

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should seek your own independent advice from a stockbroker, solicitor, accountant, or other professional adviser.

If you have sold or otherwise transferred all of your shares in the Company, please pass this document together with the enclosed documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute any offer to issue or sell or a solicitation of any offer to subscribe for or buy shares in the Company.

UK OIL & GAS PLC

(incorporated and registered in England and Wales under number 5299925)

NOTICE OF GENERAL MEETING

Notice of a General Meeting of the Shareholders of the Company to be held at 10 a.m. on 12 February 2020 at 8th Floor, The Broadgate Tower, 20 Primrose Street, London, EC2A 2EW is set out at the end of this document. A form of proxy for use at the General Meeting accompanies this document and, to be valid, must be completed and returned to Share Registrars Limited at The Courtyard, 17 West Street, Farnham, GU9 7DR as soon as possible but in any event to be received not later than 10 a.m. on 10 February 2020 or 48 hours before any adjourned meeting. Completion of a form of proxy will not preclude a Shareholder from attending and voting at the General Meeting in person.

DEFINITIONS

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

Board or Directors	the board of directors of the Company for the time being.
Company	means UK Oil & Gas plc.
Form of Proxy	the form of proxy for use at the General Meeting.
General Meeting	the general meeting of the Company convened pursuant to the Notice and to be held at the offices of Hill Dickinson LLP at 10 a.m on 12 February 2020.
London Stock Exchange Ordinary Shares	London Stock Exchange PLC the ordinary shares of 0.01 p each in the capital of the Company.
Resolutions	the resolutions to be proposed at the General Meeting, notice of which is set out at the end of this document.
Shareholders	the holders of Ordinary Shares in the Company.
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<u>Event</u>	<u>Expected time / date</u>
Publication of this document	28 January 2020
Latest time and date for receipt of forms of proxy	10 a.m. on 10 February 2020
General Meeting	10 a.m. on 12 February 2020

Notes:

- (1) All times shown in this document are London times unless otherwise stated. The dates and times given are indicative only and are based on the Company's current expectations and may be subject to change. If any of the times and/or date above changes. The revised times and/or dates will be notified to Shareholders by announcement through the Regulatory News Service of the London Stock Exchange plc.
- (2) If the General Meeting is adjourned, the latest time and date for receipt of forms of proxy for the adjourned meeting will be notified to Shareholders by announcement through the regulatory news service of the London Stock Exchange plc.

DIRECTORS AND ADVISERS

Directors	Allen D Howard (Non-Executive Chairman) Stephen Sanderson (Chief Executive) Kiran Morzaria (Finance Director) Nicholas Mardon Taylor (Non-Executive Director)
Registered office	The Broadgate Tower 8th Floor, 20 Primrose Street London United Kingdom EC2A 2EW
Website	www.ukogplc.com
Nominated adviser	W.H. Ireland Limited 24 Martin Lane London EC4R 0DR United Kingdom
Legal advisers to the Company	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW
Registrar	Share Registrars Limited The Courtyard 17 West Street Farnham GU9 7DR

LETTER FROM THE CHAIRMAN

UK OIL & GAS PLC

(Incorporated and registered in England & Wales with registered number 5299925)

Directors:

Allen D Howard *(Non-Executive Chairman)*
Stephen Sanderson *(Chief Executive)*
Kiran Morzaria *(Finance Director)*
Nicholas Mardon Taylor *(Non-Executive Director)*

Registered Office:

The Broadgate Tower
8th Floor, 20 Primrose Street
London
United Kingdom
EC2A 2EW

To the Shareholders and, for information only, to the holders of warrants and options

28 January 2020

Dear Shareholder

AUTHORITY TO ALLOT SHARES AND DISAPPLICATION OF PRE-EMPTION RIGHTS

NOTICE OF GENERAL MEETING

Introduction

As announced by the Company on 11 September 2019, the Company completed the acquisition of Magellan Petroleum (UK) Investment Holdings Limited (“**Magellan**”) from Tellurian Investments LLC for total consideration of £12 million in cash and shares in the Company. Magellan holds a 35% direct interest in the Horse Hill oil field and the surrounding highly prospective PEDL137 and PEDL256 licences (the Company’s flagship asset) (the “**Acquisition**”). The £12 million consideration is payable in three tranches:

- An £8 million initial consideration which was satisfied through the payment of £5 million in cash and the issue of an aggregate total of 275,988,960 new Ordinary Shares in the Company. The number of consideration shares issued was calculated by the payment amount divided by the 10-day average mid-price of the Company’s Ordinary Shares prior to the completion date;
- A £3 million deferred payment which was satisfied through the issue of 331,125,828 new Ordinary Shares in the Company. The number of consideration shares issued was calculated by the payment amount divided by the 10-day average mid-price of the Company’s Ordinary Shares prior to 31 December 2019; and
- A £1 million second deferred payment (“**Second Deferred Payment**”) which is to be satisfied on or before 31 March 2020, either in cash or through the issue of Ordinary Shares in the Company (the Directors intend on satisfying the Second Deferred Payment through the issue of Ordinary Shares in the Company).

