeria Energy Ltd;
  - (iii) Sir Emeka Offor;
  - (iv) Evercore as a "connected adviser" to Eland as sole financial adviser;
  - (v) Peel Hunt as a "connected adviser" to Eland as nominated advisor and joint corporate broker (alongside Stifel); and
  - (vi) Stifel as a "connected adviser" to Eland as joint corporate broker (alongside Peel Hunt).
- 11.2 The persons who, for the purposes of the Takeover Code, are acting in concert with Seplat (in addition to the Seplat Directors (including members of their immediate families, close relatives and related trusts) and members of the Wider Seplat Group) are:
- (i) Citi as a "connected adviser" to Seplat as sole financial adviser and joint corporate broker (alongside Investec); and
  - (ii) Investec as a "connected adviser" to Seplat as joint corporate broker (alongside Citi).

## **12. Cash confirmation**

Citi, as financial adviser to Seplat, is satisfied that the necessary financial resources are available to Seplat to enable it to satisfy in full the cash consideration payable to Scheme Shareholders under the terms of the Scheme.

## **13. Bases of calculations and sources of information**

- 13.1 The value placed by the Acquisition on the existing issued ordinary share capital of Eland is based on 215,591,741 Eland Shares in issue on 24 October 2019, being the last practicable date prior to publication of this document.
- 13.2 The value of the Acquisition on a fully diluted basis has been calculated on the basis of a fully diluted issued ordinary share capital of 230,243,525 Eland Shares, which is calculated by reference to 215,591,741 Eland Shares in issue on 24 October 2019 and a further 14,651,784 Eland Shares which may be issued on or after the date of this document on the exercise of options or grant of awards under the Eland Share Plans (taking into account the exercise of applicable discretions by the Eland Directors or any appropriate committee thereof).
- 13.3 Unless otherwise stated, all references to numbers of Eland Shares and the percentage that such Eland Shares represent of the issued share capital of Eland are references to such numbers and percentages as at 24 October 2019 (being the latest practicable date prior to publication of this document).
- 13.4 Unless otherwise stated, all prices and closing prices for Eland Shares are closing middle market quotations derived from the London Stock Exchange.
- 13.5 Volume weighted average prices have been derived from Bloomberg and have been rounded to the nearest single decimal place.
- 13.6 Unless otherwise stated, the reserves, resources and the financial information relating to Eland are extracted from the audited final results of the Eland Group for the financial year to 31 December 2018 and the unaudited interim results of the Eland Group for the six months to 30 June 2019, prepared in accordance with IFRS.
- 13.7 Unless otherwise stated, the reserves, resources and the financial information relating to Seplat are extracted from the audited final results of the Seplat Group for the financial year to 31 December 2018 and the unaudited interim results of the Seplat Group for the six months to 30 June 2019, prepared in accordance with IFRS.
- 13.8 Eland owns 45 per cent. of the shares of Elcrest. Elcrest has been consolidated into the audited final results and unaudited interim results of the Eland Group because it is controlled by Eland. Eland has power to affect the amount of returns for the following reasons: (i) Eland is entitled to appoint a number of directors to the board of Elcrest such that it can control decision making; and (ii) in the event of disagreement amongst the board of directors of Elcrest, decisions are reached by shareholder vote and Eland has the ability, through the combined effect of a shareholders agreement, loan agreement and share charge, to direct the votes of the 55 per cent. shareholding in Elcrest that it does not own.
- 13.9 Certain figures included in this document have been subject to rounding adjustments.
- 13.10 The increase in Seplat's 2P Liquids Reserves, 2P Oil Reserves and 2C Oil Resources by 41MMbbls and 65MMbbls respectively is based on including Eland's 2P Reserves and 2C Resources on a net basis (i.e. implied ownership of a 45 per cent. net interest in OML 40, on the basis that Elcrest is consolidated by Eland).

## **14. General**

- 14.1 Save as disclosed in this document, Seplat is not party to any agreement or arrangement which relates to the circumstances in which it may or may not invoke or seek to invoke a Condition to the Acquisition.

- 14.2 Each of Citi and Investec has given and not withdrawn its written consent to the inclusion of (i) the references to its name in the form and context in which they appear and (ii) its advice in this document in the form and context in which it is included.
- 14.3 Evercore has given and not withdrawn its written consent to the inclusion of (i) the references to its name in the form and context in which they appear and (ii) its advice in this document in the form and context in which it is included.
- 14.4 No agreement, arrangement or understanding (including any compensation arrangement) exists between Seplat or any person acting or in concert with it and any of the Eland Directors, recent Eland directors, Eland Shareholders or recent shareholders of Eland, or any person interested or recently interested in shares of Eland, having any connection with, or dependence upon the outcome of, the Acquisition.
- 14.5 There is no agreement, arrangement or understanding whereby the beneficial ownership of any of the Eland Shares to be acquired by Seplat pursuant to the Acquisition will be transferred to any other person.
- 14.6 Save as disclosed in this document, no proposal exists in connection with the Acquisition that any payment or other benefit shall be made or given by Seplat to any Eland Director as compensation for loss of office or as consideration for, or in connection with, his retirement from office.
- 14.7 Settlement of the consideration to which each Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien or right of set-off, counterclaim or other analogous rights of which Seplat may otherwise be, or claim to be, entitled against such Scheme Shareholder.
- 14.8 Save as disclosed in this document, there are no arrangements of the kind referred to in Note 11 on the definition of acting in concert which exist between Seplat, or any person acting in concert with Seplat, and any other person.
- 14.9 Save as disclosed in this document, there are no arrangements of the kind referred to in Note 11 on the definition of acting in concert which exist between Eland, or any person acting in concert with Eland, and any other person.

## **15. Ratings and outlooks**

The Seplat Group has been assigned the following issuer credit ratings: (i) “B” by Standard & Poor’s; (ii) “B2” by Moody’s; and (iii) “B-” by Fitch.

## **16. Fees and expenses**

### **16.1 *Seplat’s fees and expenses***

Seplat’s estimate of the aggregate fees and expenses to be incurred by it in connection with the Acquisition is approximately £7,471,600. This includes: £1,696,500 in relation to financing arrangements; £4,042,300 in relation to financial and corporate broking advice; £1,196,200 in relation to legal advice; £192,000 in relation to accounting advice; £50,000 in relation to public relations advice; and £294,600 in relation to other costs and expenses.

### **16.2 *Eland’s fees and expenses***

Eland’s estimate of the aggregate fees and expenses to be incurred by it in connection with the offer is approximately £5,286,235. This includes: £3,938,000 in relation to financial and corporate broking advice; £1,197,000 in relation to legal advice; £50,000 in relation to public relations advice; and £101,235 in relation to other costs and expenses.

