

## ELECTRONIC TRANSMISSION

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If you are in any doubt about the contents of the attached Pathfinder Admission Document or as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser that specialises in advising on the acquisition of shares and other securities who is duly authorised under FSMA (or, if you are a person outside the UK, a person otherwise similarly qualified in your jurisdiction).

Terms used but not defined in this electronic transmission shall have the meanings given to them in the attached Pathfinder Admission Document.

In accessing the attached Pathfinder Admission Document, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

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This document is being distributed to, and is directed only at, (i) the Retail Investors for the purposes of the Retail Offer and (ii) such other persons in the United Kingdom who are "qualified investors" within the meaning of Article 2 of the UK Prospectus Regulation and (a) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as amended (the "FPO"); and/or (b) who are high net worth entities falling within Article 49(2)(a) to (d) of the FPO; and (iii) other persons to whom it may otherwise be lawfully distributed (each a "relevant person"). Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with such persons. Persons who are not relevant persons should not rely on or act upon this document.

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Winterflood Securities has given and not withdrawn its consent to the issue of this document with the inclusion of the references to its name in the form and context to which they are included.

No representation or warranty, express or implied, is made by Tennyson Securities or any of its Representatives as to the contents of this document (without limiting the statutory rights of any person to whom this electronic transmission or the attached Pathfinder Admission Document is issued). No liability whatsoever is accepted by Tennyson Securities or any of its Representatives for the accuracy of any information or opinions contained in this electronic transmission or the attached Pathfinder Admission Document or for the omission of any material information for which it is not responsible. The information contained in this electronic transmission and the attached Pathfinder Admission Document is not intended to inform or be relied upon by any subsequent purchasers of any securities (whether on or off exchange) and accordingly, to the extent permitted by law, no duty of care is accepted by the Company or Tennyson Securities in relation to any of them.

This electronic transmission does not constitute, or form part of, any offer or invitation to sell, allot or issue or any solicitation of any offer to purchase or subscribe for any securities, nor shall it (or any part of it) or the fact of its distribution form the basis of, or be relied upon in connection with, or act as any inducement to enter into, any contract or commitment for securities in any circumstances in which such offer or invitation to sell is unlawful.

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The Pathfinder Admission Document does not constitute an MTF admission document within the meaning of the Public Offers and Admissions to Trading Regulations 2024 (SI 2024/105, as amended) and has not been approved by the FCA or the London Stock Exchange, nor is it intended that the final version of the Admission Document will be so approved.

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Except as required by applicable law or regulation, none of the Company or Tennyson Securities or any of their respective directors, officers, partners, employees, agents, affiliates, representatives or advisers (together, "**Representatives**") or any other person undertakes or agrees any obligation to update or revise any forward-looking or other statements or information in the Pathfinder Admission Document, whether as a result of new information, future developments or otherwise and none of the Company or Tennyson Securities or any of their respective Representatives or any other person undertakes or agrees or is under any duty to update the Pathfinder Admission Document or to correct any inaccuracies in, or omissions from, any such information which may become apparent or to provide you with any additional information. No statement in the Pathfinder Admission Document is intended as a profit forecast or profit estimate and no statement in the Pathfinder Admission Document should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company (unless otherwise stated).

To the fullest extent permitted by applicable law or regulation, no undertaking, representation or warranty or other assurance, express or implied, is made or given by or on behalf of the Company or Tennyson Securities or any of their respective parent or subsidiary undertakings or the subsidiary undertakings of any such parent undertakings or any of their respective Representatives or any other person as to the accuracy, sufficiency, completeness or fairness of the information, opinions or beliefs contained in the Pathfinder Admission Document. Save in the case of fraud, no responsibility or liability is accepted by any person for any errors, omissions or inaccuracies in such information or opinions or for any loss, cost or damage suffered or incurred, howsoever arising, directly or indirectly, from any use of, as a result of the reliance on, or otherwise in connection with, the Pathfinder Admission Document. In addition, no duty of care or otherwise is owed by any such person to recipients of the Pathfinder Admission Document or to any other person.

The Pathfinder Admission Document and its contents are confidential, and you shall treat and safeguard as strictly private and confidential all information contained in the Pathfinder Admission Document. You shall not use the Pathfinder Admission Document or the information contained herein in any manner detrimental to the Company or Tennyson Securities.

The Pathfinder Admission Document contains certain statements that are, or may be, forward-looking statements with respect to the financial condition, results of operations, business achievements and/or investment strategy of the Company. Such forward-looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company or the success of its investment strategy to be materially different from any future results, performance or achievements expressed or implied by such statements. Factors that might cause such a difference include, but are not limited to, those discussed in the risk factors set out in the section headed "Risk Factors" in Part II of the Pathfinder Admission Document.

#### **Confirmation of understanding and acceptance of disclaimer:**

By accepting the Pathfinder Admission Document, which is in draft form, you are deemed to have confirmed, represented and warranted to Tennyson Securities and the Company that: (a) you have read and understood the disclaimer set out above, acknowledge that the terms of the disclaimer set out above may affect your rights and agree to be bound by its terms; (b) you consent to delivery of the Pathfinder Admission Document and acknowledge that the Pathfinder Admission Document is confidential and intended for you only; (c) you will not forward, reproduce or publish the Pathfinder Admission Document to any other person; (d) you (i)

are outside a Restricted Jurisdiction; or (ii) ordinarily reside outside a Restricted Jurisdiction; (e) (i) if you are resident or located in the United Kingdom: (A) in the context of the WRAP Offer, you are a Retail Client; or (B) in the context of the Placing and the Subscription, you are a Relevant Person; and (ii) if you are resident or located in a Relevant State, you are a Qualified Investor; and (f) confirm that you are permitted to proceed to the view the Pathfinder Admission Document.

5 February 2026

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document, or the action you should take, you should consult a person authorised under the Financial Services and Markets Act 2000 (as amended) who specialises in advising on the acquisition of shares and other securities before taking any action. The whole text of this document should be read. Investment in the Company is speculative and involves a high degree of risk.

This document constitutes an admission document drawn up in accordance with the AIM Rules for Companies, and has been issued in connection with an application for admission to trading on AIM of the entire issued and to be issued share capital of Beacon Energy plc. This document constitutes an MTF admission document within the meaning of the Public Offers and Admissions to Trading Regulations 2024 (SI 2024/105, as amended) If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

The Company and the Directors whose names appear on page [●] of this document, each accept responsibility for the information contained in this document including collective and individual responsibility for the Company's compliance with the AIM Rules. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. To the extent information has been sourced from a third party, this information has been accurately reproduced and, as far as the Company and the Directors are aware, no facts have been omitted which may render the reproduced information inaccurate or misleading. In connection with this document, no person is authorised to give any information or make any representation other than as contained in this document.

Application will be made for the Enlarged Share Capital to be admitted to trading on AIM. It is emphasised that no application has been made or is being made for admission of the Enlarged Share Capital to the Official List of the FCA. The Ordinary Shares are not traded on any recognised investment exchange and no application has been or is intended to be made for the Enlarged Share Capital to be admitted to trading on any such market. It is expected that Admission will become effective and dealings in the Ordinary Shares will commence on AIM on [●] [●] 2026. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration.

**AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the FCA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.**

The attention of prospective investors is particularly drawn to the section entitled "Risk Factors" set out in Part II of this document and all statements regarding the Company's business should be viewed in light of these risk factors.

# Beacon Energy plc



*(Incorporated and registered in the Isle of Man under Company Number 010493V)*

## Proposed Acquisition of a significant interest in LNEnergy

**Proposed Fundraise, including WRAP Offer, to raise gross proceeds of £[3.75 million] via the issue of [●] Fundraise Shares at 3.9 pence per share**

## Admission of the Enlarged Share Capital to trading on AIM

and

## Notice of Extraordinary General Meeting

*Financial and Nominated Adviser*  
**Strand Hanson Limited**

STRAND  
HANSON

*Broker*  
**Tennyson Securities**

Tennyson

## IMPORTANT NOTICE

### General

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Except as required by applicable law or regulation, none of the Company or Tennyson Securities or any of their respective directors, officers, partners, employees, agents, affiliates, representatives or advisers (together, “**Representatives**”) or any other person undertakes or agrees any obligation to update or revise any forward-looking or other statements or information in the Pathfinder Admission Document, whether as a result of new information, future developments or otherwise and none of the Company or Tennyson Securities or any of their respective Representatives or any other person undertakes or agrees or is under any duty to update the Pathfinder Admission Document or to correct any inaccuracies in, or omissions from, any such information which may become apparent or to provide you with any additional information. No statement in the Pathfinder Admission Document is intended as a profit forecast or profit estimate and no statement in the Pathfinder Admission Document should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company (unless otherwise stated).

To the fullest extent permitted by applicable law or regulation, no undertaking, representation or warranty or other assurance, express or implied, is made or given by or on behalf of the Company or Tennyson Securities or any of their respective parent or subsidiary undertakings or the subsidiary undertakings of any such parent undertakings or any of their respective Representatives or any other person as to the accuracy, sufficiency, completeness or fairness of the information, opinions or beliefs contained in the Pathfinder Admission Document. Save in the case of fraud, no responsibility or liability is accepted by any person for any errors, omissions or inaccuracies in such information or opinions or for any loss, cost or damage suffered or incurred, howsoever arising, directly or indirectly, from any use of, as a result of the reliance on, or otherwise in connection with, the Pathfinder Admission Document. In addition, no duty of care or otherwise is owed by any such person to recipients of the Pathfinder Admission Document or to any other person.

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#### **Confirmation of understanding and acceptance of disclaimer:**

By accepting the Pathfinder Admission Document, which is in draft form, you are deemed to have confirmed, represented and warranted to Tennyson Securities and the Company that: (a) you have read and understood the disclaimer set out above, acknowledge that the terms of the disclaimer set out above may affect your rights and agree to be bound by its terms; (b) you consent to delivery of the Pathfinder Admission Document

and acknowledge that the Pathfinder Admission Document is confidential and intended for you only; (c) you will not forward, reproduce or publish the Pathfinder Admission Document to any other person; (d) you (i) are outside a Restricted Jurisdiction; or (ii) ordinarily reside outside a Restricted Jurisdiction; (e) (i) if you are resident or located in the United Kingdom: (A) in the context of the WRAP Offer, you are a Retail Client; or (B) in the context of the Placing and the Subscription, you are a Relevant Person; and (ii) if you are resident or located in a Relevant State, you are a Qualified Investor; and (f) confirm that you are permitted to proceed to the view the Pathfinder Admission Document.

5 February 2026

Investment in the Ordinary Shares will involve significant risks due to gearing and the inherent illiquidity of the underlying investments and should be viewed as a long-term investment. The Ordinary Shares may not be suitable for all recipients or be appropriate for their personal circumstances. You should carefully consider in the light of your financial resources whether investing in the Company is suitable for you. An investment in the Ordinary Shares is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may arise (which may be equal to the whole amount invested).

The Placing Shares will, on issue, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions deemed, made or paid after the issue of the Placing Shares.

**The whole of this document should be read. Your attention is drawn, in particular, to Part I: “Letter from the Non-Executive Chairman of Beacon Energy plc” and Part II: “Risk Factors” for a more complete discussion of the factors that could affect the Company’s future performance and the industry in which it will operate. This document is being sent to all Shareholders for information purposes only to enable them to exercise their rights as Shareholders in connection with the Extraordinary General Meeting.**

Prospective investors should rely only on the information contained in this document. No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Directors, Strand Hanson or Tennyson Securities. Without prejudice to the Company’s obligations under the AIM Rules, neither the delivery of this document nor any subscription made under this document shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this document or that the information contained in this document is correct as of any time subsequent to the date of this document. None of the Strand Hanson or Tennyson Securities have authorised the contents of this document and, without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by Strand Hanson or Tennyson Securities as to the contents of this document and no responsibility or liability whatsoever is accepted by Strand Hanson or Tennyson Securities for the accuracy of any information or opinions contained in this document or for the omission of any material information from this document, for which the Company and the Directors are solely responsible.

The contents of this document are not to be construed as legal, financial or tax advice. Each prospective investor should consult a legal adviser, an independent financial adviser duly authorised under FSMA or a tax adviser for legal, financial or tax advice in relation to any investment in or holding of Ordinary Shares. Each prospective investor should consult with such advisers as needed to make its investment decision and to determine whether it is legally permitted to hold shares under applicable legal investment or similar laws or regulations. Prospective investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

#### **Notice to prospective investors in the United Kingdom**

This document is being distributed to, and is directed only at, (i) the Retail Investors for the purposes of the Retail Offer and (ii) such other persons in the United Kingdom who are “qualified investors” within the meaning of Article 2 of the UK Prospectus Regulation and (a) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as amended (the “**FPO**”); and/or (b) who are high net worth entities falling within Article 49(2)(a) to (d) of the FPO; and (iii) other persons to whom it may otherwise be lawfully distributed (each a “**relevant**

**person**"). Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with such persons. Persons who are not relevant persons should not rely on or act upon this document.

This document has been approved by Tennyson Securities for the purposes of section 21 of FSMA and the terms of such approval limit the use of this document as so approved for the purposes of the Retail Offer only. The date of Tennyson Securities approval of this Admission Document for these purposes is 2 February 2026.

### **Notice to Distributors**

Solely for the purposes of Paragraph 3.2.7R regarding the responsibilities of UK Manufacturers under the Product Governance requirements contained within Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that the Ordinary Shares are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in UK Product Governance Requirements; and (ii) eligible for distribution through all distribution channels as are permitted by UK Product Governance Requirements (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to, the Ordinary Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

### **Notice to overseas persons**

**This document does not constitute an offer to sell or the solicitation of an offer to buy or subscribe for Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any such distribution could result in a violation of the laws of such jurisdictions. In particular, this document is not for distribution in or into the United States, Canada, the Republic of South Africa, Australia or Japan. The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "US Securities Act") or under the securities legislation of, or with any securities regulatory authority of, any state or other jurisdiction of the United States or under the applicable securities laws of any province or territory of Canada or under the securities laws of the Republic of South Africa, Australia, or Japan or in any country, territory or possession where to do so may contravene local securities law or regulations. Accordingly, subject to certain exemptions, the Ordinary Shares may not be offered or sold directly or indirectly in or into the United States, Canada, the Republic of South Africa, Australia or Japan (each a "Restricted Jurisdiction") or to any national, resident or citizen of a Restricted Jurisdiction. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Ordinary Shares to any person in a Restricted Jurisdiction and is not for distribution in, into or from a Restricted Jurisdiction. The Ordinary Shares have not been approved or disapproved by the US.**

**Securities and Exchange Commission, or any other securities commission or regulatory authority of the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Placing Shares nor have they approved this document or confirmed**

**the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the US.**

### **Copies**

Copies of this document will be available free of charge during normal business hours on any day from the offices of Tennyson Securities, 65 Petty France, London, SW1H 9EU.

### **Rounding**

Certain data in this document, including financial, statistical and operational information has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data. Percentages in tables have been rounded and, accordingly, may not add up to 100 per cent.

### **Presentation of market, economic and industry data**

This document contains information regarding the Company's business and the industry in which it operates and competes, which the Company has obtained from various third party sources. Where information contained in this document originates from a third party source, it is identified where it appears in this document together with the name of its source. Such third party information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### **Data protection**

The information that a prospective investor provides in documents in relation to a purchase of Ordinary Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual ("**personal data**") will be held and processed by the Company (and any third party to whom it may delegate certain administrative functions in relation to the Company) in compliance with the relevant data protection legislation and regulatory requirements of the United Kingdom. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- contacting the prospective investor with information about products and services, or its affiliates, which may be of interest to the prospective investor;
- carrying out the business of the Company and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in England and Wales and elsewhere (as required); and
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/ or administer the Company's business.

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

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

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

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

### **No incorporation of website information**

Other than in respect of financial information, the contents of the Company's website or any hyperlinks accessible from the Company's website do not form part of this document and prospective investors should not rely on them.

### **Forward looking statements**

All statements other than statements of historical facts included in this document, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations or statements relating to expectations in relation to dividends or any statements preceded by, followed by or that include any of the words "targets", "believes", "expects", "estimates", "aims", "intends", "plans", "will", "may", "anticipates", "would", "could" or similar expressions or the negative thereof, are forward looking statements. Such forward looking statements involve known or unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance, achievements of or dividends paid by, the Company to be materially different from future results, performance or achievements, or dividend payments expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These forward looking statements speak only as of the date of this document. In addition, even if the Company's actual results, performance, achievements of or dividends paid are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained in this document, to reflect any change in the Company's expectations relating to those statements or any new information or any change in events, conditions or circumstances on which any such statements are based, unless required to do so by law or any appropriate regulatory authority.

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## KEY INFORMATION AND EXPECTED TIMETABLE OF EVENTS

Publication of this document	12 February 2026
Latest time and date for receipt of Forms of Proxy	9.00 a.m. (London time) on 24 February 2026
Extraordinary General Meeting	[TIME] (London time) on 26 February 2026
Announcement of result of Extraordinary General Meeting	26 February 2026
First Acquisition Completion	27 February 2026
Admission and commencement of dealings in the Enlarged Share Capital on AIM	27 February 2026
CREST accounts expected to be credited in respect of the Fundraise Shares in uncertificated form	27 February 2026
First Acquisition Escrow Completion	6 March 2026
Dispatch of definitive share certificates in respect of the Fundraise Shares	By 6 March 2026

*Note: Each of the times and dates set out above and mentioned elsewhere in the document may be subject to change at the absolute discretion of the Company and Strand Hanson without further notice. All references are to London time unless otherwise stated. Temporary documents of title will not be issued.*

## **FUNDRAISE AND ADMISSION STATISTICS – [TO BE UPDATED]**

Number of Existing Ordinary Shares in issue at the date of this document	18,511,680
Fundraise Price	3.9 pence
Enlarged Share Capital – Number of Ordinary Shares on Admission, including:	[●]
Number of Fundraise Shares	[●]
Number of Consideration Shares	[●]
Options and Warrants outstanding as a percentage of the Enlarged Share Capital on Admission*	[●]
Market capitalisation following Admission at the Fundraise Price	[●]
Gross proceeds of the Fundraise	[\$3.75 million]
Estimated net proceeds of the Fundraise	[●]
Ticker	BCE
ISIN of the Existing Ordinary Shares	IM00BW9JFW84
SEDOL of the Existing Ordinary Shares	BW9JFW8
Legal Entity Identifier	213800TZW0YU7UFZ5V63

(1) This figure assumes that no Options or Warrants that are outstanding as at the date of this document are exercised between the date of this document and Admission.

## **EXCHANGE RATES**

For reference purposes only, the following exchange rates have been used in this document:

[●]

All amounts referred to in Parts I, II and VII of this document expressed in the above currencies have, unless otherwise stated, been calculated using the above exchange rates.

## DIRECTORS, SECRETARY AND ADVISERS

<b>Company Secretary</b>	FIM Capital 55 Athol Street Douglas Isle of Man IM1 1LA
<b>Directors</b>	Mark Rollins ( <i>Non-Executive Chairman</i> ) Stewart MacDonald ( <i>CEO</i> ) Ross Warner ( <i>Non-Executive Director</i> ) Leo Koot ( <i>Non-Executive Director</i> )
<b>Registered Agent</b>	FIM Capital 55 Athol Street Douglas Isle of Man IM1 1LA
<b>Registered Office</b>	55 Athol Street Douglas Isle of Man IM1 1LA
<b>Principal place of business</b>	Isle of Man
<b>Financial and Nominated Adviser</b>	Strand Hanson Limited 26 Mount Row Mayfair London W1K 3SQ United Kingdom
<b>Broker</b>	Tennyson Securities (trading name of Shard Capital Partners LLP) 65 Petty France London SW1H 9EU United Kingdom
<b>Auditors and Reporting Accountants</b>	Lubbock Fine LLP 65 St Paul's Churchyard London EC4M 8AB United Kingdom
<b>Solicitors to the Company (as to English law)</b>	Watson Farley & Williams LLP 15 Appold Street London EC2A 2HB United Kingdom
<b>Solicitors to the Company (as to Italian law)</b>	Ughi e Nunziante Via Venti Settembre 1 00187 Roma (RM) Italy

**Solicitors to the Company  
(as to Isle of Man law)**

DQ Advocates Limited  
The Chambers  
5 Mount Pleasant  
Douglas  
Isle of Man  
IM1 2PU

**Solicitors to the Nominated  
Adviser and Broker**

Fieldfisher LLP  
Riverbank House  
Swan Lane  
London  
EC4R 3TT  
United Kingdom

**Registrars**

Computershare Investor Services (Jersey) Limited  
13 Castle Street  
St Helier  
Jersey  
JE1 1ES

**Competent Person**

Tetra Tech RPS Energy Limited  
101 Park Drive  
Milton Park  
Abingdon  
Oxfordshire  
OX14 4RY  
United Kingdom

**Company website**

[www.beaconenergyplc.com](http://www.beaconenergyplc.com)

## **DEFINITIONS AND ABBREVIATIONS – [TO BE UPDATED]**

<b>“Act”</b>	the Isle of Man Companies Act 2006, as amended;
<b>“Acquisition”</b>	the acquisition by the Company of up to 48 per cent. indirect interest in the issued share capital of LNEnergy pursuant to the terms of the SPA;
<b>“Admission”</b>	the admission of the Enlarged Share Capital to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules;
<b>“Adviser Fee Shares”</b>	the [●] new Ordinary shares to be issued on Admission to certain advisers of the Company in lieu of fees due in connection with the Acquisition which are to be reinvested as part of the Fundraise, details of which are set out in paragraph 13.7 of Part I of this document;
<b>“Adviser Warrants”</b>	the [●] Warrants over new Ordinary Shares to be issued, conditional on Admission, to certain advisers to the Company, details of which are set out in paragraph 13.6 of Part I of this document;
<b>“AIM”</b>	the AIM market operated by the London Stock Exchange;
<b>“AIM Rules” or “AIM Rules for Companies”</b>	the AIM Rules for Companies, as published by the London Stock Exchange and amended from time to time;
<b>“AIM Rules for Nominated Advisers”</b>	the AIM Rules for Nominated Advisers, as published by the London Stock Exchange and amended from time to time;
<b>“Applicable Laws”</b>	the Act, UK Companies Act 2006, FSMA, Criminal Justice Act 1993, AIM Rules for Nominated Advisers, UK MAR, DTR, Quoted Companies Alliance, Takeover Code and any other applicable legislation or regulation;
<b>“Articles” or “Articles of Association”</b>	the current articles of association of the Company (which are proposed to be amended pursuant to the EGM), further details of which are set out at paragraph 4 of Part VIII of this document;
<b>“Audit Committee”</b>	a sub-committee of the Board, further details of which are set out in paragraph 16.2 of this Part I and paragraph 8.2 of Part VIII of this document;
<b>“Auditors”</b>	Lubbock Fine LLP, being the Company’s auditors;
<b>“Avanti Eurogas Share Pledge”</b>	the share pledge agreement entered into by LNEnergy and Avanti Eurogas, LLC, further details of which are set out in paragraph 14.14 of Part VIII of this document;
<b>“Avanti Eurogas SPA”</b>	the sale and purchase agreement entered into between Avanti Eurogas, LLC and LNEnergy, for the sale of the entire issued share capital of the Target Companies, further details of which are set out in paragraph 4.13 of Part VIII of this document;
<b>“Barclays Group”</b>	Barclays PLC (a public company registered in England & Wales with registered number 00048839 and having its registered office 1 Churchill Place, London E14 5HP) together with its subsidiaries and subsidiary undertakings from time to time;
<b>“Board”</b>	the directors of the Company as at the date of this document, whose names are set out on page [●] of this document;

<b>“Business Day”</b>	a day other than a Saturday, Sunday or other day when banks in the City of London, England are not generally open for business;
<b>“Capital Consolidation”</b>	the consolidation of the Ordinary Shares undertaken by the Company on 31 December 2025, further details of which are set out in paragraph 3.1(f) of Part VIII of this document;
<b>“Cash Consideration”</b>	means the cash consideration payable by the Company to Reabold under the SPA, in consideration of the additional shares in LNEnergy acquired by Reabold, further details of which are set out in paragraph 14.15 of Part VIII of this document;
<b>“Collateral”</b>	the collateral under the Rhein Security Transfer Agreement, further details of which are set out in paragraph 14.7 of Part VIII of this document;
<b>“Colle Santo Asset”</b>	the 90 per cent. working interest in the Monte Pallano exploration permit owned by LNEnergy Italy, details of which is set out at paragraph 6 of Part I of this document;
<b>“Colle Santo Field Interest”</b>	the 43.2 per cent. interest in the Colle Santo Asset to be held indirectly by the Company through its shareholding in NewCo;
<b>“Company” or “Beacon”</b>	Beacon Energy plc, incorporated in the Isle of Man with registered number 010493V;
<b>“Competent Persons Report” or “CPR”</b>	the technical report on the Colle Santo Asset, which is disclosed in its entirety in Part III of this document;
<b>“Completion Date”</b>	the date of Admission;
<b>“Consideration”</b>	the consideration payable by the Company under the SPA being the Equity Consideration and the Earn Out Consideration;
<b>“Consideration Shares”</b>	the [●] Ordinary Shares to be issued to Reabold such that including the Reabold Subscription Shares, Reabold shall hold [●] per cent. of the total issued Ordinary Shares on Admission;
<b>“CREST”</b>	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear UK & International Limited which facilitates the transfer of title to shares in uncertificated form;
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 of the UK (SI 2001/3755), as amended from time to time, and any applicable rules made under those regulations;
<b>“Deed of Novation”</b>	the novation of the Registry Agreement to the Registrar;
<b>“Directors” or “Board”</b>	the directors of the Company, whose names are set out on page [●] of this document;
<b>“Director Fee Shares”</b>	the [●] new Ordinary Shares to be issued on Admission to certain Directors of the Company, as detailed in paragraph 13.3 of Part I and 12.1 of Part VIII of this document;
<b>“Director Lock-In”</b>	the lock-in and orderly market deed between the Company, Strand Hanson, Tennyson Securities and the Locked-In Directors, further details of which are set out in paragraph 14 of this Part I and paragraph 14.25 of Part VIII of this document;
<b>“Director Subscription”</b>	the subscription for Director Subscription Shares pursuant to the Director Subscription Letters detailed in paragraph 14.29 of Part VIII of this document;

<b>“Director Subscription Commitment”</b>	the Ordinary Shares to be conditionally subscribed for in cash as part of the Director Subscription pursuant to the Director Subscription Letters and whose allotment and issue is conditional, among other things, on the passing of the Resolutions at the General Meeting and Admission;
<b>“Director Subscription Letters”</b>	the subscription letters entered into by certain Directors, further details of which are set out in paragraph 14.29 of Part VIII of this document;
<b>“Director Subscription Shares”</b>	the [●] new Ordinary Shares to be issued to certain Directors detailed in paragraph 12.1 of Part VIII of this document;
<b>“DRAG”</b>	means Deutsche Rohstoff A.G.;
<b>“DRAG Security Replacement”</b>	means the alternative security arrangement in respect of the wells located at Stockstadt 2001, Allmend 1, Schwarzbach 1 and Schwarzbach 2-3-4;
<b>“DTR”</b>	the Disclosure Guidance and Transparency Rules issued by the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
<b>“Earn Out Consideration”</b>	the earn out consideration payable by the Company under the terms of the SPA, further details of which are set out in paragraph 14.15 of Part VIII of this document;
<b>“Earn Out Schedule”</b>	the earn out schedule in the Rhein SPA and the Rhein Decommissioning Security Loan, further details of which are set out at paragraph 14.5 of Part VIII of this document;
<b>“EEA”</b>	the European Economic Area;
<b>“EIA”</b>	environmental impact assessment;
<b>“Enlarged Group”</b>	the Group, together with NewCo;
<b>“Enlarged Share Capital”</b>	the total number of Ordinary Shares in issue on Admission, comprising the Existing Ordinary Shares, the Fundraise Shares, the WRAP Shares and the Consideration Shares;
<b>“EUR”</b>	the lawful currency of the member states of the European Union;
<b>“Existing Ordinary Shares”</b>	the 18,511,680 Ordinary Shares in issue at the date of this document;
<b>“Extraordinary General Meeting”</b>	the extraordinary general meeting of the Company convened by the Notice for [●].00 a.m. (London time) on [●] to be held at 55 Athol Street, Douglas, Isle of Man, IM1 1LA;
<b>“FCA”</b>	the UK Financial Conduct Authority;
<b>“FCA Rules”</b>	the FCA Handbook of Rules and Guidance;
<b>“First Acquisition”</b>	the first acquisition of 49 per cent. of the shares in NewCo, further details of which are set out in paragraph 14.15 of Part VIII of this document;
<b>“First Acquisition Completion”</b>	the completion of the First Acquisition, further details of which are set out in paragraph 14.15 of Part VIII of this document;

<b>“First Acquisition Completion Conditions”</b>	the conditions precedent of the First Acquisition, further details of which are set out in paragraph 14.15 of Part VIII of this document;
<b>“First Acquisition Escrow Completion”</b>	the escrow completion in relation to the First Acquisition, further details of which are set out in paragraph 14.15 of Part VIII of this document;
<b>“First Acquisition Long Stop Date”</b>	the long stop date in relation to the First Acquisition, further details of which are set out in paragraph 14.15 of Part VIII of this document;
<b>“Form of Proxy”</b>	the form of proxy enclosed with this document for use in connection with the Extraordinary General Meeting;
<b>“FSMA”</b>	the UK Financial Services and Market Act 2000, as amended;
<b>“Fundraise”</b>	the Placing, the Director Fee Shares, the Adviser Fee Shares, the WRAP Shares and the Subscription;
<b>“Fundraise Investors”</b>	the subscribers for Fundraise Shares pursuant to the Fundraise;
<b>“Fundraise Options”</b>	the share options granted to each of the Directors, with the exercise price being the Fundraise Price, further details of which are set out in paragraph 7.2(a) of Part VIII of this document;
<b>“Fundraise Price”</b>	3.9 pence, being the price at which the Fundraise Shares are proposed to be issued pursuant to the Fundraise;
<b>“Fundraise Shares”</b>	the [●] new Ordinary Shares being issued pursuant to the terms of the Fundraise;
<b>“GHG”</b>	greenhouse gas emissions;
<b>“Graben Field”</b>	means the part of the Karlsruhe-Leopoldshafen exploration licence in which hydrocarbons were discovered by the Graben-1 well and Graben-2 well that targets the Cyrenen-Mergen the Meletta-Schichten;
<b>“Graben Option”</b>	TOH’s right (but not the obligation) to acquire the Graben Field Interests together with all related agreements and documents, which govern or relate to the creation, existence and validity of the Graben Field Interests including the related licences, permits and other authorisations against payment by TOH of nominal consideration, being EUR 1, if between 11 April 2023 and 30 June 2028, there has only been production for a period of 2 continuous months or less or no new wells have been drilled on the Graben Field by the Company;
<b>“Group”</b>	the Company and its subsidiaries;
<b>“Independent Directors”</b>	the Directors who are considered by the Board, in consultation with the Nomad, to be independent as determined by reference to the QCA Code, as set out in paragraph 16 of Part I and 11.8 of Part VIII of this document;
<b>“Intermediaries”</b>	financial intermediaries authorised by the FCA or the Prudential Regulatory Authority in the United Kingdom;
<b>“Italfuid”</b>	Italfuid Cosmep S.r.l., a global service provider in the upstream oil and gas industry, which is contracted by LNEnergy Italy;

<b>“Land Hessen”</b>	the authority responsible for all permits of licenses in the state of Hessen in Germany, as set out in paragraph 14.3(vi) of Part VIII of this document;
<b>“Licences”</b>	means production licences (within the meaning of Section 8 of the German Federal Mining Act) and exploration licences (within the meaning of Section 7 of the German Federal Mining Act), and the exploration permit and production licence issued by the Italian Ministry of Environment and of Energy Security ( <i>Ministero dell’Ambiente e della Sicurezza Energetica – MASE</i> ), formerly known as the Ministry of Ecological Transition ( <i>Ministero della Transizione Ecologica</i> ) and the Ministry of Economic Development ( <i>Ministero dello Sviluppo Economico</i> );
<b>“LNE HOA”</b>	the heads of agreement entered into between LNEnergy and Gunvor International B.V., Amsterdam, Geneva Branch, further details of which are set out in paragraph 14.12 of Part VIII of this document;
<b>“LNEnergy Italy”</b>	LNEnergy S.r.l., a company incorporated under the laws of Italy and registered in the Companies’ Register of Rome under no. 05023201006, which holds the Monte Pallano exploration permit with a pending production concession application for the Colle Santo site;
<b>“LNEnergy (Ireland) Limited”</b>	LNEnergy (Ireland) Limited, incorporated in Ireland with registered number 644451, formerly known as Avanti Eurogas Limited;
<b>“LNEnergy”</b>	LNEnergy Limited, incorporated in England and Wales with registered number 13650179;
<b>“LNEnergy Shares”</b>	the shares in LNEnergy to be acquired indirectly by the Company under the First Acquisition and the Second Acquisition, further details of which are set out in paragraph 14.15 of Part VIII of this document;
<b>“LNE SHA”</b>	the shareholders’ agreement entered into between the Company, Reabold and NewCo relating to NewCo, further details of which are set out in paragraph 14.19 of Part VIII of this document;
<b>“LNE SPA”</b>	the sale and purchase agreement between Reabold and NewCo, for part of the issued share capital of LNEnergy, further details of which are set out in paragraph 14.21 of Part VIII of this document;
<b>“Lock-in and orderly market agreements”</b>	the lock-in and orderly market deeds between the Company, Strand Hanson, Tennyson Securities and the Locked-In Shareholder, further details of which are set out in paragraph 14 of this Part I and paragraphs 14.24 and 14.25 of Part VIII of this document;
<b>“Locked-In Advisers”</b>	Watson Farley & Williams LLP, Strand Hanson and Tennyson Securities;
<b>“Locked-In Directors”</b>	Mark Rollins, Stewart MacDonald, Ross Warner and Leo Koot;
<b>“Locked-In Shareholder”</b>	Reabold;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“Market Disclosure Committee”</b>	a sub-committee of the Board, further details of which are set out in paragraph 16.3 of this Part I and paragraph 8.4 of Part VIII of this document;

<b>“MASE” or “Ministry”</b>	the Italian Ministry of the Environment and Energy Security (Ministero dell’Ambiente e della Sicurezza Energetica), formerly known as Ministry of Ecological Transition (Ministero della Transizione Ecologica) and Ministry of Economic Development (Ministero dello Sviluppo Economico);
<b>“Monte Pallano JOA”</b>	the joint operating agreement entered into between LNEnergy Italy and a private Italian partner, further details of which are set out in paragraph 14.2 of Part VIII of this document;
<b>“Monte Pallano Permit”</b>	the exploration permit issued by the Ministry of which LNEnergy Italy holds a 90 per cent. interest and a private Italian partner holds a 10 per cent. interest, with licence no: Monte Pallano, No. 2169, MODULARIO M.A.P. 60;
<b>“NewCo”</b>	LNE IOM Ltd, incorporated in the Isle of Man with registered number 023019V;
<b>“Nil Rate Amount”</b>	refers to the dividend income tax exemption, further details of which are set out in paragraph 15.4 of Part VIII of this document;
<b>“Nominated Adviser Agreement”</b>	the nominated adviser agreement, further details of which are set out in paragraph 14.17 of Part VIII of this document;
<b>“Notice”</b>	the notice convening the Extraordinary General Meeting set out at the end of this document;
<b>“Option Holder”</b>	any holder of Options under a Share Option Agreement, further details of which are set out in paragraph 7.2 of Part VIII of this document;
<b>“Options”</b>	options over Ordinary Shares, as set out in paragraph 13.4 of Part I and paragraph 7 of Part VIII of this document;
<b>“Ordinary Shares”</b>	the ordinary shares of no par value in the capital of the Company;
<b>“Placees”</b>	the subscribers for Placing Shares pursuant to the Placing;
<b>“Placing”</b>	the conditional placing of the Placing Shares at the Fundraise Price to the Placees being arranged by Tennyson Securities, pursuant to the terms set out in the Placing Agreement;
<b>“Placing Agreement”</b>	the conditional placing agreement relating to the Placing, a summary of which is set out in paragraph 14.22 of Part VIII of this document;
<b>“Placing Shares”</b>	the [●] Ordinary Shares being issued by the Company pursuant to the Placing;
<b>“POATR”</b>	the Public Offers and Admissions to Trading Regulations 2024 (SI 2024/105, as amended);
<b>“PRM”</b>	the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook;
<b>“Production Concession”</b>	the licence granting the exclusive right to develop a hydrocarbon deposit for which LNEnergy Italy has filed an application with MASE;
<b>“Proposals”</b>	the Acquisition and the issue of the Fundraise Shares;
<b>“QCA Code”</b>	the QCA Corporate Governance Code, published in November 2023 by the Quoted Companies Alliance;

<b>“Re-admission Transaction”</b>	a reverse takeover under AIM Rule 14 or re-admission to trading on AIM (which requires, among other things, the publication of an admission document);
<b>“Reabold”</b>	Reabold Resources plc, incorporated in England and Wales with registered number 03542727, listed on AIM under the ticker RBD;
<b>“Reabold Subscription Shares”</b>	[●] Ordinary Shares to be conditionally subscribed for in cash as part of the Subscription pursuant to the Reabold Subscription Letter and whose allotment and issue is conditional, among other things, on the passing of the Resolutions at the General Meeting and Admission;
<b>“Reabold Subscription Letter”</b>	the conditional letter of subscription entered into between the Company and Reabold in connection with the Subscription, further details of which are set out in paragraph 14.23 of Part VIII of this document;
<b>“Record Date”</b>	close of business (London time) on [●];
<b>“Registry agreement”</b>	the registry agreement, further details of which are set out in paragraph 14.27 of Part VIII of this document;
<b>“Relationship Agreement”</b>	the relationship agreement dated [●], between the Company, Strand Hanson and Reabold, details of which are set out in paragraph 14.28 of Part VIII of this document;
<b>“Regulatory Information Service”</b>	has the meaning given to it in the AIM Rules;
<b>“Remuneration and Nomination Committee”</b>	a sub-committee of the Board, further details of which are set out in paragraph 16.1 of this Part I and paragraph 8.3 of Part VIII of this document;
<b>“Resolutions”</b>	the resolutions set out in the Notice;
<b>“Retail Investors”</b>	investors to whom the Retail Offer Shares are issued pursuant to the Retail Offer;
<b>“Rhein Acquisition”</b>	means the acquisition of Rhein Petroleum which became effective within the meaning of the AIM Rules on 11 April 2023;
<b>“Rhein Admission”</b>	means the re-admission of the enlarged share capital of the Company to trading on AIM in connection with the Rhein Acquisition, further details of which are set out in paragraph 14.3 of Part VIII of this document;
<b>“Rhein Admission Document”</b>	means the re-admission document dated 21 March 2023 prepared by the Company in connection with the acquisition of Rhein Petroleum;
<b>“Rhein Completion Conditions”</b>	the conditions precedent of the Rhein SPA, further details of which are set out in paragraph 14.3 of Part VIII of this document;
<b>“Rhein Concert Party”</b>	means (i) TOH, (ii) Northwharf Nominees (a member of the Barclays Group) together with other members of the Barclays Group and (iii) Stichting Pensioenfonds ABP together with members of its group as more fully set out in Part III of the Rhein Admission Document, all of whom were considered by the Panel to be acting in concert with each other under the Takeover Code;

<b>“Rhein Decommissioning Security Loan”</b>	the decommissioning security loan entered into between the Company, TOH and Rhein Petroleum, further details of which are set out in paragraph 14.5 of Part VIII of this document;
<b>“Rhein Earn Out Consideration”</b>	the earn out consideration under the Rhein SPA, further details of which are set out in paragraph 14.3 of Part VIII of this document;
<b>“Rhein Exclusivity Letter”</b>	the exclusivity agreement entered into by the Company and TOH;
<b>“Rhein Locked-In Shareholders”</b>	means TOH and DRAG;
<b>“Rhein Petroleum”</b>	Rhein Petroleum GmbH;
<b>“Rhein Petroleum Shares”</b>	the shares acquired by the Company pursuant to the Rhein SPA, further details of which are set out in paragraph 14.3 of Part VIII of this document;
<b>“Rhein Placing”</b>	means the placing of 2,290,909,082 new Ordinary Shares issued by the Company in connection with the acquisition of Rhein Petroleum;
<b>“Rhein Pledge”</b>	the share pledge agreement entered into between the Company, TOH and Rhein Petroleum, further details of which are set out in paragraph 14.6 of Part VIII of this document;
<b>“Rhein RA Parties”</b>	the parties to the Rhein Relationship Agreement;
<b>“Rhein Relationship Agreement”</b>	the relationship agreement entered into between the Company and TOH and Strand Hanson, further details of which are set out in paragraph 14.4 of Part VIII of this document;
<b>“Rhein Representative Director”</b>	refers to the one person which the Rhein Substantial Shareholder has the right to nominate to be its representative director on the Board, further details of which are set out in paragraph 14.4 of Part VIII;
<b>“Rhein SPA”</b>	the agreement entered into by the Company and both TOH and DRAG, pursuant to which it acquired the entire issued share capital of Rhein Petroleum, further details of which are set out in paragraph 14.3 of Part VIII of this document;
<b>“Rhein SPA Seller Warranties”</b>	the warranties provided by TOH and DRAG under the Rhein SPA, further details of which are set out in paragraph 14.3 of Part VIII of this document;
<b>“Rhein Security Transfer Agreement”</b>	the security transfer agreement entered into between Rhein Petroleum and TOH, further details of which are set out in paragraph 14.7 of Part VIII of this document;
<b>“Rhein Substantial Shareholder”</b>	TOH;
<b>“Rights Issue”</b>	an issue of shares offered at a special price by a company to its existing shareholders in proportion to their holding of old shares;
<b>“RPS” or “Competent Person”</b>	RPS Group., the author of the CPR;
<b>“Second Acquisition”</b>	the second acquisition of 51 per cent. of shares in NewCo, further details of which are set out in paragraph 14.15 of Part VIII of this document;

<b>“Second Acquisition Completion”</b>	the completion of the Second Acquisition, further details of which are set out in paragraph 14.15 of Part VIII of this document;
<b>“Second Acquisition Completion Conditions”</b>	the conditions precedent of the Second Acquisition, further details of which are set out in paragraph 14.15 of Part VIII of this document;
<b>“Second Acquisition Escrow Agreement”</b>	the escrow completion in relation to the Second Acquisition, further details of which are set out in paragraph 14.15 of Part VIII of this document;
<b>“Second Acquisition Long Stop Date”</b>	the long stop date in relation to the Second Acquisition, further details of which are set out in paragraph 14.15 of Part VIII of this document;
<b>“SDRT”</b>	stamp duty reserve tax;
<b>“Shareholder(s)”</b>	holder(s) of Ordinary Shares from time to time;
<b>“Share Option Agreements”</b>	the share option agreements entered into by the Company and the individuals, further details of which are set out in paragraph 7.2 of Part VIII;
<b>“SPA”</b>	the share sale and purchase agreement dated 6 October 2025 between Reabold and the Company relating to the Acquisition (as amended), further details of which are set out in paragraph 4 of this Part I and paragraph 14.15 of Part VIII of this document;
<b>“Steig Field”</b>	means the part of the Graben-Neudorf exploration licence in which hydrocarbons were discovered by the Steig-1 well, split into Meletta-Schichten and Pechelbronner-Schichten resevoirs;
<b>“Steig Option”</b>	means TOH's right (but not the obligation) to acquire the Steig Field Interests together with all related agreements and documents which govern or relate to the creation, existence and validity of the Steig Field Interests, including the related licences, permits and other authorisations against payment by TOH of nominal consideration, being EUR 1, if between 11 April 2023 and 30 June 2026, there has only been production for a period of 2 continuous months or less or no new wells have been drilled on the Steig Field by Rhein Petroleum;
	(together with the Graben Option, the <b>“Buy-Back Options”</b> );
<b>“Strand Hanson”</b>	Strand Hanson Limited, a company incorporated in England and Wales with registered number 02780169 of 26 Mount Row, London, W1K 3SQ, being the Company's financial and nominated adviser;
<b>“Subscription”</b>	the conditional subscription for the Reabold Subscription Shares and the Director Subscription Shares at the Fundraise Price pursuant to the Reabold Subscription Letter and the Director Subscription Letters;
<b>“Subscription Shares”</b>	the Reabold Subscription Shares and the Director Subscription Shares;
<b>“Substantial Shareholder”</b>	Reabold;
<b>“Supplemental Agreement”</b>	the supplemental agreement entered into between Reabold, LNEnergy, Steven Mark Frascogna, Girolamo Mazziotta, Robert Price and James Stafford, further details of which are set out in paragraph 14.8 of Part VIII of this document;

<b>“Takeover Code” or “City Code”</b>	the UK City Code on Takeovers and Mergers, as updated from time to time;
<b>“Takeover Panel”</b>	the Panel on Takeovers and Mergers in the UK;
<b>“TAR”</b>	the Regional Administrative Court in Italy;
<b>“Target Companies”</b>	LNEnergy (Ireland) Limited and LNEnergy Italy;
<b>“Tax Reimbursement Claim”</b>	means any tax claim Rhein Petroleum is required to pay arising from certain agreements between Rhein Petroleum and TOH, further details of which are set out in paragraph 14.5 of Part VIII of this document;
<b>“Tennyson Agreement”</b>	the broker agreement entered into between the Company and Tennyson Securities, further details of which are set out in paragraph 14.18 of Part VIII of this document;
<b>“Tennyson Securities”</b>	Tennyson Securities (trading name of Shard Capital Partners LLP, which is authorised and regulated by the FCA (FRN:53876) of 65 Petty France, London, SW1H 9EU;
<b>“Tulip” or “TOH”</b>	Tulip Oil Holding B.V.;
<b>“Tulip Earn Out Shares”</b>	[●] new Ordinary Shares to Tulip, in lieu of accrued and unpaid elements of the Rhein Earn Out Consideration of £[●], calculated on the basis of the Fundraise Price;
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“UK MAR”</b>	the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018;
<b>“United States” or “US”</b>	the United States of America, its territories, its possessions, any state of the United States, and the District of Columbia;
<b>“Warrants”</b>	warrants over Ordinary Shares in the capital of the Company, as set out in paragraph 13.4 of Part I and paragraph 7.1 of Part VIII of this document.
<b>“Winterflood”</b>	Winterflood Securities Limited, a company incorporated in England and Wales with registered number 02242204;
<b>“WRAP”</b>	Winterflood Retail Access Platform, a proprietary technology platform owned and operated by Winterflood Securities Limited;
<b>“WRAP Offer”</b>	the offer of [●] WRAP Shares at the Fundraise Price to raise [£250,000] through Intermediaries for onward distribution to retail investors in the United Kingdom, via WRAP further details of which are set out in paragraph 10.3 of Part I of this document;
<b>“WRAP Offerees”</b>	the Intermediaries’ clients, from whom the Intermediaries may determine to accept applications in the Retail Offer, in each case resident in the United Kingdom;
<b>“WRAP Shares”</b>	[●] new Ordinary Shares to be issued under the WRAP Offer;
<b>“Zero Cost Options”</b>	the share options granted to each of the Directors at an exercise price of £0.00 per share, further details of which are set out in paragraph 7.2(a) of Part VIII of this document;

**“2023 Warrant Instrument”**

the warrant instrument entered into between the Company and Tennyson Securities, further details of which are set out in paragraph 14.9 of Part VIII of this document;

**“2024 Placing Agreement”**

the placing agreement entered into between the Company and Tennyson Securities, further details of which are set out in paragraph 14.10 of Part VIII of this document.

## GLOSSARY OF TERMS

The following table provides an explanation of certain technical terms and abbreviations used in this document. The terms and their assigned meanings may not correspond to standard industry meanings or usage of these terms.

<b>“1C”</b>	The low estimate of Contingent Resources. There is estimated to be a 90 per cent. probability that the quantities actually recovered could equal or exceed this estimate;
<b>“2C”</b>	The best estimate of Contingent Resources. There is estimated to be a 50 per cent. probability that the quantities actually recovered could equal or exceed this estimate;
<b>“3C”</b>	The high estimate of Contingent Resources. There is estimated to be a 10 per cent. probability that the quantities actually recovered could equal or exceed this estimate;
<b>“3D seismic”</b>	Geophysical data that depicts the subsurface strata in three dimensions. 3D seismic typically provides a more detailed and accurate interpretation of the subsurface strata than 2D seismic;
<b>“1P”</b>	The low estimate of Reserves (proved). There is estimated to be a 90 per cent. probability that the quantities remaining to be recovered will equal or exceed this estimate;
<b>“2P”</b>	The best estimate of Reserves (proved + probable). There is estimated to be a 50 per cent. probability that the quantities remaining to be recovered will equal or exceed this estimate;
<b>“3P”</b>	The high estimate of Reserves (proved + probable + possible). There is estimated to be a 10 per cent. probability that the quantities remaining to be recovered will equal or exceed this estimate;
<b>“1U”</b>	The unrisked low estimate of Prospective Resources;
<b>“2U”</b>	The unrisked best estimate of Prospective Resources;
<b>“3U”</b>	The unrisked high estimate of Prospective Resources;
<b>“AAPG”</b>	American Association of Petroleum Geologists;
<b>“appraisal well”</b>	A well drilled as part of an appraisal drilling programme which is carried out to determine the physical extent, reserves and likely production rate of a field;
<b>“AVO”</b>	Amplitude versus Offset;
<b>“B”</b>	Billion;
<b>“bbl(s)”</b>	Barrels;
<b>“boped” or “bbl/d”</b>	Barrels per day;
<b>“Bcm”</b>	Billion cubic metres;
<b>“Bg”</b>	Gas formation volume factor;
<b>“Bgi”</b>	Gas formation volume factor (initial);

<b>“Bo”</b>	Oil formation volume factor;
<b>“Boi”</b>	Oil formation volume factor (initial);
<b>“Bw”</b>	Water volume factor;
<b>“boe”</b>	Barrels of oil equivalent;
<b>“stb/d”</b>	Barrels of oil per day;
<b>“BHP”</b>	Bottom hole pressure;
<b>“Bscf”</b>	Billions of standard cubic feet;
<b>“bwpd”</b>	Barrels of water per day;
<b>“Capex”</b>	Capital expenditure;
<b>“condensate”</b>	A mixture of hydrocarbons which exist in gaseous phase at reservoir conditions but are produced as a liquid at surface conditions;
<b>“contingent resources”</b>	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. Contingent Resources are a class of discovered recoverable resources as defined in the SPE-PRMS;
<b>“cP”</b>	Centipoise;
<b>“development well”</b>	A well located within a known field and used for the production of hydrocarbons, or for injection/observation purposes. Development well drilling has lower geological risks than Appraisal or Exploration drilling;
<b>“E&amp;P”</b>	Exploration and production;
<b>“Egi”</b>	Gas Expansion Factor;
<b>“EMV”</b>	Expected Monetary Value;
<b>“EUR”</b>	Estimated Ultimate Recovery;
<b>“FBHP”</b>	Flowing bottom hole pressure;
<b>“FDP”</b>	Field Development Plan;
<b>“FTHP”</b>	Flowing tubing head pressure;
<b>“ft”</b>	Feet;
<b>“FWHP”</b>	Flowing well head pressure;
<b>“FWL”</b>	Free Water Level;
<b>“GDT”</b>	Gas Down To;
<b>“GIIP”</b>	Gas Initially in Place;
<b>“GOC”</b>	Gas oil Contact;

<b>“GOR”</b>	Gas/oil ratio;
<b>“GRV”</b>	Gross rock volume;
<b>“GWC”</b>	Gas water contact;
<b>“hydrocarbon”</b>	A compound containing only the elements hydrogen and carbon. May exist as a solid, a liquid or a gas. The term is mainly used in a catch-all sense for oil, gas and condensate;
<b>“IPR”</b>	Inflow performance relationship;
<b>“IRR”</b>	Internal rate of return;
<b>“KB”</b>	Kelly Bushing;
<b>“ka”</b>	Absolute permeability;
<b>“kh”</b>	Horizontal permeability;
<b>“km”</b>	Kilometres;
<b>“LNG”</b>	Liquified Natural Gas;
<b>“LPG”</b>	Liquefied Petroleum Gases;
<b>“m”</b>	Metres;
<b>“m<sup>3</sup>”</b>	Cubic metres;
<b>“m<sup>3</sup>/d”</b>	Cubic metres per day;
<b>“ma”</b>	Million years;
<b>“M”</b>	Thousand;
<b>“M\$”</b>	Thousand dollars;
<b>“MBAL”</b>	Material balance software;
<b>“Mbbl”</b>	Thousand barrels;
<b>“mD”</b>	Permeability in millidarcies;
<b>“MD”</b>	Measured depth;
<b>“MDT”</b>	Modular formation dynamics tester tool;
<b>“MM”</b>	Million;
<b>“MMbbl”</b>	Million barrels;
<b>“MMscf/d”</b>	Millions of standard cubic feet per day;
<b>“MMstb”</b>	Million stock tank barrels (at 14.7 psi and 60° F);
<b>“MMt”</b>	Millions of tonnes;
<b>“MM\$”</b>	Million dollars;
<b>“MODU”</b>	Mobile Oil Development Unit;

<b>“MOPU”</b>	Mobile Offshore Production Unit;
<b>“MPa”</b>	Mega pascals;
<b>“m/s”</b>	Metres per second;
<b>“msec”</b>	Milliseconds;
<b>“Mt”</b>	Thousands of tonnes;
<b>“mV”</b>	Millivolts;
<b>“NTG or N:G”</b>	Net to gross ratio;
<b>“NGL”</b>	Natural Gas Liquids;
<b>“NPV”</b>	Net Present Value;
<b>“NPV10”</b>	Net present value of net cashflows for a project, discounted at a 10 per cent. interest rate;
<b>“NZ\$”</b>	New Zealand dollars;
<b>“OWC”</b>	Oil water contact;
<b>“P90”</b>	There is estimated to be at least a 90 per cent. probability (P90) that this quantity will equal or exceed this low estimate;
<b>“P50”</b>	There is estimated to be at least a 50 per cent. probability (P50) that this quantity will equal or exceed this best estimate;
<b>“P10”</b>	There is estimated to be at least a 10 per cent. probability (P10) that this quantity will equal or exceed this high estimate;
<b>“PDR”</b>	Physical data room;
<b>“petroleum”</b>	Naturally occurring mixtures of hydrocarbons which are found beneath the Earth’s surface in liquid, solid or gaseous form;
<b>“phi”</b>	Porosity;
<b>“pi”</b>	Initial reservoir pressure;
<b>“PI”</b>	Productivity index;
<b>“ppm”</b>	Parts per million;
<b>“Probable Reserve”</b>	As defined in the SPE-PRMS, an incremental category of estimated recoverable volumes associated with a defined degree of uncertainty. Probable Reserves are those additional Reserves that are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50 per cent. probability that the actual quantities recovered will equal or exceed the 2P estimate;
<b>“Prospective Resources”</b>	those quantities of petroleum, which, by analysis of geoscience and engineering data, can be estimated, as of a given date, to be potentially recoverable from undiscovered accumulations. Potential

accumulations are evaluated according to the chance of geologic discovery and, assuming a discovery, the estimated quantities that would be recoverable under defined development projects. It is recognised that the development programs will be of significantly less detail and depend more heavily on analog developments in the earlier phases of exploration;

**“Proved Reserves”**

As defined in the SPE-PRMS, an incremental category of estimated recoverable volumes associated with a defined degree of uncertainty. Proved Reserves are those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90 per cent. probability that the quantities actually recovered will equal or exceed the estimate. Often referred to as 1P, also as “Proven”;

**“PSC”**

Production Sharing Contract;

**“psi”**

Pounds per square inch;

**“psia”**

Pounds per square inch (absolute);

**“psig”**

Pounds per square inch (gauge);

**“pwf”**

Flowing bottom hole pressure;

**“PSDM”**

Pre-stack depth migrated seismic data;

**“PSTM”**

Pre-stack time migrated seismic data;

**“PVT”**

Pressure volume temperature;

**“rb”**

Barrel(s) at reservoir conditions;

**“rcf”**

Reservoir cubic feet;

**“Reserves”**

Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorised in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status;

**“RF”**

Recovery factor;

**“RFT”**

Repeat formation tester;

**“RKB”**

Relative to kelly bushing;

**“rm<sup>3</sup>”**

Reservoir cubic metres;

<b>“SCADA”</b>	Supervisory control and data acquisition;
<b>“SCAL”</b>	Special Core Analysis;
<b>“scf”</b>	Standard cubic feet measured at 14.7 pounds per square inch and 60° F;
<b>“scf/d”</b>	Standard cubic feet per day;
<b>“scf/stb”</b>	Standard cubic feet per stock tank barrel;
<b>“SGS”</b>	Sequential Gaussian Simulation;
<b>“SIBHP”</b>	Shut in bottom hole pressure;
<b>“SIS”</b>	Sequential Indicator Simulation;
<b>“sm<sup>3</sup>”</b>	Standard cubic metres;
<b>“So”</b>	Oil saturation;
<b>“Soi”</b>	Initial oil saturation;
<b>“Sor”</b>	Residual oil saturation;
<b>“Sorw”</b>	Residual oil saturation relative to water;
<b>“SPE-PRMS”</b>	Petroleum Resources Management System, prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the American Association of Petroleum Geologists (AAPG), World Petroleum Council (WPC), Society of Petroleum Evaluation Engineers (SPEE), Society of Exploration Geophysicists (SEG), Society of Petrophysicists and Well Log Analysts (SPWLA) and European Association of Geoscientists and Engineers (EAGE), revised June 2018;
<b>“sq. km”</b>	Square kilometers;
<b>“stb”</b>	Stock tank barrels measured at 14.7 pounds per square inch and 60° F;
<b>“stb/d”</b>	Stock tank barrels per day;
<b>“STOIP”</b>	Stock tank oil initially in place;
<b>“Sw”</b>	Water saturation;
<b>“Swc”</b>	Connate water saturation;
<b>“t”</b>	Tonnes;
<b>“THP”</b>	Tubing head pressure;
<b>“Tscf”</b>	Trillion standard cubic feet;
<b>“TVDSS”</b>	True vertical depth (sub-sea);
<b>“TVT”</b>	True vertical thickness;
<b>“TWT”</b>	Two-way time;

<b>“updip”</b>	Up the plane of the dip (or uphill);
<b>“US Barrel”</b>	A unit of volume measurement used for petroleum and its products (for a typical crude oil 7.3 barrels = 1 tonne: 6.29 barrels = 1 cubic metre);
<b>“US\$”</b>	United States Dollar;
<b>“VDR”</b>	Virtual data room;
<b>“VLP”</b>	Vertical lift performance;
<b>“Vsh”</b>	Shale volume;
<b>“VSP”</b>	Vertical Seismic Profile;
<b>“W/m/K”</b>	Watts/metre/° K;
<b>“WC”</b>	Water cut;
<b>“WUT”</b>	Water Up To;
<b>“Z”</b>	A measure of the “non-idealness” of gas;
<b>“<math>\mu</math>”</b>	Viscosity;
<b>“<math>\mu g</math>”</b>	Viscosity of gas;
<b>“<math>\mu o</math>”</b>	Viscosity of oil; and
<b>“<math>\mu w</math>”</b>	Viscosity of water.

## PART I

### LETTER FROM THE NON-EXECUTIVE CHAIRMAN OF BEACON

# Beacon Energy plc

*(Incorporated and registered in the Isle of Man under Company Number 010493V)*

*Directors:*

Mr. Mark Rollins (*Non-Executive Chairman*)  
Mr. Stewart MacDonald (*Chief Executive Officer*)  
Mr. Ross Warner (*Non-Executive Director*)  
Mr. Leo Koot (*Non-Executive Director*)

*Registered address:*

55 Athol Street  
Douglas  
Isle of Man  
IM1 1LA

[●] [February] 2026

*To all holders of Existing Ordinary Shares, and for information only, to holders of options and warrants over Existing Ordinary Shares*

Dear Shareholder,

#### **Proposed acquisition of a significant interest in LNEnergy Limited**

**Proposed Fundraise, including WRAP Offer, to raise gross proceeds of £[3.75] million via the issue of [●] Fundraise Shares at 3.9 pence per share**

#### **Admission of the Enlarged Share Capital to trading on AIM**

**and**

#### **Notice of Extraordinary General Meeting**

#### **1. INTRODUCTION**

In accordance with the Company's strategy to focus on growth through acquisition or farm-ins to oil and gas projects, the Company has entered into the SPA with Reabold in relation to the acquisition of a significant indirect interest in LNEnergy, as announced on 7 October 2025.

LNEnergy, through its wholly owned subsidiary LNEnergy Italy, holds a 90 per cent. interest in the Colle Santo gas field in Abruzzo, Italy, one of the largest onshore proven undeveloped gas field in mainland Western Europe, with 73 Bcf of gross 2P reserves (RPS estimate, October 2025). The Colle Santo project is fully appraised and development-ready with no requirement for additional drilling prior to first gas; two production-ready wells (MP-1 and MP-2) have delivered a combined test rate of 20.5 mmcf/d, and seven of eight historical wells have tested gas.

Pursuant to the SPA, the Company has conditionally agreed:

- (i) on Admission to complete the First Acquisition, being the acquisition of 49 per cent. of NewCo, a special purpose vehicle set up to hold the shares in LNEnergy, equating to an indirect interest of approximately 24 per cent. in LNEnergy at Admission; and
- (ii) subject to the anticipated award of the Production Concession for Colle Santo (expected mid-2026) which may require, for the avoidance of doubt, Italian regulatory approval for a change of control, the Second Acquisition, being the acquisition of the remaining 51 per cent. of NewCo, equating to a further indirect interest of approximately 24 per cent. in LNEnergy and taking the Company's indirect interest to approximately 48 per cent. in LNEnergy. On completion of the Second Acquisition, Beacon will hold a 43.2 per cent. indirect interest in the Colle Santo Asset.

In conjunction with the Acquisition, the Company has conditionally placed new Ordinary Shares by way of a Fundraise to raise approximately £[3.75] million before expenses. The net proceeds of the Fundraise will be

applied to fund LNEnergy's next phase of development activities to progress Colle Santo from VIA approval (received in late August 2025) through front-end engineering design, well integrity and testing, final permitting and project preparation to the final investment decision which is expected in mid 2026), as well as to provide general working capital. Subject to FID taking place in mid 2026, first gas is targeted for the end of 2027.

[It is noted that the directors of LNEnergy have resolved to undertake a Rights Issue for up to €900,000. Subject to completion of the Proposals, it is expected that Beacon would take up NewCo's full entitlement under this Rights Issue and seek to oversubscribe for up to the maximum quantum of the Rights Issue, which would either maintain Beacon's indirect interest at 24 per cent., or, increase it depending on the level of participation by the other LNEnergy shareholders. Any increase in shareholding in LNEnergy would increase the Company's indirect interest in the Colle Santo field.]

### **Operational status on Admission**

On Admission, the Company's primary business will be the financing and development of the Colle Santo Asset through its interest in LNEnergy. The Company and LNEnergy will coordinate and lead project-related activities required to progress Colle Santo to FID and first production, including leading financing initiatives (such as offtake-linked prepay facilities), engaging with potential offtakers and funding partners, supporting project governance, budgeting and accounting, and providing technical and subsurface oversight. Field operations will be coordinated through Italfluid, the lead local service provider. Although ultimate sign-off will rest with the LNEnergy board, the Company's role will extend well beyond that of a passive shareholder. In addition, the Company will have negative control over key licence decisions through the NewCo governance arrangements on Admission and, following further investment and/or completion of the Second Acquisition, expects to be the largest shareholder of LNEnergy.

### **Extraordinary General Meeting**

The First Acquisition will constitute a reverse takeover pursuant to the AIM Rules and is therefore subject, among other things, to the approval of Shareholders at the Extraordinary General Meeting, notice of which is set out at the end of this document and which will be held at [●] GMT on [●] [●] at the offices of [●]. If the relevant Resolutions are duly passed at the Extraordinary General Meeting, the Company's existing trading facility on AIM will be cancelled and the Company will apply for the Enlarged Share Capital to be re-admitted to trading on AIM. Accordingly, completion of the proposed Acquisition is conditional upon, among other things, the following conditions being satisfied or waived (where appropriate) on [●] [●] [●]:

- Shareholders passing, at the Extraordinary General Meeting, resolutions to approve, among other things, the proposed Acquisition, the WRAP Offer and the Fundraise;
- the Placing Agreement having been entered into by the parties to it and having become unconditional save for Admission (and not having been terminated prior to Admission);
- the publication of this document; and
- Admission becoming effective in accordance with the AIM Rules by the longstop date specified in the Placing Agreement.