The Company (as announced on 2 December 2019) has also raised £2 million from a single institutional investor through a placing of 235,294,117 new Ordinary Shares in the capital of the Company.

Following the successful conclusion of these arrangements detailed above and as the Second Deferred Payment must be satisfied on or before 31 March 2020, it is now necessary to update the relevant authorities of the Company in order for the Company to satisfy its obligations under the Acquisition as existing authorities have been largely utilised.

The Company also announced today its development plans for the Horse Hill oil field, in which it intends to bring HH-1 into long-term production (“Production”) during Spring 2020. It is intended to develop the field’s Production in phases, subject to Oil and Gas Authority (“OGA”) consent. This will commence with HH-1 which will be followed by HH-2z, planned in the third quarter 2020, after completion of the current HH-2z extended well test (“EWT”) and the installation of necessary surface facilities. Further possible infill wells, water injection and “gas to wire” power export will be addressed via subsequent phased submissions to OGA of FDP addenda.

The establishment of up to 25 years of Production at Horse Hill is a significant and key milestone for the Company as it will enable recoverable Reserves to be allocated to the project. This is a key first step to help access debt-based funding, which, if secured, would help meet the cost of current and future projects designed to grow the Company’s asset base. Production will also enable oil sales to be booked directly as income, rather than simply netting off the revenues against EWT costs.

The Board therefore seeks approval to increase its authority to allot and issue shares so that it can satisfy the Second Deferred Payment as well as act swiftly to develop and fund the Company’s Horse Hill field development plan.

You will find at the end of this document a Notice of the General Meeting, which is proposed to be held at 10 a.m. on 12 February 2020 at 8th Floor, The Broadgate Tower, 20 Primrose Street, London EC2A 2EW.

This letter also explains why the Directors recommend that Shareholders vote in favour of the Resolutions being proposed at the General Meeting.

Resolutions at the General Meeting

Resolution 1 – Directors’ Authority to Allot Shares

This is an ordinary resolution to grant the Directors with the authority to allot and issue shares and grant rights to subscribe for shares in the Company for the purposes of Section 551 of the Act up to the maximum aggregate nominal amount of £300,000. This resolution replaces any existing authorities to issue shares in the Company and the authority under this resolution will expire at the conclusion of the next annual general meeting of the Company.

Resolution 2 – Disapplication of Pre-emption Rights

Resolution 2 proposes to dis-apply the statutory rights of pre-emption in respect of the allotment of equity securities for cash under Section 561(1) of the Act. This is a special resolution authorising the Directors to issue equity securities as continuing authority up to an aggregate nominal amount of £300,000 for cash on a non pre-emptive basis pursuant to the authority conferred by Resolution 1 above.

The authority granted by this Resolution will expire at the conclusion of next annual general meeting of the Company.

Action to be taken by Shareholders

Shareholders will find enclosed with this letter the Form of Proxy for use at the General Meeting. The Form of Proxy should be completed and returned in accordance with the instructions printed on it so as to arrive at Share Registrars Limited at The Courtyard, 17 West Street, Farnham, GU9 7DR as soon as possible and in any event not later than 10 a.m. on 10 February 2020. Completion and the return of the Form of Proxy will not prevent Shareholders from attending and voting at the General Meeting should they so wish.

Recommendation

The Directors unanimously believe that the Resolutions are in the best interests of the Company and its Shareholders and unanimously recommend you to vote in favour of the Resolutions.