## 17. Display documents

Copies of the following documents have been published free of charge on the following websites in accordance with Rule 26.1 of the Takeover Code and Rule 26 of the AIM Rules for Companies, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Eland's website at [www.elandoilandgas.com/seplat-offer/](http://www.elandoilandgas.com/seplat-offer/) and on Seplat's website [www.seplatpetroleum.com/the-eland-acquisition/](http://www.seplatpetroleum.com/the-eland-acquisition/). They will continue to be available on that website during the period up to and including the Effective Date or the date on which the Scheme lapses or is withdrawn:

- (a) the irrevocable undertakings referred to in paragraph 5 of this Part 6 (*Additional Information*) of this document;
- (b) documents relating to the financing arrangements for the offer referred to in paragraph 9 of this Part 6 (*Additional Information*) of this document;
- (c) the offer-related agreements referred to in paragraph 8 of Part 1 (*Letter from the Chairman of Eland*) of this document;
- (d) the current memorandum and articles of association of Seplat;
- (e) the current memorandum and articles of association of Eland and the articles of association proposed to be adopted at the General Meeting;
- (f) the rules of each of the Eland Share Plans;
- (g) this document and the Forms of Proxy;
- (h) the consent letters referred to in paragraphs 14.2 and 14.3 of this Part 6 (*Additional Information*) of this document; and
- (i) the material contracts referred to in paragraph 6 of this Part 6 (*Additional Information*) of this document.

**PART 7**

**THE SCHEME OF ARRANGEMENT**

**IN THE COURT OF SESSION**

**Case reference: P979/19**

**ELAND OIL & GAS PLC**

(under Part 26 of the Companies Act 2006)

**BETWEEN**

**ELAND OIL & GAS PLC**

and

**THE SCHEME SHAREHOLDERS**

(as hereinafter defined)

## PRELIMINARY

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

“**AIM**” means the alternative investment market operated by the London Stock Exchange;

“**AIM Rules**” means the rules and guidance notes for AIM Companies and their nominated advisers issued by the London Stock Exchange from time to time relating to AIM traded securities and the operation of AIM;

“**Business Day**” means any day, other than a Saturday, Sunday, public or bank holiday in Scotland, England and Wales and in Nigeria on which the London Stock Exchange is open for normal business;

“**certificated**” or “**in certificated form**” means a share or other security which is not in uncertificated form (that is, not in CREST);

“**Companies Act 2006**” means the Companies Act 2006, as amended from time to time;

“**Company**” or “**Eland**” means Eland Oil & Gas PLC, a public limited liability company incorporated in Scotland with registered number SC364753;

“**Court**” means the Court of Session in Scotland;

“**Court Meeting**” means the meeting of the Scheme Shareholders convened by direction of the Court pursuant to section 896 of the Companies Act 2006 to consider and, if thought fit, approve this Scheme (with or without modification), notice of which is set out in Part 9 (*Notice of Court Meeting*) of this document, and any adjournment thereof;

“**Court Order**” means the order of the Court sanctioning the Scheme under section 899 of the Companies Act 2006;

“**CREST**” means the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear;

“**CREST Manual**” means the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedure and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by CRESTCo (now known as Euroclear) on 15 July 1996 (and as amended since));

“**Deferred Shares**” means deferred shares of 90 pence each in the capital of Eland;

“**Effective Date**” means the date on which this Scheme becomes effective in accordance with its terms;

“**Eland Articles**” means the articles of association of the Company as at the date of this document;

“**Eland Shares**” means ordinary shares of 10 pence each in the capital of the Company;

“**Euroclear**” means Euroclear UK & Ireland Limited, a company incorporated in England and Wales with registered number 02878738;

“**General Meeting**” means the general meeting of Eland to be convened in connection with the Scheme expected to be held as soon as the Court Meeting shall have been concluded or adjourned (and any adjournment thereof), notice of which is set out in Part 10 (*Notice of General Meeting*) of the Scheme Document;

“**holder**” means a registered holder, and includes any person(s) entitled by transmission;

“**London Stock Exchange**” means London Stock Exchange plc;

“**Long Stop Date**” means 15 April 2020 or such later date (if any) as Seplat and Eland may agree and (if required) the Takeover Panel and the Court may allow;

“**Meetings**” means the Court Meeting and the General Meeting;

“**members**” means members of the Company on the register of members at any relevant date;

“**Registrar of Companies**” means the Registrar of Companies in Scotland;

“**Regulations**” means the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) as amended;

“**Scheme**” means this scheme of arrangement in its present form or with or subject to any modification, addition or condition which Seplat and Eland may agree, and if required, the Court may approve or impose and agreed by Seplat and Eland;

“**Scheme Document**” means the document dated 28 October 2019 sent by the Company to holders of Scheme Shares of which this Scheme forms part;

“**Scheme Hearing**” means the hearing at which the Court’s sanction of the Scheme will be sought;

“**Scheme Record Time**” means 6.00 p.m. on the day immediately before the date of the Scheme Hearing;

“**Scheme Shareholder**” means a holder of Scheme Shares;

“**Scheme Shares**” means all Eland Shares which are:

- (a) in issue at the date of this document;
- (b) (if any) issued after the date of this document and on or before the Voting Record Time; and
- (c) (if any) issued after the Voting Record Time and on or before the Scheme Record Time in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by the Scheme,

in each case other than any Eland Shares registered in the name of and/or beneficially held by Seplat or any member of Seplat’s Group and in each case excluding any Eland Shares held in treasury and Deferred Shares;

“**Securities Act**” means the US Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;

“**Seplat**” means Seplat Petroleum Development Company plc, a public limited liability company incorporated in the Federal Republic of Nigeria with registered number RC824838;

“**Seplat’s Group**” means Seplat, its subsidiaries and subsidiary undertakings from time to time and “**member of Seplat’s Group**” shall be construed accordingly;

“**Special Resolution**” means the special resolution to be proposed at the General Meeting in connection with the proposed acquisition of Eland by Seplat by means of this Scheme;

“**Takeover Code**” means the City Code on Takeovers and Mergers;

“**Takeover Panel**” means the United Kingdom Panel on Takeovers and Mergers;

“**UK**” or “**United Kingdom**” means United Kingdom of Great Britain and Northern Ireland;

“**uncertificated**” or “**in uncertificated form**” means a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST;

“US” or “United States” means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia; and

“Voting Record Time” means 6.00 p.m. on the day which is two Business Days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two Business Days before the date fixed for the adjourned meeting,

and references to Clauses are to Clauses of this Scheme, and all references to time are to London time.