It is anticipated that Admission and completion of the First Acquisition will take place [5] Business Days following the Extraordinary General Meeting. Further details of the Acquisition and the Fundraise are set out below in this Part I of this document.

Shareholders should note that the Resolutions are inter-conditional. If any of the Resolutions are not passed at the Extraordinary General Meeting, the Acquisition, the WRAP Offer and the Fundraise will not proceed, and the Directors will need to consider alternative options for the Company. The Company will have expended material funds in pursuing the proposed Acquisition and Admission and would therefore incur significant abort costs and it is unlikely that a suitable alternative Re-admission Transaction and/or funding on similar commercial terms to the Fundraise can be obtained on a timely basis or at all and it is likely that admission of the Company's Existing Ordinary Shares will be cancelled, which could ultimately result in the Company being forced to enter into administration or insolvency. If the Resolutions are duly passed it is expected that Admission will take place and that dealings in the Ordinary Shares comprising the Enlarged Share Capital will commence on [●] [●] [●].

The purpose of this document is to provide you with information on, and explain the background to and reasons for, the Proposals and explain why the Directors consider the Proposals to be in the best interests of the Company and its Shareholders as a whole.

***You should read the whole of this document and not just rely on the information contained in this letter. In particular, you should consider carefully the “Risk Factors” set out in Part II of this document. Your attention is also drawn to the information set out in Part III to Part VIII of this document.***

## **2. KEY INVESTMENT PROPOSITION**

- **Material European gas asset:** The Acquisition provides Beacon with an indirect interest in the Colle Santo Asset, a material, substantially de-risked development-ready onshore gas field (subject to final regulatory consent). The Colle Santo gas field, located in the Abruzzo region of central Italy, is one of the largest onshore proven undeveloped gas accumulations in mainland Western Europe, with gross Proved plus Probable (2P) reserves of 73.3 Bscf as independently estimated by RPS (October 2025).
- **Clear and well-advanced development pathway:** The Acquisition offers exposure to a low-risk, high-margin gas development project in a stable European jurisdiction with near-term production potential. The project received a number of key regulatory approvals in recent months including full EIA approval in January 2026. The final outstanding significant regulatory approval is the Production Concession award. The project benefits from significant sunk capital, including two already drilled and completed wells, with no additional drilling required to reach first gas. A near-term active work programme designed to achieve FID in mid-2026 and first gas in late 2027.
- **Attractive economics:** The Board considers the Colle Santo Asset to be commercially and economically attractive. On a 100 per cent. working interest basis, RPS calculated a post-tax NPV(10) for the Proved plus Probable (2P) reserves of €61.7 million and on a 43.2 per cent. economic interest basis (which assumes the Second Acquisition has occurred), a post-tax NPV(10) of €26.6 million. The Colle Santo development is expected to deliver substantial and sustained cash flows. RPS estimates post-tax pre-financing free cash flow of approximately €10 million per annum by 2028.
- **Experienced development team and operating partners:** LNEnergy and its major contractor, Italfluid, bring a proven track record of development and production operations coupled with a strong HSE record and a firm commitment to environmentally responsible hydrocarbon production
- **Financing plan well advanced:** A highly credible financing plan is being developed. A non-binding funding agreement is in place with Italfluid, the main contractor for the Colle Santo Asset. LNEnergy signed a non-binding MOU for offtake and potential pre-payment funding with a global commodity trader in 2024 and discussions continue to convert that MOU to a binding agreement. In addition, LNEnergy is in discussions with a number of potential third-party funders.
- **Strategic regional entry:** The proposed Acquisition marks Beacon Energy’s entry into a region with significant potential for growth, where the Company believes a substantial business can be built
- **Significant Board experience:** Beacon’s Board and management bring significant European upstream experience, with a proven record of identifying and monetising underdeveloped onshore assets. The Directors believe the Colle Santo Asset provides a clear and deliverable route to near-term production and material value creation for shareholders.
- **Compelling entry point into European gas:** The Acquisition delivers a compelling entry point into the European gas market through a well-defined, de-risked project with clear commercial metrics, low development capital intensity, and an attractive economic return under conservative commodity price assumptions.

## **3. HISTORY OF BEACON ENERGY AND BACKGROUND TO AND REASONS FOR THE PROPOSALS**

Following the commencement of a liquidation process for Rhein Petroleum GmbH (“**Rhein Petroleum**”) in January 2025, the Company became an AIM Rule 15 cash shell. The Company has since remained focussed on creating a self-funding oil and gas production company by acquiring near-term cash-generative assets that can deliver sustainable growth and returns to Shareholders. The Board has since actively reviewed a number of potential opportunities and has focused its efforts on assets capable of near-term production, strong cash margins, and long-term value creation through disciplined capital deployment.

In January 2025 the Company was informed that Rhein Petroleum's creditor representative had completed the sale of certain assets to a third party, thereby commencing the liquidation process. The Company was suspended from trading on AIM on 27 June 2025 after entering into a period of exclusivity with Reabold in relation to the proposed Acquisition and has remained suspended from trading since.

The Directors consider the Acquisition to represent a transformational and value-enhancing transaction for the Company, fully consistent with the Company's stated growth strategy. The Colle Santo Asset, LNEnergy's principal asset, provides a clear pathway to near-term gas production and cash flow from existing, tested wells and independently certified reserves, with first gas targeted for the end of 2027. On this basis, the Company has entered into the SPA to acquire an indirect interest in LNEnergy, subject, among other things, to the approval of Shareholders at the General Meeting as part of the Proposals.

The Company is headquartered at 55 Athol Street, Douglas, Isle of Man, and its shares trade on AIM under the ticker BCE. The Company continues to pursue its strategy of building a self-funding production base and acquiring cash-generative, high-margin assets across Europe.

#### **4. KEY TERMS OF THE SPA**

##### **4.1 Consideration**

Under the terms of the SPA, Reabold will be issued the Consideration Shares being [●] new Ordinary Shares representing [●] per cent. of the Enlarged Share Capital on Admission.

The Company must also pay Cash Consideration of £307,200 to Reabold, the purpose of which is to reimburse Reabold for monies paid by Reabold for the purchase of additional shares in LNEnergy following the date of the SPA. The Cash Consideration is payable in two tranches, the first payment tranche of £154,000 being payable on the First Acquisition Completion Date and the second payment tranche of 153,200 being payable on the Second Acquisition Completion Date.

The Earn Out Consideration, consisting of a contingent consideration in cash equal to 11.55 per cent. of annual post-tax, post-financing cash flow of LNEnergy subject to a cap of €16.17 million. is additionally payable by the Company to Reabold upon the satisfaction of certain conditions based on the future production and exploration of the Colle Santo Asset.

Pursuant to the terms of the SPA and the Reabold Subscription Letter, Reabold has also conditionally subscribed for an investment of £750,000, representing [●] new Ordinary Shares at the Fundraise Price and subject to the arrangements set out in paragraph [●] of Part [●] of this document, representing [●] per cent. of the Enlarged Share Capital, such that, on Admission, Reabold will hold a [●] per cent. interest in the Enlarged Share Capital. The Consideration Shares held by Reabold will be subject to a lock-in agreement, as set out in paragraph [●] of Part [●] of this document, with Reabold also having entered into a Relationship Agreement with the Company, as set out in paragraph [●] of Part [●] of this document.

##### **4.2 Completion Conditions**

Completion of the SPA is subject to the following conditions being satisfied:

- First Acquisition Conditions:
  - the Placing Agreement having been entered into and having become unconditional save for Admission (and not having been terminated prior to Admission);
  - the publication of this document;
  - resolutions of the Company approving the Acquisition having been passed without amendment at its general meeting;
  - receipt and formal publication of a positive EIA Commission decision in relation to the Colle Santo Asset;
  - the completion of the transfer of shares from Reabold to NewCo of the entirety of its current LNE Shares and any additional LNE Shares; and
  - the execution by NewCo and the parties of a shareholders' agreement relating to the management and operation of NewCo, to be agreed with the Company and the Nomad.

- Second Acquisition Conditions:
  - resolutions of the Company approving the Acquisition having been passed without amendment at its general meeting;
  - the award of a Production Concession in relation to the Colle Santo Asset;
  - an approval granted by the Ministry on the indirect change of control of LNEnergy Italy if required following the Second Acquisition; and
  - change of control waivers being obtained from parties to the Supplemental Agreement.

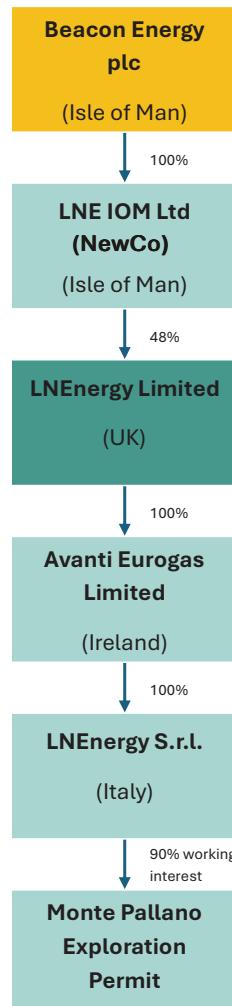
Further details regarding the SPA are set out in paragraph [●] of Part [●] of this document.

#### 4.3 Relationship Agreement with Reabold

On or prior to Admission, the Company will enter into the Relationship Agreement with Reabold (as substantial shareholder) and Strand Hanson. Further detail regarding the Relationship Agreement is set out in paragraph [●] of Part [●] of this document.

#### 4.4 Enlarged Group

LNEnergy holds a 90 per cent. working interest in the Colle Santo Asset. Following the completion of the Second Acquisition, the Company is expected, assuming all else remains the same, to hold, through NewCo, a 48 per cent. shareholding in LNEnergy which will provide a 43.2 per cent. indirect interest in the Colle Santo Asset (which assumes that the Second Acquisition has occurred). The CPR, which can be found in Part [●] of this document, therefore assesses a net interest of a 43.2 per cent. economic interest in the Colle Santo Asset.



**Figure 1: Ownership structure of Beacon Energy plc following the Second Acquisition**

## 5. BACKGROUND ON LNENERGY LIMITED

LNEnergy is a privately held company incorporated on 29 September 2021 and registered in the United Kingdom with extensive industry experience in Italy. The company's focus is on the development of the Colle Santo Asset. LNEnergy's management team, led by Chief Executive Officer Steven Mark Frascogna, combines deep operational expertise in subsurface development, engineering, and Italian energy regulation.

LNEnergy, through its wholly owned Italian subsidiary LNEnergy Italy, holds a 90 per cent. working interest in the Colle Santo Asset, located in the Abruzzo region of central Italy. The Colle Santo gas field, discovered in 1966, is one of the largest onshore proven undeveloped gas fields in mainland Western Europe with 73.3Bcf of gross 2P reserves. The field is fully appraised and development-ready, subject to permits, with two drilled and tested production wells (MP-1 and MP-2) capable of a combined rate of 20.5 million cubic feet per day of gas. No further drilling is required prior to production.

Historical financial information on LNEnergy is set out in Part VI of this document.

### **Summary of the Colle Santo Asset**

Details of the Colle Santo Asset are set out in paragraph [7] of Part I of this document and in the Competent Persons Report in Part [IV] of this document.

### **Management of LNEnergy**

LNEnergy currently has three directors, namely Steven Mark Frascogna, Sachin Oza and Robert Price.

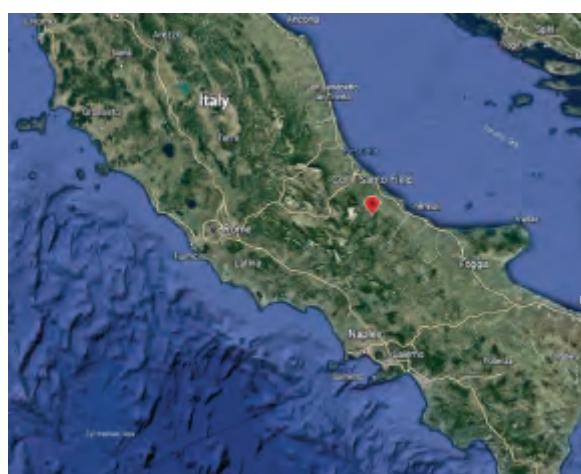
## 6. THE COLLE SANTO ASSET

The Colle Santo Asset is extensively detailed in the CPR. A summary of certain key information relating to the Cole Santo Asset is as follows:

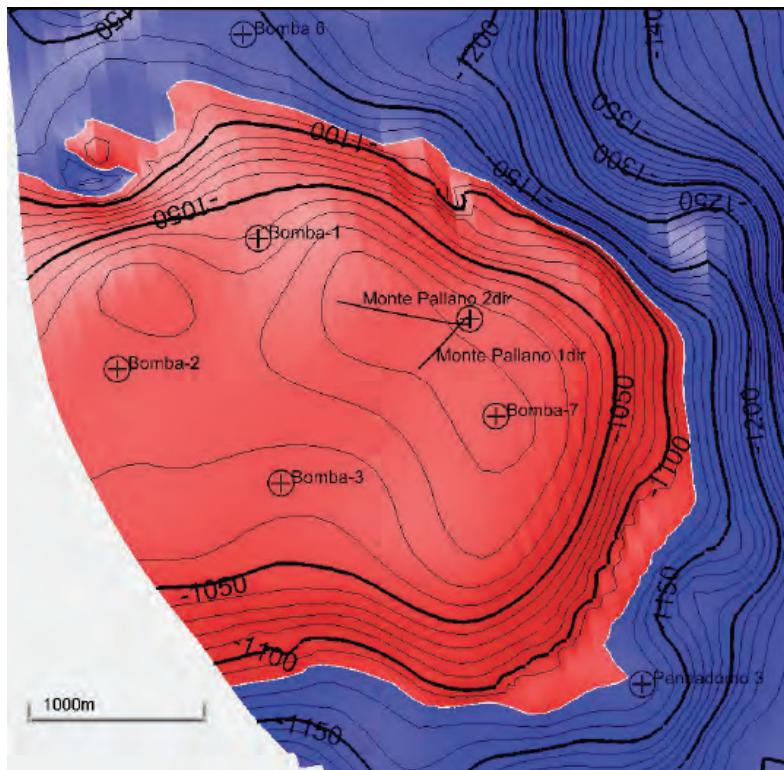
### **6.1 Summary of Colle Santo**

The Colle Santo gas field is located in the Abruzzo region of central Italy, approximately 36 kilometres south-east of Chieti. The field was discovered in 1966 and represents the largest onshore proven undeveloped gas field in mainland Western Europe. The field lies within the southern portion of the buried Casoli-Bomba structure and covers an area of approximately 12 square kilometres. The reservoir comprises fractured carbonates of the Bolognano Formation and the underlying Apulia-Adriatic carbonate platform units of Cretaceous to Miocene age, sealed by marls of the Bolognano Formation.

Since the field's discovery a total of eight wells have been drilled, Bomba-1, Bomba-2, Bomba-3, Bomba-6, Bomba-7, Pennadomo-3, MP-1, and MP-2. Seven of the eight wells produced gas during testing but due to a lack of further development six of the eight wells have been abandoned. The two most recent wells, MP-1 and MP-2, were drilled, completed and tested in 2007 and had a combined rate of production of 20.5 MMscfd. The MP-1 and MP-2 wells will be used as future producer wells.



**Figure 2: Location of the Colle Santo Asset (Source: Google Maps and LNEnergy)**



**Figure 3: Well Location Map of Colle Santo Field**

## 6.2 LNEnergy Licenses

LNEnergy Italy, a wholly-owned subsidiary of LNEnergy, holds a 90 per cent. working interest in the Colle Santo Asset, with the remaining 10 per cent. interest held by a private Italian partner, through the Monte Pallano Permit. LNEnergy is the designated Operator. The licence area lies entirely onshore. The project is development-ready (subject to final permitting) and fully appraised, with no additional drilling required prior to first gas.

## 6.3 Geological Analysis

The Italian peninsula and its surrounding marine areas underwent complex geological evolution following the end of the Paleozoic era. The Colle Santo field lies within the Apennine fold-and-thrust belt, which developed during the Neogene era as the Apennine orogen migrated eastwards, as documented by the age of the syntectonic siliciclastic foredeep and piggyback deposits. The Casoli-Bomba structure, within which Colle Santo is situated, is interpreted as a pop-up or shortcut structure formed by the inversion of pre-orogenic normal faults. The field is hosted within the southern portion of the buried Casoli-Bomba anticline at an average depth of approximately 1,000 metres.

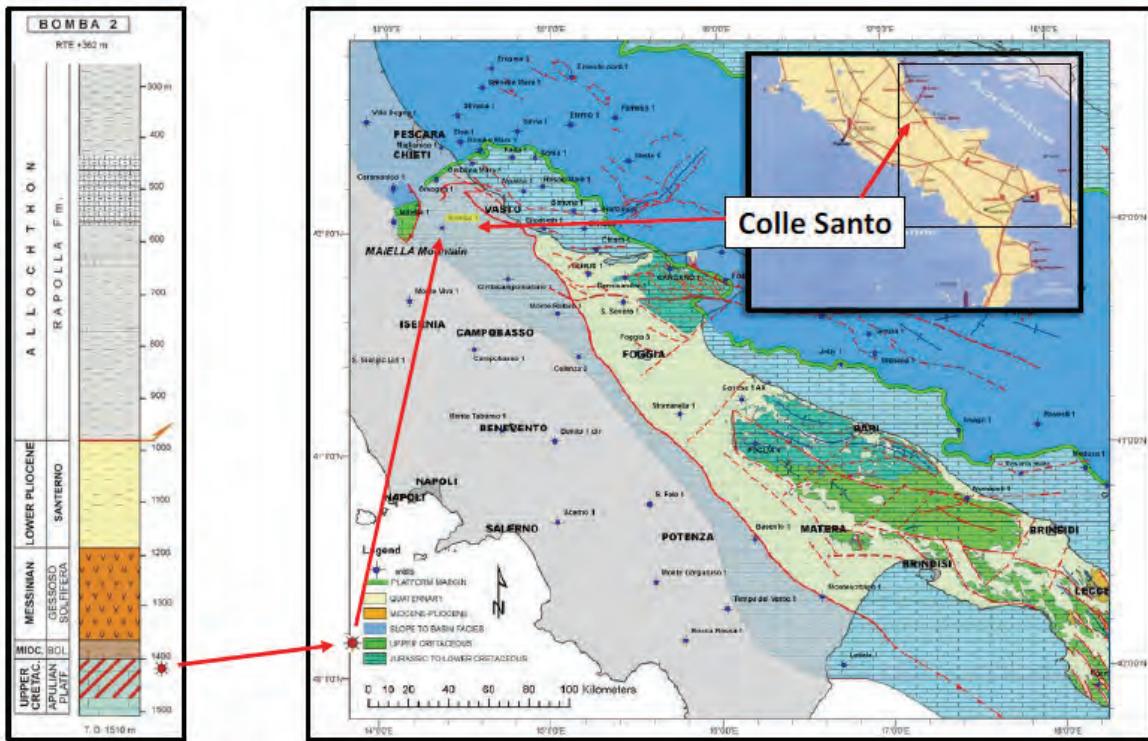


Figure 4: Apulia Carbonate Platform and the Colle Santo field. Map location vs stratigraphy along the well Bomba-2

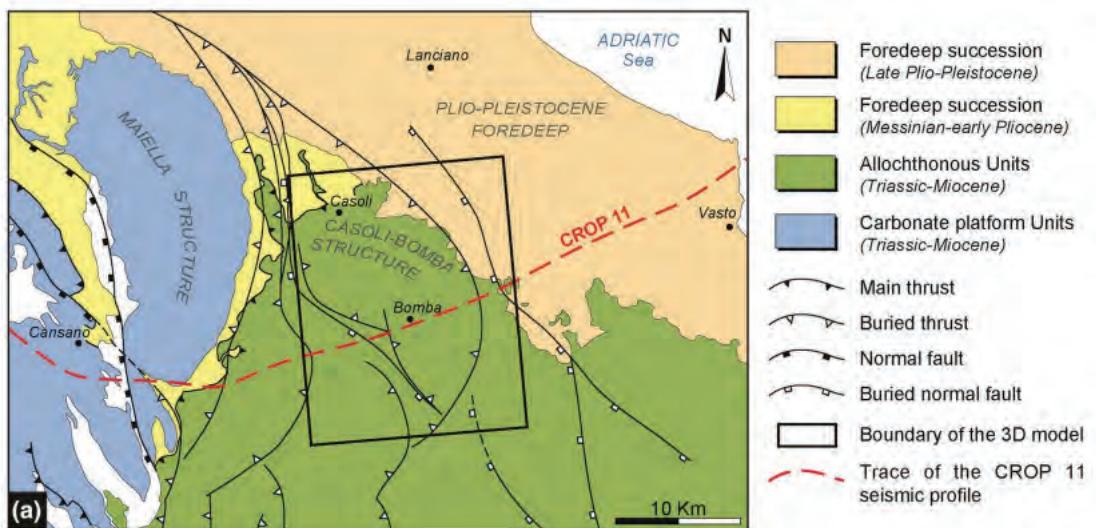
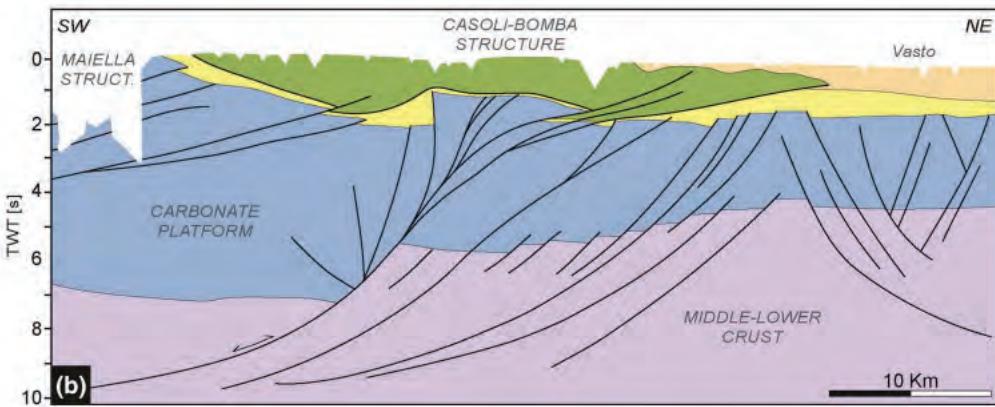


Figure 5: Simplified structural map of the central-southern Appenine around the modelled area

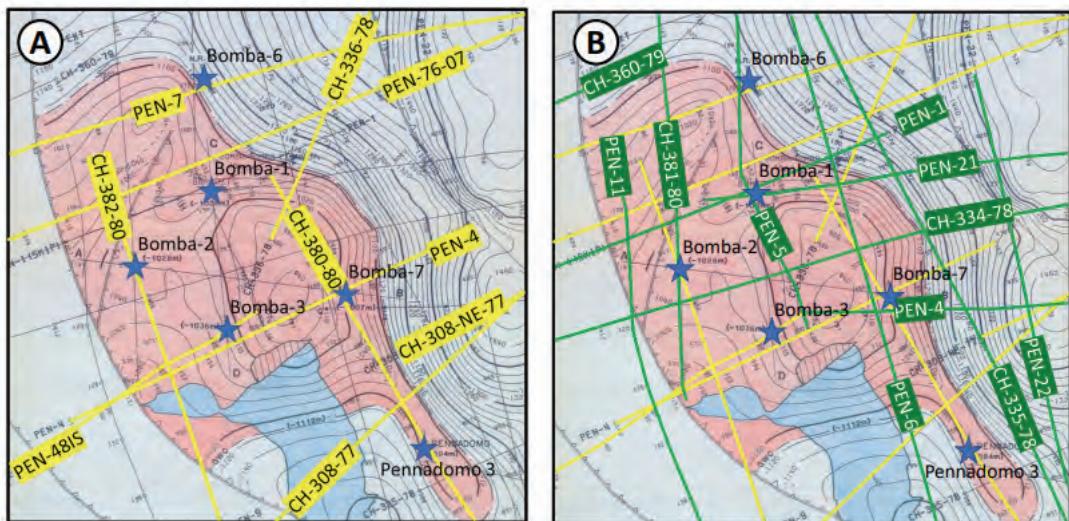


**Figure 6: Line drawing of the eastern part of the CROP 11 seismic profile**

Lithologically, the reservoir comprises limestones of the Upper Miocene Bolognano Formation underlain by Cretaceous–Miocene carbonates of the Apulia-Adriatic platform. The structure is a north–south-trending asymmetric anticline associated with a NNW–SSE striking back-thrust verging to the southwest. The reservoir is bounded by two principal sealing faults: a SW-verging back-thrust and an east-verging thrust and the caprock is a continuous 20–25 metre marl sequence of the Bolognano Formation that provides an effective regional seal.

Multiple 2D seismic surveys, acquired between the 1960s and 1980s, have been used to define the field structure. Subsequent reprocessing in the 2010s as part of a 3D regional modelling study confirmed the structural integrity and stability of the field, with ground displacement due to production expected to be an order of magnitude lower than natural annual variation. The available 2D seismic coverage, consisting of 24-channel single-fold profiles to 96-channel 12-fold data, was reinterpreted by RPS using SEG-Y converted paper sections and calibrated against the Bomba-7 well sonic log to generate time-depth curves.

The reprocessed seismic dataset provides a reliable structural basis for volumetric and reserve estimation, confirming the continuity of the main fault-bounded closure and the correlation of key stratigraphic markers across the field.



**Figure 7: Existing 2D seismic lines.**

**A) Lines (yellow) used to build a static model in 2015.**

**B) Additional lines in the area (green).**

## 6.4 Summary of Reserves and Resources

An independent evaluation of the Colle Santo gas field has been prepared by Tetra Tech RPS Energy Canada Ltd., dated [●] (the “**RPS Report**”). The evaluation was prepared in accordance with the Petroleum Resources Management System (2018) sponsored by the Society of Petroleum Engineers and associated bodies.

RPS has classified the Colle Santo resources as Proved (1P), Proved plus Probable (2P) and Proved plus Probable plus Possible (3P) reserves. As at 31 October 2025, the gross and net reserves attributable to LNEnergy’s working interest in the Colle Santo Asset, are set out in Table [1] below, with a Proved plus Probable volume of 73.3 Bscf (12.2 MMboe) on a gross basis and 64.1 Bscf (10.7 MMboe) on a net basis.

The acquisition is a two-step process, the First Acquisition followed by the Second Acquisition, and the initial net economic interest in the Colle Santo field at Admission will be 21 per cent. Following the completion of the Second Acquisition pursuant to an award of a production concession in respect of the Colle Santo Asset, the Company is expected, assuming all else remains the same, to hold, through NewCo, a 48 per cent. shareholding in LNEnergy which would provide a 43.2 per cent. indirect interest in the Colle Santo field (the “**Colle Santo Field Interest**”).

RPS has classified the Colle Santo resources as Proved (1P) and Proved plus Probable (2P) reserves. The gross and net reserves attributable to LNEnergy’s working interest in the Colle Santo Asset, as of [31 July 2025], are shown in Table [1] below, with a Proved plus Probable volume of 67.5 Bscf (11.3 MMboe) on a gross basis and 58.8 Bscf (9.8 MMboe) on a net basis. The Reserves have been evaluated in accordance with the Petroleum Resources Management System (PRMS, 2018) and are attributed to LNEnergy Italy’s 90 per cent. working interest in the field.

Reserves Category	Gross Reserves		Net Reserves	
	Sales Gas (Bscf)	BOE (MMbbl)	Sales Gas (Bscf)	BOE (MMbbl)
Proved (1P)	25.7	4.3	22.7	3.8
Proved + Probable (2P)	31.7	5.3	27.7	4.6
Proven + Probable + Possible (3P)	33.1	5.5	28.9	4.8

**Table 1: Beacon Energy plc – Working Interest Reserves for Colle Santo as of 31 October 2025**

Reserves Category	Gross Reserves		Net Reserves	
	Sales Gas (Bscf)	BOE (MMbbl)	Sales Gas (Bscf)	BOE (MMbbl)
Proved (1P)	59.4	9.9	52.6	8.8
Proved + Probable (2P)	73.3	12.2	64.1	10.7
Proven + Probable + Possible (3P)	76.7	12.8	66.8	11.1

**Table 2: Full Field 100 per cent. Working Interest Reserves for Colle Santo as of 31 October 2025**

## 6.5 Economic Evaluation of Colle Santo

RPS prepared an economic analysis of the Colle Santo reserves based on the Italian PSV gas price forecast and a project life truncated at 2050. On a 43.2 per cent. economic interest basis (which assumes Second Completion has occurred), RPS calculated after-tax net present value (NPV) for the Proved plus Probable (2P) reserves of €26.6 million, discounted at 10 per cent.

Reserves Category	NPV After Tax (€ million)				
	0%	5%	10%	15%	20%
Proved (1P)	69.0	33.4	16.5	7.8	3.1
Proved + Probable (2P)	97.0	49.6	26.6	14.6	7.9
Proven + Probable + Possible (3P)	105.2	52.6	27.9	15.2	8.2

**Table 3: Beacon Energy plc – Reserves for Colle Santo – LNG Scenario as of 31 October 2025**

Reserves Category	NPV After Tax (€ million)				
	0%	5%	10%	15%	20%
Proved (1P)	159.8	77.4	38.1	18.0	7.1
Proved + Probable (2P)	224.5	114.7	61.7	33.9	18.4
Proven + Probable + Possible (3P)	243.5	121.8	64.5	35.1	19.0

**Table 4: Full Field 100% Working Interest Reserves for Colle Santo – LNG Scenario as of 31 October 2025**

## 7. OVERVIEW OF ITALY AND ITS OIL AND GAS INDUSTRY

Italy, officially the Italian Republic (Repubblica Italiana), is located in Southern Europe on the Apennine Peninsula. It shares borders with France (northwest), Switzerland and Austria (north), and Slovenia (northeast) and the country is surrounded by the Mediterranean Sea, comprising the Ligurian Sea to the northwest the Tyrrhenian Sea to the west, the Ionian Sea to the south, and the Adriatic Sea to the east. Italy also completely encloses two independent microstates: San Marino and the Vatican City.

Covering an area of approximately 302,000 km<sup>2</sup>, Italy is the tenth-largest country in Europe, slightly smaller than Poland and about 80 per cent. of the size of Germany. The Country has a population of around 59 million, with Rome as the capital and largest city, home to approximately 4.3 million inhabitants. Other major urban centres include Milan, Naples, Turin, and Florence.

The official language is Italian, though regional languages and dialects – such as Sicilian, Sardinian, Venetian, and Neapolitan – are widely spoken. Italy is a parliamentary republic divided into 20 regions, five of which have special autonomous status. Its geography is dominated by the Alps in the north, the Appenine Mountains along the peninsula, and extensive coastlines that stretch for approximately 7,500 km.

### 7.1 Economic landscape and the oil and gas industry

Italy is the third-largest economy in the Eurozone, underpinned by manufacturing, automotive, fashion, and tourism yet its energy system remains a structural vulnerability: while the country is the third largest oil & gas producer in Europe (behind Norway and the UK), the country is highly import-dependent, with limited domestic reserves and negligible oil or gas production relative to demand. More than 90 per cent. of crude oil and the majority of natural gas are sourced from abroad, primarily from North Africa and the Middle East, with imports increasingly diversified away from Russian supplies following EU sanctions. Before 2022, Russia accounted for roughly 40 per cent. of Italy's gas imports; the abrupt halt after the invasion of Ukraine exposed this dependency and triggered sharp price increases, fuelling inflationary pressures across Italy and more globally.

Foreign energy now represents nearly 75 per cent. of total consumption – the highest among major EU economies – while oil and gas continue to dominate Italy's energy mix, accounting for around 72 per cent. of primary energy supply even as the country accelerates its transition towards renewables. The Italian oil and gas market was valued at approximately \$40 billion in 2024, with forecasts indicating moderate growth at a compound annual rate of 2–3 per cent. through 2030, driven by stable domestic demand. Natural gas remains the backbone of Italy's energy system, supporting electricity generation and industrial operations, while crude oil is essential for transport and refining. Domestic crude oil production remains limited, according to a report published by Mordor intelligence, it is expected that Italy will average 90,000 bpd in 2025, with the report's projections suggesting a modest increase to 95,600 bpd by 2030 as mature fields are optimised. Market outlooks anticipate the sector will remain strategically important throughout the energy transition, with total market value expected to rise from \$42.5 billion in 2024 to nearly \$78.9 billion by 2031.

The disruption of Russian gas supplies and subsequent price volatility resulted in energy costs surging for households and industry, forcing the government to implement emergency measures, including subsidies and accelerated LNG infrastructure projects. These interventions underscore the critical role of oil and gas in Italy's energy security, even as policy shifts towards renewables and diversification.

### 7.2 Policy and Political Attitude

Italy's dependency on imports from abroad became a critical vulnerability following the disruption of Russian gas supplies in 2022, prompting a national strategy focused on strengthening energy security and reducing

exposure to external shocks. Under the National Energy and Climate Plans 2021-2030 (“NECPs”), recent legislation has restricted new oil exploration concessions, while the government continues to support the optimisation of existing domestic oil and gas assets as part of its diversification efforts. Current policy recognises natural gas as a transitional fuel, prioritising stable domestic production alongside significant investments in LNG infrastructure and renewable energy. Within this framework, Italian oil and gas assets remain strategically important, offering a means to mitigate import dependence and reinforce supply resilience during the energy transition.

## **8. CURRENT TRADING AND PROSPECTUS OF THE ENLARGED GROUP**

Beacon is currently an AIM Rule 15 cash shell, with a cash balance of approximately £40,000 as at [26] January 2026, held to support working capital and transaction costs. Since the commencement of the liquidation of Rhein Petroleum GmbH in January 2025, the Company has focused on identifying and progressing value-accretive acquisitions capable of re-establishing Beacon as a self-funding energy business.

To facilitate the proposed acquisition of Reabold’s 48 per cent. interest in LNEnergy, NewCo, a newly incorporated SPV, has been established to hold the acquired stake. Following completion of the Acquisition, the Enlarged Group will benefit from the Colle Santo Field Interest in Italy, one of the largest undeveloped onshore gas discoveries in Western Europe, with independently assessed 2P reserves of approximately 73 Bcf and near-term development potential.

The Directors believe that the Acquisition represents a transformational opportunity to re-establish Beacon as an operating company with exposure to a high-quality, development-ready gas asset in a low-risk jurisdiction. Subject to completion, the Enlarged Group will seek to progress Colle Santo towards first production while continuing to evaluate complementary opportunities capable of generating sustainable cash flow and shareholder value.

[Trading for the period from 30 June 2025, being the date to which the unaudited interim financial information in Part [●] has been prepared, to the date of this document was consistent with the Board’s expectations.]

[Save in respect of [●], there has been no significant change in the financial or trading position of the Enlarged Group since [●], being the date to which the unaudited interim financial information in Part [●] of this document has been prepared.]

## **9. INFORMATION ON THE DIRECTORS AND SENIOR MANAGEMENT**

### **9.1 Directors**

#### **Mark Andrew Rollins**, aged 61 (Non-Executive Chairman and Director)

Mark was until recently Chairman and CEO of Ukrnafta, the publicly-listed company responsible for a significant proportion of oil production in Ukraine, with over 20,000 employees. Between 2008 and 2015, he was a senior executive at BG Group plc, the former international E&P company; his final positions being Senior Vice President within the COO’s office and managing BG’s interests in Kazakhstan. His other experiences have included senior leadership positions across international E&P, midstream and downstream oil and gas, and deregulated utility sectors. Beginning his career as a Petroleum Engineer with Shell International, Mark holds a doctorate in Engineering Science from Oxford University, as well as a Masters in Mathematics from Cambridge University.

#### **Stewart MacDonald**, aged 44 (CEO and Director)

Stewart has over 20 years of energy industry and investment banking experience. Stewart was until May 2024 the CFO of Beacon Energy plc having supported the re-launched of the business from an AIM cash shell through to the acquisition of Rhein Petroleum and re-admission to AIM in April 2023. Previously, Stewart was an Executive Director and Chief Financial Officer of Rockhopper Exploration plc for 8 years. Prior to joining Rockhopper, Stewart was an Executive Director of Rothschild’s global Energy and Power investment banking group where he spent 12 years advising clients in the sector on a range of M&A transactions as well as debt and equity financings. He was previously a non-executive Director of United Oil & Gas plc.

**Ross Michael Warner**, aged 59 (Non-Executive Director)

Ross is a lawyer and experienced company director of both private and public resource companies listed on AIM and the Australian Securities Exchange. He has also held senior corporate roles with Mallesons Stephen Jaques in Australia and Clifford Chance in the UK. He is currently Executive Chairman of Blue Star Helium Limited.

He holds a Bachelor of Laws from University of Western Australia, and Master of Laws, University of Melbourne.

**Leo Willem Koot**, aged 62 (Non-Executive Director)

Leo is a Dutch national with over 35 years of international experience in the Energy & Power sector. Previous roles include Drilling Engineer at Shell, Managing Director UK then President Iraq for TAQA, Executive Chairman of Columbus Energy Resource, Senior INED for Sterling Energy plc. Leo is currently Executive Chairman of Tulip Oil Holdings and partner at Concordia Capital Partners (MENA GULF).

**9.2 Director interests in the Ordinary Shares**

The Directors and senior management will hold the following interests in the Ordinary Shares immediately following the Admission:

Director	Number of Existing Ordinary Shares	Options and Warrants	Director Subscription Shares	[Director Fee Shares]	Number of Ordinary Shares on Admission	Percentage of Enlarged Share Capital (%)
Mark Rollins	325,281	[●]	[●]	[●]	[●]	[●]
Stewart MacDonald	224,492	[●]	[●]	[●]	[●]	[●]
Ross Warner	205	[●]	[●]	[●]	[●]	[●]
Leo Koot	159,091	[●]	[●]	[●]	[●]	[●]
<b>Total</b>	<b>709,069</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

**10. DETAILS OF THE FUNDRAISING AND USE OF PROCEEDS****10.1 Reabold Subscription**

Pursuant to the terms of the SPA and the Reabold Subscription Letter, Reabold has also conditionally subscribed for [●] new Ordinary Shares at the Fundraise Price for a total subscription amount of £750,000, subject to the mechanisms set out in paragraph [●] of Part [●] of this document. The Reabold Subscription Shares represent approximately [●] per cent. of the Enlarged Share Capital, such that, on Admission, Reabold will hold approximately [●] per cent. of the Enlarged Share Capital. The Reabold Consideration Shares held by Reabold will be subject to a lock-in agreement, as set out in paragraph [●] of Part [●] of this document, and also subject to a Relationship Agreement, as set out in paragraph [●] of Part [●] of this document.

**10.2 Principal Terms of the Placing**

Pursuant to the Placing, Tennyson Securities have conditionally raised £[●] million (before expenses) for the Company through the placing of the Placing Shares with investors at the Fundraise Price conditional, among other things, upon the Resolutions being approved by Shareholders at the Extraordinary General Meeting and on Admission becoming effective by not later than 8.00 a.m. on [●] (or such later date as Strand Hanson and Tennyson Securities may agree not being later than [●]).

The net proceeds of the Fundraise are estimated at £[●] million. The net proceeds together with the Company's existing cash resources will be used to progress the Colle Santo Asset to FID, as well as fund corporate working capital.

In addition to the Placing, Mark Rollins and Leo Koot, Directors of the Company, are participating in the Fundraise by way of the Director Subscription for a total of [●] Director Subscription Shares, as set out in paragraph [14.30] of Part VIII of this document.

### **10.3 Proposed WRAP Offer**

A WRAP Retail Offer will be made available via WRAP to raise up to £[250,000]. The WRAP Retail Offer is open to eligible investors resident and physically located in the United Kingdom only, through certain Intermediaries.

Applications under the Retail Offer are to be made by reference to the total monetary amount the applicant wishes to invest and the minimum monetary amount per applicant is £100.

Completion of the WRAP Offer has been undertaken to facilitate potential retail participation in the Company. The WRAP Shares to be issued under the WRAP Offer will represent approximately [●] per cent. of the Enlarged Share Capital on Admission. The WRAP Shares will be issued credited as fully paid and will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared paid or made after Admission.

The WRAP Shares will be issued pursuant to separate share authorities which will be requested at the Extraordinary General Meeting.

The Company intends to launch the WRAP Retail Offer following the publication of the WRAP Retail Offer launch announcement, which includes further detail on the terms and conditions of the WRAP Retail Offer. The results of the Retail Offer will be announced via a regulatory information service prior to Admission.

### **10.4 Use of Proceeds**

The issue of the Fundraise Shares will raise net proceeds of approximately £[●] million receivable by the Company.

The Board intends to use the net proceeds from the Fundraise to take the Colle Santo Asset from EIA approval to FID, which is expected in mid 2026. The costs to be incurred by LNEnergy to get from EIA approval to FID is estimated at up to £2 million, including satisfaction of payables, costs associated with well monitoring, well integrity and services, land acquisition and technical, advisory and legal and employee costs.

In addition, the Company will fund its G&A (£1.0 million) and transaction expenses (£0.75 million).

## **11. ADMISSION, SETTLEMENT AND DEALINGS**

Application will be made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Enlarged Share Capital will commence on [●] [February 2026]. Definitive share certificates in respect of the Fundraise Shares will be printed and dispatched no later than seven days after the admission of the Ordinary Shares or by [●] [February 2026].

## **12. CREST**

The Company's Articles permit the holding of Ordinary Shares in uncertificated form in accordance with the CREST Regulations. The system allows shares and other securities to be held in electronic form rather than paper form, although a Shareholder can continue dealing based on share certificates and notarial deeds of transfer. For private investors who do not trade frequently, this latter course is likely to be more cost-effective.

## **13. OPTIONS, WARRANTS AND OTHER SHARE ISSUES**

### **13.1 Tulip Earn Out Shares**

On Admission, the Board intends to issue, in aggregate, [●] new Ordinary Shares to Tulip, in lieu of accrued and unpaid elements of the Rhein Earn Out Consideration of £[●], calculated on the basis of the Fundraise Price.

### **13.2 Share Option Scheme**

The Company has agreed, subject, among other things, to Admission, to issue, in aggregate, [●] Options, exercisable at the Fundraise Price, over Ordinary Shares to Mark Rollins, Stewart MacDonald, Ross Warner and Leo Koot to be granted on Admission, as further detailed in paragraphs [●] and [●] of Part [●].

### **13.3 Director Fee Shares**

On Admission, the Board intends to issue, in aggregate, [●] Director Fee Shares, including to certain of the Directors, in lieu of a proportion of their unpaid fees prior to Admission, a proportion of their fees for the 24 month period following Admission and conversion of the short-term unsecured interest-free loan to the Company from Leo Koot and Mark Rollins, calculated on the basis of the Fundraise Price, further details of which are set out in paragraph [●] of Part [●].

The issue of the Director Fee Shares to certain of the Directors is considered to be a related party transaction for the purposes of Rule 13 of the AIM Rules for Companies. [Ross Warner, a Non-Executive Director of the Company, will not receive any Director Fee Shares and therefore is independent with respect to the matter of the issue of the Director Fee Shares and considers, having consulted with Strand Hanson Limited, the Company's Nominated Adviser, that the terms of the proposed issue of the Director Fee shares is fair and reasonable insofar as the Company's shareholders are concerned.]

### **13.4 Share Options and Warrants**

As at the date of this document, the Company has [●] Options and [●] Warrants in issue. On Admission, the Company will issue, in aggregate, [●] Adviser Warrants exercisable at the Fundraise Price to certain advisers of the Company in respect of fees associated with the Proposals, as further detailed in paragraph [●] of Part [●] of this document.

On Admission, the Company will have a total of [●] Options and [●] Warrants in issue, further details of which are set out in paragraph [●] of Part [●] of this document.

### **13.5 Related Party Transactions**

It is noted that Tulip currently holds approximately 23.0 per cent. of the Company's Existing Ordinary Shares, and accordingly the proposed issue of the Tulip Earn Out Shares detailed in Paragraph 13.1 of Part I is considered a related party transaction under the AIM Rules for Companies. Accordingly, the independent directors in the context of the issue of the Tulip Earn Out Shares, being all Directors save for Leo Koot, consider the terms of the Earn Out Consideration to be fair and reasonable insofar as Shareholders are concerned.

This issue of the Director Fee Shares detailed in Paragraph 13.3 of Part I is considered a related party transaction under the AIM Rules for Companies. Accordingly, the independent director, in the context of the issue of the Director Fee Shares, Ross Warner, considers the issue of the Director Fee Shares to be fair and reasonable insofar as Shareholders are concerned.

This Director Subscription by Mark Rollins and Leo Koot detailed in Paragraph 10.2 of Part I is considered a related party transaction under the AIM Rules for Companies. Accordingly, the independent directors in respect of the Director Subscription, Ross Warner and Stewart MacDonald, consider the terms of Director Subscription to be fair and reasonable insofar as Shareholders are concerned.

### **13.6 Adviser Warrants**

[The Company has also agreed to grant to Tennyson, on Admission such number of warrants to subscribe for Ordinary Shares at the Fundraise Price as will equate to 5 per cent. of the Fundraise Shares (excluding any Fundraise Shares issued to Reabold or the Directors) over a period of five years from Admission.]

The Company has also agreed to grant to Strand Hanson, on Admission such number of warrants to subscribe for Ordinary Shares at the Fundraise Price as will equate to 5 per cent. of the Fundraise Shares (excluding any Fundraise Shares issued to Reabold or the Directors) over a period of five years from Admission.

### **13.7 Adviser Fee Shares**

Certain of the Company's advisers have agreed with the Company to take a specified number of Adviser Fee Shares in lieu of fees due in connection with the Acquisition which are to be reinvested as part of the Fundraise.

### **14. LOCK-IN AND ORDERLY MARKET ARRANGEMENTS**

Lock-in and Orderly Market Agreements in respect of, in aggregate, [●] Ordinary Shares have been entered into by (i) the Company, (ii) Strand Hanson, (iii) Tennyson Securities and (iv) the Locked-In Shareholder pursuant to which the Locked-In Shareholder has, conditional on Admission, undertaken as a separate undertaking to each of the Company, Strand Hanson and Tennyson Securities that, subject to certain limited exceptions, it will not dispose of, or agree to dispose of, Ordinary Shares held by it or on behalf of it for a period of 12 months from the date of Admission.

The Locked-In Shareholder and each Locked-In Director has also undertaken that for the period of 12 months following the first anniversary of the date of Admission, subject to certain conditions, they will only dispose of Ordinary Shares held by them in consultation with Strand Hanson, Tennyson Securities so as to ensure an orderly market for the issued share capital of the Company.

Further details regarding the Lock-in and Orderly Market Agreements are set out in paragraphs [●] and [●] of Part [●] of this document.

### **15. SHARE DEALING CODE**

The Company has adopted a share dealing code which sets out the requirements and procedures for the Board and applicable employees' dealings in any of its AIM securities in accordance with the provisions of UK MAR and of the AIM Rules. Following Admission, the Company will take all reasonable steps to ensure compliance with the Company's share dealing code by the Directors, related parties and any relevant employees.

### **16. CORPORATE GOVERNANCE**

The Directors recognise the importance of sound corporate governance and have undertaken to take account of the requirements of the QCA Code to the extent that they consider it appropriate having regard to the Company's size, board structure, stage of development and resources. The Board notes that all AIM companies must provide details on their corporate websites of the recognised code that they have decided to apply, how they comply with such code and, where the company departs from such code, an explanation of the reasons for doing so. From Admission, the Enlarged Group's website at [www.beaconenergyplc.com](http://www.beaconenergyplc.com) will set out the extent of any non-compliance with the QCA Code by the Enlarged Group on Admission.

The Board will, on Admission, comprise four Directors of which one is executive and three are non-executive, including the Chairman, who is deemed to be independent. The Board has significant experience in the oil & gas industry and of service on the boards of public companies. The Board considers Mark Rollins, Leo Koot and Ross Warner to be independent non-executive directors.

The Board believes that the proposed Board composition is appropriate in light of the balance of skills and experience of its members and the Company's size at Admission, however it will monitor this position on an ongoing basis as the Enlarged Group grows and develops and seek to make appropriate changes or additions to the composition of the Board as necessary. The Board is satisfied that all Directors will have adequate time to fulfil their roles. [It is noted that, on Admission, the Company will not have a designated Finance Director appointed to the Board; this position is deemed appropriate for the Company's current size and state of activities, though will be reviewed on an ongoing basis and in particular at such point that any production concession is awarded and more material operational cashflows arise.]

The Company retains FIM Capital Limited ("FIM") to provide accounting and company secretarial services to the Group. FIM is responsible to the Company, among other things, for general accounting and bookkeeping, preparation of monthly group summary financial information, and preparation of consolidated full year accounts for review by the Company's auditors. Their role and work is overseen by Stewart MacDonald, the Company's Chief Executive Officer, on a weekly basis. The CEO of FIM is David Bushe,

who is supported by a team of accounting and company secretarial professionals. FIM was established in 2006 and provides specialist investment management and fund administration services to a range of private and institutional clients, including companies quoted on the London Stock Exchange. Based on the Isle of Man, FIM operates as an independent company, regulated by the Isle of Man Financial Services Authority and the UK Financial Conduct Authority.

On Admission, the Company will have a remuneration and nomination committee, an audit committee and a market disclosure committee. Details of the responsibilities of each such committee are detailed below.

### **16.1 Remuneration and Nomination Committee**

The Remuneration and Nomination Committee will determine the scale and structure of the remuneration of the executive Directors and approve the granting of options to Directors, senior employees and consultants and the performance related conditions thereof and be responsible for reviewing and making proposals to the Board on the appointment of directors, reviewing succession plans and ensuring that the performance of directors is assessed on an ongoing basis. The Remuneration and Nomination Committee will also recommend to the Board a framework for rewarding senior management, including executive directors, bearing in mind the need to attract and retain individuals of the highest calibre and with the appropriate experience to make a significant contribution to the Enlarged Group's development and ensure that the elements of remuneration packages are competitive and help in underpinning the performance-driven culture of the Enlarged Group. The Remuneration and Nomination Committee will be chaired by Mark Rollins, with its other members being Ross Warner and Leo Koot.

### **16.2 Audit Committee**

The Audit Committee will receive reports from management and the external auditors relating to the interim report and the annual report and financial statements, review reporting requirements and ensure that the maintenance of accounting systems and controls is effective. The Audit Committee has and will continue to have unrestricted access to the Company's auditors. The Audit Committee will also monitor the controls which are in force for the Enlarged Group and any perceived gaps in the control environment. The Board believes that the size of the Enlarged Group will not justify the establishment of an independent internal audit department. The Audit Committee will be chaired by Ross Warner, with its other members being Mark Rollins and Leo Koot.

### **16.3 Market Disclosure Committee**

The Market Disclosure Committee will monitor the Company's compliance with the AIM Rules and UK MAR and seek to ensure that the Company's Nominated Adviser is maintaining contact with the Company on a regular basis and *vice versa*. The committee will ensure that procedures, resources and controls are in place with a view to ensuring the Company's compliance with the AIM Rules and UK MAR. This includes being responsible for retrieving and sourcing information pertaining to assets and projects that the Company has invested in. The committee will also ensure that each meeting of the Board includes a discussion of AIM matters and assesses (with the assistance of the Company's Nominated Adviser and other advisers, as appropriate) whether the Directors are aware of their AIM responsibilities from time to time and, if not, will ensure that they are appropriately updated on their AIM responsibilities and obligations. The Market Disclosure Committee will be chaired by Leo Koot with its other members being Mark Rollins and Ross Warner.

## **17. SHAREHOLDER DISCLOSURE OBLIGATIONS**

The Articles set out provisions such that shareholders are required to comply with Chapter 5 of the DTR and will be required to notify the Company of the percentage of their voting rights in the Company if the percentage of voting rights which they hold, directly or indirectly, reaches, exceeds or falls below 3 per cent., 4 per cent., 5 per cent., 6 per cent., 7 per cent., 8 per cent., 9 per cent., 10 per cent., and each 1 per cent. threshold thereafter up to 100 per cent. or reaches, exceeds or falls below any of these thresholds as a result of events changing the breakdown of voting rights. Further details on Shareholders obligations under the Articles are set out in paragraph [●] of Part [●].

## **18. DIVIDEND POLICY**

The strategy of the Directors is to generate capital growth for Shareholders. They will recommend the payment of dividends when it becomes commercially prudent to do so and then subject to the availability of distributable reserves and the retention of funds required to finance future growth. The Company has not issued dividends for the period covered by the historical financial information.

## **19. TAXATION**

Information regarding certain taxation considerations for corporate and individual Shareholders in the United Kingdom with regard to Admission is set out in paragraph [●] of Part [●] of this document. If an investor is in any doubt as to his or her tax position, he or she should immediately consult his or her own independent financial adviser. Investors subject to tax in other jurisdictions are strongly urged to contact their tax advisers about the tax consequences of holding the Ordinary Shares.

## **20. APPLICABILITY OF THE CITY CODE**

The Company is a public limited company incorporated in Isle of Man and the Enlarged Share Capital will be admitted to trading on AIM. Accordingly, the City Code will apply to the Company.

Under Rule 9 of the City Code, where any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, that person is normally required by the Panel to make a general offer to all the remaining Shareholders of that company to acquire their shares. Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company and not more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, a general offer will normally be required in accordance with Rule 9.

An offer under Rule 9 must be made in cash (or be accompanied by a cash alternative) and at not less than the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Under the City Code a concert party (as defined therein) arises when persons acting together pursuant to an agreement or understanding (whether formal or informal) cooperate to obtain or consolidate control of, or frustrate the successful outcome of an offer for, a company subject to the City Code. Control means an interest or interests in shares carrying an aggregate of 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give de facto control.

## **21. EXTRAORDINARY GENERAL MEETING**

The Notice convening the Extraordinary General Meeting is set out at the end of this document. The Extraordinary General Meeting has been convened for [●] a.m. (London time) on [●] at the offices of [the Company Secretary and the Registered Agent] where the following Resolutions will be proposed to approve:

- the Acquisition, for the purposes of Rule 14 of the AIM Rules;
- the Fundraise and related allotments of new Ordinary Shares;
- a general authority to allot new Ordinary Shares;
- the dis-application of pre-emption rights; and
- the adoption of new articles of association of the Company.

**The first four Resolutions are inter-conditional (the “Inter-conditional Resolutions”). Completion of the Acquisition, the issue of the Placing Shares, the new Ordinary Shares constituting the Consideration Shares, the Reabold Subscription Shares, the WRAP Shares, the Adviser Fee Shares, the Director Fee Shares, the Director Subscription Shares and the re-admission of the Enlarged Share Capital to trading on AIM are inter-conditional, amongst other matters, on Shareholders passing all Resolutions. If Shareholders do not pass the Resolutions, the**

**Acquisition, the issue of the Placing Shares, the new Ordinary Shares constituting the Consideration Shares, the Reabold Subscription Shares, the WRAP Shares, the Adviser Fee Shares, the Director Fee Shares, the Director Subscription Shares and the re-admission of the Enlarged Share Capital to trading on AIM will not proceed and the Directors will need to consider alternative options for the Company. The Company will have expended significant funds in pursuing the proposed transaction and would therefore incur significant abort costs and there can be no guarantee that a suitable alternative Re-admission Transaction and/or funding on similar commercial terms to the Placing can be obtained on a timely basis or at all. Accordingly, if any of the Inter-conditional Resolutions are not passed and a suitable alternative Re-admission Transaction and/or funding on similar commercial terms to the Placing cannot be obtained on a timely basis or at all, it is possible the Company may not be able to continue as a going concern and may ultimately be forced into administration.**

## **22. ACTION TO BE TAKEN**

A Form of Proxy is enclosed with this document for use by Shareholders in connection with the Extraordinary General Meeting. To be valid, completed Forms of Proxy must be received by FIM Capital Limited, as soon as possible and in any event so as to arrive not later than 9.00 a.m. (London time) on [●] [●] 2026.

The Chairman of the meeting will direct that voting on the Resolutions set out in the Notice will take place by way of a poll. The final poll votes will be published immediately after the Extraordinary General Meeting on the Company's website.

Any changes to the arrangements for the Extraordinary General Meeting will be communicated to shareholders before the Extraordinary General Meeting through the Company's website at [www.beaconenergyplc.com](http://www.beaconenergyplc.com).

## **23. ADDITIONAL INFORMATION**

Your attention is drawn to the additional information set out in Parts II to [VII] (inclusive) of this document. You are recommended to read all the information contained in this document and not just rely on the key or summarised information. In particular, Shareholders should read in full the Risk Factors set out in Part II of this document. The technical information contained in this document has been reviewed and approved by RPS. RPS has consented to the inclusion of the technical information in this document in the form and context in which it appears.

## **24. DIRECTORS RECOMMENDATION AND IMPORTANCE OF VOTE**

The purpose of this document is to provide you with information on, and explain the background to and reasons for, the Proposals and explain why the Directors consider the Proposals to be in the best interests of the Company and its Shareholders as a whole.

The Board recommends that Shareholders vote in favour of all Resolutions to be proposed at the Extraordinary General Meeting.

**Shareholders should note that the Resolutions are inter-conditional. If any of the Resolutions are not passed at the Extraordinary General Meeting, the Acquisition and the Fundraise will not proceed, and the Directors will need to consider alternative options for the Company. The Company will have expended material funds in pursuing the proposed Acquisition and would therefore incur significant abort costs and it is unlikely that a suitable alternative Re-admission Transaction and/or funding on similar commercial terms to the Fundraise can be obtained on a timely basis or at all and it is likely that admission of the Company's Existing Ordinary Shares will be cancelled and the Company will subsequently enter administration.**

Yours faithfully

**Mark Rollins**  
*Non-Executive Chairman*

## PART II

### RISK FACTORS

Prospective investors should be aware that an investment in the Company is speculative and involves a high degree of risk. In addition to the other information in this document, the Directors consider the following risk factors are of particular relevance to the Company's activities and to any investment in the Company. It should be noted that this list is not exhaustive and that other risk factors not presently known or currently deemed immaterial may apply. Any one or more of these risk factors could have a materially adverse impact on the value of the Company and its business prospects and should be taken into consideration when assessing the Company. In such circumstances, investors could lose all or part of the value of their investment. The risks are not presented in any order of priority.

Potential investors are advised to consult a person authorised under FSMA who specialises in advising on investments of this kind before making any investment decisions. A prospective investor should carefully consider whether an investment in the Company is suitable in light of its personal circumstances and the financial resources available. Prospective investors should also consider carefully all of the information set out in this document and the risks attaching to the investment in the Company, including, in particular, the risks described below, before making any investment decision.

#### RISKS RELATING TO THE COMPANY'S BUSINESS AND ASSETS

##### **Transaction Risk**

Completion of the Acquisition, the issue of the Placing Shares, the Consideration Shares, the Adviser Fee Shares, the Director Fee Shares, the WRAP Shares, the Reabold Subscription Shares, the Director Subscription Shares, and the re-admission of the Enlarged Share Capital to trading on AIM is conditional, amongst other matters, on Shareholders passing Resolutions [●]. If Shareholders do not pass those Resolutions, the Acquisition, the issue of the Fundraise Shares and the re-admission of the Enlarged Share Capital to trading on AIM will not proceed and the Directors will need to consider alternative options for the Company. The Company will have expended significant funds in pursuing the proposed transaction and would therefore incur significant abort costs and there can be no guarantee that a suitable alternative Re-admission Transaction and/or funding on similar commercial terms to the Fundraise can be obtained on a timely basis or at all. Accordingly, if Resolutions [●] are not passed (or if any of the conditions precedent to the SPA or the Placing Agreement are not satisfied or waived) and a suitable alternative Re-admission Transaction and/or funding on similar commercial terms to the Fundraise can be obtained on a timely basis or at all, it is possible the Company will be unable to continue as a going concern and may ultimately be forced into administration or insolvency.

##### **Limited Recourse to Reabold as Seller**

Under the SPA, the Company has limited recourse to Reabold in terms of warranties and indemnities in relation to the underlying assets and in relation to any undisclosed liabilities or obligations. The financial position of the Enlarged Group could be significantly and/or materially prejudiced as a result. The Directors take some comfort from the fact that much of the consideration payable to Reabold takes the form of Consideration Shares or contingent consideration triggered by Free Cash Flow from the underlying assets. In addition, the Company has carried out due diligence on LNEnergy Italy and the underlying key assets, however, there can be no assurance that the Company would have a claim if there are any issues with the underlying key assets or any undisclosed liabilities arise. The Company had the option to seek insurance coverage for potential claims under the warranties, however based upon the results of due diligence investigations, the Directors decided that the cost of such insurance would likely be disproportionate to the risks of a claim arising in connection with the Acquisition.

##### **Exercise of Operational Assets**

The Company's ability to exercise operational control of the LNEnergy assets with effect from Admission is dependent upon its ability to exercise the rights granted to it pursuant to the terms of the SPA, the LNE SHA and the Supplemental Agreement.

Whilst the Company expects to indirectly acquire the entirety of Reabold's current shareholding in LNEnergy with effect from Second Acquisition Completion, this may not prove to be a controlling interest in LNEnergy. The remaining shareholding interest will be held by third parties and the subsequent management and control of LNEnergy may entail risks associated with multiple owners and decision makers. Any such investment also involves the risk that third-party owners might become insolvent or fail to fund their share of any capital contribution which might be required, which may then fall to the Company to fund. In addition, such third parties may have economic or other interests which are inconsistent with the Company's interests and plans and this may affect the ability of the Company to implement its strategies.

In addition, there is a risk of disputes between the Company and third parties who have an interest in LNEnergy. Any litigation or arbitration resulting from any such disputes may increase the Company's expenses and the Company may also, in certain circumstances, be liable for the actions of such third parties.

### **Italian Environmental Impact Assessment**

As part of the Production Concession authorisation process, on 20 December 2023, LNEnergy Italy submitted a new EIA application to the Ministry with an amendment to the field development programme.

A positive EIA measure was published on 7 January 2026. However, it is possible that local authorities and interested parties including the Abruzzo Region and the Municipality of Bomba will oppose the EIA measure through legal actions.

The deadline for lodging appeals with the relevant bodies (the TAR and the President of the Italian Republic) are 9 March 2026 and 7 May 2026 respectively, although as at the date of this document, no such appeal has been lodged. Any TAR decision would likely be issued between 12 and 18 months after the filing of the relevant TAR appeal, with such decision also subject to appeal to the Council of State, which could take a further 12-18 month period to issue its final decision. The extraordinary appeal to the President of the Italian Republic is a simplified procedure and does not allow for a second level of judgement, though provided it exercised such right within 60 days of the notification of the extraordinary appeal, the Ministry would have the right to request that proceedings continue before the TAR.

Should the EIA measure be challenged through either or a combination of the above methods, the Production Concession award process could be delayed and/or suspended, though the likelihood of a suspension request being approved is low, as the EIA decision itself is incapable of causing immediate serious and irreparable damages, and therefore the chances of success of any such challenge brought by an appellant is similarly low.

In the unlikely event the positive EIA decision is annulled by a court of competent jurisdiction, the Colle Santo Asset site would have to be permanently closed, which would have a material impact upon the Company's operations and financial position. However, an appeal in itself would not give rise to a delay in the awarding of the Production Concession.

### **Change of Control**

The authorisation of MASE should be obtained prior to the occurrence of any change of control of LNEnergy Italy. Failure to obtain such authorisation may in principle result in a revocation of the Monte Pallano Permit or the Production Concession.

The transaction in March 2025 which led to the purchase of LNEnergy (Ireland) Limited pursuant to the Avanti Eurogas SPA led to, indirectly the change of control of LNEnergy Italy. The Directors are not aware that the Ministry was formally informed or notified of the change of control of LNEnergy Italy which occurred. Since that time, the Colle Santo Asset has received a positive VIA approval and the issue of the EIA decree.

