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If you sell or have sold or otherwise transferred all of your Ordinary Shares in Lekoil Limited, please immediately forward this document, together with the accompanying Form of Proxy/Instruction, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of Ordinary Shares, you should retain these documents and consult with the stockbroker, bank or other agent through whom the sale or transfer was effected.

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## **LEKOIL LIMITED**

*(Incorporated and registered in the Cayman Islands with company number WK – 248859)*

**Firm Placing of 21,667,000 new Ordinary Shares and Proposed Placing of a further 91,615,000 new Ordinary Shares at 55 pence per share**

**Authority to allot shares, disapplication of pre-emption rights and  
Notice of Extraordinary General Meeting**

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This document should be read in its entirety. Your attention is drawn to the letter from the Chairman of Lekoil Limited set out on pages 10 to 14 of this document, which contains your Board's unanimous recommendation to vote in favour of the Resolutions set out in the notice of Extraordinary General Meeting referred to below.

**Notice convening an Extraordinary General Meeting of the Company to be held at the offices of Norton Rose Fulbright LLP, 3 More London Riverside, London, SE1 2AQ at 11.00 a.m. on 21 November 2013 is set out at the end of this document.**

**Shareholders will also find enclosed with this document a Form of Proxy/Instruction. To be valid, the Form of Proxy must be completed, signed and returned in accordance with the instructions printed thereon so as to be received by the Company's registrars, Computershare Investor Services (Cayman Islands) Ltd., as soon as possible but in any event not later than 11.00 a.m. on 19 November 2013. To be valid, the Form of Instruction must be completed, signed and returned in accordance with the instructions printed thereon so as to be received by the Depositary, Computershare Investor Services Ltd., as soon as possible but in any event not later than 11.00 a.m. on 18 November 2013. This deadline also applies to Depositary Interest holders who choose to utilise the CREST voting service. The completion and return of a Form of Proxy/Instruction will not preclude Shareholders from attending and voting in person at the Extraordinary General Meeting should they subsequently wish to do so.**

## NOTICE

This document does not constitute or form part of any offer or instruction to purchase, subscribe for or sell any shares or other securities in the Company nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract therefor.

The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document and/or the accompanying Form of Proxy/Instruction comes should inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Ordinary Shares have not been (and will not be) registered under the US Securities Act of 1933, as amended (the "Securities Act") or securities laws of any US state or jurisdiction and will not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and such other applicable securities laws.

The new Ordinary Shares are being offered and sold pursuant to exemptions from, or in transactions not subject to, the registration requirements of the Securities Act, and will be offered and sold only (i) outside the United States to investors who are not 'U.S. Persons' (within the meaning of Regulation S under the Securities Act) in transactions complying with Regulation S; or (ii) within the United States or to U.S. Persons, to investors who are reasonably believed to be "qualified institutional buyers" ("QIBs"), as defined in Rule 144A under the Securities Act ("Rule 144A"), in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

None of the US Securities and Exchange Commission, any other US federal or state securities commission or any US regulatory authority has approved or disapproved of the Ordinary Shares nor have such authorities reviewed or passed upon the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Strand Hanson Limited, which is a member of the London Stock Exchange and is authorised and regulated by the Financial Conduct Authority, is acting as financial and Nominated Adviser to the Company in connection with the Placing and is not acting for any other person and will not be responsible to any person other than the Company for providing the protections afforded to clients of Strand Hanson Limited.

Mirabaud Securities LLP ("Mirabaud"), which is authorised and regulated by the Financial Conduct Authority, is acting for the Company in connection with the Placing and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Mirabaud or for providing advice in relation to the Placing.

Ladenburg Thalmann, a broker-dealer registered with and regulated by the U.S. Securities and Exchange Commission (the "SEC") and the U.S. Financial Industry Regulatory Authority ("FINRA"), is acting as placement agent in the United States for the Placing Shares. Ladenburg Thalmann (i) was not requested to (and did not) verify or confirm any statement contained in the document relating to the past or future financial performance, financials, operations or activities of the Company or its affiliates, the Company's products or any market information; (ii) did not conduct any investigation with respect to such information; and (iii) cannot guarantee the accuracy of such information.

Past performance is not a guide to future performance.

Neither the content of websites referred to in this document, nor any hyperlinks on such websites is incorporated in, or forms part of, this document.