- (B) As at the close of business on 24 October 2019, 215,591,741 Eland Shares (excluding any Eland Shares held in treasury and Deferred Shares which do not form part of the Scheme) have been issued and are credited as fully paid up.
- (C) Seplat was incorporated and registered in the Federal Republic of Nigeria on 17 June 2009 under the Nigerian Companies and Allied Matters Act CAP C20, Laws of the Federation of Nigeria 2004 as a private limited liability company with registered number RC824838 and was registered as a public limited liability company on 3 October 2013. The issued share capital of Seplat at the date of this Scheme consists of 588,444,561 ordinary shares of Naira 0.50.
- (D) As at the date of this Scheme, no member of Seplat’s Group holds any Eland Shares.
- (E) Seplat has agreed to appear by counsel at the Court Hearing to sanction this Scheme and to submit to be bound by and to undertake to the Court to be bound by this Scheme and to execute and do, or procure to be executed and done, all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

## THE SCHEME

### 1. Transfer of the Scheme Shares

- (a) On the Effective Date, Seplat (or such of its nominee(s) as are agreed between Seplat and Eland) shall acquire all of the Scheme Shares, fully paid up with full title guarantee, free from all liens, equities, charges, encumbrances and other interests, and together with all rights at the Effective Date or thereafter attached to such Scheme Shares, including the right to receive and retain all dividends and other distributions declared, made or paid thereon, on or after the Effective Date.
- (b) For the purposes of such acquisition, the Scheme Shares shall be transferred to Seplat (or such of its nominee(s) as are agreed between Seplat and Eland) and to give effect to such transfers any person may be appointed by Seplat as attorney and/or agent and/or otherwise and shall be authorised as such attorney and/or agent and/or otherwise on behalf of the relevant holder of the Scheme Shares to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer, or procure the transfer by means of CREST, of such Scheme Shares and every form, instrument or instruction of transfer so executed or given shall be as effective as if it had been executed or given by the holder or holders of the Scheme Shares thereby transferred.

### 2. Consideration for transfer of Scheme Shares

- (a) In consideration for transfer of the Scheme Shares to Seplat (and/or its nominees(s)) and subject to clause 3, Seplat shall pay or procure that there shall be paid to or for the account of each Scheme Shareholder whose name appears in the register of members of Seplat at the Scheme Record Time:

**for each Scheme Share 166 pence in cash**

- (b) If any dividend, other than the interim dividend of 1 pence per Eland Share to be paid on 31 October 2019, or distribution is proposed, declared, made or payable by Eland in respect of a Eland Share, Seplat shall be entitled to reduce the amount of consideration payable by an amount equal to such dividend or distribution.

### **3. Settlement**

- (a) As soon as practicable after the Effective Date and in any event not more than 14 days after the Effective Date, Seplat shall:
  - (i) in the case of cash consideration payable by Seplat for Scheme Shares which at the Scheme Record Time are in certificated form, despatch or procure the despatch to the persons entitled thereto, in accordance with the provisions of clause 3(b), cheques for the sums payable to them respectively in accordance with clause 2; and
  - (ii) in the case of cash consideration payable by Seplat for Scheme Shares which at the Scheme Record Time are in uncertificated form, ensure that an assured payment obligation is created in respect of the sums payable in accordance with the CREST assured payment arrangements provided that Seplat reserves the right to make payment of the said consideration by cheque as aforesaid in clause 3(a)(i) if, for any reason, it wishes to do so.
- (b) All deliveries of cheques and certificates required to be made pursuant to this Scheme shall be effected by sending the same by first class post (or international standard (formerly airmail) post, if overseas) in pre-paid envelopes addressed to the persons entitled thereto at their respective registered addresses as appearing in the register of members of the Company at the Scheme Record Time (or, in the case of joint holders, at the address of that one of the joint holder whose name stands first in the said register of members in respect of such joint holding at such time) or in accordance with any special instructions regarding communications, and neither Seplat nor the Company nor their respective agents or nominees shall be responsible for any loss or delay in the transmission of cheques or certificates sent in accordance with this clause 3(b) which shall be sent at the risk of the person entitled thereto.
- (c) All cheques shall be in pounds sterling and shall be made payable to the person or persons respectively entitled to the monies represented thereby and the encashment of any such cheque shall be a complete discharge of Seplat's obligation under this Scheme to pay the monies represented thereby.
- (d) In respect of payments made through CREST, Seplat shall ensure that an assured payment obligation is created in accordance with the CREST assured payment arrangements. The creation of such an assured payment arrangement shall be a complete discharge of Seplat's obligations under this Scheme with reference to payments made through CREST.
- (e) The provisions of this clause 3 shall take effect subject to any prohibition or condition imposed by law.

### **4. Share certificates and cancellation of CREST entitlements**

- (a) With effect from and including the Effective Date all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and every holder of Scheme Shares shall be bound at the request of the Company to deliver up the same to the Company or, as it may direct, to destroy such share certificates;
- (b) After the Scheme Record Time but before the Scheme becomes effective, Euroclear shall be instructed to cancel the entitlements to Scheme Shares of holders of Scheme Shares who hold their Scheme Shares in uncertificated form; and
- (c) On or as soon as reasonably practicable after the Effective Date and subject to the completion of such transfers, forms, instruments or instructions as may be required in accordance with clause 1(b) and the payment of any stamp duty thereon, appropriate entries will be made in the register of members of Eland to reflect the transfer of the Scheme Shares to Seplat or its nominee(s). Any such transfer, form, instrument or instruction which is in writing and which constitutes an instrument of transfer shall be deemed to be the principal instrument.

## **5. Dividend Mandates**

Each mandate relating to payment of dividends on any Scheme Shares and other instructions given to the Company by Scheme Shareholders in force at the Scheme Record Time shall as from the Effective Date cease to be valid.

## **6. The Effective Date**

- (a) This Scheme shall become effective in accordance with its terms upon a copy of the Court Order being delivered to the Registrar of Companies.
- (b) Unless this Scheme has become effective on or before 15 April 2020 or such later date, if any, as Seplat and Eland may agree and the Court and (if required) the Takeover Panel may allow, this Scheme shall never become effective.

## **7. Modification**

Seplat and Eland may jointly consent on behalf of all persons concerned to any modification of, or addition to, this Scheme or to any condition which the Court may approve or impose. Any such modification or addition may require the consent of the Takeover Panel.

## **8. Governing law**

This Scheme is governed by the laws of Scotland and is subject to the jurisdiction of the Scottish courts. The rules of the Takeover Code will apply to this Scheme.