However, the occurrence of the change of control of LNEnergy Italy is in the public domain and since the issue has not been raised by MASE as at the date of this document, the Company considers the risk that it will be raised by MASE at a later stage to be low.

### **Production licence risk**

Under Italian law, exploration permits and production concessions may be granted only to entities with adequate technical and financial capabilities. The documentation proving such technical and economic capability, as well as the fulfilment of general requirements, must be updated in the event of significant changes to the data provided and, in any case, at least every two years. MASE is entitled to verify that LNEnergy Italy fulfils the requirements at any time and typically carries out such verification at least every two years. Failure by LNEnergy Italy to submit an update could result in revocation of the Licences.

Whilst the Company believes that LNEnergy Italy will be able to fulfil the general, technical and economic capabilities required by Italian law to be holder of the Licences, there can be no guarantee that LNEnergy S.r.l. will fulfil such requirements in order for the Production Concession to be approved. If such requirements are not met, then the Second Acquisition Conditions under the terms of the SPA will not be satisfied and Second Acquisition Completion shall not occur. It is possible that the Company would be unable to continue as a going concern and would ultimately be forced into administration or insolvency as a result.

In any event, in future years should LNEnergy Italy fail to submit the updated documents evidencing its technical and economic ability, the Production Concession and/or the Monte Pallano Permit could be revoked.

### **Contingent Financing Arrangements**

The financing arrangements for the development of the Colle Santo Asset remain subject to agreement of binding terms with third parties, which may not ultimately be entered into. There can be no guarantee that alternative financing arrangements will be secured on reasonable terms, which could have a material adverse effect on the development of the Colle Santo Asset and, consequently, the Enlarged Group's business, financial condition and/or results of operations.

### **Monte Pallano JOA Compliance**

As at the date of this document, LNEnergy Italy holds 90 per cent. of the Monte Pallano Research Permit, with the remaining 10 per cent. held by a private Italian partner.

The obligations and commitments of holders of the Monte Pallano Permit continue notwithstanding that the Monte Pallano Permit expired on 2 May 2010. There is a risk that the private Italian partner is in default under the terms of the joint operating agreement entered into between the Company and the private Italian partner (the "JOA"). The Company is in discussions to acquire the 10 per cent. held by the private Italian partner, but there is no guarantee that such documentation will be agreed or that this acquisition will complete. Moreover, whilst the participating interest in the Monte Pallano Permit of the private Italian partner as the party in default can be unilaterally acquired by LNEnergy Italy as the non-defaulting party, the prior authorisation of MASE is required in order for LNEnergy Italy to exercise this right, and there is no guarantee that the prior authorisation of MASE will be provided.

### **Substantial shareholder**

From Admission, the Company will have a substantial shareholder, Reabold, which will hold [●] per cent. of the Existing Ordinary Shares at Admission, with such holding increasing to [●] per cent. of the Ordinary Shares following completion of the Acquisition. The Company will be party to a Relationship Agreement with Reabold on completion of the Acquisition and Admission, as further described at paragraph [●] of Part [●] of this document. While this Relationship Agreement is intended to provide that the Company can operate independently of Reabold, Reabold may still be in a position to exert some significant influence over the Company and there is no guarantee that Reabold will comply with its obligations, and restrictions placed upon it, under the Relationship Agreement or that the Company will be able to enforce it effectively. As such, the Enlarged Group may be adversely affected by such influence or non-compliance.

### **The Company may face significant competition for acquisition opportunities**

There may be significant competition in some or all of the acquisition opportunities that the Company may explore. Such competition may for example come from strategic buyers, sovereign wealth funds, special purpose acquisition companies and public and private investment funds, many of which are well established

and have extensive experience in identifying and completing acquisitions. A number of these competitors may possess greater technical, financial, human and other resources than the Company. The Company cannot assure investors that it will be successful against such competition. Such competition may cause the Company to be unsuccessful in executing an acquisition or may result in a successful acquisition being made at a significantly higher price than would otherwise have been the case.

### **Third party contractors and providers of capital equipment**

In common with most exploration and production companies, the Enlarged Group, or the relevant operator of assets in which it has an interest, may contract or lease services and capital equipment from third-party providers. Such equipment and services can be scarce and may not be readily available at the times and locations required.

In addition, there can be no guarantee that necessary equipment and services will be available at a reasonable cost in the future. The scarcity of such equipment and services, as well as their potentially high costs, could delay, restrict or lower the profitability and viability of the Enlarged Group projects and therefore have an adverse effect on its business.

### **Italfuid Well Service and Consulting Arrangements**

LNEnergy Italy has entered into two service agreements with Italfuid, the first to provide maintenance and ancillary services related to the well area of the Monte Pallano Permit and the second to provide assessment services, operational support and infrastructure management, in each case in connection with the well area of the Monte Pallano Permit. There is a risk that, despite the fact that these agreements appear to be continuing by way of course of conduct, each of these agreements has expired and is no longer enforceable in accordance with its terms.

Additionally, in September 2023 LNEnergy entered into an agreement with Italfuid for the provision of technical consulting services by Italfuid which does not appear to be in any way legally binding on or enforceable by LNEnergy Italy (despite relating to services which benefit it) and which will, in any event, expire upon the adoption of the EIA.

There is therefore a risk that certain of the Enlarged Group's well service and technical consulting arrangements are not in full force and effect, though the Company's intention is to replace and implement such intra group arrangements to the extent necessary in the near future following Admission.

### **Land rights and lease termination and withdrawal**

On 1 November 2005, LNEnergy Italy entered into a land lease agreement (the "**LLA A**") in connection with the Production Concession. Whilst the right to annual extensions does not have to be exercised in writing in order to be valid, the annual extensions for the years 2022, 2023 and 2024 cannot be located as at the date of this document and there is a risk that the validity and enforceability of the LLA A could be questioned as a consequence. There is also a risk that the LLA A does not cover land parcels 1375, 1378 and 1379 which, if deemed necessary for the Production Concession, would be subject to expropriation.

Lease extension costs may additionally have accrued in connection with LLA A as well as the land lease agreement entered into by LNEnergy Italy on 25 November 2006 (the "**LLA B**") (which appears to have expired in accordance with its terms) and have been left unpaid, though the Directors consider such costs to be relatively low in the context of the Enlarged Group's financial obligations.

More generally, the Enlarged Group's oil and gas production activities in the countries in which it operates or intends to operate may be subject to obtaining the land rights or registrations it needs to pursue its projects.

### **Dissolution of Subsidiary**

The Company's wholly owned subsidiary Rhein Petroleum GmbH has been placed into a formal liquidation process with its creditors which, as at the date of this document, remains ongoing and is not expected to conclude prior to completion of the Acquisition. Having obtained local insolvency advice on the process, the Directors consider any risk to the Company of any ongoing obligations or liabilities or any creditor claims

in regard to Rhein Petroleum GmbH to be low, however there can be no guarantee that there are no such ongoing obligations, liabilities or claims, which could lead to increased costs for the Company.

## **Health, safety and environment**

The Enlarged Group's operations are subject to laws and regulations relating to the protection of human health and safety as well as the environment. The Company's health, safety and environment policy is to observe local legal requirements as well as to apply recognised international standards in its operations. Whilst there is no evidence to suggest such requirements will not be met, failure by any member of the Enlarged Group, or the relevant operator of the assets in which it has an interest, to comply with applicable legal requirements or recognised international standards may give rise to significant liabilities.

In particular, there is a risk that LNEnergy Italy does not comply with Legislative Decree no. 81/2008 which includes the requirements to: (i) set up a prevention and protection service; (ii) appoint a safety manager; (iii) appoint a competent doctor; (iv) appoint an employees' safety representative who is entitled to LNEnergy Italy's compliance with health and safety workplace regulations and be informed and consulted on matters relating to employees' health and safety and (v) draft an evaluation document with the assessment of possible health and safety risks at the workplace. The breach of duties set out in the abovementioned health and safety regulations could result in sanctions being imposed on LNEnergy Italy and its representatives. There is additionally a risk that due to non-compliance with health and safety legislation LNEnergy Italy could be found not to satisfy the technical requirements which are necessary in order for the Production Concession to be approved.

Health, safety and environment laws and regulations may over time become more complex and stringent or the subject of increasingly strict interpretation or enforcement. The terms of licences or concessions may include more stringent environmental and/or health and safety requirements. The obtaining of exploration, development or production licences and permits may become more difficult or be the subject of delay by reason of governmental, regional or local environmental consultation, approvals or other considerations or requirements.

These factors may lead to delayed or reduced exploration, development or production activity as well as to increased costs.

## **Anti-Corruption**

The Enlarged Group's operations are subject to laws and regulations relating to anti-corruption. Whilst there is no evidence to suggest such requirements will not be met, failure by any member of the Enlarged Group, or the relevant operator of the assets in which it has an interest, to comply with applicable legal requirements or recognised international standards may give rise to significant liabilities.

In particular, there is a risk that LNEnergy Italy may fall foul of Legislative Decree 231/2001 ("231 Decree"), which provides that if certain crimes (including those committed in dealings with public entities, e.g. bribery or fraud) are committed in the interest, or for the benefit, of a company by natural persons holding representative, administrative or managerial positions in such company (as well as by natural persons working under the direction or supervision of such persons), the company may be held liable. Such liability is in addition to that (of criminal nature) of the natural persons who materially commit the crime and may result in the company being subject to fines or penalties consisting, among other things, in the suspension or withdrawal of licences held by LNEnergy Italy including, for the avoidance of doubt, the Monte Pallano Research Permit, prohibition to enter into agreements with public entities, debarment from business and the exclusion of or revocation of public loans and grants. Whilst a company may avoid liability if it adopts certain internal organisational and management policies aimed at preventing such crimes, such policies should be adopted before the offence is committed. As at the date of this document, LNEnergy Italy is preparing but has not yet formally adopted such policies and so there remains a risk that, if a crime is committed and as a consequence the Company is held liable under the 231 Decree, the managing body may be held liable for negligence.

More generally, anti-corruption laws may over time become more complex and stringent or the subject of increasingly strict interpretation or enforcement and the terms of licences or concessions may include more stringent anti-corruption requirements.

These factors may lead to delayed or reduced exploration, development or production activity as well as to increased costs.

### **Data Protection**

The Enlarged Group's operations are subject to laws and regulations relating to data protection. Whilst there is no evidence to suggest such requirements will not be met, failure by any member of the Enlarged Group, or the relevant operator of the assets in which it has an interest, to comply with applicable legal requirements or recognised international standards may give rise to significant liabilities.

In particular, there is a risk that LNEnergy Italy may fall foul of EU Regulation 2016/679 (the “**GDPR**”) and its requirements such as the adoption of a privacy policy, the maintenance of records of processing activities and data processing agreements pursuant to Article 28 of the GDPR and/or internal procedures for data management and the handling of data breaches. This potential risk may entail sanctions from the Data Protection Authority and possible civil liability incurred by LNEnergy Italy towards data subjects.

More generally, anti-corruption laws may over time become more complex and stringent or the subject of increasingly strict interpretation or enforcement and the terms of licences or concessions may include more stringent anti-corruption requirements.

These factors may lead to delayed or reduced exploration, development or production activity as well as to increased costs.

### **Enforcement of security**

Pursuant to a pledge agreement dated 25 March 2025, a pledge has been granted by LNEnergy over the share capital of LNEnergy Italy and the share capital of LNEnergy (Ireland) Limited (formerly known as Avanti Eurogas Limited) in favour of Avanti Eurogas, LLC to secure the payment of an amount of \$10,500,000 in connection with the acquisition of LNEnergy (Ireland) Limited (“**Avanti Eurogas Share Pledge**”).

The pledged amount will become payable 60 days following the granting of the Production Concession. The Avanti Eurogas Share Pledge does not appear in LNEnergy Italy's charges register and additionally does not appear to be notarised, meaning that it may not be enforceable against third parties. However, there remains a risk that the Avanti Eurogas Share Pledge could be registered and notarised retrospectively. Whilst the intention of the Enlarged Group is to repay the amount secured under the Avanti Eurogas Share Pledge in the months following Admission, in the event the Avanti Eurogas Share Pledge is or becomes enforceable, there can be no guarantee that the amount will be repaid and as such there remains a risk that Avanti Eurogas, LLC will seek to enforce its security under the terms of the Avanti Eurogas Share Pledge, which would entitle Avanti Eurogas, LLC to acquire the entire issued share capital of LNEnergy Italy and LNEnergy (Ireland) Limited, with the result that the Company would lose title to the Production Concession.

### **Legacy Royalty**

Prior to the proposed Acquisition, several agreements were entered into in connection with the acquisition of control of LNEnergy Italy which provided for a payment of a royalty based on a percentage of the net proceeds of production (the “**Legacy Royalty**”). Under such historic arrangements, there was a provision stating that (i) future purchasers would assume an obligation to pay the Legacy Royalty and (ii) any future sale would be subject to the assumption by the purchaser of such obligation.

It appears that a third party is the present holder of the rights arising from the Legacy Royalty, though no assignment or assumption of the Legacy Royalty is provided within the relevant legal documentation and the Legacy Royalty is not expressly referenced within the documentation.

Whilst there is nothing to suggest that LNEnergy would be required to pay the sums due under the Legacy Royalty, and the economic models presented in this document and the CPR do not account for any payments being made by LNEnergy in connection with the Legacy Royalty, there nevertheless remains a risk that the third party could seek to enforce its rights under the Legacy Royalty though the 6-7 year claim period during which the third party would be able to make such claim is close to expiry and in any event the

Company anticipates that under the historic acquisition arrangements, the third party would likely seek to pursue its rights against an alternative party.

### **Counterparties**

The Enlarged Group may enter, into joint venture arrangements in order to pursue its projects. Any failure by the Enlarged Group's counterparties to comply with their contractual obligations (or their obligations arising under applicable laws) may have adverse consequences for the Enlarged Group.

Such delays or defaults or adverse pricing or other contractual terms could adversely affect the Enlarged Group's business, results of operations and cash flows.

The Enlarged Group intends to enter into agreements with a number of contractual counterparties in relation to the sale and supply of its hydrocarbon production volumes. The Enlarged Group is therefore subject to the risk of delayed payment for delivered production volumes or counterparty default.

In certain cases, any member of the Enlarged Group's counterparty, either legally or as a result of geographic, infrastructure or other constraints or factors, may be in practice the sole potential purchaser of such entity's production output. In such circumstances, such entity may be exposed to adverse pricing or other adverse contractual terms.

### **Retention and recruitment of skilled personnel and professional staff**

The Enlarged Group's business requires skilled personnel and professional staff in the areas of exploration and development, operations, engineering, business development, oil and gas marketing, finance and accounting. There is competition for such personnel globally and in Italy. Limitations on the Enlarged Group's ability to hire and train the required number of personnel would reduce its capacity to undertake further projects and may have an adverse impact on its operations, results and growth.

There are a limited number of persons with the requisite experience and skills to serve in the Enlarged Group's management positions. Should any existing member of the management team leave the Enlarged Group, the Enlarged Group may not be able to locate or employ qualified executives on acceptable terms. In addition, if the Enlarged Groups competitors offer, for instance, better compensation or working conditions, the Enlarged Group could potentially lose some of its key managers. If the Enlarged Group cannot attract, train and retain qualified managers, the Enlarged Group may be unable to successfully manage its growth or otherwise compete effectively in the oil and gas industry, which could adversely affect its business.

### **Director Remuneration**

The directors of LNEnergy Italy may be entitled to receive bonus payments tied to specific performance events such as timely construction benchmarks and there is a risk that the directors of LNEnergy Italy could continue to seek to pursue competitive remuneration and bonus arrangements.

LNEnergy Ltd (Ireland), as the sole shareholder of LNEnergy Italy, has postponed any resolutions concerning the LNEnergy Italy directors' remuneration and determined that the directors' remuneration shall be set by an expert to be appointed by LNEnergy Ltd (Ireland).

However, it has been decided pursuant to a board decision of LNEnergy that Reabold's director appointee (who shall, with effect from Second Acquisition Completion, become the NewCo's director appointee) to the board of LNEnergy will set the remuneration of the directors of LNEnergy Italy and, pursuant to the terms of the Share Purchase Agreement and the Shareholders' Agreement to be entered into on Admission, the Company's consent will be required to approve such arrangements.

### **Director Conflicts of Interest**

Certain of the directors of LNEnergy Italy have additional corporate roles which could give rise to potential conflicts of interest.

Any decisions adopted by the LNEnergy Italy board of directors with the decisive vote of a conflicted director could be challenged by the other directors within ninety days of such decision in so far as they cause financial harm to LNEnergy Italy, without prejudice to the rights acquired in good faith by third parties on the basis of acts carried out in connection with such board decisions. Whilst the Company is not aware of any such decisions being challenged or the prospect of the same, there remains a risk that decisions could be challenged on such basis in the future. Additionally, there is a risk that any director found to actually be acting in a conflict of interest could have his appointment as a director revoked for cause.

### **Licensing and other regulatory requirements**

The Enlarged Group's activities in the countries in which it operates, or intends to operate, are subject to, among other things, licences, regulations and approvals of governmental authorities including those relating to the exploration, development, operation, production, marketing, pricing, transportation and storage of oil and gas, taxation and environmental and health and safety matters. The Enlarged Group has limited control over whether or not necessary approvals of licences (or renewals thereof) are granted, the timing of obtaining (or renewing) such licences or approvals, the terms on which they are granted or the tax regime to which it or assets in which it has interests will be subject. Any delay in obtaining or renewing any licence may result in a delay in investment or development of a resource and may have a material adverse effect on the acquired business' results of operations, cash flows and financial condition. There is no guarantee that all required licences will be granted in accordance with the applications, nor that they will be granted on conditions satisfactory for the Enlarged Group to operate its business. Licences also contain conditions and requirements that must be met in order to maintain them, and may be suspended, terminated or revoked if the Enlarged Group fails to comply with the relevant requirements, whilst the Enlarged Group could also be subject to fines for failure to comply. There can also be no assurance that the relevant authorities will not significantly alter the conditions or area of, or that any third-party will not challenge, the licences held by the Enlarged Group. The occurrence of any of these risks could have a material adverse effect on the Enlarged Group's results of operations, cash flows and financial condition.

### **Market conditions**

Market conditions may have a negative impact on the Enlarged Group's ability to execute investments in suitable assets which generate acceptable returns or to raise cash in order to fund its existing business or any future investments. There is no guarantee that the Enlarged Group will be successful in sourcing suitable assets or making any investments in assets at all or in raising cash to fund any of those assets or investments.

### **Interest rates**

Until such time as all of the net proceeds of the Fundraise are applied by the Company to fund activity, the unapplied portion of the net proceeds will be held by the Company in anticipation of future activity and to meet the running costs of the Company. Such deposits are likely to yield very low interest rates and lower returns than the expected returns from an investment. The Company can give no assurance as to how long it will take it to source additional transactions, if at all, and the longer the period the greater the likely impact on the Company's performance, financial condition and business prospects.

### **Costs associated with potential acquisitions**

The Company may look to expand its portfolio over time and expects to incur certain third-party costs associated with the sourcing of suitable assets. The Company can give no assurance as to the level of such costs, and given that there can be no guarantee that negotiations to acquire any given assets will be successful (for example, the Company may fail to complete a proposed acquisition because it has been outbid by a competitor or does not meet the sellers' internal hold value), it may be left with substantial unrecovered transaction costs, including legal, financial, advisory or other expenses, including general and administration costs, which could have a material adverse effect on the financial condition and prospects of the Company. The greater the number of deals that do not reach completion, the greater the likely impact of such costs on the Company's performance, share price, financial condition and business prospects.

## **Due diligence process**

The Enlarged Group may look to expand its portfolio over time and intends to conduct such due diligence as it deems reasonably practicable and appropriate, based on the facts and circumstances applicable to each potential project, before making an acquisition. The objective of the due diligence process will be to identify material issues which might affect an acquisition decision. When conducting due diligence and making an assessment regarding an acquisition, the Enlarged Group will be required to rely on resources available to it, including, in the main, data provided by the vendor, public information and, in some circumstances, third party investigations. As a result, there can be no assurance that the due diligence undertaken with respect to any potential project will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such project. Further, there can be no assurance as to the adequacy or accuracy of information provided during any due diligence exercise or that such information will be accurate and/or remain accurate in the period from conclusion of the due diligence exercise until the desired investment has been made. Due diligence may also be insufficient to reveal all of the past and future liabilities relating to the operations and activities of the target, including but not limited to liabilities relating to litigation, breach of environmental regulations or laws, governmental fines or penalties, pension deficits or contractual liabilities.

## **Valuation error**

The Enlarged Group may look to expand its portfolio over time and intends in assessing the consideration to be paid for an acquisition, the Directors, amongst other things, expect to rely on market data, industry statistics and industry forecasts consisting of estimates compiled by industry professionals, organisations, analysts or publicly available information. Industry publications generally state that their information is obtained from sources they believe to be reliable but that the accuracy and completeness of such information is not guaranteed and that the forecasts or projections they contain are based on a number of significant assumptions. Although the Company intends to use sources that are believed to be reliable, it may not always have access to the underlying information, methodology and other bases for such information and may not have independently verified the underlying information and, therefore, cannot guarantee its accuracy and completeness. Accordingly, errors in any of the assumptions or methodology employed by a third party in preparing a report on which the Company may place reliance may materially adversely affect the Company's valuation and therefore returns on any acquisition, business, results of operations, financial condition and prospects.

## **Long-term nature of investments**

While an investment may be sold by the Enlarged Group at any time, it is not generally expected that this will occur for a number of years after such an acquisition is made. Investments in oil and gas assets and companies are best suited for long-term investors.

## **Illiquid nature of the Company's investment**

Return of capital to Shareholders and the realisation of gains, if any, generally will occur only upon the partial or complete disposal of an investment, or ultimately the Company itself, which is likely to be several years after first investment.

## **Increased pressure to reduce emissions**

There is increasing concern about climate change and the link between global warming and carbon emissions generated directly and indirectly by oil and gas activities. Certain pressure groups wish oil and gas to be replaced with other energy sources which generate lower emissions. In the medium to long term should energy generators and consumers switch to new forms of energy, including renewables, there will be a corresponding reduction in demand for oil and gas. Market sentiment towards oil and gas companies may be negatively impacted by both government regulation and by activism reducing available capital along with demand for the Company's shares from both the public and institutions.

## **Cyber risks**

The Enlarged Group is at risk of financial loss, reputational damage and general disruption from a failure of its information technology systems or an attack for the purposes of espionage, extortion, terrorism or to cause embarrassment. Any failure of, or attack against, the Enlarged Group's information technology

systems may be difficult to prevent or detect, and the Enlarged Group's internal policies to mitigate these risks may be inadequate or ineffective. The Enlarged Group may not be able to recover any losses that may arise from a failure or attack.

## **RISKS RELATING TO THE OIL AND GAS INDUSTRY**

The Enlarged Group's projects will be subject to the normal risks of oil and gas projects, and such profits as may be derived from such projects are subject to numerous factors beyond the Enlarged Group's control. Certain of these risk factors are discussed below.

### **Hydrocarbon prices**

Historically, hydrocarbon prices have been subject to large fluctuations in response to a variety of factors beyond the Enlarged Group's control. Accordingly, the Enlarged Group can give no assurance that hydrocarbon prices will not decline further in the future. Lower hydrocarbon prices may reduce the economic viability of the Enlarged Group and/or its projects, result in a reduction in revenues or net income, impair the Enlarged Group's ability to make planned expenditures and could materially adversely affect the Enlarged Group's business, prospects, financial condition and result of operations.

### **Reserve and resource estimates**

Any future reserve and/or resource figures relating to future projects will be estimates and there can be no assurances that the reserves or resources are present, will be recovered or that they can be brought into profitable production. Reserves and resources estimates may require revisions based on actual production experience. Estimating the amount of hydrocarbon reserves and resources is a subjective process and, in addition, results of drilling, testing and production subsequent to the date of an estimate may result in revisions to original estimates. Furthermore, a decline in the market price for commodities produced by projects that the Enlarged Group may invest in could render remaining reserves uneconomic to recover and may ultimately result in a restatement of reserves.

### **Exploration, development and production risks**

Exploration, development and production activities are capital intensive and inherently uncertain in their outcome. The Enlarged Group's future oil and gas, exploration, development and production projects may involve unprofitable efforts, either from dry wells or from wells that are productive but do not produce sufficient net revenues to return a profit after development, operating and other costs. Furthermore, completion of a well does not guarantee a profit on the investment or recovery of the costs associated with that well. If development activities prove unsuccessful over a prolonged period of time, the Enlarged Group may not have sufficient longer term working capital to continue to meet its obligations and its ability to obtain additional financing necessary to continue operations may also be adversely affected.

In addition, operations of the Enlarged Group or by operators of assets in which it has interests involve risks normally incident to such activities, including blowouts, oil or chemical spills, explosions, fires, equipment damage or failure, natural disasters, adverse weather conditions, mechanical failures or delay, governmental regulations or delays, geological uncertainties, unusual or unexpected rock formations and abnormal pressures. The occurrence of any of these events could result in environmental damage, injury to persons and loss of life, failure to produce oil or gas in commercial quantities or an inability to fully produce discovered reserves. Consequent production delays and declines from normal field operation conditions can be expected to adversely affect revenue and cash flow levels to varying degrees.

### **Ability to exploit successful discoveries**

It is possible that a project which the Enlarged Group may have acquired or in which the Enlarged Group may have invested may not be able to exploit commercially viable discoveries in which it holds an interest. Exploitation may require external approvals or consents from relevant authorities and the granting of these approvals and consents is beyond the Enlarged Group's control. The granting of such approvals and consents may be withheld for lengthy periods, not given at all, or granted subject to the satisfaction of certain conditions which the project the Company may have acquired or in which the Enlarged Group may have invested cannot meet. As a result of such delays, the project the Enlarged Group may have acquired

or in which the Enlarged Group may have invested may incur additional costs, losses of revenue or part or all of its equity in a licence.

### **Inadequate supply of, and interruptions in availability of exploration, production or supply infrastructure**

Inadequate supply of the critical infrastructure elements for drilling production, transport and processing could result in reduced production or sales volumes, which in turn could have a negative effect on the Enlarged Group's financial performance. Disruptions in the supply of essential utility services to its critical infrastructure could halt the Enlarged Group's production for the duration of the disruption and, when unexpected, may cause loss of life or damage to its drilling equipment or facilities, which may in turn affect its ability to recommence operations on a timely basis. Adequate provision of transportation services, such as timely pipeline and terminal access, are critical to distributing products and disruptions to such services, or increased costs in relation to accessing them (which may be outside the control of the Enlarged Group) may affect the Enlarged Group's operations including resulting in the shutting-in of producing wells if production cannot be off-taken. The Enlarged Group will be dependent on third party providers of utility and transportation services. Shared infrastructure, such as the shared services between Lauben and Schwarzbach, carries associated risks when multiple fields and operators feed into a common infrastructure, in particular there are risks of contamination or off-specification gas or fluids entering the shared infrastructure which may result in the rejection of gas or fluids at the terminal point and/or shutdowns of the infrastructure, all of which may affect the Enlarged Group's operations.

The Enlarged Group, may in the future, be reliant upon government and third party owned pipelines and processing facilities for the export of its oil and gas products to local and international markets. These facilities are not owned or operated by the Enlarged Group. As such, the Enlarged Group's oil and gas production levels may be adversely affected by events relating to such infrastructure, including obtaining governmental approvals or consents, repairs and maintenance, planned and un-planned shut-downs, civil conflict and terrorism, regulatory changes, competition from other suppliers and other operational matters which are unrelated to the performance of the Enlarged Group's oil and gas fields and beyond its control.

Such interruptions or delays may have a material adverse effect on the Enlarged Group's business, financial condition, prospects, results and/or future operations.

### **Equipment failure**

There is a risk of equipment failure due to, amongst other factors, wear and tear, design error or operator error which could have a material adverse effect on the Enlarged Group's operations and, in turn, the Enlarged Group's financial performance.

### **Volatility of prices**

The supply, demand and prices for commodities are volatile and are influenced by factors beyond the Enlarged Group's control. These factors include global demand and supply, exchange rates, interest rates and inflation rates and political events. With increased pressure to reduce GHG emissions by replacing fossil fuel energy generation with zero emission energy generation it is possible that peak demand for oil will be reached, and, as a result, oil price will be adversely impacted as and when this happens. A significant prolonged decline in commodity prices could impact the viability of some or all of the exploration, development and producing projects which the Enlarged Group may propose to acquire. Additionally, production from geographically isolated countries may be sold at a discount to current market prices.

### **Corporate and regulatory formalities**

Conducting exploration, development, production or other oil and gas activities has or will involve the requirement to comply with various procedures and approval formalities. It may not in the future be possible to comply or obtain waivers of all such formalities. In the case where it is not possible for the Enlarged Group to comply, or it cannot obtain a waiver, in relation to an asset that it has acquired, that asset may incur a temporary or permanent disruption to its activities and a loss of part or all of its interest in a lease or licence.

## **Climate change and related regulation**

Many participants in the oil and gas sector are large users of energy. Various regulatory measures aimed at reducing emissions and improving energy efficiency may affect the Enlarged Group's operations and acquisition opportunities. Policy developments at an international, regional, national and subnational level, including those related to the 2015 Paris Agreement and emissions trading systems, such as the Emissions Trading System of the European Union, could adversely affect the Enlarged Group's profitability if projects that it invests in have material greenhouse gas-intensive and energy-intensive assets.

In addition, the impact of climate change on any of the Enlarged Group's potential acquisitions is uncertain and will depend on circumstances at individual operating sites. These may increase costs, reduce production levels or otherwise impact the results of operations of the Enlarged Group's acquisitions.

The Company expects emission costs to increase from current levels beyond 2023 and for regulations targeting reduced emissions to have a wider geographical application than today. There is continuing uncertainty over the detail of anticipated regulatory and policy developments, including the targets, mechanisms and penalties to be employed, the timeline for legislative change, the degree of global cooperation among nations and the homogeneity of the measures to be adopted across different regions. This ambiguity, in turn, creates uncertainty over the long-term implications for the Enlarged Group's expected projects and operating costs and the constraints the Enlarged Group may face in order to comply with any such new regulations. For example, to meet regulatory targets imposed in the future, the Enlarged Group may be required to adopt new technological solutions for its assets within a limited timeframe to reduce GHG emissions, and there can be no assurance that the Enlarged Group would be successful in making such adaptions.

## **The emergence of new technologies that disrupt the oil and gas sector, or a gradual shift towards alternative fuels**

The oil and gas sector is dominated by large national and supermajor oil and gas companies, including Exxon, Shell, BP and Total, which possess significant cash and financial resources and class-leading technological expertise. These and other competitors are continuously investing substantial amounts in research, development and innovation. In addition, world-leading technology and automotive companies, such as Apple, Google and Tesla, are also conducting extensive research into new, potentially disruptive, technologies, such as the electrification and automation of motor vehicles and ground-breaking battery technologies, which could have a significant impact on demand for oil-based products worldwide if they were to be widely adopted.

This global research effort is, in part, in response to a trend in demand towards greater fuel efficiency and a shift to alternative fuels, prompted by heightened environmental awareness among governments and consumers. There is a risk that greater-than-expected improvements in fuel efficiency over the near-term, whether due to technological advancements or more stringent regulation, could lower demand for diesel and gasoline. For example, automakers globally have, over recent years, significantly improved the efficiency of conventional internal combustion engines through technological innovation, and have developed increasingly competitive hybrid and fully-electric motor vehicles. Some countries offer programs that seek to incentivise the use of more environmentally friendly vehicles by offering subsidies or tax breaks or by directly banning the use of vehicles using conventional petroleum-based fuels beyond a certain year. Legislative changes could also be accompanied by, or serve to accelerate, a shift in consumer preference towards alternative fuels due to increased environmental awareness and the improved competitiveness of "green" technologies.

Moreover, the emergence of one or more disruptive technologies that rapidly accelerate the pace of change, or suddenly alter the direction of change, could have a negative impact on the Enlarged Group's long-term strategy. There can be no assurance that the Enlarged Group would be successful in adjusting its business model in a timely manner to anticipate, or react to, changes in demand resulting from changes in legislation, technologies, consumer preference or other market trends, and its failure to do so could have a material adverse effect on the Enlarged Group's strategy, financial condition, results of operations and prospects.

## **Regulatory measures and governmental commitments to energy transition**

Various regulatory measures aimed at reducing GHG emissions and improving energy efficiency may affect the Enlarged Group's operations and acquisition opportunities. Policy developments at an international,

regional, national and subnational level, including those related to the 2015 Paris Agreement and emissions trading systems, such as the EU Emissions Trading System, could adversely effect the Enlarged Group's profitability if projects that it invests in have material GHG-intensive and energy-intensive assets. The Company expects GHG emissions costs to increase from current levels and for regulations targeting reduced GHG emissions to have a wider geographical application than today. There is continuing uncertainty over the detail of anticipated regulatory and policy developments, including the targets, mechanisms and penalties to be employed, the timeline for legislative change, the degree of global co-operation among nations and the homogeneity of the measures to be adopted across different regions. This ambiguity, in turn, creates uncertainty about the long-term implications for the Enlarged Group's expected projects and operating costs and the constraints the Enlarged Group may face in order to comply with any such new regulations.

### **Activism and protest risk**

The Enlarged Group may be subject to activism from groups campaigning against fossil fuel extraction which could affect the Enlarged Group's reputation, disrupt its campaigns, require the Enlarged Group to incur significant, unplanned expense to respond or react to intentionally disruptive campaigns, result in limitations or restrictions on certain sources of funding (including investment from current or other potential investors as well as funding from commercial banks), create blockades to interfere with operators or otherwise negatively impact the Enlarged Group's business or prospects.

### **Fiscal and other risks derived from government involvement in the oil and gas industry**

The governments of countries in which the Enlarged Group currently operates or may operate have exercised and continue to exercise significant influence over many aspects of their respective economies, including the oil and gas industry. The Italian Government has exercised and will continue to exercise significant influence over many aspects of its economy, including the oil and gas industry. Any government action concerning the economy, including the oil and gas industry, such as a change in oil or gas pricing policy (including royalties), exploration and development policy, or taxation rules or practice, or renegotiation or nullification of existing concession contracts, could have a material effect on the Enlarged Group.

Some European countries have brought in "windfall taxes" to address the perceived financial upside that oil and gas companies are benefitting from through the increase in energy costs. There can be no assurance that the Enlarged Group will not be subject to such windfall taxes (or other exceptional costs) nor that any such measures will be temporary rather than long term changes nor that the Enlarged Group will be able to fund such measures whether from any increased revenues or at all. Furthermore, there can be no assurance that these governments will not postpone or review projects or will not make any changes to laws, rules, regulations or policies, in each case, which could materially and adversely affect the Enlarged Group's financial position, results of operations or prospects.

### **Environmental regulation**

Environment and safety legislation (such as in relation to plugging and abandonment of wells, discharge of materials into the environment and otherwise relating to environmental protection) may affect the Enlarged Group's ability to make or pursue investments and may change in a manner that may require more strict or additional standards than those currently in effect, a heightened degree of responsibility for companies and their directors and employees and more stringent enforcement of existing laws and regulation. There may also be unforeseen environmental liabilities resulting from oil and gas activities, which may be costly to remedy. In particular, the acceptable level of pollution and the potential clean-up costs and obligations and liability for toxic or hazardous substances, for which a company may become liable, as a result of its activities, may be impossible to assess against the current legal framework and current enforcement practices of the various jurisdictions. Consequently, the economic impact on the Enlarged Group's profitability is difficult to assess. Environment and safety authorities additionally have extensive enforcement powers under environment and safety legislation. These powers extend to statutory notices to require operational steps and to prohibit certain activities or operations until compliance is achieved. A violation of environment and safety legislation, or failure to comply with the instructions of the relevant environment and safety authorities could therefore lead to, among other things, a temporary shutdown of all, or a portion of, the Enlarged Group's facilities and the imposition of costly compliance procedures. If environment and safety authorities shut down all, or a portion of, the Enlarged Group's business, financial condition, results of operations and prospects would be materially and adversely affected.

### **Assessing future abandonment expenditure**

When assessing assets for acquisition, the Enlarged Group will assume certain obligations in respect of the decommissioning and abandonment of wells, fields and related infrastructure. These liabilities are derived from legislative and regulatory requirements concerning the decommissioning of wells and production facilities and will require the Company to make provisions for and/or underwrite the liabilities relating to such decommissioning. It is difficult to forecast with any accuracy the future costs the Enlarged Group will incur in satisfying such decommissioning obligations. When such decommissioning costs crystallise on assets acquired, the Enlarged Group will be jointly and severally liable for them with other former or current partners in the field. If such partners default on their obligations, the Enlarged Group could remain liable and its decommissioning liabilities could be magnified significantly through such default. Any significant increase in the actual or estimated decommissioning costs that the Enlarged Group may incur could have a material adverse effect on its business, financial condition, results of operations and prospects.

### **The Company will be reliant on a functioning insurance market**

The Enlarged Group intends to maintain a programme of insurance to cover exposure up to recognised industry limits. However, in the future, there may not be sufficient cover available at economic rates in conventional markets to insure all of the Enlarged Group's potential liabilities, particularly due to the inherently hazardous nature of the business of the Enlarged Group or for acts and omissions of subcontractors, operators and joint venture partners. Any contractual indemnities the Enlarged Group may receive from such parties may be difficult to enforce if such sub-contractors, operators or joint venture partners lack adequate resources. The Enlarged Group may also suffer material losses from uninsurable or uninsured risks. Operational insurance policies are usually placed in one-year contracts and the insurance market can withdraw cover for certain risks which can greatly increase the costs of risk transfer. Such increases are often driven by factors unrelated to the Enlarged Group. In addition, insurers may come under pressure from activists to withdraw their support for the oil and gas industry reducing the underwriting capacity and increasing the cost of cover to potentially un-economic levels. The occurrence of any of these risks could adversely affect the Enlarged Group's financial performance.

### **The Company may be at risk from uninsured hazards and/or uninsured liabilities**

The Enlarged Group may be subject to substantial liability claims due to the inherently hazardous nature of its business or for acts and omissions of sub-contractors, operators or joint venture partners. Any indemnities the Enlarged Group may receive from such parties may be difficult to enforce if such sub-contractors, operators or joint venture partners lack adequate resources. Although the Enlarged Group intends to maintain insurance in accordance with industry practice, there may be circumstances where the Enlarged Group does not have, or cannot obtain, insurance to cover certain risks at a reasonable market premium, including business interruption insurance. In addition, there can be no assurance that the proceeds of insurance applicable to covered risks will be adequate to cover the relevant losses or liabilities. Accordingly, the Enlarged Group may suffer material losses from uninsurable or uninsured risks or insufficient insurance coverage that may have a material adverse effect on the Enlarged Group's business.

### **Market risk**

The scale of production from a development of a discovered oil and gas resource will be dependent upon factors over which the Enlarged Group has no control such as market conditions at that time, access to, and the operation of, transportation and processing infrastructure, the available capacity levels and tariffs payable by a particular project entity for such infrastructure and the granting of any licences or quotas that a particular project entity may require from the relevant regulatory authority. All of these factors may result in delays in production and additional costs for a particular project or, ultimately, a reduction in expected revenues for the Enlarged Group. Therefore, there is a risk that the Enlarged Group may not make a commercial return on its investment.

### **Labour disruptions**

There is a risk that strikes or other types of conflict with unions or employees may occur at any one of the Enlarged Group's investments or in any of the geographic regions in which the Enlarged Group owns assets. Any labour disruptions could increase operational costs and decrease revenues by delaying the business activities of the Enlarged Group's investments or increasing the cost of substitute labour, which may not be

available. Furthermore, if such disruptions are material, they could adversely affect the Enlarged Group's results of operations, cash flows and financial condition.

## **Competition**

The oil and gas industry is very competitive and the Enlarged Group will face competition for potential investments and in the countries within which it will conduct its investment activities. Some of the Enlarged Group's competitors have access to greater financial and technical resources than the Enlarged Group and a greater ability to borrow funds to acquire assets. Competition for attractive investment opportunities may lead to higher asset prices which may affect the Enlarged Group's ability to invest on terms which the Directors consider attractive. Such conditions may have a material adverse impact on the Enlarged Group's ability to secure attractive investment opportunities and consequently may have an adverse effect on the net asset value and the market price of the Ordinary Shares.

## **RISKS RELATING TO THE ORDINARY SHARES**

### **Status of the Existing Ordinary Shares on AIM and risk of cancellation**

#### **Liquidity of Ordinary Shares**

Notwithstanding the fact that an application will be made for the Ordinary Shares to be traded on AIM, this should not be taken as implying that there will be a "liquid" market in the Ordinary Shares. The market for shares in smaller public companies is less liquid than for larger public companies. Therefore, an investment in the Ordinary Shares may thus be difficult to realise. The Ordinary Shares will not be listed on the Official List. Investments in shares traded on AIM carry a higher degree of risk than investments in shares quoted on the Official List. The price of the Ordinary Shares may be volatile, influenced by many factors, some of which are beyond the control of the Company, including the performance of the overall share market, other Shareholders buying or selling large numbers of Ordinary Shares, changes in legislation or regulations and general economic conditions.

#### **Investment risk**

The value of an investment in the Company could, for a number of reasons, go up or down. There is also the possibility that the market value of an investment in the Company may not reflect the true underlying value of the Company.

A change of control of the Company could trigger adverse consequences in certain commercial contracts to which members of the Group are party (whether triggering the ability to terminate such agreement, pre-emption/transfer rights, or the acceleration of contingent obligations under such agreement).

#### **Distributions to Shareholders**

Investors should note that payment of any future dividends will be at the discretion of the Board after taking into account many factors, including the Company's operating results, financial condition and current and anticipated cash needs. Pursuant to the Act, dividends may only be declared and paid if the Company has passed the defined Solvency Test under the Act that is that the directors have decided the Company can meet its debts as they fall due immediately after the distribution and that the assets of the Company are greater than its liabilities.

In addition, the Company's ability to pay distributions to Shareholders depends on the earnings and cash flows of the companies it invests in and their ability to pay the Company distributions and to repatriate funds to it. Other contractual and legal restrictions applicable to the Company and its investments could also limit its ability to obtain cash from them. If there are changes to accounting standards or to the interpretation of accounting standards, this could have an adverse impact on the Company's ability to pay dividends. The Company's right to participate in any distribution of its investee companies' assets upon their liquidation, reorganisation or insolvency would generally be subject to prior claims of such companies' creditors, including lenders and trade creditors.

## **Investor profile**

The Placing will be marketed to institutional and sophisticated investors seeking capital appreciation. An investment in the Ordinary Shares is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may arise from that investment (taking into account the fact that those losses may be equal to the whole amount invested). Such an investment should be seen as medium to long term in nature and complementary to existing investments in a range of other financial assets and should not form a major part of an investment portfolio. The value of shares can go down as well as up, any dividend returns can fluctuate widely and investors may not realise the value of their initial investment.

## **Reverse Takeovers**

A further substantial acquisition may trigger a reverse takeover transaction under AIM Rule 14, which will make that additional acquisition subject to prior Shareholder approval and re-admission to AIM or another listing venue for the enlarged entity. Shareholders should note that where a transaction is considered to be a reverse takeover transaction under AIM Rule 14, and the Shareholders approve any such transaction, trading on AIM in the Ordinary Shares will be cancelled and re-admission to AIM or another listing venue will be required to be sought in the same manner as any other applicant applying for admission of its securities for the first time. Trading in the Ordinary Shares will normally be suspended following the announcement of any such transaction until the Company has published a re-admission document in respect of the Company.

## **GENERAL RISKS**

### **Financing**

The Company's business involves significant financial expenditure. The only sources of financing currently available to the Company are through the issue of additional equity capital or through bringing in partners to fund exploration and development costs. The Company's ability to raise further funds will depend on the success of existing and acquired investments. The Company may not be successful in procuring the requisite funds on terms which are acceptable to it (or at all) and, if such funding is unavailable, the Company may be required to reduce the scope of its investments or anticipated expansion. Further, Shareholders' holdings of Ordinary Shares may be materially diluted if debt financing is not available in the future, and any incremental debt financing may involve restrictive covenants, which may limit the Company's operating flexibility. An inability to obtain sufficient funding may adversely affect the Company's business, results of operations and cash flows. It is anticipated that any development capital funding will include an equity component which may materially dilute shareholders' holdings of Ordinary Shares. In addition, shareholders may be further diluted through the exercise of the Warrants and Options, or any other warrants, options or convertible securities issued by the Company.

### **Political, economic, legal, regulatory and social risk**

The Enlarged Group's operations are exposed to the political, economic, legal, regulatory and social risks of countries in which it operates or intends to operate, in particular Italy, the Isle of Man and the United Kingdom. These risks potentially include expropriation (including "creeping" expropriation) and nationalisation of property, instability in political, economic or financial systems, uncertainty arising from undeveloped legal and regulatory systems, corruption, civil strife or labour unrest, acts of war, armed conflict, terrorism, outbreaks of infectious diseases, prohibitions, limitations or price controls on hydrocarbon exports and limitations or the imposition of duties on imports of certain goods.

Some of the countries in which the Enlarged Group may look to operate in the future could have transportation, telecommunications and financial services infrastructures that may present logistical challenges not associated with doing business in more developed locales. Certain governments in other countries have in the past expropriated or nationalised property of hydrocarbon production companies operating within their jurisdictions. Sovereign or regional governments could require the Company to grant them larger shares of hydrocarbons or revenues than previously agreed to.

Once the Enlarged Group has established hydrocarbon exploration and/or production operations in a particular country, it may be expensive and logically burdensome to discontinue such operations should economic, political, physical, or other conditions subsequently deteriorate. All of these factors could materially adversely affect the Enlarged Group's business, results of operations, financial condition or prospects.

## **United Kingdom exit from the European Union**

Following a national referendum and enactment of legislation by the UK government, the UK formally withdrew from the European Union on 31 January 2020 and following a transition period, the UK and the European Union entered into a UK-EU Trade and Cooperation Agreement (the “**Withdrawal Agreement**”) on 30 December 2020 to govern their future relationship. Significant political and economic uncertainty remains concerning the implementation of the Withdrawal Agreement, and this may have a significant adverse effect on global economic conditions and the stability of global financial markets. Asset valuations, currency exchange rates and credit ratings may be particularly subject to increased market volatility. Any of these factors could have a significant adverse effect on the Company’s business, financial condition, results of operations and prospects.

## **Developments in global financial markets**

There can be no assurances that financial conditions in the global financial markets will not worsen or adversely affect the Enlarged Group’s then prevailing financial position and performance or, indeed, those of its investments.

## **Foreign exchange movements**

The Company may continue to acquire foreign companies, hence some contracts may be priced in foreign currencies and also have employees based overseas paid in foreign currencies. It is therefore exposed to the risk that adverse exchange rate movements could cause its costs to increase (relative to its reporting currency) resulting in reduced profitability. The Company, where deemed relevant, takes steps to mitigate this risk by putting in place hedging arrangements to reduce exposure to currency risk, however these may not always be entirely effective, and residual currency risk may exist.

## **Taxation risk**

Any change in the Company’s tax status or the tax applicable to holding Ordinary Shares or in taxation legislation or its interpretation, could affect the value of the Ordinary Shares or the investments held by the Company, affect the Company’s ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. Statements in this document concerning the taxation of the Company and its investors are based upon tax law and practice at the date of this document, which is subject to change. Investors should seek specialist taxation advice and should not rely on the terms of this document.

Whilst the directors will use their reasonable endeavours to structure the Enlarged Group’s investments to comply with local laws and regulations, as well as with a view to mitigating the tax effect of local tax regulations, there can be no guarantee that laws and regulations which may adversely impact the Enlarged Group’s ability to realise its investments will apply to some or all of the Enlarged Group’s investments. In such circumstances, the Enlarged Group’s ability to invest in assets in the target countries without suffering a material and adverse effect on its investments may be affected.

Given the Enlarged Group’s overseas presence, it is possible that any return the Company receives from it may be reduced by irrecoverable foreign withholding or other local taxes and this may reduce any net return derived by investors from a shareholding in the Company.

The Company is aware of the economic substance regulations which have been brought into force in the Isle of Man through the Income Tax (Substance Requirements) Order 2018. It is possible that, in future accounting periods, changes may have to be made to certain management functions or processes in order for the Company to be able to satisfy the substance requirements. The implications of the economic substance regulations will be monitored by the Company as the nature of the Company’s activities develops.

## **Force majeure**

The Company’s proposed projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, earthquakes, explosions or other catastrophes, epidemics or quarantine restrictions, which may have a material adverse effect on the Company’s future financial condition and results.

**PART III**  
**COMPETENT PERSONS REPORT**



**TETRA TECH**  
RPS ENERGY

## **Evaluation of Colle Santo Gas Project - Italy, as of October 31, 2025**

### **Technical Evaluation**

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Final

2025-12-18



# Evaluation of Colle Santo Gas Project - Italy, as of October 31, 2025

## Technical Evaluation

### Peer Review

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17 December 2025

### Approval for Issue

Michael Gallup, P. Eng.

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18 December 2025

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This report is issued by RPS under the appointment by Beacon Energy plc in the engagement letter dated November 5, 2025 (the “Agreement”) and is produced as part of the engagement detailed therein and subject to the terms and conditions of the Agreement.

This report is addressed to Beacon Energy plc and Strand Hanson and is only capable of being relied on by Beacon Energy plc, Strand Hanson and the Third Parties under and pursuant to (and subject to the terms of) the Agreement.

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This document has been prepared in accordance with the AIM Note for Mining, Oil and Gas Companies dated June 2009 for inclusion in the Admission Document dated [ ] 2026.

RPS confirms that there have been no material changes to the reserves, resources, or associated economic parameters disclosed in this report between the Report’s effective date, October 31, 2025, and the issue date of this report.

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<b>File Location:</b>	<b>RPS Energy Canada Ltd.</b> Suite 2000 Bow Valley Sq. 4 250 – 6th Avenue SW Calgary, AB T2P 3H7 <b>T: +1 403 265 7226   F: +1 403 269 3175   W: rpsgroup.com</b>	

Our ref: 716-RPS223965

Date: December 18, 2025

**Beacon Energy plc**

Attention: Stewart MacDonald  
55 Athol Street,  
Douglas, Isle of Man  
IM1 1LA

Dear Stewart MacDonald,

**Evaluation of Colle Santo Gas Project - Italy, as of October 31, 2025**

---

As requested in the engagement letter dated November 5, 2025, RPS has evaluated the Proved, Proved+Probable and Proved+Probable+Possible Reserves of certain gas assets in which Beacon Energy plc has agreed to acquire a 43.2% (economic interest) in the Abruzzo region of central Italy as of October 31, 2025 (“Effective Date”), and submit the attached report of our findings. This document has been prepared in accordance with the AIM Note for Mining, Oil and Gas Companies dated June 2009 for inclusion in the Admission Document dated [ ] 2026.

The evaluation was conducted based on the Petroleum Resources Management System, published in 2007, and revised in June 2018, and sponsored by the Society of Petroleum Engineers (SPE), World Petroleum Council (WPC), American Association of Petroleum Geologists (AAPG), Society of Petroleum Evaluation Engineers (SPEE), Society of Exploration Geophysicists (SEG), Society of Petrophysicists and Well Log Analysts (SPWLA), and the European Association of Geoscientists & Engineers (EAGE). The assets have been evaluated and classified as Reserves within the Proved (1P), Proved plus Probable (2P), and Proved+Probable+Possible (3P) categories. A summary of the resources and associated net present values are presented in the attached tables.

This report contains forward looking statements including expectations of future production and capital expenditures. Potential changes to current regulations may cause volumes actually recovered and amounts future net revenue actually received to differ significantly from the estimated quantities. Information concerning Reserves may also be deemed to be forward looking as estimates imply that the Reserves described can be profitably produced in the future. These statements are based on current expectations that involve a number of risks and uncertainties, which could cause the actual results to differ from those anticipated. These risks include, but are not limited to, the underlying risks of the oil and gas industry (i.e., operational risks in development, exploration and production; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of resources estimates; the uncertainty of estimates and projections relating to production, costs and expenses, political and environmental factors), and commodity price and exchange rate fluctuation. Present values for various discount rates documented in this report may not necessarily represent fair market value of the resources.

RPS confirms that there have been no material changes to the reserves, resources, or associated economic parameters disclosed in this report between the Report's effective date, October 31, 2025, and the issue date of this report.

A boe conversion ratio of six (6) Mcf : one (1) barrel has been used within this report. This conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

This report has been prepared for the exclusive use of Beacon Energy plc and Strand Hanson. Other than any Third Parties named in the Engagement Letter, this report is not to be reproduced, distributed or made available, in whole or in part, to any other person, company, regulatory body or organization without the complete content of the report and the prior knowledge and written consent of RPS.

Sincerely,  
for **RPS Energy Canada Ltd.**



Michael Gallup  
Technical Director - Engineering  
michael.gallup@tetratech.com  
+1 403 290 2694

# Independent Petroleum Consultant's Consent and Waiver of Liability

The undersigned firm of Independent Petroleum Consultants of Calgary, Alberta, Canada knows that it is named as having prepared an independent technical evaluation of the Colle Santo Gas Project – Italy controlled by Beacon Energy plc with an effective date of October 31, 2025. RPS hereby gives consent to the use of its name and to the said report published on December 18, 2025.

In the course of the assessment, Beacon Energy plc provided RPS Energy personnel with information which included petroleum and licensing agreements, geologic, geophysical and production information, cost estimates, contractual terms and studies made by other parties. Any other engineering or economic data required to conduct the assessment upon which the original and addendum reports are based, was obtained from public literature, and from RPS Energy non-confidential client files and previous technical resource assessment reports on the subject property. The extent and character of ownership and accuracy of all factual data supplied for this assessment, from all sources, has been accepted as represented. RPS Energy reserves the right to review all calculations referred to or included in the said reports and, if considered necessary, to revise the estimates in light of erroneous data supplied or information existing but not made available at the effective date, which becomes known subsequent to the effective date of the reports.

There is considerable uncertainty in attempting to interpret and extrapolate field and well data and no guarantee can be given, or is implied, that the projections made in this report will be achieved. The report and production potential estimates represent the consultant's best efforts to predict field performance within the scope, time frame and budget agreed with the client. Moreover, the material presented is based on data provided by Beacon Energy plc. RPS Energy cannot be held responsible for decisions that are made based on this data or reports. The use of this material and reports is, therefore, at the user's own discretion and risk. The report is presented in its entirety and may not be made available or used without the complete content of the reports. RPS Energy liability shall be limited to the correction of any computational errors contained herein.



RPS Energy Canada Ltd.

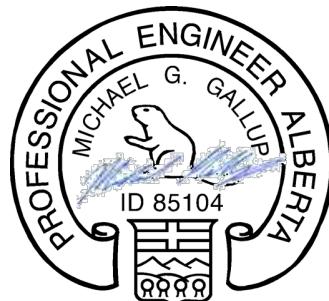
<b>PERMIT TO PRACTICE</b>	
<b>RPS ENERGY CANADA LTD.</b>	
RM SIGNATURE:	
RM APEGA ID #:	85104
DATE:	2025-12-18
<b>PERMIT NUMBER: P004348</b>	
The Association of Professional Engineers and Geoscientists of Alberta (APEGA)	

## Certificate of Qualification

### Michael Gallup, P.Eng.

I, Michael G. Gallup, a Professional Engineer at RPS Energy Canada Ltd., and co-author of an independent technical study of the Colle Santo Gas Project - Italy, with an effective date of October 31, 2025 prepared for Beacon Energy plc, and published on December 18, 2025 do hereby certify that:

- I am a Petroleum Engineer employed by RPS Energy Canada Ltd., which Company prepared an independent technical study of the Colle Santo Gas Project - Italy, as of October 31, 2025, and is published on December 18, 2025.
- I attended the University of Calgary and that I graduated with a Bachelor of Science Degree in Chemical Engineering in 2007; that I am a registered Professional Engineer in the Province of Alberta; that I have in excess of 20 years' experience in Petroleum Engineering relating to Canadian and international oil and gas properties.
- I and my employer are independent of Beacon Energy plc and our remuneration is not related in any way to Beacon Energy plc value or any financing or capital funding activities.
- I have not, directly or indirectly, received an interest, and I do not expect to receive an interest, direct or indirect, in Beacon Energy plc or any associate or affiliate of the company.
- The evaluation was prepared based upon information supplied by Beacon Energy plc as well as other public data sources.
- As of the date of this certificate, I am not aware of any material change since the effective date of the Evaluation and, to the best of my knowledge, information and belief the sections of this report for which I am responsible contain all scientific information that is required to be disclosed to make this report not misleading.



December 18, 2025

## **Certificate of Qualification**

### **Thomas Jerome, P.Geo.**

I, Thomas Jerome, a Professional Geologist contracted to RPS Energy Canada Ltd., and co-author of an independent technical study of the Colle Santo Gas Project - Italy, with an effective date of October 31, 2025 prepared for Beacon Energy plc, do hereby certify that:

- I am a Petroleum Geologist on contract with RPS Energy Canada Ltd., which Company prepared an independent technical study of the Colle Santo Gas Project - Italy, as of October 31, 2025, and is published on December 18, 2025.
- I attended the ENSG (Nancy, France) and received a Master in Geology in 1999; as well as the University of Calgary (Calgary, Canada) and received a Master in Reservoir Characterization in 2019; that I am a registered Professional Geologist in the Province of Alberta; that I have in excess of 20 years' experience in Petroleum Geology studies relating to Canadian and international oil and gas properties.
- I and my employer are independent of Beacon Energy plc and our remuneration is not related in any way to Beacon Energy plc value or any Beacon Energy plc financing or capital funding activities.
- I have not, directly or indirectly, received an interest, and I do not expect to receive an interest, direct or indirect, in Beacon Energy plc or any associate or affiliate of the company.
- The evaluation was prepared based upon information supplied by Beacon Energy plc as well as other public data sources.
- As of the date of this certificate, I am not aware of any material change since the effective date of the Evaluation and, to the best of my knowledge, information and belief the sections of this report for which I am responsible contain all scientific information that is required to be disclosed to make this report not misleading.



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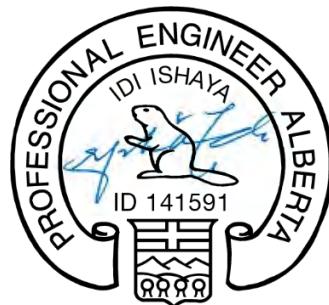
December 18, 2025

## **Certificate of Qualification**

### **Idi Ishaya, P. Eng**

I, Idi Ishaya, a Professional Engineer contracted to RPS Energy Canada Ltd., and co-author of an independent technical study of the Colle Santo Gas Project - Italy, with an effective date of October 31, 2025, prepared for Beacon Energy plc, do hereby certify that:

- I am a Petroleum Engineer on contract with RPS Energy Canada Ltd., which Company prepared an independent technical study of the Colle Santo Gas Project - Italy, as of October 31, 2025, and is published on December 18, 2025.
- I attended the University of Port Harcourt (Nigeria) and that I graduated with a Bachelor of Engineering degree in Petroleum Engineering; that I am a registered Professional Engineer in the Province of Alberta; that I have in excess of 29 years' experience in Petroleum Engineering relating to Canadian and international oil and gas properties.
- I am independent of Beacon Energy plc and my remuneration is not related in any way to Beacon Energy plc value or any Beacon Energy plc financing or capital funding activities.
- I have not, directly or indirectly, received an interest, and I do not expect to receive an interest, direct or indirect, in Beacon Energy plc, or any associate or affiliate of the company.
- The evaluation was prepared based upon information supplied by Beacon Energy plc, any predecessor and/or affiliated company, as well as other public data sources.
- As of the date of this certificate, I am not aware of any material change since the effective date of the Evaluation and, to the best of my knowledge, information and belief the sections of this report for which I am responsible contain all scientific information that is required to be disclosed to make this report not misleading.

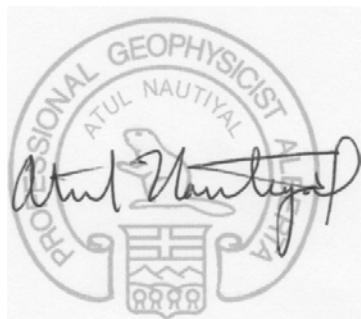


December 18, 2025

## **Certificate of Qualification Atul Nautiyal, P. GEOPH.**

I, Atul Nautiyal, a Professional Geophysicist contracted to RPS Energy Canada Ltd., and co-author of an independent technical study of the Colle Santo Gas Project - Italy, as of October 31, 2025, prepared for Beacon Energy plc, do hereby certify that:

- I am a Petroleum Geophysicist on contract with RPS Energy Canada Ltd., which Company prepared an independent technical study of the Colle Santo Gas Project - Italy, as of October 31, 2025, and is published on December 18, 2025.
- I attended the University of British Columbia (Canada) and that I graduated with a Master of Science degree in Geophysics; that I am a registered Professional Geophysicist in the Province of Alberta; that I have in excess of 35 years' experience in Geophysics relating to Canadian and international oil and gas properties.
- I am independent of Beacon Energy plc and my remuneration is not related in any way to Beacon Energy plc value or any Beacon Energy plc financing or capital funding activities.
- I have not, directly or indirectly, received an interest, and I do not expect to receive an interest, direct or indirect, in Beacon Energy plc, or any associate or affiliate of the company.
- The evaluation was prepared based upon information supplied by Beacon Energy plc, any predecessor and/or affiliated company, as well as other public data sources.
- As of the date of this certificate, I am not aware of any material change since the effective date of the Evaluation and, to the best of my knowledge, information and belief the sections of this report for which I am responsible contain all scientific information that is required to be disclosed to make this report not misleading.



December 18, 2025

## Letter of Representation



17 December 2025

**Tetra Tech RPS Energy Canada Ltd.**  
Suite 2000, Bow Valley Sq. 4  
250 - 6th Avenue SW.  
Calgary, Alberta,  
Canada T2P 3H7.

Attention: Michael Gallup, P.Eng.

### Letter of Representation for Reserves Evaluation of Colle Santo Assets

Dear Sirs,

Regarding the independent evaluation of our Company's proposed acquisition of an interest in Colle Santo oil and gas reserves as of October 31, 2025 (the effective date), we herein confirm to the best of our knowledge and belief as of the effective date of the reserves evaluation, and as applicable, as of today, the following representations and information made available to you during the conduct of the evaluation:

1. We Beacon Energy plc have made available to you (Tetra Tech RPS Energy Canada Ltd.) certain records, information, and data relating to the evaluated properties that we confirm is, with the exception of immaterial items, complete and accurate as of the effective date of the Reserves evaluation, including the following:
  - accounting, financial, tax, and contractual data;
  - asset ownership and related encumbrance information;
  - details concerning product marketing, transportation, and processing arrangements
  - all technical information including geological, engineering, and production and test data;
  - estimates of future abandonment, decommissioning, and reclamation costs.
2. We confirm that all financial and accounting information provided to you is, to the best of our knowledge, both on an individual entity basis and in total, entirely consistent with that reported by our Company for public disclosure and audit purposes.
3. We confirm that (subject to the closing of the acquisition) our Company has satisfactory title to all of the assets, whether tangible, intangible, or otherwise, for which accurate and current ownership information has been provided.
4. With respect to all information provided to you regarding product marketing, transportation, and processing arrangements, we confirm that we have disclosed to you all anticipated changes, terminations, and additions to these arrangements that could reasonably be expected to have a material effect on our Company's reserves and future net revenues.
5. With the possible exception of items of an immaterial nature, we confirm the following as of the effective date of the evaluation:
  - For all operated properties that you have evaluated, no changes have occurred are reasonably expected to occur to the operating conditions or methods that have been used by our Company over the past twelve (12) months, except as disclosed to you. In the case of non-operated properties, we have advised you of any such changes of which we have been made aware.
  - All regulatory approvals, permits, and licenses required to allow continuity of future operations and production from the evaluated properties are in place and, except as disclosed to you, there are no directives, orders, penalties, or regulatory rulings in effect or expected to come into effect relating to the evaluated properties.
  - Except as disclosed to you, the producing trend and status of each evaluated well or entity in effect throughout the three-month period preceding the effective date of the evaluation are consistent with those that existed for the same well or entity immediately prior to this three-month period.
  - Except as disclosed to you, we have no plans or intentions related to the ownership, development or operation of the evaluated properties that could reasonably be expected to materially affect the production levels or recover of Reserves from the evaluated properties.