### **Forward-looking statements**

Certain statements in this document are forward-looking statements which are based on the Company's expectations, intentions and projections regarding its future performance, anticipated events or trends and other matters that are not historical facts. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ

materially from those expressed or implied by such forward-looking statements. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date of such statements and, except as required by applicable law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. The information contained in this document is subject to change without notice and neither the Company nor Mirabaud assumes any responsibility or obligation to update publicly or review any of the forward-looking statements contained herein.

**Copies of this document**

Copies of this document will be available free of charge during normal business hours on weekdays (excluding Saturday, Sunday and public holidays) from the date hereof until 21 November 2013 from the Company's registered office. Copies will also be available to download from the Company's website at [www.lekoil.com](http://www.lekoil.com).

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## PLACING STATISTICS

Placing Price	55 pence
Number of existing Ordinary Shares prior to Admission of the First Placing Shares	216,624,233
Number of First Placing Shares being placed on behalf of the Company	21,667,000
Gross proceeds received by the Company from the First Placing Shares	US\$19.1 million (£11.9 million)
Number of Second Placing Shares being placed on behalf of the Company	91,615,000
Gross proceeds receivable by the Company from the Second Placing Shares	US\$80.9 million (£50.4 million)
Total gross proceeds of the Placing	US\$100.0 million (£62.3 million)
Total net proceeds of the Placing	US\$97.0 million (£60.4 million)
Number of Ordinary Shares in issue following Admission of the First Placing Shares	238,291,233
Number of Ordinary Shares in issue following Admission of the Second Placing Shares	329,906,233
First Placing Shares as a percentage of the enlarged issued ordinary share capital following Admission of the First Placing Shares	9.1 per cent.
Second Placing Shares as a percentage of the enlarged issued ordinary share capital following Admission of the Second Placing Shares	27.8 per cent.
First Placing Shares and Second Placing Shares as a percentage of the enlarged issued ordinary share capital following Admission of the Second Placing Shares	34.3 per cent.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Admission and dealings in the First Placing Shares expected to commence on AIM	8.00 a.m. on 6 November 2013
Expected date for CREST accounts to be credited (where applicable) with DIs for the First Placing Shares	6 November 2013
Expected date for despatch of definitive share certificates for the First Placing Shares (where applicable)	by 20 November 2013
Latest time and date for receipt of Forms of Instruction/CREST voting instructions (for Depository Interest holders who choose to vote electronically)	11.00 a.m. 18 November 2013
Latest time and date for receipt of Forms of Proxy	11.00 a.m. 19 November 2013
Extraordinary General Meeting	11.00 a.m. 21 November 2013
Admission and dealings in the Second Placing Shares expected to commence on AIM	8.00 a.m. 22 November 2013
Expected date for CREST accounts to be credited (where applicable) with DIs for the Second Placing Shares	22 November 2013
Expected date for despatch of definitive share certificates for the Second Placing Shares (where applicable)	by 6 December 2013

**Note:**

An exchange rate of £/US\$1.6050 has been assumed which was the rate prevailing on 31 October 2013 (being the last practicable day prior to the date of the announcement released on 1 November 2013 in connection with the Placing).

***Each of the times and dates in the above timetable is subject to change without further notice. Temporary documents of title will not be issued.***

## DEFINITIONS

The following definitions apply throughout this document and the Form of Proxy/Instruction, unless otherwise stated or the context requires otherwise:

<b>“Aje Partners”</b>	Yinka Folawiyo Petroleum, Vitol Exploration Nigeria, Chevron and P.R Oil and Gas;
<b>“Admission”</b>	admission of the First Placing Shares (First Admission) or the Second Placing Shares (Second Admission), as the case may be, to trading on AIM and such admission becoming effective in accordance with Rule 6 of the AIM Rules for Companies;
<b>“Afren Facility”</b>	the facility with Afren Plc as lender and Mayfair as borrower entered into at the time of the Company’s admission to trading on AIM, and subsequently amended and restated on 21 October 2013;
<b>“Afren Plc”</b>	Afren Plc, an oil and gas company listed on the Main Market of the London Stock Exchange, whose registered number is 05304498, and whose registered office is at Kinnaird House, 1 Pall Mall East, London, SW1Y 5AU;
<b>“AIM”</b>	the AIM market operated by the London Stock Exchange;
<b>“AIM Rules for Companies”</b>	the London Stock Exchange’s rules and guidance notes contained in its “AIM Rules for Companies” publication relating to companies whose securities are traded on AIM, as amended from time to time;
<b>“Articles”</b>	the amended and restated articles of association of the Company in force on the date hereof;
<b>“Board” or “Directors”</b>	the directors of the Company, or any duly authorised committee thereof;
<b>“Company” or “Lekoil”</b>	Lekoil, a company incorporated in the Cayman Islands with registered number WK-248859, whose registered office is at c/o Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands;
<b>“CREST”</b>	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form;
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any enactment or subordinate legislation which amends or supersedes those regulations and any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force;
<b>“DIs” or “Depository Interests”</b>	uncertificated depository interests issued by the Registrars and representing Ordinary Shares;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, a company incorporated in England & Wales with registered number 02878738, being the operator of CREST;
<b>“Extraordinary General Meeting” or “EGM”</b>	the extraordinary general meeting of the Company to be held at the offices of Norton Rose Fulbright LLP, 3 More London Riverside,