Dated: 28 October 2019

## PART 8

### DEFINITIONS

In this document (save for Part 7 (*The Scheme of Arrangement*)) and the accompanying Forms of Proxy, unless the context requires otherwise, the following terms shall have the following meanings:

<b>“2018 Amended and Restated RBL Facility Agreement”</b>	means the Original RBL Facility as amended and restated from time to time including pursuant to an amendment and restatement entered into on 28 November 2018 between Westport as borrower, Eland, Elcrest and Eland Nigeria as guarantors and the 2018 RBL Lenders;
<b>“2018 RBL Lenders”</b>	means (a) Stanbic IBTC Bank plc, (b) The Mauritius Commercial Bank Limited, (c) The Standard Bank of South Africa Limited and (d) FBNQuest Merchant Bank Limited;
<b>“2C Resources”</b>	means those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies, and <b>“2C Liquids Resources”</b> and <b>“2C Oil Resources”</b> shall be interpreted accordingly;
<b>“2P Reserves”</b>	means those quantities of petroleum which, by analysis of geographical and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under current economic conditions, operating methods and government regulations, and <b>“2P Liquids Reserves”</b> and <b>“2P Oil Reserves”</b> shall be interpreted accordingly;
<b>“Acquisition”</b>	means the proposed acquisition by Seplat of the entire issued and to be issued share capital of Eland to be implemented by means of a Scheme or, if Seplat so determines in its absolute discretion (subject to the consent of the Takeover Panel), by means of a Takeover Offer;
<b>“AIM”</b>	means the AIM Market of the London Stock Exchange;
<b>“Bloomberg”</b>	means the information service available on <a href="http://www.bloomberg.com">www.bloomberg.com</a> ;
<b>“bopd”</b>	means barrels of oil per day;
<b>“Bridge Facility Agreement”</b>	has the meaning given to it in paragraph 9 of Part 6 ( <i>Additional Information</i> );
<b>“Business Day”</b>	means any day, other than a Saturday, Sunday, public or bank holiday in Scotland, England and Wales and in Nigeria on which the London Stock Exchange is open for normal business;
<b>“certificated” or “in certificated form”</b>	means a share or other security which is not in uncertificated form (that is, not in CREST);
<b>“Citi”</b>	means Citigroup Global Markets Limited, which is authorised and regulated in the UK by the FCA;
<b>“Closing Price”</b>	means the closing middle market quotation of the relevant share as derived from the Daily Official List;

<b>“Companies Act 2006”</b>	means Companies Act 2006, as amended from time to time;
<b>“Company” or “Eland”</b>	means Eland Oil & Gas PLC, a public limited company incorporated in Scotland with registered number SC364753;
<b>“Conditions”</b>	means the conditions to the implementation of the Scheme and the Acquisition which are set out in Part 3 ( <i>Conditions relating to the implementation of the Scheme and the Acquisition</i> ) of this document;
<b>“Confidentiality Agreement”</b>	means the confidentiality agreement entered into by Eland and Seplat as amended and restated on 2 July 2019 and 12 September 2019;
<b>“Cooperation Agreement”</b>	means the cooperation agreement entered into between Eland and Seplat on 15 October 2019;
<b>“Court Hearing”</b>	means the hearing by the Court to sanction the Scheme;
<b>“Court Meeting”</b>	means the meeting of the Scheme Shareholders convened by direction of the Court pursuant to section 896 of the Companies Act 2006 to consider and, if thought fit, approve the Scheme (with or without modification), notice of which is set out in Part 9 ( <i>Notice of Court Meeting</i> ) of this document, and any adjournment thereof;
<b>“Court Order”</b>	means the order of the Court sanctioning the Scheme under section 899 of the Companies Act 2006;
<b>“Court”</b>	means the Court of Session in Scotland;
<b>“CREST”</b>	means the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear;
<b>“CREST Application Host”</b>	means the communication hosting system operated by Euroclear;
<b>“CREST Manual”</b>	means the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedure and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by CRESTCo (now known as Euroclear) on 15 July 1996 (and as amended since));
<b>“CREST Proxy Instruction”</b>	has the meaning given to it on page 9 of this document;
<b>“Daily Official List”</b>	means the Daily Official List of the London Stock Exchange;
<b>“Dealing Disclosure”</b>	has the same meaning as in Rule 8 of the Takeover Code;
<b>“Deferred Shares”</b>	means deferred shares of 90 pence each in the capital of Eland;
<b>“Disclosed”</b>	means the information fairly disclosed by, or on behalf of, Eland: <ul style="list-style-type: none"> <li>(i) in the audited consolidated annual report and accounts of the Eland Group for the year ended 31 December 2018;</li> <li>(ii) in the interim results of Eland Group for the period ended 30 June 2019;</li> </ul>

	(iii) in writing to Seplat and/or its agents and advisers prior to the date of the Rule 2.7 Announcement in relation to the Acquisition;
	(iv) in a public announcement to a Regulatory Information Service made by Eland prior to the date of the Rule 2.7 Announcement;
	(v) in the Project Anchor online virtual data room facility provided by Sterling on behalf of Eland; or
	(vi) in the Rule 2.7 Announcement;
<b>“Disclosure Table”</b>	means the disclosure table on the Takeover Panel’s website at <a href="http://www.takeoverpanel.org.uk">www.takeoverpanel.org.uk</a> ;
<b>“E&amp;P”</b>	means exploration and production;
<b>“Effective Date”</b>	means the date on the Scheme becomes effective in accordance with its terms;
<b>“Effective”</b>	means the Acquisition is implemented by means of the Scheme and the Scheme has been implemented in accordance with its terms;
<b>“Eland” or “Company”</b>	means Eland Oil & Gas PLC, a public limited company incorporated in Scotland with registered number SC364753;
<b>“Eland 2012 NESOP”</b>	means the Eland Oil & Gas PLC Non-Employee Share Option Plan;
<b>“Eland 2012 SOP”</b>	means the Eland Oil & Gas PLC Share Option Plan;
<b>“Eland 2017 LTIP”</b>	means the Eland Oil & Gas 2017 Long Term Incentive Plan;
<b>“Eland Articles”</b>	means the articles of association of Eland as at the date of this document;
<b>“Eland Board Recommendation”</b>	means the unanimous and unqualified recommendation from the Eland Directors to Eland Shareholders in respect of the Acquisition: <ul style="list-style-type: none"> <li>(i) to vote in favour: <ul style="list-style-type: none"> <li>(A) of the Scheme at the Court Meeting; and</li> <li>(B) the Resolution at the General Meeting; and</li> </ul> </li> <li>(ii) if Seplat elects to implement the Acquisition by means of a Takeover Offer, to accept the Takeover Offer;</li> </ul>
<b>“Eland Directors” or “Eland Board”</b>	means the person whose names are set out in paragraph 2 of Part 6 ( <i>Additional Information</i> ) of this document;
<b>“Eland Group”</b>	means Eland, its subsidiaries and subsidiary undertakings from time to time;
<b>“Eland Nigeria”</b>	means Eland Oil and Gas (Nigeria) Limited;
<b>“Eland Share Option Schemes”</b>	means the Eland 2012 SOP, the Eland 2012 NESOP and the Eland 2017 LTIP;
<b>“Eland Share Plans”</b>	means the Eland Share Option Schemes and the Eland SIP;
<b>“Eland Shareholders”</b>	means holders of Eland Shares;