- If material changes of an adverse nature occur in the Company's operating performance subsequent to effective date, and prior to the report date, we will inform you of such material changes prior to requesting your approval for any public disclosure of Reserves information.

Between the effective date of the report and the date of this letter, nothing has come to our attention that has materially affected or could materially affect our reserves and the economic value of these reserves that has not been disclosed to you.

Yours very truly,

*S. MacDonald*

Stewart MacDonald, CEO

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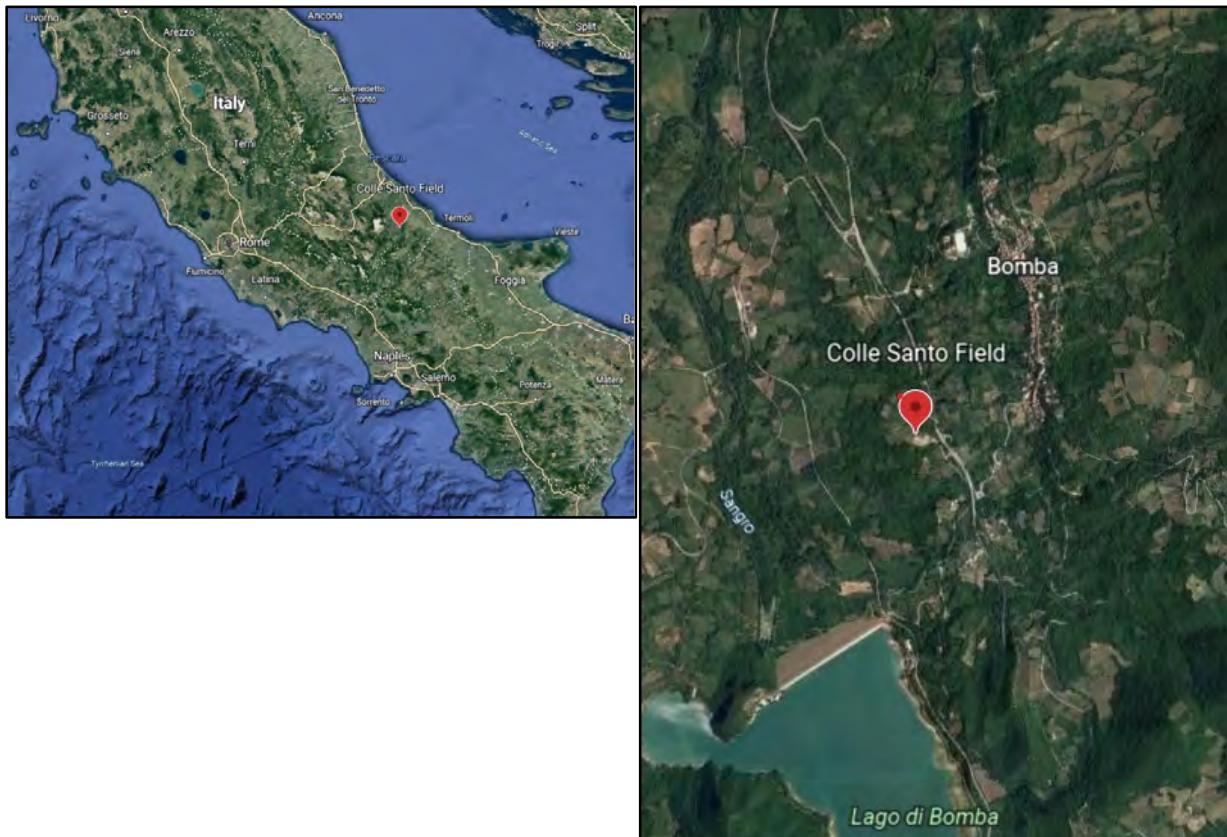
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## Executive Summary

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RPS Energy Canada Ltd. (“RPS”) was commissioned by Beacon Energy plc (“Beacon”) to provide an independent evaluation of the oil and gas resources contained within the Colle Santo field in the province of Chieti in the Abruzzo region of central Italy. The evaluation is focused on the Upper and Lower Apulian formations. The effective date of this report is October 31, 2025.

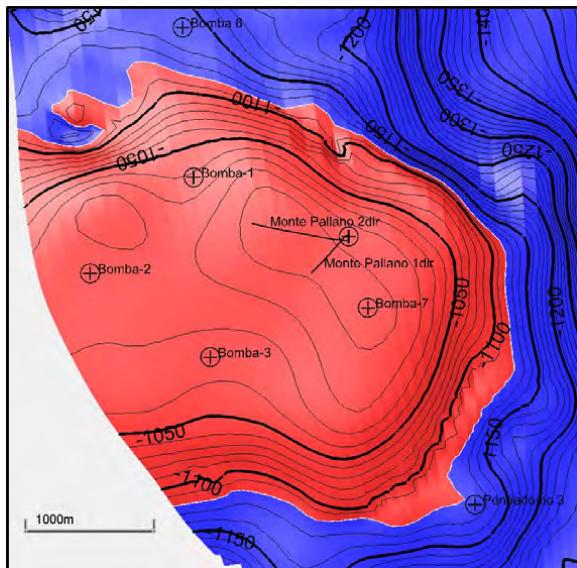
The location of the Colle Santo field is shown in the following map:



### Colle Santo Field Location

Source: Base images from Google Earth

This report covers a 43.2% percent working interest in the Colle Santo field. Within the Colle Santo field area there a total of 8 wells that have penetrated the formations of interest, 2 of which were drilled, completed and tested in 2007 and are available for production.



**Colle Santo Well Site**

Source: Base image from Google Earth

This report covers a 43.2% economic interest in the Colle Santo field which Beacon Energy plc is acquiring through the acquisition of a 48% shareholding in LNEnergy Limited. LNEnergy Limited holds a 90% working interest in the Colle Santo field.

#### Asset Summary

Asset	Operator(s)	Interest (%)	Status	Licence Expiry Date	Licence Area km <sup>2</sup>	Comments
Colle Santo Gas Field Abruzzo Region, Italy	LN Energy*	90	Development	Pending	35.72	Production concession to be awarded with development thereafter
	Intergie	10.0				

\*Beacon Energy holds a 43.2% economic interest in Colle Santo via a 48% shareholding in LN Energy.

RPS estimates of Reserves for Beacon Energy's interests (43.2%) in the Colle Santo field are summarized in the tables below along with the estimates of the full interest of the field. Cash flow forecasts have been generated for Reserves using RPS production forecasts which incorporate development plans and capital and operating cost estimates supplied by Beacon Energy and are also summarized below.

#### Summary of Reserves – 2050 Truncation

Beacon Energy - Working Interest Reserves for Colle Santo								
as of October 31, 2025								
Italian PSV Price Forecast								
Reserves Category	Gross Reserves				Net Reserves			
	Oil (MMstb)	Sales Gas (Bscf)	NGL & C5 <sup>+</sup> (MMbbl)	BOE (MMbbl)	Oil (MMstb)	Sales Gas (Bscf)	NGL & C5 <sup>+</sup> (MMbbl)	BOE (MMbbl)
PROVED	-	25.7	-	4.3	-	22.7	-	3.8
PROVED + PROBABLE	-	31.7	-	5.3	-	27.7	-	4.6
PROVED + PROBABLE + POSSIBLE	-	33.1	-	5.5	-	28.9	-	4.8

Full Field 100% Working Interest Reserves for Colle Santo								
as of October 31, 2025								
Italian PSV Price Forecast								
Reserves Category	Gross Reserves				Net Reserves			
	Oil (MMstb)	Sales Gas (Bscf)	NGL & C5 <sup>+</sup> (MMbbl)	BOE (MMbbl)	Oil (MMstb)	Sales Gas (Bscf)	NGL & C5 <sup>+</sup> (MMbbl)	BOE (MMbbl)
PROVED	-	59.4	-	9.9	-	52.6	-	8.8
PROVED + PROBABLE	-	73.3	-	12.2	-	64.1	-	10.7
PROVED + PROBABLE + POSSIBLE	-	76.7	-	12.8	-	66.8	-	11.1

**Net Present Value of Future Cash Flow for Reserves**

Beacon Energy - Reserves for Colle Santo - LNG Scenario								
Reserve Category	NPV Before Tax					NPV After Tax		
	Million EUR€					Million EUR€		
	0%	5%	10%	15%	20%	0%	5%	10%
PROVED (1P)	80.5	37.9	18.3	8.6	3.4	69.0	33.4	16.5
PROVED + PROBABLE (2P)	119.8	59.5	31.2	16.9	9.1	97.0	49.6	26.6
PROVED + PROBABLE + POSSIBLE (3P)	131.3	63.4	32.6	17.4	9.3	105.2	52.6	27.9
								7.8
								3.1
								7.9
								8.2

Full Field 100% Working Interest Reserves for Colle Santo								
Reserve Category	NPV Before Tax					NPV After Tax		
	Million EUR€					Million EUR€		
	0%	5%	10%	15%	20%	0%	5%	10%
PROVED (1P)	186.4	87.8	42.4	19.9	7.9	159.8	77.4	38.1
PROVED + PROBABLE (2P)	277.3	137.6	72.3	39.1	21.0	224.5	114.7	61.7
PROVED + PROBABLE + POSSIBLE (3P)	304.0	146.6	75.5	40.3	21.5	243.5	121.8	64.5
								18.0
								7.1
								33.9
								18.4
								35.1
								19.0

A reconciliation is not included as there has been no production activity or changes to the geological assessment since the previous report in Q4 2022.

## Reserve and Resource Definitions

---

The following definitions have been used by RPS Energy Canada Ltd. (RPS) in evaluating reserves. These definitions are based on the Petroleum Resources Management System, published in 2007, and revised in June 2018, and sponsored by the Society of Petroleum Engineers (SPE), World Petroleum Council (WPC), American Association of Petroleum Geologists (AAPG), Society of Petroleum Evaluation Engineers (SPEE), Society of Exploration Geophysicists (SEG), Society of Petrophysicists and Well Log Analysts (SPWLA), and the European Association of Geoscientists & Engineers (EAGE).

### Reserves

Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must satisfy four criteria: discovered, recoverable, commercial, and remaining (as of the evaluation's effective date) based on the development project(s) applied.

Reserves are classified according to a range of uncertainty according to the following categories:

#### Proved Reserves (P1)

**Proved Reserves** are those quantities of Petroleum that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from known reservoirs and under defined technical and commercial conditions. If deterministic methods are used, the term "reasonable certainty" is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate.

#### Probable Reserves (P2)

**Probable Reserves** are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.

#### Possible Reserves (P3)

**Possible Reserves** are those additional Reserves that analysis of geoscience and engineering data suggest are less likely to be recoverable than Probable Reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P) Reserves, which is equivalent to the high-estimate scenario. When probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate. Possible Reserves that are located outside of the 2P area (not upside quantities to the 2P scenario) may exist only when the commercial and technical maturity criteria have been met (that incorporate the Possible development scope). Standalone Possible Reserves must reference a commercial 2P project (e.g., a lease adjacent to the commercial project that may be owned by a separate entity), otherwise stand-alone Possible is not permitted.

Reserves in each of the above three categories are subdivided according to their development and producing status according to the following:

## Developed Reserves

**Developed Reserves** are reserves that are expected to be recovered from existing wells and facilities.

Developed Reserves may be further sub-classified as Producing or Non-Producing.

- **Developed Producing Reserves** are Developed Reserves that are expected to be recovered from completion intervals that are open and producing at the effective date. Improved recovery reserves are considered producing only after the improved recovery project is in operation.
- **Developed Non-Producing Reserves** are Developed Reserves that are either shut-in or behind-pipe.

**Undeveloped Reserves** are those quantities expected to be recovered through future investments: (1) from new wells on undrilled acreage in known accumulations, (2) from deepening existing wells to a different (but known) reservoir, (3) from infill wells that will increase recovery, or (4) where a relatively large expenditure (e.g., when compared to the cost of drilling and completing a new well) is required to recomplete an existing well.

## Contingent Resources

Contingent Resources are defined as those quantities of oil and gas estimated on a given date to be potentially recoverable from known accumulations using established technology or technology under development but is not currently economic. Contingent resources include, for example, accumulations for which there is currently no market. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

- **3C: High Case** – the actual resource quantity has a 10% chance of being higher than this volume
- **2C: Best Estimate, or Expected Case** – the actual resource quantity is equally likely to be greater than or less than this volume
- **1C: Low Case** – the actual resource quantity has a 90% chance of being greater than this volume
- **Development pending:** The project is seen to have reasonable potential for eventual commercial development, to the extent that further data acquisition (e.g., drilling, seismic data) and/or evaluations are currently ongoing with a view to confirming that the project is commercially viable and providing the basis for selection of an appropriate development plan. The critical contingencies have been identified and are reasonably expected to be resolved within a reasonable time frame.
- **Development unclarified or on hold:** No current plans to develop or to acquire additional data at this time. A discovered accumulation where project activities are on hold and/or where justification as a commercial development may be subject to significant delay. The project is seen to have potential for eventual commercial development, but further appraisal/evaluation activities are on hold pending the removal of significant contingencies external to the project, or substantial further appraisal/evaluation activities are required to clarify the potential for eventual commercial development. Development may be subject to a significant time delay.
- **Development not viable:** The project is not seen to have potential for eventual commercial development at the time of reporting, but the theoretically recoverable quantities are recorded so that the potential opportunity will be recognized in the event of a major change in technology or commercial conditions.

## Prospective Resources

Prospective Resources are defined as those quantities of oil and gas estimated on a given date to be potentially recoverable from undiscovered accumulations. They are technically viable but are not currently economic.

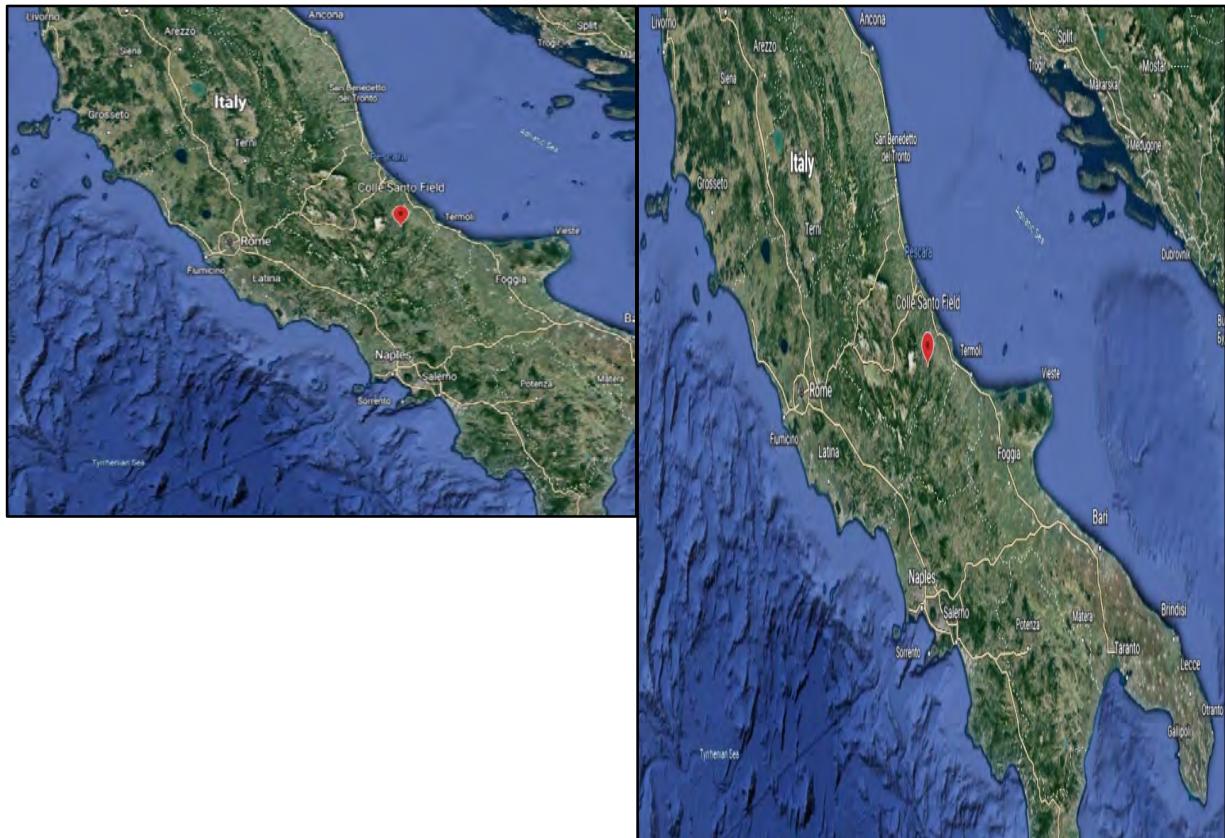
- **3U: High Case** – the actual resource quantity has a 10% chance of being higher than this volume
- **2U: Best Estimate, or Expected Case** – the actual resource quantity is equally likely to be greater than or less than this volume
- **1U: Low Case** – the actual resource quantity has a 90% chance of being greater than this volume

## 1.0 INTRODUCTION

RPS Energy Canada Ltd. (“RPS”) was commissioned by Beacon Energy plc (“Beacon”) to provide an independent evaluation of the oil and gas resources contained within the Colle Santo field in the province of Chieti in the Abruzzo region of central Italy. The evaluation is focused on the Upper and Lower Apulian formations. The effective date of this report is October 31, 2025.

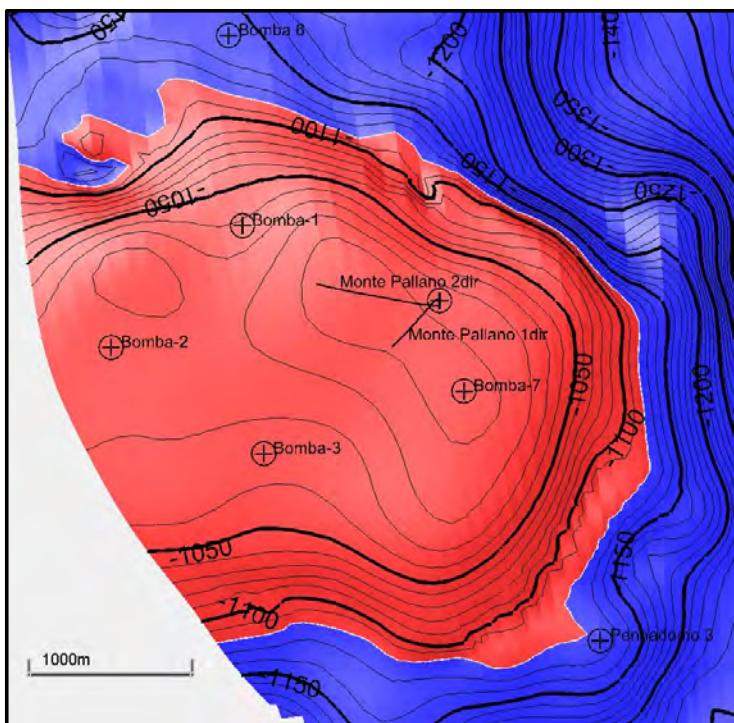
### 1.1 Evaluated Property Summary

The Colle Santo field is located in the province of Chieti in the Abruzzo region of central Italy and currently covers an area of approximately 3000 acres, as shown in Figure 1-2. The field was discovered in 1966 and a total of 8 wells have been drilled since that time, Bomba-1, Bomba-2, Bomba-3, Bomba-6, Bomba-7, Pennadomo-3, MP-1, and MP-2. Seven of the wells produced gas during testing but have never been further developed for production, currently 6 of the 8 wells have been abandoned. The two most recent wells, MP-1 & MP-1, were drilled, completed and tested in 2007 with a combined rate of production of 20.5 MMscfd.



**Figure 1-1: Location Map of Colle Santo Field**

Source: Base images from Google Earth



**Figure 1-2: Well Location Map of Colle Santo Field**

**Table 1-1: Well Summary**

Well Name	Year	Current Status
Bomba 1,2,3,6 & 7	Pre-1992	Plugged and Abandoned
Pennadomo-3	Pre-1992	Plugged and Abandoned
MP-1, MP-2	2007	Shut-in

## 1.2 Data Sources

RPS has based this assessment on data supplied by Beacon. Key data and reports which form the basis of RPS' estimates, as provided by Beacon unless noted otherwise, are as follows:

- Technical well data for the Colle Santo Wells, including well logs, tests, historical production, pressures, and PVT data
- Petrophysical analysis, presentation, and data
- Geophysical presentation and workstation review
- Presentation of geological interpretations, analogues, assumptions, and mapping/models
- Completion models and expected production forecasts generated by RPS

No site visit was conducted as a part of this evaluation. The project site consists of two wellheads and very little on-site infrastructure as it currently stands. The site is located in a developed region and off-site infrastructure is abundant. Site photos and plans have been reviewed and this has been found to support the information that has been relied on in this report.

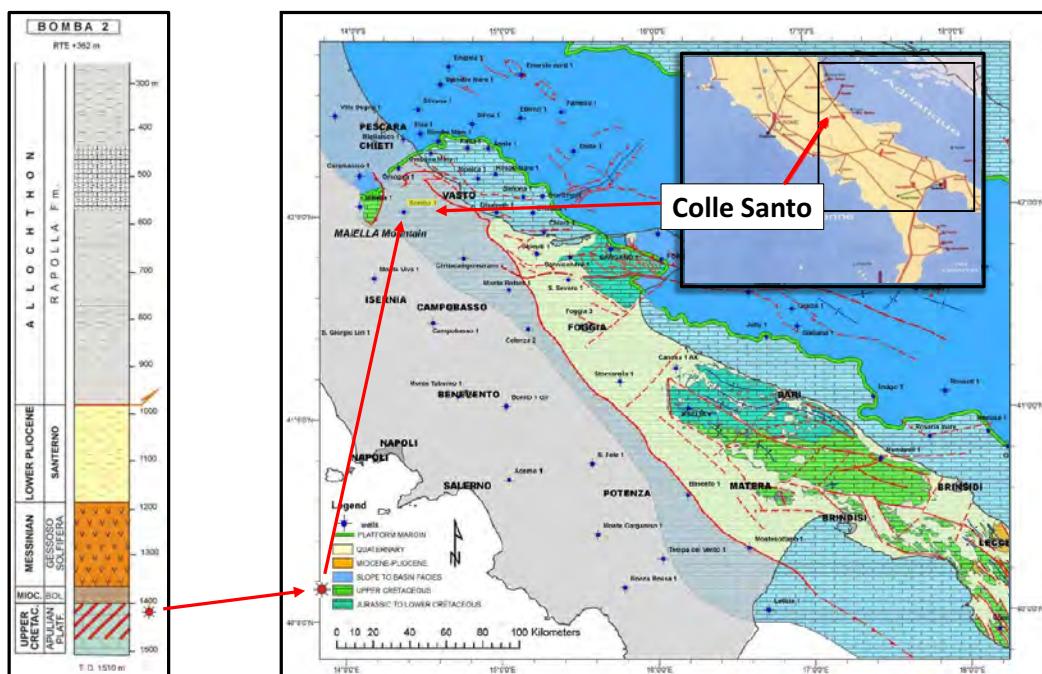
## 2 GEOLOGICAL REVIEW

### 2.1 Geological Context

The Colle Santo gas field is located in central Italy, 36 km south-east of Chieti (Figure 2-1 and Figure 2-2). The Italian peninsula and its surrounding marine areas went through a complex geological evolution since the end of the Paleozoic (Giani et al., 2017).

The architecture of the Apennine fold-and-thrust belt is the result of this evolution. The ENE-trending Apennine belt developed during the Neogene and migrated eastward, as documented by the age of the syntectonic siliciclastic foredeep and piggyback deposits. In this geodynamic setting, several petroleum systems have developed, some of which have a primary economic significance. During the Neogene-Quaternary, in the Central Apennines, pre-orogenic normal faults related to the Mesozoic rift were reactivated with compressional kinematics generating positive structures (Figure 2-2). The Casoli-Bomba structure can be interpreted as a pop-up or a shortcut structure resulting from normal fault inversion. The Colle Santo gas field (average depth 1000 m ssl) is hosted in the southern portion of the buried Casoli-Bomba structure (Figure 2-2b).

From a lithological point of view, the reservoir is made up of limestones belonging to the Bolognano Formation (upper Miocene) and to the underlying undifferentiated carbonate platform units (Cretaceous - Miocene age Apulia-Adriatic deformed units as shown in Figure 2-3). The trap is a NS trending asymmetric anticline associated with a NNW-SSE striking back thrust verging toward SW (Figure 2-3). The aquifer connected to the reservoir extends to the north and is bounded in the other directions by two sealing faults. They correspond to the SW-verging back thrust and to an east-verging thrust, respectively. The cap rock which seals the reservoir is a continuous layer made up of shaly marl (Bolognano Formation) with an average thickness of 20–25 m.



**Figure 2-1: Apulia Carbonate Platform and the Colle Santo field. Map location vs stratigraphy along the well Bomba 2**

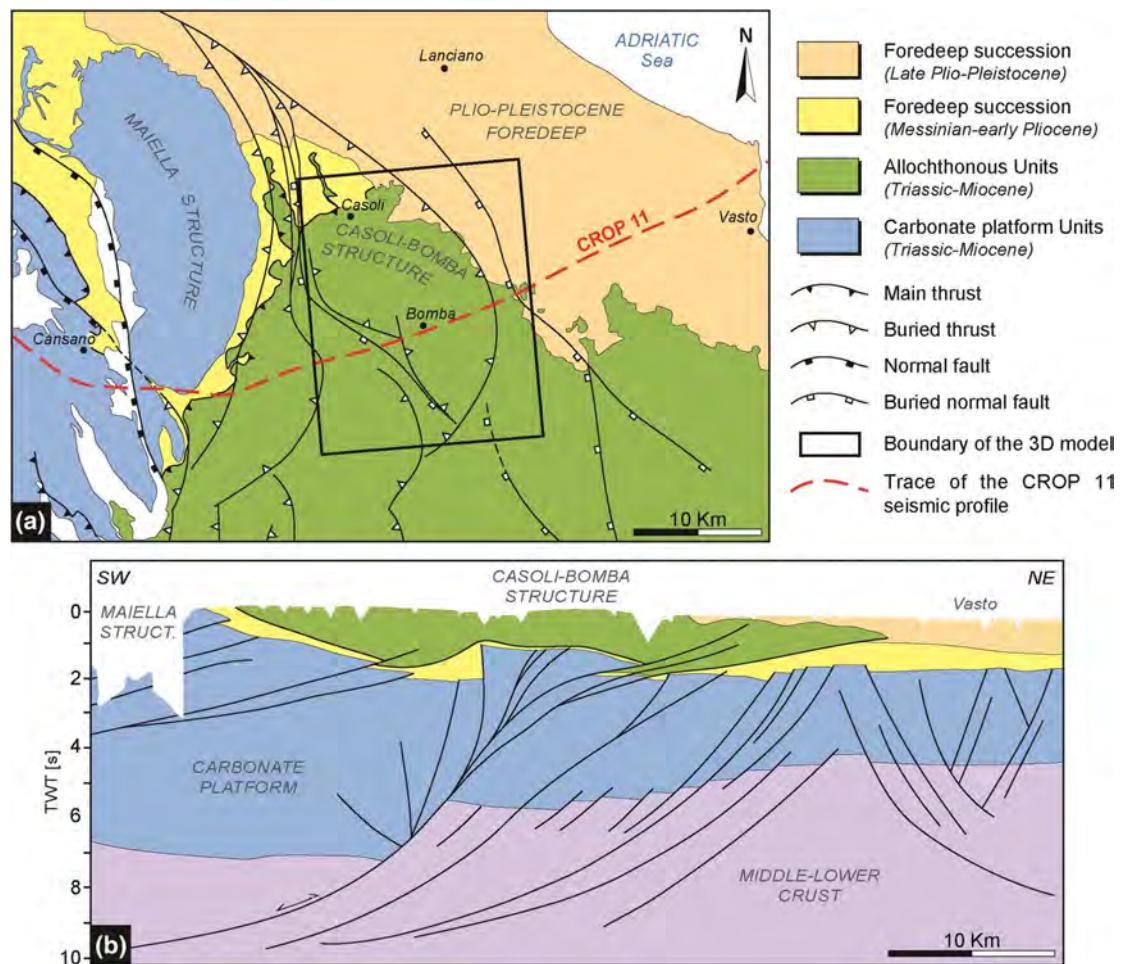


Figure 2-2: a) Simplified structural map of the central-southern Apennine around the modeled area.  
b) Line drawing of the eastern part of the CROP 11 seismic profile (from Giani et al, 2017).

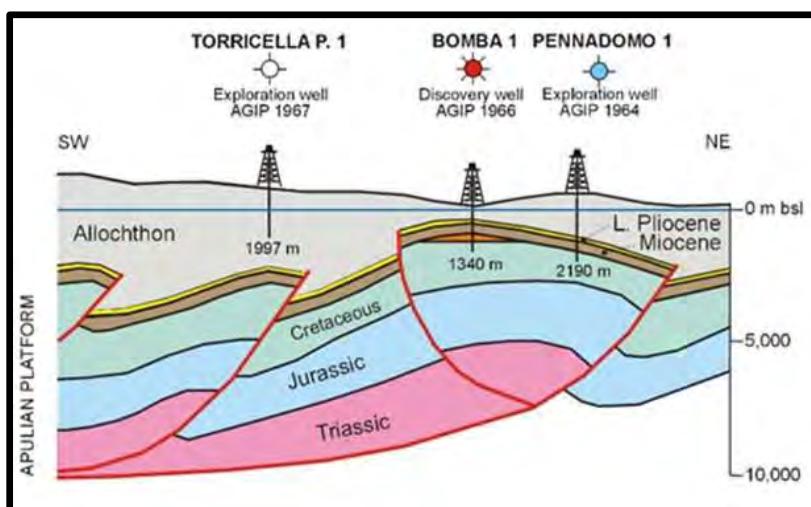


Figure 2-3: SW-NE cross-section through the structure

## 2.2 Geophysical Data

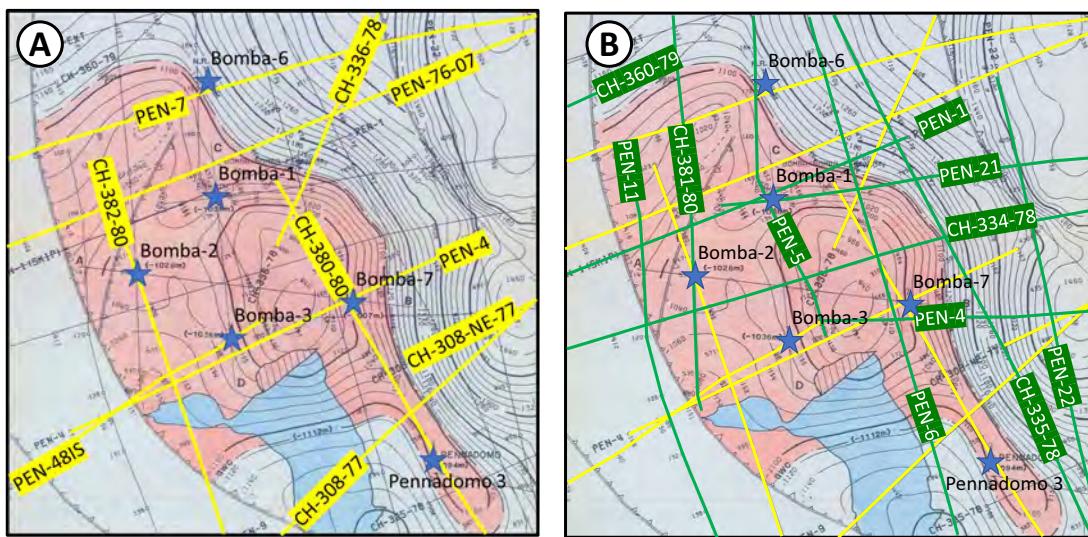
Multiple seismic 2D lines were shot between the 1960s and 1980s.

The data available for the present study were taken from work done for the construction of a 3D regional model used to characterize the possible subsidence on the surface due to this gas reservoir (Giani et al., 2017). That study concluded that the average annual ground displacement due to production should be one order of magnitude lower than the existing natural annual excursion monitored at the time via GPS systems.

For that work in the late 2010s (Giani et al., 2017), approximately half of the 2D seismic lines were used (2D lines highlighted in yellow on Figure 2-4A to compare with all the lines (yellow and green) shown on Figure 2-4B). This coverage is good enough to have a reasonable estimate of the structure associated with the main faulting which can be reliably used for in-place volume calculations (see the next section). A summary of the work done in the late 2010s on this subset of the 2D seismic lines is set out below.

The seismic data available for that study ranged from mid-1960's 24-channel single-fold profiles to 96-channel 12-fold data recorded in the early-1980's (Table 2-1). No more recent seismic data have been recorded in this area. As would be expected with the different acquisition parameters, the data quality can be highly variable.

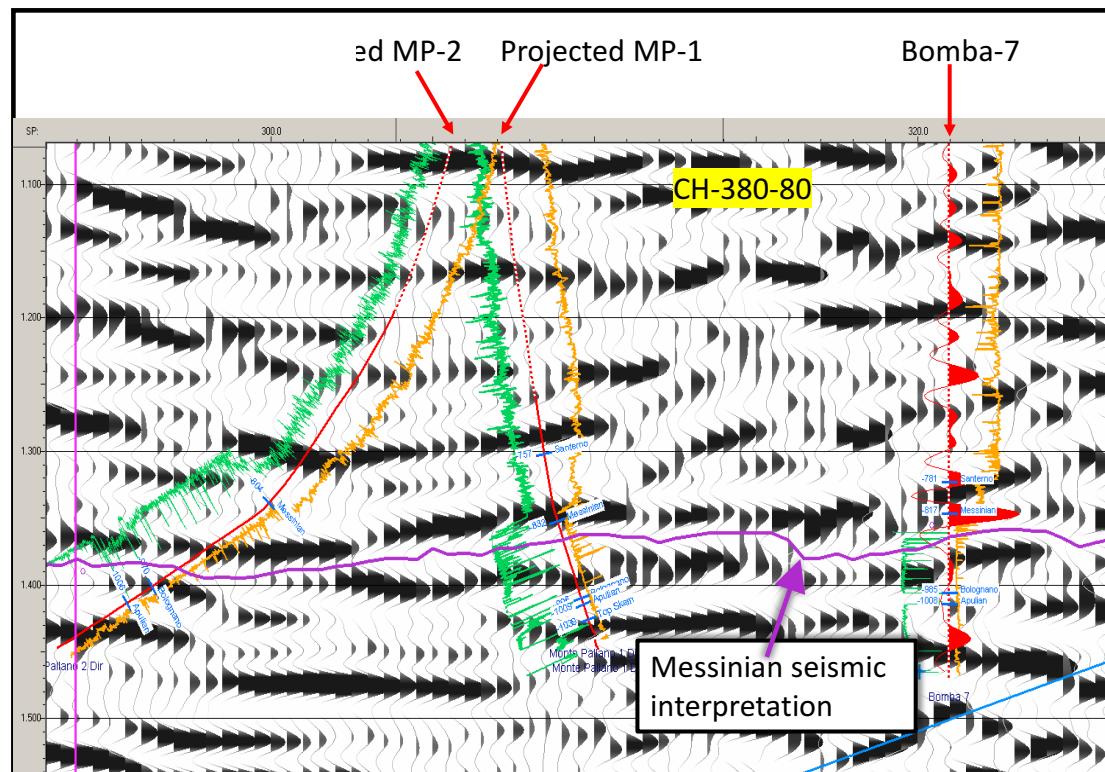
The  $\frac{1}{2}$  scale paper sections were scanned to SEGY format and basic filtering applied. A generalized velocity function was derived and the stack only sections were migrated. The migration was not particularly successful as a result of the structural complexity. Of the nine lines in the project, there are five different datums annotated on the sections but in no case is a correction velocity shown. Bomba-7 is the only vertical well that has a complete sonic log and it falls on the intersection of two seismic lines, CH-380-80 and PEN-4 (Figure 2-4A and Figure 2-5). An integration of the Bomba-7 sonic log was used to generate a time-to-depth (T-D) curve at this location. The top Messinian marker has a large reflection coefficient and it was correlated with the stacked seismic data. Line PER-76-07 provided the most confident correlation, having a good expression of the unconformity with the overlying flysch sequence. The T-D curve generated at Bomba-7 generally provided a good tie with the Messinian marker at other well locations with the exception of Bomba-1 and Bomba-3, which required a lower correction velocity.



**Figure 2-4: Existing 2D seismic lines.**  
A) Lines (yellow) used to build a static model in 2015.  
B) Additional lines in the area (green).

**Table 2-1: 2D seismic data used for building a static model in 2015**

Line No.	Data Type	Date Recorded	Processed Version	Processed By	Source	Max Offset (m)	Fold (%)	Datum (m)	Data Quality
PER-76-07	MIG	Sept.1976	Oct.1996	CGG	Dynamite	1900	1200	400	G
PEN-7	MIG	Aug.1967	May.1980	Western	Geoflex	1350	600	MSL	F
PEN-4-BIS	MIG	Aug.1967	May.1980	Western	Geoflex	1350	600	MSL	F
PEN-4	STK	April.1966	May.1967	AGIP	Dynamite	300	100	150	P
CH-308-77	STK	July.1977	April.1978	CGG	Dynamite	1900	1200	MSL?	F
CH-308NE-77	STK	July.1977	April.1978	CGG	Dynamite	1900	1200	MSL?	F
CH-380-80	MIG	Oct.1980	Aug.1989	Western	Dynamite	1900	1200	800	F
CH-382-80	STK	Oct.1981	July.1989	Western	Dynamite	1900	1200	800	F
CH-336-78	STK	Oct.1978	March.1982	AGIP	Dynamite	1900	1200	MSL	G

**Figure 2-5: Line CH-380-80 Showing well ties. Wells are projected, MP-2 dir. 180m SW, MP-1 dir. 80m SW and Bomba-7 50m ENE.**

## 2.3 Structure and gas-water contact

Since its discovery in the 1960s, multiple structural maps of this reservoir have been built. All the maps show the same structural closure to the west against the main east-dipping fault. All the maps demonstrate similar depths for the gas-water contact (-1112m TVDSS to -1120m TVDSS) interpreted from the logs on the Bomba wells and the well Pennadomo-3. Additionally, all have similar surface area.

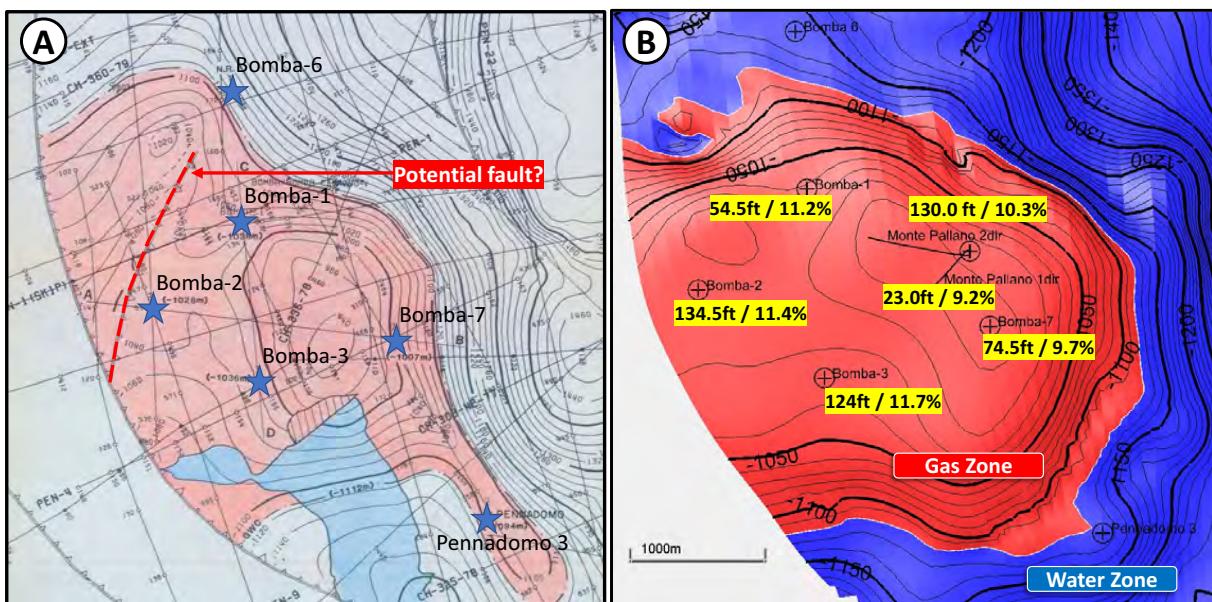
However, only two of them show structural contours that are not only based on well tops but also on the seismic interpretation of the horizons. The first of these was generated in 1996 (Figure 2-6A). It uses interpretation from

all the seismic lines but it was constructed without the benefit of the more recent wells MP-1 and MP-2 which were drilled in 2007. A second map was generated some time in the period 2015-2017 for the study on subsidence (Giani et al., 2017) (Figure 2-6B). That final map is based on a sufficient (see previous section) subset of the 2D lines and it includes the well picks from MP-1 and MP-2. Therefore, this map was used as the reference for this present study.

However, it is noted that the 1996 map is the only map showing a secondary fault West of Bomba-1 and Bomba-2 (Figure 2-6A). The fault is assumed to have no significant impact on in-place estimates since its throw is minimal and well above the mapped gas-water contact but future production could be monitored to check whether it has any baffling effect on future gas-flow.

The petrophysical workflow, as well as the definition of the net pay in terms of property cut-offs, is described in the next section. Figure 2-6B shows the net pay thickness and the average effective porosity in the pay-zone at each well. The thickest part of the reservoir is around Bomba-2, Bomba-3 and MP-2 with approximately 130 ft of net pay, while MP-1 shows that some areas might have less pay (23ft for MP-1). This might imply some subtle but local fault cut-out of the reservoir which might also have potential impact on production rates. The average net porosity is similar across the reservoir, with possibly a slight increase from the east to the west ranging from 9.2% to 10.3% at Bomba-7, MP-1 and MP-2, to over 11% at Bomba-1, Bomba-2 and Bomba-3. Water saturation ( $S_w$ ) is not shown on Figure 2-6B probably as a result of the fact that  $S_w$  is more difficult to assess (as described in the Petrophysical section of this report).

As previously described, the map shown as Figure 2-6B was an input a regional geomodel build used to run simulation related to potential subsidence (Giani and al., 2017). That model was regional, covering a larger area than the reservoir itself and modelled the overburden as well as the reservoir. The regional nature of the geomodel meant that it was deemed too coarse to represent the likely variation of petrophysical parameters across the field area and for that reason, the 2017 static model was used only to estimate the areal extent of the reservoir. The volumes were estimated after defining uncertainty range for the net thickness and the effective porosity and water saturation from the well data (see sections 2.4 and 3).



**Figure 2-6:** a) 1996 map showing a secondary fault not found in any other map.  
b) Reference 2017 top structure of the reservoir. Gas-water contact @ -1120m TVDSS. Average net pay thickness and effective porosity at each well

## 2.4 Petrophysical Data

The wells Bomba 1, 2, 3 and 7 were all drilled and logged in the late 1960s. A 2005 report about their petrophysical analysis was made available to RPS for review.

The wells Monte Pallano 1 (MP-1) and Monte Pallano 2 (MP-2) were drilled and logged in 2007 following a slightly different workflow. A formal petrophysical report for these two wells was not available, but a list of the main equations used was found (Figure 2-7). While not all aspects of the workflow are available, these equations were enough to guide the definition of the uncertainty ranges for the volume calculation.

There are no petrophysical interpretations available for Bomba-6 nor Pennadomo-3, as these two wells are located in the aquifer outside of the gas bearing area.

Well MP-1	Well MP-2
<pre> MONTE PALLANO NO1 ANALYSIS COMMENTS -- TVD DISPLAY HIGH RESOLUTION TRIPLE COMBO DATA USED FROM SLB DLIS EC PERFORMED ON GR AND NEUTRON  CLAY VOLUME FROM GR USING LARINOV OLD, CLEAN=19, SHALE=120 PHIE FROM DENSITY/NEUTRON CROSSPLOT POROSITY PHIE = PHIND - (VCL* 15%)  PHIE SET TO 0.001 WHEN VCL&gt;17% SW USING ARCHIE: RW=0.73 @68F, A=1,M=2.0,N=2.0 SW SET TO A CONSTANT BELOW 1534 WHICH IS THE RESISTIVITY FIRST READING KA COMPUTED USING PHIE SCALED TO DENSITY POROSITY FIT TO CORE WHERE KA = 10^(*2.731230E+01*PHIENFIT -2.224781E+00)  RESERVOIR CUTOFF: PHIE&gt;=8% PAY CUTOFF: SW&lt;=50% TOTAL GAS CURVE FROM MUDLOG DISPLAYED (NO DEPTH SHIFT APPLIED) LOWER AND UPPER TEST PERFS DISPLAYED </pre>	<pre> MONTE PALLANO NO2 ANALYSIS COMMENTS -- MD DISPLAY PROPOSED PERFORATIONS DISPLAYED HIGH RESOLUTION TRIPLE COMBO DATA USED FROM SLB DLIS ECS PERFORMED IN THE FIELD ON GR AND NEUTRON  DEEP RESISTIVITY (DSRT) DEPTH MATCHED TO RXO. DIFFERENCES FROM INVESTIGATION VOLUMES AND HOLE GEOMETRY.  CLAY VOLUME FROM GR USING LARINOV OLD, CLEAN=16, SHALE=110 PHIE FROM DENSITY/NEUTRON CROSSPLOT POROSITY PHIE = PHIND - (VCL* 15%)  PHIE SET TO 0.001 WHEN VCL&gt;30% SW USING ARCHIE: RW=0.73 @68F, A=1,M=2.0,N=2.0 COMPUTED USING SWS INVERTED RT AND RXO.  KANU COMPUTED USING PHIENU KANU = 10^(*2.731230E+01*PHIENU -2.224781E+00)  RESERVOIR CUTOFF: PHIE&gt;=8% PAY CUTOFF: SW&lt;=30% </pre>

Figure 2-7: Main petrophysical equations used on the wells MP-1 and MP-2

Table 2-2 summarizes the logs available for petrophysics.

Table 2-2: Logs available for petrophysics

	Bomba-1	Bomba-2	Bomba-3	Bomba-7	MP-1	MP-2
<b>Year drilled</b>	1966	1967	1967	1968	2007	2007
<b>GR</b>	YES	YES	YES	YES	YES	YES
<b>Neutron</b>	YES	YES	YES	YES	YES	YES
<b>Density</b>	NO	NO	YES	YES	YES	YES
<b>Sonic</b>	YES*	YES	NO	YES	NO	NO
<b>Resistivity</b>	YES	YES	YES	YES	YES	YES
<b>Core data/analysis</b>	YES	YES	YES	NO	YES	NO

\* washouts make it problematic

Table 2-3 summarizes the thickness as well as the average effective porosity and water saturation for each well in the pay zone. The pay was defined based on PHIE>=8%, SWE<=50% and Kair>=1mD (last cutoff applied only to the Bomba wells).

**Table 2-3: Net pay parameters for each well (PHIE>=8%, SWE<=50% + Kair>=1mD for the Bomba wells)**

	Bomba-1	Bomba-2	Bomba-3	Bomba-7	MP-1	MP-2
<b>Thickness (ft TVD)</b>	54.5	134.5	124.0	74.5	23.0	130.0
<b>Avg Effective Porosity</b>	11.2%	11.4%	11.7%	9.7%	9.2%	10.3%
<b>Avg Effective Water Saturation</b>	39.9%	35.1%	36.2%	45.6%	31.4%	11.1%

### 2.4.1 Shale volume calculation (Vshale)

Shale volume was calculated for the Bomba and the MP wells from GR with GR clean and GR clay picked specifically at each well:

$$VSH = (GR - GR_{Clean}) / (GR_{Clay} - GR_{Clean})$$

In 2007 (for MP-1 and MP-2), the VSH was further corrected using the Larionov equation for Older Rocks:

$$VSH = VSH_{Larionov} = 0.33(2^{2VSH} - 1)$$

### 2.4.2 Effective Porosity

The effective porosity equation and the shale porosity constant (15%) used in it are the same on all the wells:

$$PHIE = PHIT - VSH * ShalePoro = PHIT - VSH * 15\%$$

However, the total porosity PHIT was calculated in 3 different ways.

All the Bomba wells have a neutron log, but that log was deemed not reliable, especially in the gas environment. It was not used for calculating PHIT. Instead, for Bomba-3 and Bomba-7, density-porosity DPHI was computed from the density log, assuming a limestone matrix and a freshwater drilling fluid. Core porosity data from Bomba-3 were used to calibrate the DPHI on that well. The calibrated DPHI is then used as PHIT. That equation was then applied on Bomba-7.

$$DPHI = \frac{Dens_{Limestone} - Dens_{Log}}{Dens_{Limestone} - Dens_{Freshwater}} = \frac{2.71 - Dens_{Log}}{2.71 - 1.00}$$

$$PHIT = DPHI * 0.866 + 0.0017$$

As Bomba-1 and Bomba-2 do not have a density log, a sonic-porosity SPHI was derived from the sonic log. Matrix and fluid slowness values are set respectively for limestone and freshwater drilling fluid (values in  $\mu\text{s}/\text{ft}$ ). SPHI is used for total porosity PHIT for both wells.

$$PHIT = SPHI = \frac{\Delta t_{Limestone} - SonicLog}{\Delta t_{Freshwater} - \Delta t_{Limestone}} = \frac{47.6 - SonicLog}{190 - 47.6}$$

The petrophysicist also reported that the sonic log for Bomba-1 seemed highly filtered, maybe due to cycle skips or bad hole conditions (washouts were observed on Bomba-1). As such, the petrophysicist recommended caution with PHIT measurement on Bomba-1.

For MP-1 and MP-2, PHIT is derived from density/neutron cross-plot. No other details are provided.

### 2.4.3 Effective water saturation

On all the wells, effective water saturation was calculated using the Archie equation with the effective porosity as an input. The saturation exponent 'n' was set at 2 and the water resistivity  $R_w$  was calculated based on a resistivity of 0.73 ohmm at 20 degC measured on recovered water from the DST No.2 in Bomba-2.

The cementation exponent 'm' was set differently though by the different petrophysicists having work on the asset through the years. In the Bomba wells, it was set to 2.45 based on the idea that the limestone shows predominately vuggy porosity. For the two MP wells, m was set to 2.

For the Bomba wells, the equation is:

$$SWE = \sqrt[n]{\frac{R_w}{PHIE^m * R_t}} = \sqrt{\frac{R_w}{PHIE^{2.45} * LL7}}$$

For the MP wells, the equation is:

$$SWE = \sqrt[n]{\frac{R_w}{PHIE^m * R_t}} = \sqrt{\frac{R_w}{PHIE^2 * DeepResLog}}$$

The Bomba wells only had one type of resistivity log available (Laterolog 7 = LL7). As a result, they lack multiple depths of investigation. The laterolog 7 does provide a relatively deep measurement of resistivity, however, the lack of shallow resistivity makes it hard to assess the exact impact of fluid invasion on these wells. As a result of this uncertainty in the resistivity and the saturation parameters on these wells, the petrophysicist in charge of the Bomba wells recommended to use a constant water saturation of around 27%, as defined by the single capillary pressure measurement available.

On the contrary, the MP wells have modern resistivity logs with multiple depths of investigation. Having no petrophysical report per se for these wells, it is assumed that the deep resistivity was used for calculating  $S_w$  on these two wells.

### 2.4.4 Permeability

On all the wells, an equation was defined to derive air permeability from effective porosity PHIE. The parameters are different for the Bomba and the MP wells.

For the Bomba wells, the equation is:

$$Kair(mD) = 10^{(31.137 * PHIE - 2.888)}$$

For the MP wells, the equation is:

$$Kair(mD) = 10^{(27.312 * PHIE - 2.224)}$$

Permeability was used to define the pay on the Bomba wells. It does not seem to have been used to define the pay on the MP wells.

### 2.4.5 Conclusions on the Petrophysical workflows

A correction such as the Vsh Larionov correction is applied to account for specific lithology characteristics. The decision to use it or not is linked to the reservoir characteristics, not to the vintage of the input logs. As such, either it should be used on all the wells or on none. That said, Vsh in the pay zones is extremely low, often equal to zero. For very low Vsh values, the Larionov correction is negligible. This methodological discrepancy between the Bomba and the MP wells will therefore not significantly impact the volume estimates.

Bomba-7 is the only Bomba well with sonic and density logs. Sonic-porosity was calculated and compared to the density-porosity log (adjusted to the core-porosity values). The petrophysicist concluded that density-porosity on Bomba-7 was higher by an average of 21% to the sonic-porosity on that well. It reflects the idea that density-porosity responds to the whole, total porosity, while sonic-porosity does not reflect the secondary porosity found in limestones such as in this reservoir.

On Bomba-1 and Bomba-2, sonic-porosity is the only porosity which can be measured and effective porosity on these two wells was derived from it, though the Bomba petrophysicist deemed the Bomba-1 sonic=porosity problematic due to hole issues (washouts etc.) For Bomba-3 and 7 and then on MP-1 and MP-2, the effective porosity was derived from respectively the density-porosity and the density and neutron porosity.

This could imply that the total porosity is underestimated in Bomba-1 and Bomba-2.

Despite these issues, the average effective porosity in all wells is very similar (Table 2-3). While the difference in log availability, log quality and methodology create challenges in comparing wells, the range of average net effective porosity is relatively narrow and is therefore considered reasonable.

The average effective water saturation in the pay zone is overall much higher in the Bomba wells than in the MP wells (Table 2-3 & Table 2-4). The petrophysicist who worked on the Bomba wells pointed out that log calculated  $S_w$  is significantly different from that estimated from capillary pressure measurements. Furthermore, the impact of using a value of 2.45 for the cementation factor 'm' instead of 2 should also be considered. If the average effective  $S_w$  on the Bomba wells is estimated using  $m=2$ , average effective  $S_w$  is much closer to the 27% from the capillary pressure measurement (Table 2-4).

Furthermore, the average effective  $S_w$  on the Bomba wells is now much closer to the average effective  $S_w$  on the MP wells. Alternatively, changing the calculation of effective  $S_w$  on the MP wells by using  $m=2.45$  instead of  $m=2$  increases effective  $S_w$  on these two wells (Table 2-4). However, using this 'm' value results in a greater difference to the average effective  $S_w$  calculated from capillary pressure measurement.

Finally, note that the permeability  $K_{air}$  has different equations on the Bomba and the MP wells and does not appear to have been used to estimate the net pay on the MP wells. Further analysis may determine if a single equation could be determined based on the core analysis from the Bomba and MP wells but at this stage, RPS has assumed that the 8% PHIE cut off used to define the pay, does approximately correspond to the 1mD cut off on  $K_{air}$ .

**Table 2-4: Impact on the SWE in the pay zone by using the same m coefficient everywhere (either 2.0 or 2.45)**

	Bomba-1	Bomba-2	Bomba-3	Bomba-7	MP-1	MP-2	Avg SWE
<b>Avg Effective Water Saturation provided</b>	39.9%	35.1%	36.2%	45.6%	31.4%	11.1%	33.2%
<b>Avg Effective Water Saturation (m=2)</b>	24.4%	21.5%	22.3%	27.0%	31.4%	11.1%	23.0%
<b>Avg Effective Water Saturation (m=2.45)</b>	39.9%	35.1%	36.2%	45.6%	53.8%	18.6%	38.2%

## 3 VOLUMETRIC ESTIMATES AND PRODUCTION FORECASTS

### 3.1 Probabilistic Analysis

RPS has undertaken a probabilistic estimation of Gas Initially in Place ('GIIP') for the Colle Santo field.

As part of this estimation, RPS has assessed the following volumetric parameters: areal extent, gross and net thickness, average porosity, average hydrocarbon saturation, and gas formation volume factor.

The parameters used for the volumetric estimation for Colle Santo were derived from a variety of sources including well logs, gas analyses, production tests, and detailed seismic maps provided by the Company and audited by RPS staff.

The distributions for each parameter are shown in Table 3-2. During the preparation of the distributions, the P99 (minimum) and P1 (maximum) outcomes are also reviewed to ensure an appropriate and reasonable distribution. As defined by PRMS, the P50 estimate is the "best estimate" for reporting purposes.

### 3.2 In-Place Volume Estimation

Surface condition in-place gas volumes were calculated using a probabilistic approach. A range of uncertainty was defined for each input parameter (Table 3-1).

Table 3-2 summarizes the resulting range of probabilistic gas-in-place volumes.

**Table 3-1: Input parameters for volume calculations**

Input parameter (Unit)	Distribution shape	Min	P90	P50	P10	Max	Mode	Mean
Surface area (acre)	Beta	2095.0	2273.0	2368.0	2479.0	3095.0	2357.0	2373.0
Net Thickness (ft)	Normal	82.0	90.4	100.0	110.0	123.0	100.0	100.0
Porosity (%)	Normal	7.0	8.2	10.1	12.0	14.7	10.0	10.0
SW (%)	Normal	23.0	25.0	26.5	28.0	30.0	26.5	26.5
Dry gas FVF (scf/cf)	Normal	127.0	140.0	150.0	160.0	173.0	150.0	150.0

**Table 3-2: Estimated range of GIIP (Bscf)**

	P99	P90	P50	P10	P1	Mode	Mean
GIIP (bcf)	76.0	90.3	114.1	142.0	166.3	106.3	115.3

#### 3.2.1 Reservoir Pressure and Temperature

Measurements have indicated actual bottom-hole pressures at Colle Santo ranging from 2,028 psia to 2,033 psia. These values have been used in the material balance model for the Upper and Lower Apulian sands respectively. Reservoir temperatures ranging from 126 °F to 128 °F have been measured during pressure testing and well logging which have been used to define the temperature distribution in the analysis.

### 3.2.2 Gas Properties

Multiple gas analyses have been performed on samples from Colle Santo since first discovery. RPS used the range of gas gravities to estimate a range of gas compressibility factors for use in the probabilistic analysis. A sales gas heating value of 700 Btu/scf has been used for raw produced gas. Colle Santo in-place gas composition is approximately 69.1% Methane, 21.3% Nitrogen, 0.7% CO<sub>2</sub>, 0.27% H<sub>2</sub>S. Gas analysis has also identified the presence of trace amounts of Helium in the Colle Santo reservoir gas stream. Process calculations are ongoing to determine if the remaining gas stream after LNG processing may contain an economical amount of Helium for future processing. Helium extracting and purification is not considered in this report.

## 3.3 Resource Categorization

The Colle Santo gas reservoir is classified as Reserves.

### 3.3.1 Production Capabilities

The accumulation was discovered by the Bomba-1 well in 1966. Several wells have been drilled into the reservoir with gas samples and production tests of various success having been completed. In October 2007, two wells were successfully completed and tested showing good productivity (combined rate of 20.5 MMcf/d).

The MP-2 well, completed with 7" casing and 2 7/8" production tubing, was tested across the perforated interval 1690.0 m to 1772.5 m with the memory gauge at 1670 m. There was an initial test consisting of clean-up phase, 4 short drawdown stages, a final long flow test (24hrs) and a final pressure build up (no bottom hole data). This initial test was followed by an acid job and another 2 drawdown stages, long flow test and final pressure build-up. The MP-2 well showed marked improvement after acid stimulation due to removal of sandface damage.

The MP-1 well was tested in two parts; Upper Zone and Lower Zone. MP-1 was completed with 7" casing and 2 7/8" production tubing and was tested across the perforated interval 1460.5 m to 1475.5 m (Upper Zone) and 1528.5 m to 1534.5 m (Lower Zone).

The Upper Zone test was done in two parts, the initial test consisted of a clean-up phase, 3 short drawdown stages, a final long flow test (17hrs) and a final pressure build up (no bottom hole data). This initial test was followed by an acid job and another 2 drawdown stages, long flow test and final pressure build-up. The MP-1 Upper Zone showed marked improvement after acid stimulation due to removal of sandface damage.

The Lower Zone test was done in two parts, the initial test consisted of one flow period and a final pressure build up (no bottom hole data). This initial test was followed by an acid job and another 2 drawdown stages. The MP-1 Lower Zone showed marked improvement after acid stimulation due to removal of sandface damage.

The table below shows details of the three well tests performed in October 2007.

**MP2** Entire Perforated Interval

Date	Time	Choke Inch/64	WHP Kg/cm <sup>2</sup>	WHP psi	WHT C	WHT F	Rate SM3pd	Rate MMscfpd	Comments
10/4/2007	17:00								Opened well to clean-up and test.
10/6/2007	4:30	48	33.2	488.0	26	78.8	135448	4.8	Pre-acid Test; Rate increased throughout test.
10/6/2007	16:00	SI	123.2	1811.0					Final recorded shut-in pressure
10/7/2007	16:00	32	105	1543.5	22	71.6	210237	7.4	Post Acid Test
10/8/2007	9:30	SI	123.3	1812.5					Final recorded shut-in pressure
10/8/2007	5:33	SI	123	1808.1					SI Gradient Survey; BHP 2052 psi at 1670 m

Note: Reading of 2500-2800 ppm H<sub>2</sub>S during pre-acid test and 2900-3100 ppm during post-acid test.

**MP1** Upper Zone

Date	Time	Choke Inch/64	WHP Kg/cm <sup>2</sup>	WHP psi	WHT C	WHT F	Rate SM3pd	Rate MMscfpd	Comments
10/8/2007	11:00								Opened well to clean-up and test.
10/9/2007	16:30	48	42.9	630.6	22	71.6	168711	6.0	Pre-acid Test
10/9/2007	21:00	SI	123	1808.1					Final recorded shut-in pressure
10/10/2007	16:00	32	100.5	1477.4	22	71.6	202658	7.2	Post-acid Test
10/10/2007	17:00	SI	123.4	1814.0					Final recorded shut-in pressure
10/11/2007	22:09	SI	122	1793.4					SI Gradient Survey; BHP 2032 psi at 1481 m

Note: Reading of 3200 ppm H<sub>2</sub>S during pre-acid test and 2400-2800 ppm during post-acid test. Gas gravity of .73

**MP1** Lower Zone Retested

Date	Time	Choke Inch/64	WHP Kg/cm <sup>2</sup>	WHP psi	WHT C	WHT F	Rate SM3pd	Rate MMscfpd	Comments
10/11/2007	3:30								Opened lower zone
10/11/2007	12:30	32		338.0				1.1	Pre-acid flush rate
10/12/2007	12:30	32		1098.0				5.5	After acid flush; comments of acid not reaching perforations

Note: Reading of 3300-3600 ppm H<sub>2</sub>S during post-acid test. Final rate comparable to test rate after drilling. Information from e-mails since summary NA.

**Table 3-3: October 2007 Production Test**

In accordance with the Petroleum Resource Management System (PRMS) guidance, the accumulation is currently sub-classified as a Developed Non-Producing, indicating that the two most recent wells are currently shut-in but have shown economical production capabilities. Beacon Energy has a development program for the Colle Santo field which is expecting to commence in next 24-30 months. This development scenario consists of opening and producing gas from the two most recent wells and then converting to LNG directly onsite using a small modular LNG processing unit.

### 3.3.2 Environmental Impact Assessment

Beacon Energy is awaiting approval of an Environmental Impact Assessment ('EIA') that has been submitted to the Italian government (Ministry of Ecological Transition) which should be responded to within the next 1-3 months. Following this approval, a Production Concession would be requested from the Ministry of Economic Development and once received the project will commence. Current market and political conditions point toward a high probability of success and RPS believes that there is reasonable expectation that the above applications will be approved in a timely manner. It should be noted that significant delays to approvals to either the EIA or the Production Concession could cause the classification to revert to Contingent Resources (Development Pending) in the future.

Future seismic programs and drilling results in the target formations could change expectations on future recovery with time and have a material impact on the resource volumes, classifications, and economic values presented in this report.