	London, SE1 2AQ on 21 November 2013 at 11.00 a.m., a formal notice of which is set out at the end of this document;
<b>“FCA”</b>	the Financial Conduct Authority;
<b>“Firm Placing”</b>	the placing of the First Placing Shares by Mirabaud at the Placing Price pursuant to the Placing Agreement;
<b>“First Placing Shares”</b>	the 21,667,000 new Ordinary Shares to be issued pursuant to the Firm Placing or as the first tranche of the Placing;
<b>“Form of Instruction”</b>	the form of instruction for use at the Extraordinary General Meeting;
<b>“Form of Proxy”</b>	the form of proxy for use at the Extraordinary General Meeting;
<b>“Form of Proxy/Instruction”</b>	the Form of Proxy or the Form of Instruction for use at the Extraordinary General Meeting, the appropriate one of which is enclosed with this document;
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended);
<b>“Group”</b>	the Company together with its subsidiaries from time to time;
<b>“Ladenburg Thalmann”</b>	Ladenburg Thalmann & Co. Inc. of 4400 Biscayne Boulevard, 14th Floor, Miami, Florida, 33137, Mirabaud’s US placing agent;
<b>“Lekoil Nigeria”</b>	Lekoil (Nigeria) Limited, a company incorporated under the laws of the Federal Republic of Nigeria, with registration number RC920325, whose registered office address is 7th Floor, Mulliner Towers, 39 Alfred Rewane Street, Ikoyi, Lagos, Nigeria;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“Mayfair”</b>	Mayfair Assets & Trust Limited, a company incorporated under the laws of the Federal Republic of Nigeria, with registration number RC 939518, whose registered office address is 179A Moshood Olugbani Street, Victoria Island, Lagos, Nigeria and which is wholly owned by Lekoil Nigeria (but for one share in Mayfair);
<b>“Mirabaud”</b>	Mirabaud Securities LLP of 33 Grosvenor Place, London SW1X 7HY, the Company’s broker and sole bookrunner for the Placing;
<b>“Ordinary Shares”</b>	the ordinary shares of US\$0.00005 par value each in the share capital of the Company;
<b>“Panoro Energy ASA”</b>	Panoro Energy ASA, an oil and gas company listed on the Oslo Stock Exchange, whose registered number is 994051067, and whose registered office is at Dr. Maudsgate 1-3, 0124 Oslo, Norway;
<b>“Partners”</b>	the partners in OPL310, namely Afren Plc and Optimum Petroleum Development Limited;
<b>“Placing”</b>	the placing of the Placing Shares at the Placing Price by Mirabaud as agent for and on behalf of the Company pursuant to the terms of the Placing Agreement;
<b>“Placing Agreement”</b>	the conditional agreement dated 1 November 2013 between (1) the Company and (2) Mirabaud, relating to the Placing;