<b>“Eland Shares”</b>	means ordinary shares of 10 pence each in the capital of Eland;
<b>“Eland SIP”</b>	means the Eland Oil & Gas PLC Share Incentive Plan;
<b>“Elcrest”</b>	means Elcrest Exploration and Production Nigeria Limited;
<b>“EU”</b>	means the European Union and its member states;
<b>“Euroclear”</b>	means Euroclear UK & Ireland Limited, a company registered in England and Wales with registered number 02878738;
<b>“Evercore”</b>	means Evercore Partners International LLP, which is authorised and regulated in the UK by the FCA;
<b>“Explanatory Statement”</b>	means the explanatory statement set out in Part 2 ( <i>Explanatory Statement</i> ) of this document;
<b>“Extension Request”</b>	has the meaning given to it in paragraph 9 of Part 6 ( <i>Additional Information</i> );
<b>“FCA”</b>	means the Financial Conduct Authority of the United Kingdom;
<b>“Forms of Proxy”</b>	means the blue form of proxy for use at the Court Meeting and the pink form of proxy for use at the General Meeting and “Form of Proxy” shall mean either one of them;
<b>“FSMA”</b>	means Financial Services and Markets Act 2000, as amended;
<b>“Gbetiokun”</b>	means Gbetiokun field;
<b>“Gbetiokun-4”</b>	means Gbetiokun-4 well;
<b>“General Meeting”</b>	means the general meeting of Eland to be convened in connection with the Scheme expected to be held as soon as the Court Meeting shall have been concluded or adjourned (and any adjournment thereof), notice of which is set out in Part 10 ( <i>Notice of General Meeting</i> ) of this document;
<b>“Helios”</b>	means Helios Natural Resources Limited;
<b>“HMRC”</b>	means H.M. Revenue and Customs;
<b>“holder”</b>	means a registered holder, and includes any person(s) entitled by transmission;
<b>“IFRS”</b>	means international financial reporting standards;
<b>“Indenture”</b>	has the meaning given to it in paragraph 6.2 of Part 6 ( <i>Additional Information</i> );
<b>“Interested Party”</b>	has the meaning given to it in paragraph 11.3 of Part 2 ( <i>Explanatory Statement</i> );
<b>“Investec”</b>	means Investec Bank plc, which is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA;
<b>“Kboepd”</b>	means thousand barrels of oil equivalent per day;
<b>“Kbopd”</b>	means thousand barrels of oil per day;
<b>“LIBOR”</b>	means the London interbank offered rate, which is the variable rate of interest charged by a bank when leading to other banks in the London inter-bank market;

<b>“LOAME”</b>	means Lombard Odier Asset Management (Europe) Limited;
<b>“LOAME Irrevocable”</b>	means the irrevocable undertakings letter from LOAME dated 15 October 2019;
<b>“London Stock Exchange”</b>	means London Stock Exchange plc;
<b>“Long Stop Date”</b>	means 15 April 2020 or such later date (if any) as Seplat and Eland may agree and (if required) the Takeover Panel and the Court may allow;
<b>“Meetings”</b>	means the Court Meeting and the General Meeting;
<b>“members”</b>	means members of Eland on the register of members at any relevant date;
<b>“MMbbls”</b>	means million barrels;
<b>“Mmboe”</b>	means million barrels of oil equivalent;
<b>“MMscfd”</b>	means million standard cubic feet per day;
<b>“Nigerian Department of Petroleum Resources Guidelines”</b>	means the Guidelines and Procedures for Obtaining Minister’s Consent to the Assignment of Interests in Oil and Gas Assets 2014, issued pursuant to the Nigerian Petroleum Act;
<b>“Nigerian Federal Competition and Consumer Protection Act”</b>	means the Federal Competition and Consumer Protection Commission Act, 2018;
<b>“Nigerian Petroleum Act”</b>	means the Petroleum Act 1969, Cap P10, Laws of the Federation of Nigeria, 2004;
<b>“Nigerian Stock Exchange”</b>	means the Nigerian Stock Exchange;
<b>“Notes”</b>	has the meaning given to it in paragraph 6.2 of Part 6 ( <i>Additional Information</i> );
<b>“Offer Document”</b>	means in the context of the Scheme, the Scheme Document;
<b>“Offer Period”</b>	means the period commencing on 15 October 2019 and ending on the Effective Date;
<b>“Official List”</b>	means the Official List of the UK Listing Authority;
<b>“OML 4”</b>	means the oil mining licence number 4 onshore Nigeria issued by the government of the Federal Republic of Nigeria;
<b>“OML 38”</b>	means the oil mining licence number 38 onshore Nigeria issued by the government of the Federal Republic of Nigeria;
<b>“OML 40”</b>	means the oil mining licence number 40 onshore Nigeria issued by the government of the Federal Republic of Nigeria;
<b>“OML 41”</b>	means the oil mining licence number 41 onshore Nigeria issued by the government of the Federal Republic of Nigeria;
<b>“Opening Position Disclosure”</b>	has the same meaning as in Rule 8 of the Takeover Code;
<b>“Opuama”</b>	means Opuama field;
<b>“Original RBL Facility”</b>	means the reserve-based lending facility agreement was originally entered into on 31 December 2014 between amongst others, Westport as borrower, Eland, Elcrest and Eland Nigeria as

	guarantors, Standard Chartered Bank as original lender, initial mandated lead arranger, coordinating bank, facility agent, security agent, account bank, technical and modelling bank;
<b>“Overseas Shareholders”</b>	means Scheme Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside of the United Kingdom;
<b>“PD Meter”</b>	means positive displacement liquid meter;
<b>“Peel Hunt”</b>	means Peel Hunt LLP, which is authorised and regulated in the United Kingdom by the FCA;
<b>“PRA”</b>	means the Prudential Regulation Authority of the United Kingdom;
<b>“RCF”</b>	has the meaning given to it in paragraph 6.2 of Part 6 ( <i>Additional Information</i> );
<b>“Registrar of Companies”</b>	means the Registrar of Companies in Scotland;
<b>“Registrar”</b>	means Computershare Investor Services PLC, a private limited company incorporated in the United Kingdom under registered number 03498808;
<b>“Regulations”</b>	means the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755);
<b>“Regulatory Information Service” or “RIS”</b>	means a regulatory information service that is approved by the FCA and is on the list of Regulatory Information Services maintained by the FCA;
<b>“Resolution”</b>	means the resolution to be proposed by Eland at the General Meeting in connection with, amongst other things, the approval of the Scheme, the amendment of Eland’s articles of association and such other matters as may be necessary to implement the Scheme;
<b>“Restricted Jurisdiction”</b>	means any jurisdiction outside of the UK where the release, publication or distribution of this document is restricted by law;
<b>“Rule 2.7 Announcement”</b>	means the announcement dated 15 October 2019 by Seplat of its firm intention to make the Acquisition under Rule 2.7 of the Takeover Code;
<b>“Scheme” or “Scheme of Arrangement”</b>	means the scheme of arrangement proposed to be made under Part 26 of the Companies Act 2006 between Eland and the Scheme Shareholders set out in Part 9 ( <i>Notice of Court Meeting</i> ) of this document, with or subject to any modification, addition or condition which Seplat or Eland may agree, and if required, the Court may approve or impose and agreed by Seplat and Eland;
<b>“Scheme Court Order”</b>	means the order of the Court sanctioning the Scheme pursuant to section 899 of the Companies Act 2006;
<b>“Scheme Hearing”</b>	means the hearing at which the Court’s sanction of the Scheme will be sought;
<b>“Scheme Record Time”</b>	means 6.00 p.m. on the day immediately before the date of the Scheme Hearing;
<b>“Scheme Shareholder”</b>	means a holder of Scheme Shares;
<b>“Scheme Shares”</b>	means all Eland Shares which are:

