THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to immediately seek your own personal financial advice from an independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") who specialises in advising on the acquisition of shares and other securities.

This document constitutes an AIM admission document relating to Diversified Gas & Oil PLC (the "Company") and has been drawn up in accordance with the AIM Rules for Companies. This document does not contain an offer of transferable securities to the public in the United Kingdom within the meaning of section 102B of FSMA and the Company is not required to issue this document as a prospectus pursuant to section 85 of FSMA. Accordingly, this document has not been drawn up in accordance with the Prospectus Rules and has not been approved by, or filed with, the FCA or any other authority which would be a competent authority for the purposes of the Prospectus Directive.

Copies of this document will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Smith & Williamson Corporate Finance Limited, 25 Moorgate, London EC2R 6AY for a period of one month from the date of Admission (as defined below).

The Directors, whose names appear on page 5 of this document, accept responsibility, individually and collectively, for all the information contained in this document and for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of 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. Application will be made to the London Stock Exchange for the Ordinary Shares to be admitted to trading on AIM ("Admission").

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 United Kingdom Listing Authority. 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 as published by the London Stock Exchange. The London Stock Exchange has not itself examined or approved the contents of this document. It is expected that Admission will take place, and dealings in the Ordinary Shares will commence on AIM, on 17 July 2018.

The whole of this document should be read and, in particular, your attention is drawn to the section entitled "Risk Factors" in Part II of this document.

DIVERSIFIED GAS & OIL PLC

(Incorporated and registered in England & Wales under the Companies Act 2006 with registered number 09156132)

Proposed acquisition of EQT entities holding certain gas and oil assets

Placing of 195,330,000 new Ordinary Shares of 1 pence each at 97 pence per Ordinary Share

Admission of Enlarged Share Capital to trading on AIM

and

Notice of General Meeting

Nominated Adviser

Joint Broker

Joint Broker

The Placing of the Placing Shares is conditional, *inter alia*, on Admission taking place on or before 17 July 2018 (or such later date as the Company, Smith & Williamson Corporate Finance Limited, Mirabaud Securities Limited and Stifel Nicolaus Europe Limited may agree, but in any event not later than 31 July 2018. The Placing Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends or other distributions declared, made or paid after Admission.

A notice convening the General Meeting to be held at the offices of Buchanan Communications Limited, 107 Cheapside, London EC2V 6DN at 11.00 a.m. on 16 July 2018 is set out at the end of this document. The enclosed Form of Proxy for use at the General Meeting should be completed and returned to the Company's registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD, as soon as possible and to be valid must arrive on or before 11.00 a.m. on 14 July 2018 (or 48 hours before the time fixed for any adjourned meeting or in the case of a poll 48 hours before the time appointed for taking the poll at which the proxy is to attend, speak and to vote). Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), the time by which a person must be entered on the register of members in order to have the right to vote at the meeting is 11.00 a.m. on 14 July 2018 or 48 hours before any adjourned meeting. Changes to entries on the register of members after that time will be disregarded in determining the right of any person to attend or vote at the meeting. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

Smith & Williamson Corporate Finance Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority and is a member of the London Stock Exchange, is acting exclusively for the Company and no one else in connection with the proposed Placing, Admission and EQT Acquisition. Smith & Williamson Corporate Finance Limited will not regard any other person as its customer or be responsible to any other person for providing the protections afforded to customers of Smith & Williamson Corporate Finance Limited nor for providing advice in relation to the transactions and arrangements detailed in this document for which the Company and the Directors are solely responsible. The responsibilities of Smith & Williamson Corporate Finance Limited as the Company's nominated adviser for the purposes of the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company, any Shareholder or any Director or to any other person in respect of his decision to acquire Ordinary Shares in reliance on any part of this document. Smith & Williamson Corporate Finance Limited has not authorised the contents of any part of this document and is not making any representation or warranty, express or implied, as to the contents of this document and accordingly, without limiting the statutory rights of any recipient of this document, no liability whatsoever is accepted by it for the accuracy of any information or opinions contained in this document or for the omission of any material information for which it is not responsible.

Mirabaud Securities Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority and is a member of the London Stock Exchange, is acting exclusively for the Company and no one else in connection with the proposed Placing, Admission and EQT Acquisition. Mirabaud Securities Limited will not regard any other person as its customer or be responsible to any other person for providing the protections afforded to customers of Mirabaud Securities Limited nor for providing advice in relation to the transactions and arrangements detailed in this document for which the Company and the Directors are solely responsible. The responsibilities of Mirabaud Securities Limited as the Company's joint broker are not owed to the Company, any Shareholder or any Director or to any other person in respect of his decision to acquire Ordinary Shares in reliance on any part of this document. Mirabaud Securities Limited is not making any representation or warranty, express or implied, as to the contents of this document and accordingly, without limiting the statutory rights of any recipient of this document, no liability is accepted by it for the accuracy of any information or opinions contained in this document or for the omission of any material information for which it is not responsible.

Stifel Nicolaus Europe Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority and is a member of the London Stock Exchange, is acting exclusively for the Company and no one else in connection with the proposed Placing, Admission and EQT Acquisition. Stifel Nicolaus Europe Limited will not regard any other person as its customer or be responsible to any other person for providing the protections afforded to customers of Stifel Nicolaus Europe Limited nor for providing advice in relation to the transactions and arrangements detailed in this document for which the Company and the Directors are solely responsible. The responsibilities of Stifel Nicolaus Europe Limited as the Company's joint broker are not owed to the Company, any Shareholder or any Director or to any other person in respect of his decision to acquire Ordinary Shares in reliance on any part of this document. Stifel Nicolaus Europe Limited is not making any representation or warranty, express or implied, as to the contents of this document and accordingly, without limiting the statutory rights of any recipient of this document, no liability is accepted by it for the accuracy of any information or opinions contained in this document or for the omission of any material information for which it is not responsible.

This document does not constitute an offer to buy or to subscribe for, or the solicitation of an offer to buy or subscribe for, Ordinary Shares to any person in any jurisdiction in which such an offer or solicitation is unlawful. In particular the Ordinary Shares have not been, and will not be, registered under the US Securities Act of 1933 (as amended) (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States or under the applicable laws of any other Restricted Jurisdiction and, may not be offered or sold within the territory of the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act ("Regulation S")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, or to any national, resident or citizen of any other Restricted Jurisdiction. Neither this document nor any copy of it may be distributed directly or indirectly to any persons with addresses in the United States (or any of its territories or possessions), any other Restricted Jurisdiction, or to any corporation, partnership or other entity created or organised under the laws thereof, or in any other country outside the United Kingdom where such distribution may lead to a breach of any legal or regulatory requirement.

Forward-looking statements

This document contains statements that are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "anticipates", "believes", "could", "envisages", "estimates", "expects", "intends", "may", "plans", "projects", "should", "will" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs and current expectations of the Company or the Directors concerning, *inter alia*, the results of operations, financial condition, liquidity, prospects, growth and strategies of the Enlarged Group and the industry in which the Enlarged Group operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The actual results, performance or achievements of the Enlarged Group or developments in the industry in which the Enlarged Group operates may differ materially from the future results, performance or achievements or industry developments expressed or implied by the forward-looking statements contained in this document.

Prospective investors are strongly recommended to read the risk factors set out in Part II of this document for a more complete discussion of the factors that could affect the Company's future performance and the industry in which the Enlarged Group operates. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur.

The forward-looking statements contained in this document speak only as at the date of this document. Neither the Company, nor Smith & Williamson, nor Mirabaud, nor Stifel undertake any obligation to update or revise publicly the forward-looking statements contained in this document to reflect any change in expectations or to reflect events or circumstances occurring or arising after the date of this document, except as required in order to comply with their legal and regulatory obligations (including under the AIM Rules).

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing 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 MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing 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 offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Mirabaud and Stifel will only procure investors who meet the criteria of professional clients and eligible counterparties.

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 Placing Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

CONTENTS

EXPECTED TIMETABLE OF PRINCIPAL EVENTS AND PLACING AND EQT ACQUISITION STATISTICS		4
DIRECTORS, SECRETARY AND ADVISERS		5
DEFINITIONS		7
GLOSSARY		12
KEY INFORMATION		14
PART I	**Letter from the Chairman of Diversified Gas & Oil PLC**	16
PART II	**Risk Factors**	40
PART III	**Section A – Accountant's Report on the Historical Financial Information of the Group**	52
	Section B – Historical Financial Information of the Group	54
PART IV	**Section A – Unaudited Pro Forma Financial Information**	91
	Section B – Accountant's Report on the Unaudited Pro Forma Financial Information	95
PART V	**Competent Person's Reports**	97
	– DGO Competent Person's Report	98
	– EQT Assets Competent Person's Report	137
PART VI	**Additional Information**	175
PART VII	**Notice of General Meeting**	212

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2018
Admission Document publication date	29 June
Latest time and date for receipt of completed Forms of Proxy	11.00 a.m. on 14 July
General Meeting	11.00 a.m. on 16 July
Admission effective and dealings in the Enlarged Share Capital to commence on AIM	8.00 a.m. on 17 July
Completion of the EQT Acquisition	18 July

Note: References to time in this document are to London (BST) time unless otherwise stated. If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement on a Regulatory Information Service.

PLACING AND EQT ACQUISITION STATISTICS

Number of Existing Ordinary Shares as at the date of this document	311,476,087
Number of Share Options in issue as at the date of this document	795,002
Placing Price per Ordinary Share	97 pence
Number of Placing Shares to be issued pursuant to the Placing	195,330,000
Enlarged Share Capital on Admission	506,806,087
Percentage of Enlarged Share Capital on Admission represented by the Placing Shares	38.5%
Market capitalisation of the Company at the Placing Price on Admission	£491.6 million
Gross proceeds of the Placing	£189.5 million ($250.0 million)
Estimated net proceeds of the Placing receivable by the Company	£181.0 million ($238.8 million)
TIDM	DGOC
ISIN for the Ordinary Shares	GB00BYX7JT74
SEDOL for the Ordinary Shares	BYX7JT7
Legal Entity Identifier ("LEI")	213800YR9TFRVHPGOS67

Note: Figures are calculated based on a USD:GBP exchange rate of £1 = $1.3195 as at 27 June 2018

DIRECTORS, SECRETARY AND ADVISERS

Directors

Robert Marshall Post, *Non-Executive Chairman*
Robert “Rusty” Russell Hutson Jr., *Chief Executive Officer*
Bradley Grafton Gray, *Finance Director & US Chief Operating Officer*
David Edward Johnson, *Senior Independent Non-executive Director*
Martin Keith Thomas, *Independent Non-executive Director*

all of the Company’s registered office below.

Company website

www.dgoc.com

Company Secretary

Cargil Management Services Limited
27/28 Eastcastle Street
London
W1W 8DH
United Kingdom

Registered Office

27/28 Eastcastle Street
London
W1W 8DH
United Kingdom

Head Office

1100 Corporate Drive
Birmingham
Alabama 35242
USA

Nominated Adviser

Smith & Williamson Corporate Finance Limited
25 Moorgate
London
EC2R 6AY
United Kingdom

Financial Adviser

Stifel, Nicolaus & Company, Inc.
Bank of America Center
700 Louisiana Street
Suite 2350
Houston
TX 77002
USA

Joint Broker

Mirabaud Securities Limited
10 Bressenden Place
London
SW1E 5DH
United Kingdom

Joint Broker

Stifel Nicolaus Europe Limited
150 Cheapside
London
EC2V 6ET
United Kingdom

Legal Adviser to the Company (USA)

Maynard Cooper & Gale
1901 Sixth Avenue
North Regions Harbert Plaza
Suite 2400
Birmingham,
Alabama 35203
USA

Legal Adviser to the Company (UK)

Wedlake Bell LLP
71 Queen Victoria St
London
EC4V 4AY
United Kingdom

Auditors and Reporting Accountant

Crowe U.K. LLP
St Bride’s House
10 Salisbury Square
London
EC4Y 8EH
United Kingdom

Legal Adviser to the Nominated Adviser and Joint Brokers

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

Competent Person

Wright & Company, Inc.
Twelve Cadillac Drive
Suite 260
Brentwood
Tennessee 37027
USA

Share Registrar

Neville Registrars Limited
Neville House
Steelpark Road
Halesowen
B62 8HD
United Kingdom

Financial PR

Buchanan Communications Ltd
107 Cheapside
London
EC2V 6DN
United Kingdom

DEFINITIONS

“**Act**”	the Companies Act 2006, as amended
“**Admission**”	admission of the Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
“**AIM**”	the AIM Market of the London Stock Exchange
“**AIM Rules**” or “**AIM Rules for Companies**”	the AIM Rules for Companies which govern the admission to trading on and the operation of AIM published by the London Stock Exchange, as amended from time to time
“**Alliance Petroleum Acquisition**”	the acquisition of Lake Fork Resources Corporation, the parent holding company of Alliance Petroleum Corporation, pursuant to the terms of the Alliance Petroleum Acquisition Agreement
“**Alliance Petroleum Acquisition Agreement**”	the agreement dated 8 February 2018 between (1) Lake Fork Resources Operating, LLC and (2) DGO Corp relating to the Alliance Petroleum Acquisition
“**Amended KeyBank Facility**”	the facility totalling up to $1 billion made available by KeyBank National Association and certain other lenders under the Amended KeyBank Facility Agreement as more particularly described in paragraph 12.21 of Part VI of this document
“**Amended KeyBank Facility Agreement**”	the facility agreement between, *inter alia*, (1) KeyBank National Association and certain other lenders and (2) DGO Corp as borrower comprising a senior secured credit facility totalling up to $1 billion details of which are set out in paragraph 12.21 of Part VI of this document
“**Articles**”	the articles of association of the Company, a summary of which is set out in paragraph 4 of Part VI of this document
“**Board**” or “**Directors**”	the board of directors of the Company, including a duly constituted committee thereof, set out on page 5 of this document
“**Business Day**”	a day on which the London Stock Exchange is open for the transaction of business
“**certificated**” or “**in certificated form**”	in relation to an Ordinary Share, recorded on the Company’s register as being held in certificated form (that is not in CREST)
“**City Code**”	the City Code on Takeovers and Mergers
“**CNX**”	CNX Gas Company LLC, a Virginia limited liability company
“**CNX Acquisition**”	the acquisition of certain producing gas and oil assets from CNX, pursuant to the terms of the CNX Acquisition Agreement
“**CNX Acquisition Agreement**”	the agreement dated 8 February 2018 between (1) CNX Gas Company, LLC and (2) Diversified Natural Resources, LLC relating to the CNX Acquisition
“**CNX Assets**”	certain of the gas and oil assets of CNX acquired by the Group pursuant to the CNX Acquisition.
“**Company**” or “**DGO**”	Diversified Gas & Oil PLC, incorporated and registered in England & Wales with registered number 09156132 and, where the context permits, its Subsidiaries

“**Competent Person**” or “**Wright & Co**”	Wright & Company, Inc., the competent person in relation to Admission, as defined by the AIM Rules, and author of the Competent Person’s Reports
“**Competent Person’s Reports**” or “**CPRs**”	the reports relating to the Enlarged Group’s production assets produced by the Competent Person being the DGO Competent Person’s Report and the EQT Assets Competent Person’s Report, set out in Part V of this document
“**Completion**”	completion of the EQT Acquisition
“**Consideration**”	the cash consideration to be paid in accordance with the terms of the EQT Acquisition Agreement
“**CREST**”	the relevant system (as defined in the CREST Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form in respect of which Euroclear UK & Ireland is the operator (as defined in the CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form
“**CREST Regulations**”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended from time to time, and any applicable rules made under those regulations
“**Diversified Southern Midstream**”	the LLC which will be formed pursuant to the division of the First Seller, summarised at Paragraph 12.23 of Part VI, which will hold certain of the oil and gas assets previously held by the First Seller and to be acquired by DGO Corp pursuant to the EQT Acquisition Agreement
“**Diversified Southern Production**”	the LLC which will be formed pursuant to the division of the Second Seller, summarised at Paragraph 12.23 of Part VI, which will hold certain of the oil and gas assets previously held by the Second Seller and to be acquired by DGO Corp pursuant to the EQT Acquisition Agreement
“**DGO Competent Person’s Report**”	the report relating to DGO’s existing production assets produced by the Competent Person set out in Part V of this document
“**DGO Corp**”	Diversified Gas & Oil Corporation, a wholly owned subsidiary of the Company
“**EBITDA**”	earnings before interest, tax, depreciation/depletion and amortization
“**Enlarged Group**”	DGO and its Subsidiaries and membership interests following Completion and Admission
“**Enlarged Share Capital**”	the issued share capital of the Company on Admission comprising the Existing Ordinary Shares and the Placing Shares
“**EQT**”	EQT Corporation a Pennsylvania registered company which owns the EQT Assets
“**EQT Acquisition**”	the proposed acquisition by DGO Corp of all of the issued and outstanding membership interests of two new entities to be known as Diversified Southern Production and Diversified Southern Midstream, pursuant to the terms of the EQT Acquisition Agreement
“**EQT Acquisition Agreement**”	the conditional agreement between (1) the First Seller and the Second Seller and (2) DGO Corp relating to the EQT Acquisition, details of which are set out in paragraph 12.22 of Part VI of this document

"**EQT Assets**"	certain of the assets held currently by the First Seller and the Second Seller, as more particularly described in paragraph 4 of Part I of this document
"**EQT Assets Competent Person's Report**"	the report relating to the EQT Assets produced by the Competent Person set out in Part V of this document
"**Euroclear UK & Ireland**" or "**Euroclear**"	Euroclear UK & Ireland Limited, the Central Securities Depositary for the UK market and Irish securities and the operator of CREST
"**Existing KeyBank Facility**"	the facility totalling $500 million made available by KeyBank National Association and certain other lenders under the Existing KeyBank Facility Agreement as more particularly described in paragraph 12.16 of Part VI of this document
"**Existing KeyBank Facility Agreement**"	the facility agreement between, *inter alia*, (1) KeyBank National Association and certain other lenders and (2) DGO Corp as borrower comprising a senior secured credit facility totalling $500 million details of which are set out in paragraph 12.16 of Part VI of this document
"**Existing Ordinary Shares**"	the 311,476,087 Ordinary Shares in issue as at the date of this document
"**February 2017 Admission**"	the original admission of the Company's entire issued share capital to trading on AIM on 3 February 2017 in accordance with the AIM Rules
"**Financial Conduct Authority**" or "**FCA**"	the UK Financial Conduct Authority
"**First Seller**"	EQT Gathering, LLC incorporated in Delaware, USA with company number 3481799
"**Form of Proxy**"	the form of proxy accompanying this document for use by Shareholders at the General Meeting
"**FSMA**"	the UK Financial Services and Markets Act 2000 (as amended)
"**Fundraising**"	the Placing and initial draw down under the Amended KeyBank Facility Agreement
"**General Meeting**"	the general meeting of the Company to be held at 11.00 a.m. on 16 July 2018 (and any adjournment of such meeting) at Buchanan Communications Limited, 107 Cheapside, London EC2V 6DN, notice of which is set out at the end of this document
"**Group**"	the Company and its Subsidiaries from time to time
"**Group Financial Information**"	the audited, consolidated historical financial information of the Group for the three years ended 31 December 2017
"**HMRC**"	HM Revenue and Customs
"**IFRS**"	International Financial Reporting Standards as adopted by the European Union
"**ISIN**"	International Security Identification Number
"**July 2017 Admission**"	the previous re-admission of the Company's entire issued share capital to trading on AIM on 3 July 2017 following the acquisition of the Titan Assets in accordance with the AIM Rules
"**LFRA**"	Lake Fork Resources Acquisition Corporation, a West Virginia corporation