<b>“Placing Price”</b>	55 pence per Placing Share;
<b>“Placing Shares”</b>	the First Placing Shares and the Second Placing Shares to be issued by the Company and subscribed for pursuant to the Placing;
<b>“Proposed Placing”</b>	the conditional placing by Mirabaud of the Second Placing Shares at the Placing Price pursuant to the Placing Agreement;
<b>“Registrars”</b>	Computershare Investor Services (Cayman Islands) Ltd;
<b>“Regulation S”</b>	Regulation S as promulgated under the Securities Act;
<b>“Resolutions”</b>	the resolutions to be proposed at the Extraordinary General Meeting of the Company to be held on 21 November 2013;
<b>“Rule 144A”</b>	rule 144A promulgated under the Securities Act;
<b>“Second Placing Shares”</b>	the 91,615,000 new Ordinary Shares to be issued pursuant to the Proposed Placing or as the second tranche of the Placing;
<b>“Securities Act”</b>	the United States Securities Act of 1933, as amended;
<b>“Shareholders”</b>	holders of Ordinary Shares, from time to time;
<b>“subsidiary”</b>	has the meaning given to it in the Companies Act 2006 of the UK, as amended from time to time;
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“uncertificated” or “in uncertificated form”</b>	recorded on the relevant register of the share or security concern as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
<b>“US”</b>	the United States of America, its territories and possessions, any state of the United States of America and the district of Columbia and all other areas subject to its jurisdiction;
<b>“US Persons”</b>	bears the meaning ascribed to such term by Regulation S; and
<b>“£”</b>	pounds sterling, the lawful currency of the UK from time to time.

# LETTER FROM THE CHAIRMAN OF LEKOIL LIMITED

(Incorporated and registered in the Cayman Islands with company number WK – 248859)

*Directors:*

Samuel Akinbamijo Adegboyega (*Non-Executive Chairman*)  
Olalekan Akinsoga Akinyanmi (*Chief Executive Officer*)  
David Grant Robinson (*Finance Director*)  
Gregory Douglas Eckersley (*Non-Executive Director*)  
Atedo Nari Atowari Peterside (*Non-Executive Director*)  
Aisha Muhammed-Oyebode (*Non-Executive Director*)  
John Alexander van der Welle (*Non-Executive Director*)

*Registered office:*

Intertrust Corporate  
Services (Cayman) Limited  
190 Elgin Avenue  
George Town  
Grand Cayman  
KYI – 9005  
Cayman Islands

4 November 2013

Dear Shareholder

## **Firm Placing of 21,667,000 new Ordinary Shares and Proposed Placing of a further 91,615,000 new Ordinary Shares at 55 pence per share**

### **Authority to allot shares, disapplication of pre-emption rights and Notice of Extraordinary General Meeting**

#### **1. Introduction**

The Company announced on 1 November 2013 that it had conditionally raised, in aggregate, gross proceeds of approximately US\$100 million (approximately £62 million) through the placing of, in aggregate, 113,282,000 new Ordinary Shares, at a placing price of 55 pence per Ordinary Share (the “Placing Price”) with certain existing and new institutional and other investors via an accelerated book-build (the “Placing”).

The net proceeds of the Placing are estimated to be US\$97 million (approximately £60 million) and will be used to fund the completion of drilling and testing of the Ogo-1 well and the Ogo-1 sidetrack well (“Ogo-1 ST”), the future development of the OML113 licence offshore Nigeria, which contains the Aje Field, as well as for general corporate and working capital purposes, which include the full repayment of the Afren Facility.

The Placing, which has been conducted by Mirabaud acting as sole bookrunner and Ladenburg Thalmann acting as US Placing Agent, pursuant to the terms and conditions of the Placing Agreement, is conditional, *inter alia*, upon Admission.

The Placing will be conducted in two stages, with the First Placing Shares being placed using the Directors’ existing authority to allot shares for cash on a non pre-emptive basis, as granted at Lekoil’s most recent EGM held on 7 August 2013, and the Second Placing Shares being placed conditionally upon, *inter alia*, the passing of the Resolutions at the Extraordinary General Meeting to be held on 21 November 2013. Accordingly, the Company is convening the requisite Extraordinary General Meeting for 11.00 a.m. on 21 November 2013 at the offices of Norton Rose Fulbright LLP, 3 More London Riverside, London, SE1 2AQ.

This document explains the background to and reasons for the Placing, and why the Directors consider the Placing to be in the best interests of the Company and its Shareholders as a whole and recommend that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting, notice of which is set out at the end of this document, as they intend to do or procure to be done in respect of their own beneficial and other connected interests, amounting in aggregate to 51,351,153 existing Ordinary Shares which represent approximately 23.7 per cent. of the Company’s existing issued share capital.

#### **2. Background to and reasons for the Placing**

The Company completed its admission to trading on AIM on 17 May 2013, simultaneously raising gross proceeds of approximately US\$49.1 million (approximately £32.0 million) and acquiring an ultimate 27 per cent. economic interest in the OPL310 licence, offshore Nigeria, from Afren Plc.