- (a) in issue at the date of this document;
- (b) (if any) issued after the date of this document and on or before the Voting Record Time; and
- (c) (if any) issued after the Voting Record Time and on or before the Scheme Record Time in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by the Scheme,

in each case other than any Eland Shares registered in the name of and/or beneficially held by Seplat or any member of Seplat's Group and in each case excluding any Eland Shares held in treasury and Deferred Shares;

<b>“SDRT”</b>	means stamp duty reserve tax;
<b>“Securities Act”</b>	means United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;
<b>“Seplat”</b>	means Seplat Petroleum Development Company plc, a public limited company incorporated in the Federal Republic of Nigeria with registered number RC824838;
<b>“Seplat Directors” or “Seplat Board”</b>	means the persons whose names are set out in paragraph 2 of Part 6 ( <i>Additional Information</i> ) of this document and <b>“Seplat Director”</b> shall mean any one of them;
<b>“Seplat’s Group”</b>	means Seplat, its subsidiaries and subsidiary undertakings from time to time and <b>“member of Seplat’s Group”</b> shall be construed accordingly;
<b>“Special Resolution”</b>	means the special resolution to be proposed at the General Meeting in connection with the Acquisition;
<b>“Stifel”</b>	means Stifel Nicolaus Europe Limited, which is authorised and regulated in the UK by the FCA;
<b>“Switch”</b>	means the process of switching from the Scheme to a Takeover Offer as provided under the Cooperation Agreement;
<b>“Takeover Code”</b>	means the City Code on Takeovers and Mergers;
<b>“Takeover Offer”</b>	means, if Seplat elects to effect the Acquisition by means of an offer, the offer to be made by or on behalf of Seplat to acquire the entire issued and to be issued ordinary share capital of Eland including, where the context so requires, any subsequent revision, variation, extension, or renewal thereof;
<b>“Takeover Panel”</b>	means the United Kingdom Panel on Takeovers and Mergers;
<b>“Term Loan”</b>	has the meaning given to it in paragraph 9 of Part 6 ( <i>Additional Information</i> );
<b>“Third Party”</b>	means each of a central bank, government or governmental, supranational, statutory, regulatory, professional or investigative body or authority (including any antitrust or merger control authority), court, arbitrator or arbitrator panel, professional association, environmental body, any regulatory organization or

	private body exercising any regulatory, taxing, importing, or any other similar body or person whatsoever in any jurisdiction;
<b>“Treasury Shares”</b>	means shares held as defined in section 724(5) of the Companies Act 2006;
<b>“Ubima”</b>	means Ubima marginal field;
<b>“Ubima-1”</b>	means Ubima-1 well;
<b>“UK Listing Authority”</b>	means the FCA acting through its division the UK Listing Authority;
<b>“UK” or “United Kingdom”</b>	means United Kingdom of Great Britain and Northern Ireland;
<b>“uncertificated” or “in uncertificated form”</b>	means a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the uncertificated securities regulations, may be transferred by means of CREST;
<b>“United States” or “US”</b>	means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
<b>“US Exchange Act”</b>	means the US Securities Exchange Act of 1933, as amended, and the rules and regulations promulgated thereunder;
<b>“US\$”</b>	means the lawful currency of the United States;
<b>“Voting Record Time”</b>	means 6.00 p.m. on the day which is two Business Days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two Business Days before the date fixed for the adjourned meeting;
<b>“Westport”</b>	means Westport Oil Limited;
<b>“Wider Eland Group”</b>	means Eland and its subsidiary undertakings and associated undertakings and any other undertaking, partnership, company or joint venture in which Eland and/or such subsidiary or associated undertakings (aggregating their interests) have a substantial interest (and <b>“member of the wider Eland Group”</b> shall be construed accordingly);
<b>“Wider Seplat Group”</b>	means Seplat and its subsidiary undertakings and associated undertakings and any other undertaking, partnership, company or joint venture in which Eland and/or such subsidiary or associated undertakings (aggregating their interests) have a substantial interest (and <b>“member of the wider Seplat Group”</b> shall be construed accordingly); and
<b>“Working Interest”</b>	means a percentage of ownership in an oil and gas lease granting its owner the right to explore, drill and produce oil and gas from a tract of property.

In this document **“subsidiary”**, **“subsidiary undertaking”**, **“associated undertaking”** and **“undertaking”** have the meanings given by the Companies Act 2006 (but for these purposes ignoring paragraph 20(1)(b) of Schedule 4A to the Companies Act 2006) and **“substantial interest”** means a direct or indirect interest in 20 per cent. or more of the equity capital of an undertaking.

References in this document to **pounds, sterling or £** is to the lawful currency from time to time of the United Kingdom; and **US dollars** and **US\$** is the lawful currency from time to time of the United States of America.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

All reference to legislation in this document are to the legislation of United Kingdom unless the contrary is indicated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

## PART 9

### NOTICE OF COURT MEETING

Case reference: P979/19

IN THE COURT OF SESSION

ELAND OIL & GAS PLC

**NOTICE IS HEREBY GIVEN** that, by an Order dated 25 October 2019 made in the above matters, the Court has directed a meeting (the “**Court Meeting**”) to be convened of the holders of Scheme Shares (as defined in the scheme of arrangement referred to below), for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the “**Scheme**”) pursuant to Part 26 of the Companies Act 2006 proposed to be made between Eland (the “**Company**”) and the Scheme Shareholders (as defined in the Scheme) and that such Court Meeting will be held at Mayer Brown International LLP, 201 Bishopsgate, London EC2M 3AF on 20 November 2019 at 10.00 a.m. at which place and time all Scheme Shareholders are requested to attend.

At the Court Meeting, the following resolution will be proposed:

“That the scheme of arrangement dated 28 October 2019 (the ‘Scheme’), between Eland and the Scheme Shareholders (as defined in the Scheme), a print of which has been produced to this meeting and, for the purpose of identification, signed by the Chairman hereof, in its original form or with, or subject to, any modification, addition or condition approved or imposed by the Court and jointly consented to by the Company and Seplat, be approved and the directors of Eland be authorised to take all such actions as they may consider necessary or appropriate for carrying the Scheme into effect.”