"**LIBOR**"	London Interbank Offered Rate
"**London Stock Exchange**"	London Stock Exchange plc
"MAR" or **"Market Abuse Regulation"**	the EU Market Abuse Regulation (Regulation 596/2014)
"**Mirabaud**"	Mirabaud Securities Limited, the Company's joint broker
"**NGO**"	NGO Development Corporation, Inc., an Ohio corporation
"**NGO Acquisition**"	the acquisition of certain producing gas and oil assets from NGO, pursuant to the terms of the NGO Acquisition Agreement
"**NGO Acquisition Agreement**"	the agreement dated 30 November 2017 between (1) NGO and (2) Diversified Energy, LLC relating to the NGO Acquisition
"**NGO Assets**"	the assets acquired pursuant to the NGO Acquisition
"**Notice of General Meeting**" or "**Notice of GM**"	the notice convening the General Meeting set out at the end of this document
"**NYMEX**"	New York Mercantile Exchange
"**Official List**"	the official list of the UK Listing Authority
"**Ordinary Shares**"	the ordinary shares of 1p each in the capital of the Company
"**Panel**"	the Panel on Takeovers and Mergers
"**Placees**"	those persons who have agreed to subscribe for the Placing Shares
"**Placing**"	the conditional placing by Mirabaud and Stifel on behalf of the Company of the Placing Shares pursuant to the Placing Agreement
"**Placing Agreement**"	the conditional agreement dated 28 June 2018 between (1) the Company, (2) the Directors, (3) Mirabaud, (4) Stifel and (5) Smith & Williamson relating to the Placing, details of which are set out in paragraph 5 of Part I this document
"**Placing Price**"	97 pence per Placing Share
"**Placing Shares**"	195,330,000 new Ordinary Shares to be issued at the Placing Price by the Company pursuant to the Placing
"**Pro Forma Financial Information**"	the unaudited pro forma assets, equity and liabilities of the Group as at 31 December 2017 and the results for the year then ended
"**Prospectus Directive**"	EU Prospectus Directive 2003/71/EC including any relevant measure in each member state of the European Economic Area that has implemented Directive 2003/71/EC
"**Prospectus Rules**"	the prospectus rules made by the FCA under Part VI of FSMA
"**Proposals**"	the EQT Acquisition, the Fundraising and Admission, in each case as described in this document
"**Resolutions**"	the resolutions to be put to Shareholders at the General Meeting as detailed in paragraph 16 of Part I of this document
"**Restricted Jurisdiction**"	the United States, Australia, Canada, Japan and the Republic of South Africa
"**SEC**"	the United States Securities & Exchange Commission
"**Second Seller**"	EQT Production Company incorporated in Pennsylvania, USA with company number 2980374

“**Securities Act**”	United States Securities Act of 1933 (as amended)
“**Sellers**”	the First Seller and the Second Seller, both owned by EQT
“**Shareholders**”	holders of Ordinary Shares from time to time
“**Share Options**”	share options granted or issued pursuant to the Share Option Scheme
“**Share Option Scheme**”	has the meaning given to that term in paragraph 7 of Part VI of this document
“**Smith & Williamson**”	Smith & Williamson Corporate Finance Limited, the Company’s nominated adviser
“**Stifel**”	Stifel Nicolaus Europe Limited, the Company’s joint broker
“**Subsidiary**” or “**Subsidiaries**”	a subsidiary undertaking (as defined by section 1159 of the Act)
“**Titan**”	Titan Energy, LLC comprising Atlas Energy Tennessee, LLC, Atlas Pipeline Tennessee, LLC, Atlas Noble, LLC, Viking Resources, LLC, Resource Energy, LLC, Atlas Resources, LLC, REI-NY, LLC, Resource Well Services, LLC, Atlas Energy Ohio, LLC and Atlas Energy Group, LLC
“**Titan Acquisition**”	the acquisition of certain of the gas and oil assets of Titan by the Company, pursuant to the terms of the Titan Acquisition Agreement
“**Titan Acquisition Agreement**”	the agreement dated 4 May 2017 between (1) Titan and (2) the Company relating to the Titan Acquisition
“**Titan Assets**”	certain of the gas and oil assets of Titan acquired by the Group in June 2017 and October 2017
“**UK**” or “**United Kingdom**”	the United Kingdom of Great Britain and Northern Ireland
“**UK GAAP**”	accounting principles generally accepted in the United Kingdom
“**UK Listing Authority**” or “**UKLA**”	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“**uncertificated**” or “**in uncertificated form**”	in relation to an Ordinary Share, recorded on the Company’s register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
“**US**” or “**USA**” or “**United States**”	United States of America, its territories and possessions, any state of the United States and the District of Columbia
“**US person**”	a US person as defined in Regulation S under the US Securities Act
“**VAT**”	means value added tax in the UK charged at a rate of 20 per cent. on taxable good and services
“**Warrants**”	the warrants issued under warrant agreements dated 30 January 2017 and 15 June 2017, details of which are set out in paragraphs 7, 12.9, 12.10 and 12.14 of Part VI of this document
“**$**”	the lawful currency of the United States
“**£**” or “**GBP**”	the lawful currency of the United Kingdom

GLOSSARY

"**barrels**" or "**bbl**"	a unit of volume measurement used for petroleum and its products (for a typical crude oil 7.3 barrels (equal to 42 US gallons) = 1 tonne: 6.29 barrels = 1 cubic metre
"**Best Estimate**"	the middle value in a range of estimates considered to be the most likely. If based on a statistical distribution, this can be the mean, median or mode depending on usage
"**boe**"	barrels of oil equivalent. One barrel of oil is approximately the energy equivalent of 5,800 cf of natural gas
"**boepd**"	barrels of oil equivalent per day
"**btu**"	British thermal unit, which is the heat required to raise the temperature of a one pound mass of water from 58.5 degrees Fahrenheit to 59.5 degrees Fahrenheit under specific conditions
"**development well**"	a well drilled within the proved area of an oil or gas reservoir to the depth of a stratigraphic horizon known to be productive in an attempt to recover proved undeveloped reserves
"**HBP**"	held by production: a provision in an oil or natural gas property lease that allows the lessee to continue drilling activities on the property as long as it is producing a minimum paying amount of oil or gas, thereby extending the lessee's right to operate the property beyond the initial lease term
"**mcf**"	thousand standard cubic feet of natural gas
"**mcfe**"	thousand cubic feet of natural gas equivalent
"**mcfed**"	thousand cubic feet of natural gas equivalent per day
"**mbbl**"	thousand barrels of oil
"**mmbbl**"	millions of barrels of oil
"**mmboe**"	millions of barrels of oil equivalent
"**mmbtu**"	million btus
"**mmcf**"	million standard cubic feet of natural gas
"**mmcfed**"	million standard cubic feet of natural gas equivalent per day
"**natural gas**"	hydrocarbons that at a standard temperature of sixty degrees Fahrenheit (60ºF) and a standard pressure of one atmosphere are in a gaseous state, including wet mineral gas and dry mineral gas, casing head gas, residual gas remaining after separation treatment, processing, or extraction of liquid hydrocarbons
"**NGL**"	natural gas liquids
"**oil equivalent**"	international standard for comparing the thermal energy of different fuels

"**PV**" or "**present value**"	the present value of a future sum of money or stream of cash flows given a specific rate of return e.g. PV 18 means the present value at a discount rate of eighteen per cent. (18%)
"**proved developed producing Reserves**" or "**PDP**"	proved developed reserves that are expected to be recovered from completion intervals currently open in existing wells and able to produce to market. Reserves that can be recovered through wells with existing equipment and operating methods
"**proved reserves**"	the estimated quantities of crude oil, natural gas, and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions
"**proved undeveloped reserves**" or "**PUD**"	proved reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion
"**recompletion**"	the completion for production of an existing well bore in another formation from that in which the well has been previously completed
"**recoverable**"	a description of hydrocarbon reserves that identifies them as technically or economically feasible to extract
"**reserves**"	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
"**reservoir**"	a subsurface body of rock having sufficient porosity and permeability to store and transmit fluids. A reservoir is a critical component of a complete petroleum system
"**resources**"	deposits of naturally occurring hydrocarbons which, if recoverable, include those volumes of hydrocarbons either yet to be found (prospective) or if found the development of which depends upon a number of factors (technical, legal and/or commercial) being resolved (contingent)
"**undeveloped acreage**"	lease acreage on which wells have not been participated in or completed to a point that would permit the production of commercial quantities of oil and gas regardless of whether such acreage contains proved reserves
"**working interest**"	a cost bearing interest which gives the owner the right to drill, produce, and conduct oil and gas operations on the property, as well as a right to a share of production therefrom
"**West Texas Intermediate**"	the underlying commodity of the Chicago Mercantile Exchange's oil futures contracts

KEY INFORMATION

The following information is derived from, and should be read in conjunction with, the full text of this document and prospective investors should read the whole document and not just rely on the key information set out below. In particular, attention is drawn to Part II of this document which is entitled "Risk Factors".

- Diversified Gas & Oil PLC's activities comprise the development and operation of conventional natural gas and oil assets in the Appalachian Basin in the northeastern United States.
- The Group operates over 40,000 primarily conventional gas and oil producing wells across Ohio, Pennsylvania, West Virginia and northeast Tennessee and has an experienced operating team managing all of the wells.
- DGO's ordinary shares were admitted to trading on AIM on 3 February 2017.
- The Company's stated strategy for growth includes:
  - acquisition and consolidation of other oil and gas producing assets;
  - driving further expense leverage;
  - improving the productivity of existing wells; and
  - further in-fill drilling of its current acreage position as and when commodity prices provide for drilling returns on capital deployed that meet or exceed returns available through the acquisition of producing assets.
- As at the date of this document, DGO has total proved reserves of gas of approximately 934,770 mmcf (all producing), oil reserves of approximately 3,796 mbbl (all producing) and NGL reserves of approximately 3,217 mbbl (all producing).
- Current daily net gas production is running at approximately 26,986 boepd, NGL production at approximately 287 boepd and oil production at approximately 797 bopd making the Group the largest gas and oil producer on AIM.
- The Group's assets provide:
  - predictable and consistent production profile;
  - a typical life span of over 50 years;
  - proven low decline rates;
  - low operational costs; and
  - low operational risks and production concentration.
- The Board announced on 14 June 2018 that the Company had entered into a non-binding letter of intent to acquire approximately 11,250 producing gas wells, close to DGO's existing operations in the Appalachian Basin in the northeastern United States, principally in the states of Kentucky, West Virginia and Virginia. The consideration for the EQT Acquisition is $575 million (approximately £435.8 million) (subject to adjustment in accordance with the terms of the EQT Acquisition Agreement) with the balance (less the deposit of $57.5 million paid on signing) to be satisfied in cash at Completion.
- The EQT Acquisition will be funded through an extension to the Existing KeyBank Facility Agreement, and a conditional placing of 195,330,000 new Ordinary Shares to raise approximately $250.0 million.
- Daily net gas production from the EQT Assets is approximately 24,165 boepd, NGL production is 219 boepd and oil production is 7,649 bopd. The EQT Acquisition will nearly double DGO's net gas production, to approximately 51,151 boepd. Overall net production will increase from approximately 28,070 boepd to 60,103 boepd. The Board anticipates that the EQT Acquisition will be immediately accretive to cashflow and earnings.

- The Board believes that further acquisition opportunities will continue as energy prices remain in the current trading range and the Company continues to evaluate complementary opportunities.

- The Company has an experienced management team with proven ability to drive operational efficiency creating opportunities for additional value.

- The Board is committed to returning not less than 40 per cent. of free cash flow to Shareholders by way of dividend. The Board's dividend policy reflects the Company's current and expected future cash flow generation potential.

- For the year ended 31 December 2017, the Company paid an interim dividend of 1.99 cents per Ordinary Share on 20 December 2017 and a final dividend of 3.45 cents per Ordinary Share on 31 May 2018.

- The Company has announced a dividend payment of 1.725 cents per Ordinary Share in respect of the first quarter to 31 March 2018 to be paid on 24 September 2018, to those Shareholders on the Company's share register on 13 July 2018.

PART I

LETTER FROM THE CHAIRMAN OF

DIVERSIFIED GAS & OIL PLC

(incorporated in England and Wales with registered number 09156132)

Directors:	*Registered Office:*
Robert Post, *Non-Executive Chairman*	27/28 Eastcastle Street
Robert "Rusty" Hutson Jr., *Chief Executive Officer*	London
Bradley Gray, *Finance Director & US Chief Operating Officer*	W1W 8DH
David Johnson, *Senior Independent Non-executive Director*	
Martin Thomas, *Independent Non-executive Director*	

29 June 2018

To Shareholders and, for information only, to holders of Warrants

Dear Shareholder,

Proposed acquisition of EQT entities holding certain gas and oil assets
Placing of 195,330,000 new Ordinary Shares of 1 pence each at 97 pence per Ordinary Share
Admission of Enlarged Share Capital to trading on AIM
and
Notice of General Meeting

1. Introduction

The Board announced on 14 June 2018 that the Company had entered into a non-binding letter of intent to acquire all of the issued and outstanding membership interests of two new entities, Diversified Southern Production and Diversified Southern Midstream, which will own certain producing gas, NGL and oil assets located in the states of Kentucky, West Virginia and Virginia, comprising approximately 11,250 producing wells. The EQT Assets are located close to the Company's existing operations comprising over 40,000 producing wells in the Appalachian Basin in the northeastern United States, principally in the states of Ohio, Pennsylvania, West Virginia and northeast Tennessee. The Company has grown rapidly over the last few years, capitalising upon opportunities to acquire conventional gas and oil producing assets from larger US exploration and production companies which are today focused increasingly upon the opportunities from unconventional shale production.

The consideration for the EQT Acquisition is $575 million (approximately £435.8 million) (subject to adjustment in accordance with the terms of the EQT Acquisition Agreement). A deposit of $57.5 million has been paid on signing and the balance of $517.5 million is to be satisfied in cash at Completion conditional on, *inter alia*, Shareholder approval.

Further details of the EQT Acquisition Agreement are set out in the section headed "Principal Terms of the EQT Acquisition" in this Part I and paragraph 12.22 of Part VI of this document. Detailed information on the EQT Assets, a portfolio of producing gas and oil wells, is set out in this Part I, and the EQT Assets Competent Person's Report set out in Part V of this document.

The EQT Acquisition will be funded through an extension to the Existing KeyBank Facility and the placing of 195,330,000 new Ordinary Shares to raise $238.8 million (net of the Placing expenses).

The Company has arranged a five year, senior secured credit facility of up to $1 billion from KeyBank National Association and a syndicate of lenders. It is intended that up to $600 million will be available to be drawn down at Completion to fund the EQT Acquisition, to pay related costs and to refinance indebtedness under the Existing KeyBank Facility. Further details of the Amended KeyBank Facility Agreement are set out in paragraph 12.21 of Part VI of this document.

In addition, the Company has conditionally raised $250.0 million (approximately £189.5 million) before expenses by the proposed issue of 195,330,000 new Ordinary Shares pursuant to the Placing at 97p per Placing Share. The Placing Price represents a premium of approximately 3.0 per cent. to the Company's closing mid-market price of 94.2p on 13 June 2018 being the date prior to which the Existing Ordinary Shares were suspended from trading on AIM pending publication of this document. At the Placing Price, on Admission DGO's market capitalisation is expected to be approximately $648.7 million (approximately £491.6 million).

Application will be made for the Placing Shares to be admitted to trading on AIM, subject to the passing of the Resolutions. It is expected that Admission will take place, and dealings in the Enlarged Share Capital (including the Placing Shares) will commence on AIM, on 17 July 2018.

In view of the size of the EQT Assets relative to the Company, the EQT Acquisition constitutes a reverse takeover of DGO under Rule 14 of the AIM Rules for Companies and accordingly the Existing Ordinary Shares were suspended from trading on AIM on 14 June 2018 pending publication of this document. Trading in the Existing Ordinary Shares is expected to be restored following publication of this document. The issue of the Placing Shares is conditional, *inter alia*, on the passing of the Resolutions at the General Meeting. Under the AIM Rules, the EQT Acquisition requires the prior approval of a majority of Shareholders voting on an ordinary resolution to be put to Shareholders at a general meeting, notice of which is set out at the end of this document.

The purpose of this document is to provide Shareholders with information regarding the EQT Acquisition and the Fundraising, and to convene a general meeting at which the Resolutions seeking Shareholder authority to approve the EQT Acquisition and for the issue of the Placing Shares will be put to Shareholders. If the appropriate Resolutions are not passed, the Company will be unable to issue the Placing Shares and the Company will not be able to proceed with the EQT Acquisition.

Further information about the EQT Acquisition, the Fundraising and the Company's current trading and prospects is set out below. Additional information about the Company and its assets, financial information and constitutional documents can be found on the Company's website at: www.dgoc.com.

2. Background to, and reasons for, the EQT Acquisition

The EQT Acquisition will increase proved developed producing reserves by approximately 230 mmboe to 393 mmboe and the Company will be producing from licences held by production over a total area of approximately 6.5 million acres, an increase of some 63 per cent.

The production figures in the table below show barrel of oil equivalent per day (boepd) for the Enlarged Group on a pro-forma basis:

	*DGO**		*EQT Assets*		*Pro forma total*	
	Gross	*Net***	*Gross*	*Net***	*Gross*	*Net***
Gas	39,212	26,986	29,702	24,165	68,914	51,151
NGL	400	287	9,401	7,649	9,801	7,936
Oil	1,537	797	272	219	1,809	1,016
Total	41,149	28,070	39,375	32,033	80,524	60,103

* DGO production numbers are stated on a pro forma basis including production from the Alliance Petroleum Acquisition and CNX Acquisition in March 2018

** Net production is stated after working interest and royalty adjustments as at 31 December 2017

The following information has been extracted from the Unaudited Pro Forma Financial Information set out in Part IV of this document and illustrates the impact of the EQT Acquisition on the Enlarged Group:

	Group as at 31 December 2017 $'000	*Adjustments $'000*	*Adjustment EQT Acquisition $'000*	*Adjustment Net Placing proceeds $'000*	*Unaudited pro forma results $'000*
Revenue	41,777	101,056	253,624	–	396,457
Gross profit	13,856	34,423	146,918	–	195,197
EBITDA	11,950	45,300	163,869	(736)	220,383
Operating profit	16,194	75,812	129,683	(736)	220,953
Income before tax	4,737	56,326	129,217	(736)	189,544

Further details of the EQT Assets are set out in paragraph 4 below.

3. Principal Terms of the EQT Acquisition

On 28 June 2018, the Company entered into the EQT Acquisition Agreement, with an effective date of 1 April 2018, pursuant to which DGO Corp, a wholly owned subsidiary of the Company, conditionally agreed to acquire all of the issued and outstanding membership interests of two new entities, Diversified Southern Production and Diversified Southern Midstream, which will own the EQT Assets. The consideration payable by DGO Corp is $575 million, of which $57.5 million (the "Deposit") has been paid on signing as an on-risk deposit and the balance of $517.5 million is to be satisfied entirely in cash at Completion (subject to adjustment post Completion in accordance with the terms of the EQT Acquisition Agreement taking into account, *inter alia*, cash generated since the effective date of 1 April 2018).

The EQT Acquisition Agreement includes the requirement for DGO Corp or one of its affiliates to hire all of the EQT Employees (as defined below). For a period of one year immediately following Completion, DGO Corp must offer (or cause one of its affiliates to offer) the EQT Employees compensation (including base salary or wage rate, variable compensation opportunity and long term incentive opportunity) with a value no less than that provided to such employees immediately prior to Completion and other employee benefits no less favourable in the aggregate than those provided to DGO Corp's similarly situated employees. Post Completion, the Directors expect that DGO Corp will employ approximately a further 250 employees of comprising operational employees located in the gas fields and administrative employees located in various corporate and support offices (the "EQT Employees").

DGO Corp is not acquiring the rights to the deeper unconventional horizons in the acquired acreage.