In June 2013, the Company announced that hydrocarbons had been discovered at the Ogo-1 well, on the OPL310 licence, and that following completion of drilling and testing operations, the Partners would drill a sidetrack well, Ogo-1 ST, to test a stratigraphic pinch out trap on the flanks of the basement high. A further fundraise of US\$20 million was completed in July 2013 on the back of this positive news.

As announced on 31 October 2013, the drilling of Ogo-1 ST has now been successfully completed and the Partners intend to commence further testing on Ogo-1 ST, as well as the continued evaluation of the existing logging data from the original Ogo-1 well. Subsequent to this, the Partners intend to progress the Ogo discovery to its next stage of development. Approximately US\$32 million of the proceeds of the Placing will be used to part fund Lekoil's share of the follow-on testing and appraisal costs associated with the discovery.

In connection with the development of the Ogo discovery to date, Lekoil has drawn down on the Afren Facility and now has an outstanding balance of approximately US\$28 million due under this. Lekoil intends to apply approximately US\$28 million of the proceeds of the Placing to repay the Afren Facility in full.

Following the completion of the Aje Acquisition, details of which are set out in paragraph 3 below and which is currently scheduled for 9 November 2013, Lekoil will be required to contribute to the development funding costs of OML113 going forward. Lekoil intends to apply approximately US\$20 million of the proceeds of the Placing for this purpose.

It is intended that the remaining US\$20 million of the proceeds of the Placing will be used to progress further opportunities currently being reviewed and general corporate and working capital purposes, including the payment of fees associated with the Placing.

### **3. Update on the Aje Acquisition**

In June 2013, in line with its stated strategy, the Company announced the proposed acquisition of a 6.502 per cent. participating interest (representing c. 16.3 per cent. cost interest and c. 12.19 per cent. revenue interest depending on the extent of cost recovery) in OML113, offshore Nigeria for a consideration of US\$30.0 million (approximately £19.1 million) from Pan-Panoro Aje Limited ("Panoro"), a subsidiary of Panoro Energy ASA (the "Aje Acquisition"). OML113 contains the Aje field, which is currently in the development planning stage, with first production expected in late 2015. The Aje Partners plan to drill a well within the next 6–12 months.

The Aje Acquisition is conditional upon, inter alia, full payment of the consideration, which is US\$30.0 million, as adjusted in respect of any cash calls made between 1 January 2013 and completion, and certain other additional amounts. As announced on 16 September 2013, Lekoil has made a down payment of US\$3.0 million as part of the US\$30.0 million consideration to Panoro, with the outstanding balance of approximately US\$28.0 million (inclusive of cash calls) due by 31 October 2013, or at a later date should Panoro agree to grant Lekoil an extension.

The Company announced on 31 October 2013 that it is in advanced stages of negotiation with a strategic offtake partner to provide the debt financing for the majority of the outstanding consideration of approximately US\$28.0 million for the Aje Acquisition with Lekoil funding the balance of approximately US\$1.0 million from its own cash resources. Lekoil has made a further payment of US\$1.0 million to Panoro subsequent to 16 September 2013 and has obtained an extension to the final outstanding payment until 6 November 2013 to allow the finalisation of the various financing documents and to complete the fund transfers.

### **4. Details of the Placing**

The Company has conditionally placed the First Placing Shares using the Directors' existing authority to allot shares for cash on a non pre-emptive basis as granted at Lekoil's most recent EGM held on 7 August 2013. The placing of the First Placing Shares is expected to raise, in aggregate, approximately gross proceeds of US\$19.1 million (approximately £11.9 million) and is conditional only on Admission, which is currently expected to occur at 8.00 a.m. on 6 November 2013. Following their Admission, the First Placing Shares will represent approximately 9.1 per cent. of the Company's then enlarged issued ordinary share capital and they will be eligible to vote on the Resolutions.

In addition, the Company has conditionally placed the Second Placing Shares. As the Company will have utilised some of the Directors' existing authority to allot shares generally and all of the existing authority to allot shares for cash on a non pre-emptive basis following Admission of the First Placing Shares, the Proposed Placing of the Second Placing Shares to raise, in aggregate, approximately a further US\$80.9 million (approximately £50.4 million) gross is conditional upon, *inter alia*, the passing of the Resolutions at the Extraordinary General Meeting and Admission occurring on or before 22 November 2013 (or such later date as Mirabaud may agree, not being later than 29 November 2013). Following their Admission, the Second Placing Shares will represent approximately 27.8 per cent. of the Company's then enlarged issued ordinary share capital. The Placing Shares will be fully paid and will rank *pari passu* in all respects with the Company's existing Ordinary Shares.