Voting on the resolution to approve the Scheme will be by poll, which shall be conducted as the Chairman of the Court Meeting may determine. For the Court Meeting (or any adjournment thereof) to be properly convened, a quorum of two persons entitled to vote on the business to be transacted, each being a Scheme Shareholder, the proxy of a Scheme Shareholder or (where the Scheme Shareholder is a corporation) a duly authorised representative, must be present.

A copy of the Scheme and a copy of the explanatory statement required to be furnished pursuant to section 897 of the Companies Act 2006 are incorporated in the document of which this notice forms part.

Holders of Scheme Shares may vote in person at the meeting or they may appoint another person as their proxy to attend, speak and vote in their stead. A proxy need not be a member of the Company. A blue Form of Proxy for use at the meeting is enclosed with this notice. The Company’s shareholders with Scheme Shares held through CREST may appoint a proxy or proxies using CREST by following the instructions set out in the section, “Action to be taken”, of this document. Completion and return of a Form of Proxy, or the appointment of proxies through CREST, will not preclude a holder of Scheme Shares from attending and voting in person at the meeting, or any adjournment thereof.

Holders of Scheme Shares are entitled to appoint more than one proxy in respect of some or all of their Scheme Shares provided each proxy is appointed to exercise rights attached to different shares. Holders of Scheme Shares may not appoint more than one proxy to exercise rights attached to one share. A space has been included in the blue Form of Proxy to allow Scheme Shareholders entitled to attend and vote at the meeting to specify the number of Scheme Shares in respect of which that proxy is appointed. Scheme Shareholders who return a blue Form of Proxy duly executed but leave this space blank will be deemed to have appointed the proxy in respect of all of their holding of Scheme Shares.

Scheme Shareholders who wish to appoint more than one proxy in respect of their shareholding should photocopy the BLUE Form of Proxy as required. Such holders should also read the Explanatory Notes set out on the BLUE Form of Proxy, and note the principles that will be applied in relation to multiple proxies as set out on page 8 of this document (as defined in the Scheme).

It is requested that forms appointing proxies (together with any power of attorney or authority under which they are signed or a notarially certified copy of such power of attorney or authority) be lodged with Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ or through CREST, as soon as possible, and in any event, so as to be registered or received by no later than 10.00 a.m. on 18 November 2019 or, in the case of an adjourned meeting, by no later than 48 hours before the time appointed for the adjourned Court Meeting (excluding any day that is not a working day), but if forms are not so returned, they may be handed to Computershare Investor Services PLC on behalf of the Chairman at the Court Meeting, before the taking of the poll at of the Court Meeting.

Scheme Shareholders who hold their Scheme Shares through CREST may appoint a proxy or proxies using the CREST electronic proxy appointment service as more particularly set out in Notes 4 to 7 of the notice of General Meeting in Part 10 (*Notice of General Meeting*) of the document of which this notice forms part.

In the case of joint holders of Scheme Shares, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

The entitlement of Scheme Shareholders to attend and vote at the Court Meeting or any adjournment (and the number of votes which may be cast thereat) will be determined by reference to the register of members of the Company at 6.00 p.m. on the day which is two Business Days (as defined in the Scheme) before the date of the Court Meeting or, in the case of an adjourned meeting, at 6.00 p.m. on the day which is two Business Days before the date fixed for the relevant adjourned meeting. In each case, changes to the register of members of the Company after such time will be disregarded.

By the said Order, the Court has appointed Russell Harvey or, failing him, Nicholas Gay to act as Chairman of the Court Meeting and has directed the Chairman to report the result of the Court Meeting to the Court.

The Scheme will be subject to the subsequent sanction of the Court.

Dated 28 October 2019

Stronachs LLP  
28 Albyn Place  
Aberdeen, AB10 1YL

Mayer Brown International LLP  
201 Bishopsgate  
London EC2M 3AF

*Solicitors for the Company*

Notes:

1. The statement of rights of Scheme Shareholders (as defined in the Scheme of Arrangement referred to above) in relation to the appointment of proxies described in this Notice of Court Meeting does not apply to nominated persons. Such rights can only be exercised by Scheme Shareholders.
2. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a “**nominated person**”) may, under an agreement between him/her and the member by whom he/she was nominated have a right to be appointed (or to have someone else appointed) as a proxy for the Court Meeting. If a nominated person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. Nominated persons are reminded that they should contact the registered holder(s) of Scheme Shares in respect of which they were nominated (and not the Company) on matters relating to their investment in the Company.

## PART 10

### NOTICE OF GENERAL MEETING

#### ELAND OIL & GAS PLC

*(Incorporated and registered in Scotland with registered no. SC364753)*

**NOTICE IS HEREBY GIVEN** that a **GENERAL MEETING** of Eland Oil & Gas PLC (the “**Company**”) will be held at Mayer Brown International LLP, 201 Bishopsgate, London EC2M 3AF on 20 November 2019 at 10.15 a.m. (or as soon thereafter as the Court Meeting (as defined in the Scheme as referred to in the resolution set out below) convened for 10.00 a.m. on the same day and at the same place, by an order of the High Court of Justice, shall have concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution.

#### **SPECIAL RESOLUTION**

THAT for the purpose of giving effect to the scheme of arrangement dated 28 October 2019 between the Company and the Scheme Shareholders (as defined in the said scheme), a print of which has been produced to this meeting and for the purposes of identification signed by the Chairman hereof, in its original form or subject to such modification, addition or condition as may be agreed between the Company and Seplat Petroleum Development Company Plc approved or imposed by the Court (the “**Scheme**”):

- (a) the directors of the Company be authorised to take all such actions as they may consider necessary or appropriate for carrying the Scheme into full effect; and
- (b) with effect from the passing of this special resolution, the articles of association of the Company be amended by the adoption and inclusion of the following new Article 143:

#### **“Scheme of Arrangement**

143.1 In this Article 143, the “**Scheme**” means the scheme of arrangement dated 28 October 2019, between the Company and the Scheme Shareholders (as defined in the Scheme) under Part 26 of the Companies Act 2006, in its original form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Company and Seplat Petroleum Development Company Plc (“**Seplat**”) and (save as defined in this Article) expressions defined in the Scheme shall have the same meanings in this Article.

143.2 Notwithstanding any other provision of these Articles, if the Company issues any ordinary shares (other than to Seplat and/or its nominee(s)) after the adoption of this Article and on or before the Scheme Record Time, such ordinary shares shall be allotted and issued subject to the terms of the Scheme and the holders of such ordinary shares shall be bound by the Scheme accordingly.