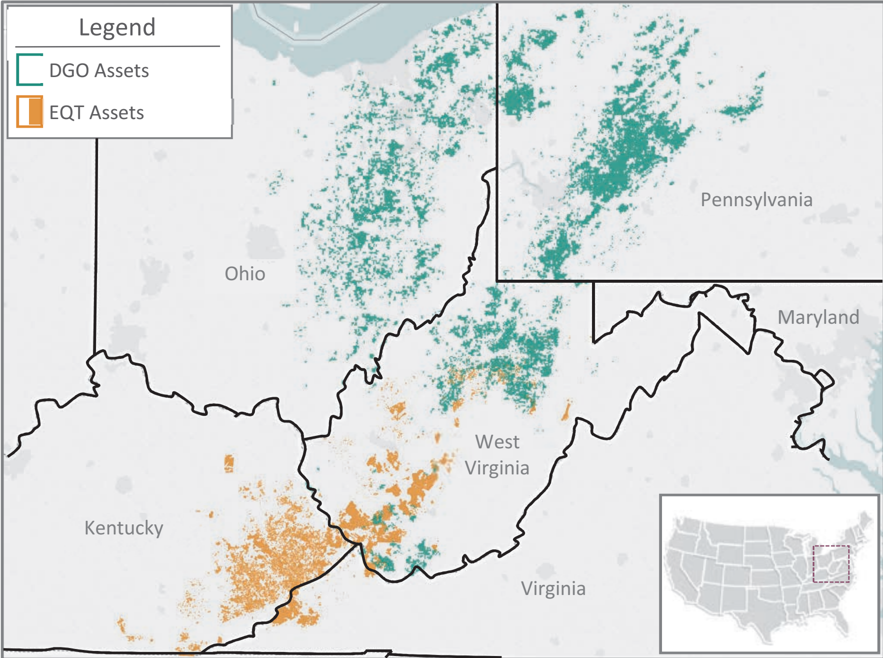
The EQT Acquisition Agreement is capable of termination by DGO Corp prior to Completion if Completion has not occurred by 31 July 2018 (unless Completion has failed to occur as of such date as a result of a breach by DGO Corp of its representations or warranties or the failure to perform its covenants and agreements under the EQT Acquisition Agreement).

If Completion does not occur by 31 July 2018 due to a breach by DGO Corp of its obligation to close the EQT Acquisition Agreement, then the Sellers shall be entitled to elect to terminate the EQT Acquisition Agreement and retain the Deposit. If Completion does not occur by 31 July 2018 due to a breach by the Sellers of their obligation to close the EQT Acquisition Agreement, then DGO Corp shall be entitled to elect either to (i) seek specific performance or (ii) terminate the EQT Acquisition Agreement and have the Deposit returned by the Sellers.

As the EQT Acquisition constitutes a reverse takeover under the AIM Rules, Shareholder approval is required. Further details of the EQT Acquisition Agreement are set out in paragraph 12.22 of Part VI of this document.

4. Information on the EQT Assets

The EQT Assets comprise approximately 11,250 producing gas wells located in the states of Kentucky, West Virginia and Virginia, close to the Group's existing operations in the Appalachian Basin in the northeastern United States, principally in the states of Ohio, Pennsylvania, West Virginia and northeast Tennessee.



The EQT Assets also include a wholly-owned midstream gathering and compression system with approximately 6,400 miles of pipeline and 59 compressor stations located in Kentucky, Virginia, and West Virginia. This system is used to gather all of the EQT Assets' current production, reducing the gathering expense as compared to using a third party midstream operator. In addition to the EQT Assets' volumes, third party volumes are also gathered through the system through long-term gathering and compression arrangements, enhancing system economics.

The size of the pipeline varies from 2-inch to as large as 30-inch. The purpose of the system is to primarily gather the gas from the wells comprising the EQT Assets in the Pikeville Area along with some third party gas from other operators and deliver the volumes to an NGL processing plant in Langley, Kentucky. Currently, the EQT Assets allow delivery of approximately 100 mmcf/d to Langley to be processed for NGLs. The Langley processing plant allows NGLs to be separated from the high btu gas produced by the EQT Assets which is then sold at a premium as compared to unprocessed gas. The gathering system is also located in several of the other key areas in order to gather and compress the gas from the wells of the EQT Assets that do not require processing at Langley and deliver those volumes to the interconnections for marketing.[1]

[1] EQT Assets Competent Person's Report, (page 11) – page 149 of this document

The table below sets out detail on the wells by state comprising the EQT Assets and the relative total proved reserve figures:

Well District	*Number of Total Proved Properties*	*Net gas mmcf*	*Net NGL mbbl*	*Net oil mbbl*
Kentucky	6,259	751,415	54,232	1,165
Maryland	1	–	–	–
Virginia	791	59,957	–	130
West Virginia	4,194	237,359	–	156
Totals	11,245	1,048,732	54,232	1,451

Source: EQT Assets Competent Person's Report on page 150 of this document. It should be noted that some minor differences between the total summaries may exist due to rounding techniques in the software program used by Wright & Co.

Across all wells the average working interest is approximately 95 per cent., while the overall average net revenue interest is approximately 88 per cent. The average royalty rate is approximately 7.4 per cent. There are approximately 3,500 properties that include the royalty interest.[2]

The EQT Assets consist of approximately 230 mmboe of proved developed producing reserves with a pre-tax PV_{10} of $804 million and a post-tax NPV_{10} of $661 million as reported on by Wright & Co in the EQT Assets Competent Person's Report in Part V of this document[3]. The reserves are characterised by an average well life of approximately 50 years and a predictable production profile which declined approximately 5 per cent. per annum between 2011 and 2017. In addition, the EQT Assets include a significant NGL and liquids component representing approximately 24 per cent. of total proved developed producing reserves and accounting for approximately 23 per cent. of 2017 production. The gas produced from the EQT Assets has an average calorific value of approximately 1,170 btu, which allows the EQT Assets to achieve a higher realised gas price as compared to similar assets with a lower gas btu content.

As with DGO's existing asset base, numerous wells comprising the EQT Assets are completed in multiple formations and production is commingled in the wellbore. Most of these properties may have additional productive formations up-hole from the existing producing formations, which may allow for future completion opportunities. Drilling and recompletion opportunities are considered to be relatively low risk, due to the geology and the extensive mapping of the formations.[4]

Detailed information on the EQT Assets is set out in the EQT Assets Competent Person's Report in Part V of this document.

5. Details of the Fundraising and Use of Proceeds

The EQT Acquisition will be funded through an extension to the Existing KeyBank Facility and the net proceeds of the Placing.

Existing bank facilities

As at the date of this document and excluding the funds available for draw down under the Amended KeyBank Facility Agreement, the Group currently has in place a $500 million, five-year senior secured revolving credit facility (the "Existing KeyBank Facility") with a syndicate of seven US banks, led by KeyBank National Association ("KeyBank"). The syndicate comprises KeyBank, Huntington National Bank, Citizens Bank, N.A., Branch Banking and Trust Company, Iberia Bank, CIT Bank, N.A. and First Tennessee Bank, N.A.

The Existing KeyBank Facility was subject to an initial borrowing limit of $140 million in conjunction with the closing of the Alliance Petroleum Acquisition, increasing to $200 million following closing of the CNX Acquisition.

[2] EQT Assets Competent Person's Report, (page 4) – page 142 of this document
[3] EQT Assets Competent Person's Report, (page 1) – page 139 of this document
[4] EQT Assets Competent Person's Report, (page 8) – page 146 of this document

The Existing KeyBank Facility has an initial interest rate of LIBOR plus 2.50 per cent. The interest rate on the Existing KeyBank Facility is subject to a pricing grid that fluctuates based upon utilisation from a pricing of LIBOR plus 2.25 per cent. to 3.25 per cent.

The Group has in place total borrowings, as at the date of this document, of approximately $92 million.

Amended KeyBank Facility Agreement

The Company has arranged a five year, senior secured credit facility of up to $1 billion from KeyBank and a syndicate of lenders. It is intended that up to $600 million will be available to be drawn down at Completion to fund the EQT Acquisition, to pay related closing costs and to refinance indebtedness under the Existing KeyBank Facility.

The Amended KeyBank Facility Agreement stipulates that the loan proceeds are to be utilised for the EQT Acquisition, refinancing of the Existing KeyBank Facility, capital expenditures programme, working capital and transaction costs. The Amended KeyBank Facility Agreement has an interest rate of LIBOR plus a margin based on a pricing grid of 2.25 per cent. to 3.25 per cent. based upon utilisation.

The Amended KeyBank Facility Agreement is subject to, *inter alia*, the following conditions precedent:

(i) the Company having received cash proceeds of a minimum of $180 million through the Placing;

(ii) satisfactory completion of acquisition, financial, legal, collateral and commercial due diligence; and

(iii) evidence that the Company has minimum availability under the borrowing base of not less than 15 per cent. as of the closing date of the Amended KeyBank Facility.

The Amended KeyBank Facility Agreement contains standard representations and warranties, affirmative and negative covenants and events of defaults, including financial reporting requirements (e.g. annual audited financial statements, quarterly unaudited financial statements, compliance certificates, financial plans, reserve reports and information regarding oil and gas properties) and performance covenants (e.g. total leverage ratio and current ratio) all of which shall be comparable to those contained in the Existing KeyBank Facility).

Further details of the Amended KeyBank Facility Agreement are set out in paragraph 12.21 of Part VI of this document.

Placing

The Company has conditionally raised $250.0 million (approximately £189.5 million), before expenses ($238.8 million (£181.0 million) net of the Placing expenses) through the Placing being undertaken by Mirabaud and Stifel of 195,330,000 Placing Shares at 97 pence per Placing Share from certain existing and new institutional investors.

The issue of the Placing Shares is conditional, *inter alia*, on the passing of the Resolutions at the General Meeting.

The Placing Price represents a premium of approximately 3.0 per cent. to the Company's closing mid-market price of 94.2p on 13 June 2018 being the date prior to which the Existing Ordinary Shares were suspended from trading on AIM pending publication of this document. At the Placing Price, DGO is valued at approximately $648.7 million (approximately £491.6 million). The Placing Shares will represent approximately 38.5 per cent. of the Enlarged Share Capital on Admission.

Directors Martin Thomas and David Johnson have agreed to subscribe for 25,000 and 50,000 Placing Shares, respectively. Immediately following Admission, the Board and their immediate families are expected to hold in aggregate 44,485,481 Ordinary Shares amounting to approximately 8.78 per cent. of the Enlarged Share Capital on Admission.

On 28 June 2018, the Company, the Directors, Mirabaud, Stifel and Smith & Williamson entered into the Placing Agreement pursuant to which each of Mirabaud and Stifel agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for the Placing Shares pursuant to the Placing. Each of Mirabaud and Stifel is accepting settlement risk on the Placees procured by each of them.

The Placing of the Placing Shares is conditional, *inter alia*, upon:

(i) the passing of the Resolutions to be proposed at the General Meeting;

(ii) compliance by the Company in all material respects with its obligations under the Placing Agreement;

(iii) the EQT Acquisition Agreement having been duly executed by the parties; and

(iv) Admission having occurred by not later than 8.00 a.m. on 17 July 2018.

Under the Placing Agreement, which may be terminated by Mirabaud, Stifel and Smith & Williamson in certain circumstances (including force majeure) prior to Admission, the Company and the Directors have given certain warranties and indemnities to Mirabaud, Stifel and Smith & Williamson concerning, *inter alia*, the accuracy of the information contained in this document.

Dealings in the Existing Ordinary Shares are expected to recommence on publication of this document.

As a consequence of the EQT Acquisition constituting a reverse takeover, the Company is required to apply for readmission to AIM as the Enlarged Group. Therefore, application will be made 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 including the Placing Shares will commence on AIM on 17 July 2018. The Placing Shares will rank, on issue, *pari passu*, in all respects with the Existing Ordinary Shares including the right to receive all dividends and distributions paid or made in respect of the Ordinary Shares after Admission. The Placing Shares will be issued free from all liens, charges and encumbrances.

In the case of Placees requesting their Placing Shares in uncertificated form, it is expected that the appropriate CREST accounts will be credited with the Placing Shares comprising their Placing participation with effect from 17 July 2018.

For those Placees who have requested their Placing Shares in certificated form it is expected that certificates in respect of such shares will be despatched by post not later than 1 August 2018. Pending despatch of definitive share certificates or crediting of CREST accounts, the Company's registrars will certify any instrument of transfer against the register.

Further details of the Placing Agreement are set out in paragraph 12.28 of Part VI of this document.

Use of proceeds

The net proceeds of the Placing together with the draw down under the Amended KeyBank Facility Agreement, totalling $606.3 million (approximately £459.5 million), will be used to fund the Consideration for the EQT Acquisition, costs of the EQT Acquisition and Admission and working capital requirements of the Group, as follows:

	£ million	*$ million*
Consideration	435.8	575.0
Working capital	2.2	2.9
Acquisition and debt arrangement costs	21.5	28.4
Total	459.5	606.3

6. Information on the Group

DGO's assets

DGO's current activities comprise the development and operation of over 40,000 primarily conventional natural gas and oil assets in the Appalachian Basin in the northeastern United States.

The Group has an experienced operating team managing all of the wells and has grown significantly since its formation in 2001, primarily through the acquisition of producing assets with some drilling of existing leases. The Company has an experienced management team with proven ability to drive operational efficiency, creating opportunities for additional value for Shareholders even in a low commodity price cycle.

As at the date of this document, DGO has total proved reserves of gas of approximately 934,770 mmcf (all producing), oil reserves of approximately 3,796 mbbl (all producing) and NGL reserves of approximately 3,217 mbbl (all producing). Current daily net gas production is running at approximately 26,986 boepd, NGL production at approximately 287 boepd and oil production at approximately 797 bopd, making the Group the largest gas and oil producer on AIM. The Group has approximately 4 million acres under lease which are all held by production ("HBP"). HBP means that the lease does not expire as long as the land is still producing. The overall average working interest for DGO's existing assets is approximately 92 per cent., the overall average net revenue interest is approximately 80 per cent. and the average royalty rate is approximately 13 per cent.[5]

The Group's assets provide:

– predictable and consistent production profile;

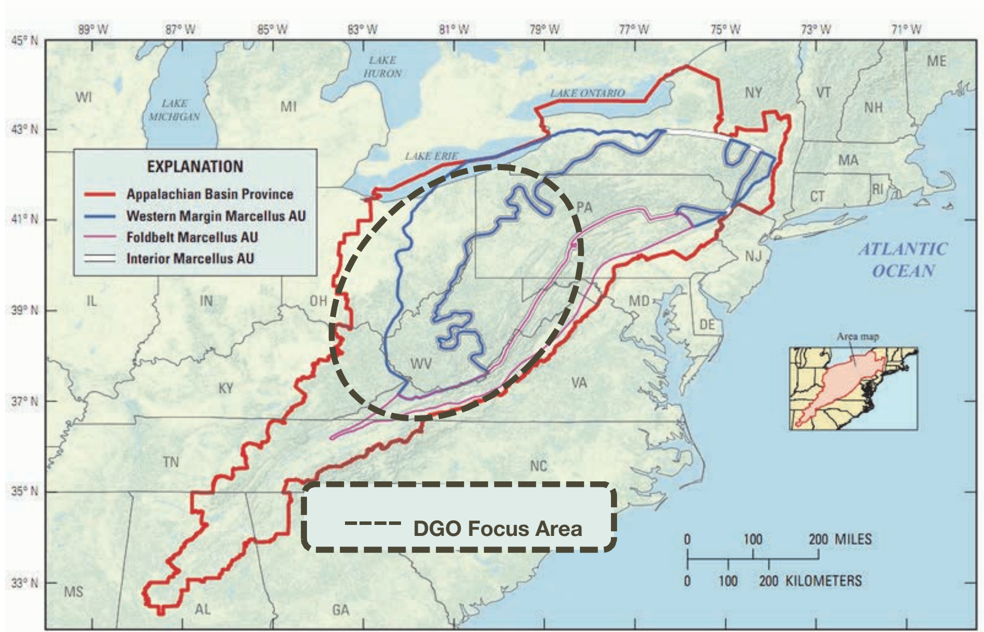
– a typical life span of over 50 years;

– proven low decline rates;

– low operational costs; and

– low operational risks and production concentration.

Appalachian Basin



The Appalachian Basin covers an area of some 185,500 square miles. Whilst the area has come to prominence in recent years following the discovery of significant shale gas reserves since 2009, known as the Utica and Marcellus Shales, it has been a major producer of oil and gas from conventional vertical well development since the late 19th century, making it the oldest producing basin within the United States.[6]

The depositions for the Appalachian Basin are the erosional sediments from the once Acadian Mountains into the lower basin. The basin was limited to the west by the Cincinnati Arch. As the mountains eroded over time, the sediment was deposited in the basin with alternating layers of carbonates, limestones, sandstone, siltstone, and shale intervals.[7]

The oil and gas industry started in the basin in 1859 with the discovery of oil in the Edwin Drake well located in northwestern Pennsylvania. Oil in this well was produced from the Upper Devonian sandstone at a depth of approximately 70 feet. This discovery well opened a trend of oil and gas fields producing from the Upper

[5] DGO Competent Person's Report, (page 5) – page 103 of this document
[6] DGO Competent Person's Report, (page 6) – page 105 of this document
[7] DGO Competent Person's Report, (page 6) – page 105 of this document

Devonian, Mississippian, and Pennsylvanian sandstones across many parts of the states of Kentucky, New York, Ohio, Pennsylvania and West Virginia.[8]

Detailed information on the Group's assets is set out in the DGO Competent Person's Report in Part V of this document.

Acquisition and consolidation strategy

The Ordinary Shares were admitted to trading on AIM on 3 February 2017. The Company's stated strategy for growth includes:

(i) acquisition and consolidation of other gas and oil producing assets;

(ii) driving further expense leverage;

(iii) improving the productivity of existing wells; and

(iv) further in-fill drilling of its current acreage position as and when commodity prices provide for drilling returns on capital employed that meet or exceed returns available through the acquisition of producing assets.

The Company has capitalised upon opportunities to acquire conventional, mature, low risk oil and gas producing assets from (i) large and established exploration and production ("E&P") companies with an increasing focus upon shale reserves, which are seeking to reduce operating expenses and non-core assets to concentrate resources upon their shale extraction activities and (ii) financially distressed companies which have been exposed to declining returns from depressed energy prices and lack economies of scale. The Company is well positioned to acquire further conventional assets and intends to continue its growth strategy through the acquisition of proven producing assets in and around its current areas of operation.

Recent advances in shale production have caused a significant shift in emphasis of many US investors and US domestic E&P companies in the USA, resulting in conventional, mature gas and oil assets becoming available at reasonable prices to credible and proven operators who can maintain production from the conventional reservoirs and in doing so, retain the HBP rights to the shale licences on behalf of the seller. The Directors believe that value accretive opportunities lie in field optimisation and the application of optimised production techniques used across the existing portfolio. The Company has a proven track record in reducing the operating costs of acquired assets through the implementation of operating and financial efficiencies. This combined with the Company's low cost corporate structure gives DGO a competitive advantage over its peers.

After purchasing existing conventional wells, the Group accelerates or extends production by refreshing decayed infrastructure on poorly maintained wells. Typical conventional wells that are in production for over five years (mature wells) have an average 3-5 per cent. annual decline rate. The Group accelerates or extends production by repairing lines, recompleting wells, reconnecting wells, swabbing wells and adding or optimising compression.

The Board continues to identify attractive acquisition and investment opportunities to purchase additional producing assets in or around the Group's existing footprint, although future acquisitions could fall outside of the states in which it currently operates. Sustained low oil and natural gas prices continue to result in companies divesting non-core and distressed assets, and the Group continues to explore these opportunities. Any additional assets purchased are expected to complement the Group's existing portfolio and provide an increase in revenue and net cash flow.