The Placing Price represents a discount of approximately 3.1 per cent. to the closing middle market price of 56.75 pence per Ordinary Share on 31 October 2013, being the last business day prior to the announcement of the Placing.

The Placing Shares have been conditionally placed by Mirabaud as agent of the Company, with certain existing and new institutional and other investors pursuant to the Placing Agreement. Under the terms of the Placing Agreement, Mirabaud will receive commission from the Company conditional on Admission and the Company will give customary warranties and undertakings to Mirabaud in relation, *inter alia*, to its business and the performance of its duties. In addition, the Company has agreed to indemnify Mirabaud in relation to certain liabilities that they may incur in undertaking the Placing. Mirabaud has the right (but after, where practicable, having consulted with the Company) to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event that there has been, *inter alia*, a material breach of any of the warranties. The Placing is not being underwritten.

Applications will be made for the First Placing Shares and the Second Placing Shares to be admitted to trading on AIM and it is currently expected that trading in the First Placing Shares and the Second Placing Shares will commence on 6 November 2013 and 22 November 2013, respectively.

## 5. Use of proceeds

The gross proceeds of the Placing are expected to be US\$100 million (approximately £62 million), and are expected to be applied as follows:

	<i>US\$m</i>
Drilling completion and testing of Ogo-1 well and Ogo-1 ST	32
Full repayment of the Afren Facility	28
Future development of OML113	20
General corporate and working capital purposes, including the payment of fees associated with the Placing	20
<b>Total Uses</b>	<u>100</u>

## 6. Disapplication of pre-emption rights and share capital authorities

The Directors do not currently have sufficient authorities in place under the Articles to undertake the Proposed Placing of the Second Placing Shares. Therefore, the Directors are seeking (i) authority to allot up to 151,000,000 new Ordinary Shares in order to complete the Proposed Placing and provide an additional general authority to allot shares going forward (which will represent approximately one third of the enlarged issued share capital following the Placing); and (ii) a specific disapplication of the pre-emption rights set out in the Articles to allot up to 91,615,000 new Ordinary Shares, to allow the Proposed Placing of the Second Placing Shares to proceed, together with an authority to disapply pre-emption rights in respect of up to a further 33,000,000 new Ordinary Shares (representing approximately 10 per cent. of the enlarged issued share capital following the Placing), subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems relating to such an allotment.

These authorities will enable the Directors to carry out the Company's objectives and will ensure that the Company is in a position to pursue and take advantage of growth opportunities as and when they arise. In particular, the proposed authorities are intended to provide the Directors with the flexibility to issue Ordinary Shares, and rights to subscribe for Ordinary Shares, as consideration to vendors of potentially attractive assets and/or to fund the cash consideration element of such potential acquisitions. The proposed authorities will also enable the Directors to raise additional working capital to fund potential future work programmes without having to incur the time delay and cost of convening a further general meeting.

## **7. Related Party Transaction**

Blackrock Investment Management ("Blackrock") currently has an 11.7 per cent. interest in the existing share capital of the Company and accordingly are classified as a substantial shareholder pursuant to the AIM Rules for Companies. Blackrock has committed to subscribe for new Ordinary Shares as part of the Placing and accordingly the issue of Placing Shares to Blackrock constitutes a related party transaction in accordance with the AIM Rules for Companies. The Directors consider having consulted the Company's nominated adviser, Strand Hanson, that the terms on which the Placing Shares will be issued to Blackrock are fair and reasonable as far as its Shareholders are concerned.

## **8. Extraordinary General Meeting**

Attached at the end of this document is a formal notice convening an Extraordinary General Meeting to be held at the offices of Norton Rose Fulbright LLP, 3 More London Riverside, London, SE1 2AQ on 21 November 2013 at 11.00 a.m. to consider, and if thought fit, pass the following Resolutions to authorise the Directors:

1. to allot shares or grant rights to subscribe for or to convert any security into shares pursuant to Article 18 of the Articles up to an aggregate number of 151,000,000 new Ordinary Shares in order to complete the Proposed Placing of the Second Placing Shares and provide an additional general authority to allot shares going forward (which will represent approximately one third of the enlarged issued share capital following completion of the Placing); and
2. to allot shares or grant rights free of the statutory pre-emption rights contained in Article 27 of the Articles in respect of the Second Placing Shares and an aggregate amount equal to 10 per cent. of the enlarged issued share capital following completion of the Placing.