143.3 Notwithstanding any other provisions of these Articles and subject to the Scheme becoming effective, if any ordinary shares in the Company are issued to any person (a “**New Member**”) (other than to Seplat and/or its nominee(s)) after the Scheme Record Time (the “**Post-Scheme Shares**”), they will be immediately transferred to Seplat (the “**Purchaser**”) (or as it may direct) in consideration for and conditional on the payment by the Purchaser to the New Member of such amount of consideration as would have been payable pursuant to the Scheme (as it may be modified or amended in accordance with its terms) for each such share as if it were a Scheme Share (as defined in the Scheme).

143.4 On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation), the value of the consideration per share to be paid under Article 143.3 shall be adjusted by the directors in such manner as they may determine to be appropriate to reflect such reorganisation or alteration. References in this Article to shares shall, following such adjustment, be construed accordingly.

143.5 To give effect to any transfer required by Article 143.3, the Company may appoint any person as attorney for the New Member to transfer the Post-Scheme Shares to the Purchaser and/or its nominee(s) and do all such other things and execute and deliver all such documents as may in the opinion of the attorney be necessary or desirable to vest the Post-Scheme Shares in the Purchaser or its nominee(s) and pending such vesting to exercise all such rights attaching to the Post-Scheme Shares as the Purchaser may direct. If an attorney is so appointed, the New Member shall not thereafter (except to the extent that the attorney fails to act in accordance with the directions of the Purchaser) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed by the Purchaser. The attorney shall be empowered to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member (or any subsequent holder) in favour of the Purchaser and the Company may give a good receipt for the consideration of the Post-Scheme Shares and may register the Purchaser as holder thereof and issue to it certificate(s) for the same. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Shares. The Purchaser shall send a cheque drawn on a UK clearing bank in favour of the New Member (or any subsequent holder) for the purchase price of Post-Scheme Shares within five business days of the time at which the Post-Scheme Shares are issued to the New Member.

143.6 If the Scheme shall not have become effective by the date referred to in Clause 6(b) of the Scheme (or such later date, if any, as Seplat and the Company may agree and the Court and the Takeover Panel may allow, if such consent is required), this article shall be of no effect.

143.7 Notwithstanding any other provision of these articles, both the Company and the directors shall refuse to register the transfer of any Scheme Shares effected between the Scheme Record Time and the Effective Date (other than Seplat and/or its nominee pursuant to the Scheme).

143.8 Notwithstanding any other provision of these articles, both the Company and the directors may refuse to register the transfer of any ordinary shares other than as provided by this article.”

Dated 28 October 2019

By Order of the Board  
**Ewan Craig Neilson**  
*Company Secretary*

*Registered Office:*  
28 Albyn Place,  
Aberdeen AB10 1YL,  
United Kingdom

Registered in Scotland No. SC364753

Notes:

1. Only holders of ordinary shares are entitled to attend and vote at the meeting and may appoint a proxy to attend, speak and vote instead of them. A member may appoint more than one proxy in relation to the meeting provided that each proxy is entitled to exercise the rights attaching to a different share or shares held by that member. A proxy need not be a member of the Company.
2. A pink Form of Proxy is enclosed for use at this meeting. To be valid, a completed Form of Proxy (and any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or other authority) must be returned so as to arrive at the offices of the Company's registrar, Computershare Investor Services PLC, at the address stated thereon, not later than 10.15 a.m. on 18 November 2019, (or, if the meeting is adjourned, by no later than the 48 hours before the time fixed for the holding of the adjourned meeting (excluding any day that is not a working day)).
3. A space has been included in the pink Form of Proxy to allow Eland Shareholders entitled to attend and vote at the meeting to specify by each proxy's name the number of Eland Shares in respect of which that proxy is appointed. Eland Shareholders who return a pink Form of Proxy duly executed but leave this space blank will be deemed to have appointed the proxy in respect of all of their holding of Eland Shares. Eland Shareholders may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. Eland Shareholders may not appoint more than one proxy to exercise rights attached to one share. Eland Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact Eland's registrars, Computershare Investor Services PLC, for further Forms of Proxy or photocopy the Form of Proxy as required.
4. Eland Shareholders who hold shares through CREST and who wish to appoint a proxy or proxies for the meeting or any adjournment(s) by using the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service providers, who will be able to take the appropriate action on their behalf.

5. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Registrar (ID3RA50) not later than 10.15 a.m. on 18 November 2019, or if the meeting is adjourned, by no later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any day that is not a working day). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
6. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instruction. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a personal CREST member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
7. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
8. Completion and return of a Form of Proxy, or the appointment of proxies through CREST will not preclude a shareholder from attending and voting in person.
9. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes that may be cast thereat will be determined by reference to the register of members of the Company as at 6.00 p.m. on the date which is two Business Days prior to the date of the meeting, or if the meeting is adjourned, 6.00 p.m. on the date which is two Business Days before the date fixed for the adjourned meeting. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
10. As at close of business on 24 October 2019 (being the latest practicable date for preparation of this notice) the Company’s issued share capital consisted of 220,164,155 ordinary shares of 10 pence each, carrying one vote each. The Company holds 4,572,414 of these ordinary shares in treasury. Therefore, total voting rights in the Company as at close of business on 24 October 2019 were 215,591,741.
11. In the case of joint holders of ordinary shares the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
12. The statement of rights of Eland Shareholders in relation to the appointment of proxies described in these notes does not apply to nominated persons. Such rights can only be exercised by Eland Shareholders.
13. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a “**nominated person**”) may, under an agreement between him/her and the member by whom he/she was nominated have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a nominated person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.
14. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that no more than one corporate representative is appointed over the same share.
15. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any question relating to the business being dealt with at the meeting put by a member attending the meeting. However, members should note that no answer need be given in the following circumstances: (a) if to do so would interfere unduly with the preparation of the meeting or would involve a disclosure of confidential information; (b) if the answer has already been given on a website in the form of an answer to a question; or (c) if it is undesirable in the interests in the Company or in the good order of the meeting that the question be answered.
16. A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found at [www.elandoilandgas.com/seplat-offer/](http://www.elandoilandgas.com/seplat-offer/).
17. Under sections 338 and 338A of the Companies Act 2006, members meeting the threshold requirements in those sections may, subject to conditions, require the Company (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting, and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved, or a matter may properly be included in the business, unless one of the following applies: (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company’s constitution or otherwise); (b) it is defamatory of any person; or (c) it is frivolous or vexatious.

18. You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.
19. Copies of the Company's existing articles of association and copies of the articles of association as proposed to be amended by the special resolution set out in this Notice are available for inspection at Mayer Brown International LLP, 201 Bishopsgate, London EC2M 3AF and at the Company's registered office at 28 Albyn Place, Aberdeen AB10 1YL, United Kingdom until the opening of business on the day on which the General Meeting is held. These documents will also be available for inspection at the place of the General Meeting for at least 15 minutes prior to the commencement of the meeting until the conclusion thereof.