The Company has identified further significant acquisition opportunities which the Directors anticipate could culminate in one or more corporate transactions in the current financial year.

Recent acquisition history

The Company has a track record of successfully sourcing, financing and closing acquisitions. Since the February 2017 Admission, the Company has completed five acquisitions with an aggregate consideration of approximately $269 million. These acquisitions have added significant, long-life production volume and cash flows:

[8] DGO Competent Person's Report, (page 7) – page 105 of this document

EnerVest acquisition

In line with its stated strategy, on 24 February 2017, DGO announced the acquisition of a package of approximately 1,300 producing gas and oil wells in the states of Ohio and Pennsylvania, from EnerVest Ltd, for a total cash consideration of $1.75 million, funded from the Company's existing cash resources. Following completion of the acquisition on 18 April 2017, DGO had total daily gas production of approximately 3,800 boepd and oil production of 585 bopd, representing a 14 per cent. increase in gas production and a 23 per cent. increase in current oil production from the position on admission to AIM.

Titan Acquisition

The Board identified the Titan Assets, and the Company entered into the Titan Acquisition Agreement in June 2017 for a consideration of $84.2 million (approximately £66.1 million) (subject to adjustment in accordance with the terms of the Titan Acquisition Agreement), satisfied in cash at completion. The Titan Acquisition constituted a reverse takeover under the AIM Rules and was approved by Shareholders on 30 June 2017.

Daily gas production from the Titan Assets at the time of the acquisition was approximately 12,500 gross boepd (6,550 net boepd) and oil production was 380 gross bopd (266 net bopd). The Titan Acquisition more than tripled DGO's gross gas production, to approximately 17,367 boepd, and increased gross oil production by 69 per cent. to approximately 930 bopd. Overall gross production increased from approximately 5,400 boepd to 18,300 boepd. The wells comprising the Titan Assets were immediately accretive to cash and earnings.

NGO Acquisition

On 1 December 2017, the Company announced the acquisition of 550 wells in central Ohio from NGO for consideration of $3.1 million met in cash from the Company's existing cash resources. Net production of the acquired wells was approximately 1,300 mcfed or 220 boepd. The NGO Acquisition was immediately accretive to operating cash flow and consistent with the Company's acquisition criteria.

Alliance Petroleum and CNX Acquisitions

On 31 January 2018, the Company announced that DGO Corp had entered into a conditional sale and purchase agreement to acquire Alliance Petroleum Corporation, a subsidiary of Lake Fork Resources Acquisition Corporation ("LFRA"), pursuant to which DGO Corp agreed to purchase all of the outstanding shares of Alliance Petroleum.

The total consideration for the Alliance Petroleum Acquisition was $95.0 million (£66.9 million) comprising the purchase price of $70.0 million (£49.3 million), plus repayment of certain debts of Alliance Petroleum Corporation in the amount of $25.0 million (approximately £17.6 million), which was satisfied in cash at completion. The purchase price for the Alliance Petroleum Acquisition was subject to adjustment in accordance with the terms of the Alliance Petroleum Acquisition Agreement. The Alliance Petroleum Acquisition was completed on 8 March 2018 with an effective date of 1 March 2018.

The assets acquired as part of the Alliance Petroleum Acquisition comprised approximately 13,000 producing gas wells located close to the Company's existing operations in the Appalachian Basin principally in Pennsylvania and West Virginia, with some wells in Ohio. At the time of the Alliance Petroleum Acquisition, Alliance Petroleum Corporation had proven reserves of approximately 49.3 mmboe with an estimated PV_{10} of $168 million (£118.3 million), as estimated by Wright & Co., the Company's independent reserves auditor. Net daily production was approximately 53 mcfed (8,800 boed) at the time of the Alliance Petroleum Acquisition. Based on trading in the 11 months to 30 November 2017, Alliance Petroleum generated unaudited annualised pre-tax profits of $13.5 million (£9.5 million).

In addition, on 31 January 2018, the Company announced that DGO Corp had agreed in principle the terms of a sale and purchase agreement for the conditional acquisition of certain oil and gas leaseholds, wells, working interests, licenses, related equipment and other assets. On 9 February 2018, the Company announced that it had entered into a conditional sale and purchase agreement with CNX.

The consideration for the CNX Acquisition was $85.0 million (approximately £59.9 million), payable in cash on completion (subject to adjustment in accordance with the terms of the CNX Acquisition Agreement). The CNX Acquisition completed on 29 March 2018.

The acquired CNX Assets comprised approximately 11,000 producing gas wells, located close to the Company's existing operations in the Appalachian Basin, principally in Pennsylvania and West Virginia as well as related equipment and other assets. At the time of the CNX Acquisition, these assets had proven reserves of approximately 69.3 mmboe with an NPV_{10} of $178 million (£125.4 million) as estimated by Wright & Co. Net daily production was approximately 54 mcfed (9,000 boed) at the time of the CNX Acquisition. Subsequent to the purchase of the CNX Assets, CNX agreed to retain a monthly tariff obligation applicable to the CNX Assets that requires monthly cash payments to a pipeline transmission company until calendar year 2022. Tariff payments from the effective date of the purchase through to their expiration in 2022 totalled $27 million. In exchange for CNX retaining this $27 million pipeline tariff obligation, the Company paid CNX $17 million. This one-off payment allows DGO to retain complete and uninterrupted access to the applicable pipeline system and eliminates the $27 million tariffs the Company would have paid over the remaining term. In the 12 months to 31 December 2017 the CNX Assets are estimated to have generated operating profits of approximately $14.5 million (£10.2 million).

Further details of the EnerVest acquisition agreement, the Titan Acquisition Agreement, the NGO Acquisition Agreement, the Alliance Petroleum Acquisition Agreement and the CNX Acquisition Agreement are set out in paragraphs 12.12, 12.11, 12.18, 12.19 and 12.20 of Part VI of this document, respectively.

Drilling strategy

The Board also believes that the Group's current acreage position has potential for horizontal development in the conventional formations. This opportunity has been tested in other areas of the Appalachian Basin. As the technology continues to develop, the Board will review this approach for future development of reserves. The Group has not drilled a new development well since 2014 and has no current plans to do so, instead focusing on acquisitions which offer superior return profiles in the current commodity price environment. However, as and when commodity prices provide for drilling returns on capital employed that meet or exceed returns available through the acquisition of producing assets, the Group will evaluate its drilling strategy.

The NYMEX gas price has traded in the range of $2.55 and $3.51/mcf in the last six months. Increases in average long term gas prices will present opportunities for the Company to infill drill its reserves. The Directors believe a new well can generate an internal rate of return ("IRR") of up to 20 per cent. at current price levels; as prices increase, the IRR will improve. The Board estimates that if wellhead gas prices increase to over $3.50/mcf the average IRR per new well could reach 30 per cent. at which level infill drilling could compete for capital allocation within the Company's budget.

Given the Group's recent acquisitive focus, further technical work will need to be completed to establish the value of the Group's undeveloped acreage.

Pricing strategy

The Company has the experience to manage the issues caused by volatile oil and gas prices, which can be influenced by other global trends as well as local supply and demand factors. To protect its revenue, the Group utilises hedging strategies as well as forward fixed pricing purchase contracts with natural gas purchasers. The Company has entered into a variety of hedging and fixed price sale contracts for oil and gas production providing a degree of downside protection on revenues between 2018 and 2020 (calendar years). Through financial hedges, the Group has hedged approximately 35 per cent. of its commodity price exposure for gas production and 87 per cent. of its price exposure for oil production for 2018. Through fixed price contracts, the Group has protected approximately 50 per cent. of its net market price received for gas production in 2018.

Under the terms of the Amended KeyBank Facility Agreement, the Company is required to hedge 75 per cent. of projected PDP production for the 36 months following Completion. The Board has therefore committed to this hedging strategy following Admission.

The Company continues to invest in the appropriate capital infrastructure both at the well head, through the extensive network of Company owned pipeline, and at pumping and compression sites. DGO's operational structure enables it to generate significant operating free cash flow, even in the current low energy price environment, with an average operating cost in 2017 equivalent to $6.50/boe, falling to $5.50/boe after the completion of the Alliance Petroleum Acquisition and the CNX Acquisition.

Distribution

DGO sells natural gas directly into the local market. DGO's customers are large regional utility companies and pipeline marketing companies that have operated in its markets for extensive periods. DGO's customers have been purchasing natural gas from DGO's producing assets for numerous years. DGO's producing wells have direct connections into the gathering pipeline systems of these large regional utilities and pipeline companies.

A significant portion of DGO's gas production is currently sold at a fixed price to DGO's largest buyer. The price for the sale of natural gas is a blended rate of this fixed rate and the current NYMEX index price. Revenues are generally received 30 to 60 days following the gas entering the local transmission pipelines. A supply relationship with DGO's largest buyer has been in existence for multiple years. DGO also sells natural gas to other large local natural gas utility companies.

Oil is sold by DGO to local distributors who collect the oil from production sites by way of collection vehicles and then sell on to the local oil refineries. Revenue is recognised at collection when the responsibility for the product is transferred to the distributor. Pricing for crude oil sales is typically determined based on the market price of West Texas Intermediate crude oil ("WTI") for the day the oil is collected.

Reserves

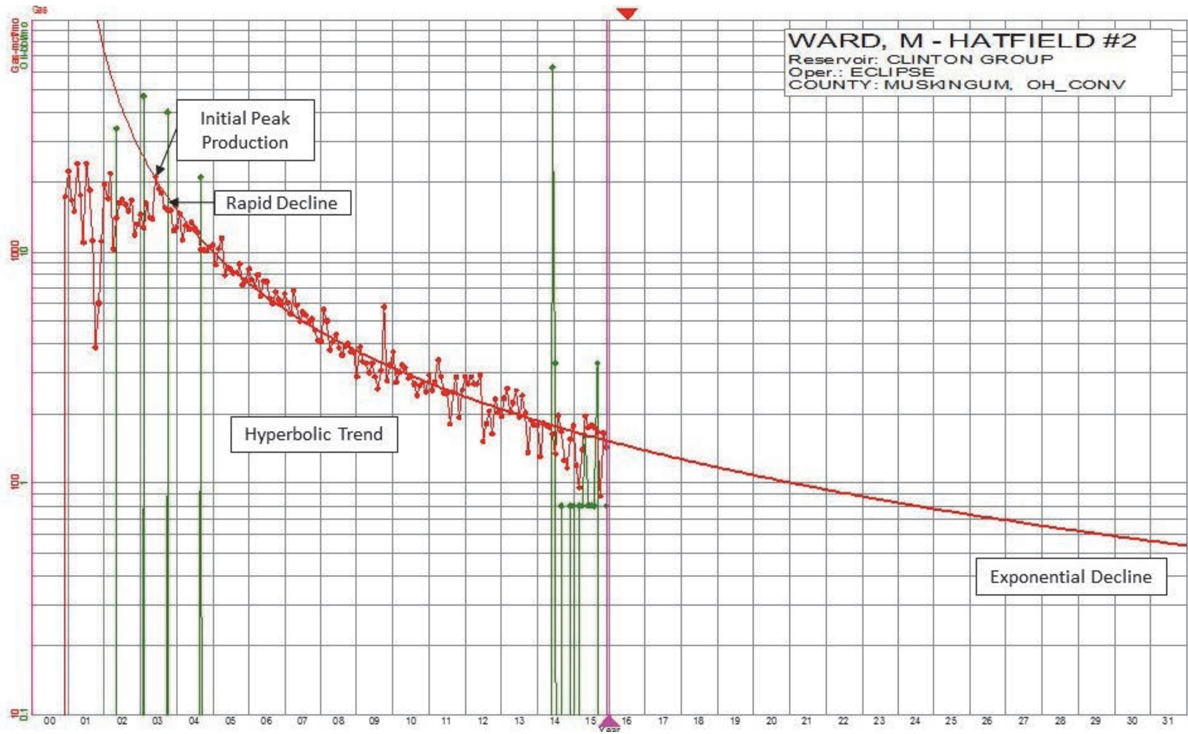
Since 2009, the primary target of the Appalachian Basin for most companies operating in the area has been the horizontal drilling of the Marcellus and the Utica shale formations. These horizontal wells have long laterals that allow more contact with the reservoirs. Large hydraulic fracture treatments are needed in order to make these commercial.[9]

DGO's core focus continues to be conventional production in the Appalachian Basin from established conventional vertical wells. Presently, most of the properties owned and/or operated by DGO are vertical wells.[10] The wells are shallow at depths ranging from 2,200 feet to 6,000 feet. A number of the DGO wells are completed in multiple formations and production is commingled in the wellbore. Most of these properties may have additional productive formations up-hole from the existing producing formations, which may allow for future completion opportunities. These assets have been reported upon by Wright & Co in the DGO Competent Person's Report set out in Part V of this document. In the opinion of Wright & Co., drilling and recompletion opportunities are relatively low risk, due to the geology and the extensive mapping of the formations.[11] Drilling is relatively straight forward, quick to execute and low cost with wells costing approximately $300,000 each.

The production profiles of the wells across these formations demonstrate very similar characteristics. Most of these formations produce gas and/or oil on a hyperbolic curve with an initial rapid decline followed by gradual decline of production over a very long time.[12] This enables the Company to predict and plan with a high level of confidence the future production profile of its producing assets.

[9] DGO Competent Person's Report, (page 10) – page 109 of this document
[10] DGO Competent Person's Report, (page 10) – page 109 of this document
[11] DGO Competent Person's Report, (page 10) – page 109 of this document
[12] DGO Competent Person's Report, (page 10) – page 109 of this document

The following chart illustrates production flow rates at the Company's Hatfield number 2 well in Ashtabula County, Ohio, since the well commenced production in 1985 through to 2015:



A majority of the wells are expected to have production lives of at least 50 years, with some lasting in excess of 80 years. These wells produce very little, if any, water.[13]

Total proved reserves for the Enlarged Group, following Completion, will comprise:

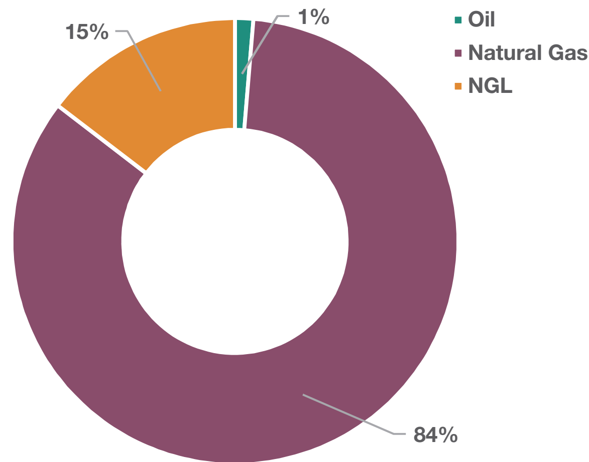
Net gas reserves	1,983,501 mmcf	330,584 mboe
Net NGL reserves	57,449 mbbl	57,449 mboe
Net oil reserves	5,248 mbbl	5,248 mboe
Total		393,281 mboe

Source: DGO Competent Person's Report, (page 100 of this document) and EQT Assets Competent Person's Report, (page 139 of this document)

The aggregate valuation of the total proved existing reserves of the Enlarged Group is $1.388 billion (pre-tax PV_{10}) and $1.145 billion (post-tax NPV_{10}) as reported on by Wright & Co in the DGO Competent Person's Report and EQT Assets Competent Person's Report in Part V of this document.

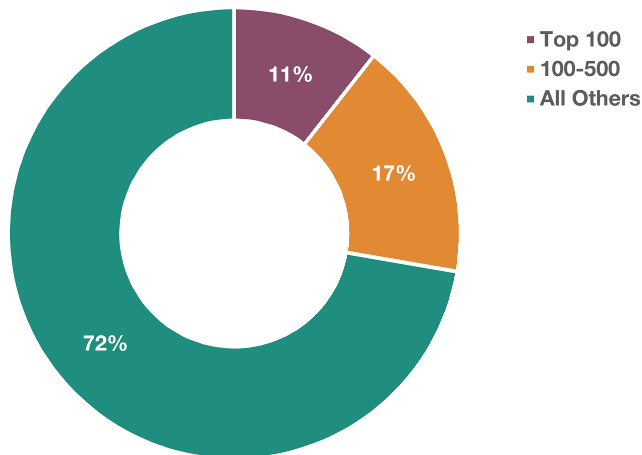
The valuation set out in the Competent Person's Reports is based only on proved reserves and does not take into account the further probable or possible reserves of the Enlarged Group.

[13] DGO Competent Person's Report, (page 10) – page 109 of this document



Enlarged Group Proforma Reserves by Category

The Enlarged Group's large well portfolio will eliminate concentration so that the top 500 wells by PV_{10} comprise a smaller proportion of the total value of wells in the portfolio:



Enlarged Group Proforma Reserves by Category

7. The Investment Opportunity

DGO represents a unique investment opportunity within the E&P sector of the US oil and gas industry. As many US oil and gas investments are primarily focused on companies targeting shale formation drilling prospects, DGO differentiates itself by offering Shareholders existing, consistent production and cash flows. Additionally, DGO's growth strategy, which is the acquisition of proven production at historically low valuations, provides an attractive investment upside with the opportunity for both increasing dividend yields and capital price appreciation.

The Directors believe that there are a numbers of factors which differentiate DGO from other companies in the market:

- Cash flow and strong EBITDA margins create opportunities with a commitment from the Board to return not less than 40 per cent. of free cash flow to Shareholders by way of a dividend.
- Larger public and private E&P companies are selling conventional and mature assets to focus their investment capital on shale development which continues to provide a robust inventory of growth opportunities for the Company.
- The larger US shale focused E&P companies are seeking buyers for their conventional and mature assets that are proven and competent operators. The competency of the buyer is an important factor

for these companies because the continuation of HBP production from the conventional assets protects the future drilling opportunity for the deeper shale formations retained by the E&P vendors.

- DGO has a successful track record for safely operating acquired wells whilst also successfully integrating assets and employees into its existing operations.
- DGO has a track record of successfully sourcing, financing and closing acquisitions with the most recent acquisition closing in late March 2018. DGO has completed five progressively larger acquisitions for an aggregate consideration of approximately $269 million since admission to AIM in February 2017.
- DGO's experienced management team and its proven ability to drive operational efficiency creates opportunities for additional value.
- DGO's assets have the following attributes:
  - predictable and consistent production profile;
  - typical life span of over 50 years;
  - proven low decline rates;
  - low operational costs; and
  - minimal operational risks and production concentration.
- As at the date of this document, the Group has approximately 4 million acres under lease which are all HBP. This expansive leasehold interest provides DGO the flexibility to develop new production through drilling at favourable rates of return when commodity prices provide for drilling returns on capital employed that meet or exceed returns available through the acquisition of producing assets.

8. US Energy Market

North America is expected to become a net energy exporting region by 2020 and to remain the world's largest natural gas producing region. Energy consumption is expected to grow steadily (4 per cent. by 2040), with inputs to power generation accounting for all of the net increase. Growth in industry, buildings and non-combusted uses is expected to outweigh a decline in transportation.

Improvements in vehicle efficiency are expected to cause energy use in transport to fall by 0.4 per cent. per annum. Growth in natural gas and renewables, including biofuels, is expected to be largely offset by declines in coal, oil and nuclear power.

Natural gas and renewables are expected to see the largest growth increments. Natural gas is expected to become the region's leading fuel, accounting for 41 per cent. of energy consumption, up from 32 per cent. today. Renewables (15 per cent. in 2040) are also expected to gain market share while coal and oil are expected to lose a significant share (accounting for 4 per cent. and 29 per cent. of energy use, respectively, in 2040). Gas is expected to overtake coal as the largest source of power generation (by fuel input) in the next few years.

North America is expected to remain the largest gas producing region and become the largest LNG exporting region with natural gas production expected to increase by 55 bcf/d to 146 bcf/d and gross LNG exports predicted to rise to 20 bcf/d by 2040.