Resolution 1 will be proposed as an ordinary resolution. For the ordinary resolution to be passed, more than half of the votes cast must be in favour of the resolution.

Resolution 2 will be proposed as a special resolution. For the special resolution to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

**Shareholders should be aware that the issue of the Second Placing Shares cannot take place if the Resolutions are not passed and Shareholders are strongly encouraged to vote in favour of both Resolutions.**

## **9. Action to be taken by Shareholders**

Shareholders will find enclosed with this document a Form of Proxy/Instruction for use in connection with the Extraordinary General Meeting. Whether or not you propose to attend the Extraordinary General Meeting in person, you are requested to complete, sign and return the Form of Proxy/Instruction in accordance with the instructions printed thereon. To be valid, completed Forms of Proxy must be received by the Company's registrars, Computershare Investor Services (Cayman Islands) Ltd, c/o The Pavillions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible but in any event not later than 11.00 a.m. on 19 November 2013 or 48 hours prior to any adjourned meeting. To be valid, completed Forms of Instruction must be received by the Depository, Computershare Investor Services Ltd, c/o The Pavillions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible but in any event not later than 11.00 a.m. on 18 November 2013 or 72 hours prior to any adjourned meeting. If your shares are held in uncertificated form through DIs, you will also be able to appoint a proxy using CREST.

If you complete and return a Form of Proxy/Instruction, you may still attend and vote at the Extraordinary General Meeting in person should you subsequently decide to do so.

Please read the notes to the notice of Extraordinary General Meeting and the accompanying Form of Proxy/Instruction for detailed instructions. The attention of Shareholders is also drawn to the voting intentions of the Directors set out below.

**Shareholders are reminded that the Proposed Placing of the Second Placing Shares is conditional, *inter alia*, on the passing of the Resolutions to be proposed at the Extraordinary General Meeting. Should the Resolutions not be passed, the Proposed Placing of the Second Placing Shares will not proceed and the associated subscription monies in respect of the Second Placing Shares will be returned to investors.**

In the event that the Resolutions are not passed, the Company will be required to secure alternative sources of funding in order to fund the further appraisal of the Ogo discovery, the future development costs of the OML113 licence and meet its general corporate and working capital requirements. There is no guarantee such funding would be forthcoming.

#### **10. Recommendation**

The Directors believe that the Placing will promote the success of the Company for the benefit of its members as a whole and, accordingly, unanimously recommend that Shareholders vote in favour of all of the Resolutions to be proposed at the Extraordinary General Meeting, as they intend so to do or procure to be done in respect of their own beneficial and other connected interests, amounting in aggregate to 51,351,153 existing Ordinary Shares which represent approximately 23.7 per cent. of the Company's existing issued share capital.

Yours faithfully

**Samuel Adegboyega**

*Non-Executive Chairman*

# LEKOIL LIMITED

*(Incorporated and registered in the Cayman Islands with company number WK-248859)*

## NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Lekoil Limited (the “Company”) will be held at the offices of Norton Rose Fulbright LLP, 3 More London Riverside, London, SE1 2AQ at 11.00 a.m. on 21 November 2013 to consider and, if thought fit, pass the following resolutions which will be proposed as to resolution 1 as an ordinary resolution and resolution 2 as a special resolution:

### ORDINARY RESOLUTION

1. THAT the directors of the Company (the “Directors”) be and are hereby authorised generally and unconditionally pursuant to and for the purposes of article 18 of the Company’s articles of association (the “Articles”) to exercise all the powers of the Company to allot Relevant Securities (as defined in the Articles) up to an aggregate number of 151,000,000 Relevant Securities provided that this authority shall be in addition to any existing authority of the Directors to allot Relevant Securities and shall, unless previously revoked or varied by the Company in general meeting, expire at the conclusion of the Company’s annual general meeting to be held in 2014 save that the Company may make an offer or enter into an agreement before the expiry of this authority which would or might require Relevant Securities to be allotted after such expiry and the Directors may allot Relevant Securities pursuant thereto as if the authority conferred hereby had not expired.