## 3.4 Production Forecasts

The field production system includes:

- Two production wells (MP-1 and MP-2)
- Individual well monitoring (pressure/flowrate and well testing) equipment
- Small-scale Liquid Natural Gas (LNG) processing unit operating on produced gas

Production Forecasts were developed utilizing material balance tank models along with tubing performance curves matched to the existing well completion profiles. This methodology allowed for a simplified but strong production model to be used for forecasting. This model uses measured initial pressure and gas in place volume estimates to forecast the changing production rates overtime as depletion occurs. The resulting forecasts are as follows:

In the 1P scenario, total production will ramp up to 11 MMscf/day over the first year, and then continue to produce at that average rate for a plateau period of 7 years, followed by a decline period. Over a 25 year forecast an estimated 70.4 Bcf of raw gas will be produced which results in a 78% recovery factor for the pool, see figure below.

In the 2P scenario, total production will ramp up to 13.2 MMscf/day over the first year, and then continue to produce at that average rate for a plateau period of 9 years, followed by a decline period. Over a 25 year forecast an estimated 86.8 Bcf of raw gas will be produced which results in a 76.1% recovery factor for the pool, see figure below.

In the 3P scenario, total production will ramp up to 13.2 MMscf/day over the first year, and then continue to produce at that average rate for a plateau period of 9 years, followed by a decline period. Over a 25 year forecast an estimated 90.8 Bcf of raw gas will be produced which results in a 64.0% recovery factor for the pool, see figure below.

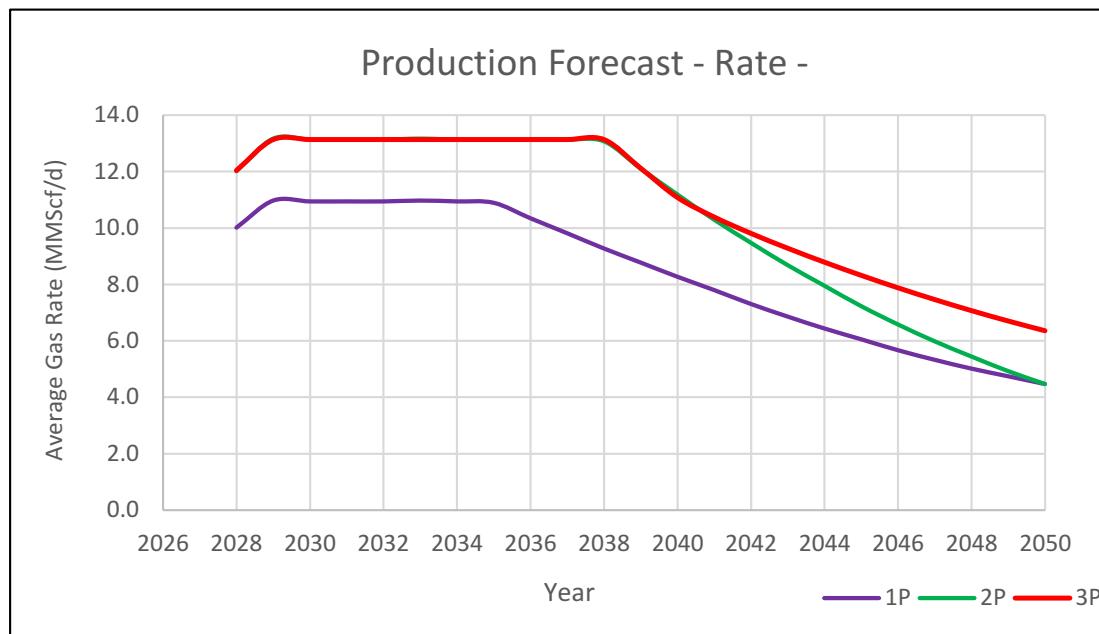
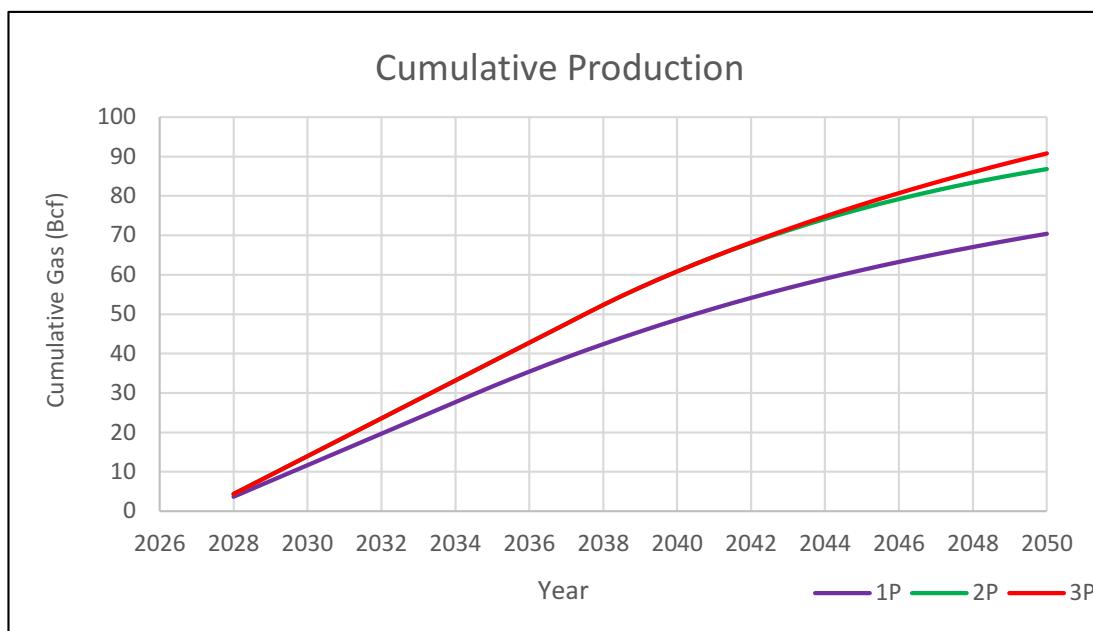


Figure 3-1: Colle Santo Field Raw Gas Production Rate Forecast (100% Full Field)



**Figure 3-2: Colle Santo Field Raw Gas Cumulative Production Forecast (100% Full Field)**

## 4 Economics

### 4.1 Company Ownership and Burdens

#### 4.1.1 License Terms

The commercial terms and conditions utilized in this evaluation, are based on the anticipated burdens which will affect production and revenues from the Colle Santo asset, as advised by Beacon Energy. These assumptions include a Beacon Energy 43.2% economic interest ownership of the Colle Santo license.

### 4.2 Royalties and Taxation

With respect to hydrocarbon exploration and production, the royalties are applied on the basis of the value of production. The royalties for onshore gas production are currently 10%, if 25 million cubic meters per year are exceeded. The royalties for onshore oil production are currently 10% (7% royalty and 3% to the oil prices reduction fund), if 20,000 tonnes per year are exceeded and are applied to the sale value of the quantities produced. Royalties for the production of onshore hydrocarbons are split, as follows 55% to the Regions, 30% to the State and 15% to the Municipalities.

#### 4.2.1 Royalties

The royalty rate for onshore gas is 10%, with the first 25 million cubic meters exempted, see Table 4-1

**Table 4-1: Royalties**

Production		Royalty Rate	Additional Rate	Exempted production
Gas	Onshore	7%	3%	< 25 Million Cubic Meters
Oil	Onshore	7%	3% Oil Prices Reduction Fund	< 20,000 tons/year

#### 4.2.2 Other Interests

LNEnergy Limited acquired 100% of the shares of LNEnergy Srl from Avanti Eurogas in March 2025. Under the terms of the Avanti Eurogas acquisition agreement, a cash payment is required to be made within 60 days of the Production Concession being awarded and a 4% Net Profit interest is anticipated to be payable on this project.

## 4.3 Infrastructure

Colle Santo field is located in the midst of a well-developed infrastructure system for natural gas and LNG. It is strategically positioned near a major pipeline, industrial centers, gas storage, and trucking lanes running north-south along the Adriatic Coast.

### 4.3.1 Natural Gas

Gas production can be commercialized by either supply into the SNAM gas transmission grid, via either the national or regional transmission grid systems in Italy or processed to LNG and sold directly to local buyers.

The Colle Santo project lies within a short distance from several existing sections of the gas transmission grid. Gas quality is a key element in planning the delivery of gas to market. SNAM has set parameters within which all gas presented for delivery into the grid must comply. Current indications are that the gas recovered at Colle Santo requires minimal processing to meet required parameters and could be delivered to the grid with minimal treatment.

While the project site may be well situated for delivery to the grid, the current development plan involves converting produced gas on site with a small scale LNG unit with loading for sale on-site thus avoiding any transportation or pipeline tie-in requirements and logistic issues. Fuel gas will be supplied from the produced gas on-site. Production forecast includes a 1% consumed fuel and shrinkage factor.

Additional equipment is planned for the recovery and purification of CO<sub>2</sub> from the produced gas. The CO<sub>2</sub> product will have EU certification E290 and be ISBT food grade quality.

## 4.4 Operating Costs

Operating costs used in the economic evaluation have been provided by Beacon Energy management. RPS has reviewed these costs and accepted them as reasonable. Estimates of operating costs are shown in Table 4-2.

**Table 4-2: Operating Cost Estimates**

Operating Cost Estimates		
Category	Amount (EUR)	Unit
Well Costs	€ 750,000	€/year/well
Variable Gas	€ 0.04	€/Mcf
Fixed Gas	€ 3,505,000	€/yr

## 4.5 Development Schedule and Capital Costs

The following development schedule has been provided by Beacon Energy management and accepted by RPS as reasonable. For the planned LNG processing scenario only the MP-1 and MP-2 wells will be used, no additional wells are planned at this time.

Primary development and capital investment for the LNG processing scenario consists of the LNG processing unit being delivered and set up, which is included in the payment plan, requiring payment of € 8 Million each year for 8 years. The current schedule is based on the LNG unit being in place for a February 2028 start date.

#### 4.5.1 Abandonment and Reclamation Costs

Abandonment and reclamation costs of € 535,000 per well are included in the evaluation, timed to be spent at the end of production (2050) or the month after each well ceases production, whichever comes first. An additional € 1,430,000 is included to abandon and reclaim the well area and any facility components at the end of the life of the project.

### 4.6 Product Prices

Product Prices are based on the Italian PSV Price Forecast as summarized in Table 4-3. Produced unprocessed natural gas from the Colle Santo reservoir is assumed to sell at discount to the base PSV forecast prices due to a lower BTU value (700 BTU/scf), this conversion has been included in the Colle Santo specific prices shown in Table 4-3. In the LNG production scenario, the LNG product will be upgraded during the conversion process, to a standard LNG product, and the LNG pricing (EUR/Tonne) shown in Table 4-3, reflects this upgrading. Extracted and purified CO<sub>2</sub> is priced € 700/tonne which reflects local Italian market pricing and includes transport costs.

**Table 4-3: Price Forecast Summary**

Year	Forecast of Prices				
	Gas Price PSV EUR/MWh	Gas Price LNG EUR/Tonne	Gas Price (700 BTU/scf) EUR/scf	Gas Price (1050 BTU/scf) EUR/scf	CO <sub>2</sub> Price EUR/Tonne
2026	31.90	486.28	6.55	9.82	700.00
2027	29.67	452.32	6.09	9.14	700.00
2028	29.29	446.45	6.01	9.02	700.00
2029	29.88	455.38	6.13	9.20	700.00
2030	30.47	464.49	6.26	9.38	700.00
2031	31.08	473.78	6.38	9.57	700.00
2032	31.70	483.25	6.51	9.76	700.00
2033	32.34	492.92	6.64	9.96	700.00
2031+	2%	2%	2%	2%	700.00

### 4.7 Price and Cost Inflation

RPS forecasts all capital and operating costs inflation to be 2% per annum over the whole period of this evaluation. This forecast is also shown in the above price forecast table.

### 4.8 Economic Analysis

RPS has used the above inputs in an Excel based economic cash flow model and forecast the cash flow and resulting Net Present Values before income tax. The economic model incorporates cash flow based on production forecasts, capital costs, and operating costs of the Colle Santo field. Production is truncated at the year 2050 or the last year of positive after-tax cash flow using forecast operating costs and prices. A summary of the results from the cash flow models from the LNG development scenario for Beacon Energy's 43.2% working interest is shown in Table 4-4 and Table 4-6 and the calculation of the full field at 100% interest is shown in Table 4-5 and Table 4-7.

**Table 4-4: Colle Santo Reserves Summary Beacon Energy Working Interest – 2050 Truncation**

Beacon Energy - Working Interest Reserves for Colle Santo as of October 31, 2025 Italian PSV Price Forecast								
Reserves Category	Gross Reserves				Net Reserves			
	Oil (MMstb)	Sales Gas (Bscf)	NGL& C5 <sup>+</sup> (MMbbl)	BOE (MMbbl)	Oil (MMstb)	Sales Gas (Bscf)	NGL& C5 <sup>+</sup> (MMbbl)	BOE (MMbbl)
PROVED	-	25.7	-	4.3	-	22.7	-	3.8
PROVED + PROBABLE	-	31.7	-	5.3	-	27.7	-	4.6
PROVED + PROBABLE + POSSIBLE	-	33.1	-	5.5	-	28.9	-	4.8

**Table 4-5: Colle Santo Reserves Summary Full Field 100% Interest – 2050 Truncation**

Full Field 100% Working Interest Reserves for Colle Santo as of October 31, 2025 Italian PSV Price Forecast								
Reserves Category	Gross Reserves				Net Reserves			
	Oil (MMstb)	Sales Gas (Bscf)	NGL& C5 <sup>+</sup> (MMbbl)	BOE (MMbbl)	Oil (MMstb)	Sales Gas (Bscf)	NGL& C5 <sup>+</sup> (MMbbl)	BOE (MMbbl)
PROVED	-	59.4	-	9.9	-	52.6	-	8.8
PROVED + PROBABLE	-	73.3	-	12.2	-	64.1	-	10.7
PROVED + PROBABLE + POSSIBLE	-	76.7	-	12.8	-	66.8	-	11.1

**Table 4-6: Colle Santo NPV Summary (Reserves) Beacon Energy Working Interest – 2050 Truncation**

Beacon Energy - Reserves for Colle Santo - LNG Scenario as of October 31, 2025 Italian PSV Price Forecast								
Reserve Category	NPV Before Tax Million EUR€					NPV After Tax Million EUR€		
	0%	5%	10%	15%	20%	0%	5%	10%
PROVED (1P)	80.5	37.9	18.3	8.6	3.4	69.0	33.4	16.5
PROVED + PROBABLE (2P)	119.8	59.5	31.2	16.9	9.1	97.0	49.6	26.6
PROVED + PROBABLE + POSSIBLE (3P)	131.3	63.4	32.6	17.4	9.3	105.2	52.6	27.9

**Table 4-7: Colle Santo NPV Summary (Reserves) Full Field 100% Interest – 2050 Truncation**

Full Field 100% Working Interest Reserves for Colle Santo as of October 31, 2025 Italian PSV Price Forecast								
Reserve Category	NPV Before Tax Million EUR€					NPV After Tax Million EUR€		
	0%	5%	10%	15%	20%	0%	5%	10%
PROVED (1P)	186.4	87.8	42.4	19.9	7.9	159.8	77.4	38.1
PROVED + PROBABLE (2P)	277.3	137.6	72.3	39.1	21.0	224.5	114.7	61.7
PROVED + PROBABLE + POSSIBLE (3P)	304.0	146.6	75.5	40.3	21.5	243.5	121.8	64.5

#### **4.8.1 Cash Flow Summaries**

A cash flow summary for the 1P, 2P and 3P reserves for Beacon Energy's working interest (43.2%) in Colle Santo is included in the following Tables: Table 4-8 and Table 4-9. Appendix B contains cash flow summaries for 100% interest in the field.

It should be noted that based upon the 2050 forecast cut-off and RPS estimates of production profiles and recoverable resources per well, not all of the recoverable volumes are forecast to be recovered within the economic analysis.

Table 4-8: Detailed Economic Summary - 1P Reserves

SUMMARY OF OIL AND GAS FIELD RESERVES, PRODUCTION AND CASHFLOW										
Company: Beacon Energy Operator: LN Energy Limited Field: Colle Santo Company Share: 43.20%			Reserves Category: Total Proved Price Forecast Case: Modified PSV Pricing Forecast Average Annual Cost Inflation: 2.00% Effective Date: 2025-10-31			PRESENT VALUE - COMPANY SHARE (Million EUR€)				
RESERVES		Total Field		Company Share		Discount Rate:				
		Gross	Net	Gross	Net	0%	5%	10%	15%	20%
Crude Oil (MMstb) (bcf)	59.4	52.6	25.7	22.7	-	206.1	111.8	67.5	44.3	30.9
Sale-Gas (MMbbl) (MMbbl)	-	-	-	-	-	182.6	98.5	59.2	38.7	27.0
NG Condensate	-	-	-	-	-	66.7	33.3	18.8	11.8	8.0
Total BOE *	9.9	8.8	4.3	3.8	-	29.6	23.2	18.5	15.1	12.6
						Cash Flow Before Tax	80.5	37.9	18.3	8.6
						Tax	4.5	1.9	0.8	0.4
						Cash Flow After Tax	69.0	33.4	16.5	7.8
						Contingent Consideration	16.0	9.2	5.7	2.5
						Cash Flow After Consideration	53.0	24.2	10.8	4.1
										0.6

COMPANY SHARE GROSS PRODUCTION										
Year			2025			2026			2027	
Production Wellcount (#)			2025			2026			2027	
Annual Gross Production	0	0	2	2	2	2	2	2	2	2
Crude Oil (MMstb) (bcf)	-	-	1.33	1.46	1.46	1.46	1.46	1.45	1.38	1.24
Gas (Pre-conversion) Tonne LNG	-	-	19.148	20.982	20.925	20.925	20.925	20.923	19.783	18.767
Condensate (MMbbl)	-	-	-	-	-	-	-	-	17.733	16.778

COMPANY SHARE CASHFLOW (Million EUR€)										
Year			2025			2026			2027	
Gross Production Revenue	-	-	8.91	9.95	10.12	10.31	10.51	10.74	10.92	10.73
Effective Royalty	-	-	1.1	1.3	1.3	1.3	1.4	1.4	1.4	1.3
Net Production Revenue	-	-	7.8	8.7	9.0	9.1	9.3	9.5	9.6	9.4
Acquisition Payments	-	-	-	-	-	-	-	-	-	-
Oper. Costs & G&A	-	-	2.33	2.38	2.43	2.48	2.53	2.63	2.68	2.73
Abandonment Costs	-	-	-	-	-	-	-	-	-	-
Op. Cash Inc. Before Tax	-	-	-	-	5.47	6.28	6.38	6.50	6.62	6.77
Capital	-	-	3.2	3.67	3.74	3.82	3.89	3.97	4.05	4.14
Cash Flow Before Tax	-	(7.1)	(3.1)	1.80	2.54	2.61	2.65	2.72	6.87	6.96
Tax	-	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash Flow After Tax	-	(3.2)	(3.3)	1.80	2.54	2.61	2.65	2.72	6.87	6.96
Contingent Consideration	-	(3.2)	(3.2)	0.43	0.61	0.62	0.63	0.64	1.65	1.59
Cash Flow (Final)	-	(3.2)	(3.2)	1.37	1.93	1.95	1.98	2.01	2.06	2.12

ABANDONMENT AND RECLAMATION COSTS										
Company Share, Net of Salvage Value										
Cost (Million EUR€):										
Year:										
2051										

Table 4-9: Detailed Economic Summary – 2P Reserves

SUMMARY OF OIL AND GAS FIELD RESERVES, PRODUCTION AND CASHFLOW																																																																																																																																																																				
Company: Beacon Energy			Reserves Category: Total Proved + Probable																																																																																																																																																																	
Operator: LN Energy Limited			Price Forecast Case: Modified PSV Pricing Forecast																																																																																																																																																																	
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Table 4-10: Detailed Economic Summary – 3P Reserves

SUMMARY OF OIL AND GAS FIELD RESERVES, PRODUCTION AND CASHFLOW										
Company: Beacon Energy Operator: IN Energy Limited Field: Colle Santo Company Share: 43.20%			Reserves Category: Total Proved + Probable + Possible Price Forecast Case: Modified PSV Pricing Forecast Average Annual Cost Inflation: 2.00% Effective Date: 2025-10-31			PRESENT VALUE - COMPANY SHARE (Million EUR€)				
RESERVES			Company Share			Discount Rate:				
	Total Gross	Field Net	Gross	Net	Net	0%	5%	10%	15%	20%
Crude Oil (MMstb) (Bcf)	76.7	66.8	33.1	-	28.9	233.5	124.7	84.9	55.0	38.0
Sales Gas (MMbbl)	-	-	-	-	-	66.8	33.3	18.9	11.8	8.0
NGL (MMbbl)	-	-	-	-	-	29.6	23.2	18.5	15.1	12.6
Condensate	12.8	11.1	5.5	4.8	-	131.3	63.4	32.6	17.4	9.3
Total BOP *	(MMbop)					Tax	26.1	10.7	4.7	2.2
						Cash Flow After Tax	105.2	52.6	27.9	15.2
						Contingent Consideration	16.0	10.2	6.8	4.7
						Cash Flow After Consideration	89.2	42.4	21.1	10.5
										4.9

PRESENT VALUE - COMPANY SHARE (Million EUR€)										
Discount Rate:			ABANDONMENT AND RECLAMATION COSTS							
			Company Share, Net of Salvage Value							
			Gross Revenue	267.9	142.7	84.9	55.0	38.0	32.9	27.7
			Net Revenue	233.5	124.7	84.9	55.0	38.0	32.9	27.7
			Operating Costs	23.3	11.8	8.0	5.0	3.0	2.0	1.7
			Capital Costs	29.6	23.2	18.5	15.1	12.6	10.0	8.5
			Cash Flow Before Tax	131.3	63.4	32.6	17.4	9.3	7.0	5.5
			Tax	26.1	10.7	4.7	2.2	1.1	0.7	0.5
			Cash Flow After Tax	105.2	52.6	27.9	15.2	8.2	5.8	4.4
			Contingent Consideration	16.0	10.2	6.8	4.7	3.3	2.0	1.4
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			Capital Costs	29.6	23.2	18.5	15.1	12.6	10.0	8.5
			Cash Flow Before Tax	131.3	63.4	32.6	17.4	9.3	7.0	5.5
			Tax	26.1	10.7	4.7	2.2	1.1	0.7	0.5
			Cash Flow After Tax	105.2	52.6	27.9	15.2	8.2	5.8	4.4
			Contingent Consideration	16.0	10.2	6.8	4.7	3.3	2.0	1.4
			Cash Flow After Consideration	89.2	42.4	21.1	10.5	4.9	3.0	2.0

COMPANY SHARE GROSS PRODUCTION										
Production Wellcount (#)			Annual Gross Production							
			Crude Oil (MMstb) (Bcf)	Gas (Pre-conversion) (Tonne)	Condensate (MMbbl)	2025	2026	2027	2028	2029
			-	-	-	10.72	11.92	12.15	12.38	12.62
			-	-	-	1.4	1.6	1.7	1.8	1.9
			-	-	-	9.3	10.3	10.5	10.7	10.9
			-	-	-	2.38	2.43	2.48	2.53	2.58
			-	-	-	-	-	-	-	-
			-	-	-	6.96	7.90	8.05	8.20	8.36
			-	-	-	3.67	3.74	3.82	3.89	3.97
			-	-	-	3.2	3.3	3.4	3.5	3.6
			-	-	-	(7.1)	(3.3)	3.29	4.16	4.24
			-	-	-	(7.1)	(3.3)	4.31	4.39	4.47
			-	-	-	(7.1)	(3.3)	4.39	4.47	4.55
			-	-	-	(7.1)	(3.3)	4.55	4.62	4.70
			-	-	-	(7.1)	(3.3)	4.62	4.70	4.78
			-	-	-	(7.1)	(3.3)	4.70	4.78	4.86
			-	-	-	(7.1)	(3.3)	4.78	4.86	4.94
			-	-	-	(7.1)	(3.3)	4.86	4.94	5.02
			-	-	-	(7.1)	(3.3)	4.94	5.02	5.10
			-	-	-	(7.1)	(3.3)	5.02	5.10	5.18
			-	-	-	(7.1)	(3.3)	5.10	5.18	5.26
			-	-	-	(7.1)	(3.3)	5.18	5.26	5.34
			-	-	-	(7.1)	(3.3)	5.26	5.34	5.42
			-	-	-	(7.1)	(3.3)	5.34	5.42	5.50
			-	-	-	(7.1)	(3.3)	5.42	5.50	5.58
			-	-	-	(7.1)	(3.3)	5.50	5.58	5.66

COMPANY SHARE CASH FLOW (Million EUR€)										
Discount Rate:			Annual Cash Flow							
			Gross Production Revenue	Effective Royalty	Net Production Revenue	Acquisition Payments	Op. Costs & G&A	Abandonment Costs	Op. Cash Inc. Before Tax	Capital
			10.72	1.4	9.3	-	-	-	-	-
			11.92	1.6	10.3	-	-	-	-	-
			12.15	1.7	10.5	10.7	10.9	11.1	11.3	11.5
			12.38	1.8	11.1	10.7	10.9	11.1	11.3	11.5
			12.62	1.8	11.3	11.1	11.3	11.5	11.7	12.0
			13.11	1.8	11.5	11.3	11.5	11.7	12.0	12.2
			13.36	1.8	11.7	11.5	11.7	12.0	12.2	12.5
			13.62	1.9	11.9	11.7	11.9	12.0	12.3	12.6
			13.89	1.9	12.0	11.8	11.9	12.1	12.4	12.7
			14.15	1.9	12.2	11.9	12.0	12.2	12.5	12.8
			14.41	1.9	12.4	12.1	12.2	12.4	12.7	13.0
			14.66	1.9	12.6	12.3	12.4	12.6	12.9	13.3
			14.91	1.9	12.8	12.5	12.6	12.8	13.1	13.6
			15.16	1.9	13.0	12.7	12.8	13.0	13.3	14.0
			15.4	1.9	13.2	12.9	13.0	13.2	13.5	14.2
			15.6	1.9	13.4	13.1	13.2	13.4	13.7	14.4
			15.8	1.9	13.6	13.3	13.4	13.6	13.9	14.7
			16.0	1.9	13.8	13.5	13.6	13.8	14.1	15.4
			16.2	1.9	14.0	13.7	13.8	14.0	14.3	15.7
			16.4	1.9	14.2	13.9	14.0	14.2	14.5	16.0
			16.6	1.9	14.4	14.1	14.2	14.4	14.7	16.3
			16.8	1.9	14.6	14.3	14.4	14.6	14.9	16.6
			17.0	1.9	14.8	14.5	14.6	14.8	15.1	16.9
			17.2	1.9	15.0	14.7	14.8	15.0	15.3	17.2
			17.4	1.9	15.2	14.9	15.0	15.2	15.5	17.5
			17.6	1.9	15.4	15.1	15.2	15.4	15.7	17.8
			17.8	1.9	15.6	15.3	15.4	15.6	15.9	18.1
			18.0	1.9	15.8	15.5	15.6	15.8	16.1	18.4
			18.2	1.9	16.0	15.7	15.8	16.0	16.3	18.7
			18.4	1.9	16.2	15.9	16.0	16.2	16.5	19.0
			18.6	1.9	16.4	16.1	16.2	16.4	16.7	19.3
			18.8	1.9	16.6	16.3	16.4	16.6	16.9	19.6
			19.0	1.9	16.8	16.5	16.6	16.8	17.1	20.0
			19.2	1.9	17.0	16.7	16.8	17.0	17.3	20.3
			19.4	1.9	17.2	16.9	17.0	17.2	17.5	20.6
			19.6	1.9	17.4	17.1	17.2	17.4	17.7	20.9
			19.8	1.9	17.6	17.3	17.4	17.6	17.9	21.2
			20.0	1.9	17.8	17.5	17.6	17.8	18.1	21.5
			20.2	1.9	18.0	17.7	17.8	18.0	18.3	21.8
	</td									

## Appendix A

### Glossary of Technical Terms

1C	The low estimate of Contingent Resources. There is estimated to be a 90% probability that the quantities actually recovered could equal or exceed this estimate
2C	The best estimate of Contingent Resources. There is estimated to be a 50% probability that the quantities actually recovered could equal or exceed this estimate
3C	The high estimate of Contingent Resources. There is estimated to be a 10% probability that the quantities actually recovered could equal or exceed this estimate
1P	The low estimate of Reserves (proved). There is estimated to be a 90% probability that the quantities remaining to be recovered will equal or exceed this estimate
2P	The best estimate of Reserves (proved+probable). There is estimated to be a 50% probability that the quantities remaining to be recovered will equal or exceed this estimate
3P	The high estimate of Reserves (proved+probable+possible). There is estimated to be a 10% probability that the quantities remaining to be recovered will equal or exceed this estimate
1U	The unrisked low estimate of Prospective Resources
2U	The unrisked best estimate of Prospective Resources
3U	The unrisked high estimate of Prospective Resources
AVO	Amplitude versus Offset
B	Billion
bbl(s)	Barrels
bbl/d	Barrels per day
Bcm	Billion cubic metres
B <sub>g</sub>	Gas formation volume factor
B <sub>gi</sub>	Gas formation volume factor (initial)
B <sub>o</sub>	Oil formation volume factor
B <sub>oi</sub>	Oil formation volume factor (initial)
B <sub>w</sub>	Water volume factor
boe	Barrels of oil equivalent
stb/d	Barrels of oil per day
BHP	Bottom hole pressure
Bscf	Billions of standard cubic feet
bwpd	Barrels of water per day
condensate	A mixture of hydrocarbons which exist in gaseous phase at reservoir conditions but are produced as a liquid at surface conditions
cP	Centipoise
E <sub>gi</sub>	Gas Expansion Factor
EMV	Expected Monetary Value
EUR	Estimated Ultimate Recovery
FBHP	Flowing bottom hole pressure
FTHP	Flowing tubing head pressure

APPENDIX

ft	Feet
FWHP	Flowing well head pressure
FWL	Free Water Level
GDT	Gas Down To
GIIP	Gas Initially in Place
GOC	Gas oil Contact
GOR	Gas/oil ratio
GRV	Gross rock volume
GWC	Gas water contact
IPR	Inflow performance relationship
IRR	Internal rate of return
KB	Kelly Bushing
$k_a$	Absolute permeability
$k_h$	Horizontal permeability
km	Kilometres
LPG	Liquefied Petroleum Gases
m	Metres
$m^3$	Cubic metres
$m^3/d$	Cubic metres per day
ma	Million years
M	Thousand
M\$	Thousand dollars
MBAL	Material balance software
Mbbl	Thousand barrels
md	Permeability in millidarcies
MD	Measured depth
MDT	Modular formation dynamics tester tool
MM	Million
MMbbl	Million barrels
MMscf/d	Millions of standard cubic feet per day
MMstb	Million stock tank barrels (at 14.7 psi and 60° F)
MMt	Millions of tonnes
MM\$	Million dollars
MPa	Mega pascals
m/s	Metres per second
msec	Milliseconds
Mt	Thousands of tonnes
mV	Millivolts
NTG or N:G	Net to gross ratio
NGL	Natural Gas Liquids

APPENDIX

NPV	Net Present Value
NZ\$	New Zealand dollars
OWC	Oil water contact
P90	There is estimated to be at least a 90% probability (P <sub>90</sub> ) that this quantity will equal or exceed this low estimate
P50	There is estimated to be at least a 50% probability (P <sub>50</sub> ) that this quantity will equal or exceed this best estimate
P10	There is estimated to be at least a 10% probability (P <sub>10</sub> ) that this quantity will equal or exceed this high estimate
PDR	Physical data room
petroleum	Naturally occurring mixtures of hydrocarbons which are found beneath the Earth's surface in liquid, solid or gaseous form
phi	Porosity
p <sub>i</sub>	Initial reservoir pressure
PI	Productivity index
ppm	Parts per million
psi	Pounds per square inch
psia	Pounds per square inch (absolute)
psig	Pounds per square inch (gauge)
p <sub>wf</sub>	Flowing bottom hole pressure
PSDM	Pre-stack depth migrated seismic data
PSTM	Pre-stack time migrated seismic data
PVT	Pressure volume temperature
rb	Barrel(s) at reservoir conditions
rcf	Reservoir cubic feet
RF	Recovery factor
RFT	Repeat formation tester
RKB	Relative to kelly bushing
rm <sup>3</sup>	Reservoir cubic metres
SCADA	Supervisory control and data acquisition
SCAL	Special Core Analysis
scf	Standard cubic feet measured at 14.7 pounds per square inch and 60° F
scf/d	Standard cubic feet per day
scf/stb	Standard cubic feet per stock tank barrel
SGS	Sequential Gaussian Simulation
SIBHP	Shut in bottom hole pressure
SIS	Sequential Indicator Simulation
sm <sup>3</sup>	Standard cubic metres
S <sub>o</sub>	Oil saturation
S <sub>oi</sub>	Initial oil saturation
S <sub>or</sub>	Residual oil saturation
S <sub>orw</sub>	Residual oil saturation relative to water

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sq. km	Square kilometers
stb	Stock tank barrels measured at 14.7 pounds per square inch and 60° F
stb/d	Stock tank barrels per day
STOIIP	Stock tank oil initially in place
$S_w$	Water saturation
$S_{wc}$	Connate water saturation
t	Tonnes
THP	Tubing head pressure
Tscf	Trillion standard cubic feet
TVDSS	True vertical depth (sub-sea)
TVT	True vertical thickness
TWT	Two-way time
US\$	United States Dollar
VDR	Virtual data room
VLP	Vertical lift performance
$V_{sh}$	Shale volume
VSP	Vertical Seismic Profile
W/m/K	Watts/metre/° K
WC	Water cut
WUT	Water Up To
Z	A measure of the “non-idealness” of gas
$\phi$	Porosity
$\mu$	Viscosity
$\mu_g$	Viscosity of gas
$\mu_o$	Viscosity of oil
$\mu_w$	Viscosity of water

## **Appendix B**

### **Full Field Economics (100% Interest)**

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SUMMARY OF OIL AND GAS FIELD RESERVES, PRODUCTION AND CASHFLOW											
Company: Beacon Energy Operator: LN Energy Limited Field: Colle Santo Company, Share: 100.00%			Reserves Category: Total Proved Price Forecast Case: Modified PSV Pricing Forecast Average Annual Cost Inflation: 2.00% Effective Date: 2025-10-31								
RESERVES			PRESENT VALUE - COMPANY SHARE (Million EUR€)			ABANDONMENT AND RECLAMATION COSTS					
	Total Gross	Field Net	Company Shares	Gross	Net	Discount Rate:	0%	5%	10%	15%	20%
Crude Oil (MMstb) (bbl)	59.4	52.6	-	59.4	52.6	Gross Revenue	477.1	258.8	156.3	102.5	71.5
Sales Gas (MMbbl) (MMbbl)	-	-	-	-	-	Net Revenue	422.6	227.9	137.1	89.7	62.5
NGL	-	-	-	-	-	Operating Costs	77.0	43.6	27.3	18.5	13.0
Condensate	-	-	-	-	-	Capital Costs	68.6	53.7	42.9	35.0	29.1
Total BOE *	9.9	8.8	9.9	9.9	8.8	Cash Flow Before Tax	186.4	87.8	42.4	19.9	7.9
						Tax	26.6	10.4	4.3	1.9	0.9
						Cash Flow After Tax	159.8	77.4	38.1	18.0	7.1
						Contingent Consideration	16.0	9.2	5.7	2.5	1.6
						Cash Flow After Consideration	143.8	68.2	32.5	14.3	4.6
PRODUCT PRICES (EUR€/Year)											
Field Prices	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Sales Gas (EUR€/MMBtu) (EUR€/Tonne)	-	9.82	9.14	9.02	9.20	9.38	9.57	9.76	9.96	10.16	10.57
LNG	-	486.28	453.32	446.45	455.38	464.49	473.58	483.25	492.92	502.77	512.83
COST INFLATION (%/annum)											
	-	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
COMPANY SHARE GROSS PRODUCTION											
Production Wellcount (#)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Gross Production (MMstb) (bbl) Gas (Pre-conversion) LNG Condensate (MMbbl)	0	0	2	2	2	2	2	2	2	2	2
COMPANY SHARE CASHFLOW (Million EUR€)											
Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Gross Production Revenue	-	-	-	-	-	-	-	-	-	-	-
Effective Royalty	-	-	-	-	-	-	-	-	-	-	-
Net Production Revenue	-	-	-	-	-	-	-	-	-	-	-
Acquisition Payments	-	-	-	-	-	-	-	-	-	-	-
Op. Costs & G&A	-	-	-	-	-	-	-	-	-	-	-
Abandonment Costs	-	-	-	-	-	-	-	-	-	-	-
Op. Cash Inc. Before Tax	-	-	-	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-	-	-	-
Cash Flow Before Tax	-	-	-	-	-	-	-	-	-	-	-
Tax	-	-	-	-	-	-	-	-	-	-	-
Cash Flow After Tax	-	-	-	-	-	-	-	-	-	-	-
Contingent Consideration	-	-	-	-	-	-	-	-	-	-	-
Cash Flow (Final)	-	-	-	-	-	-	-	-	-	-	-

SUMMARY OF OIL AND GAS FIELD RESERVES, PRODUCTION AND CASHFLOW																																																																																																																																																																																																																																																																																																																																									
Company: Beacon Energy			Reserves Category: Total Proved + Probable																																																																																																																																																																																																																																																																																																																																						
Operator: LN Energy Limited			Price Forecast Case: Modified PSV Pricing Forecast																																																																																																																																																																																																																																																																																																																																						
Field: Colle Santo			Average Annual Cost Inflation: 2.00%																																																																																																																																																																																																																																																																																																																																						
Company Share: 100.00%			Effective Date: 2025-10-31																																																																																																																																																																																																																																																																																																																																						
<b>RESERVES</b> <table border="1"> <thead> <tr> <th>Year</th> <th>2025</th> <th>2026</th> <th>2027</th> <th>2028</th> <th>2029</th> <th>2030</th> <th>2031</th> <th>2032</th> <th>2033</th> <th>2034</th> </tr> </thead> <tbody> <tr> <td>Total Field</td> <td>-</td> </tr> <tr> <td>Gross</td> <td>73.3</td> <td>64.1</td> <td>73.3</td> <td>64.1</td> <td>73.3</td> <td>64.1</td> <td>73.3</td> <td>64.1</td> <td>73.3</td> <td>64.1</td> </tr> <tr> <td>Net</td> <td>-</td> </tr> <tr> <td>Company Share</td> <td>-</td> </tr> <tr> <td>Net</td> <td>-</td> </tr> </tbody> </table>											Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total Field	-	-	-	-	-	-	-	-	-	-	Gross	73.3	64.1	73.3	64.1	73.3	64.1	73.3	64.1	73.3	64.1	Net	-	-	-	-	-	-	-	-	-	-	Company Share	-	-	-	-	-	-	-	-	-	-	Net	-	-	-	-	-	-	-	-	-	-																																																																																																																																																																																																																																																													
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Crude Oil (MMbbl) (Bcf)	-	9.82	9.14	9.02	9.20	9.38	9.57	9.76	9.96	10.16	10.36	10.57	10.78	11.00	11.22	11.44	11.67	11.90	12.14	12.38	12.63																																																																																																																																																																																																																																																																																																																				
Sale-Gas (MMbbl) (MMbbl) (MMbbl)	-	486.28	457.32	446.45	455.38	464.49	473.58	483.25	492.92	502.77	512.83	523.09	533.55	544.22	555.10	566.21	577.53	589.03	600.86	612.88	625.14																																																																																																																																																																																																																																																																																																																				
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Total BOE *	(MMboe)	12.2	10.7	12.2	10.7	12.2	10.7	12.2	10.7	12.2	10.7	12.2	10.7	12.2	10.7	12.2	10.7	12.2	10.7	12.2	10.7																																																																																																																																																																																																																																																																																																																				
<b>PRESENT VALUE - COMPANY SHARE (Million EUR€)</b> <table border="1"> <thead> <tr> <th>Year</th> <th>2025</th> <th>2026</th> <th>2027</th> <th>2028</th> <th>2029</th> <th>2030</th> <th>2031</th> <th>2032</th> <th>2033</th> <th>2034</th> <th>2035</th> <th>2036</th> <th>2037</th> <th>2038</th> <th>2039</th> <th>2040</th> <th>2041</th> <th>2042</th> <th>2043</th> <th>2044</th> <th>2045+</th> </tr> </thead> <tbody> <tr> <td>Discount Rate:</td> <td>0%</td> <td>5%</td> <td>10%</td> <td>15%</td> <td>20%</td> <td></td> </tr> <tr> <td>Gross Revenue</td> <td>587.4</td> <td>319.4</td> <td>192.5</td> <td>125.8</td> <td>87.4</td> <td></td> </tr> <tr> <td>Net Revenue</td> <td>513.4</td> <td>277.9</td> <td>167.0</td> <td>108.9</td> <td>75.6</td> <td></td> </tr> <tr> <td>Operating Costs</td> <td>154.4</td> <td>77.1</td> <td>43.6</td> <td>27.4</td> <td>18.5</td> <td></td> </tr> <tr> <td>Capital Costs</td> <td>68.6</td> <td>53.7</td> <td>42.9</td> <td>35.0</td> <td>29.1</td> <td></td> </tr> <tr> <td>Cash Flow Before Tax</td> <td>277.3</td> <td>137.6</td> <td>72.3</td> <td>39.1</td> <td>21.0</td> <td></td> </tr> <tr> <td>Tax</td> <td>52.8</td> <td>22.9</td> <td>10.6</td> <td>5.2</td> <td>2.7</td> <td></td> </tr> <tr> <td>Cash Flow After Tax</td> <td>244.7</td> <td>114.7</td> <td>61.7</td> <td>33.9</td> <td>18.4</td> <td></td> </tr> <tr> <td>Contingent Consideration</td> <td>16.0</td> <td>10.2</td> <td>6.8</td> <td>4.7</td> <td>3.3</td> <td></td> </tr> <tr> <td>Cash Flow After Consideration</td> <td>208.5</td> <td>104.5</td> <td>54.9</td> <td>29.2</td> <td>15.0</td> <td></td> </tr> </tbody> </table>																						Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045+	Discount Rate:	0%	5%	10%	15%	20%																	Gross Revenue	587.4	319.4	192.5	125.8	87.4																	Net Revenue	513.4	277.9	167.0	108.9	75.6																	Operating Costs	154.4	77.1	43.6	27.4	18.5																	Capital Costs	68.6	53.7	42.9	35.0	29.1																	Cash Flow Before Tax	277.3	137.6	72.3	39.1	21.0																	Tax	52.8	22.9	10.6	5.2	2.7																	Cash Flow After Tax	244.7	114.7	61.7	33.9	18.4																	Contingent Consideration	16.0	10.2	6.8	4.7	3.3																	Cash Flow After Consideration	208.5	104.5	54.9	29.2	15.0																																																																																		
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Operator: LN Energy Limited			Price Forecast Case: Modified PSV Pricing Forecast																																																																																																																																																																	
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## References

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## PART IV

### MINING IN ITALY – REGULATORY FRAMEWORK

#### **1. General principles – Public bodies in charge**

The Italian regime of hydrocarbon exploration and exploitation (both onshore and offshore) is based on the principle that mining resources are owned by the State. The government does not exploit such resources directly; it awards private operators special permits for this task, after having verified their technical and economic capabilities. After granting a permit, general surveillance activity is carried out by the government consisting of constant checks to ensure good management of the field, safety of workers and third parties, and compliance with all the relevant legislation with reference to prospecting, exploration and production.

The Ministry is responsible for regulating the exploration and exploitation of hydrocarbons and for granting the relevant permits to carry out exploratory and production activity.

A consulting technical committee, the National Mining Office for Hydrocarbons and Geothermal Resources (*Ufficio Nazionale Minerario Idrocarburi e Geotermia* – “**UNMIG**”) is responsible for granting licenses and checking activities during the exploration and exploitation of hydrocarbons.

Italian Regions and Municipalities are also involved in the environmental impact assessment and in the decommissioning phases (see par. 2.6 and par. 2.8).

#### **2 Type of Licenses**

There are two main types of licences that the MASE awards and that permit hydrocarbon exploration or production activities:

- (a) exploration permits, which grant the permit-holder the exclusive right to perform exploration activities for the purposes of detecting and locating hydrocarbon fields, such as geological, geochemical, and geophysical surveys, carried out by any method or means, including mechanical drilling (“**Exploration Permits**”); and
- (b) production concessions, which grant the concession-holder the exclusive right to undertake activities to develop and produce a hydrocarbon deposit (“**Production Concessions**” and, jointly with Exploration Permits, the “**Licenses**”).

In order to obtain an Exploration Permit, an application has to be filed with the MASE.

The application is then published in the “Official Journal of Hydrocarbons and Geo-resources” (*Bollettino Ufficiale degli Idrocarburi e delle Georisorse* – “**BUIG**”, in which the provisions and requests concerning activities related to mining titles are published monthly) and must be notified to the EU Commission for publication in the Official Journal of the European Union. If another application is filed for the same area by a competitor within three months, it shall be considered a “contender application” and the Ministry shall decide principally on the basis of the completeness and rationality of the proposed exploration programme.

An Exploration Permit is valid for six years (subject to two renewals of three years each and, under specific circumstances, one renewal of one year). During its term, the assignee is obliged to begin the planned exploration activity and to perform it according to the schedule proposed when it lodged the application. If hydrocarbons are found, the MASE must be notified immediately.

A Production Concession may be granted to a holder of an Exploration Permit who has found liquid or gaseous hydrocarbons if the productive capacity of the wells and other geo-mining data suggest the development of the prospect will be economically and technically viable.

Production Concessions last twenty years (subject to one renewal of ten years and further renewals of five years each), subject to the completion of the planned works and any relevant prescriptions.

The assignee of a License has to remain constantly in contact with the UNMIG, in order to communicate various kinds of information and to comply with the regulations.

Licenses terminate by expiry of the relevant term of effectiveness, relinquishment and depletion. They may also be revoked by the Ministry in the cases provided by the law (such as non-performance of the projected works in the case of Exploration Permits, or unjustified interruption of the production in the case of Production Concessions).

In case of joint ownership of a License, the partners must appoint a sole representative. The sole representative is the only one authorised to liaise with the Ministry and other relevant public bodies.

It is customary (albeit not strictly necessary) for the partners to enter into a joint operating agreement (“**JOA**”) setting out the terms and conditions of the management of the License, the appointment of the operator (usually, the sole representative) and its tasks, the bodies that adopt and implement all relevant decisions (e.g., operating committees and technical committees), the transfer of participating interests in and the relinquishment of the License. In Italy JOAs generally have a standard structure based on a format provided by the Italian Mining Association. Such format is not binding and partners are free to amend it or to adopt alternative contractual means including joint venture agreements governed by laws other than Italian law. In the absence of a JOA, relations between the partners are governed by the general rules of the Italian Civil Code on joint ownership (comunione).

When a License is granted, the licensees have the right to expropriate the areas concerned and the landowner(s) cannot oppose the performance of the planned exploration or development.

The holder of a License has to compensate the landowner for any damage or loss the latter has suffered because of the exploration or development. The landlord has the right to request a deposit (i.e., an amount of money to be refunded to the holder of the exploration permit after the work is completed if the landlord has suffered no loss). The amount of the deposit has to be agreed upon by the holder of the exploration permit and the landlord.

When a Licence is granted, the licensee has the right to operate on the land falling within the perimeter of the Licence. In order to prevent any losses to the landowners (in addition to a landowner's right to ask for a deposit as explained above), the licensee has to either enter into a lease agreement or agree upon a lump sum payment for the whole duration of the License.

### **3 General requirements – Technical, economic and organizational capability**

As stated above, Licences may be granted only to entities with adequate technical capabilities and financial resources.

As far as the technical requirements are concerned, among other things the applicant must:

- (a) indicate the people who will be responsible for each “department” as well as the number of employees, consultants, and contractors available;
- (b) describe the internal decision-making process;
- (c) provide details as to its technical skills with specific reference to geology and geophysics, oilfield management, production technology, health and safety, environment, innovation, and training; and
- (d) provide details with reference to health, safety, environment, and risk management.

With regards to the financial requirements, the applicant needs to prove that it has a net worth of no less than Euro 300,000 and to provide, among other things:

- (a) a copy of its financial statements of the last three years accompanied by the consolidated financial statement (if any);
- (b) a copy of the last financial statement (or a pro-forma balance sheet) of its parent company (or of the company belonging to the same group as the applicant) that provides financial support to the applicant (if any);
- (c) a prospectus, deriving from an analysis of the financial statements of the applicant and of its parent company and/or affiliated company provides financial support, showing that, over the last three years:

- (1) the net worth of the applicant was greater than or equal to Euro 300,000; if the net worth fell below Euro 300,000, evidence must be provided of the passing of a shareholders' resolution establishing that the net worth be promptly increased accordingly;
- (2) the ratio between the short-term working capital and the short-term debt of the applicant is greater than one; if such ratio fell below one in the three-year period, the applicant must prove that the financial requirements are covered by adequate short-term financing agreements with a parent company and/or affiliated company or with banks; and
- (3) the ratio between the net debt and net worth of the applicant fell below seventy-five percent; if such ratio is greater than seventy-five percent, the applicant must prove its ability to settle the debt through a repayment plan with cash flows or a financing agreement without maturity date with the parent company and/or an affiliated company.

Should any one of the items under points 1), 2) and 3) above not meet the requirements, the requested documentation must be accompanied by a report justifying the reasons for failure to meet the same. If the applicant resorts to financing agreements under point 2) or 3) or if, in order to meet other requirements, it avails itself of a guarantee, rendered in any manner, by an affiliated company or by the parent company, the requirements under points 1), 2) and 3) above will also apply to said affiliated company or parent company.

The documentation proving technical and economic capabilities, as well as the documentation relating to the fulfilment of general requirements, must be updated in the event of significant changes to the data provided and, in any case, at least every two years. Failure to submit the update will result in revocation of the License. In the case of joint ownership of a License, the documentation relating to the general requirements, technical and economic capacity, health, safety, the environment, and risk management must be submitted by each owner.

#### 4 Guarantees

Exploration and production activities require the applicant to prove that a sufficient economic guarantee is in place in order to cover the risk of an accident. Such guarantee has to be proportioned to the worst accident that could occur in the various scenarios envisaged in the risk analysis related to the project for which authorization is requested.

In order to determine the amount of the guarantee, the applicant has to perform a risk assessment and study, taking into account all the risks reasonably related to the activities for which the authorization is requested which affect people, properties, environment, and to indicate possible mitigating actions. Based on the above assessment the applicant has to analyse the costs related to the worst-case accident envisaged in the risk assessment.

The risk assessment and related cost analysis are then filed with the MASE, together with evidence of the existence of a sufficient guarantee to cover potential accident-related costs.

With reference to drilling activities, the amounts of the guarantees may not be lower than the thresholds indicated in the table below.

	Total onshore guarantee (Euro)	Total offshore	
		“shallow” (jack-up) guarantee (Euro)	“deep” (floater) guarantee (Euro)
Gas and condensates in scaly clay	50,000	/	/
Gas and condensates	50,000,000	150,000,000	200,000,000
Oil with a capacity of up to 1,000 barrels/day	100,000,000	250,000,000	250,000,000
Oil with a capacity of up to 5,000 barrels/day	200,000,000	300,000,000	300,000,000
Oil with a capacity exceeding 5,000 barrels/ day and/or under high pressure/temperature conditions	300,000,000	500,000,000	500,000,000

The guarantee may be provided by way of insurance policy or insurance guarantee, or any other forms of guarantee accepted by the MASE.

In case of jointly held Licenses, it is possible for the sole representative to prove the existence of the guarantee, without prejudice to the joint liability of all the co-holders for the obligations associated with the License.

When applying for a Licence, specific guarantees must be provided by the applicant in order to cover, among other things, the estimated decommission expenses (see par. 2.8 below), unless the net worth of the applicant exceeds 10 million Euro, or formal guarantees are provided by the parent/same group companies with a net worth of over 10 million Euro.

## 5 Environmental Impact Assessment

The environmental impact assessment (“**EIA**”) is required in case a proposed project may have an impact on the environment. The EIA procedure falls within the jurisdiction of the Ministry. The purpose of the EIA procedure is to determine whether a project will have a substantial impact on the environment and to prescribe measures to minimise the impact. The EIA application is reviewed by a Technical Committee, which is comprised of 50 experts in environmental matters (the “**Technical Committee**”).

Another commission (the “**PNRR-PNIEC Technical Commission**”) carries out EIA procedures for projects included in the National Recovery and Resilience Plan (*Piano nazionale di ripresa e resilienza* – PNRR), as well as financed by the complementary fund, and projects implementing the Integrated National Energy and Climate Plan (*Piano nazionale integrato per l'energia e il clima* – PNIEC). The PNRR-PNIEC Technical Commission is comprised of 40 experts in environmental matters.

The Technical Committee advises and supports the MASE through the EIA procedure. Whilst the EIA enquiry is conducted by the relevant Directorate General, the Technical Committee is entrusted with the task of checking the results of such enquiry. The Technical Committee provides its opinion, which is either positive or negative, to the Director General of the MASE. The opinion of the Technical Committee is binding upon the MASE.

In addition, approval must also be obtained from the Ministry of Culture (*Ministero della Cultura* – “**MiC**”).

In order for the EIA procedure to be completed, the law provides a term of 150 days, which may be extended by another 60 days in case of particularly complex matters. Within such term, a final decision shall have to be taken (which may be negative or positive and, in case of the latter, with or without prescriptions).

The positive outcome of the EIA is an integral part of the licencing process, and a necessary condition for its completion. Therefore, pending the former, the latter is temporarily suspended. Should the outcome of the EIA procedure be negative, the relevant License will be denied.

## 6 Fees and royalties

A rental fee is due to the State for both Exploration Permits and Production Concessions.

Exploration Permit	Rent	Production Concession	Rent
1st Period	6 Years (Euro 185.25/km <sup>2</sup> )	1st Period	20 Years (Euro 1,481.25/km <sup>2</sup> )
1st Extension	3 Years (Euro 370.25/km <sup>2</sup> )	Extension	10 Years (Euro 2,221.75/km <sup>2</sup> )
2nd Extension	3 Years (Euro 740.50/km <sup>2</sup> )	/	/

Along with the rental fee, a royalty is due to the State on a yearly basis for Production Concessions. The relevant amount varies depending on whether the Production Concession is onshore or offshore and is calculated on the basis of the average selling price of production, within the relevant period.

An annual gas production of less than or equal to 10 million MSm<sup>3</sup> onshore and 30 million MSm<sup>3</sup> offshore is exempt from royalty payments. Conversely, any Production Concession with gas production volumes exceeding 10 million MSm<sup>3</sup> onshore and 30 million MSm<sup>3</sup> offshore is subject to royalties on the entire annual gas production in accordance with the table below. All Production Concessions with crude oil production are subject to royalties on the entire annual oil production according to the table below.

<i>Royalty</i>	<i>Onshore</i>	<i>Offshore</i>
Crude oil, Condensate	7 per cent. + 3 per cent. additional rate as a contribution to the Hydrocarbon Fund	4 per cent. + 3 per cent. additional rate for the environment and safety
Natural Gas	7 per cent. + 3 per cent. additional rate as a contribution to the Hydrocarbon Fund	7 per cent. + 3 per cent. additional rate for the environment and safety
<i>Royalty Allowance</i>	<i>Onshore</i>	<i>Offshore</i>
Liquid Hydrocarbons	up to 20.000 metric tons	up to 50.000 metric tons
Natural Gas	up to 25 MSm <sup>3</sup>	up to 80 MSm <sup>3</sup>

55 per cent. of the royalties paid to the State for onshore production and for offshore production in territorial waters are transferred to the relevant regional government. 15 per cent. of the royalties on onshore production are transferred to concerned Municipalities.

## 7 Decommissioning

Upon termination of a Licence for any reason, the License holder is bound to ensure decommissioning of disused installations (including drilled wells, pipelines, etc.), to recover the related areas and to remove any associated equipment within two years. A detailed decommissioning programme of the actual measures to be taken and the relevant work to be performed must be prepared by the licensee.

The License holder must request authorisation from the competent UNMIG Section and, where necessary, take the necessary measures for the environmental characterisation and possible restoration of the site for its subsequent release without restrictions arising from previous drilling activities.

The restoration programme for the area affected by previous mining activities is authorised by the UNMIG Section after agreement with the Region where the area is located.

Once the aforementioned authorisation has been obtained, the holder carries out the work and draws up a technical report on the closure of the well, indicating the operations carried out, and sends it to the UNMIG Section and the Region.

At the end of the work, UNMIG verifies that all wells covered by the License have been closed and that the areas around the wells and the collection and treatment areas are free of surface installations.

## 8 Prior authorisation to transfer

Transfer of a License (or of a participating interest therein) is subject to prior authorisation by the MASE, following technical advice from the UNMIG, for the assessment of the general requirements and the adequacy of the technical, economic, and organisational capacity of the transferee. The transfer of shared Licenses held by one or more joint holders must also be authorised, after consultation with the other joint holders.

The abovementioned criteria (see par. 2.3) for assessing the general requirements and technical, economic, and organisational capability of any applicant of Licenses apply. In particular, in case of applications for the transfer of Licenses, the new holder must (i) submit an insurance policy or bank guarantees for existing facilities and authorised works covering the costs of environmental restoration and (ii) demonstrate the existence of all financial guarantees to cover the costs of any accident commensurate with those resulting from the most serious accident in the various scenarios considered during the risk assessment and analysis phase (see above).

Corporate transactions involving the spin-off, transfer of company shares or changes in the upstream corporate control chain, through which a de facto change in the beneficial owner is determined, are subject to the same prior authorisation.

Failure to obtain the authorisation before implementing the relevant transaction may result in revocation of the License.

Under the given circumstances, transactions amounting to foreign direct investments and/or involving Italian strategic assets (including energy infrastructures) must also be notified in advance to the Italian Presidency of the Council of Ministers (the “**PCM**”) which has the power to limit or stop the same. In our experience, in proceedings aimed at obtaining prior authorisation for the transfer of Licenses and/or a change of control of companies holding Licenses the MASE requires the applicant to demonstrate that it has duly notified the transaction to the PCM.

## PART V

### HISTORICAL FINANCIAL INFORMATION ON THE COMPANY

In accordance with Rule 28 of the AIM Rules for Companies, this document does not contain historical financial information on the Company which would otherwise be required by [Regulation 23] of POATR and the PRM.

The following documents are instead incorporated by reference into this document:

- the unaudited consolidated financial statements of Advance set out in the interim results of the Company for the six months ended 30 June 2025 (the **“2025 Interim Results”**)
- the consolidated financial statements of Beacon set out in the annual report and accounts of the Company for the financial year ended 31 December 2024, together with the audit report thereon (the **“2024 Annual Report”**);
- the consolidated financial statements of Beacon set out in the annual report and accounts of the Company for the financial year ended 31 December 2023, together with the audit report thereon (the **“2023 Annual Report”**); and
- the consolidated financial statements of Advance set out in the annual report and accounts of the Company for the financial year ended 31 December 2022, together with the audit report thereon (the **“2022 Annual Report”**).

Lubbock Fine LLP, of 65 St Paul’s Churchyard, London, EC4M 8AB United Kingdom, has issued an unqualified audit opinion on the consolidated financial statements of Beacon for each of the years ended 31 December 2024, 2023 and 2022.

The 2025 Interim Results, 2024 Annual Report, the 2023 Annual Report and the 2022 Annual Report are available at: [www.beaconenergyplc.com](http://www.beaconenergyplc.com) and contain information which is relevant to this document.

## PART VI

### HISTORICAL FINANCIAL INFORMATION ON LNENERGY

#### SECTION A: HISTORICAL INFORMATION ON LNENERGY LIMITED (INTERIM RESULTS TO 30 JUNE 2025)

##### LNEnergy Limited Interim Results to 30th of June 2025

###### Statement of Comprehensive Income For the Period ended 30 June 2025

	Notes	For the period ended June 2025	For the year ended Dec 2024	For the period ended June 2024
		\$	\$	\$
Cost of sales		<b>(182,434)</b>	(1,742,083)	(825,576)
<b>Gross loss</b>		<b>(182,434)</b>	(1,742,083)	(825,576)
Administrative expenses		<b>(237,360)</b>	(500,608)	(686,193)
<b>Operating loss</b>	5	<b>(419,794)</b>	(2,242,691)	(1,511,769)
Investment amounts written down		<b>-</b>	(291,159)	-
<b>Loss before tax</b>		<b>(419,794)</b>	(2,533,850)	(1,511,769)
Tax on loss		<b>(2,615)</b>	-	-
<b>Total comprehensive loss for the period</b>		<b>(422,409)</b>	<b>(2,533,850)</b>	<b>(1,511,769)</b>
<b>Loss per share</b>			\$	\$
Basic	6	<b>(254)</b>	(1,975)	(1,299)

The accompanying notes form an integral part of the interim Historical Financial Information (HFI).

**Statement of Financial Position**  
**As at 30 June 2025**

Notes		<b>30 June 2025</b>	<b>31 December 2024</b>	<b>30 June 2024</b>	
		\$	\$	\$	
<b>Assets</b>					
<b>Non-current assets</b>					
Intangible assets		<b>20,495</b>	—	—	
Property, plant & equipment		<b>536</b>	725	1,087	
Exploration expenditure	7	<b>12,767,054</b>	—	—	
Investments	8	—	500,000	500,000	
		<b>12,788,085</b>	500,725	501,087	
<b>Current assets</b>					
Trade and other receivables	9	<b>14,905</b>	1,076	1,101	
Cash and cash equivalents		<b>6,213</b>	107,269	230,774	
		<b>21,118</b>	108,345	231,875	
<b>Total assets</b>		<b>12,809,203</b>	609,070	732,962	
<b>Current liabilities</b>					
Trade and other payables	10	<b>(11,623,135)</b>	(823,478)	(1,353,369)	
		<b>(11,623,135)</b>	(823,478)	(1,353,369)	
<b>Net current liabilities</b>		<b>(11,602,017)</b>	(715,133)	(1,121,494)	
Provisions	11	<b>(1,156,039)</b>	—	—	
<b>Net assets/(liabilities)</b>		<b>30,029</b>	(214,408)	(620,407)	
<b>Equity</b>					
Called up share capital	13	<b>2,121</b>	1,622	1,553	
Share premium account	14	<b>6,468,574</b>	5,802,227	4,374,216	
Profit and loss reserves		<b>(6,440,666)</b>	(6,018,257)	(4,996,176)	
<b>Total equity</b>		<b>30,029</b>	(214,408)	(620,407)	

The accompanying notes form an integral part of the HFI.

**Statement of Changes in Equity**  
**For the Period ended 30 June 2025**

	Notes	Called up share capital \$	Share premium account \$	Retained earnings \$	Total equity \$
<b>At 1 January 2024</b>	13, 14	1,553	4,374,216	(3,484,407)	891,362
Loss and total comprehensive expense for the period		—	—	(1,511,769)	(1,511,769)
<b>At 30 June 2024</b>		1,553	4,374,216	(4,996,176)	(620,407)
<b>At 1 July 2024</b>	13, 14	1,553	4,374,216	(4,996,176)	(620,407)
Loss and total comprehensive expense for the period		—	—	(1,022,081)	(1,022,081)
Share issue		69	1,428,011	—	1,428,080
<b>At 31 December 2024</b>		1,622	5,802,227	(6,018,257)	(214,408)
<b>At 1 January 2025</b>	13, 14	<b>1,622</b>	<b>5,802,227</b>	<b>(6,018,257)</b>	<b>(214,408)</b>
<b>Loss and total comprehensive expense for the period</b>		—	—	(422,409)	(422,409)
Share issue		499	666,347	—	666,846
<b>At 30 June 2025</b>	13, 14	<b>2,121</b>	<b>6,468,574</b>	<b>(6,440,666)</b>	<b>30,029</b>

The accompanying notes form an integral part of the HFI.