North America is expected to remain the second largest oil producing region (after the Middle East) and by 2025 is expected to slip to the second largest for nuclear power (after Asia).[14]

9. Competition

The USA has an extremely well developed oil and gas production and distribution market. The Company has many competitors locally who sell products into the oil and gas market. Given that larger exploration and production companies have moved away from conventional and mature assets, the Company's competition comes from smaller independent businesses and private equity funds. However, the Board

[14] BP Energy Outlook 2018 – Country and regional insights – North America

believes that the Company's steady supply and industry relationships put it in a strong position with buyers and the Company's funding position following Admission will enhance its competitive advantage.

The acquisition and divestiture of assets in the Appalachian Basin is highly fluid with high levels of corporate and asset level transactions taking place. The larger exploration and production companies have, or are, moving away from conventional assets. Competition for conventional assets is therefore from smaller publicly traded and independent businesses, such as Core Appalachia and Carbon Natural Gas Company.

Having made numerous acquisitions, the Board believes that the Company's proven acquisition and operating track record means that DGO is well positioned to attract those owners of operating assets across the Appalachian Basin seeking to release value within their conventional assets, while preserving their rights to the deeper Utica and Marcellus Shale reserves.

The scale of the Company's operations makes it an attractive local partner or buyer. In the market, acquisition targets are currently being valued at attractive discounts of future cash flows and exclude any potential value from increased production achieved from well work-overs, re-completions and infill drilling. As such, the Board believes that, as with historical acquisitions, should future acquisitions be completed, increases in production resulting from focused operational improvements should enhance the value of the acquired assets.

10. Directors and Senior Management

Board

The Board comprises two executive Directors and three non-executive Directors. There are no proposed changes to the structure of the Board as a result of the EQT Acquisition.

Robert Marshall Post, (61), *Non-Executive Chairman*

Robert joined Diversified Gas & Oil in 2005 and became a 50 per cent. shareholder with Rusty Hutson Jr. Robert was previously Controller for Whiting Corporation for three years until he purchased TramBeam, an overhead crane company, from Whiting Corporation and owned and operated the business for 20 years. Robert sold TramBeam to a London based corporation, FKI Industries, in 2002. He has a B.S. degree in Accounting (Finance minor) from Jacksonville State University – Alabama. Given his major interest in Ordinary Shares, Robert is not considered by the Board to be independent.

Robert "Rusty" Russell Hutson Jr., (49), *Chief Executive Officer*

Rusty is the fourth generation of his family to be involved in the oil and gas industry but the first to hold an executive role. Rusty's Father, Grandfather and Great Grandfather all worked in various field operational roles within the industry. Prior to founding Diversified Gas & Oil in 2001, Rusty held finance and accounting roles for 13 years at Bank One (Columbus, Ohio) and Compass Bank (Birmingham, Alabama). He finished his banking career as CFO of Compass Financial Services. Rusty has a B.S. degree in Accounting from Fairmont State College – West Virginia. He is a former certified public accountant ("CPA") (Ohio).

Bradley Grafton Gray, (49), *Finance Director and US Chief Operating Officer*

Prior to joining the Company in October 2016, Brad held the position of Senior Vice President and Chief Financial Officer for Royal Cup, Inc., a United States based commercial coffee roaster and wholesale distributor of tea and other beverage related products. Prior to Royal Cup, Inc., from 2006 to 2014, Brad worked in the petroleum distribution industry for The McPherson Companies, Inc. and held the position of Executive Vice President and Chief Financial Officer. Additionally, from 1997 to 2006, Brad worked in various financial and operational roles with Saks Incorporated, a previously listed New York Stock Exchange retail group in the United States. Brad began his career at Arthur Andersen, has a B.S. degree in Accounting from the University of Alabama and is a licensed CPA (Alabama).

David Edward Johnson, (58), *Senior Independent Non-executive Director*

David has enjoyed a long and successful career in the investment sector. He has worked at a number of leading City investment houses, as both an investment analyst and more recently in equity sales and investment management. During his career David has worked for Sun Life Assurance, Henderson Crosthwaite and Investec Securities. David joined Panmure Gordon & Co in 2004 where he worked until 2013, including as Head of Sales from 2006 and then Head of Equities from 2009. David joined Chelverton Asset Management in 2014 where he had specific responsibility for the Group's private equity investments.

David is a non-executive director of AIM quoted Bilby plc, a holding company providing a platform for strategic acquisitions in the gas heating and general building services industries. David is considered by the Board to be independent.

Martin Keith Thomas, (54), *Independent Non-executive Director*

Martin is a corporate partner heading up the capital markets practice at Wedlake Bell LLP in London. Martin specialises in advising on IPOs and secondary offerings of equity and debt on the London capital markets, corporate finance and M&A work, including cross-border and domestic acquisitions and disposals, joint ventures and private equity transactions. Previously named one of The Lawyer's "UK Hot 100 Lawyers" and ranked by both Chambers and Partners and Legal 500, Martin advises clients operating in a variety of sectors, including oil and gas, renewable energy, natural resources and mining, climate change, financial services and early stage technology. During his legal career of 30 years, Martin has also held senior management positions including seven years as the European Managing Partner of a global law firm headquartered in the United States and was most recently a corporate partner at Watson Farley & Williams LLP in London. Martin is considered by the Board to be Independent.

Senior Management

Eric Michael Williams CPA, (40), *Chief Financial Officer*

Eric joined the Company in July 2017 from Callon Petroleum (NYSE: CPE) ("Callon"), an oil and gas company with annual revenues of $200 million, where he was Manager of Finance and responsible for the company's investor relations and related corporate finance activities.

During Eric's more than seven years with Callon, the company grew significantly from a market capitalisation of $40 million, to over $3.5 billion, successfully transforming itself from a deep-water, non-operational company to an onshore, pure-play Permian Basin operator. He was instrumental in enhancing and developing the financial reporting streams and establishing a formal investor relations function as Callon's communications requirements increased. Eric began his career in the Birmingham, Alabama office of PWC. Prior to his time at Callon, Eric's career included various audit, accounting and financial reporting roles with several US publicly traded companies.

Bryan Keith Berry, (48), *Vice President of Finance*

Bryan joined the Company from Arlington Capital Advisors and is focused on analysis of the Company's transaction opportunities, financial planning and analysis of the Company's operations. Bryan has over 20 years of experience in corporate finance, investment banking and public accounting. Prior to Arlington, Bryan was Vice President of Financial Planning and Analysis at Colonial Properties Trust, a Real Estate Investment Trust with over $4 billion in assets. During his tenure at Colonial Properties Trust, Colonial acquired, developed or disposed of over $1.5 billion in assets. Additionally, Bryan was latterly Director of Financial Planning at Saks Incorporated, a Fortune 500 retail company, having worked at Saks between 1998 and 2007. Bryan began his career in public accounting at Deloitte.

Michael Walton Garrett, **CPA***,* (36) *Vice President of Accounting and Financial Controller*

Michael joined the Company from Callon, an independent energy company focused on oil and gas properties in the Permian Basin, and is responsible for supporting the finance team. Michael's responsibilities include accounting operations and financial reporting and, prior to his time at Callon, Michael worked for Pfizer Corp. and Pinnacle Airlines Corp.

11. Selected Financial Information

The accountant's report on the Group for the three years ended 31 December 2017 is set out in Part III of this document.

The table below shows the selected key historical financial information of the Group for the three years ended 31 December 2017 extracted without material adjustment from the historical financial information on the Group contained within Part III(B) "*Historical Financial Information of the Group*" of this document.

Summary income statements

	Year ended 31 December 2015 (Audited) $'000	Year ended 31 December 2016 (Audited) $'000	Year ended 31 December 2017 (Audited) $'000
Revenue	5,481	17,088	41,777
Gross profit	(1,335)	1,746	13,856
Loss before taxation before non-recurring items	(6,995)	(5,931)	(2,398)
Non-recurring items:			
Gain on bargain purchases	6,582	24,293	11,603
Gain/(loss) on debt cancellation	–	14,149	(4,468)
(Loss)/income before taxation	(413)	32,511	4,737
Taxation on (loss)/income	–	(14,829)	4,138
(Loss)/income after taxation	(413)	17,682	8,875

Summary statements of financial position

	Year ended 31 December 2015 (Audited) $'000	Year ended 31 December 2016 (Audited) $'000	Year ended 31 December 2017 (Audited) $'000
Cash and cash equivalents	90	224	15,168
Borrowings	42,936	37,294	70,992
Total assets	46,487	85,875	228,683
Net (liabilities)/assets	(8,817)	9,162	89,659

EQT Assets

The table below sets out summary pro-forma financial information for the EQT Assets for the year ended 31 December 2017 extracted from the EQT Assets' unaudited management accounts as adjusted by the Directors:

Unaudited pro-forma results (extracts)

	Year ended 31 December 2017 (Unaudited) $'000
Revenue	253,624
Cost of sales	(72,520)
Depreciation and depletion	(34,186)
Gross profit	146,918
Administrative expenses	(17,235)
Operating profit	129,683
Accretion of decommissioning provision	(466)
Income before taxation	129,217
Taxation of income	(45,226)
Profit after taxation	83,991

12. Current Trading and Prospects

Current trading – DGO

2017 ended with daily net production for the Group of 10,400 boepd, a 250 per cent. increase from the 2016 year end with current net overall production running at approximately 28,070 boepd. The EQT Acquisition will add approximately 30,311 boepd to daily net production, an increase on current production of approximately 114 per cent.

In March 2018, DGO completed the Alliance Petroleum Acquisition and the CNX Acquisition comprising 24,000 oil and gas wells in aggregate, principally in Pennsylvania and West Virginia. On completion of the Alliance Petroleum Acquisition and CNX Acquisition, the Company's total net working interest production increased by 173 per cent. to approximately 28,133 boed and its net working interest PDP reserves grew by 217 per cent. to 173.2 mmboe.

Current trading – EQT Assets

During the year ended 31 December 2017, and as presented on a proforma adjusted basis, the EQT Assets produced an average 30,200 boepd, with 29,379 boepd being produced in December 2017.

Prospects – Enlarged Group

The Board is delivering on its stated acquisitive strategy as demonstrated with the significant acquisitions of Titan, Alliance Petroleum Corporation and CNX within the last 12 months.

Following Completion, the Company will produce approximately 58,381 boepd of daily net production, making the Company a material producer amongst its small-mid cap peer group and the largest gas and oil producer on AIM. Increased combined production, improved operational efficiencies and the corresponding earnings enhancing impact on the Enlarged Group, significantly enhances the future prospects of the Enlarged Group. The Directors continue to identify suitable acquisition targets which the Board intends to execute following Admission.

13. Distribution and Dividend Policy

The Board is committed to returning not less than 40 per cent. of free cash flow to Shareholders by way of dividend.

For the year ended 31 December 2017, the Company paid an interim dividend of 1.99 cents per Ordinary Share on 20 December 2017 and, following approval by Shareholders at the Annual General Meeting held on 29 May 2018, a final dividend of 3.45 cents per Ordinary Share on 31 May 2018.

On 3 April 2018, the Company announced its intention to move to a quarterly dividend, in line with the strength and consistency of the Group's cash flows. On 29 May 2018, the Company announced a dividend payment of 1.725 cents per Ordinary Share in September 2018 in respect of the first quarter to 31 March 2018. The Company has today announced that the dividend will be paid to those Shareholders on the Company's share register on 13 July 2018.

The Company's expected annual dividend timetable is as follows:

Quarter	*Dividend Announced*	*Ex-dividend Date*	*Dividend Paid*
Quarter 1 Interim	May	September*	September
Quarter 2 Interim	September	December	December
Quarter 3 Interim	December	March	March
Final	May	June	June

* The 2018 Q1 interim dividend of 1.725 cents per share will be marked ex-dividend on 12 July 2018

The Directors may further revise the Group's dividend policy from time to time in line with the actual results and financial position of the Group.

The Board's dividend policy reflects the Company's current and expected future cash flow generation potential.

14. Corporate Governance and Internal Controls

The Company is not required to, and does not claim to, comply with the all of provisions of the UK Corporate Governance Code, issued from time to time by the Financial Reporting Council (formerly the Combined Code). The Directors recognise the importance of sound corporate governance and have determined to follow the QCA Corporate Governance Code published by the Quoted Companies Alliance ("QCA Code"), as they have sought to do since the February 2017 Admission. The Directors are currently in the process of re-evaluating the Company's corporate governance processes and procedures against the ten principles contained in the revised QCA Code published in April 2018. In particular, the Directors are responsible for overseeing and embedding effective internal controls and promoting a culture of positive business and operational risk management including to ensure that proper accounting records are maintained, and that the financial and other information upon which business decisions are made, and which is issued for publication, is reliable and that the assets of the Company are safeguarded.

The Board comprises five Directors, two non-executive Directors considered by the Board to be independent, a non-executive Chairman and two executive Directors.

The Company holds regular board meetings throughout the year at which reports relating to the Group's operations, together with financial reports, are considered. The Board is responsible for formulating, approving and reviewing the Group's strategy, budgets, major items of expenditure and senior personnel appointments.

The Audit Committee

The Company has established an audit committee, which comprises Bradley Gray (Chairman), David Johnson and Martin Thomas. The audit committee's main functions include, *inter alia*, reviewing and monitoring internal financial control systems and risk management systems on which the Company is reliant, considering annual and interim accounts and audit reports, making recommendations to the Board in relation to the appointment and remuneration of the Company's auditors and monitoring and reviewing annually their independence, objectivity, effectiveness and qualifications.

The Remuneration Committee

The Company has established a remuneration committee, which comprises David Johnson (Chairman), Robert Post and Martin Thomas, and meets as often as required to enable the remuneration committee to fulfil its obligations to the Company. The remuneration committee will be responsible for reviewing the performance of the Chairman and the executive Directors and for setting the scale and structure of their remuneration, paying due regard to the interests of Shareholders as a whole and the performance of the Group. The remuneration committee will also approve the design of and determine targets for any performance-related pay schemes operated by the Company.

The Nomination Committee

The Company has established a nomination committee, which comprises Robert Post (Chairman), David Johnson and Martin Thomas, and will meet as often as required to enable the nomination committee to fulfil its obligations to the Company. The nomination committee will have responsibility for reviewing the structure, size and composition of the Board and recommending to the Board any changes required for succession planning and for identifying and nominating for approval of the Board candidates to fill vacancies as and when they arise. The committee will also be responsible for reviewing the results of the Board performance evaluation process and making recommendations to the Board concerning suitable candidates for the role of senior independent director and the membership of the Board's committees and the re-election of Directors at each annual general meeting.

Share Dealing Code and AIM Rules Compliance Code

The Company has adopted a code for dealings in Ordinary Shares which is appropriate for an AIM company, in compliance with Rule 21 of the AIM Rules for Companies and with the Market Abuse Regulation. The Company has also adopted an AIM Rules compliance code.

15. City Code

The Company is a public company incorporated in the United Kingdom and its Ordinary Shares are and will be following Admission, admitted to trading on AIM. Accordingly, the City Code applies to the Company.

Under Rule 9 of the City Code, if a person acquires an interest in Ordinary Shares which, together with that person's concert parties' interests in Ordinary Shares, carries 30 per cent. or more of the voting rights of the Company, that person would normally be required (except with the consent of the Takeover Panel) to make a cash offer for the Ordinary Shares not already held by them at a price not less than the highest price paid for the Ordinary Shares by the person or its concert parties during the previous 12 months.

Under Rule 9 of the City Code, this requirement would also normally be triggered by any acquisition of an interest in Ordinary Shares by a person (together with its concert parties) interested in shares carrying between 30 and 50 per cent. of the voting rights in the Company, if the effect of such acquisition would be to increase those persons' percentage interest in the total voting rights of the Company.

"Interests in shares" is defined broadly in the City Code. A person who has long economic exposure, whether absolute or conditional, to changes in the price of shares will be treated as interested in those shares. A person who only has a short position in shares will not be treated as interested in those shares.

"Voting rights" for these purposes means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting.

"Persons acting in concert" (and "concert parties") comprise persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of a company or to frustrate the successful outcome of an offer for a company. Certain categories of people are deemed under the City Code to be acting in concert with each other unless the contrary is established.

16. General Meeting

A notice convening a General Meeting of the Company, to be held at 11.00 a.m. on 16 July 2018 at the offices of Buchanan Communications Limited, 107 Cheapside, London EC2V 6DN, is set out at the end of this document. At that meeting a resolution will be proposed in order to obtain Shareholder approval for the

EQT Acquisition. In addition, resolutions will be proposed at the General Meeting granting powers of allotment and disapplication of pre-emption rights in respect of, *inter alia*, the Placing Shares and to assist the Enlarged Group going forward. Further details of the Resolutions are set out below:

Resolution 1 – Approval of the EQT Acquisition

Resolution 1 is an ordinary resolution to approve the EQT Acquisition. As the EQT Acquisition constitutes a reverse takeover under the AIM Rules for Companies, Shareholder approval is required under the AIM Rules for Companies.

Resolution 2 – Authority to allot shares

Resolution 2 is an ordinary resolution to authorise the Directors under Section 551 of the Act to issue and allot Ordinary Shares. The Act requires that the authority of Directors to allot shares and to make offers or agreements to allot shares in the Company or grant rights to subscribe for or convert any security into shares ("relevant securities") should be subject to the approval of Shareholders in a general meeting or to an authority set out in the Company's Articles. Accordingly, Resolution 2 will be proposed to authorise the directors to allot relevant securities in respect of the issue of (i) Placing Shares, (ii) new Ordinary Shares to satisfy awards made under the Share Option Scheme, and (iii) otherwise up to a total nominal value of £1,689,353.62 representing 168,935,362 new Ordinary Shares (being approximately one third of the Enlarged Share Capital). This authority will expire on the conclusion of the Company's next Annual General Meeting.

Resolution 3 – Disapplication of statutory pre-emption rights

Resolution 3 is a special resolution to disapply statutory pre-emption rights under Section 571 of the Act in respect of equity securities (as defined in Section 560 of the Act). The Act requires that any equity shares issued wholly for cash must be offered to existing Shareholders in proportion to their existing shareholdings unless otherwise approved by Shareholders in general meeting or excepted under the Company's Articles or law. The Placing Shares are not being offered to Shareholders in proportion to their existing holdings. A special resolution will be proposed at the General Meeting to give the Director's authority to allot equity securities for cash other than on a *pro rata* basis pursuant to the issue of the Placing Shares under the Placing and otherwise up to a total nominal value of £506,806.09 representing 50,680,609 new Ordinary Shares (being approximately 10 per cent. of the Enlarged Share Capital). This authority will expire on the conclusion of the next Annual General Meeting of the Company.

The issue of the Placing Shares is conditional, among other things, on Shareholders passing the appropriate Resolutions being proposed at the General Meeting. If Shareholders do not pass the appropriate Resolutions, the issue of the Placing Shares and the EQT Acquisition will not proceed.

17. Irrevocable Undertakings and Commitments

The Company has received irrevocable undertakings and commitments to vote in favour of the Resolutions from the Directors and certain Shareholders in respect of, in aggregate 230,165,838 Ordinary Shares representing approximately 73.9 per cent. of the Existing Ordinary Shares.

18. Management Incentive Arrangements

The Board believes that the Company's success is highly dependent on the quality and loyalty of the current and future directors and employees. To assist in the recruitment, retention and motivation of high quality directors and employees as necessary, the Company must have an effective remuneration strategy. The Board considers that an important part of this remuneration strategy is the ability to award equity incentives and, in particular, share options.

Share Options may be granted under the Share Option Scheme implemented by the Board on the February 2017 Admission. The Board intends that a maximum of 10 per cent. of the issued share capital of the Company (as enlarged) from time to time will be capable of being placed under option under the Share Option Scheme subject to Shareholders passing the appropriate Resolution being proposed at the General Meeting. A total of up to 50,680,609 new Ordinary Shares (in aggregate) shall be available to satisfy awards under the Share Option Scheme on Admission.