Yours faithfully

Stephen Sanderson

Chief Executive

UK OIL & GAS PLC
(Registered in England No. 5299925)

NOTICE OF GENERAL MEETING

NOTICE is hereby given that the General Meeting of UK Oil & Gas Plc ("**Company**") will be held at 8th Floor, The Broadgate Tower, 20 Primrose Street, London EC2A 2EW at 10 a.m. on 12 February 2020 for the purpose of considering and if thought fit passing the following Resolutions, of which resolution 1 will be proposed as an ordinary resolution and resolution 2 as a special resolution:

SPECIAL BUSINESS

Resolution 1: That, pursuant to section 551 of the Companies Act 2006 (the "**Act**") the Directors be and are hereby generally and unconditionally authorised to exercise all powers of the Company to allot equity securities (as defined by section 560 of the Act) up to the maximum aggregate nominal amount of £300,000 PROVIDED that the authority granted under this resolution shall lapse at the end of the next annual general meeting of the Company to be held after the date of the passing of this resolution save that the Company shall be entitled to make offers or agreements before the expiry of this authority which would or might require shares to be allotted or equity securities to be granted after such expiry and the Directors shall be entitled to allot shares and grant equity securities pursuant to such offers or agreements as if this authority had not expired and all unexercised authorities previously granted to the Directors to allot shares and grant equity securities be and are hereby revoked.

Resolution 2: That, subject to the passing of Resolution 1 above, and in accordance with section 570 of the Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred by Resolution 1 or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

- (a) in connection with an offer of equity securities to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or arrangements as the Directors may deem necessary or expedient in relation to the treasury shares, fractional entitlements, record dates, arising out of any legal or practical problems under the laws of any overseas territory or the requirements of any regulatory body or stock exchange; and
- (b) (otherwise than pursuant to sub paragraph (a) above) up to an aggregate nominal amount of £300,000; and provided that this power shall expire on the conclusion of the next Annual General Meeting of the Company (unless renewed, varied or revoked by the Company prior to or on that date) save that the Company may, before such expiry, make offer(s) or agreement(s) which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offers or agreements notwithstanding that the power conferred by this resolution has expired.

BY ORDER OF THE BOARD

Kiran Morzaria
Company Secretary

28 January 2020

Registered office:
The Broadgate Tower 8th Floor
20 Primrose Street
London
United Kingdom
EC2A 2EW

Notes:

Appointment of proxies

- 1 As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
- 2 A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you must appoint your own choice of proxy (not the chairman) and give your instructions directly to the relevant person.
- 3 You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you must complete a separate proxy form for each proxy and specify against the proxy's name the number of shares over which the proxy has rights. If you are in any doubt as to the procedure to be followed for the purpose of appointing more than one proxy you must contact Share Registrars Limited at The Courtyard, 17 West Street, Farnham, GU9 7DR. If you fail to specify the number of shares to which each proxy relates, or specify a number of shares greater than that held by you on the record date, proxy appointments will be invalid.
- 4 If you do not indicate to your proxy how to vote on any resolution, your proxy will vote or abstain from voting at his discretion. Your proxy will vote (or abstain from voting) as he thinks fit in relation to any other matter which is put before the meeting. Appointment of proxy using the hard copy proxy form
- 5 The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold his vote.
- 6 To appoint a proxy using the proxy form, it must be:
 - 6.1 completed and signed;
 - 6.2 sent or delivered to Share Registrars Limited at The Courtyard, 17 West Street, Farnham, GU9 7DR; and
 - 6.3 received by Company no later than 10 a.m. on 10 February 2020
- 7 In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
- 8 Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
- 9 The Company, pursuant to regulation 41 of The Uncertificated Securities Regulations 2001, specifies that only those ordinary shareholders registered in the register of members of the Company 48 hours before the meeting shall be entitled to attend or vote at the meeting in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries on the relevant register of securities after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

Appointment of proxy by joint members

- 10 In the case of joint holders of shares, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder (being the first named holder in respect of the shares in the Company's register of members) will be accepted.

Changing proxy instructions

- 11 To change your proxy instructions simply submit a new proxy appointment using the method set out in paragraph 6 above. Note that the cut off time for receipt of proxy appointments specified in that paragraph also applies in relation to amended instructions. Any amended proxy appointment received after the specified cut off time will be disregarded.
- 12 Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact the Company as indicated in paragraph 3 above.
- 13 If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

- 14 In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company as indicated in paragraph 3 above. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
- 15 The revocation notice must be received by the Company no later than 10 February 2020.
- 16 If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to paragraph 17 below, your proxy appointment will remain valid.
- 17 Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

Total voting rights

- 18 As at 28 January 2020, being the last practicable date before dispatch of this notice, the Company's issued share capital comprised 7,357,605,264 ordinary shares of 0.01 p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 28 January 2020 is 7,357,605,264.