**Statement of Cash Flows**  
**For the Period ended 30 June 2025**

	<b>Period ended</b>	<b>Year ended</b>	<b>Period ended</b>
	<b>30 June</b>	<b>31 December</b>	<b>30 June</b>
	<b>2025</b>	<b>2024</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Loss for the year	<b>(422,409)</b>	(2,533,850)	(1,511,769)
<i>Adjustments for:</i>			
Depreciation	<b>189</b>	—	362
Impairment on Reabold investment	<b>—</b>	291,159	291,159
Acquisition of subsidiaries			
(Increase)/decrease in trade and other receivables	<b>(13,829)</b>	25	—
(Decrease)/increase in trade and other payables	<b>(231,853)</b>	158,210	688,101
<b>Net cash used in operating activities</b>	<b>(667,902)</b>	(2,084,094)	(532,509)
<b>Cash flows from investing activities</b>			
Sale of Reabold investment	<b>—</b>	373,965	373,965
Cash acquired on acquisition	<b>—</b>	—	—
Acquisition of subsidiaries	<b>(100,000)</b>	—	—
<b>Net cash (used in)/generated from investing activities</b>	<b>(100,000)</b>	373,965	373,965
<b>Cash flows from financing activities</b>			
Proceeds from new issue of share capital	<b>499</b>	69	—
Proceeds from new issue of share premium	<b>666,346</b>	1,428,011	—
<b>Net cash generated from financing activities</b>	<b>666,845</b>	1,428,080	—
Net decease in cash and cash equivalents	<b>(101,057)</b>	(282,049)	(158,544)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>107,269</b>	389,318	389,318
Effects of exchange rate changes on cash and cash equivalents	<b>—</b>	—	—
<b>Cash and cash equivalents at the end of the period</b>	<b>6,213</b>	107,269	230,773

The accompanying notes form an integral part of the HFI.

## **Notes to the Historical financial information For the Period ended 30 June 2025**

### **1 General information**

LNEnergy Limited is a Company incorporated and domiciled in the United Kingdom and is registered in England having its registered office at Third Floor, 20 Old Bailey, London, EC4M 7AN. LNEnergy Italy Srl (LNEnergy Italy) is a Company incorporated and domiciled in Italy and has its registered office at Via Giovanni Dominici 6 – 00165, Rome. LNEnergy (Ireland) Limited is a Company incorporated and domiciled in Ireland and has its registered office at Ground Floor, 71 Lower Baggot Street, Dublin, D02 P593, Ireland.

The principal activity of LNEnergy Ltd is an investment vehicle for the extraction and manufacture of natural gas in Italy, LNEnergy Italy is to develop the Colle Santo gas field in Italy. The principal activity of LNEnergy Ireland is that of a holding Company.

### ***Financial reporting period***

The interim historical financial information covers the three following periods: 6 months to 30 June 2024, year ended 31 December 2024 and 6 months to 30 June 2025.

### **2 Significant accounting policies**

The principal accounting policies applied in the preparation of Historical Financial Information (HFI) are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

### ***Basis of preparation and consolidation***

This interim consolidated historical financial information has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”. These interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual historical financial information for the year ended 31 December 2024, which were prepared in accordance with UK-adopted International Accounting Standards (IFRSs). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of changes in the Company’s financial position and performance since the last annual financial statements.

The consolidated HFI has been prepared on the historical cost convention. The HFI is prepared in US Dollars (\$), which is the functional currency of the Group. Monetary amounts in the HFI are rounded to the nearest \$.

The preparation of the HFI in conformity with International Accounting Standards (“IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the HFI are disclosed in note 3.

### ***Going concern***

At the time of approving the HFI, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future with the support of its investors. Thus the directors continue to adopt the going concern basis of accounting in preparing the HFI.

### ***Inventory***

Raw materials, auxiliary materials, and finished goods are recognized at the lower of purchase or manufacturing cost and their estimated realizable value based on market trends, using the first in first out method.

### ***Intangible fixed assets***

Intangible assets are recorded at purchase or production cost, including related incidental charges. LNEnergy Italy Srl has an insignificant value of set up costs which were capitalised as intangible assets under Italian GAAP.

### **Property, plant and equipment**

Property, plant and equipment are initially recognised at historical cost.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is de-recognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

Subsequently, property plant and equipment are measured at cost or valuation.

### **Exploration expenditure**

Costs incurred prior to acquiring the right to explore an area of interest are expensed as incurred. Exploration and evaluation assets are intangible assets.

Exploration and evaluation assets represent the costs incurred on the exploration and evaluation of potential hydrocarbon resources, and include costs such as seismic acquisition and processing, exploratory drilling, activities in relation to the evaluation of technical feasibility and commercial viability of extracting hydrocarbons, and general administrative costs directly relating to the support of exploration and evaluation activities.

The Group assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. The recoverable amount is the higher of the assets fair value less costs to sell and value in use. Assets are allocated to cash generating units not larger than operating segments for impairment testing. Purchased exploration and evaluation assets are recognised as assets at their cost of acquisition or at fair value if purchased as part of a business combination. They are subsequently stated at cost less accumulated impairment. Exploration and evaluation assets are not amortised.

### **Impairment of non-financial assets**

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. Value in use is based on estimated future cash flows from each cash-generating unit or individual asset, discounted at a suitable rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures is directly linked to the Group's latest approved budgets, adjusted as necessary to exclude any restructuring to which the Group's is not yet committed. Discount rates are determined individually for each cash-generating unit or individual asset and reflect their respective risk profiles as assessed by the directors.

Impairment losses for cash-generating units are charged pro rata to the assets in the cash-generating unit. Cash generating units and individual assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. Impairment charges are included in administrative expenses in the Statement of Comprehensive Income. An impairment charge that has been recognised is reversed if the recoverable amount of the cash-generating unit or individual asset exceeds the carrying amount.

### **Current tax and deferred tax**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### ***Financial instruments***

#### *Financial assets*

##### Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured at amortised costs; and
- Those to be measured subsequently at fair value (either through Other Comprehensive Income or through profit and loss).

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The Group reclassifies its financial assets when and only when its business model for managing those assets changes.

##### Recognition and measurement

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement of financial assets depends on the Group's business model for managing those financial assets and the cash flow characteristics of those financial assets. The Group has financial assets classified at fair value through profit or loss and amortised cost.

Financial investments are measured at fair value at each reporting date. Fair value represents the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Cash and cash equivalents represent monies held in bank current accounts and bank deposits. These assets are those held for contractual collection of cash flows, where those cash flows represent solely payments of principal and interest and are held at amortised cost. Any gains or losses arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line in the profit and loss account.

The Group has assessed the expected credit losses on financial assets and determined that the amounts are immaterial. Therefore, no loss allowance has been recognised in the HFI.

### ***Financial liabilities***

Financial liabilities comprise Trade and other payables and borrowings due within one year and after one year, which are recognised initially at fair value and subsequently carried at amortised cost using the effective interest method. The Group does not use derivative financial instruments or hedge account for any transactions. Trade payables represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities.

### ***Foreign currency translation***

The Group's functional currency is US Dollars. Transactions in foreign currencies are translated at the exchange rate ruling at the date of transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the reporting date. Exchange differences arising on the settlement or on translating monetary items at rates different from those at which they were initially recorded are recognised in administrative expenses in the Statement of Comprehensive Income in the year in which they arise.

## **Equity**

*Called up share capital*

Share capital represents the nominal value of equity shares.

*Accumulated losses*

Accumulated losses represent retained profits and losses.

## **Adoption of new and revised standards and changes in accounting policies**

No new International Reporting Standards (IFRS) were adopted by the Group for the year ending 31 December 2024. Several amendments to existing IFRS were applied for the first time in 2024 but did not have a material impact on the HFI of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. There are no IFRS standards or amendments that have been issued but not yet adopted that are expected to have a material impact on the Group.

## **3 Critical accounting estimates and assumptions**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting periods that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

### **Provisions**

A provision for risks and charges is booked to cover estimated costs, losses, or liabilities, the existence of which is certain or probable, but whose amount or due date was not determinable at the end of the reporting periods. The provision reflects the most accurate estimate possible based on the available information.

## **4 Remuneration of directors and key senior management**

### **Directors**

	<b>Period ended</b> <b>30 June</b>	<b>Year ended</b> <b>31 December</b>	<b>Period ended</b> <b>30 June</b>
	<b>2025</b>	<b>2024</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Emoluments	<b>97,500</b>	377,919	193,500

## **5 Operating Loss**

Operating loss is stated after charging:

	<b>Period ended</b> <b>30 June</b>	<b>Year ended</b> <b>31 December</b>	<b>Period ended</b> <b>30 June</b>
	<b>2025</b>	<b>2024</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
FX gains/losses	<b>125,621</b>	26,038	13,019
Depreciation of computers and equipment	<b>190</b>	362	-

## 6 Loss per share

	<i>Period ended</i>	<i>Year ended</i>	<i>Period ended</i>
	<b>30 June 2025</b>	<b>31 December 2024</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Loss for the financial period	<b>(422,409)</b>	<b>(2,533,850)</b>	<b>(1,511,769)</b>
<i>Loss per share</i>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Basic	<b>(255)</b>	<b>(1,975)</b>	<b>(1,299)</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>
Issued ordinary shares at the end of the period	<b>1,657</b>	1,283	1,230
Weighted average number of shares in issue during the period	<b>1,380</b>	1,242	1,230

Basic earnings per share is calculated by dividing the basic earnings for the period by the weighted average number of shares in issue during the period. Diluted earnings per share is calculated by dividing the basic earnings for the period by the diluted weighted average number of shares in issue. As the Group is loss making for current and prior period, diluted earnings per share is not presented.

## 7 Exploration expenditure

	<i>Monte Pall wells</i>	<i>Total</i>
	<b>\$</b>	<b>\$</b>
<b>Cost</b>		
At 1 January 2024	—	—
Additions	—	—
At 30 June 2024	—	—
Additions	—	—
At 31 December 2024	—	—
Additions on acquisition at fair value	12,767,054	12,767,054
<b>At 30 June 2025</b>	<b>12,767,054</b>	<b>12,767,054</b>
<b>Accumulated depreciation</b>		
At 1 January 2024	—	—
Charge in the period	—	—
At 30 June 2025	—	—
<b>Carrying amount</b>		
At 30 June 2024	—	—
At 31 December 2024	—	—
<b>At 30 June 2025</b>	<b>12,767,054</b>	<b>12,767,054</b>

## 8 Investments

	As at 30 June 2025	As at 31 December 2024	As at 30 June 2024
	\$	\$	\$
Investment in Option Agreement	—	500,000	500,000
	<hr/>	<hr/>	<hr/>
	—	500,000	500,000
	<hr/>	<hr/>	<hr/>

The Investment option related to an option for LNEnergy Ltd to acquire 100 per cent. equity in Avanti Eurogas Ltd (LNEnergy Ireland) and CMI Energia S.r.l (LNEnergy Italy).

LNEnergy Italy has a 90 per cent. interest in the Colle Santo gas field in Abruzzo, Italy. Colle Santo is the largest onshore proven undeveloped gas field in mainland Western Europe with 65Bcf of gross 2P reserves (RPS estimate, September 2022).

As of 25 March 2025, LNEnergy Limited acquired 100 per cent. of the shares of LNEnergy Ireland and LNEnergy Italy, with further initial consideration of \$100,000 and deferred consideration of \$10,900,000.

## 9 Trade and other receivables

	As at 30 June 2025	As at 31 December 2024	As at 30 June 2024
	\$	\$	\$
Other receivables	<b>2,248</b>	1,076	1,101
Receivables due within one year	<b>10,049</b>	—	—
Accrued Income & Prepayments	<b>2,608</b>	—	—
	<hr/>	<hr/>	<hr/>
	<b>14,905</b>	1,076	1,101
	<hr/>	<hr/>	<hr/>

Other receivables are current and relate to unpaid share capital.

## 10 Trade and other payables

	As at 30 June 2025	As at 31 December 2024	As at 30 June 2024
	\$	\$	\$
Trade Payables	<b>608,091</b>	142,523	188,940
Deferred Consideration	<b>10,900,000</b>	—	—
Accruals	<b>13,620</b>	343,575	44,529
Related party payable to Director	<b>46,500</b>	24,500	5,500
Loan to other related party	—	—	500,000
Convertible loan note	<b>54,924</b>	312,880	614,400
	<hr/>	<hr/>	<hr/>
	<b>11,623,135</b>	823,478	1,353,369
	<hr/>	<hr/>	<hr/>

The fair value of trade and other payables approximates to their carrying value. The related party and loan payable are current, have no interest payable and are repayable on demand.

Deferred consideration represents amounts payable to Avanti Eurogas LLC in respect of the acquisition of 100 per cent. of the equity in the Irish company, LNEnergy (Ireland) Limited, which subsequently owns 100 per cent. of the equity in the Italian company, LNEnergy Srl.

## 11 Provisions

	As at 30 June 2025	As at 31 December 2024	As at 30 June 2024
	\$	\$	\$
Provisions	<b>1,156,039</b>	—	—

The provision relates to a maintenance and restoration expense fund and includes expenses to be incurred for the decommissioning of the Monte Pallano 1 and Monte Pallano 2 gas wells. The estimate of these costs was discounted to present value, taking into account the future usefulness of each well until its depletion.

## 12 Financial instruments

The Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies, and processes for managing those risks and methods used to measure them. There have been no substantive changes in the Group's exposure to financial instrument risks and the methods used to measure them from previous years unless otherwise stated in this note.

The Group characterises inputs used in determining fair value using a hierarchy that prioritises inputs depending on the degree to which they are observable. However, these fair value estimates may not necessarily be indicative of the amounts that could be realised or settled in a current market transaction. The three levels of the fair value hierarchy are as follows:

- Level 1 – inputs represent quoted prices in active markets for identical assets or liabilities (for example, exchange-traded commodity derivatives). Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly, as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, market interest rates and volatility factors, which can be observed or corroborated in the marketplace.
- Level 3 – inputs that are less observable, unavailable or where the observable data does not support the majority of the instrument's fair value.

The principal financial instruments used by the Group, from which the financial instrument risk arises, are other receivables, cash and cash equivalents and trade and other payables. The fair values of all the Group's financial instruments are the same as their carrying values.

Financial instruments categories are as follows:

	As at 30 June 2025	As at 31 December 2024	As at 30 June 2024
	\$	\$	\$
<b>Financial assets at fair value through profit or loss</b>			
Total Investments	—	500,000	500,000
<b>Financial assets at amortised cost</b>			
Other Debtors	2,248	1,076	1,101
Receivables due within one year	10,049	—	—
Cash and cash equivalents	6,213	107,269	230,774
Accrued Income & Prepayments	2,608	—	—
<b>Total</b>	<b>21,118</b>	<b>108,345</b>	<b>231,875</b>

	<b>As at 30 June 2025</b>	<b>As at 31 December 2024</b>	<b>As at 30 June 2024</b>
	\$	\$	\$
<b>Financial liabilities at amortised cost</b>			
Trade payables	<b>608,091</b>	142,523	188,940
Deferred Consideration	<b>10,900,000</b>	–	–
Accruals	<b>13,620</b>	343,575	44,529
Related party payable to Director	<b>46,500</b>	24,500	5,500
Loan to other related party	–	–	500,000
Convertible loan note	<b>54,924</b>	–	614,400
Convertible note payable	–	312,880	–
Provisions	<b>1,156,039</b>	–	–
<b>Total</b>	<b><u>12,779,174</u></b>	<u>823,478</u>	<u>1,353,369</u>

### **Capital management**

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to provide working capital.

Consistent with others in the industry at this stage of development, the Group has relied on issuing new shares and investment from third parties.

### **General objectives, policies and processes – risk management**

The Group is exposed through its operations to the following financial instrument risks: credit risk; liquidity risk and foreign currency risk. The policy for managing these risks is set by the Directors. The overall objective is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. The policy for each of the above risks is described in more detail below.

#### **Credit risk**

The Group is currently in a pre-revenue stage and, as such, is not exposed to significant credit risk arising from trade receivables or customer default.

#### **Liquidity risk**

Liquidity risk arises from the Group's management of working capital, and is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

At each Board meeting, and at the reporting date, the cash flow projections are considered by the Board to confirm that the Group has sufficient funds and available funding facilities to meet its obligations as they fall due.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts presented are the undiscounted cash flows:

	Less than 6 months \$	6 to 12 months \$	Between 1 and 2 years \$	Between 2 and 5 years \$
<b>30 June 2025</b>				
Trade payables	<b>608,091</b>	—	—	—
Deferred Consideration	<b>10,900,000</b>	—	—	—
Accruals	<b>13,620</b>	—	—	—
Related party payable to Director	<b>46,500</b>	—	—	—
Convertible loan note	<b>54,924</b>	—	—	—
	<b>11,623,135</b>	—	—	—
<b>31 December 2024</b>				
Trade payables	142,523	—	—	—
Accruals	343,575	—	—	—
Convertible loan note	312,880	—	—	—
Related party payable to Director	—	24,500	—	—
	798,978	24,500	—	—
<b>30 June 2024</b>				
Trade payables	188,940	—	—	—
Accruals	44,529	—	—	—
Related party payable to Director	—	5,500	—	—
Loan to other related party	—	500,000	—	—
Convertible loan note	614,400	—	—	—
	<b>847,623</b>	<b>505,500</b>	—	—

### Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

### 13 Called up share capital

	As at 30 June 2025 \$	As at 31 December 2024 \$	As at 30 June 2024 \$
<b>Allotted and called up</b>			
– Ordinary shares	<b>2,121</b>	1,622	1,553
– Number of shares	<b>1,657</b>	1,283	1,230

No dividends were paid (2024: \$nil). The directors do not recommend payment of a dividend (2024: \$nil).

Out of the 1,657 shares issued by LNEnergy Limited, 850 shares remain unpaid during each period with a value of \$1,076. Out of 1,000 shares in issue by LNEnergy (Ireland) Limited, all remain unpaid with a value of \$1,172.

## 14 Share premium reserve

	As at 30 June 2025	As at 31 December 2024	As at 30 June 2024
	\$	\$	\$
Issue of shares	<b>6,468,574</b>	5,802,227	4,374,216

The share premium reserve represents amounts paid up on ordinary shares in excess of their nominal value in relation to LNEnergy Limited.

## 15 Business combinations

### *Acquisition*

On 25 March 2025, LNEnergy Limited acquired 100 per cent. of the voting equity instruments of LNEnergy (Ireland) Limited, formerly known as Avanti Eurogas Limited, which in turn owns 100 per cent. of Italian company, LNEnergy S.r.l, formerly known as CMI Energia S.r.l for consideration of \$11.0 million, in addition to the \$0.5 million previously paid for the option to purchase these shares in this company. \$10.9 million of the consideration is deferred, dependent on the Ministry of the Environment of Italy granting certain approvals, with \$10.5 million of this contingent on the Ministry granting a Concession Decree. In addition, once the Group commences producing oil or gas, the Group will pay 4 per cent. of the Net Profits Interest in respect of the revenues on this.

LNEnergy (Ireland) Limited is a holding company. LNEnergy S.r.l undertakes natural gas initiatives and has a Small Scale-LNG development plan in Colle Santo, Italy.

### *Exploration expenditure*

The capitalised exploration expenditure acquired represents capitalised exploration costs relating to the Colle Santo development. A fair value impairment adjustment was recognised to align the carrying amount of the net assets acquired with the consideration paid.

**Results since acquisition**

Since acquisition on 25 March 2025 and 30 June 2025, LNEnergy (Ireland) Limited has had no activity. LNEnergy S.r.l has reported a net loss of \$11,708.

	<i>Total</i>
	<i>Fair value</i>
	\$
<b>Non-current assets</b>	
Intangible assets	20,289
Exploration expenditure	12,767,590
	<hr/>
	12,787,879
<b>Current assets</b>	
Trade and other receivables	17,708
Cash and cash equivalents	123
	<hr/>
	17,831
<b>Current liabilities</b>	
Trade and other payables	(149,671)
	<hr/>
	(149,671)
<b>Provisions</b>	
	(1,156,039)
<b>Total identifiable net assets</b>	
	11,500,000
<b>Total purchase consideration</b>	
	11,500,000
Goodwill	<hr/>
	-
<b>Breakdown of consideration</b>	
Cash	600,000
Deferred consideration	10,900,000
	<hr/>
<b>Total</b>	11,500,000
	<hr/>

**16 Post balance sheet events**

The Group has evaluated events after the reporting date up to the date the financial statements were authorised for issue. There have been no events that require adjustment to, or disclosure in, these financial statements in accordance with IAS 10 Events After the Reporting Period.

## SECTION B: HISTORICAL INFORMATION AND ACCOUNTANTS REPORT ON LNENERGY LIMITED

The Directors  
Beacon Energy Plc  
55 Athol Street  
Douglas  
Isle of Man  
IM1 1LA

The Directors  
Strand Hanson Ltd  
26 Mount Row  
Mayfair  
London  
W1K 3SQ

Dear Sirs

### **LNEnergy Limited**

We report on the historical financial information set out in Section B of Part VI of the admission document (the Admission Document") dated [●] of LNEnergy Limited ("the Company").

### **Opinion on Historical Financial Information**

In our opinion, the Historical Financial Information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Company as at 31 December 2024, 31 December 2023 and 30 September 2022 and of the profits, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information and UK-adopted International Accounting Standards.

### **Responsibilities**

The Directors of the Company are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

This report is required by paragraph 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules and is given for the purpose of complying with that paragraph and for no other purpose.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

### **Basis of Preparation**

The Audited Financial Information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out in note 2 of the Audited Financial Information. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

### **Basis of Opinion**

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council (the "FRC") in the United Kingdom. We are independent of the Group in accordance with



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the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the Historical Financial Information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the Historical Financial Information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

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

### **Conclusions Relating to Going Concern**

We have not identified any material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the ability of the Company to continue as a going concern for a period of at least twelve months from the date of the Admission Document. Accordingly, the use by the Directors of the going concern basis of accounting in the preparation of the financial information is appropriate.

### **Declaration**

For the purposes of part (a) of Schedule Two to the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with item 1.2 of Annex I and item 1.2 of Annex III of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules.

Yours faithfully

### **Lubbock Fine LLP**

Regulated by the Institute of Chartered Accountants in England and Wales

## Historical Financial Information on LNEnergy Limited

### Statement of Comprehensive Income

Notes	<b>For the year ended December 2024</b>	<i>For the 15 months ended December</i>		<i>For the year ended September 2022</i>
		\$	\$	
Cost of sales		<b>(1,742,083)</b>	(1,788,743)	(309,202)
<b>Gross loss</b>		<b>(1,742,083)</b>	(1,788,743)	(309,202)
Administrative expenses		<b>(500,608)</b>	(822,983)	(98,995)
<b>Operating loss</b>	6	<b>(2,242,691)</b>	(2,611,726)	(408,197)
Investment amounts written off	9	<b>(291,159)</b>	(464,484)	—
<b>Loss before tax</b>		<b>(2,533,850)</b>	(3,076,210)	(408,197)
Tax on loss	12	—	—	—
<b>Total comprehensive loss for the period</b>		<b>(2,533,850)</b>	(3,076,210)	(408,197)
			\$	\$
<b>Loss per share</b>				
Basic	7	<b>(1,974.94)</b>	(2,500.98)	(408.20)

The accompanying notes form an integral part of the historical financial information ("HFI").

## Statement of Financial Position

	Notes	31 December 2024	31 December 2023	30 September 2022
		\$	\$	\$
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	8	<b>725</b>	1,087	–
Investments	9	<b>500,000</b>	1,165,124	500,000
		<b>500,725</b>	1,166,211	500,000
<b>Current assets</b>				
Trade and other receivables	10	<b>1,076</b>	1,101	1,101
Cash and cash equivalents		<b>107,269</b>	389,318	246,034
		<b>108,345</b>	390,419	247,135
<b>Total assets</b>		<b>609,070</b>	1,556,630	747,135
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	11	<b>(823,478)</b>	(665,268)	(527,836)
<b>Net current liabilities</b>		<b>(715,133)</b>	(274,849)	(280,701)
<b>Net (liabilities)/assets</b>		<b>(214,408)</b>	891,362	219,299
<b>Equity</b>				
Called up share capital	14	<b>1,622</b>	1,553	1,264
Share premium reserve	15	<b>5,802,227</b>	4,374,216	626,232
Accumulated losses		<b>(6,018,257)</b>	(3,484,407)	(408,197)
<b>Total equity</b>		<b>(214,408)</b>	891,362	219,299

### Statement of Changes in Equity

	Notes	Called up share capital \$	Share premium reserve \$	Accumulated losses \$	Total equity \$
At 29 September 2021		—	—	—	—
Loss and total comprehensive expense for the period		—	—	(408,197)	(408,197)
Issue of share capital	14, 15	1,264	626,232	—	627,496
At 30 September 2022		1,264	626,232	(408,197)	219,299
At 1 October 2022		1,264	626,232	(408,197)	219,299
Loss and total comprehensive expense for the period		—	—	(3,076,210)	(3,076,210)
Issue of share capital	14, 15	289	3,747,984	—	3,748,273
At 31 December 2023		1,553	4,374,216	(3,484,407)	891,362
<b>Loss and total comprehensive expense for the year</b>		—	—	(2,533,850)	(2,533,850)
<b>Issue of share capital</b>	14, 15	<b>69</b>	<b>1,428,011</b>	<b>—</b>	<b>1,428,080</b>
<b>At 31 December 2024</b>		<b>1,622</b>	<b>5,802,227</b>	<b>(6,018,257)</b>	<b>(214,408)</b>

The accompanying notes form an integral part of historical financial information

## Statement of Cash Flows

	Notes	For the year ended December 2024	For the 15 months ended December 2023	For the year ended September 2022
		\$	\$	\$
<b>Cash flows from operating activities</b>				
Loss for the year/period		<b>(2,533,850)</b>	(3,076,210)	(408,197)
Adjustments for:				
Loan from third party		—	—	(500,000)
Depreciation	8	<b>362</b>	—	—
Investment in Reabold	9	—	(1,129,608)	—
Impairment on Reabold investment	9	<b>291,159</b>	464,484	—
(Increase)/decrease in trade and other receivables		<b>25</b>	—	(25)
Increase in trade and other payables		<b>158,210</b>	137,432	527,836
<b>Net cash used in operating activities</b>		<b>(2,084,094)</b>	(3,603,902)	(380,386)
<b>Cash flows from investing activities</b>				
Sale of Reabold investment		<b>373,965</b>	—	—
Purchase of property, plant and equipment	8	—	(1,087)	—
<b>Net cash generated from/(used in) investing activities</b>		<b>373,965</b>	(1,087)	—
<b>Cash flows from financing activities</b>				
Proceeds from new issue of share capital	14	<b>69</b>	289	188
Proceeds from new issue of share premium	15	<b>1,428,011</b>	3,747,984	626,232
<b>Net cash generated from financing activities</b>		<b>1,428,080</b>	3,748,273	626,420
Net (decrease)/increase in cash and cash equivalents		<b>(282,049)</b>	143,284	246,034
<b>Cash and cash equivalents at the beginning of the year/period</b>		<b>389,318</b>	246,034	—
<b>Cash and cash equivalents at the end of the year/period</b>		<b>107,269</b>	389,318	246,034

The accompanying notes form an integral part of historical financial information

## **Notes to the Historical financial Information**

### **1 General information**

LNEnergy Limited is a company incorporated and domiciled in the United Kingdom and is registered in England having its registered office at Third Floor, 20 Old Bailey, London, EC4M 7AN.

The principal activity of the Company is the extraction and manufacture of natural gas.

### **2 Material accounting policies**

The principal accounting policies applied in the preparation of the historical financial information statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

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

The historical financial information have been prepared on the historical cost convention.

The historical financial information are prepared in US Dollars (\$), which is the functional currency of the Company. Monetary amounts in these historical financial information are rounded to the nearest \$.

The historical financial information of LNEnergy Limited have been prepared in accordance with UK-adopted International Accounting Standards as applicable to companies reporting under those standards.

The preparation of historical financial information in conformity with UK-adopted International Accounting Standards (“**IFRS**”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the historical financial information are disclosed in note 3.

#### ***Going concern***

At the time of approving the historical financial information, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future with the support of its investors. Thus the directors continue to adopt the going concern basis of accounting in preparing the historical financial information.

#### ***Property, Plant and Equipment***

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer equipment – 33 per cent. straight line

#### ***Impairment of non-financial assets***

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset’s or cash-generating unit’s amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. Value in use is based on estimated future cash flows from each cash-generating unit or individual asset, discounted at a suitable rate in order to calculate the present value of those cash flows. Discount rates are determined individually for each cash-generating unit or

individual asset and reflect their respective risk profiles as assessed by the directors. Impairment losses for cash-generating units are charged *pro rata* to the assets in the cash-generating unit. Cash generating units and individual assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. Impairment charges are included in administrative expenses in the Statement of Comprehensive Income. An impairment charge that has been recognised is reversed if the recoverable amount of the cash-generating unit or individual asset exceeds the carrying amount.

### **Current tax and deferred tax**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the UK, where the Company operates and generates taxable income

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### **Financial instruments**

#### *Financial assets*

##### Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured at amortised cost; and
- Those to be measured subsequently at fair value (either through Other Comprehensive Income or through profit and loss).

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. The Company reclassifies its financial assets when and only when its business model for managing those assets changes.

##### Recognition and measurement

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement of financial assets depends on the Company's business model for managing those financial assets and the cash flow characteristics of those financial assets. The Company has financial assets classified at fair value through profit or loss and amortised cost.

Financial investments are measured at fair value at each reporting date. Fair value represents the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Cash and cash equivalents represent monies held in bank current accounts and bank deposits. These assets are those held for contractual collection of cash flows, where those cash flows represent solely payments of principal and interest and are held at amortised cost. Any gains or losses arising on derecognition are recognised directly in profit or loss. Impairment losses are presented as a separate line in the profit and loss account.

The Company has assessed the expected credit losses on financial assets and determined that the amounts are immaterial. Therefore, no loss allowance has been recognised in these historical financial information.

### **Financial liabilities**

Financial liabilities comprise Trade and other payables and borrowings due within one year and after one year, which are recognised initially at fair value and subsequently carried at amortised cost using the effective interest method. The Company does not use derivative financial instruments or hedge accounting for any transactions. Trade payables represent obligations to pay for goods or services that have been acquired in

the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities.

#### **Foreign currency translation**

The Company's functional currency is US Dollars. Transactions in foreign currencies are translated at the exchange rate ruling at the date of transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the reporting date. Exchange differences arising on the settlement or on translating monetary items at rates different from those at which they were initially recorded are recognised in administrative expenses in the Statement of Comprehensive Income in the year in which they arise.

#### **Equity**

Equity comprises of the following:

##### *Called up share capital*

Share capital represents the nominal value of equity shares.

##### *Share premium*

Share premium represents the excess over nominal value of the fair value of consideration received of equity shares, net of expenses of the share issue.

##### *Accumulated losses*

Accumulated losses represent retained profits and losses.

#### **Adoption of new and revised standards and changes in accounting policies**

For the purposes of this report the historical financial information were translated from FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland) to UK-adopted International Accounting Standards (IFRS). There was no resulting impact to the associated primary statements. No new IFRS's were adopted by the Company for the reporting periods. Several amendments to existing IFRS were applied for the first time in 2024 but did not have a material impact on the Historical financial information of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. There are no IFRS standards or amendments that have been issued but not yet adopted that are expected to have a material impact on the Company.

### **3 Critical accounting estimates and assumptions**

The preparation of historical financial information in conformity with IFRS requires management to make judgements, estimates and assumptions. For the current year, management has determined that there are no areas involving significant judgement or estimation uncertainty that would have a material impact on this historical financial information.

### **4 Average staff numbers**

	<b>2024</b>	<b>2023</b>	<b>2022</b>
	<b>Monthly</b>	<b>Monthly</b>	<b>Monthly</b>
	<b>Avg</b>	<b>Avg</b>	<b>Avg</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>
Employed in UK	0	0	0

Two directors provided services for the company and details of their remuneration including key senior management can be found in note 5.

## 5 Remuneration of directors and key senior management

	2024 \$	2023 \$	2022 \$
<b>Directors</b>			
Emoluments	<b>377,919</b>	417,662	176,882

## 6 Operating Loss

Operating loss is stated after charging/(crediting):

	2024 \$	2023 \$	2022 \$
FX gains/losses	<b>26,038</b>	52,767	35,472
Depreciation of computers and equipment	<b>362</b>	—	—

## 7 Loss per share

	2024 \$	2023 \$	2022 \$
Loss for the financial period/year	<b>(2,533,850)</b>	(3,076,210)	(408,197)
Loss per share	\$	\$	\$
Basic	<b>(1,975)</b>	(2,501)	(408)

	Number	Number	Number
Issued ordinary shares at the end of the year/period	<b>1,283</b>	1,230	1,000
Weighted average number of shares in issue during the year/period	<b>1,242</b>	1,054	420

Basic loss per share is calculated by dividing the loss for the year by shares in issue at the period end.

As the Company is loss making for current and prior year, diluted earnings per share is not presented.

## 8 Property, plant and equipment

	Computer equipment \$	Total \$
Cost		
At 1 January 2024	1,087	1,087
Additions	—	—
Disposals	—	—
At 31 December 2024	<b>1,087</b>	<b>1,087</b>
Accumulated depreciation		
At 1 January 2024	—	—
Depreciation charged in the year	(362)	(362)
At 31 December 2024	(362)	(362)
Net book value		
At 31 December 2024	<b>725</b>	<b>725</b>
At 1 January 2024	1,087	1,087

## 9 Investments

	<i>Investment in option agreement</i>	<i>Investment in Reabold Resources PLC</i>	<i>Total</i>
	\$	\$	\$
At 29 September 2021	—	—	—
Additions	500,000	—	500,000
At 30 September 2022	500,000	—	500,000
Additions	—	1,129,608	1,129,608
Impairment	—	(464,484)	(464,484)
At 31 December 2023	500,000	665,124	1,165,124
Impairment	—	(291,159)	(291,159)
Sale of shares	—	(373,965)	(373,965)
At 31 December 2024	<b>500,000</b>	—	<b>500,000</b>

The Investment option relates to an option for LNEnergy Ltd to have the exclusive option to acquire 100 per cent. equity in Avanti Eurogas Ltd (LNEnergy Ireland) and CMI Energia S.r.l (LNEnergy Italy).

LNEnergy Italy has a 90 per cent. interest in the Colle Santo gas field in Abruzzo, Italy. Colle Santo is the largest onshore proven undeveloped gas field in mainland Western Europe with 65Bcf of gross 2P reserves (RPS estimate, September 2022).

As of 25 March 2025 LNEnergy Limited acquired 100 per cent. of the shares of LNEnergy Ireland and LNEnergy Italy, with further initial consideration of \$500,000 and deferred consideration of \$10,500,000.

In May 2023, the Company received 486,486,487 shares from Reabold Resources PLC which were valued at \$1,129,608. The shares were subsequently impaired at 31 December 2023 to reflect the market price. In 2024, the shares were again impaired to reflect the market price when they were sold to Global Prime Partners Limited.

## 10 Trade and other receivables

	<b>2024</b>	<b>2023</b>	<b>2022</b>
	\$	\$	\$
Other receivables	<b>1,076</b>	1,101	1,101

Other receivables are current and relate to unpaid share capital, see note 14.

## 11 Trade and other payables

	<b>2024</b>	<b>2023</b>	<b>2022</b>
	\$	\$	\$
Trade payables	<b>142,523</b>	115,239	—
Loan due to other related party	—	500,000	500,000
Related party loan due to Director	<b>24,500</b>	5,500	—
Accruals	<b>343,575</b>	44,529	27,836
Convertible note payable	<b>312,880</b>	—	—
	<b>823,478</b>	665,268	527,836

The fair value of trade and other payables approximates to their carrying value. The related party and loan payable are current, have no interest payable and are repayable on demand.

## 12 Taxation

	2024 \$	2023 \$	2022 \$
Carried forward losses	<u><u>4,281,937</u></u>	<u><u>2,407,227</u></u>	<u><u>346,830</u></u>

## 13 Financial instruments

The Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and methods used to measure them. There have been no substantive changes in the Company's exposure to financial instrument risks and the methods used to measure them from previous years unless otherwise stated in this note.

The Group characterises inputs used in determining fair value using a hierarchy that prioritises inputs depending on the degree to which they are observable. However, these fair value estimates may not necessarily be indicative of the amounts that could be realised or settled in a current market transaction. The three levels of the fair value hierarchy are as follows:

- Level 1 – inputs represent quoted prices in active markets for identical assets or liabilities (for example, exchange-traded commodity derivatives). Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly, as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, market interest rates and volatility factors, which can be observed or corroborated in the marketplace.
- Level 3 – inputs that are less observable, unavailable or where the observable data does not support the majority of the instrument's fair value.

The principal financial instruments used by the Company, from which the financial instrument risk arises, are other receivables, cash and cash equivalents and trade and other payables. The fair values of all the Company's financial instruments are the same as their carrying values.

### ***Financial instruments by category***

Financial instruments categories are as follows:

#### ***Financial assets at fair value through profit or loss***

	2024 \$	2023 \$	2022 \$
Investment in Option agreement	<b>500,000</b>	500,000	500,000
Investment in Reabold Resources PLC	–	665,124	–
<b>Total</b>	<b><u>500,000</u></b>	<u>1,165,124</u>	<u>500,000</u>

The investment in Reabold Resources PLC holds a level 1 valuation. Due to the nature of the investment in the option agreement and the absence of observable market transactions and reliable inputs at the reporting date, management concluded that a range of reasonable fair value measurements would be significant and that the probabilities of the various estimates could not be reasonably assessed. Accordingly, cost has been used as an estimate of fair value at the reporting date.

#### ***Financial assets at amortised cost***

	2024 \$	2023 \$	2022 \$
Other receivables	<b>1,076</b>	1,101	1,101
Cash and cash equivalents	<b>107,269</b>	389,318	246,034
<b>Total</b>	<b><u>108,345</u></b>	<u>390,419</u>	<u>247,135</u>

### **Financial Liabilities at amortised cost**

	<b>2024</b>	<b>2023</b>	<b>2022</b>
	\$	\$	\$
Trade payables	<b>142,523</b>	115,239	–
Payable to other related party	–	500,000	500,000
Related party payable to Director	<b>24,500</b>	5,500	–
Accruals	<b>343,575</b>	44,529	27,836
Convertible note payable	<b>312,880</b>	–	–
<b>Total</b>	<b>823,478</b>	665,268	527,836

### **Capital management**

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to provide working capital. Consistent with others in the industry at this stage of development, the Company has relied on issuing new shares and investment from third parties.

### **General objectives, policies and processes – risk management**

The Company is exposed through its operations to the following financial instrument risks: credit risk; liquidity risk and foreign currency risk. The policy for managing these risks is set by the Board following recommendations from the Chief Financial Officer. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. The policy for each of the above risks is described in more detail below.

#### **Credit risk**

The Company is currently in a pre-revenue stage and, as such, is not exposed to significant credit risk arising from trade receivables or customer default.

#### **Liquidity risk**

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

At each Board meeting, and at the reporting date, the cash flow projections are considered by the Board to confirm that the Company has sufficient funds and available funding facilities to meet its obligations as they fall due.

The table below analyses the company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts presented are the undiscounted cash flows:

	<i>Less than 6 months</i>	<i>6 to 12 months</i>	<i>Between 1 and 2 years</i>	<i>Between 2 and 5 years</i>
	\$	\$	\$	\$
<b>31 December 2024</b>				
Trade and other payables	142,523	–	–	–
Accruals	343,575	–	–	–
Convertible note payable	312,880	–	–	–
Related party payable to Director	–	24,500	–	–
	<b>798,978</b>	<b>24,500</b>	–	–

	Less than 6 months \$	6 to 12 months \$	Between 1 and 2 years \$	Between 2 and 5 years \$
<b>30 December 2023</b>				
Trade and other payables	115,239	–	–	–
Accruals	44,529	–	–	–
Loan to other related party	–	500,000	–	–
Related party payable to Director	–	5,500	–	–
	<b>159,768</b>	<b>505,500</b>	<b>–</b>	<b>–</b>
	<b><u>159,768</u></b>	<b><u>505,500</u></b>	<b><u>–</u></b>	<b><u>–</u></b>
<b>30 September 2022</b>				
Trade and other payables	–	–	–	–
Accruals	27,836	–	–	–
Loan to other related party	–	500,000	–	–
Related party payable to Director	–	–	–	–
	<b>27,836</b>	<b>500,000</b>	<b>–</b>	<b>–</b>
	<b><u>27,836</u></b>	<b><u>500,000</u></b>	<b><u>–</u></b>	<b><u>–</u></b>

#### **Foreign currency risk**

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company seeks to transact the majority of its business in its reporting currency (US Dollars). However, some suppliers are outside the UK and a proportion of these transact with the Company in US Dollars and Euros. For that reason, the Company operates current bank accounts in US Dollars and GBP. To the maximum extent possible receipts and payments in a particular currency are made through the bank account in that currency to reduce the amount of funds translated to or from the reporting currency. Cash flow projections are used to plan for those occasions when funds will need to be translated into different currencies so that exchange rate risk is minimised.

#### **14 Called up share capital**

	2024 \$	2023 \$	2022 \$
Allotted and called up			
– Ordinary shares of £1	<b>1,622</b>	<b>1,553</b>	<b>1,264</b>
	<b><u>1,622</u></b>	<b><u>1,553</u></b>	<b><u>1,264</u></b>
	<b>2024</b>	<b>2023</b>	<b>2022</b>
– Number of shares	<b>1,283</b>	<b>1,230</b>	<b>1,000</b>
	<b><u>1,283</u></b>	<b><u>1,230</u></b>	<b><u>1,000</u></b>

No dividends were paid (2022, 2023: \$nil). The directors do not recommend payment of a dividend (2022, 2023: \$nil).

Out of the 1,283 shares in issue, 850 shares remain unpaid during each period with a value of \$1,076.

#### **15 Share premium reserve**

	2024 \$	2023 \$	2022 \$
Issue of shares	<b>5,802,227</b>	<b>4,374,216</b>	<b>626,232</b>
	<b><u>5,802,227</u></b>	<b><u>4,374,216</u></b>	<b><u>626,232</u></b>

The share premium reserve represented amounts paid up on ordinary shares in excess of their nominal value.

**16 Ultimate controlling party**

There is no ultimate controlling party.

**17 Post balance sheet events**

On 25 March 2025 LNEnergy Limited exercised its option to acquire 100 per cent. shareholding in LNEnergy Ireland and LNEnergy Italy (see note 9).

**SECTION C HISTORICAL INFORMATION AND ACCOUNTANTS REPORT  
ON LNENERGY (IRELAND) LIMITED**

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Dear Sirs

**LNEnergy (Ireland) Limited**

We report on the historical financial information set out in Section C of Part VI of the admission document (the "Admission Document") dated [●] of LNEnergy (Ireland) Limited and subsidiary (respectively the "**Company**" and the "**Group**").

**Disclaimer of Opinion on Historical Financial Information**

We do not express an opinion on the accompanying Historical Financial Information of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

**Basis for Disclaimer of Opinion**

As described in Note 7 to the Historical Financial Information, the Group recognises an exploration asset of €16,640,127 as at 31 December 2024 (31 December 2023 – €16,630,478; 31 December 2022 – €16,620,478) relating to the Colle Santo gas field in Abruzzo, Italy (the "**Exploration Asset**").

We were unable to obtain sufficient appropriate evidence in respect of the amounts shown in this Historical Financial Information for this exploration asset for the Relevant Periods.

Our inability to obtain sufficient appropriate evidence as to the valuation and accuracy of this asset arose because the majority of the expenditure was incurred prior to 31 December 2007, and due to no audit work carried out on the financial statements at that time and the significant period of time since the expenditure was incurred it has not been possible to obtain sufficient evidence around this expenditure and we have been unable to perform alternative procedures that would provide equivalent evidence. We were unable to determine whether any adjustments might be necessary to the carrying value of the Exploration Asset.

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council (the "**FRC**") in the United Kingdom. We are independent of the Group in accordance with the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the Historical Financial Information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the Historical Financial Information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

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

### **Basis of Preparation**

The Audited Financial Information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out in note 2 of the Audited Financial Information. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

### **Responsibilities**

The Directors of the Company are responsible for preparing the financial information in accordance with UK-adopted International Accounting Standards.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

This report is required by paragraph 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules and is given for the purpose of complying with that paragraph and for no other purpose.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

### **Declaration**

For the purposes of part (a) of Schedule Two to the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with item 1.2 of Annex I and item 1.2 of Annex III of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules.

Yours faithfully

### **Lubbock Fine LLP**

Regulated by the Institute of Chartered Accountants in England and Wales

## Historical Financial Information of LNEnergy Ireland and LNEnergy Italy

### Statement of Comprehensive Income

Notes	<b>For the year ended December 2024</b>	<b>For the year ended December</b>	
		2023 €	2022 €
Cost of sales	<b>(984)</b>	(40,540)	(4,801)
<b>Gross loss</b>	<b>(984)</b>	(40,540)	(4,801)
Administrative expenses	<b>(84,589)</b>	6,597	(21,226)
Other Income	<b>—</b>	—	321
<b>Operating loss</b>	<b>(85,573)</b>	(33,943)	(25,706)
<b>Loss before tax</b>	<b>5</b>	<b>(85,573)</b>	(25,706)
Tax on loss		<b>—</b>	(471)
<b>Total comprehensive loss for the period</b>		<b>(85,573)</b>	(26,177)
		€	€
<b>Loss per share</b>			
Basic	<b>6</b>	<b>(86)</b>	(34)
		€	€

The accompanying notes form an integral part of the historical financial information.

## Statement of Financial Position

	Notes	31 December 2024	31 December 2023	31 December 2022
		€	€	€
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets		<b>17,494</b>	17,494	17,494
Exploration expenditure	7	<b>16,640,127</b>	16,630,478	16,620,478
		<b>16,657,621</b>	16,647,972	16,637,972
<b>Current assets</b>				
Trade and other receivables	9	<b>15,244</b>	24,084	15,563
Inventory	8	—	52,970	52,970
Cash and cash equivalents		<b>106</b>	1,018	1,018
		<b>15,350</b>	78,072	69,551
<b>Total assets</b>		<b>16,672,971</b>	16,726,044	16,707,523
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	10	<b>(775,127)</b>	(742,627)	(689,730)
		<b>(775,127)</b>	(742,627)	(689,730)
<b>Net current liabilities</b>		<b>(759,777)</b>	(664,555)	(620,179)
<b>Provisions</b>	11	<b>(986,727)</b>	(986,727)	(986,727)
<b>Net assets</b>		<b>14,911,117</b>	14,996,690	15,031,066
<b>Equity</b>				
Called up share capital	14	<b>1,000</b>	1,000	1,000
Merger reserve		<b>13,557,571</b>	13,557,571	13,557,571
Capital contributions		<b>1,099,251</b>	1,099,251	1,099,251
Accumulated losses		<b>253,295</b>	338,868	373,244
<b>Total equity</b>		<b>14,911,117</b>	14,996,690	15,031,066

### Statement of Changes in Equity

	Notes	Called up share capital €	Merger reserve €	Capital contributions €	Accumulated losses €	Total equity €
At 1 January 2022	14	1,000	13,557,571	1,099,251	399,421	15,057,243
Loss and total comprehensive expense for the year		—	—	—	(26,177)	(26,177)
At 31 December 2022		1,000	13,557,571	1,099,251	373,244	15,031,066
At 1 January 2023		1,000	13,557,571	1,099,251	373,244	15,031,066
Loss and total comprehensive expense for the year		—	—	—	(34,376)	(34,376)
At 31 December 2023		1,000	13,557,571	1,099,251	338,868	14,996,690
<b>Loss and total comprehensive expense for the year</b>		—	—	—	<b>(85,573)</b>	<b>(85,573)</b>
<b>At 31 December 2024</b>		<b>1,000</b>	<b>13,557,571</b>	<b>1,099,251</b>	<b>253,295</b>	<b>14,911,117</b>

The accompanying notes on pages 6 to 16 form an integral part of the historical financial information.

## Statement of Cash Flows

	Notes	2024 €	2023 €	2022 €
<b>Cash flows from operating activities</b>				
Loss for the year		(85,573)	(34,376)	(26,177)
Adjustments for:				
(Increase)/decrease in trade and other receivables		61,810	(8,521)	(949)
Increase in trade and other payables		3,710	61,961	38,857
<b>Net cash (used in)/generated from operating activities</b>		<b>(20,053)</b>	19,064	11,731
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	7	(9,649)	(10,000)	(12,200)
<b>Net cash used in investing activities</b>		<b>(9,649)</b>	(10,000)	(12,200)
<b>Cash flows from financing activities</b>				
Proceeds from borrowings		28,790	(9,064)	—
<b>Net cash generated from/(used in) financing activities</b>		<b>28,790</b>	(9,064)	—
Net (decrease)/increase in cash and cash equivalents		(912)	—	(469)
<b>Cash and cash equivalents at the beginning of the year</b>		<b>1,018</b>	1,018	1,487
Effects of exchange rate changes on cash and cash equivalents		—	—	—
<b>Cash and cash equivalents at the end of the year</b>		<b>106</b>	<b>1,018</b>	<b>1,018</b>

## Notes to the Historical financial information

### 1 General information

LNEnergy (Ireland) Limited ("LNEnergy Ireland" or the "Company") is a company incorporated and domiciled in Ireland and has its registered office at Ground Floor, 71 Lower Baggot Street, Dublin, D02 P593, Ireland. It holds a 100 per cent. subsidiary LNEnergy S.r.l. ("LNEnergy Italy") (together, the "Group"), a company incorporated and domiciled in Italy has its registered office at Via Giovanni Dominici 6 – 00165, Rome.

The principal activity of LNEnergy Italy is to develop the Colle Santo gas field in Italy. The principal activity of LNEnergy Ireland Limited is as a holding company to LNEnergy Italy.

### 2 Significant accounting policies

The principal accounting policies applied in the preparation of the Historical Financial Information (HFI) are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

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

The HFI has been prepared on the historical cost convention. The HFI is prepared in Euros (€), which is the functional currency of the Group. Monetary amounts in the HFI are rounded to the nearest €.

The HFI of LNEnergy Italy and LNEnergy Ireland have been prepared in accordance with UK-adopted International Accounting Standards as applicable to companies reporting under those standards.

The preparation of the HFI is in conformity with UK-adopted International Accounting Standards ("IFRS") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the HFI are disclosed in note 3.

#### ***Going concern***

At the time of approving the HFI, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future through the support of its investors. Thus the directors continue to adopt the going concern basis of accounting in preparing the HFI.

#### ***Basis of consolidation***

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

#### ***Transactions eliminated on consolidation***

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### ***Inventory***

Raw materials, auxiliary materials, and finished goods are recognized at the lower of purchase or manufacturing cost and their estimated realizable value based on market trends, using the first in first out method.

#### ***Intangible fixed assets***

Intangible assets are recorded at purchase or production cost, including related incidental charges.

### **Intangible fixed assets continued**

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Software acquired with hardware is considered to be integral to the operation of that hardware and is capitalised with that equipment. Software acquired separately from hardware is recognised as an intangible asset and amortised over its estimated useful life.

### **Exploration expenditure**

Costs incurred prior to acquiring the right to explore an area of interest are expensed as incurred. Exploration and evaluation assets are intangible assets.

Exploration and evaluation assets represent the costs incurred on the exploration and evaluation of potential hydrocarbon resources, and include costs such as seismic acquisition and processing, exploratory drilling, activities in relation to the evaluation of technical feasibility and commercial viability of extracting hydrocarbons, and general administrative costs directly relating to the support of exploration and evaluation activities.

The Group assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. The recoverable amount is the higher of the assets fair value less costs to sell and value in use. Assets are allocated to cash generating units not larger than operating segments for impairment testing. Purchased exploration and evaluation assets are recognised as assets at their cost of acquisition or at fair value if purchased as part of a business combination. They are subsequently stated at cost less accumulated impairment. Exploration and evaluation assets are not amortised.

### **Impairment of non-financial assets**

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. Value in use is based on estimated future cash flows from each cash-generating unit or individual asset, discounted at a suitable rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures is directly linked to the Group's latest approved budgets, adjusted as necessary to exclude any restructuring to which the Company is not yet committed. Discount rates are determined individually for each cash-generating unit or individual asset and reflect their respective risk profiles as assessed by the directors. Impairment losses for cash-generating units are charged *pro rata* to the assets in the cash-generating unit. Cash generating units and individual assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. Impairment charges are included in administrative expenses in the Statement of Comprehensive Income. An impairment charge that has been recognised is reversed if the recoverable amount of the cash-generating unit or individual asset exceeds the carrying amount.

### **Current tax and deferred tax**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

## **Financial instruments**

### *Financial assets*

#### Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured at amortised costs; and
- Those to be measured subsequently at fair value (either through Other Comprehensive Income or through profit and loss).

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The Group reclassifies its financial assets when and only when its business model for managing those assets changes.

#### *Recognition and measurement*

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement of financial assets depends on the Group's business model for managing those financial assets and the cash flow characteristics of those financial assets. The Group has financial assets classified at fair value through profit or loss and amortised cost.

Financial investments are measured at fair value at each reporting date. Fair value represents the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Cash and cash equivalents represent monies held in bank current accounts and bank deposits. These assets are those held for contractual collection of cash flows, where those cash flows represent solely payments of principal and interest and are held at amortised cost. Any gains or losses arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line in the profit and loss account.

The Group has assessed the expected credit losses on financial assets and determined that the amounts are immaterial. Therefore, no loss allowance has been recognised in this historical financial information.

## **Financial liabilities**

Financial liabilities comprise Trade and other payables and borrowings due within one year and after one year, which are recognised initially at fair value and subsequently carried at amortised cost using the effective interest method. The Group does not use derivative financial instruments or hedge account for any transactions. Trade payables represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities.

## **Foreign currency translation**

The Group's functional currency is US Dollars. Transactions in foreign currencies are translated at the exchange rate ruling at the date of transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the reporting date. Exchange differences arising on the settlement or on translating monetary items at rates different from those at which they were initially recorded are recognised in administrative expenses in the Statement of Comprehensive Income in the year in which they arise.

## **Equity**

### *Called up share capital*

Share capital represents the nominal value of equity shares.

#### *Merger reserve*

The merger reserve was created on the acquisition of LNEnergy Italy by LNEnergy Ireland Ltd. This represented a business combination under common control so was accounted for using the predecessor accounting method.

#### *Accumulated losses*

Accumulated losses represents the cumulative total comprehensive income of the Group to the reporting date, less any declared dividends.

#### *Accumulated losses*

Accumulated losses represent retained profits and losses.

#### **Adoption of new and revised standards and changes in accounting policies**

No new International Reporting Standards (IFRS) were adopted by the Group for the year ending 31 December 2024. Several amendments to existing IFRS were applied for the first time in 2024 but did not have a material impact on the Historical financial information of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. There are no IFRS standards or amendments that have been issued but not yet adopted that are expected to have a material impact on the Group.

### **3 Judgements and key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting periods that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

#### **Provisions**

A provision for risks and charges is booked to cover estimated costs, losses, or liabilities, the existence of which is certain or probable, but whose amount or due date was not determinable at the end of the reporting periods. The provision reflects the most accurate estimate possible based on the available information.

### **4 Average staff numbers**

	<b>2024</b>	<b>2023</b>	<b>2022</b>
	<b>Monthly</b>	<b>Monthly</b>	<b>Monthly</b>
	<b>Avg</b>	<b>Avg</b>	<b>Avg</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>
Employees	<b>0</b>	0	0

The directors of the Group did not receive any remuneration directly from the Group during the reporting period. Instead, their remuneration was paid by another entity within the Group.

### **5 Operating Loss**

Operating loss is stated after charging/(crediting):

	<b>2024</b>	<b>2023</b>	<b>2022</b>
	<b>€</b>	<b>€</b>	<b>€</b>
FX gains/losses	<b>26,038</b>	52,767	35,472

## 6 Loss per share

	2024 €	2023 €	2022 €
Loss for the financial year	<b>(85,573)</b>	<b>(34,376)</b>	<b>(26,177)</b>
Loss per share	€	€	€
Basic	<b>(86)</b>	<b>(34)</b>	<b>(26)</b>
	<b>Number</b>	Number	Number
Issued ordinary shares at the end of the year/period	<b>1,000</b>	1,000	1,000
Weighted average number of shares in issue during the year/period	<b>1,000</b>	1,000	1,000
Basic earnings per share is calculated by dividing the basic earnings for the year by the weighted average number of shares in issue during the year. Diluted earnings per share is calculated by dividing the basic earnings for the year by the diluted weighted average number of shares in issue. As the Group is loss making for current and prior year, diluted earnings per share is not presented.			

## 7 Exploration expenditure

	Monte Pall wells €	Total €
<b>Cost</b>		
At 1 January 2022	16,619,359	16,619,359
Additions	12,200	12,200
At 31 December 2022	16,631,559	16,631,559
Additions	10,000	10,000
At 31 December 2023	16,641,559	16,641,559
Additions	9,649	9,649
At 31 December 2024	16,651,208	16,651,208
<b>Accumulated depreciation</b>		
At 31 December 2022, 2023 & 2024	(11,081)	(11,081)
<b>Carrying amount</b>		
At 31 December 2022	16,620,478	16,620,478
At 31 December 2023	16,630,478	16,630,478
<b>At 31 December 2024</b>	<b>16,640,127</b>	<b>16,640,127</b>

## 8 Inventory

	2024 €	2023 €	2022 €
Inventory held	—	52,970	52,970
	—	52,970	52,970

## 9 Trade and other receivables

	2024 €	2023 €	2022 €
Receivables due within one year	<b>10,962</b>	18,742	14,517
Accrued Income & Prepayments	<b>3,282</b>	4,342	46
Unpaid share capital – Avanti Eurogas LLC	<b>1,000</b>	1,000	1,000
	<b>15,244</b>	24,084	15,563

## 10 Trade and other payables

	2024 €	2023 €	2022 €
Trade and other payables	<b>283,651</b>	282,770	223,343
Intercompany loan	<b>9,120</b>	6,439	4,835
Accruals	<b>1,078</b>	930	–
Amounts owed to Avanti Eurogas LLC	<b>481,278</b>	452,488	461,552
	<b>775,127</b>	742,627	689,730

The fair value of trade and other payables approximates to their carrying value.

## 11 Provisions

	2024 €	2023 €	2022 €
	<b>986,727</b>	986,727	986,727

The provision relates to a maintenance and restoration expense fund and includes expenses to be incurred for the decommissioning of the Monte Pallano 1 and Monte Pallano 2 gas wells. The estimate of these costs were discounted to present value, taking into account the future usefulness of each well until its depletion.

## 12 Financial instruments

The Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies, and processes for managing those risks and methods used to measure them. There have been no substantive changes in the Group's exposure to financial instrument risks and the methods used to measure them from previous years unless otherwise stated in this note.

The principal financial instruments used by the Group, from which the financial instrument risk arises, are other receivables, cash and cash equivalents and trade and other payables. The fair values of all the Group's financial instruments are the same as their carrying values.

Financial instruments categories are as follows:

### **Financial assets at amortised cost**

	2024 €	2023 €	2022 €
Inventories	–	52,970	52,970
Receivables due within one year	<b>10,962</b>	18,742	14,517
Accrued Income & Prepayments	<b>3,282</b>	4,342	46
Unpaid share capital – Avanti Eurogas LLC	<b>1,000</b>	1,000	1,000
<b>Total</b>	<b>15,244</b>	77,054	68,533

### **Financial liabilities at amortised cost**

	<b>2024</b>	2023	2022
	€	€	€
Trade payables	<b>81,780</b>	106,650	72,453
Other payables	<b>201,871</b>	176,120	150,890
Intercompany loan	<b>9,120</b>	6,439	4,835
Accruals	<b>1,078</b>	930	–
Amounts owed to Avanti Eurogas LLC	<b>481,278</b>	452,488	461,552
<b>Total</b>	<b>775,127</b>	742,627	689,730

### **Capital management**

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to provide working capital.

### **General, policies and processes – risk management**

The Group is exposed through its operations to the following financial instrument risks: credit risk; liquidity risk and foreign currency risk. The policy for managing these risks is set by the Board. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. The policy for each of the above risks is described in more detail below.

#### **Credit risk**

The Group is currently in a pre-revenue stage and, as such, is not exposed to significant credit risk arising from trade receivables or customer default.

#### **Liquidity risk**

Liquidity risk arises from the Group's management of working capital, and is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

At the reporting date, the cash flow projections are considered by the Board to confirm that the Group has sufficient funds and available funding facilities to meet its obligations as they fall due.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts presented are the undiscounted cash flows:

	Less than 6 months	6 to 12 months	Between 1 and 2 years	Between 2 and 5 years
	€	€	€	€
<b>31 December 2024</b>				
Trade payables	<b>283,651</b>	–	–	–
Intercompany loan	<b>9,120</b>	–	–	–
Accruals	<b>1,078</b>	–	–	–
Amounts owed to Avanti Eurogas LLC	<b>481,278</b>	–	–	–
	<b>775,127</b>	–	–	–

#### **30 December 2023**

Trade payables	282,770	–	–	–
Intercompany loan	6,439	–	–	–
Accruals	930	–	–	–
Amounts owed to Avanti Eurogas LLC	452,488	–	–	–
	<b>742,627</b>	–	–	–

	Less than 6 months €	6 to 12 months €	Between 1 and 2 years €	Between 2 and 5 years €
<b>31 December 2022</b>				
Trade payables	223,343	—	—	—
Intercompany loan	4,835	—	—	—
Accruals	—	—	—	—
Amounts owed to Avanti Energy Inc.	461,552	—	—	—
	<b>689,730</b>	<b>—</b>	<b>—</b>	<b>—</b>
	<b>689,730</b>	<b>—</b>	<b>—</b>	<b>—</b>

### Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group seeks to transact the majority of its business in its reporting currency (Euros). Cash flow projections are used to plan for those occasions when funds will need to be translated into different currencies so that exchange rate risk is minimised.

### 13 Called up share capital

	2024 €	2023 €	2022 €
– Allotted and called up	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
– Number of shares	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>

No dividends were paid (2022, 2023: €nil). The directors do not recommend payment of a dividend (2022, 2023: €nil).

The entire share capital of LNEnergy (Ireland) Limited remains unpaid with a value of €1,000.

### 14 Ultimate controlling party

There is no ultimate controlling party.

### 15 Post balance sheet events

On 25 March 2025, LNEnergy Limited acquired 100 per cent. control of LNEnergy (Ireland) Limited and LNEnergy Italy.

## PART VII

### UNAUDITED PRO FORMA STATEMENTS OF NET ASSETS FOR THE ENLARGED GROUP – [TO BE UPDATED]

Set out below is an unaudited pro forma statement of net assets as at 30 June 2025 (the “**Unaudited Pro Forma Financial Information**”) of Beacon Energy plc (including consolidated subsidiaries) (the “**Group**”) following the completion of the Fundraise and the First Acquisition, together with the related pro forma adjustments described in the notes below. The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only to show the impact of the Fundraise and the acquisition of a 49 per cent. interest in NewCo.

This Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only. Because of its nature it addresses a hypothetical situation and does not, therefore, represent the Enlarged Group’s actual financial position or results. Such information may not, therefore, give a true picture of the Enlarged Group’s financial position or results nor is it indicative of the results that may or may not be expected to be achieved in the future.

The Unaudited Pro Forma Financial Information is based on the unaudited net assets of the Group, and the unaudited net assets of the Target as at 30 June 2025 as shown in Part VI (Historical Financial Information). No adjustments have been made to take account of trading, expenditure or other movements subsequent to 30 June 2025, being the date of the last published balance sheet of the Target.

The Unaudited Pro Forma Financial Information does not constitute financial statements. Investors should read the whole of this Document and not rely solely on the summarised financial information contained in this Part.