As at the date of this document, the Company has awarded rights to acquire an aggregate of 795,002 new Ordinary Shares to a total of nine employees under the Share Option Scheme.

Following consultation with major Shareholders in April and May 2018, and in light of the feedback then received, the Remuneration Committee recommended that Share Options over a further 15,525,000 new Ordinary Shares in aggregate be granted at an exercise price of 84 pence per Ordinary Share (the then mid-market price) to a total of 18 executive Directors and employees. It was intended that the award of these further Share Options would have been made and announced on 3 May 2018 following publication of the Company's annual report for the year ended 31 December 2017, but the grant had to be delayed until publication of this document because negotiations relating to the EQT Acquisition had commenced and constituted inside information.

Further details of the Share Option Scheme are set out in paragraph 7 of Part VI of this document.

19. Admission to AIM

Application will be made to the London Stock Exchange for the Enlarged Share Capital including the Placing Shares 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 AIM on 17 July 2018. No application has or will be made for the Enlarged Share Capital to be admitted to trading or to be listed on any other stock exchange.

20. Lock-in Agreements

Each of Robert Post, Rusty Hutson Jr, Bradley Gray and Martin Thomas (the "Locked-in Persons") has undertaken with Smith & Williamson, Mirabaud and the Company (subject to certain exceptions) not to dispose of any interest in any of their Ordinary Shares until 18 months after the February 2017 Admission without the prior written consent of each of Smith & Williamson and Mirabaud. Further details of these lock-in agreements are set out in paragraph 12.6 of Part VI of this document. The Locked-in Persons will hold, in aggregate, 44,260,481 Ordinary Shares (approximately 8.73 per cent. of the Enlarged Share Capital) on Admission.

21. CREST

As is the case with the Existing Ordinary Shares, the Enlarged Share Capital will continue to be enabled for settlement in CREST on the date of Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within CREST if Shareholders so wish.

22. Taxation

Information regarding United Kingdom taxation and the United States Federal Income Tax consequences of the Group structure are set out in paragraph 11 of Part VI of this document. These details are, however, intended only as a general guide to the current tax position under UK taxation law and the United States Federal Income Tax consequences of the Group structure. Shareholders who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own independent financial adviser immediately.

23. Action to be taken

Shareholders will find enclosed with this document a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting you are requested to complete, sign and return the Form of Proxy to the Company's registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD as soon as possible but, in any event, so as to arrive by no later than 11.00 a.m. on 14 July 2018. The completion and return of a Form of Proxy will not preclude you from attending the meeting and voting in person should you wish to do so.

24. Further Information

Your attention is drawn to the remaining parts of this document which contain further information on DGO, the EQT Assets and the Proposals. In particular, your attention is drawn to the Risk Factors set out in Part II of this document.

25. Recommendation and Irrevocable Undertakings

The Directors consider that the Fundraising and the EQT Acquisition are in the best interests of the Company and Shareholders as a whole. Accordingly, the Directors recommend that you vote in favour of the Resolutions at the General Meeting as they have irrevocably committed to do so in respect of their own beneficial holdings amounting, in aggregate, to 44,410,481 Existing Ordinary Shares, representing 14.26 per cent. of the Existing Ordinary Shares.

In addition, the Company has received irrevocable undertakings and commitments to vote in favour of the Resolutions from the Directors and certain Shareholders amounting to, in aggregate, 230,165,838 Existing Ordinary Shares, representing approximately 73.9 per cent. of the Existing Ordinary Shares.

Yours faithfully

Robert Post
Non-Executive Chairman

PART II

RISK FACTORS

This document contains forward-looking statements, which have been made after due and careful enquiry and are based on the Board's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. These forward-looking statements are subject to, *inter alia*, the risk factors described in this Part II. The Board believes that the expectations reflected in these statements are reasonable, but they may be affected by a number of variables which could cause actual results or trends to differ materially. Each forward-looking statement speaks only as of the date of the particular statement.

Factors that might cause a difference include, but are not limited to, those discussed in this Part II. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. The Company disclaims any obligation to update any such forward-looking statements in the document to reflect future events or developments.

Prior to making an investment decision in respect of the Ordinary Shares, prospective investors should consider carefully all of the information within this document, including the risk factors set out in this Part II. The Board believes these risks to be the most significant for potential investors. However, the risks listed do not necessarily comprise all those associated with an investment in the Company. In particular, the Company's performance may be affected by changes in market or economic conditions and in legal, regulatory and/or tax requirements. The risks listed are not set out in any particular order of priority.

If any of the following risks were to materialise, the Enlarged Group's business, financial condition, results or future operations could be materially and adversely affected. In such cases, the market price of the Ordinary Shares could decline and an investor may lose part or all of his investment. Additional risks and uncertainties not presently known to the Board, or which the Board currently deem immaterial, may also have an adverse effect upon the Enlarged Group and the information set out below does not purport to be an exhaustive summary of the risks affecting the Enlarged Group.

RISKS RELATING TO THE EQT ACQUISITION

The EQT Acquisition may not complete

Under the EQT Acquisition Agreement, DGO Corp has contracted to pay consideration of $575 million. Of this consideration DGO Corp has already paid $57.5 million as an on-risk deposit (the "Deposit"). The balance of $517.5 million is to be satisfied entirely in cash at closing (subject to adjustment post-closing in accordance with the terms of the EQT Acquisition Agreement).

Completion of the EQT Acquisition is subject to the satisfaction of a number of conditions precedent contained in the EQT Acquisition Agreement.

DGO Corp is obliged to complete the EQT Acquisition Agreement, whether or not such transaction is approved by the Shareholders at the General Meeting.

If closing does not occur due to a breach by DGO Corp of its obligation to close the EQT Acquisition Agreement, the EQT Acquisition Agreement entitles the Seller to either:

- seek specific performance and require DGO Corp to pay the balance, which it may not be in a position to pay; or
- elect to terminate the EQT Acquisition Agreement and retain the Deposit already paid.

The Enlarged Group may not be able fully to realise the benefits of the EQT Acquisition

The Enlarged Group's success will partially depend upon the Company's ability following the EQT Acquisition to integrate the EQT Assets without significant disruption to its business. The EQT Acquisition integration

may divert management's attention from the ordinary course operation of the business and raise unexpected issues and may take longer or prove more costly than anticipated. Although the Directors believe that such disruption is unlikely, issues may come to light during the course of integrating the EQT Assets into the Enlarged Group that may have an adverse effect on the financial condition and results of operations of the Enlarged Group. There is no assurance that the Company will realise the potential benefits of the EQT Acquisition including, without limitation, recurring revenue from the EQT Assets to the extent and within the time frame contemplated. If the Company is unable to integrate the EQT Assets successfully into the Enlarged Group then this could have a significantly negative impact on the results of operations and/or financial condition of the Enlarged Group. The Enlarged Group's success will partially depend on there being no adverse change in the EQT Assets between the date of this document and the date of the completion of the EQT Acquisition.

Due diligence on the EQT Assets

Given the nature of the EQT Assets and the fact that most of the EQT Assets are underground, it is not possible to undertake a physical inspection of all of the EQT Assets being acquired. The Company has carried out due diligence on a sample of the EQT Assets, however, the due diligence carried out will not reveal all defects in the physical condition or ownership of the EQT Assets acquired. Whilst the EQT Acquisition Agreement provides some contractual protection as to the ownership and condition of the EQT Assets, any warranty claims will be subject to customary contractual limitations and common law rules which may restrict the Company's ability to recover all or a substantial proportion of any losses suffered. A material level of defects could have an adverse impact on the Enlarged Group's ability to implement its business plan and could adversely impact the Enlarged Group's ability to realise the benefits of the EQT Acquisition or delay their realisation.

RISKS RELATING TO THE ENLARGED GROUP AND THE MARKETS IN WHICH THE ENLARGED GROUP OPERATES

Financial resources

Pursuant to the EQT Acquisition Agreement, the Enlarged Group will finance the EQT Acquisition through a combination of the proceeds from the Placing Shares and the initial drawdown under the Amended KeyBank Facility Agreement. The Enlarged Group may require additional funds and may attempt to raise additional funds through equity or debt financings or from other sources. Any additional equity financing may be dilutive to holders of Ordinary Shares and any debt financing beyond its existing facilities, if available, may require restrictions to be placed on the Enlarged Group's future financing and operating activities. The Enlarged Group may be unable to obtain additional financing beyond its existing facilities on acceptable terms or at all if market and economic conditions, the financial condition or operating performance of the Enlarged Group or investor sentiment (whether towards the Enlarged Group in particular or towards the market sector in which the Enlarged Group operates) are unfavourable. The Enlarged Group's inability to raise additional funding may hinder its ability to grow in the future or to maintain its existing levels of operation.

Impact of leverage

Following the EQT Acquisition and entering into the Amended KeyBank Facility Agreement, the Enlarged Group will have increased borrowings and have debt service obligations. On Admission, the Enlarged Group's total outstanding indebtedness (excluding finance leases) will be approximately $469.7 million, with the opportunity to draw down up to an additional $130.3 million within the terms of the Amended KeyBank Facility Agreement. The Enlarged Group expects that leverage will continue for the foreseeable future. The Directors believe that the level of leverage may reduce over time, however, the degree to which the Enlarged Group will continue to be leveraged could have important consequences for the business, including:

- making it more difficult for the Enlarged Group to satisfy its obligations with respect to its indebtedness;
- restricting the Enlarged Group's ability to make strategic acquisitions or pursue other business opportunities;
- together with the financial and other restrictive covenants under the terms of the indebtedness, limiting the Enlarged Group's ability to obtain additional financing, dispose of assets or pay cash dividends other than as permitted by the terms of the indebtedness;

- requiring the Enlarged Group to sell or otherwise dispose of assets used in the business in order to fund debt service obligations;
- limiting the Enlarged Group's flexibility in planning for, or reacting to, changes in the business and the industry in which it operates;
- placing the Enlarged Group at a competitive disadvantage compared to competitors that have less debt; and
- increasing the Enlarged Group's cost of borrowing.

Any of these consequences or events could have a material adverse effect on the Enlarged Group's ability to satisfy the debt obligations. The Enlarged Group's substantial leverage could materially and adversely affect the business, financial condition and results of operations and prevent the Enlarged Group from servicing payment obligations under the indebtedness.

The Enlarged Group will require cash to meet obligations under its indebtedness and sustain the business operations, and the Enlarged Group's ability to do so will depend on many factors beyond its control. The Enlarged Group's ability to meet its obligations under its indebtedness, including making principal, interest and other payments when due, as well as its ability to fund ongoing business operations, will depend upon future operating performance and the Enlarged Group's ability to generate cash, which, in turn, will be affected to some extent by general economic conditions and by financial, competitive, legislative, regulatory and other factors, including those factors discussed in this Part II and elsewhere in this document.

If, on the maturity date of any of the indebtedness, the Enlarged Group does not have sufficient cash flows from operations and other capital resources to repay and redeem the debt in full or pay other debt obligations, as the case may be, the Enlarged Group may be required to undertake alternative financing plans, such as refinancing or restructuring the debt, selling assets, reducing or delaying capital investments or raising additional debt or equity financing in amounts that could be substantial or on unfavourable terms. The Enlarged Group's access to debt, equity and other financing as a source of funding for operations and for refinancing maturing debt will also be subject to many factors, including the cash needs of the Enlarged Group and the then prevailing conditions in the financial markets, including in the corporate bond, term loan and equity markets.

In the longer term, if the Enlarged Group were unable to generate sufficient cash flows to satisfy its debt obligations or to refinance its indebtedness on acceptable terms, or at all, it would materially and adversely affect its business, prospects, financial condition and results of operations, as well as its ability to pay the principal and interest on its indebtedness. Any failure to refinance its indebtedness, on or prior to the applicable maturity date, may result in the Enlarged Group defaulting on such indebtedness.

The Enlarged Group is subject to finance covenants that will limit its financial and operating flexibility, which could materially and adversely affect its business, financial condition and results of operations

The Amended KeyBank Facility Agreement will, *inter alia*, restrict the Enlarged Group's ability to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- create or incur certain liens;
- make certain payments, including dividends or other distributions, with respect to shares in the Company or its restricted subsidiaries;
- sell, lease or transfer certain assets;
- engage in certain transactions with affiliates;
- consolidate or merge with other entities;
- impair the security interests for the benefit of holders of indebtedness of the Enlarged Group;
- enter into unrelated business or engage in prohibited activities; and
- amend certain documents.

All these restrictions and limitations are subject to exceptions and qualifications. The covenants to which the Enlarged Group is subject could limit its ability to plan for, or react to, market conditions, as well as adversely affect its ability to finance operations, strategic acquisitions, investments or other capital needs, implement business plans, pursue business opportunities and engage in other business activities that may be in its best interests.

Fluctuations in interest rates and the LIBOR rate may negatively impact the financial prospects and profitability of the Enlarged Group

The interest rate payable under the Amended KeyBank Facility Agreement is linked to the LIBOR rate. Fluctuations in interbank interest rates and the LIBOR rate are influenced by factors outside of the Enlarged Group's control (such as the fiscal and monetary policies of governments, central banks and United States and UK and international political and economic conditions) and can affect the Enlarged Group's financial prospects and profitability.

The Amended KeyBank Facility is (with limited exceptions) guaranteed by certain subsidiaries of the Enlarged Group and secured against the assets of the Enlarged Group and certain subsidiaries in the event of default by the Enlarged Group

In the event that the Enlarged Group defaults under the Amended KeyBank Facility Agreement, the finance parties will have the right to enforce the guarantees by the subsidiaries and the security granted over the assets of the Enlarged Group. The rights under security arrangements are standard for the type of debt arrangements under the Amended KeyBank Facility Agreement and rank from step-in rights to rights to sell assets. Any enforcement action would materially affect the prospects of the Enlarged Group.

Risks relating to the Enlarged Group's activities and the oil and gas industry

There are numerous factors which may affect the success of the Enlarged Group's business which are beyond its control including local, national and international economic, legal and political conditions. The Enlarged Group's business involves a high degree of risk which a combination of experience, knowledge and careful evaluation may not overcome.

Title matters and payment obligations

There is no guarantee that an unforeseen defect in title, changes in law or change in the interpretation of law or political events will not arise to defeat or impair the claim of the Enlarged Group to any properties which it currently owns or may acquire which could result in a material adverse effect on the Enlarged Group, including a reduction in any revenues generated.

Issues resulting from limited due diligence on new acquisitions

The Enlarged Group will continue to acquire directly or indirectly a number of gas and oil assets in the Appalachian Basin. The Enlarged Group will review potential assets prior to acquisition. Although it is intended that any such review would be consistent with industry practice, such reviews are inherently incomplete. It is generally not feasible to review in depth every individual well or field involved in each acquisition. Generally, the Enlarged Group will aim to focus its due diligence efforts on higher-valued assets and will sample the remainder. However, even an in-depth review of all assets and records may not necessarily reveal existing or potential problems, nor will it permit a buyer to become sufficiently familiar with the assets to assess fully their deficiencies and capabilities. The Enlarged Group may be required to assume directly or indirectly pre-closing liabilities, including environmental liabilities, and may acquire direct or indirect interests in assets on an "as is" basis. Future acquisitions may include offshore licences and/or exploration assets. The acquisition of such assets would provide much greater levels of risk for the Enlarged Group, because such assets, by their nature, may be more expensive to acquire and more difficult to exploit.

Prospective investments and growth strategy execution risks

In order to expand its operations, the Enlarged Group may expend costs on, *inter alia*, conducting due diligence into potential investment opportunities in further businesses, assets or prospects/projects that

may not be successfully completed or result in any acquisition being made, which could have a material adverse effect on its business, operating results and financial condition.

Risks relating to taxation

There can be no certainty that the current taxation regime in the UK or overseas jurisdictions within which the Enlarged Group currently operates or may operate in the future will remain in force or that the current levels of corporation taxation will remain unchanged. There can be no assurance that there will be no amendment to the existing taxation laws applicable to the Enlarged Group, which may have a material adverse effect on the Enlarged Group's financial position.

Any change in the Enlarged Group's tax status or in taxation legislation in the UK or the United States could affect the Enlarged Group's ability to provide returns to Shareholders. Statements in this document concerning the taxation of investors in shares are based on current law and practice, which is subject to change. The taxation of an investment in the Enlarged Group depends on the individual circumstances of investors.

The nature and amount of tax which members of the Enlarged Group expect to pay and the reliefs expected to be available to any member of the Enlarged Group are each dependent upon several assumptions, any one of which may change and which would, if so changed, affect the nature and amount of tax payable and reliefs available. In particular, the nature and amount of tax payable is dependent on the availability of relief under tax treaties and is subject to changes to the tax laws or practice in any of the jurisdictions affecting the Enlarged Group. Any limitation in the availability of relief under these treaties, any change in the terms of any such treaty or any changes in tax law, interpretation or practice could increase the amount of tax payable by the Enlarged Group.

The Enlarged Group is subject to income taxes in the United States and United Kingdom, and its domestic and international tax liabilities are subject to the allocation of expenses in differing jurisdictions.

The Enlarged Group's effective tax rate could be adversely affected by changes in the mix of earnings and losses in countries with differing statutory tax rates, certain non-deductible expenses arising from stock option compensation, the valuation of deferred tax assets and liabilities and changes in federal, state or international tax laws and accounting principles. Increases in the Enlarged Group's effective tax rate could materially affect the Enlarged Group's net financial results.

In addition, the Enlarged Group is subject to income tax audits by many tax jurisdictions. Although the Directors believe that the Enlarged Group's income tax liabilities are reasonably estimated and accounted for in accordance with applicable laws and principles, an adverse resolution of one or more uncertain tax positions in any period could have a material impact on the results of operations for that period.

Lastly, due to the Enlarged Group's parent company being a UK based entity with operations and assets in the United States, any changes in United States federal tax law or tax rulings unfavourable to the Enlarged Group structure related to non US owned parent companies could have a material impact on the Enlarged Group's effective tax rate, cash flows and results of operations.

Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their professional advisers.

Dependence on key executives and personnel

The future performance of the Enlarged Group will to a significant extent be dependent on its ability to retain the services and personal connections or contacts of key executives and to attract, recruit, motivate and retain other suitably skilled, qualified and industry experienced personnel to form a high calibre management team.

Such key executives are expected to play an important role in the development and growth of the Enlarged Group, in particular by maintaining good business relationships with regulatory and governmental departments and essential partners, contractors and suppliers.

In addition, attracting and retaining additional skilled personnel may be required to ensure the development of the Enlarged Group's business. The Enlarged Group faces significant competition for skilled personnel in the oil and gas sector.

Although certain key executives and personnel have entered into service agreements or letters of appointment with the Enlarged Group, there can be no assurance that the Enlarged Group will retain their services. The loss of the services of any of the key executives or personnel may have a material adverse effect on the business, operations, relationships and/or prospects of the Enlarged Group.

Labour

Certain of the Enlarged Group's operations may be carried out under potentially hazardous conditions. Whilst the Enlarged Group intends to operate in accordance with relevant health and safety regulations and requirements, the Enlarged Group remains susceptible to the possibility that liabilities might arise as a result of accidents or other workforce-related misfortunes, some of which may be beyond the Enlarged Group's control. Further, the Enlarged Group may struggle to recruit engineers and other important members of the workforce required to run a full exploration or appraisal programme. Shortages of labour, or of skilled workers, may cause delays or other stoppages during exploration and appraisal activities.

Retention of key business relationships

The Enlarged Group will rely significantly on strategic relationships with other entities, on good relationships with regulatory and governmental departments and on third parties to provide essential contracting services.