### SPECIAL RESOLUTION

2. THAT:
  - (a) pursuant to article 30 of the Articles, the Directors be given the general power to allot securities wholly for cash, pursuant to the authority conferred by article 23 and/or resolution 1 above granting authority to allot Relevant Securities, as if article 27 of the Articles did not apply to such allotment, provided that this power shall be limited to the allotment of securities:
    - (i) up to an aggregate number of 91,615,000 ordinary shares in connection with the placing of the Company’s ordinary shares by Mirabaud Securities LLP as agent of the Company to certain existing and new institutional and other investors (the “Placing”) details of which are contained in the circular to shareholders of the Company dated 4 November 2013; and
    - (ii) up to an aggregate number of 33,000,000 ordinary shares which is equal to approximately 10 per cent of the Company’s total issued shares at completion of the Placing (including any shares issued pursuant to the Placing); and
  - (b) the power granted by this resolution will expire at the conclusion of the Company’s annual general meeting to be held in 2014 (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry, make offers or agreements which would or might require securities to be allotted after such expiry and the Directors may allot securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

*Registered office:*

Intertrust Corporate Services (Cayman) Limited  
190 Elgin Avenue  
George Town  
Grand Cayman  
KYI- 9005  
Cayman Islands

BY ORDER OF THE BOARD

**Samuel Adegboyega**  
*Non-Executive Chairman*

4 November 2013

## **Notes to the Notice of Extraordinary General Meeting:**

### **Entitlement to attend, speak and vote**

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those members entered on the register of members at 6.00 p.m. on 19 November 2013 (or in the event that this meeting is adjourned, on the register of members 48 hours before the time of any adjourned meeting) shall be entitled to attend, speak and vote at the meeting in respect of the number of ordinary shares in the capital of the Company held in their name at that time. Changes to the register after 6.00 p.m. on 19 November 2013 shall be disregarded in determining the rights of any person to attend, speak and vote at the meeting.

### **Appointment of proxies**

2. Members are entitled to appoint a proxy or proxies to exercise all or any of their rights to attend and vote at the meeting. A proxy need not be a shareholder of the Company. A shareholder holding two or more shares may appoint more than one proxy in relation to the Extraordinary General Meeting. Please contact the Registrar if you wish to appoint multiple proxies.
3. The completion and return of a Form of Proxy/Instruction whether in hard copy form or in CREST will not preclude a member from attending in person at the meeting and voting should he or she wish to do so.
4. To be valid, the Form of Proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority must be lodged at the offices of the Company's registrars, Computershare Investor Services (Cayman Islands) Ltd, c/o The Pavillions, Bridgwater Road, Bristol BS99 6ZY, by hand, or sent by post, so as to be received not less than 48 hours before the time fixed for the holding of the meeting or any adjournment thereof (as the case may be). To be valid, the Form of Instruction and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority must be lodged at the offices of the Depository, Computershare Investor Services Ltd, c/o The Pavillions, Bridgwater Road, Bristol BS99 6ZY, by hand, or sent by post, so as to be received not less than 72 hours before the time fixed for the holding of the meeting or any adjournment thereof (as the case may be).

### **CREST Voting Instructions for Depository Interest Holders**

5. Holders of Depository Interests in CREST may transmit voting instructions by utilising the CREST voting service in accordance with the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take appropriate action on their behalf. In order for instructions made using the CREST voting service to be valid, the appropriate CREST message (a "CREST Voting Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)).
6. To be effective, the CREST Voting Instruction must be transmitted so as to be received by the Company's agent (3RA50) no later than 11.00 a.m on 18 November 2013. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Voting Instruction by the CREST applications host) from which the Company's agent is able to retrieve the CREST Voting Instruction by enquiry to CREST in the manner prescribed by CREST. Holders of Depository Interests in CREST and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the transmission of CREST Voting Instructions. It is the responsibility of the Depository Interest holder concerned to take (or, if the Depository Interest holder is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that the CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a CREST Voting Instruction is transmitted by means of the CREST voting service by any particular time. In this connection, Depository Interest holders and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

### **Issued shares and total voting rights**

7. As at 6.00 p.m. on 1 November 2013, the Company's issued share capital comprised 216,624,233 ordinary shares of US\$0.00005 each fully paid. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00 p.m. on 1 November 2013 is 216,624,233. The Company does not hold any shares in treasury.