Unaudited pro forma statement of net assets as at 30 June 2025

	<i>Pro forma adjustments</i>			
	<i>The Group</i> as at 30 June 2025 (Note 1) US\$'000 (unaudited)	<i>Placing</i> of shares (Note 2) US\$'000 (unaudited)	<i>Acquisition</i> (Note 3) US\$'000 (unaudited)	<i>Pro Forma</i> Net Assets as at 30 June 2025 US\$'000 (unaudited)
<b>Non-current assets</b>				
Investment in associate			[●]	[●]
	—		[●]	[●]
<b>Current assets</b>				
Trade and other receivables	28	—	—	28
Cash and cash equivalents	471	[●]	[●]	
	499	[●]	—	[●]
<b>Total assets</b>	499	[●]	[●]	[●]
<b>Current liabilities</b>				
Trade and other payables	(1,243)			(1,243)
	(1,243)			(1,243)
<b>Total liabilities</b>	(1,243)	—		(1,243)
<b>Net assets</b>	(744)	[●]	[●]	[●]

## Notes

The pro forma statement of net assets has been prepared on the following basis:

1. The financial information has been extracted, without material adjustment, from the financial records of the Group for the period ended 30 June 2025, and has been prepared on the same basis and accounting policies as the financial statements prepared to 31 December 2024.
2. The fundraise receipts are conditional on Re-admission. The net fundraise receipts of US\$ [●] are derived as estimated Placing receipts of US\$ [●] (GBP [●] net of broker fees), after deducting estimated fees and expenses relating to the Placing of US\$ [●].
3. The acquisition of shares in LNEnergy Limited (the "Target") is dependent on the Placing receipts, and this adjustment assumes the receipts shown in Note 2.

This investment is recognised as an investment in associates.

The consideration for the purchase is expected to be in the form of equity instruments in the Group.

4. No adjustments have been made to the historical results of any entities within the Enlarged Group to reflect the trading or other transactions. The pro forma statement of net assets does not constitute financial statements.

## **PART VIII**

### **ADDITIONAL INFORMATION**

#### **1. Responsibility**

The Directors, whose names and functions are set out on page [10] of this document, and the Company accept responsibility, both individually and collectively, for the information contained in this document and for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The CP has made every effort to ensure that the interpretations, conclusions and recommendations presented in the CPR (Part IV) are accurate and reliable in accordance with good industry practice and its own quality management procedures. The CP does not, however, guarantee the correctness of any such interpretations, conclusions and recommendations and shall not be liable or responsible for any loss, costs, damages or expenses incurred or sustained by anyone resulting from any interpretation, conclusion or recommendation made by any of its officers, agents, employees or representatives.

#### **2. The Company**

- 2.1 The Company was incorporated as Clean Energy Brazil plc, a company limited by shares, on 19 September 2006 in the Isle of Man. On 22 November 2013, the Company de-registered as a Company incorporated under the Companies Act 1931 to a Company incorporated under the Act with Company name CEB Resources Plc. On 1 December 2015, CEB Resources plc changed its name to Andalas Energy and Power plc. On 4 February 2020, Andalas Energy and Power plc changed its name to Advance Energy plc. On 21 November 2022, Advance Energy plc changed its name to Beacon Energy plc.
- 2.2 The registered office and business address of the Company is 55 Athol Street, Douglas, IM1 1LA, Isle of Man and the central telephone number is +44 (0)1624 681 250. The address of the Company's website on which the information required by Rule 26 of the AIM Rules is available is <https://beaconenergyplc.com/investor-relations/aim-rule-26-compliance/>.
- 2.3 The Company's registered number is 010493V. The legal entity identifier ("LEI") for the Company is 213800TZWOYU7UFZ5V63.
- 2.4 The Company is subject to the Act, the Takeover Code and the AIM Rules.
- 2.5 The principal legislation under which the Company operates is the Act and regulations made under the Act.
- 2.6 The ISIN number of the Existing Ordinary Shares is IM00BW9JFW84. The Ordinary Shares have been created pursuant to the Act under the laws of the Isle of Man.
- 2.7 The liability of the members of the Company is limited.

#### **3. Share Capital History of the Group**

- 3.1 A summary of the changes in the Group's share capital for the period covering the last three financial years is set out as follows:
  - (a) 21 March 2023 – the Company announced that it had conditionally raised £6,040,000 (gross) by way of a placing of 5,491,516,026 new ordinary shares at a price of 0.11 pence per share as part of the acquisition of Rhein Petroleum GMBH which triggered a reverse takeover under the AIM Rules;
  - (b) 5 April 2023 – the Company announced that it had issued 3,488,549,633 ordinary shares to TOH and DRAG as consideration for the acquisition of Rhein Petroleum GmbH which triggered

a reverse takeover and that, in connection with its re-admission to AIM, the Company had issued (i) 599,429,355 ordinary shares to directors in lieu of fees, 2,290,909,082 ordinary shares to institutional investors as part of the associated placing, 427,272,726 ordinary shares to directors as part of director subscriptions and 1,114,450,322 to TOH as part of TOH's subscription in the Company. It further announced the completion of the conditional £6,040,000 (gross) raise and that 770,542,318 options had been awarded to directors over new ordinary shares;

- (c) 15 September 2023 – the Company announced that it had raised approximately £4,300,000 (gross) by way of a conditional placing of 2,667,000,000 new ordinary shares at a price of 0.15 pence per ordinary share to institutional investors and a retail offer of 200,000,000 new ordinary shares at a price of 0.15 pence per ordinary share to retail investors through PrimaryBid;
- (d) 23 October 2023 – the Company announced that it had granted options over 503,565,644 ordinary shares to its directors and employees, exercisable at a price of 0.15 pence per ordinary share;
- (e) 28 February 2024 – the Company announced that it had raised approximately £2,600,000 (gross) by way of a fundraise of 5,137,000,000 ordinary shares at a price of 0.05 pence per ordinary share conducted by way of a placing to institutional investors and a retail offer to retail investors;
- (f) 31 December 2025 – the Company undertook a consolidation of its existing ordinary shares (the “**Capital Consolidation**”), where every 1,000 existing ordinary shares, were exchanged for 1 Existing Ordinary Share. Following the completion of the Capital Consolidation, the Company had 18,511,680 Existing Ordinary Shares in issue. The proportion of Existing Ordinary Shares held by each Shareholder (subject to fractional entitlements), and the rights attached to the Existing Ordinary Shares remained the same following the Capital Consolidation; and
- (g) Conditional upon the Resolutions being approved by Shareholders at the Extraordinary General Meeting, the Company will award a total of [●] options over Ordinary Shares to directors and certain senior management, exercisable at nil cost and Fundraise Price, as detailed in paragraph 6 of Part VIII of this document.

#### **4. Articles of Association**

The Company adopted its current articles of association on 19 April 2021, and these have not been further amended or supplemented since that date, save for a minor amendment effective from 24 December 2025 to enable corporate entities to be appointed as the Company's company secretary. The Articles will also be further amended at the Extraordinary General Meeting of the Company to remove the three-year rotation for appointing the Directors, and to amend the cap on director fees and remuneration. The following is a summary of the rights attached to the Ordinary Shares based on the Articles which, as amended, contain, amongst others, provisions to the following effect. This is a high level summary only which is not exhaustive and is qualified in its entirety by the full terms of the Articles (as amended):

##### **Share Capital**

The share capital of the Company consists of an unlimited number of Ordinary Shares of no par value. A share may be issued with or without a par value. A share is deemed to be issued when the name of the member is entered in the members' register.

The Directors of the Company may by resolution change the par value of the share capital of the Company as they consider fit.

Subject to the provisions of the Act and rights attaching to any shares, the Company may by Special Resolution reduce its share capital in any manner provided that the Directors are satisfied the Company will satisfy the Solvency Test referred to in section 49 of the Act.

The Company may purchase, redeem or otherwise acquire its own shares for any consideration provided that the Company continues to have at least one member at all times.

## **Share Rights**

### *Rights of different classes of shares*

Subject to the Act and special rights attached to existing shares, any shares may be allotted or issued with preferred, deferred or other special rights in regard to dividends, voting, transfer, return of capital or otherwise. This may be determined by the Board of the Company or via Special Resolution.

Subject to the Act, the Company may issue redeemable shares. The date of redemption must be fixed by directors before the shares are issued. Unless as specified otherwise, the amount payable on redemption shall be the amount paid up on such shares.

The Company shall have no power to issue warrants stating the bearer's entitlement to shares, however the Company may create warrants to subscribe for shares.

The Company in a general meeting may by Ordinary Resolution consolidate all or any of its shares; redenominate all or any of such shares as shares denominated in another currency on such basis as the Board sees fit; and sub-divide such shares or any of them. The Board may then, as a result of a consolidation, division or sub-division of shares, deal with fractions of a share any member would become entitled to.

### *Voting rights*

At any general meeting a resolution put to vote shall be decided upon by a show of hands, unless a poll vote is demanded.

Subject to provisions in the Act and special terms as to voting on which any shares may have been issued or held in suspension or abrogation pursuant to the Articles, every member shall on a show of hands have one vote and on a poll every member present in person or by proxy or (being a corporation) by a duly authorised representative shall have one vote for each share of which he is the holder.

In the case of equality of votes, whether on a show of hands or a poll, the Chairman of the meeting shall be entitled to a casting vote in addition to any other vote he may have.

No member shall be entitled to vote or count in a quorum in respect of any share held by him unless all calls or other sums payable by him in respect of that share have been paid to the Company.

### *Variation of rights*

Subject to the Act, if the share capital of the Company is divided into different classes, any of the rights being attached to any shares or class of shares in the Company may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than 3 quarters of the Voting Rights, attached to the issued shares of the class or with the sanction of a Special Resolution of the members of that class. This shall also apply to the variation or abrogation of special rights attached to only some shares within a particular class. Subject to the terms of issue or rights attached to any shares, where a class of shares is to become or cease to become a Participating Security, the class of shares shall be deemed not to be varied or abrogated by the Board.

Subject to the terms on which shares may be issued, the rights or privileges attached to any class of shares shall be deemed to be varied or abrogated by the reduction of capital paid up on the shares or by allotment of further shares ranking in priority for payment of dividend. Such rights or privileges shall also be deemed to be varied or abrogated if such newly allotted shares confer more favourable rights than the pre-existing shares but not cause such variation or abrogation where the newly created shares rank *pari passu* in all respects with or subsequent to those already issued or by the purchase or redemption by the Company of its own shares in accordance with the provisions of the Act and the Articles.

### *Chapter 5 of DTR*

The provisions of Chapter 5 of the DTR, which relates to the requirements of shareholders to disclose their total proportion of voting rights, are deemed incorporated into the Articles and bind the Company and its Shareholders.

### *Transfer*

Subject to the Act, if the share capital of the Company is divided into different classes, any of the rights being attached to any shares or class of shares in the Company may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than 3 quarters of the Voting Rights, attached to the issued shares of the class or with the sanction of a Special Resolution of the members of that class. This shall also apply to the variation or abrogation of special rights attached to only some shares within a particular class. Subject to the terms of issue or rights attached to any shares, where a class of shares is to become or cease to become a Participating Security, the class of shares shall be deemed not to be varied or abrogated by the Board.

Subject to the terms on which shares may be issued, the rights or privileges attached to any class of shares shall be deemed to be varied or abrogated by the reduction of capital paid up on the shares or by allotment of further shares ranking in priority for payment of dividend. Such rights or privileges shall also be deemed to be varied or abrogated if such newly allotted shares confer more favourable rights than the pre-existing shares but not cause such variation or abrogation where the newly created shares rank *pari passu* in all respects with or subsequent to those already issued or by the purchase or redemption by the Company of its own shares in accordance with the provisions of the Act and the Articles.

### *Transfer of shares*

Subject to the Articles, a member may transfer all or any of his shares in a manner approved by the Board.

The Board may refuse to register any transfer of certificated or uncertificated share: (i) of any class which is not fully paid, provided that where such shares are admitted to AIM such discretion may not be exercised in such a way to prevent dealings in the shares of that class from taking place on an open and proper basis; (ii) unless the transfer is in respect of one class of shares and is in favour of no more than four transferees and the instrument of transfer is deposited at the registered office or other place appointed by the board accompanied by the certificate for the shares to which it relates and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer; and (iii) if the transfer is in favour of any Non-Qualified Holder.

The Board may refuse to register any transfer of an uncertificated share where permitted by the Uncertificated Regulations.

The Board shall retain any instrument of transfer which is registered and return instruments that are refused, except in the case of fraud. If the Directors refuse to register a transfer they shall notify the transferee of the refusal within two months of the date on which the transfer was lodged with the Company in the case of a certificated share or within two months of the date on which an instruction in respect of an uncertificated share to be held in certificated form was duly received by the Company through the Uncertificated System.

### *Pre-emption rights and allotment*

Save as otherwise provided in the Articles, Directors may allot all unissued shares (with or without conferring a right of renunciation), grant options over or otherwise deal with shares to such persons as they determine. Directors shall exercise powers to allot Relevant Securities in accordance with Article 5 and with authority under an Ordinary Resolution. Where Directors allot Relevant Securities pursuant to authority that has since expired, provided such allotment is made under an offer or agreement made before expiration of such authority, the allotment stands notwithstanding the expiration of authority. No breach of Article 5 shall affect the validity of any allotment of any Relevant Security.

Unless the Company shall by Special Resolution otherwise direct, unissued shares in the capital of the Company shall only be allotted for cash in accordance with the provisions of Article 5.

All shares to be allotted (the "**Offer Shares**") shall first be offered to the members of the Company who the Directors determine can be offered such shares without the Company incurring securities offering compliance costs which, in the opinion of the Directors, would be burdensome given the number of members in the relevant jurisdiction in relation to which such compliance costs would be incurred (the "**Relevant Members**") The offer to Relevant Members (the "**Offer**") shall be made in proportion to the existing shareholdings of Relevant Members.

The Offer from the Directors must be made by written notice ("Offer Notice") from the Directors and specify the number and price of the Offer Shares, inviting each Relevant Member to state in writing within a period (being not less than 14 days), whether they are willing to accept any Offer Shares and, if so, the maximum number they are willing to take. On expiration of the Offer Notice, the Directors shall allocate the Offer Shares up to the maximum each Relevant Member had requested. No relevant member shall be obliged to take more than the maximum number of shares notified by him. The Directors have discretion to allot, grant options over, or otherwise deal with shares remaining unallocated after the expiration of the Offer Period in such manner as they think fit, save that those shares shall not be disposed on terms which are more favourable than terms offered to Relevant Members.

The provisions on pre-emption rights shall not apply to allotment of shares for consideration other than cash.

#### *Dividends*

Subject to the provisions of the Articles, the Company may by Ordinary Resolution declare that dividends be paid to members according to their respective rights and interests in the profits of the Company available for distribution. No dividend shall exceed an amount recommended by the Board and shall only be paid if the Board are satisfied the Company will satisfy the Solvency Test after the payment of the dividend.

The Board may declare and pay interim dividends provided that the Company will satisfy the Solvency test. If at any time the share capital of the Company is divided into different classes, the board may pay interim dividends on shares which rank after shares conferring preferential rights to dividends as well as on shares conferring preferential dividends unless at the time of payment any preferential dividend is in arrears. The Board shall incur no liability to shareholders for loss they may suffer on dividends declared or paid on shares ranking after those with preferential rights provided the Board has acted in good faith.

Except as otherwise provided by rights attached to all shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. Subject to this, all dividends shall pay *pro rata* according to the amounts paid up on the shares during any period in respect of which the dividend is paid. If any share is issued on terms providing that it shall rank for dividend from a particular date or as being entitled to dividends declared after a particular date it shall rank or be entitled to dividends accordingly.

All dividends and interest shall be paid to those members on the Register at the date the dividend shall be declared or at such other date as the Company by Ordinary Resolution or the Board may determine notwithstanding transfer of shares.

The Board may deduct from any dividend or other money payable to any member on or in respect of a share all such sums as may be due to from him to the Company on account of calls or otherwise in relation to the shares of the Company.

Subject to the Act, the Company may on the recommendation of the Board, by Ordinary Resolution direct payment of any dividend declared be satisfied wholly or partly by the distribution of assets. Where any difficulty arises with such distribution, the Board may (i) issue fractional certificates or authorise any person to sell and transfer any fractions or disregard fractions altogether; (ii) fix the value for distribution of such assets and determine that cash payments may be made to any members on the footing of the value so fixed, in order to adjust the rights of members; and (iii) vest any such assets in trustees on trust for the persons entitled to the dividend.

The Board may with the prior authority of an Ordinary resolution of the Company, offer to holders of Ordinary Shares the right to elect to receive Ordinary Shares credited as fully paid, in whole or in part instead of cash in respect of the whole or some part of any dividend specified by the Ordinary Resolution. The ordinary resolution may specify a particular dividend, or dividends or may specify all or any dividends within a particular period but such period may not end later than the beginning of the fifth annual general meeting following the date of the meeting at which such resolution is passed.

#### *Distribution of assets on liquidation*

The Board shall have the power to present a winding up petition to the court in respect of the Company. If the Company is wound up, surplus assets remaining after payment of all creditors are to be divided among

the members in proportion to the capital paid up on the shares at the commencement of the winding up petition. If such surplus assets are insufficient to repay the whole of the paid-up capital they are to be distributed to reflect the losses borne by the members in proportion to the their respective paid up capital. Article 160.2 is subject to the rights attached to and shares which may be issued on special terms or conditions.

If the Company is wound up, the liquidator may, with the sanction of a Special Resolution and any other sanction required by law, divide among the members in specie the whole or any part of the assets of the Company and may value the assets and determine any division between members. The division should be resolved in accordance with the rights of such members, if resolved otherwise, the members shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to section 222 of the Companies Act 1931 (as applied by s.182 of the Act). The liquidator may vest assets in trustees on trust for the benefit of members. No member shall be compelled to accept any assets on which there is a liability.

A special resolution sanctioning a transfer or sale to another company passed pursuant to section 222 of the Companies Act 1931 (as applied by s.182 of the Act) may authorise the distribution of any shares or other consideration receivable by the liquidator among the members otherwise than in accordance with their existing rights and any such determination shall be binding on all the members, subject to the right of dissent and consequential rights conferred by the said section.

### ***Powers of the Directors***

#### *Borrowing powers*

Borrowings by the Company owing to any persons outside the Group shall not at any time, without the previous sanction of an Ordinary Resolution of the Company exceed two times the aggregate of (i) the amount paid upon the issue share capital of the Company and (ii) the total capital and revenue reserves (including any share premium account and capital redemption reserves shown).

#### *Proceedings of the Directors*

Subject to the provisions of the Articles, the Board may meet for the despatch of business, adjourn and otherwise regulate its proceedings as it thinks fit.

One Director may summon a Board meeting at any time on reasonable notice. A Director may waive the requirement for notice. It shall not be necessary to notify a Board meeting to a Director absent from the British Isles unless he has requested to receive such notices.

The quorum necessary for the transaction of business may be determined by the Board and until otherwise determined shall be 2 persons, each being a Director or an alternate Director. A duly convened meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions for the time being vested in or exercisable by the Board. Any Director who ceases to be a Director at a meeting of the Directors may continue to be present and to act as a Director and be counted in the quorum until the termination of the meeting of the Directors if no Director objects and if otherwise a quorum of Directors would not be present.

Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the Chairman of that meeting shall not have a second or casting vote.

A resolution in writing executed by all the Directors for the time being entitled to receive notice of a Board meeting and not being less than a quorum shall be as valid and effective for all purposes as a resolution duly passed at a meeting of the Board.

#### *Powers of the Board*

The management of the business of the Company shall be from the Isle of Man or such other place the Board may determine. Subject to the Act, the memorandum of association, the Articles and any Special Resolution, the business of the Company shall be managed by the Board, which may exercise all the powers of the Company. No alteration to the memorandum of association or the Company Articles or direction given by the Company shall invalidate any act prior to such alteration or direction which would have been valid

had no such alteration or direction been made. Provisions as to any specific power of the Board contained elsewhere in the Articles shall not be deemed to limit the general powers given by this Article.

If the number of Directors is less than the minimum for the time being prescribed by the Articles the remaining Director or Directors shall act only for the purposes of appointing additional Director(s) to make up the minimum or of convening a general meeting of the Company for making such appointment. If there are no Director(s) able or willing to act, any 2 members may summon a general meeting for the purposes of appointing Directors. Any additional Director so appointed shall hold office until the dissolution of the annual general meeting of the Company next following such appointment unless he is re-elected during such meeting.

The Board may from time to time (i) delegate or entrust to and confer on any Director holding executive office such of its power and authority for such time and on such conditions as it thinks fit and (ii) revoke, alter or vary any of such powers.

The Board shall appoint one or more of its body as Chairman or Deputy Chairman of the Board and shall determine the period they are to hold office and may remove them from office at any time. If no such Chairman or Deputy Chairman is elected or if neither the Chairman nor Deputy Chairman is present, the Directors present shall choose one of their number to be Chairman. In the event of 2 or more joint Chairmen or two or more Deputy Chairman present in the absence of the Chairman, the Directors present shall decide which is to act as Chairman. Any Chairman or Deputy Chairman may also hold executive office under the Company.

The Board may appoint a Secretary or joint secretaries which may be a corporate entity and shall have power to appoint one or more persons to be assistant or deputy secretary on such terms as it thinks fit. The Board may remove an appointed Secretary but without prejudice to claims for damages or breach of contract between him and the Company.

## **Directors**

### *Number and appointment of Directors*

Unless and until otherwise determined by the Company by Ordinary Resolution the number of Directors (other than any alternate Directors) shall be not less than 2 or more than 10.

Subject to the Articles, the Company may by Ordinary Resolution appoint a person who is willing to act to be a Director, either to fill a vacancy, or as an addition to the existing Board. The total number of Directors shall not exceed any maximum number fixed in accordance with the Articles.

The Board shall have the power at any time to appoint any person who is willing to act as a Director. Any Director so appointed shall hold office only until the annual general meeting of the Company next following such appointment and shall then be eligible for re-election. If not re-appointed at such annual general meeting, he shall vacate office at the conclusion thereof.

No person other than a Director retiring at the meeting (whether by rotation or otherwise) shall be appointed or re-appointed as a Director at any general meeting unless: (i) he is recommended by the Board; or (ii) not less than 7 nor more than 35 clear days before the date appointed for the meeting notice duly executed by a member (other than the person to be proposed) qualified to vote at the meeting has been given to the Company of the intention to propose that person for appointment or re-appointment stating the particulars which would be required to be included in the Company's register of directors together with notice executed by that person of his willingness to be appointed or re-appointed is lodged at the Office.

A Director shall not be required to hold any shares.

A resolution for the appointment of 2 or more persons as Directors by a single resolution requires first an Ordinary Resolution that this shall be so proposed to be agreed to by the meeting without any vote being given against it. A resolution for approving a person's appointment or for nominating a person for appointment shall be treated as a resolution for his appointment.

If the Company, at the meeting at which a Director retires, does not fill the vacancy created by his retirement, the retiring Director shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is

resolved not to fill the vacancy or unless a resolution for the reappointment of the Director is put to the meeting and lost or if the retiring Director has given notice in writing to the Company that he is unwilling to be re-elected or where the default in filling the vacancy is due to the moving of a resolution in contravention of Article 85 (Resolution for Appointment) or where such Director has attained any retirement age applicable to him as Director.

*Retirement of Directors*

No person shall be incapable of appointment or re-appointment as a Director by reason of reaching the age of 70 or any other age, nor is any special notice required in connection with appointment, re-appointment or approval of such a person.

At each annual general meeting, every Director shall retire from office and will be eligible for re-appointment at the next annual general meeting of the Company.

A Director who retires shall be eligible for re-election. No Director shall be required to retire or be relieved from retiring or be retired for reason of any change in the number or identity of the Directors after the date of the notice but before the close of the meeting.

The retirement of any Director at a general meeting shall not have effect until the conclusion of the meeting except where a resolution is passed to elect another person in place of the retiring Director or a resolution for his re-election is put to the meeting and lost, in which case retirement shall take effect at the time of election of his replacement or the time of the losing of the resolution. A re-elected retiring Director is deemed to have been re-elected in office without a break.

*Removal of a Director by resolution of the Company*

The Company may by Ordinary Resolution or by written resolution consented to by members holding 75 per cent. of the voting rights, remove any Director before the expiration of his period of office and may (subject to the Articles) by Ordinary Resolution appoint another person who is willing to act to be a Director in his place. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled by a casual vacancy.

*Vacation of office*

No Director shall vacate his office at any time by reason of the fact he has attained the age of 70 or any other age.

The office of a Director shall be vacated if:

- (a) he resigns by notice in writing delivered to the Secretary at the Office or tendered at a Board meeting in which event he shall vacate that office on the service of that notice on the Company or at such later time as is specified in the notice or he offers in writing to resign from his office and the Directors resolve to accept such offer; or
- (b) he ceases to be a Director by virtue of any provision of the Act, is removed from office pursuant to the Articles or becomes prohibited by law from being a Director; or
- (c) he becomes bankrupt, has an interim receiving order made against him, makes any arrangement or compounds with his creditors generally; or
- (d) an order is made by any court of competent jurisdiction (whether in the Isle of Man, the United Kingdom or elsewhere) on the ground (howsoever formulated) of mental disorder for his detention or for the appointment of a guardian or receiver or other person to exercise powers with respect to his property or affairs or he is admitted to hospital in pursuance of an application for admission for treatment under any statute for the time being in force in the Isle of Man or the United Kingdom relating to mental disorder or, in any other territory, in pursuance of an application for admission under analogous legislation or regulations and the Board resolves that his office be vacated; or
- (e) he shall be absent, without the permission of the Board from Board meetings for 6 consecutive months (whether or not an alternate director appointed by him attends) and the Board resolves that his office be vacated; or

- (f) he is requested to resign by notice in writing addressed to him at his address as shown in the register of Directors and signed by all the other Directors (without prejudice to any claim for damages which he may have for breach of any contract between him and the Company); or
- (g) he is convicted of an indictable offence and the Directors shall resolve that it is undesirable in the interests of the Company that he remains a Director of the Company; or
- (h) the conduct of that Director (whether or not concerning the affairs of the Company) is the subject of either (i) an application to the Isle of Man High Court pursuant to the Company Officers (Disqualification) Act 2009 or (ii) an investigation by the police of any jurisdiction and the Board shall resolve that it is undesirable that he remains a Director; or
- (i) he has been disqualified from acting as a director.

A resolution of the Board declaring a Director to have vacated office under the terms of Article 94 (Vacation of Office by Director) shall be conclusive as to the fact and grounds of vacation stated in the resolution.

#### *Alternate directors*

Each Director may appoint any other Director or any person approved for that purpose by the Board to be his alternate and may remove from office an alternate director so appointed by him. Appointment of an alternate Director shall be effective when his consent to act has been received at the Office. An alternate Director need not hold a share qualification and shall not be counted in reckoning any maximum number of Directors allowed by the Articles.

An alternate Director shall cease to be an alternate Director if his appointor revokes his appointment or his appointor ceases for any reason to be a Director; or if any even happens in relation to him which, if he were a Director otherwise appointed, would cause him to vacate office.

#### *Directors' remuneration and expenses*

The Directors, other than alternate Directors, shall be entitled to receive fees for their services as directors such sum as the Board may determine (not exceeding £500,000 per annum or such other sum as the Company in general meeting shall from time to time determine, excluding any executive directors). Fees payable pursuant to Article 101 shall be distinct from salary, remuneration or other amounts payable to a Director pursuant to any other provisions of the Articles.

Each Director shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in or about the performance of his duties as Director, including any expenses incurred in attending meetings of the Board or any committee of the Board or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company.

If by arrangement with the Board any Director shall perform or render any special duties or services outside his ordinary duties as a Director and not in his capacity as a holder of employment or executive office (including, without limitation, acting as chairman of any audit committee of the Company), he may be paid such reasonable additional remuneration (whether by way of a lump sum or by way of salary, commission, participation in profits or otherwise) as the Board may from time to time determine.

The salary or remuneration of any Director appointed to hold any employment or executive office in accordance with the provisions of the Articles may be either a fixed sum of money or may altogether or in part be governed by business done or profits made or otherwise determined by the Board and may be in addition to or in lieu of any fee payable to him for his services as Director pursuant to the Articles.

#### *Pensions and other benefits*

The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities to any person who is or has at any time been a Director of the Company, or in the employment or service of the Company or of any holding company, subsidiary, predecessor in business of the Company or of any such holding company or subsidiary and for any member of his family or dependents.

The Board may procure the establishment and maintenance of a pension or superannuation fund, scheme or arrangement and pay insurance premiums. Any Director or former Director shall be entitled to receive and retain for his own benefit any pension or other benefit provided under Article 105 and shall not be obliged to account for it to the Company.

### ***Director Conflicts***

#### *Permitted interests of Directors*

Subject to section 104 of the Act and provided that Article 125 (Disclosure of interests to the Board) is complied with, a Director:

- (a) may be a party to or be interested in any proposal with the Company or in which the Company is otherwise interested, either in regard to his tenure of any office or place of profit or as vendor, purchasers or otherwise;
- (b) may hold any other office or place of profit under the Company (except that of Auditor) in conjunction with the office of Director and may act by himself or through his firm in a professional capacity for the Company;
- (c) may be a member of or a director or other officer, or employed by, or a party to any transaction or arrangement with or otherwise interested in, any body corporate promoted by or promoting the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and
- (d) shall not, by reason of his office, be liable to account to the Company for any dividend, profit, remuneration, superannuation payment or other benefit which he derives from any such office, employment, contract, arrangement, transaction or proposal or from any interest in any such body corporate;

and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any such interest or benefit.

A Director who to his knowledge is in any way (directly or indirectly) interested in any contract, arrangement, transaction or proposal with the Company shall declare the nature of his interests at the meeting of the Board at which the question of entering into the contract, arrangement, transaction or proposal is first considered.

A general notice given to the Board by a Director that he is to be regarded as having an interest (of the nature and extent specified in the notice) in any contract, transaction, arrangement or proposal in which a specified firm, company, person or class of persons is interested shall be deemed to be a sufficient disclosure. No such notice shall be effective unless either it is given at a meeting of the Directors or the Director takes reasonable steps to secure that it is brought up and read at the next meeting of the Directors after it is given; and an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

#### *Restrictions on voting by Directors*

Save as provided in Article 126, a Director shall not vote on or be counted in the quorum in relation to any resolution of the Board concerning any contract, arrangement, transaction or any proposal whatsoever to which the Company to his knowledge is or is to be a party and in which he or any person connected with him has (directly or indirectly) an interest which is material or a duty which conflicts with the interests of the Company unless his duty or interest arises only because the resolution relates to one of the following matters in which case he shall be entitled to vote and be counted in the quorum:

- (a) the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiaries;
- (b) the giving to a third party of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part either alone or jointly with others, under a guarantee or indemnity or by the giving of security;

- (c) where the Company or any of its subsidiaries is offering securities in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate;
- (d) any contract concerning any other company in which he is interested, directly or indirectly and whether as an officer, member, creditor or otherwise, unless the company is one in which he has a relevant interest and for this purpose;
  - (i) a company shall be deemed to be one in which a Director has a relevant interest if and so long as he (together with persons Connected with him) to his knowledge holds an interest in shares representing 1 per cent. or more of any class of the equity share capital of that company or of the voting rights available to members of that company or if he can cause 1 per cent. or more of those voting rights to be exercised at his direction; and
  - (ii) where a company in which a Director is deemed for the purposes of this Article to have a relevant interest is materially interested in that contract;
- (e) relating to an arrangement for the benefit of the employees of the Company or any of its subsidiaries which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or
- (f) concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors.

An interest of a person who is connected with a Director shall be treated as an interest of the Director. A Director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment as the holder of any office with the Company.

#### *Indemnification of Directors*

Subject to the Act, every Director (other than an Auditor) shall be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him in exercise of his duties or powers including any liability incurred defending any proceedings which relate to anything done or omitted or alleged to have been done or omitted by him as an officer, auditor or employee of the Company and in which judgement is given in his favour or in which he is acquitted or which are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which relief is granted to him from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

### **Shareholder Meetings**

#### *Annual general meetings*

Subject to the provisions of the Act, at least one annual general meeting shall be held in each calendar year and not more than 15 months shall pass from one annual general meeting to the next.

The board may convene a general meeting whenever it thinks fit. Upon the written request of a member or members entitled to exercise 10 per cent. or more of the Voting Rights in respect of the matter for which the meeting is requested, the Board shall convene a meeting of members or class of members.

The Chairman of the Board shall preside as Chairman at every general meeting of the Company. If there is no such Chairman or if at any meeting he shall not be present within 15 minutes after the time appointed for holding the meeting or shall be unwilling to act as Chairman, the deputy Chairman (if any) of the Board shall if present and willing to act preside as Chairman at such meeting. If no Chairman or deputy Chairman shall be so present and willing to act, the Directors present shall choose one of their number to act, or if there be only one Director present, he shall be Chairman if willing to act. If no Director will to act as Chairman of the meeting or, if no Director is present within 15 minutes of the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be Chairman of the meeting.

#### *Calling of general meetings*

Subject to provisions of the Act, annual general meetings shall be held at such times and places as the Board may determine (including electronic platforms). All general meetings other than annual general meetings, shall be called extraordinary general meetings.

The Board shall determine whether an annual general meeting or general meeting is to be held as an electronic general meeting. The Board may resolve to hold a general meeting as an electronic general meeting in addition to a physical general meeting to allow members entitled to attend a general meeting by electronic means. Those members attending by electronic means and present at the electronic general meeting shall be counted in the quorum for, and entitled to vote at, the general meeting in question in addition to those members present at the general meeting and attending the physical meeting location (if available). The meeting shall be duly constituted and its proceedings valid if the chair of the general meeting is satisfied that adequate facilities are available throughout the electronic general meeting to ensure that members attending the electronic general meeting who are not present together at the same place may, by electronic means, attend and speak and vote at it.

#### *Notice of general meetings*

An annual general meeting shall be convened by not less than 21 clear days' notice in writing. Other extraordinary general meetings shall be convened by not less than 14 clear days' notice in writing.

The notice shall specify whether the general meeting shall be an electronic general meeting in addition to its physical meeting or on its own. The notice of general meeting (including any notice given by means of a website) shall specify the place, date and time of the physical meeting (if necessary), details of any electronic platform for the meeting, whether the meeting will be an annual general meeting and the general nature of the business to be transacted. If the notice is made available by means of a website, it will be made available until the conclusion of the meeting. Any electronic platform may vary from time to time and from meeting to meeting as the board, in its sole discretion, sees fit.

Notwithstanding that a meeting is called by shorter notice than that specified in Article 55, a general meeting shall be deemed to have been duly convened if a member or members holding at least 90 percent of the voting rights in relation thereto have waived notice of the meeting.

#### *Quorum*

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business but the absence of a quorum shall not preclude the choice or appointment of a Chairman which shall not be treated as part of the business of the meeting. 2 persons entitled to attend and to vote on the business to be transacted, shall be a quorum.

If for the holding of a general meeting a quorum is not present, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, the meeting shall stand adjourned to not less than 14 nor more than 28 days thereafter. If at such adjourned meeting a quorum is not present one member present in person or by proxy or (being a corporation) by a duly authorised representative shall be a quorum. If no such quorum is present or, if during the adjourned meeting a quorum ceases to be present, the adjourned meeting shall be dissolved. The Company shall give at least 7 clear days' notice of any meeting adjourned through lack of quorum (where such meeting is adjourned to a day being not less than 14 nor more than 28 days thereafter).

## **5. Public takeover bids**

### **5.1 Takeover Code**

The Company is a public limited company subject to the Takeover Code, which will, amongst other things, regulate any takeover offer for the Company and any other transaction which has its objective or potential effect (directly or indirectly) obtaining or consolidating control of the Company. For this purpose, control is defined as an interest or interests in shares carrying more than 30 per cent. of the voting rights of a company, irrespective of whether such interest or interests give *de facto* control.

## 5.2 **Mandatory bids**

Under Rule 9 of the Takeover Code, if an acquisition of an interest in shares in the Company were to increase the aggregate interests of the acquirer and persons acting in concert with it to interests in shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, the persons acting in concert with it would be required (except with the consent of the Takeover Panel) to make an offer for the outstanding shares in the Company. Any such offer must, among other things, be in cash (or accompanied by a cash alternative) at not less than the highest price paid by the acquirer or any person acting in concert with it for an interest in shares in the Company during the previous 12 months.

A similar obligation to make a mandatory cash offer would also arise on an acquisition of an interest in shares in the Company by a person who (together with persons acting in concert with it) is interested in shares which in the aggregate carry between 30 per cent. and 50 per cent. of the voting rights in the Company if the effect of the acquisition were to increase the percentage of shares carrying voting rights in the Company in which that person is interested.

The Ordinary Shares will also be subject to the compulsory acquisition procedures set out in section 160 of the Act, which provides that where there is a scheme or contract (within the meaning of section 160 of the Act) involving the transfer of shares in the Company to another company (the “**transferee**”) and the transferee receives valid acceptances in respect of, or acquires, more than nine tenths in value of the shares to which the scheme or contract relates, that transferee is entitled to compulsorily acquire the shares which have not been acquired or contracted to be acquired.

Section 161 of the Act provides that a shareholder dissenting from a merger, consolidation or arrangement (within the meaning of section 161 of the Act) shall be entitled to payment of fair value of their shares. Under this procedure the dissenting shareholder is required to give written notice of their objection to the relevant proposed action before the vote authorising such proposed action is taken. If a merger, consolidation or arrangement is approved, there follows a set procedure of notice, confirmation and offers relating to the purchase of the dissenting shareholders shares by the Company (as set out in section 161 of the Act). Fair value for such shares, if not agreed between the Company and the dissenting shareholder in accordance with the procedure set out in section 161 of the Act, is determined by appraisers appointed in accordance with section 161 (8) of the Act.

There has been no scheme or contract (within the meaning of section 160 of the Act), or offer pursuant to Rule 9 of the Takeover Code, for any Ordinary Shares during the Company’s current financial year.

## 6. Summary of share capital

6.1 A summary of the Company's share capital as at [●] 2026 (being the latest practicable date before publication of this document) (pre Admission) is set out in the table below:

	No.	Undiluted & of total <sup>1</sup>	Fully diluted % of total <sup>2</sup>
Existing Ordinary Shares	18,511,680	[●]%	[●]%
Options (vested)	1,304,108	—	[●]%
Options (unvested)	[●]	—	[●]%
Warrants	1,694,704	—	[●]%
<b>Total</b>	<b>21,510,492</b>	<b>[●]%</b>	<b>[●]%</b>

(1) Calculated as a percentage of total Ordinary Shares in issue.

(2) Calculated as a percentage of the total Existing Ordinary Shares plus existing Options and Warrants as at the date of this document.

6.2 A summary of the Company's share capital immediately following Admission is set out in the table below:

	No.	Undiluted & of total <sup>1</sup>	Fully diluted % of total <sup>2</sup>
Ordinary Shares	[●]	[●]%	[●]%
Options (vested)	[●]	—	[●]%
Options (unvested)	[●]	—	[●]%
Warrants	[●]	—	[●]%
<b>Fully diluted share capital</b>	<b>[●]</b>	<b>[●]%</b>	<b>[●]%</b>

6.3 The Company's share capital as at 31 December 2025 comprised 18,511,680 Existing Ordinary Shares.

6.4 Since 31 December 2025, there have been no changes in share capital.

6.5 The Existing Ordinary Shares are in registered form and are capable of being held in certificated and uncertificated form.

6.6 There are no shares not representing share capital and there are no shares in the Company held by or on behalf of the Company or by any of the subsidiary undertakings.

6.7 There is no class of shares in issue other than Ordinary Shares.

6.8 No Existing Ordinary Shares are issued other than as fully paid.

6.9 Save as set out in this paragraph 5, there are no convertible securities, exchangeable securities or securities with warrants currently in existence in relation to the Company.

6.10 Save as otherwise stated in this document (including, without limitation, as set out in paragraph 6 of this Part VIII), no member of the Group has in place in respect of its share capital any option, nor has it agreed conditionally or unconditionally to put any of its share capital under option.

## 7. Share Options and Warrants

7.1 As at the date of this document the Company has the following outstanding Options and Warrants:

Grant Date	Holder	Expiry Date	Vesting Date	Pre-Capital Consolidation Units	Post-Capital Consolidation Units	Post-Capital Consolidation Exercise price (£)
<b>Options</b>						
19/12/2022	Larry Bottomley	n/a	n/a	138,331,227	[138,331]	0.0
19/12/2022	Stephen Whyte	n/a	n/a	11,216,045	[11,216]	0.0
19/12/2022	Ross Warner	n/a	n/a	11,216,045	[11,216]	0.0
19/12/2022	Mark Rollins	n/a	n/a	28,040,113	[28,040]	0.0
19/12/2022	Stephen Whyte	n/a	n/a	44,864,181	[44,864]	0.11
19/12/2022	Ross Warner	n/a	n/a	44,864,181	[44,864]	0.11
19/12/2022	Mark Rollins	n/a	n/a	89,728,363	[89,728]	0.11
19/12/2022	Stewart MacDonald	n/a	n/a	177,961,254	[177,961]	0.11
19/12/2022	Larry Bottomley	n/a	n/a	224,320,909	[224,320]	0.11
20/12/2023	Directors and Employees under share option scheme	20/12/2028	[●]	503,565,640	503,565	0.15
<b>Total</b>				<u>1,304,107,958</u>	<u>1,304,108</u>	
<b>Warrants</b>						
31/03/2021	John Battrick	31/03/2026	[●]	3,851,159	3,851	–
11/04/2023	Tennyson Securities	11/04/2028	[●]	86,136,363	86,136	0.11
11/04/2023	Optiva Securities Limited	11/04/2028	[●]	28,409,090	28,409	0.11
11/04/2023	Strand Hanson Limited	11/04/2028	[●]	24,254,545	24,255	0.11
11/04/2023	TOH	11/04/2028	[●]	1,097,537,674	[1,097,538]	0.11
11/04/2023	DRAG	11/04/2028	[●]	89,415,627	89,416	0.11
20/09/2023	Tennyson Securities	20/09/2028	[●]	116,700,000	116,700	0.15
28/02/2024	Tennyson Securities	28/02/2029	[●]	248,400,000	248,4000	0.05
<b>Total</b>				<u>1,694,704,458</u>	<u>1,694,704</u>	

### 7.2 **[Share Option Scheme]**

On 19 April 2021 the Company entered into Share Option Agreements with each of John Battrick, Ross Warner, Larry Bottomley and Stephen Whyte. The key terms are as follows:

#### Grant

(a) The number of Options over Ordinary Shares granted to each recipient is as set out below:

Names	Options granted on 19 April 2021 (adjusted for the Capital Consolidation)
Mark Rollins	19,840
Leslie Peterkin	24,450
Stephen West	19,840
Ross Warner	3,930
Larry Bottomley	1,670
Stephen Whyte	1,670
John Battrick	12,310

The exercise price is the price of 2.6 pence per share, payable by the option holder to acquire the shares under the Share Option Agreement. The exercise price shall be increased in proportion following the Capital Consolidation, such that the exercise price shall be [●] pence per share.

- (b) The grant date is the date of the Share Option Agreement.
- (c) The Share Option Agreement will not entitle the option holder (the "Option Holder") to acquire any percentage of the share capital of the Company, other than the percentage that shares actually acquired under the Option represent at any time. The grant and existence of the Option shall not restrict the Company's freedom to issue any shares, rights to subscribe for shares, or any other securities, at any time after the grant date and on such terms as the Company may decide.
- (d) The grant of the Option does not form part of the individual's entitlement to remuneration or benefits pursuant to their roles with the Company.
- (e) The individual's rights and obligations under the terms of their appointment with the Company or any other Group member shall not be affected by the grant of the Option.
- (f) The Option Holder shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer due to being unable to exercise the Option in consequence of the loss or termination of office or employment with the Company or any Group member.

#### *Exercise*

Unless an earlier event occurs to cause it to become exercisable, the Option Holder may first exercise the Option (in whole or in part, on one or more occasions) in respect of the first 50 per cent. of shares subject to it, from 1 January 2022; and in respect of the next 50 per cent. of shares subject to it, from 1 January 2023.

No exercise is permitted at a time when exercise is prohibited by or would be a breach of the share dealing code, any law or regulation with the force of law.

The Option may only be exercised by the individual in respect of shares the subject of the Option if the individual was employed by the Company on the date on which the Option vested in respect of those shares.

The Option Holder may within 90 days following such termination pursuant to the Option Holder's service agreement or NED appointment letter exercise the Option in respect of shares vested prior to the cessation of the individual's employment by the Company provided that the individual's employment was not terminated for cause. The Option shall terminate and the individual may not exercise it in respect of vested shares or otherwise if the employment is terminated for cause. The Board of the Company may, in its absolute discretion, permit the individual to exercise the Option in respect of unvested shares after the cessation of employment.

If the Option Holder dies, their personal representatives may exercise the Option to the extent capable of exercise as at the time of the individual's death during a period ending no later than 36 months after death.

Exercise is by giving a written exercise notice to the Company setting out the number of shares over which the Option Holder wishes to exercise the Option. If that number exceeds the number over which the Option may be validly exercised at the time, the Company shall treat the Option Holder as having exercised the Option only in respect of that lesser number; and using a form that the Board will approve.

When giving an exercise notice the Option Holder must also provide payment of an amount equal to the exercise price multiplied by the number of shares specified in the notice (or evidence that the Option Holder has made arrangements acceptable to the Board to pay that amount).

#### *Option shares*

Shares allotted and issued in satisfaction of the exercise of the Option shall rank equally in all respects with the other shares of the same class in issue at the date of allotment, except for any restriction or any rights determined by reference to a date before the date of allotment.

Shares transferred in satisfaction of the exercise of the Option shall be transferred free of any lien, charge or other security interest, and with all rights attaching to them, other than any restriction or rights determined by reference to a date before the date of transfer.

If the shares are listed or traded on any stock exchange, the Company shall apply to the appropriate body for any newly issued shares allotted on exercise of an Option to be listed or admitted to trading on that exchange.

The Option Holder indemnifies the Company or any other Group member against any liability of any person to account for any Option tax liability.

The Company shall not be obliged to allot and issue any shares pursuant to the Option unless and until the Option Holder has paid to the Company or any other Group member such sum as is, in the opinion of the Company, sufficient to indemnify it in full against any Option tax liability.

The Company shall have the right not to allot and issue or procure the transfer to the Option Holder or to the Option Holder's order the aggregate number of shares to which the Option Holder would otherwise be entitled but to retain out of such aggregate number of shares such number of shares as, in the opinion of the Company, will enable the Company to sell as agent for the Option Holder (at the best price which can reasonably be expected to be obtained at the time of sale) and to pay over to the Company or any other Group member sufficient monies out of the net proceeds of sale, after deduction of all fees, commissions and expenses incurred in relation to such sale, to satisfy the Option Holder's liabilities.

#### *Change of Control*

If the Board considers that a change of control is likely to occur, the options shall be capable of exercise in full at any time within a reasonable period to be specified by the Board for that purpose and ending immediately before the offeror obtains the requisite number of shares in the Company occasioning a change of control.

If a change of control occurs, the Option Holder may exercise their Option in full at any time within 90 days after the time when the Offeror has obtained the requisite number of Shares in the Company occasioning a change of control.

The Option Holder may exercise their Options in full at any time during any period when any person is bound or entitled to acquire shares under sections 979 to 982 or 983 to 985 of the Companies Act 2006.

The Option Holder may exercise their Option in full if a person acquires the requisite number of shares in the Company occasioning a change of control by subscribing for new shares in the Company.

#### *Miscellaneous provisions*

If the shareholders of the Company receive notice of a resolution for the voluntary winding up of the Company, the Option Holder may exercise their Option in full at any time before that resolution is passed, conditional upon the passing of such resolution, and if the Option Holder does not so exercise it, it shall lapse when the winding up begins.

The Board shall notify the Option Holder of any event that is relevant to the Options within a reasonable period after the Board becomes aware of it.

The Option Holder may not transfer or assign; or have any charge or other security interest created over the Option (or any right arising under it).

After the Option lapses it cannot be exercised, become exercisable, be released for consideration or be of use or benefit to the Option Holder in any other way (except in respect of the Option Holder's rights before the time of lapse). The Option Holder's Options shall lapse on the earliest of the following: in respect of each tranche, the fifth anniversary of the date of grant and the third anniversary of the Option Holder's death.

If there is any variation of the share capital of the Company (whether that variation is a capitalisation issue (other than a scrip dividend), rights issue, consolidation, subdivision or reduction of capital or otherwise) that affects (or may affect) the value of the Options, the Board shall adjust the number and description of shares subject to the Option or the exercise price of the Option in a manner that the Board, in its reasonable opinion, considers to be fair and appropriate.

On 19 December 2022, the Company entered into share option agreements with each of Mark Rollins, Stewart MacDonald, Stephen Whyte, Ross Warner and Larry Bottomley. The key terms are as set out for the 19 April 2021 share option agreements above, save for the following specific terms:

- (a) Pursuant to an amendment to the share option agreements dated 12 April 2023, the exercise price is either the price of £0.00 per share (the “**Zero Cost Options**”) or the Fundraise Price per share (the “**Fundraise Options**”). Each of the Directors were granted Zero Cost Options and all Directors, received Fundraise Options.
- (b) The grant date is the date the Company’s shareholders approve the Acquisition following the publication of this document.
- (c) In respect of the Options awarded to Ross Warner only, such Options shall only vest and be capable of exercise if the Company or any of its subsidiaries completes a new well capable of producing hydrocarbons in paying quantities.
- (d) Unless an earlier event occurs to cause it to become exercisable, the option holder may first exercise the Option (in whole or in part, on one or more occasions) in respect of the first 50 per cent. of shares subject to it, from 19 June 2023; and in respect of the next 50 per cent. of shares subject to it, from 19 December 2023.]

## **8. Corporate governance**

### **8.1 Board**

- (a) The Company is incorporated in the Isle of Man and is not subject to any corporate governance regime in its place of incorporation. However, the Company, taking into account its size and the complexity of its operations, seeks to comply with the relevant requirements of the QCA Corporate Governance Code, published in November 2023 by the Quoted Companies Alliance (the “**QCA Code**”).
- (b) The Board of Directors aims to hold monthly Board meetings. All the necessary information is supplied to the Directors on a timely basis to enable them to discharge their duties effectively. At Board meetings, there is a formal schedule of matters reserved for consideration by the Board and other matters are delegated to Board committees. The Board is responsible for leading and controlling the Company and in particular for formulating, reviewing and approving the Company’s strategy, budget, major items of capital expenditure, acquisitions and senior personnel appointments. The Company has established subcommittees of the Board, comprising an Audit Committee, a Nomination and Remuneration Committee and a Market Disclosure Committee.

### **8.2 Audit Committee**

- (a) The Audit Committee aims to meet at least three times each year. The Audit Committee is responsible for assisting the Board’s oversight of the integrity of the financial statements and other financial reporting, the independence and performance of Lubbock Fine, the regulation and risk profile of the Group and the review and approval of any related party transactions. The Audit Committee may hold private sessions with management and Lubbock Fine without management present. Further, the Audit Committee is responsible for making recommendations to the Board on the appointment of Lubbock Fine and the audit fee and reviews reports from management and Lubbock Fine on the financial accounts and internal control systems used throughout the Company and the Group. The Audit Committee also reviews arrangements by which the staff of the Company and the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for the proportionate and independent investigation of such matters with appropriate follow-up action. Where necessary, the Audit Committee will obtain specialist external advice from appropriate advisers.

- (b) The Audit Committee is chaired by Ross Warner, with the other participating members of the committee being Mark Rollins and Leo Koot.

#### **8.3 *Remuneration and Nomination Committee***

- (a) The Remuneration and Nomination Committee meets at least three times a year. The Remuneration and Nomination Committee is responsible for considering all material elements of remuneration policy, the remuneration and incentivisation of Executive Directors and senior management (as appropriate), to make recommendations to the Board on the framework for executive remuneration and its cost, reviewing and making proposals to the Board on the appointment of directors, reviewing succession plans and ensuring that the performance of directors is assessed on an ongoing basis. The role of the Remuneration and Nomination Committee is to keep under review the Company's remuneration policies to ensure that the Company attracts, retains and motivates the most qualified talent who will contribute to the long-term success of the Company and manage and appoint directors. The Remuneration and Nomination Committee also reviews the performance of the CEO and CFO and sets the scale and structure of their remuneration, including the implementation of any bonus arrangements, with due regard to the interests of shareholders. The Remuneration and Nomination Committee is also responsible for granting options under the Company's share option plan and, in particular, the price per share and the application of the performance standards which may apply to any grant, ensuring in determining such remuneration packages and arrangements, due regard is given to any relevant legal requirements, the provisions and recommendations in the AIM Rules and the QCA Code.
- (b) The Remuneration and Nomination Committee is chaired by Mark Rollins, with the other participating members of the committee being Ross Warner and Leo Koot.

#### **8.4 *Market Disclosure Committee***

- (a) The Market Disclosure Committee will monitor the Company's compliance with the AIM Rules and UK MAR and seek to ensure that the Company's Nominated Adviser is maintaining contact with the Company on a regular basis and *vice versa*. The committee will ensure that procedures, resources and controls are in place with a view to ensuring the Company's compliance with the AIM Rules and UK MAR. This includes being responsible for retrieving and sourcing information pertaining to assets and projects that the Company has invested in. The committee will also ensure that each meeting of the Board includes a discussion of AIM matters and assesses (with the assistance of the Company's Nominated Adviser and other advisers, as appropriate) whether the Directors are aware of their AIM responsibilities from time to time and, if not, will ensure that they are appropriately updated on their AIM responsibilities and obligations.
- (b) The Market Disclosure Committee is chaired by Leo Koot, with the other participating members of the committee being Ross Warner and Mark Rollins.

#### **8.5 Other than as set out above, there are no material changes or impacts to corporate governance, board or committees (in so far as this has been already decided by the board and/or shareholders meeting).**

#### **8.6 *Share dealing code***

The Directors will comply with Rule 21 of the AIM Rules relating to dealings in the Ordinary Shares and the Company has adopted a code on dealing in securities to ensure compliance by its Directors and applicable employees.

## 9. Corporate structure

9.1 The Company is the parent entity of the Group. A summary of the Group's subsidiary companies and other entities it holds shares in is set out in the table below:

<i>Name of company</i>	<i>Proportion of voting shares</i>	<i>Nature of business</i>	<i>Country of incorporation</i>
Advance Energy TL Limited	100%	Oil and gas exploration and production	England and Wales
Eagle Gas Limited	25%	Oil and gas exploration	England and Wales and production
Beacon Energy RP Limited	100%	Oil and gas exploration and production	Isle of Man
Rhein Petroleum GmbH <sup>[1]</sup>	100%	Oil and gas exploration and production	Germany
LNE IOM Ltd and production	49%	Oil and gas exploration	Isle of Man

<sup>[1]</sup> As at the date of this document Rhein Petroleum GmbH is undergoing a formal liquidation process which is not expected to complete prior to completion of the Acquisition.

## 10. Directors

Details of the Directors and their functions in the Company are set out on page 10 of this document under the heading "Directors, Secretary and Advisers". Each of the Directors can be contacted at the registered office.

10.1 In addition to their directorships of the Company or members of the Group, the Directors are currently or have within the five years prior to the date of this document been directors or partners of the following companies and partnerships:

<i>Director</i>	<i>Current directorships and partnerships</i>	<i>Previous directorships and partnerships</i>
Mark Rollins	Noiva International SA PJ George Topco Ltd Rollins BV Tenaz Energy Corp Tirupati Graphite plc LNE IOM Ltd (at Admission)	Alpina Ltd Roquefort Therapeutics Plc Tenaz Energy plc
Ross Warner	Black Lantern Investments Pty Limited Go Exploration Pty Ltd	Blue Star Helium Ltd BNL (USA Helium) Pty Ltd Santa Energy Pty Ltd Northcote Energy Ltd

<i>Director</i>	<i>Current directorships and partnerships</i>	<i>Previous directorships and partnerships</i>
Stewart MacDonald	16 Charlwood Place (Freehold) Limited Advance Energy TL Limited Beacon Energy RP Limited Natural Carbon Capital Limited Warrah Resources Limited Quantum Xploration International Limited Tuya Energia Ltd Wallop Energy Limited	Desire Petroleum Limited Falkland Oil and Gas Limited Malta Oil Pty Limited Melita Exploration Company Limited OGL Geothermal 2 Limited Rockhopper Civita Limited Rockhopper Egypt Pty Limited Rockhopper Italia SpA Rockhopper Croatia Limited Rockhopper Exploration (Hydrocarbons) Limited Rockhopper Exploration (Oil) Limited (Falkland Islands) Rockhopper Exploration (Oil) Limited (UK) Rockhopper Exploration (Petrochemicals) Limited Rockhopper Exploration plc Rockhopper Mediterranean Limited Rockhopper Resources Limited South Atlantic Metals Limited United Oil & Gas plc
Leo Koot	LWK – Energy Consulting Unipessoal LDA MENA Gulf / Concordia Capital Tulip Oil Holding BV	Afentra Plc (f.k.a. Sterling Energy Plc) Avanti Energy & Real Estate BV Rhein Petroleum GMBH

10.2 As at the date of this document, no Director:

- (a) has any unspent convictions in relation to indictable offences;
- (b) has been declared bankrupt or been subject to any individual voluntary arrangement;
- (c) has been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or which has entered into a company voluntary arrangement or a composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
- (d) has been a partner in any partnership which has been placed in compulsory liquidation or administration or which has entered into a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- (e) has had any asset belonging to him placed in receivership or has been a partner in any partnership which had an asset placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- (f) has been subject to any public criticism by any statutory or regulatory authority (including any recognised professional body); or
- (g) has been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of any company.

## **11. Directors' service agreements, letters of appointment and employee arrangements**

11.1 The following Service Agreement, as amended from time to time, is in place for Stewart MacDonald. The key uniform terms are as follows ("Uniform Terms"):

- (a) annual salary of £280,000;
- (b) 6 months' notice from the Company to terminate;
- (c) 6 months' notice from the employee to terminate;
- (d) discretionary bonus dependent upon performance criteria determined by the Board;
- (e) full sick pay for 65 days, half sick pay for 65 days, in any 12-month period;
- (f) the provision of 10 per cent. of annual salary into private pension directly or an equivalent payment by way of additional salary;
- (g) a payment to contribute to the cost of the employee's private medical insurance;
- (h) change of control provisions which provide:
  - (i) if there is a change of control of the Company, and within three months following the change of control, the Company terminates the employment (or gives notice to do so pursuant to clause 3 of the Service Agreement other than pursuant to clause 18.2(b) of the Service Agreement), or the executive gives notice to terminate the employment pursuant to clause 3 of the Service Agreement, the Company shall, subject to the executive's compliance in the period prior to and following termination of the employment with his obligations under the service agreement, and to the executive entering into a binding settlement in a form acceptable to the Company (acting reasonably) pay an amount equal to one year's base salary (as set out in clause 10.1 of the Service Agreement) to the executive, such payment to be made, subject to appropriate deductions for tax and national insurance contributions, or their equivalents in any relevant jurisdiction, within one month following termination of the employment.
  - (j) appropriate post termination restrictive covenants for a period of 6 months post termination less any period of garden leave;
  - (k) obligations to comply with (a) every rule of law; (b) every regulation of the London Stock Exchange or of AIM or any other Recognised Investment Exchange; (c) the QCA Code (as amended from time to time); (d) every other rule or regulation of any competent regulatory authority; (e) any published guidelines regarding corporate governance which the Board considers relevant or appropriate; (f) the share dealing rules; (g) every regulation of the Company for the time being in force in relation to dealings in shares or other securities of the Company or any other member of the Group; and (h) all requirements, recommendations or regulations, as amended from time to time, of the London Stock Exchange, the FCA, UK MAR and any directly applicable regulation made under that regulation or any regulatory authorities relevant to the Company or any member of the Group and any code of practice, policies or procedures manual issued by the Company (as amended from time to time) relating to dealing in the securities of the Company or any member of the Group including the share dealing rules; and
  - (l) obligations not to commit or attempt to commit the criminal offence of insider dealing nor contravene articles 14, 15 or 19 of UK MAR.

11.2 NED appointment letters, as amended from time to time, are in place with: (a) Mark Rollins: Non-executive chairman appointment letter between Alpina Limited, Mark Rollins and the Company, (b) Ross Warner: Non-executive director appointment letter, and (c) Leo Koot: Non-executive director appointment letter. The key uniform terms for the non-executive directors are as follows:

- (a) 4 months' notice from the Company to terminate;
- (b) 4 months' notice from the non-executive director to terminate
- (c) Obligations to comply with (a) every rule of law; (b) every regulation of the London Stock Exchange or of AIM or any other Recognised Investment Exchange; (c) the QCA Code (as amended from time to time); (d) every other rule or regulation of any competent regulatory authority; (e) any published guidelines regarding corporate governance which the Board

considers relevant or appropriate; (f) the share dealing rules; (g) every regulation of the Company for the time being in force in relation to dealings in shares or other securities of the Company or any other member of the Group; and (h) all requirements, recommendations or regulations, as amended from time to time, of the London Stock Exchange, the FCA, UK MAR and any directly applicable regulation made under that regulation or any regulatory authorities relevant to the Company or any member of the Group and any code of practice, policies or procedures manual issued by the Company (as amended from time to time) relating to dealing in the securities of the Company or any member of the Group including the share dealing rules; and

- (d) obligations not to commit or attempt to commit the criminal offence of insider dealing nor to contravene articles 14, 15 or 19 of UK MAR.

11.3 Specific terms which differ from those above are as follows:

- (a) Ross Warner is to provide duties 2 days per month and is paid US\$60,000 per annum;
- (b) Mark Rollins, via Alpina Limited, provides duties 3 days a week and is paid US\$120,000 per annum;
- (c) Mark Rollins has 6 months' notice from the Company to terminate;
- (d) Mark Rollins is required to give 6 months' notice to the Company to terminate; and
- (e) Leo Koot is paid US\$60,000 per annum, payable monthly in arrears.

11.4 Save as set out in this paragraph, there are no existing or proposed service agreements, consultancy agreements or letters of appointment between Ross Warner, Mark Rollins, Stewart MacDonald, Leo Koot and the Company.

11.5 There are no arrangements under which any director has agreed to waive future emoluments nor have there been any waivers of such emoluments during the financial year immediately preceding the date of this document.

11.6 The aggregate remuneration paid and benefits in kind granted to the Directors in the current financial year is approximately \$[●] (£[●]). It is estimated that, under the agreements in force at the date of this document, the aggregate remuneration payable and benefits in kind to be granted to the directors in the financial year ending 30 December 2025 will be approximately \$[●] (£[●]).

11.7 Save as set out in paragraph 11.1(g), there are no service contracts in existence between any of the Directors and the Company/Group that provide for benefits upon termination.

11.8 Following Admission, Leo Koot will become an independent Director of the Company, as following Admission TOH will have a less than 15 per cent. shareholding in the Company, and therefore its right to appoint a Director will fall away pursuant to the terms of the existing relationship in place between (i) TOH (ii) Strand Hanson and (iii) the Company.

## **12. Directors' shareholdings and other interests**

12.1 The interests (all of which are beneficial, unless otherwise stated) of the Directors (including, so far as is known to the Directors having made appropriate enquiries, the interests of any persons connected with the Directors within the meaning of section 252 of the UK Companies Act 2006) in the issued share capital of the Company as at the date of this document and as they will be immediately following Admission are as follows:

**At the date of this document**

<i>Director</i>	<i>Number of New Ordinary Shares</i>	<i>Percentage of current issued share capital (%)</i>
Mark Rollins	325,281	1.76
Ross Warner	205	0.00
Stewart MacDonald	224,492	1.21
Leo Koot	159,091	0.86

**At Admission**

<i>Director</i>	<i>Fundraise Shares</i>	<i>Total Number of New Ordinary Shares</i>	<i>Percentage of Enlarged Share Capital (%) on Admission</i>
Mark Rollins	[●]	[●]	[●]
Ross Warner			
Stewart MacDonald	[●]	[●]	[●]
Leo Koot	[●]	[●]	[●]

12.2 On Admission, the Directors will have the following Options and Warrants over Existing Ordinary Shares:

*Existing Options and Warrants*

<i>Director</i>	<i>Existing Options as at the date of this document<sup>(1)</sup></i>	<i>New Options be granted on Admission<sup>(2)(3)</sup></i>	<i>Total Options (post Capital Consolidation) on Admission<sup>(3)</sup></i>
Mark Rollins	155,335	[●]	[●]
Ross Warner	74,864	[●]	[●]
Stewart MacDonald	269,623	[●]	[●]
Leo Koot	—	[●]	[●]

(1) Exercisable at a price per Existing Ordinary Share of £[●].