There can be no assurance that its existing relationships will continue to be maintained or that new ones will be successfully formed, and the Enlarged Group could be adversely affected by changes to such relationships or difficulties in forming new ones. Any circumstance which causes the early termination or non-renewal of one or more of these key business alliances or contracts could adversely impact the Enlarged Group, its business, operating results and prospects.

Credit market conditions

Recent events in the credit markets have significantly restricted the supply of credit to the industry, as financial institutions have applied more stringent lending criteria or exited the market entirely. If current market conditions worsen, it will be more costly and more difficult for the Enlarged Group to secure any significant debt facilities or indeed such facilities may no longer be available.

Market perception

Market perception of junior extraction companies, in particular those operating in energy markets, as well as all oil and gas companies in general, may change, which could impact on the value of investors' holdings and the ability of the Enlarged Group to raise further funds through the issue of further Ordinary Shares in the Company or otherwise.

Insurance coverage and uninsured risks

The Enlarged Group insures its operations in accordance with industry practice and plans to insure the risks it considers appropriate for the Enlarged Group's needs and circumstances. However, the Enlarged Group may elect not to have insurance for certain risks, due to the high premium costs associated with insuring those risks or for various other reasons, including an assessment in some cases that the risks are remote.

No assurance can be given that the Enlarged Group will be able to obtain insurance coverage at reasonable rates (or at all), or that any coverage it or the relevant operator obtains, and any proceeds of insurance, will be adequate and available to cover any claims arising. The Enlarged Group may become subject to liability for pollution, blow-outs or other hazards against which it has not insured or cannot insure, including those in respect of past activities for which it was not responsible. 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.

In the event that insurance coverage is not available or the Enlarged Group's insurance is insufficient to fully cover any losses, , including losses incurred due to lost revenues resulting from third party operations or processing plants, claims and/or liabilities incurred, or indemnities are difficult to enforce, the Enlarged Group's business and operations, financial results or financial position may be disrupted and adversely affected.

The payment by the Enlarged Group's insurers of any insurance claims may result in increases in the premiums payable by the Enlarged Group for its insurance cover and adversely affect the Enlarged Group's financial performance. In the future, some or all of the Enlarged Group's insurance coverage may become unavailable or prohibitively expensive.

Functioning insurance market

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 such as well control elsewhere in the world and wind storm damage.

Bank default

Recent credit market events have demonstrated the possibility of banks, previously thought to be secure, defaulting on their deposits. A good rating from a reputable rating agency does not provide adequate protection against default risk and as a corporate depositor the Enlarged Group may fall outside any deposit protection schemes. However, if one or more of the Enlarged Group's banks defaults on its deposits it would have a material adverse effect on the Enlarged Group's ability to fund its commitments. In such an economic environment the Enlarged Group would be unlikely to be able to sell assets at reasonable values or raise equity finance and consequently might be unable to continue its business.

Future litigation

From time to time, the Enlarged Group may be subject, directly or indirectly, to litigation arising out of its proposed operations. Damages claimed under such litigation may be material or may be indeterminate, and the outcome of such litigation may materially impact the Enlarged Group's business, results of operations or financial condition. While the Enlarged Group assesses the merits of each lawsuit and defends itself accordingly, it may be required to incur significant expenses or devote significant resources to defending itself against such litigation. In addition, the adverse publicity surrounding such claims may have a material adverse effect on the Enlarged Group's business.

GENERAL EXPLORATION, DEVELOPMENT AND PRODUCTION RISKS

Development and production risks

The operations and planned drilling activities of the Enlarged Group may be disrupted, curtailed, delayed or cancelled by a variety of risks and hazards which are beyond the control of the Enlarged Group, including unusual or unexpected geological formations, formation pressures, geotechnical and seismic factors, environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures or discharge of toxic gases, industrial accidents, occupational and health hazards, technical failures, mechanical difficulties, equipment shortages, labour disputes, fires, power outages, compliance with governmental requirements and extended interruptions due to inclement or hazardous weather and ocean conditions, explosions, blow-outs, pipe failure and other acts of God. Any one of these risks and hazards could result in work stoppages, damage to, or destruction of, the Enlarged Group's facilities, personal injury or loss of life, severe damage to or destruction of property, environmental damage or pollution, clean-up responsibilities, regulatory investigation and penalties, business interruption, monetary losses and possible legal liability which could have a material adverse impact on the business, operations and financial performance of the Enlarged Group. Although precautions to minimise risk are taken, even a combination of careful evaluation, experience and knowledge may not eliminate all of the hazards and risks. In addition, not all of these risks are insurable.

Hydrocarbon resource and reserve estimates

No assurance can be given that hydrocarbon resources and reserves reported by the Enlarged Group in the future are present as estimated, will be recovered at the rates estimated or that they can be brought into profitable production. Hydrocarbon resource and reserve estimates may require revisions and/or changes (either up or down) based on actual production experience and in light of the prevailing market price of oil and gas. A decline in the market price for oil and gas could render reserves uneconomic to recover and may ultimately result in a reclassification of reserves as resources.

Unless stated otherwise, the hydrocarbon resources data contained in this document is taken from the Competent Person's Reports. The resources data contained in this document has been certified by the Competent Person unless stated otherwise. There are uncertainties inherent in estimating the quantity of resources and reserves and in projecting future rates of production, including factors beyond the Enlarged Group's control. Estimating the amount of hydrocarbon resources and reserves is an interpretive process and, in addition, results of drilling, testing and production subsequent to the date of an estimate may result in material revisions to original estimates.

The hydrocarbon resources data contained in this document and in the Competent Person's Reports are estimates only and should not be construed as representing exact quantities. The nature of resource quantification studies means that there can be no guarantee that estimates of quantities and quality of the resources disclosed will be available for extraction. Any resource estimates contained in this document are based on production data, prices, costs, ownership, geophysical, geological and engineering data, and other information assembled by the Enlarged Group (which it may not necessarily have produced). The estimates may prove to be incorrect and potential investors should not place reliance on the forward looking statements contained in this document (including data included in the Competent Person's Reports or taken from the Competent Person's Reports and whether expressed to have been certified by the Competent Person or otherwise) concerning the Enlarged Group's resources and reserves or production levels.

If the assumptions upon which the estimates of the Enlarged Group's hydrocarbon resources have been based prove to be incorrect, the Enlarged Group (or the operator of an asset in which the Enlarged Group has an interest) may be unable to recover and produce the estimated levels or quality of hydrocarbons set out in this document and the Enlarged Group's business, prospects, financial condition or results of operations could be materially and adversely affected.

Capital expenditure estimates may not be accurate

Estimated capital expenditure requirements are estimates based on anticipated costs and are made on certain assumptions. Should the Enlarged Group's capital expenditure requirements turn out to be higher than currently anticipated (for example, if there are unanticipated difficulties in drilling or connecting to infrastructure or price rises) the Enlarged Group or its partners may need to seek additional funds which it may not be able to secure on reasonable commercial terms to satisfy the increased capital expenditure requirements. If this happens, the Enlarged Group's business, cash flow, financial condition and operations may be materially adversely affected.

Production operations may produce unforeseen issues and drilling activities may not be successful

The planned production operations involve risks common to the industry, including blowouts, oil spills, explosions, fires, equipment damage or failure, natural disasters, geological uncertainties, unusual or unexpected rock formations and abnormal geological pressures. In the event that any of these occur, 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 could result. Drilling activities may be unsuccessful and the actual costs incurred in drilling, operating wells and completing well workovers may exceed budget. There may be a requirement to curtail, delay or cancel any drilling operations because of a variety of factors, including unexpected drilling conditions, pressure or irregularities in geological formations, equipment failures or accidents, adverse weather conditions, compliance with governmental requirements and shortages or delays in the availability of drilling rigs and the delivery of equipment. The occurrence of any of these events could have a material adverse effect on the Enlarged Group's business, prospects, financial condition and operations.

Increase in drilling costs and the availability of drilling equipment

The oil and gas industry historically has experienced periods of rapid cost increases. Increases in the cost of exploration and development would affect the Enlarged Group's ability to invest directly or indirectly in prospects and to purchase or hire equipment, supplies and services. In addition, the availability of drilling rigs and other equipment and services is affected by the level and location of drilling activity around the world. An increase in drilling operations outside or in the Enlarged Group's intended area of operations may reduce the availability of equipment and services to the Enlarged Group and to the companies with which it operates. The reduced availability of equipment and services may delay the Enlarged Group's ability, directly or indirectly, to exploit reserves and adversely affect the Enlarged Group's operations and profitability.

Delays in production, marketing and transportation

Various production, marketing and transportation conditions may cause delays in oil production and adversely affect the Enlarged Group's business.

The marketability and price of oil and natural gas that may directly or indirectly be acquired or discovered by the Enlarged Group will be affected by numerous factors beyond the control of the Enlarged Group. The Enlarged Group is also subject to market fluctuations in the prices of oil and natural gas, deliverability uncertainties related to the proximity of reserves to adequate pipeline and processing facilities, and extensive government regulations relating to price, taxes, royalties, licences, land tenure, allowable production, the export of oil and natural gas, and many other aspects of the oil and natural gas business. Any or all of these factors may result in an adverse impact on the financial returns anticipated by the Enlarged Group.

Decommissioning costs

Decommissioning costs will be incurred by the Enlarged Group at the end of the operating life of some of the Enlarged Group's properties. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing and amount of expenditure can also change, for example, in response to changes in reserves or changes in laws and regulations or their interpretation. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

Failure to meet contractual work commitments may lead to penalties

The Enlarged Group may, indirectly, be subject to contractual work commitments, from time to time, which may include minimum work programmes to be fulfilled within certain time restraints. Specifically these commitments may cover certain depths of wells to be drilled, seismic surveys to be performed and other data acquisition. Failure to comply with such obligations, whether inadvertent or otherwise, may lead to fines, penalties, restrictions and withdrawal of licences with consequent material adverse effects.

Interruptions in availability of exploration, production or supply infrastructure

The Enlarged Group may suffer, indirectly, from delays or interruptions due to lack of availability of drilling rigs or construction of infrastructure, including pipelines, storage tanks and other facilities, which may adversely impact the operations and could lead to fines, penalties and criminal sanctions against the Enlarged Group and/or its officers or its current or future licences or interests being terminated. Delays in obtaining licences, permissions and approvals required by the Enlarged Group or its partners in the pursuance of its business objectives could likewise have a material adverse impact on the Enlarged Group's business and the results of its operations.

Third party contractors and providers of capital equipment are in short supply and can be expensive

The contracting or leasing services and equipment from third-party providers and suppliers may be problematic in that such equipment and services can be in short supply and may not be readily available at the times and places required. In addition, the costs of third-party services and equipment have increased significantly over recent years and may continue to rise. This may, therefore, have an adverse effect on the Enlarged Group's business. In addition, the failure of a third party provider or supplier of equipment or

services could have a material adverse impact on the Enlarged Group's business and the results of its operations.

Risk of loss of oil and gas rights

The Enlarged Group's activities are dependent upon the maintenance of appropriate leases (which includes the continuation of production from applicable existing wells), licences, concessions, permits and regulatory consents which may be withdrawn or made subject to qualifications. Although the Enlarged Group believes that the authorisations in relation to all of the Enlarged Group's interests in the Appalachian Basin will not be withdrawn and will be maintained (as the case may be), there can be no guarantee that such authorisations will not, in the future, be withdrawn, fail to be renewed or granted. There can be no assurance as to the terms of such future grants or renewals.

Natural disasters and force majeure events

Any interest held by the Enlarged Group or its significant third party processing companies is subject to the impacts of any natural disaster which may be considered force majeure events, such as earthquakes, epidemics, fires and floods etc. No assurance can be given that the Enlarged Group will not be affected by future natural disasters or *force majeure* events.

Environmental factors

The Enlarged Group's operations are, and will be, subject to environmental regulation (with regular environmental impact assessments and evaluation of operations required before any permits are granted to it) in the Appalachian Basin and any other regions in which the Enlarged Group may operate. Environmental regulations are likely to evolve in a manner that will require stricter standards and enforcement measures being implemented, increases in fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors and employees. Compliance with environmental regulations could increase the Enlarged Group's costs. Should the Enlarged Group's operations not be able to comply with this mandate, financial penalties may be levied.

Environmental legislation can provide for restrictions and prohibitions on spills, releases of emissions of various substances produced in association with oil, condensate and natural gas operations. In addition, certain types of operations may require the submission and approval of environmental impact assessments. The Enlarged Group's operations will be subject to such environmental policies and legislation. Environmental legislation and policy is periodically amended. Such amendments may result in stricter standards of enforcement and in more stringent fines and penalties for non-compliance. Environmental assessments of existing and proposed projects may carry a heightened degree of responsibility for companies and their directors, officers and employees. The costs of compliance associated with changes in environmental regulations could require significant expenditure, and breaches of such regulations may result in the imposition of material fines and penalties. In an extreme case, such regulations may result in temporary or permanent suspension of production operations. There can be no assurance that these environmental costs or effects will not have a materially adverse effect on the Enlarged Group's future financial condition or results of operations.

INVESTMENT AND AIM RISKS

Share price volatility and liquidity

Although the Company is applying for the Enlarged Share Capital to be admitted to trading on AIM, there can be no assurance that an active or liquid trading market for the Ordinary Shares will develop or, if developed, that it will be maintained. AIM is a market designed primarily for emerging or smaller growing companies which carry a higher than normal financial risk and tend to experience lower levels of liquidity than larger companies. Accordingly, AIM may not provide the liquidity normally associated with the Official List of the UKLA or some other stock exchanges. The Ordinary Shares may therefore be difficult to sell compared to the shares of companies listed on the Official List of the UKLA and the share price may be subject to greater fluctuations than might otherwise be the case. An investment in shares traded on AIM carries a higher risk than those listed on the Official List of the UKLA.

The Company is principally aiming to achieve capital growth and, therefore, Ordinary Shares may not be suitable as a short-term investment. Consequently, the share price may be subject to greater fluctuation on small volumes of shares traded, and thus the Ordinary Shares may be difficult to sell at a particular price.

Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. There can be no guarantee that the value of an investment in the Company will increase. Investors may therefore realise less than, or lose all of, their original investment.

The share prices of publicly quoted companies can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares may be influenced by a large number of factors, some of which are general or market specific, others which are sector specific and others which are specific to the Enlarged Group and its operations. These factors include, without limitation, the performance of the Company and the overall stock market, large purchases or sales of Ordinary Shares by other investors, changes in legislation or regulations and changes in general economic, political or regulatory conditions and other factors which are outside of the control of the Company.

Shareholders may sell their Ordinary Shares in the future to realise their investment. Sales of substantial amounts of Ordinary Shares following Admission and/or termination of the lock-in agreements (the terms of which are summarised in paragraph 12.6 of Part VI of this document), or the perception that such sales could occur, could materially adversely affect the market price of the Ordinary Shares available for sale compared to the demand to buy Ordinary Shares. Such sales may also make it more difficult for the Company to sell equity securities in the future at a time and price that is deemed appropriate. There can be no guarantee that the price of the Ordinary Shares will reflect their actual or potential market value or the underlying value of the Enlarged Group's net assets and the price of the Ordinary Shares may decline below the Placing Price.

Investment risk

An investment in the Company is highly speculative, involves a considerable degree of risk and is suitable only for persons or entities which have substantial financial means and which can afford to hold their ownership interests for an indefinite amount of time. While various oil and gas investment opportunities are available, potential investors should consider the risks that pertain to oil and gas development projects in general, as described more particularly above.

Dividends

The dividend policy of the Company is dependent upon its financial condition, cash requirements, future prospects, compliance with the financial covenants in the Amended KeyBank Facility Agreement, profits available for distribution and other factors deemed to be relevant at the time and on the continued health of the markets in which it operates. Whilst the Board is committed to returning not less than 40 per cent. of free cash flow to Shareholders by way of a dividend and the Board's dividend policy reflects the Company's current and future expectation of future cash flow generation potential, there can be no guarantee that the Company will continue to pay dividends in the future.

Restrictions on transfers under US legislation

The Ordinary Shares and Warrants have not been registered in the United States under the Securities Act or under other applicable securities law and are subject to restrictions on transfer contained in such law. They may not be resold in the United States, except pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities law.

Resales of the Ordinary Shares or Warrants

The Ordinary Shares and Warrants constitute "restricted securities", as defined in Rule 144 under the Securities Act, and, accordingly, are not freely tradable in the United States. The Company does not intend to list the Ordinary Shares or Warrants on an established securities exchange, have them quoted on an

automated inter-dealer quotation system or otherwise create a public market in the United States for resale of the Ordinary Shares or Warrants.

Warrants

As detailed in paragraphs 7, 12.9, 12.10 and 12.14 of Part VI to this document, on 30 January 2017 and 15 June 2017, the Company issued the Warrants to certain of its existing professional advisers. The Company may, in the future, issue further options and/or warrants to subscribe for new Ordinary Shares to certain advisers, employees, Directors, senior management and/or consultants of the Enlarged Group. The exercise of any such options and warrants would result in a dilution of the shareholdings of other investors.

It should be noted that the factors listed above are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Enlarged Group is or may be exposed or all those associated with an investment in the Company. In particular, the Company's performance is likely to be affected by changes in market and/or economic conditions, political, judicial, and administrative factors and in legal, accounting, regulatory and tax requirements in the areas in which it operates and holds its major assets. There may be additional risks and uncertainties that the Directors do not currently consider to be material or of which they are currently unaware which may also have an adverse effect upon the Enlarged Group.

If any of the risks referred to in this Part II crystallise, the Enlarged Group's business, financial condition, results or future operations could be materially adversely affected. In such case, the price of the Ordinary Shares could decline and investors may lose all or part of their investment.

PART III

(A) ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE GROUP

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28 June 2018

The Directors
Diversified Gas & Oil PLC
27/28 Eastcastle Street
London W1W 8DH

The Directors
Smith & Williamson Corporate Finance Limited
25 Moorgate
London EC2R 6AY

Dear Sirs,

Introduction

We report on the audited historical financial information of Diversified Gas & Oil PLC (the "Company") and the following wholly owned subsidiaries:

- Diversified Gas & Oil Corporation:
  - Diversified Resources Inc.;
  - M&R Investments, LLC;
  - M&R Investments Ohio, LLC;
  - Marshall Gas & Oil Corporation;
  - R&K Oil and Gas, Inc.;
  - Fund 1 DR, LLC;
  - Diversified Oil & Gas, LLC;
  - Diversified Appalachian Group, LLC;
  - Diversified Energy, LLC;
    - Diversified Partnership Holdings, LLC
    - Diversified Partnership Holdings II, LLC
    - Atlas Energy Tennessee, LLC
      - Atlas Pipeline Tennessee, LLC

for the three years ended 31 December 2017 (the "Group Financial Information"). The Group Financial Information has been prepared for inclusion in Part III(B) "*Historical Financial Information of the Group*" of the Company's AIM admission document dated 28 June 2018 (the "Document"), on the basis of the accounting policies set out in note 3 to the Group Financial Information. This report is required by paragraph (a) of Schedule Two to the AIM Rules for Companies (the "AIM Rules") and is given for the purposes of complying with the AIM Rules and for no other purpose.

Responsibilities

The directors of the Company (the "Directors") are responsible for preparing the Group Financial Information on the basis of preparation set out in note 2 to the Group Financial Information and in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

It is our responsibility to form an opinion on the Group Financial Information as to whether the Group Financial Information gives a true and fair view, for the purposes of the Document, and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules 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 person other than the addressees of this letter for any loss suffered by any such 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 Paragraph (a) of Schedule Two of the AIM Rules, consenting to its inclusion in the Document.

Basis of opinion

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

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

Opinion

In our opinion, the Group Financial Information gives, for the purposes of the Document, a true and fair view of the state of affairs of the Group as at 31 December 2017, 31 December 2016 and 31 December 2015 and of the results, cash flows and changes in equity for the years

then ended in accordance with the basis of preparation set out in note 2 to the Group Financial Information, has been prepared in accordance with IFRS and that it has been prepared in a form that is consistent with the accounting policies adopted by the Company.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules, we are responsible for this report as part of the 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 Document in compliance with Paragraph (a) of Schedule Two of the AIM Rules.