(2) Exercisable at nil cost or the Fundraise Price, full details of which are set out in paragraph 6 of this Part VII of this document.

12.3 Save as set out in paragraphs 12.1 and 12.2 of Part VIII, paragraph 6 of Part VIII (Share Options and Warrants) and Paragraph 10 of Part VIII (Directors' service agreements, letters of appointment and employee arrangements), paragraph 12 of Part VIII (Significant Shareholders) and paragraph 15 of Part I (Options, Warrants and Accrued Fees Issues), no Director has any interest (whether beneficial or non-beneficial) in the share or loan capital of the Company nor (so far as is known to the Directors having made appropriate enquiries) does any person connected with any of the Directors within the meaning of section 252 of the UK Companies Act 2006 have any such interest (whether beneficial or non-beneficial).

12.4 None of the Directors nor (so far as is known to the Directors having made appropriate enquiries) any person connected with any of the Directors within the meaning of section 252 of the UK Companies Act 2006 holds a related financial product (as defined in the AIM Rules) referenced to the Ordinary Shares and/or any Fundraise Shares.

12.5 There are no outstanding loans or guarantees granted or provided by the Company to or for the benefit of any of the Directors.

- 12.6 No Director has or has had any interest, whether direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or leased to, the Company.
- 12.7 No Director has or has had any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company since its incorporation or which remains in any respect outstanding or unperformed.
- 12.8 No Director has any conflict of interest (or potential conflict of interest) between any of the duties owed by him to the Company and his private interests or any duties owed by him to third parties.
- 12.9 Details of any restrictions agreed by the Directors with regard to the disposal of their holdings in the Company's securities are set out in paragraph 13.8 of this Part VIII.

### **13. Significant Shareholders**

- 13.1 In addition to the interests of the Directors disclosed in paragraph 12 above, the Directors are aware of the following persons who are at the date of this document, or will immediately following Admission be, directly or indirectly interested in 3 per cent. or more of the Company's issued share capital or voting rights:

#### ***As at the date of this document***

<i>Significant Shareholder</i>	<i>Number of Existing Ordinary Shares</i>	<i>Percentage of current issued share capital (%)</i>
Tulip Oil Holding B.V.	4,256,246	[22.99]

#### ***At Admission***

<i>Significant Shareholder</i>	<i>Number of new Ordinary Shares</i>	<i>Percentage of Enlarged Share Capital (%)</i>
Reabold Resources Plc	[●]	[●]
Tulip Oil Holding B.V.	[●]	[●]
Strand Hanson Limited	[●]	[●]
Watson Farley & Williams LLP	[●]	[●]

- 13.2 None of the persons interested, directly or indirectly, in 3 per cent. or more of the Company's issued share capital or voting rights has voting rights which are different from other Shareholders.
- 13.3 Save as disclosed in this document (and in particular, please note the concert party arrangements described in Part III of this document), the Company is not aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.
- 13.4 So far as the Directors are aware, there are no arrangements in place, the operation of which may at a later date result in a change of control of the Company.

## 14. Material contracts

### 14.1 *Introduction*

The following is a summary of (i) each material contract (other than contracts entered into in the ordinary course of business) to which the Company or its subsidiaries have entered into within the period of two years immediately preceding the date of this document; and (ii) any other contract (other than contracts entered into in the ordinary course of business) entered into by the Company or its subsidiaries which contains obligations or entitlements which are or may be material as at the date of this document.

### 14.2 *Joint Operating Agreement*

On 16 January 2006, LNEnergy Italy and a private Italian partner entered into a joint operating agreement (the “**Monte Pallano JOA**”) in respect of the management of the 90 per cent. interest in the Monte Pallano Permit held by LNEnergy Italy and the 10 per cent. interest in the Monte Pallano Permit held by a private Italian partner. The effective date of the Monte Pallano JOA is 31 March 2004,

LNEnergy Italy has been appointed as the sole representative and the operator under the Monte Pallano JOA, and is therefore authorised to liaise with the Ministry in connection with the Monte Pallano Permit and the Production Concession. LNEnergy Italy as operator may employ independent contractors and agents, which can include any companies affiliated with LNEnergy Italy.

Obligations and liabilities incurred by LNEnergy Italy as the operator pursuant to the Monte Pallano JOA are to be shared by the parties in proportion to their interests held under the Monte Pallano JOA, being 90 per cent. held by LNE Italy and 10 per cent. held by a private Italian partner. The voting rights of the parties are additionally apportioned in accordance with their percentage interests.

The Monte Pallano JOA contains a right of withdrawal for any non defaulting party to be exercised by way of notice given to the other parties, which will be effective from the end of the following calendar month in which any withdrawal notice is given.

If a party is in default, its participating interest in the Monte Pallano Permit can be unilaterally acquired by the other non-defaulting parties, provided that the prior authorisation of the Ministry is required. A party in default can only transfer its interest to the other non-defaulting parties under the Monte Pallano JOA. The other non-defaulting parties may also subsequently provide a notice of withdrawal.

The Monte Pallano JOA is governed by Colorado law.

### 14.3 *Rhein Petroleum Share Purchase Agreement*

On 15 December 2022, the Company entered into the Rhein SPA, pursuant to which it acquired the entire issued share capital of Rhein Petroleum from TOH and DRAG, amounting to 125,000 shares with a nominal value of €1.00 per share as at the date of the Rhein SPA (the “**Rhein Petroleum Shares**”). Subject to the terms and conditions of the Rhein SPA, TOH and DRAG agreed to sell the Rhein Petroleum Shares held in their respective names, and the Company agreed to purchase such Rhein Petroleum Shares, free from encumbrances.

Under the terms of the Rhein SPA, the consideration paid by the Company to TOH and DRAG for the Rhein Petroleum Shares consisted of consideration shares and warrants issued to each of TOH and DRAG; plus (ii) a contingent consideration based on the future production and exploration of the assets held by Rhein Petroleum, payable by the Company, consisting of (a) a contingent consideration in cash equal to 10 per cent. (ten per cent) of the net production proceeds from the current and existing licences (including renewals) over the acreage and (b) a contingent consideration in cash equal to 3 per cent. (three per cent) of the net production proceeds from the licences held by the Company on the date of completion of the Rhein SPA, but excluding the acreage (the “**Rhein Earn Out Consideration**”). Under the terms of the Rhein SPA and the Rhein Subscription Letter, TOH additionally agreed to subscribe at 0.11 pence for subscription shares within the Company.

The obligation of the Company and the sellers to effect completion under the Rhein SPA was subject to the satisfaction of the following conditions precedent (the “**Rhein Completion Conditions**”):

- (i) the Rhein Placing Agreement having been entered into by the parties thereto and having become unconditional save for Rhein Admission (and not having been terminated prior to Rhein Admission);
- (ii) the Company having published the Rhein Admission Document following the approval of the Takeover Panel of the Rhein Admission Document for the purposes of Section 2(c) to Appendix 1 to the Takeover Code;
- (iii) certain resolutions of the Company approving the transaction having been passed without amendment at the Company's general meeting;
- (iv) the Takeover Panel having waived, conditional upon the approval by the independent shareholders of the Company of a Rule 9 waiver resolution, any obligation which would otherwise be imposed on the Rhein Concert Party, either individually or collectively, under Rule 9 of the City Code) to make a general offer for the Company, as a result of the issue of the Company shares to be allotted pursuant to the terms of the Rhein SPA;
- (v) reasonable evidence of the extensions of the licences for Karlsruhe-Leopoldshafen and the operating schedules for Schwarzbach and Steig having been granted by the relevant German authorities;
- (vi) a general meeting of the shareholders of TOH having been held on or before 31 December 2022 approving the acquisition of the Rhein Petroleum Shares; and
- (vii) Land Hessen, being the authority responsible for all permits of licences in the area of the state Hessen in Germany, having released in writing the requisite security to be held.

The Rhein Completion Conditions were satisfied on 11 April 2023.

The Rhein SPA contains certain asset buy back provisions in favour of TOH in relation to the Steig Field and the Graben Field. If:

- (i) between 11 April 2023 and 30 June 2026, there has only been production for a period of 2 continuous months or less or no new wells have been drilled on the Steig Field by Rhein Petroleum, then TOH shall have the right (but not the obligation) to acquire the Steig Field Interests together with all related agreements and documents which govern or relate to the creation, existence and validity of the Steig Field Interests, including the related licences, permits and other authorisations against payment by TOH of nominal consideration, being EUR 1 (the "**Steig Option**"); and
- (ii) between 11 April 2023 and 30 June 2028, there has only been production for a period of 2 continuous months or less or no new wells have been drilled on the Graben Field by the Company, then TOH shall have the right (but not the obligation) to acquire the Graben Field Interests together with all related agreements and documents, which govern or relate to the creation, existence and validity of the Graben Field Interests including the related licences, permits and other authorisations against payment by TOH of nominal consideration, being EUR 1 (the "**Graben Option**" and, together with (i), the "**Buy-Back Options**").

The Buy-Back Options are subject to time limitations and TOH may exercise the Steig Option by written notice to the Company from 1 January 2027 until 31 January 2027 and the Graben Option by written notice to the Company from 1 January 2029 until 31 January 2029.

TOH and DRAG each provided warranties in relation to (i) its authority and capacity to enter into the Rhein SPA and the related transaction documents; (ii) Rhein Petroleum and its share capital; (iii) the Interests; and (iv) anti-bribery, corruption and anti-money laundering (the "**Rhein Seller Warranties**").

The sole and exclusive remedy of the Company for a breach of a Rhein Seller Warranty is an action for damages and the Company waived rights to claim specific performance or any other remedy under the terms of the Rhein SPA. The Rhein SPA includes typical time and financial limitations of liability in favour of TOH and DRAG and the time period for the Company to bring any warranty claims expired on 31 December 2024.

The Rhein SPA is governed by the laws of England and Wales.

#### 14.4 **Rhein Relationship agreement**

On 21 March 2023, the Company entered into the [Rhein Relationship Agreement] with TOH as substantial shareholder (the “**Rhein Substantial Shareholder**”) and Strand Hanson. The Rhein Relationship Agreement was conditional on Rhein Admission occurring in accordance with the terms of the Rhein SPA, and regulates the relationship between the Rhein Substantial Shareholder and the Company for so long as TOH, together with its “Associates” (as defined in paragraph (c) of the definition of “related party” in the AIM Rules but excluding any member of the Group) and any persons deemed to be acting in concert with it, hold at least 15 per cent. of the issued share capital of the Company.

Under the terms of the Rhein Relationship Agreement, the Rhein Substantial Shareholder provides certain undertakings, including but not limited to procuring that it and each of its Associates shall do all such things so that among other things:

- (i) the Group is capable at all times of, and not precluded or inhibited from, carrying on business for the benefit of the shareholders as a whole and independently of the Rhein Substantial Shareholder and/or its Associates;
- (ii) all transactions, agreements or arrangements entered into between any member of the Group (on the one hand) and the Rhein Substantial Shareholder and/or its Associates (on the other hand) will be conducted at arm's length and on normal commercial terms and any enforcement, implementation or amendment thereof by any member of the Group is approved by the Directors who are considered by the Board, in consultation with the Nomad, to be independent as determined by reference to the Quoted Companies Alliance Code, (“**Independent Directors**”) alone (following consultation with Strand Hanson for as long as it remains the nominated adviser to the Company) and be in compliance with, and disclosed in accordance with, all Applicable Laws and regulations, including those of the London Stock Exchange;
- (iii) the Board shall at all times contain at least two Independent Directors and, as soon as reasonably practicable after this ceases to be the case, the Rhein Substantial Shareholder shall, and shall (insofar as it is legally able to do so) procure that each of its Associates shall, subject always to Applicable Laws, exercise their respective voting rights on any board or shareholder resolution to replace any Independent Director who ceases to be a Director with another Independent Director;
- (iv) any actual or potential conflicts of interest of the Rhein Substantial Shareholder and/or its Associates which may arise and of which the Rhein Substantial Shareholder is aware are declared to the Independent Directors as soon as reasonably practicable;
- (v) no variations are made to the Articles which shall fetter the Company's ability to carry out its business independently of the Rhein Substantial Shareholder and its Associates, prevent the election of proposed Independent Directors (other than in accordance with a resolution or recommendation of the then current Independent Directors) or which would be inconsistent with, undermine or breach any provision of the Rhein Relationship Agreement or the AIM Rules; and
- (vi) neither the Rhein Substantial Shareholder, nor any of its Associates, shall seek to procure or vote in favour of any resolution to cancel the Company's admission to trading on AIM other than with the unanimous consent of the Independent Directors, in connection with an offer for the entire issued share capital of the Company made by a person other than the Rhein Substantial Shareholder or its Associate or any member of the Group, or where the Shares are already or will be admitted to trading on a regulated market or recognised overseas investment exchange and with the approval of the Independent Directors.

The Rhein Substantial Shareholder has the right to nominate one person to be its representative director on the Board (the “**Rhein Representative Director**”), it being acknowledged that the Rhein Representative Director will be subject to the Company's and Strand Hanson's standard pre-appointment due diligence and vetting process. The Rhein Substantial Shareholder must not appoint or retain in office a Rhein Representative Director who, in the reasonable opinion of the Independent Directors and Strand Hanson is unsuitable as a director of a company whose securities are admitted to trading on AIM. The Rhein Substantial Shareholder may remove the Rhein Representative Director by giving notice in writing to the Company and the Rhein Representative Director (copied to Strand Hanson) and appoint another person in their place. The Company may by notice in writing immediately

terminate the appointment of a Rhein Representative Director to the Board for a variety of reasons including, but not limited to, circumstances where the Rhein Representative Director:

- (i) is disqualified from acting as a director under the provision of any Applicable Law;
- (ii) is removed as an office holder in accordance with Applicable Laws or in accordance with the Articles;
- (iii) commits a material breach of his or her obligations under the terms of his or her appointment or under Applicable Law;
- (iv) Strand Hanson deems it appropriate (acting reasonably and in good faith) in accordance with its obligations pursuant to the AIM Rules for Nominated Advisers;
- (v) the Company receives a director removal notice from the Rhein Substantial Shareholder; and
- (vi) where the Rhein Substantial Shareholder and its Associates are no longer interested in 15 per cent. or more of the voting rights exercisable at general meetings of the Company.

Under the terms of the Rhein Relationship Agreement, the Rhein Substantial Shareholder indemnifies and must keep the Company indemnified against any claim connected with the removal of the Rhein Representative Director in office where such removal is required by the Company pursuant to (i), (ii) (if and to the extent that the removal of the Rhein Representative Director is due to any default or breach of the Rhein Representative Director or the Rhein Substantial Shareholder) and (iii) to (v) above (inclusive).

Without prejudice to any other rights or remedies that they may have, the parties to the Rhein Relationship Agreement (the “**Rhein RA Parties**”) agree and acknowledge that if there is a breach of any provision of the Rhein Relationship Agreement or if a party has reasonable grounds for anticipating a prospective breach of any such provision, damages may not be a wholly adequate remedy for such breach or prospective breach and the appropriate remedy may be an injunction, specific performance or other equitable relief (in addition to or instead of damages).

Each Rhein RA Party provides standard warranties in relation to the other Rhein RA Parties as regards its capacity to enter into the Rhein Relationship Agreement and be bound by it, including that all approvals required prior to entry into the Rhein Relationship Agreement have been obtained.

The Rhein Relationship Agreement is governed by the laws of England.

It is expected that following Admission, the shareholding of the Rhein Substantial Shareholder will fall below 15 per cent., and the Rhein Relationship Agreement will cease to be effective, as TOH will cease to hold over 15 per cent. of the issued shares in the Company and therefore TOH will no longer be a substantial shareholder.

#### 14.5 **Rhein Decommissioning Security Loan**

On 20 March 2023, the Company, as security provider, entered into a decommissioning security loan with TOH as lender and Rhein Petroleum as borrower, it having been agreed under the terms of the Rhein SPA that, to the extent escrow cash were required to implement a replacement for the security provided by DRAG (the “**DRAG Security Replacement**”), TOH was to provide a secured loan to Rhein Petroleum (the “**Rhein Decommissioning Security Loan**”). Pursuant to the terms of the Rhein Decommissioning Security Loan, TOH agreed to make available to Rhein Petroleum a term loan facility in an aggregate amount equal to the total of the following:

- (i) the maximum amount of EUR 1,900,000 (“**Tranche A**”), on 11 April 2023 (as defined in the Rhein Decommissioning Security Loan);
- (ii) the maximum amount of EUR 250,000 (“**Tranche B**”), until 11 April 2024; and
- (iii) the amount equal to 37.5 per cent. of any tax claim Rhein Petroleum is required to pay arising from certain agreements between Rhein Petroleum and TOH dated 17 February 2022 (the “**Tax Reimbursement Claim**”) (“**Tranche C**”), received on or before 31 December 2024.

The purpose of the Rhein Decommissioning Security Loan is for Rhein Petroleum to apply:

- (i) all amounts borrowed by it under Tranche A towards the financing of the cash amount required to be kept in escrow by Land Hessen as part of a DRAG Security Replacement;

- (ii) all amounts borrowed by it under Tranche B towards the partial financing of the development of petroleum production from a specified potential future well currently under negotiation; and
- (iii) all amounts borrowed by it under Tranche C towards the partial payment of the Tax Reimbursement Claim to any German governmental authority having the authority to impose or collect any tax.

Tranche A of the Rhein Decommissioning Security Loan was draw down and became repayable in accordance with its terms, but prior to repayment being arranged the preliminary insolvency proceedings of Rhein Petroleum were initiated.

As security for the Rhein Decommissioning Security Loan, on 11 April 2023 the Company as pledgor entered into a share pledge agreement with TOH as pledgee pursuant to which it granted a pledge over its existing and future shares in Rhein Petroleum (see paragraph 13.14 below). Rhein Petroleum additionally provided a first ranking security over its assets in favour of TOH (see paragraph 13.15 below) on 11 April 2023.

#### 14.6 **Rhein Share Pledge Agreement**

On 6 April 2023, the Company entered into a share pledge agreement with TOH as pledgee and Rhein Petroleum as pledged company pursuant to which the Company agreed to grant a pledge (the “**Rhein Pledge**”) over all of its existing and future shares in Rhein Petroleum (together with any ancillary rights, including dividend, liquidation and all other present and future rights) as security for TOH’s respective claims against the Company and/or Rhein Petroleum in accordance with the provisions set out in the earn-out schedule within the Rhein SPA (the “**Earn-Out Schedule**”) and the Rhein Decommissioning Security Loan.

The purpose of the Rhein Pledge is to secure the prompt and complete satisfaction of the obligations at any time due, owing or incurred by the Company and Rhein Petroleum to TOH under the Rhein Decommissioning Security Loan. The Rhein Pledge ranks prior to any other security interest or third party right in existence at present or created in the future in respect of the Company’s existing and future shares in Rhein Petroleum.

#### 14.7 **Rhein Security Transfer Agreement**

On 6 April 2023, Rhein Petroleum as guarantor entered into a security transfer agreement with TOH as secured party (the “**Rhein Security Transfer Agreement**”) pursuant to which it agreed to transfer to TOH a particular part of the oil production facility of Schwarzbach as collateral (the “**Collateral**”) to secure all claims of TOH against Rhein Petroleum arising from or in connection with the Rhein Decommissioning Security Loan. The Collateral was transferred upon the signing of the Rhein Security Transfer Agreement.

Subject to giving Rhein Petroleum due notice (save for certain limited reasons, such as in the case of Rhein Petroleum’s insolvency) TOH is entitled to a compulsory sale of the Collateral if Rhein Petroleum does not fulfil TOH’s claims arising from or in connection with the Rhein Decommissioning Security Loan or does not do so in due time.

The Rhein Security Transfer Agreement imposes certain standard obligations in respect of the Collateral on Rhein Petroleum and includes certain typical guarantees in favour of TOH.

The Rhein Security Transfer Agreement is governed by German law.

#### 14.8 **Supplemental Agreement**

On 11 June 2023 a supplemental agreement was entered into between Reabold (as the Investor), LNEnergy, Steven Mark Frascogna, Girolamo Mazziotta, Robert Price and James Stafford, in respect of LNEnergy (“**Supplemental Agreement**”).

Under the terms of the Supplemental Agreement, while Reabold holds 10 per cent. or more of the shares in LNEnergy, it may appoint an observer to the board of LNEnergy, and where Reabold holds 20 per cent. or more of the shares in LNEnergy, it has the right to appoint a director the board of

LNEnergy (currently Sachin Oza). Each of Robert Price and Steven Mark Frascogna have the right to be or appoint a director to the board of LNEnergy, as long as they each hold shares in LNEnergy. The quorum for any board meeting is two directors.

The Supplemental Agreement contains Super Reserved Matters (as defined in the Supplemental Agreement), which require approval from all shareholders of LNEnergy and Reserved Matters (as defined in the Supplemental Agreement) which require Majority Approval (meaning shares carrying at least 80 per cent. of the total exercisable voting rights in LNEnergy).

Shareholders that hold more than 10 per cent. of the shares in LNEnergy have information rights under the Supplemental Agreement such as receiving the draft annual accounts and access to the company books and records.

The Supplemental Agreement also contains pre-emption rights for shareholders, with permitted transfers allowed in certain circumstances such as for any holding company or subsidiary of LNEnergy, family members, other shareholders or with prior written consent of all the shareholders of LNEnergy at the time.

LNEnergy also provides customary warranties in connection with title to shares and warranties in relation to the Colle Santo Asset and licences.

The Supplemental Agreement is governed by the law of England and Wales.

#### **14.9 2023 Warrant Instrument**

On 20 September 2023 the Company entered into a warrant deed with Tennyson Securities pursuant to which the Company, granted to Tennyson Securities 116,700,000 Warrants over Ordinary Shares exercisable at 0.15 pence per share (subject to usual adjustment and anti dilution provisions) during the period starting on the issue date and ending on the fifth anniversary thereof. Further to the Capital Consolidation, the number of warrants is now 116,700.

#### **14.10 Additional 2024 Fundraising Placing Agreement**

On 28 February 2024 a placing agreement was entered into between (i) the Company, and (ii) Tennyson Securities. Tennyson as the Company's Broker was granted certain powers and authorities in connection with the related placing ("2024 Placing Agreement"). Under the terms of the 2024 Placing Agreement, the Company gave certain customary representation and warranties to the Broker, relating to this placing and other matters relating to the Group and its affairs. The liability of the Company was uncapped. The Broker was entitled to terminate the 2024 Placing Agreement in certain specified circumstances prior to admission of the placing shares, principally if any of the warranties had ceased to be true and accurate or became misleading in any respect or in the event of circumstances existing which made it impracticable or inadvisable to proceed with the admission of the placing shares. A commission was paid to Tennyson Securities on the gross proceeds of the placing.

The 2024 Placing Agreement was further amended on 1 March 2024, to amend the definition of "Placing Shares" in the original 2024 Placing Agreement.

#### **14.11 Additional 2024 Fundraising Warrant Instrument**

On 5 March 2024, the Company entered into a warrant deed with Tennyson Securities pursuant to which the Company, granted to Tennyson Securities 248,400,000 warrants over Ordinary Shares exercisable at the 0.05 pence per share (subject to usual adjustment and anti dilution provisions) during the period starting on the issue date and ending on the fifth anniversary thereof. Further to the Capital Consolidation, the number of Warrants is currently 248,400.

#### **14.12 LNE Heads of Terms**

On 1 May 2024, LNEnergy and Gunvor International B.V., Amsterdam, Geneva Branch, entered into a heads of agreement to set out the proposed heads of terms for a contract to be entered into

between the parties for the sale and purchase of liquified natural gas (“**LNE HOA**”). The parties agreed to negotiate for a period of 180 days, which ended on 28 October 2024.

The LNE HOA terminated on 28 October 2024 following the expiration of the negotiation period, however the parties are currently in the process of negotiating an offtake and marketing agreement. Under the LNE HOA it has been agreed that certain provisions (such as the choice of law and disputes), shall survive termination, and the confidentiality provisions shall survive termination for a period of three years.

#### 14.13 **Avanti Eurogas SPA**

On 25 March 2025, Avanti Eurogas, LLC (as seller) and LNEnergy (as buyer) entered into a purchase and sale agreement (“**Avanti Eurogas SPA**”) for the sale of the entire issued shares of Avanti Eurogas, Ltd. (Ireland) and its subsidiary LNEnergy Italy (formerly CMI Energia S.r.l.) (the “**Target Companies**”).

Under the Avanti Eurogas SPA, the consideration payable is (i) US\$100,000 cash at to be paid at signing, and contingent payments of (ii) a US\$10.5 million promissory note, secured by a pledge over the shares of Avanti Eurogas, Ltd. (Ireland) and LNEnergy Italy (iii) a payment of US\$400,000 within three business days of the EIA Commission issuing a favourable ruling to LNEnergy Italy, and (iv) a payment of US\$10.5 million within 60 days of the date that either of the Target Companies receives a Concession Decree, and upon payment of this amount the promissory note will be deemed as repaid and extinguished. As of the date of this Document, LNEnergy has paid the amount due at signing of the Avanti Eurogas SPA of US\$100,000 and the contingent consideration of US\$400,000 was paid to Avanti Eurogas, LLC following receipt of a favourable decision from the VIA Commission.

The promissory note (as appended at exhibit B to the Avanti Eurogas SPA) provides that LNEnergy as borrower shall repay an amount of US\$10.5 million to Avanti Eurogas, LLC within 60 days of a Concession Decree being granted, with any amounts which remain outstanding after they become due being subject to a 10 per cent. interest rate. LNEnergy also covenants to Avanti Eurogas, LLC that payments will first be applied to any interest payable and then to the principal amount, that they will be in default if payments which are due are not paid on or before they are due. LNEnergy are also permitted to prepay the promissory note. Avanti Eurogas, LLC as lender (amongst other things) may also extend the time for payment of the principal and interest, reduce the payments or release any entity liable under the notes and modify the terms and times for payment. The promissory note itself is also governed by Colorado law.

The Avanti Eurogas SPA also includes provisions for bonus payments to be made by LNEnergy of 4 per cent. of the net profits on revenues from the production of the assets.

LNEnergy has the right to reassign 80 per cent. of interests in the Target Companies back to Avanti Eurogas, LLC with the Target Companies being debt-free or 75 per cent. of interests in the Target Companies if the payment of US\$400,000 as part of the contingent consideration is paid, following which the promissory note will be deemed to be repaid and extinguished, and LNEnergy will have no further payment obligations or liability. If the Concession Decree (as defined in the Avanti Eurogas SPA) is rejected or the conditions are too severe, LNEnergy will have one year to decide to exercise either of these reassignment rights.

Under the Avanti Eurogas SPA, Closing occurred upon the initial cash payment and delivery of an executed original promissory note, a pledge agreement over the shares in Avanti Eurogas, Ltd. (Ireland) and LNEnergy Italy, and the relevant corporate authorities from each of Avanti Eurogas, LLC and LNEnergy.

Avanti Eurogas, LLC provided customary seller representations and warranties regarding it being duly organised, authority to enter into the transaction documents, ownership of the shares in Avanti Eurogas, Ltd. (Ireland) and LNEnergy Italy compliance with any existing obligations, and there are no pending or threatened litigation or unsatisfied judgments that could affect the transaction.

Avanti Eurogas, LLC also provided customary representations and warranties in relation to the Target Companies, such as being in good standing, that no further consent would be needed to enter into

the transaction except as provided in the Avanti Eurogas SPA, and in respect of the financial statements of the Target Companies.

LNEnergy provided customary representations and warranties including that it is duly organized, in good standing, that it has authority enter into the transaction and related transaction documents, and that it has complied with any existing obligations, and there are no pending or threatened litigation or unsatisfied judgments that could affect the transaction.

Each of the parties has provided an indemnity to the other party for the inaccuracy or breach of any representation or warranty and the time limitation for claims under the indemnity is one year following the closing of the Avanti Eurogas SPA, which is 25 March 2026.

The Avanti Eurogas SPA is governed by Colorado law, and provides for the exclusive jurisdiction of the Colorado courts and a waiver of the right to a trial by jury. The remedies available to LNEnergy include specific performance and equitable relief.

#### 14.14 **Avanti Eurogas Share Pledge**

On 25 March 2025, LNEnergy as pledgor entered into a share pledge agreement in favour of Avanti Eurogas, LLC as the secured party (the “**Avanti Eurogas Share Pledge**”) over all of its existing and future shares in Avanti Eurogas, Ltd. (Ireland) and LNEnergy Italy. (together with any rights to options, dividend, security entitlements and proceeds of any rights in respect of the secured property) as security for the obligations of LNEnergy under the Avanti Eurogas SPA for the payment of the promissory note.

The Avanti Eurogas Share Pledge will remain in force if any amount under the promissory note remains unpaid, or any other obligations under the Avanti Eurogas Share Pledge remain outstanding.

The Avanti Eurogas Share Pledge is governed by Colorado law.

#### 14.15 **SPA**

On 6 October 2025, the Company entered into the SPA, pursuant to which it has conditionally agreed to acquire up to 100 per cent. of the entire issued share capital of NewCo from Reabold, which is to hold an approximate 48 per cent. shareholding in LNEnergy (the “**LNEnergy Shares**”). Subject to the terms and conditions of the SPA, Reabold has agreed to sell the LNEnergy Shares, and the Company has agreed to purchase such LNEnergy Shares, free from encumbrances. The Company will acquire an initial tranche of 49 per cent. of the shares in NewCo (representing an approximate 24 per cent. indirect shareholding in LNEnergy) from Reabold (“**First Acquisition**”) upon certain conditions being satisfied, including the publication of this document. The Company will then acquire the 51 per cent. balance of the shares in NewCo (representing an approximate 24 per cent. additional indirect shareholding in LNEnergy and, in aggregate an approximate 48 per cent. indirect interest in LNEnergy) (“**Second Acquisition**”) upon certain additional conditions being satisfied.

Under the terms of the SPA, the consideration payable by the Company to Reabold for the shares in NewCo and indirectly the LNEnergy Shares consists of (i) new Ordinary shares in the Company (such that following the Fundraise, Reabold will hold approximately 29 per cent. of the Enlarged Share Capital of the Company, which are to be issued in two tranches, the first following the satisfaction or waiver of the First Acquisition Completion Conditions and the second following the satisfaction or waiver of the Second Acquisition Completion Conditions; plus (ii) a contingent consideration based on the future production and exploration of the LNEnergy assets, payable by the Company, consisting of a contingent consideration in cash equal to 11.55 per cent. of annual post-tax, post-financing cash flow of LNEnergy, subject to a cap of €16.17 million (the “**Earn Out Consideration**”) which is subject to the First Acquisition Completion occurring, plus (iii) an aggregate sum of £307,200 as reimbursement for monies paid by Reabold for additional shares acquired in LNEnergy following the date of the SPA (the “**Cash Consideration**”). The Cash Consideration is payable in two tranches, the first tranche of £154,000 being payable on the First Acquisition Completion and the second tranche of £153,200 being payable on the Second Acquisition Completion.

Escrow completion of the First Acquisition (“**First Acquisition Escrow Completion**”) will take place on the fifth business day after the date on which the last outstanding First Acquisition Completion

Condition (defined below) has been satisfied or waived in accordance with the terms of the SPA or at such other time as the Company and Reabold may agree. Subject to the First Acquisition Completion Conditions being waived or satisfied and First Acquisition Escrow Completion having taken place, completion of the sale and transfer of the first tranche of the LNEnergy Shares (“**First Acquisition Completion**”) shall be treated as taking place automatically on the date and time of Admission (the “**First Acquisition Completion Date**”).

The obligation of the Company and Reabold to effect First Acquisition Completion is subject to the satisfaction of the following conditions precedent (the “**First Acquisition Completion Conditions**”):

- (i) the Placing Agreement having been entered into by the parties thereto and having become unconditional save for Admission (and not having been terminated prior to Admission);
- (ii) the Company having published this document;
- (iii) the receipt and formal publication of a positive decision by the EIA Commission in relation to the Colle Santo Asset;
- (iv) the completion of the transfer of 48 per cent. of the shares in LNEnergy held by Reabold to NewCo;
- (v) certain resolutions of the Company approving the transaction having been passed without amendment at the Company’s general meeting to be convened in due course; and
- (vi) the execution by NewCo and the parties to the SPA of a shareholders’ agreement relating to the management and operation of the special purpose acquisition vehicle.

If any of the First Acquisition Completion Conditions are not satisfied on or before 11.59 p.m. (UK time) on 28 February 2026 (the “**First Acquisition Long Stop Date**” as amended), either Reabold or the Company may (but are under no obligation to) serve notice on the other and the SPA may be terminated with immediate effect.

Completion of the Second Acquisition (“**Second Acquisition Completion**”) will take place as soon as possible after the date on which the last outstanding Second Acquisition Completion Condition (defined below) has been satisfied or waived in accordance with the terms of the SPA or at such other time as the Company and Reabold may agree.

The obligation of the Company and Reabold to effect Second Acquisition Completion is subject to the satisfaction of the following conditions precedent (the “**Second Acquisition Completion Conditions**”):

- (i) certain resolutions of the Company approving the transaction having been passed without amendment at the Company’s general meeting;
- (ii) the granting of the Production Concession Award in relation to the Colle Santo Asset;
- (iii) if required, the granting of approval by the Ministry in relation to the indirect change in control of LNEnergy Italy resulting from the Second Acquisition; and
- (iv) the obtaining of written waivers of any change of control rights which may be exercised upon the acquisition by the Company of the entirety of the 48 per cent. indirect shareholding in LNEnergy.

If any of the Second Acquisition Completion Conditions are not satisfied on or before 11:59pm (UK time) on 6 October 2026 (the “**Second Acquisition Long Stop Date**”), either Reabold or the Company may (but are under no obligation to) serve notice on the other and the SPA may be terminated with immediate effect.

The SPA includes standard undertakings given by Reabold in relation to the conduct of the Seller and of LNEnergy’s business before Completion including but not limited to:

- (i) not selling, transferring or creating encumbrances over any of the LNE Shares;
- (ii) not voluntarily surrendering or relinquishing any of the interest or its acreage, in whole or in part;

- (iii) not waiving or agreeing, arranging or undertaking to waive, any of its rights or remedies under the interest or interest documents in so far as such rights and remedies affect the interest or interest documents;
- (iv) not breaching any material provision of any of the interest documents or any applicable law; and
- (v) not interacting with any governmental authority in respect of the interest or an LNE Group Company without first, to the extent legally permissible and reasonably practicable, consulting with the Company and taking into account any of the Company's reasonable comments on the issues to be discussed with such governmental authority unless such interaction is in relation to satisfaction of the First Acquisition Completion Conditions and Second Acquisition Completion Conditions.

The SPA additionally includes certain matters which cannot be enacted by Reabold without the prior written consent of the Company.

Reabold provides warranties in relation to (i) its authority and capacity to enter into the SPA and the related transaction documents; (ii) LNE Energy and its share capital; (iii) the special purpose vehicle and its share capital; (iv) the Interests; (v) litigation and other disputes; (vi) employment and pensions; (vii) insolvency; (viii) taxation; (ix) LNE's financial arrangements and (x) anti-bribery, corruption and anti-money laundering (the "**Seller Warranties**").

The SPA includes typical time and financial limitations of liability in favour of Reabold.

The SPA is governed by the laws of England and Wales.

#### 14.16 **Strand Hanson Transaction Engagement Letter**

Pursuant to an engagement letter dated 29 October 2025, Strand Hanson agreed to act as the Company's financial adviser in connection with Admission and the Company's nominated adviser for the purposes of the AIM Rules. In consideration of the services set out in the engagement letter, the Company agreed to pay Strand Hanson (i) an initiation fee of £20,000 upon signing of the letter or commencement of work, whichever is sooner; (ii) an interim fee of £10,000 arising at monthly intervals commencing after the satisfaction of (i); (iii) a documentation fee upon the publication/circulation of a pathfinder admission document of £40,000 and (iv) a success fee of 95,000 upon Admission, plus applicable VAT and disbursements.

#### 14.17 **Nominated adviser agreement**

The Company entered into a nominated adviser agreement with Strand Hanson on 27 November 2020 in respect of Strand Hanson acting as the Company's nominated adviser. The agreement is subject to a minimum term of 15 months and thereafter is terminable on three months' notice by either party. The Company has agreed to pay to Strand Hanson an annual retainer of £60,000 for acting as nominated adviser, as well as its properly incurred out of pocket expenses. Strand Hanson will, among other things, assist the Company with complying with the AIM Rules. The agreement also contains a customary indemnity given by the Company to Strand Hanson in relation to the provision by Strand Hanson of its services under the agreement.

#### 14.18 **Broker Agreement**

The Company entered into a broker agreement with Tennyson Securities (the "**Tennyson Agreement**") dated 12 January 2021 pursuant to which the Company appointed Tennyson Securities to act as broker to the Company for the purposes of the AIM Rules for Companies. The Tennyson Agreement contains certain undertakings, warranties and indemnities given by the Company to Tennyson Securities. Under the Tennyson Agreement, the Company shall pay an annual retainer fee of £60,000 (plus any VAT) to Tennyson Securities. The Tennyson Agreement is terminable upon not less than three months' prior written notice by either the Company or Tennyson Securities.

#### 14.19 **LNE SHA**

On [●] 2026 the Company entered into a shareholders' agreement (the "**LNE SHA**") with Reabold and NewCo in respect of NewCo which shall take effect upon First Acquisition Completion. Under the

terms of the LNE SHA, there are customary reserved matters where consent from the Company and Reabold must be provided such as the variation of the share capital of NewCo, the determination of the remuneration of any director of NewCo, LNEnergy or any of its subsidiaries, the exercise of any rights afforded to NewCo pursuant to the terms of the Supplemental Agreement, any disposal of shares in any company (including LNEnergy) and the appointment of any Director or chairman of NewCo.

For so long as they hold shares in NewCo representing 45 per cent. or more of NewCo's shares, each of Reabold and the Company may appoint one director each to the board of NewCo, and any such director can only be removed by the shareholder that appointed them. In the event that either Reabold or the Company ceases to hold shares in NewCo representing 45 per cent. or more of NewCo's shares, that shareholder's right to appoint, remove and replace one director shall automatically terminate. The third director shall be an independent director appointed with the approval of both Reabold and the Company.

The quorum for any board meetings of NewCo will be two directors of whom one shall be a Reabold appointee (or his or her alternate) and one shall be a Beacon appointee (or his or her alternate), provided that such directors are not resident for tax purposes in the United Kingdom.

Neither shareholder may transfer their shares in NewCo without the prior consent of the other shareholder, and a deed of adherence must be entered into by the new shareholder.

The LNE SHA may be terminated on the earlier of (i) the dissolution, winding up or liquidation of NewCo, (ii) all of the shares in NewCo being held by one shareholder or (iii) by an agreement of all the parties to terminate the LNE SHA.

The LNE SHA is governed by the laws of England and Wales.

#### 14.20 **Deed of Assignment**

On [●] 2026 Reabold and NewCo entered into a deed of assignment which shall take effect upon First Acquisition Completion.

Under the terms of the deed of assignment, Reabold agrees, with effect from First Acquisition Completion, to transfer and assign all of its rights, title, benefit and interest in and under the Supplemental Agreement to NewCo.

NewCo undertakes in turn to comply with the provisions of, and to perform all the obligations in, the Supplemental Agreement so far as they may remain to be observed and performed as if NewCo were named in the Supplemental Agreement.

The deed of assignment includes standard warranties given by Reabold in favour of NewCo including as to the effect and existence of the Supplemental Agreement and as to the Supplemental Agreement not being subject to any notice of termination or breach.

The deed of assignment is governed by the laws of England and Wales.

#### 14.21 **LNE SPA**

On [●] 2026 Reabold as seller and NewCo as buyer entered into a share purchase agreement for the sale of part of the issued share capital of LNEnergy to NewCo.

Under the terms of the LNE SPA, the consideration payable was a nominal cash sum, which was left outstanding as an intercompany balance. Pursuant to the completion deliverables under the LNE SPA, NewCo and Reabold were required to deliver an executed copy of a deed of assignment in respect of the Supplemental Agreement. Reabold was also required to deliver, among other things, an executed transfer form and any waivers or consents required for the share transfer.

Reabold provided certain customary warranties to NewCo as to its title to the relevant LNEnergy Shares and its capacity to enter into the LNE SPA.

The LNE SPA is governed by the laws of England and Wales.

#### **14.22 Placing Agreement**

A Placing Agreement dated [●] 2026 between (i) the Company, (ii) the Directors, (iii) Strand Hanson, and (iv) Tennyson Securities, pursuant to which Strand Hanson, as the Company's nominated adviser, and Tennyson Securities as the Company's Broker, have been granted certain powers and authorities in connection with the Placing and the application for Admission. Under the terms of the Placing Agreement, the Company and the Directors have given certain customary representation and warranties to the Strand Hanson and the Broker, the Company has given certain customary indemnities to the Strand Hanson and the Broker in connection with Admission, the Acquisition and other matters relating to the Group and its affairs. The liability of each Director is capped. Strand Hanson and/or the Broker may terminate the Placing Agreement in certain specified circumstances prior to Admission, principally if any of the warranties has ceased to be true and accurate or shall have become misleading in any respect or in the event of circumstances existing which make it impracticable or inadvisable to proceed with Admission. A corporate finance fee is payable to Strand Hanson upon Admission. A commission is payable to the Broker on the gross proceeds of the Placing.

#### **14.23 Reabold Subscription Agreement**

On or around the date of this document, the Company and Reabold entered into the Reabold Subscription Letter pursuant to which Reabold agreed, conditional (among other things) on completion of the SPA, the passing of the Resolutions and on Admission, to subscribe for the Reabold Subscription Shares at the Fundraise Price, subject to the terms set out in the Reabold Subscription Letter.

Acceptance of Reabold's subscription commitment and the obligations in respect of the same are, once accepted by the Company, not capable of termination or rescission by Reabold in any circumstances except fraud.

The Reabold Subscription Letter contains certain standard confirmations, representations and warranties given by Reabold as well as warranties given by the Company

The Reabold Subscription Letter is governed by the laws of England and Wales.

#### **14.24 Shareholder Lock-in and orderly market agreements**

Lock-in and Orderly Market Agreements dated [●] 2026 between the (i) the Company, (ii) Strand Hanson, (iii) Tennyson Securities and (iv) the Locked-In Shareholder, pursuant to which the Locked-In Shareholder has, conditional on Admission, undertaken as a separate undertaking to each of the Company, Strand Hanson and Tennyson Securities that, subject to certain limited exceptions, it will not dispose of, or agree to dispose of, the Consideration Shares held by it or on behalf of it for a period of 12 months from the date of Admission.

The Locked-In Shareholder has also undertaken that for the period of 12 months following the anniversary of the date of Admission, subject to certain conditions, it will only dispose of Ordinary Shares held by it in consultation with each of Strand Hanson and Tennyson Securities (in order to maintain an orderly market in the Shares) and then through Tennyson Securities .

#### **14.25 Director Lock-in and orderly market agreements**

Lock-in and Orderly Market Agreements dated [●] 2026 between the (i) the Company, (ii) Strand Hanson, (iii) Tennyson Securities and (iv) the Locked-In Directors, pursuant to which each Locked-In Director has, conditional on Admission, undertaken as a separate undertaking

to each of the Company, Strand Hanson and Tennyson Securities that, subject to certain limited exceptions, they will not dispose of, or agree to dispose of, Ordinary Shares held by them or on behalf of them for a period of 12 months from the date of Admission.

Each Locked-In Director has also undertaken that for the period of 12 months following the anniversary of the date of Admission, subject to certain conditions, they will only dispose of Ordinary Shares held by them in consultation with each of Strand Hanson and Tennyson Securities (in order to maintain an orderly market in the Shares) and then through Tennyson Securities.

#### 14.26 ***Warrant Instruments***

[On 11 April 2023 the Company entered into a warrant deed pursuant to which the Company, granted to Tennyson Securities 86,136,363 Warrants over Ordinary Shares exercisable at 0.11 pence (subject to usual adjustment and anti dilution provisions) during the period starting on 11 April 2023 and ending on the fifth anniversary thereof.

On 11 April 2023 the Company entered into a warrant deed pursuant to which the Company, granted to Optiva Securities 28,409,090 Warrants over Ordinary Shares exercisable at 0.11 pence (subject to usual adjustment and anti dilution provisions) during the period starting on 11 April 2023 and ending on the third anniversary thereof. The number of options has been adjusted pursuant to the Capital Consolidation, as provided in section [7] of Part VIII.

On 11 April 2023 the Company entered into a warrant deed with Strand Hanson pursuant to which the Company, granted to Strand Hanson 24,254,545 Warrants over Ordinary Shares exercisable at 0.11 pence (subject to usual adjustment and anti dilution provisions) during the period starting on 11 April 2023 and ending on the fifth anniversary thereof. The number of options has been adjusted pursuant to the Capital Consolidation, as provided in section [7] of Part VIII.

On the date of Admission the Company will enter into a warrant deed pursuant to which the Company, conditional upon Admission, grants to Tennyson Securities [●] Warrants over new Ordinary Shares exercisable at the Fundraise Price (subject to usual adjustment and anti dilution provisions) during the period starting on Admission and ending on the fifth anniversary thereof. The number of options has been adjusted pursuant to the Capital Consolidation, as provided in section [7] of Part VIII.

On the date of Admission the Company will enter into a warrant deed with Strand Hanson pursuant to which the Company, conditional upon Admission, grants to Strand Hanson [●] Warrants over new Ordinary Shares exercisable at the Fundraise Price (subject to usual adjustment and anti dilution provisions) during the period starting on Admission and ending on the fifth anniversary thereof.

The Company has entered into warrant agreements and option agreements with various persons, details of which are set out in paragraph 6.1 of this Part VII of this document.]

#### 14.27 ***Registry agreement***

The Company has entered into a Registry Agreement that was subsequently novated to Computershare Investor Services (Jersey) Limited (the “**Registrar**”) dated (the “**Deed of Novation**”).

The agreement which relates to the provision of registry related services for an initial term of three years until terminated by 6 months’ notice. The Registrar Agreement contains certain indemnities given by the Company to the Registrar which are customary for an agreement of this nature.

#### 14.28 ***Relationship agreement***

On [●] 2026, the Company entered into the Relationship Agreement with Reabold as substantial shareholder (the “**Substantial Shareholder**”) and Strand Hanson. The Relationship Agreement is conditional on Admission occurring in accordance with the terms of the SPA, and will regulate the relationship between the Substantial Shareholder and the Company for so long as Reabold, together with its “Associates” (as defined in paragraph (c) of the definition of “related party” in the AIM Rules but excluding any member of the Group) and any persons deemed to be acting in concert with it, hold at least 20 per cent. of the issued share capital of the Company.

Under the terms of the Relationship Agreement, the Substantial Shareholder provides certain undertakings, including but not limited to procuring that it and each of its Associates shall do all such things so that among other things:

- (i) the Group is capable at all times of, and not precluded or inhibited from, carrying on business for the benefit of the shareholders as a whole and independently of the Substantial Shareholder and/or its Associates;
- (ii) all transactions, agreements or arrangements entered into between any member of the Group (on the one hand) and the Substantial Shareholder and/or its Associates (on the other hand)

will be conducted at arm's length and on normal commercial terms and any enforcement, implementation or amendment thereof by any member of the Group is approved by the Directors who are considered by the Board, in consultation with the Nomad, to be independent as determined by reference to the Quoted Companies Alliance Code, ("Independent Directors") alone (following consultation with Strand Hanson for as long as it remains the nominated adviser to the Company) and be in compliance with, and disclosed in accordance with, all Applicable Laws and regulations, including those of the London Stock Exchange;

- (iii) the Board shall at all times contain at least two Independent Directors and, as soon as reasonably practicable after this ceases to be the case, the Substantial Shareholder shall, and shall (insofar as it is legally able to do so) procure that each of its Associates shall, subject always to Applicable Laws, exercise their respective voting rights on any board or shareholder resolution to replace any Independent Director who ceases to be a Director with another Independent Director;
- (iv) any actual or potential conflicts of interest of the Substantial Shareholder and/or its Associates which may arise and of which the Substantial Shareholder is aware are declared to the Independent Directors as soon as reasonably practicable;
- (v) no variations are made to the Articles which shall fetter the Company's ability to carry out its business independently of the Substantial Shareholder and its Associates, prevent the election of proposed Independent Directors (other than in accordance with a resolution or recommendation of the then current Independent Directors) or which would be inconsistent with, undermine or breach any provision of the Relationship Agreement or the AIM Rules; and
- (vi) neither the Substantial Shareholder, nor any of its Associates, shall seek to procure or vote in favour of any resolution to cancel the Company's admission to trading on AIM other than with the unanimous consent of the Independent Directors, in connection with an offer for the entire issued share capital of the Company made by a person other than the Substantial Shareholder or its Associate or any member of the Group, or where the Shares are already or will be admitted to trading on a regulated market or recognised overseas investment exchange and with the approval of the Independent Directors.

The Substantial Shareholder has the right to nominate one person to be its representative director on the Board (the "Representative Director"), it being acknowledged that the Representative Director will be subject to the Company's and Strand Hanson's standard pre-appointment due diligence and vetting process. The Substantial Shareholder must not appoint or retain in office a Representative Director who, in the reasonable opinion of the Independent Directors and Strand Hanson is unsuitable as a director of a company whose securities are admitted to trading on AIM. The Substantial Shareholder may remove the Representative Director by giving notice in writing to the Company and the Representative Director (copied to Strand Hanson) and appoint another person in their place. The Company may by notice in writing immediately terminate the appointment of a Representative Director to the Board for a variety of reasons including, but not limited to, circumstances where the Representative Director:

- (i) is disqualified from acting as a director under the provision of any Applicable Law;
- (ii) is removed as an office holder in accordance with Applicable Laws or in accordance with the Articles;
- (iii) commits a material breach of his or her obligations under the terms of his or her appointment or under Applicable Law;
- (iv) Strand Hanson deems it appropriate (acting reasonably and in good faith) in accordance with its obligations pursuant to the AIM Rules for Nominated Advisers;
- (v) the Company receives a director removal notice from the Substantial Shareholder; and
- (vi) where the Substantial Shareholder and its Associates are no longer interested in 20 per cent. or more of the voting rights exercisable at general meetings of the Company.

Under the terms of the Relationship Agreement, the Substantial Shareholder indemnifies and must keep the Company indemnified against any claim connected with the removal of the Representative Director in office where such removal is required by the Company pursuant to (i), (ii) (if and to the

extent that the removal of the Representative Director is due to any default or breach of the Representative Director or the Substantial Shareholder) and (iii) to (v) above (inclusive) and (vi).

Without prejudice to any other rights or remedies that they may have, the parties to the Relationship Agreement (the “**RA Parties**”) agree and acknowledge that if there is a breach of any provision of the Relationship Agreement or if a party has reasonable grounds for anticipating a prospective breach of any such provision, damages may not be a wholly adequate remedy for such breach or prospective breach and the appropriate remedy may be an injunction, specific performance or other equitable relief (in addition to or instead of damages).

Each RA Party provides standard warranties in relation to the other RA Parties as regards its capacity to enter into the Relationship Agreement and be bound by it, including that all approvals required prior to entry into the Relationship Agreement have been obtained.

The Relationship Agreement is governed by the laws of England.

#### 14.29 **Director Subscription Letters**

On or around the date of this document, each of Mark Rollins and Leo Koot shall enter into the Director Subscription Letters pursuant to which each Director shall agree, conditional (amongst other things) on completion of the SPA, the passing of the Resolutions and on Admission, to subscribe for the Director Subscription Shares at the Fundraise Price (the “**Director Subscription Commitment**”) pursuant to the terms set out in the Director Subscription Letters.

Acceptance of the Director Subscription Commitment and the obligations in respect of the Director Subscription Commitment is, once accepted by the Company not capable of termination or rescission by the Directors in any circumstances except fraud.

The Director Subscription Letters contain certain standard confirmations representations and warranties given by the Directors as well as warranties given by the Company.

The Director Subscription Letters are governed by the laws of England.

### 15. Taxation

#### 15.1 **Isle of Man Taxation – General**

##### *Tax residence in the Isle of Man*

The Company is resident for taxation purposes in the Isle of Man by virtue of being incorporated in the Isle of Man. It is also intended that the Company will be tax resident in the Isle of Man as a result of being centrally managed and controlled there.

##### *Capital taxes in the Isle of Man*

The Isle of Man has a regime for the taxation of income, but there are no capital duty, stamp taxes or inheritance taxes in the Isle of Man. No Isle of Man stamp duty or stamp duty reserve tax will be payable on the issue or transfer of, or any other dealing in, Ordinary Shares.

##### *Zero rate of corporate income tax in the Isle of Man*

The Isle of Man operates a zero rate of tax for most corporate taxpayers. This will include the Company. Under the regime, the Company will technically be subject to taxation on its income in the Isle of Man, but the rate of tax will be zero; there will be no withholding to be made by the Company on account of Isle of Man tax in respect of dividends paid by the Company. The Company will be required to pay an annual return fee in the Isle of Man. The current level of the annual return fee is £380 per annum (subject to change by the Isle of Man Treasury).

Notwithstanding the application of the zero rate of corporate income tax, the Company is required to file an Isle of Man corporate income tax return for each accounting period. Under Isle of Man law, such return must be filed within one year and one day of the end of the relevant accounting period.

#### *Deductions in respect of Isle of Man employees*

The application of the zero rate of corporate income tax described above does not affect the liability of a company to deduct and account for income tax under the Isle of Man Income Tax (Instalment Payments) Act 1974 and national insurance contributions, if applicable, although this is not expected to be relevant to the Company as it does not have, nor does it currently intend to engage, any Isle of Man employees.

#### *Isle of Man probate*

In the event of the death of a sole holder of Ordinary Shares, an Isle of Man grant of probate or administration may be required, in respect of which certain fees will be payable to the Isle of Man government.

### **15.2 United Kingdom – Taxation of chargeable gains**

If a Shareholder sells or otherwise disposes of all or some Ordinary Shares (including a disposal on a winding-up of the Company), they may, depending on their circumstances, incur a liability to UK taxation on any chargeable gain realised.

#### *Individual Shareholders*

The current headline rates of capital gains tax for the 2025/26 tax year are 18 per cent. and 24 per cent. for individuals for gains other than those made which relate to disposals of residential property and/or carried interest receipts relating to investment management services provided. Certain reliefs or allowances may be available depending on the individual circumstances of the Shareholder, including the availability of an annual exempt amount which allows an individual to make a certain amount of gain each year before such gain become subject to tax in the UK. For 2025/26, this annual exempt amount is £3,000.

Shareholders who are individuals and who are temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

For these purposes, the same thresholds apply for Scottish taxpayer Shareholders as in respect of other Shareholders resident in the UK. Scottish taxpayer Shareholders may wish to consult their own professional advisers if they are in any doubt as to their tax position in respect of disposals.

#### *Corporate Shareholders*

Corporate Shareholders within the charge to UK corporation tax which realise a gain will, subject to the availability of any exemptions, reliefs and/or allowable losses, be subject to corporation tax (at a main rate of 25 per cent., with various marginal rates down to a maximum rate of 19 per cent. for small companies).

#### *Indexation*

Indexation allowance is not available for individuals and is frozen for companies from 31 December 2017.

### **15.3 United Kingdom – Stamp duty and stamp duty reserve tax**

The comments below relating to stamp duty and stamp duty reserve tax (“**SDRT**”) apply whether or not a Shareholder is resident in the UK, but it should be noted that certain categories of person, including market makers, brokers, dealers and other specified market intermediaries, are entitled to exemption from stamp duty and SDRT in respect of purchases of securities in specified circumstances.

There should be no liability to stamp duty or SDRT arising on the allotment of Ordinary Shares by the Company.

The registration of and the issue of definitive share certificates to Shareholders should not give rise to any liability to stamp duty or SDRT.

In addition, neither stamp duty nor SDRT should arise on the transfers/sale of Ordinary Shares on AIM (including instruments transferring Ordinary Shares and agreements to transfer Ordinary Shares) based on the following assumptions:

- A. the Ordinary Shares are admitted to trading on AIM, but are not listed on any market (with the term "**listed**" being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear; and
- B. AIM continues to be accepted as a "**recognised growth market**" as construed in accordance with section 99A of the Finance Act 1986).

If either of the above assumptions do not apply, stamp duty or SDRT may apply to transfers of Ordinary Shares in certain circumstances. In such circumstances, any unconditional agreement (whether written or verbal) to sell Ordinary Shares will normally give rise to a liability on the purchaser to SDRT, at the rate of 0.5 per cent. of the actual consideration paid. If an instrument of transfer (usually a stock transfer form) is subsequently produced it will generally be subject to stamp duty at the rate of 0.5 per cent. of the actual consideration paid (rounded up to the nearest £5).

However, an exemption from stamp duty is available where the amount or value of the consideration is £1,000 or less, and it is certificated on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate amount or value of the consideration exceeds £1,000. When stamp duty is duly paid on the instrument, or the instrument is certified as exempt, the SDRT charge will be cancelled and any SDRT already paid will be refunded. Stamp duty and SDRT are generally the liability of the purchaser.

#### 15.4 **United Kingdom – Taxation of dividends**

Liability to tax on dividends will depend upon the individual circumstances of the Shareholder.

A Shareholder resident outside the UK may be subject to non UK taxation on dividend income under local law. A Shareholder who is resident outside the UK for tax purposes should consult their own tax adviser concerning their tax position on dividends received from the Company.

##### *Individual Shareholders*

Different rates of tax apply to different bands of a UK tax resident individual Shareholder's dividend income, which for these purposes includes UK and non UK source dividends and certain other distributions in respect of shares.

For the tax year 2025/26, the first £500 of dividend income received by an individual Shareholder in a tax year (the "**Nil Rate Amount**") is exempt from UK income tax, regardless of what tax rate would otherwise apply to that dividend income. If an individual Shareholder receives dividends in excess of the Nil Rate Amount in a tax year, the excess is taxed at the following dividend rates for the tax year 2025/26: 8.75 per cent. (for individuals not liable to tax at a rate above the basic rate), 33.75 per cent. (for individuals subject to the higher rate of income tax) and 39.35 per cent. (for individuals subject to the additional rate of income tax). For the 2026/27 tax year, the dividend tax rates for basic and higher rate taxpayers will increase and from April 2026 will be as follows: 10.75 per cent. (for individuals not liable to tax at a rate above the basic rate), 35.75 per cent. (for individuals subject to the higher rate of income tax) and 39.35 per cent. (for individuals subject to the additional rate of income tax).

For the purposes of individual tax on dividend income, the same thresholds apply for Scottish taxpayer Shareholders as in respect of other Shareholders resident in the UK. Scottish taxpayer Shareholders may wish to consult their own professional advisers if they are in any doubt as to their tax position in respect of dividends.

Dividend income that is within the dividend Nil Rate Amount counts towards an individual's basic or higher rate limits, and will therefore affect the level of savings allowance to which they are entitled, and the rate of tax that is due on any dividend income in excess of the Nil Rate Amount. In calculating

into which tax band any dividend income over the nil rate amount falls, savings and dividend income are treated as the highest part of an individual's income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

#### *Corporate Shareholders*

It is likely that most dividends paid on the Ordinary Shares to UK resident corporate Shareholders would fall within one or more of the classes of dividend qualifying for exemption from corporation tax which include dividends paid on non-redeemable ordinary shares. If a dividend paid on the Ordinary Shares to a UK resident corporate Shareholder did not fall within one of the exempt classes, or such a Shareholder elects for an otherwise exempt dividend to be taxable, the Shareholder would be subject to corporation tax on the dividend at the applicable corporation tax rate.

Shareholders within the charge to UK corporation tax are advised to consult their independent professional tax advisers to confirm whether dividends paid on the Ordinary Shares fall within an exempt class.

THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AND HMRC PUBLISHED PRACTICE AS OF THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES TO SUCH LAWS, REGULATIONS AND PRACTICE OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO THEIR TAX POSITION OR WHERE THEY ARE RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT THEIR PROFESSIONAL ADVISER.

### **16. Related party transactions**

Save as set out in the historical financial information on the Company incorporated by reference in Part IV, paragraph 7 of Part VIII (Share Options and Warrants), paragraph 11 of Part VIII (Directors' service agreements and letters of appointment) and paragraph 13.5 of Part I (Related Party Transactions) in this document and the Directors' Loan announced in the Company's announcement on 24 December 2025, the Group has not entered into a related party transaction during the period since 1 January 2024 up to the date of this document.

### **17. Principal investments**

Save as set out or referred to in this document.

- (a) no significant investments have been made by the Company since incorporation and up to the date of this document;
- (b) no significant investments by the Company are in progress;
- (c) there are no joint ventures or undertakings to which the Company holds a proportion of the capital that are likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses; and
- (d) there are no future significant investments by the Company in respect of which a legally binding commitment has already been made.

### **18. Working capital**

The Directors are of the opinion having made due and careful enquiry that, taking into account the estimated net proceeds of the Fundraise, the working capital available to the Company will be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

## **19. Litigation**

The Company is not nor has it during the 12 months preceding the date of this document been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company.

## **20. No significant change**

There has been no significant change in the financial or trading position of the Company since [●] being the date to which the unaudited consolidated interim financial information on the Company was prepared and of LNEnergy since [●], being the date to which the unaudited financial information on LNEnergy was prepared, save as disclosed in this document.

## **21. Consents**

Each of Lubbock Fine LLP, CP, Strand Hanson Limited and Tennyson Securities has given and not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they appear.

## **22. General**

- 22.1 The total costs and expenses payable by the Company in connection with or incidental to the Fundraise and Admission are estimated to be approximately £[●] (exclusive of VAT). The gross proceeds of the Fundraise are estimated to be approximately £[●] and the net proceeds of the Fundraise are estimated to be approximately £[●].
- 22.2 Of the Fundraise Price, zero pence represents the nominal value of each new Ordinary Share and an amount equal to the full Fundraise Price represents the premium.
- 22.3 Save as disclosed in this document, the Directors are not aware of any exceptional factors which have influenced the Company's activities.
- 22.4 Save as disclosed in this document, so far as the Directors are aware, there have not, in relation to the Company, been:
  - (a) any significant recent trends in production, sales, inventory, costs and selling prices between the end of the last financial year of the Company and the date of this document; or
  - (b) any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material adverse effect on the Company's prospects for at least the current financial year.
- 22.5 Save as disclosed in this document, the Directors are not aware of any environmental issues that may affect the Company's utilisation of its tangible fixed assets.
- 22.6 Save as disclosed in this document, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has received, directly or indirectly, from the Company within the 12 months preceding the application for Admission or has entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission any of the following:
  - (a) fees totalling £10,000 or more;
  - (b) securities in the Company with a value of £10,000 or more calculated by reference to the Fundraise Price; or
  - (c) any other benefit with a value of £10,000 or more at the date of Admission.
- 22.7 The Directors confirm that, where information in this document has been sourced from a third party, this information has been accurately reproduced and that, so far as the Directors are aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

- 22.8 Lubbock Fine are the auditors of the Company and are a member firm of the Institute of Chartered Accountants in England and Wales.
- 22.9 The accounting reference date of the Company is 30 April in each year. The current accounting reference period of the Company ends on 30 April 2026.
- 22.10 There are no patents or other intellectual property rights, licences, industrial, commercial or financial contracts or new manufacturing processes which are of fundamental importance to the Company's business or profitability.
- 22.11 Save as disclosed in this document, the Company has no employees other than the Directors but will engage temporary employees or consultants on fixed term arrangements or on a consultancy basis as required. On average during the most recent financial year, the Company has engaged no temporary employees on a consultancy basis.
- 22.12 There have been no takeover bids by third parties in respect of the Company's equity which have occurred during the last financial year or the current financial year.

### **23. Availability of this document**

- 23.1 Copies of this document will be available to the public free of charge at the registered office address of the Company during normal business hours on any day (except Saturdays, Sundays and public holidays) for a period of one month from the date of Admission. This document will also be available for download from the Company's website.

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

[●]

**[APPENDIX II]**

**TERMS AND CONDITIONS OF THE PLACING MADE BY CONTRACT NOTES]**