Yours faithfully,

Crowe U.K. LLP
Chartered Accountants

SECTION B – HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Consolidated statements of comprehensive income

The audited consolidated statements of comprehensive income of the Group for each of the three years ended 31 December 2015, 2016 and 2017 are set out below:

	Note	*Audited Year ended 31 December 2015 $'000*	*Audited Year ended 31 December 2016 $'000*	*Audited Year ended 31 December 2017 $'000*
Revenue	6	5,481	17,088	41,777
Cost of sales	7	(3,428)	(11,303)	(20,908)
Depreciation and depletion	7	(3,388)	(4,039)	(7,013)
Gross (loss)/profit		(1,335)	1,746	13,856
Gain/(loss) on derivative financial instruments	23	402	(810)	(441)
Gain on bargain purchase	5	6,582	24,293	11,603
(Loss)/gain on disposal of property and equipment		(2)	34	95
Administrative expenses	7	(1,016)	(2,813)	(8,919)
Operating profit		4,631	22,450	16,194
Accretion of decommissioning provision	18	(366)	(797)	(1,764)
Finance costs	20	(3,177)	(3,291)	(5,225)
Finance costs, accrued	20	(925)	–	–
Potential initial public offering charges		(576)	–	–
Gain/(loss) on debt cancellation	20	–	14,149	(4,468)
(Loss)/income before taxation		(413)	32,511	4,737
Taxation on (loss)/income	9	–	(14,829)	4,138
(Loss)/income after taxation		(413)	17,682	8,875
Other comprehensive income – gain on foreign currency conversion		17	901	355
Total comprehensive (loss)/income for the year		(396)	18,583	9,230
(Loss)/earnings per Ordinary Share – basic and diluted	10	$(0.01)	$0.42	$0.07

Consolidated statements of financial position

The audited consolidated statements of financial position of the Group as at 31 December 2015, 2016 and 2017 are set out below:

	Note	*Audited Year ended 31 December 2015 $'000*	*Audited Year ended 31 December 2016 $'000*	*Audited Year ended 31 December 2017 $'000*
ASSETS				
Non-current assets				
Oil and gas properties	12	42,353	76,793	190,358
Property and equipment	13	2,110	3,348	6,947
Other assets		414	998	1,036
Restricted cash	14	115	117	744
		44,992	81,256	199,085
Current assets				
Trade receivables	15	1,345	3,084	13,917
Derivative financial instruments	23	17	–	–
Other current assets		43	1,311	513
Cash and cash equivalents		90	224	15,168
		1,495	4,619	29,598
Total Assets		46,487	85,875	228,683
EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital	16	630	669	1,940
Share premium	16	–	313	76,026
Merger reserve		(478)	(478)	(478)
Share-based payment reserve		–	–	59
Retained (deficit)/earnings		(8,969)	8,658	12,112
Total Equity		(8,817)	9,162	89,659
Non-current liabilities				
Decommissioning liability	18	8,869	12,265	35,448
Capital lease	19	58	274	836
Borrowings	20	20,115	10,113	70,619
Deferred tax liability	9	–	15,148	11,011
Derivative financial instruments	23	–	–	1,943
Other liabilities	21	277	414	3,821
		29,319	38,214	123,678
Current liabilities				
Trade and other payables	22	1,749	4,627	2,132
Borrowings	20	22,821	27,181	373
Capital lease	19	115	169	324
Derivative financial instruments	23	–	939	961
Other liabilities	21	1,300	5,583	11,556
		25,985	38,499	15,346
Total Liabilities		55,304	76,713	139,024
Total Liabilities and Equity		46,487	85,875	228,683

Consolidated statements of changes in shareholders' equity

The audited consolidated statements of changes in shareholders' equity of the Group for each of the three years ended 31 December 2015, 2016 and 2017 are set out below:

	Note	*Share capital $'000*	*Share based payment reserve $'000*	*Merger reserve $'000*	*Share based payment reserve $'000*	*Retained earnings $'000*	*Total equity $'000*
Balance as at 1 January 2015		611	–	(478)	–	(7,470)	(7,337)
Loss after taxation		–	–	–	–	(413)	(413)
Gain on foreign currency conversion		–	–	–	–	17	17
Total comprehensive loss for the year		–	–	–	–	(396)	(396)
Stockholder contributions pre-group reconstruction	17	–	–	–	–	1,296	1,296
Stockholder distributions pre-group reconstruction	17	–	–	–	–	(2,399)	(2,399)
Issuance of share capital	16	19	–	–	–	–	19
Transactions with Shareholders		19	–	–	–	(1,103)	(1,084)
Balance as at 31 December 2015		630	–	(478)	–	(8,969)	(8,817)
Income after taxation		–	–	–	–	17,682	17,682
Gain on foreign currency conversion		–	–	–	–	901	901
Total comprehensive income for the year		–	–	–	–	18,583	18,583
Stockholder distributions pre-group reconstruction		–	–	–	–	(956)	(956)
Issuance of share capital	16	39	313	–	–	–	352
Transactions with Shareholders		39	313	–	–	(956)	(604)
Balance as at 31 December 2016		669	313	(478)	–	8,658	9,162
Income after taxation		–	–	–	–	8,875	8,875
Gain on foreign currency conversion		–	–	–	–	355	355
Total comprehensive income for the year		–	–	–	–	9,230	9,230
Issuance of share capital, initial offering	17	768	43,550	–	–	–	44,318
Issuance of share capital, secondary offering	16	503	32,163	–	–	–	32,666
Equity compensation		–	–	–	59	–	59
Dividends authorized and declared	11	–	–	–	–	(5,776)	(5,776)
Transactions with Shareholders		1,271	75,713	–	59	(5,776)	71,267
Balance as at 31 December 2017		1,940	76,026	(478)	59	12,112	89,659

Consolidated statements of cash flows

The audited consolidated statements of cash flows of the Group for each of the three years ended 31 December 2015, 2016 and 2017 are set out below:

	Audited Year ended 31 December 2015 $'000	*Audited Year ended 31 December 2016 $'000*	*Audited Year ended 31 December 2017 $'000*
Cash flows from operating activities			
(Loss)/income after taxation	(413)	17,682	8,875
Cash flow from operations reconciliation:			
Depreciation and depletion	3,388	4,039	7,013
Deferred financing expense	3,177	3,291	4,510
Accretion of decommissioning provision	366	797	1,764
Loss on derivative financial instruments	859	957	1,965
Gain on oil and gas program	(344)	(84)	(396)
Deferred income taxes	–	14,829	(4,137)
Provision for working interest owners receivable	–	–	632
Gain on bargain purchase	(6,582)	(24,293)	(11,603)
Gain on debt cancellation	–	(14,149)	–
Loss/(gain) on disposal of property and equipment	2	(34)	95
Non-cash equity compensation	–	340	59
Working capital adjustments:			
Change in trade receivables	(158)	(907)	(11,465)
Change in other current assets	(26)	(269)	798
Change in other assets	(414)	(652)	(38)
Change in trade and other payables	(1,547)	2,662	(2,495)
Change in other liabilities	938	920	11,345
Net cash (used in)/provided by operating activities	(754)	5,129	6,922
Cash flows from investing activities			
Expenditures on oil and gas properties	(2,513)	(7,838)	(88,267)
Expenditures on property and equipment	(1,216)	(1,462)	(4,453)
Plugging and abandonment	–	–	(78)
Increase in restricted cash	(25)	(2)	(627)
Proceeds on disposal of oil and gas properties	105	93	334
Net cash used in investing activities	(3,649)	(9,209)	(93,091)
Cash flows from financing activities			
Proceeds from borrowings	9,311	14,915	75,000
Repayment of borrowings	(844)	(6,794)	(42,514)
Financing expense	(3,078)	(3,222)	(3,298)
Proceeds from capital lease	192	435	1,246
Repayment of capital lease	(19)	(164)	(529)
Contributions from stockholders pre-group reconstruction	1,296	–	–
Proceeds from equity issuance, net	–	–	76,984
Dividends to stockholders	(2,399)	(956)	(5,776)
Net cash provided by financing activities	4,459	4,214	101,113
Net increase in cash and cash equivalents	56	134	14,944
Cash and cash equivalents – beginning of year	34	90	224
Cash and cash equivalents – end of year	90	224	15,168

Notes to the Group Financial Information

1. General information

The Company is a natural gas and crude oil producer that is focused on acquiring and operating mature producing wells with long lives and slow decline profiles. The Company's assets are exclusively located within the Appalachian Basin of the US. The Company is headquartered in Birmingham, Alabama, USA with field offices located in the states of Pennsylvania, Ohio, West Virginia and Tennessee. The Company was incorporated on 31 July 2014 in England and Wales as a private limited company under company number 09156132. The Company's registered office is located at 27/28 Eastcastle Street, London W1W 8DH, United Kingdom. In February 2017, the Company's Ordinary Shares were admitted to trading on AIM under the ticker "DGOC".

2. Basis of preparation and measurement

(a) ***Basis of preparation***

The Group Financial Information has been prepared in accordance with IFRS, issued by the International Accounting Standards Board (IASB), including interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), and the Companies Act 2006 applicable to companies reporting under IFRS.

Unless otherwise stated, the Group Financial Information is presented in US$, which is the currency of the primary economic environment in which the Company operates, and all values are rounded to the nearest thousand dollars except per unit amounts and where otherwise indicated.

Certain prior period amounts within the "*Revenue and Expense*" accounts have been reclassified to conform with current presentation as follows:

- operator revenue of $1,191,000 for the year ended 31 December 2016 (2015: $823,000) has been reclassified as reductions in operator expenses included in cost of sales. This represents operator expenses recharged to and recovered from holders of working interests; and
- salaries and benefits of $273,000 have been reclassified from cost of sales to administrative expenses. This represents salaries and benefits for certain corporate employees that were recorded in cost of sales.

The impact of these changes in presentation is to increase previously reported gross profit for the year ended 31 December 2016 by $273,000, to increase previously reported gross profit margin for the year ended 31 December 2016 from 8.1 per cent. to 10.2 per cent. and to increase previously reported administrative expenses for the year ended 31 December 2016 by $273,000. The impact of the change in the presentation basis in the year ended 31 December 2017 is to reduce each of reported revenue and cost of sales by $3,443,000 to report a current year gross margin of 33.2 per cent. compared to 28.3 per cent. which would have been reported under the presentation basis previously adopted and to increase reported administrative expenses for the year ended 31 December 2017 by $1,073,000 compared to the presentation basis previously adopted.

Transactions in foreign currencies are translated into US$ at the rate of exchange on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange ruling at the balance sheet date. The resulting gain or loss is reflected in the "*Statements of Profit or Loss and Other Comprehensive Income*" within "*Other comprehensive income – gain on foreign currency conversion*".

The Group Financial Information has been prepared under the historical cost convention, except for acquisitions and derivative financial instruments that have been measured at fair value through profit and loss.

The Group Financial Information has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realization of assets and the settlement of liabilities in the normal course of business. The Directors have reviewed the Group's overall position and outlook and are of the opinion that the Group is sufficiently well funded to be able to operate as a going concern for at least the next twelve months from the date of Admission.

(b) ***Basis of consolidation***

The Group Financial Information reflects the following corporate structure of the Group:

- The Company, and its wholly owned subsidiary,
  - o Diversified Gas & Oil Corporation ("DGOC"), as well as its direct and indirect wholly owned subsidiaries,
    - Diversified Resources, Inc.;
    - M & R Investments, LLC;
    - M & R Investments Ohio, LLC;
    - Marshall Gas and Oil Corporation;
    - R&K Oil and Gas, Inc.;
    - Fund 1 DR, LLC
    - Diversified Oil & Gas, LLC;
    - Diversified Appalachian Group, LLC;
    - Diversified Energy, LLC;
      - Diversified Partnership Holdings, LLC
      - Diversified Partnership Holdings II, LLC
      - Atlas Energy Tennessee, LLC
        - o Atlas Pipeline Tennessee, LLC

During the year ended 31 December 2015, Robert Hutson, Jr. and Robert Post collectively transferred their common stock in Diversified Gas & Oil Corporation to the Company. In exchange for their common stock of Diversified Gas & Oil Corporation, Robert Hutson and Robert Post were collectively issued an additional 35,000,000 Ordinary Shares of par value £0.01 common stock in the Company, resulting in a total of 40,000,000 Ordinary Shares held, collectively.

As a result of the transaction between the Company and stockholders Robert Hutson and Robert Post in the year ended 31 December 2015, and in accordance with IFRS 3 "*Business Combinations (Revised 2008)*", the Group Financial Information represents consolidated financial information of the Group. Therefore, although the Group reconstruction did not become unconditional until 2015, the Group Financial Information has been presented as if the Group structure has always been in place, including the activity from incorporation of Group's subsidiary companies. All entities had the same management as well as majority shareholders.

In accordance with IAS 8 "*Accounting Policies, Changes in Accounting Estimates and Errors*", in developing an appropriate accounting policy, the Directors have considered the pronouncements of other standard setting bodies and specifically looked to accounting principles generally accepted in the United Kingdom ("UK GAAP") for guidance (Section 19 of FRS102) which does not conflict with IFRS and reflects the economic substance of the transaction.

Under UK GAAP, the assets and liabilities of all entities are recorded at book value, not fair value. Intangible assets and contingent liabilities are recognized only to the extent that they were recognized by the legal acquirer in accordance within applicable IFRS, no goodwill is recognized, any expenses of the combination are written off immediately to the income statement and comparative amounts, if applicable, are restated as if the combination had taken place at the beginning of the earliest accounting year presented.

(c) ***New standards and interpretations***

Effective 1 January 2017, the Company adopted Amendments to IAS 7 "*Statement of Cash Flows*". The adoption did not have an impact on the Group Financial Information or material impact to the associated disclosures.

(d) ***Not Yet Adopted***

IFRS 9 "Financial Instruments"

In July 2014, the IASB issued IFRS 9 "*Financial Instruments*" that replaces IAS 39 "*Financial Instruments: Recognition and Measurement*" and all previous versions of IFRS 9. IFRS 9 incorporates the three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. Except for hedge accounting, the standard should be applied using the retrospective application. This standard will be effective on or after 1 January 2018.

The Company adopted the new standard on 1 January 2018. The Directors do not expect the adoption of this standard will have a material impact on Group Financial Information.

IFRS 15 "Revenue from Contracts with Customers"

In May 2014, the IASB issued IFRS 15 "*Revenue from Contracts with Customers*". The standard requires an entity to recognize revenue in a manner that depicts the transfer of goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard will supersede all current revenue recognition requirements under IFRS when it becomes effective. The standard can be applied using either the full retrospective approach or a modified retrospective approach at the date of adoptions. This standard will be effective on or after 1 January 2018.

The Company adopted the new standard on 1 January 2018 using the modified retrospective method at the date of adoption. The Directors do not expect the adoption of this standard will have a material impact on the Group Financial Information.

IFRS 16 "Leases"

In January 2016, the IASB issued IFRS 16 "*Leases*". The standard establishes the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and lessor. The standard requires all lease transactions (with terms in excess of 12 months) to be recognized on the balance sheet as lease assets and lease liabilities, and to depreciate lease assets separately from interest on lease liabilities in the income statement. IFRS 16 replaces the previous lease standard, IAS 17 "*Leases*", and related interpretations. This standard will be effective on 1 January 2019. Early adoption is permitted only if the Company also applies IFRS 15 "*Revenue from Contracts with Customers*". The standard can be applied using either the full retrospective approach or a modified retrospective approach at the date of adoption. To date, the Directors have not yet concluded on the impact of this standard.

3. Significant accounting policies

The preparation of the Group Financial Information in compliance with IFRS requires the Directors to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Group Financial Information are disclosed in Note 4 to the Group Financial Information.

(a) ***Cash***

Cash on the balance sheet comprises cash at banks. Balances held at banks, at times, exceed federally insured amounts. The Group has not experienced any losses in such accounts and the Directors believe that the Group is not exposed to any significant credit risk on its cash. As at 31 December 2017, the Group's cash balance was $15,168,000 (2016: $224,000, 2015: $90,000).

For the purpose of the consolidated "*Cash Flow Statement*", cash and cash equivalents consist of cash and cash equivalents as defined above.

(b) ***Trade receivables***

Trade receivables are stated at the historical carrying amount, net of any provisions required. Trade receivables are due from customers throughout the oil and natural gas industry. Although diversified among several companies, collectability is dependent on the financial condition of each individual

company as well as the general economic conditions of the industry. The Directors review the financial condition of customers prior to extending credit and generally do not require collateral to support of the Group's trade receivables. Any changes in the Directors' provision for un-collectability of trade receivables during the year is recognized in the "*Statements of Profit or Loss and Other Comprehensive Income*". Trade receivables also include certain receivables from third-party working interest owners. The Directors consistently assess the collectability of these receivables. As at 31 December 2017, the Directors considered a portion of these working interest receivables uncollectable and recorded a provision in the amount of $632,000 (2016: $nil, 2015: $nil).

(c) ***Derivative financial instruments***

Derivatives are used as part of the Directors' overall strategy to mitigate risk associated with the unpredictability of cash flows due to volatility in commodity prices. Further details of the Group's exposure to these risks are detailed in Note 25 to the Group Financial Information. The Group has entered into financial instruments which are considered derivative contracts, such as swaps and collars which result in net cash settlement each month and do not result in physical deliveries. The derivative contracts are initially recognized at fair value at the date contract is entered into and re-measured to fair value every balance sheet date. The resulting gain or loss is recognized in the "*Statements of Profit or Loss and Other Comprehensive Income*" in the year incurred.

(d) ***Restricted cash***

Cash held on deposit for bonding purposes is classified as restricted cash and recorded within non-current assets. The cash is restricted in use by state governmental agencies to be utilised and drawn upon if the operator should abandon any wells or is being held as collateral by the Group's surety bond providers. As at 31 December 2017, the Group's restricted cash balance was $744,000 (2016: $117,000, 2015: $115,000).

(e) ***Oil and gas properties***

Development and acquisition costs

Expenditures related to the construction, installation or completion of infrastructure facilities, such as platforms and pipelines, and the drilling of development wells, including delineation wells, are capitalized within oil and gas properties. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the decommissioning obligation, for qualifying assets, and borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Exploration and evaluation costs

The Company follows IFRS 6 "*Exploration for and Evaluation of Mineral Resources*" in accounting for oil and gas assets. Costs incurred prior to obtaining the legal rights to explore an area are expensed immediately to the "*Statements of Profit or Loss and Other Comprehensive Income*". Only material expenditures incurred after the acquisition of a license interest are capitalized. Historically, the expenditures related to exploration and evaluation have not been material, as the Group drills in active areas where there are minimal and immaterial exploration and evaluation costs and therefore the cost has been expensed.

Depletion

Oil and gas properties are depleted on a unit-of-production basis over the proved reserves of the field concerned, except in the case of assets whose useful life is shorter than the lifetime of the field, in which case the straight- line method is applied. Rights and concessions are depleted on the unit-of-production basis over the total proven reserves of the relevant area. The unit-of-production rate for the depreciation of field development costs considers expenditures incurred to date, together with sanctioned future development expenditure.

(f) ***Property and equipment***

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment initially recognized includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment are generally depreciated on a straight-line basis over their estimated useful lives:

Buildings and leasehold improvements	7 – 15 years
Drilling costs and equipment	10 – 39 years
Motor vehicles	5 – 7 years
Other property and equipment	3 – 5 years

Property and equipment held under finance leases are depreciated over the shorter of lease term and estimated useful life.

(g) ***Impairment of non-financial assets***

At each reporting date, the Directors assess whether indications exist that an asset may be impaired. If indications do exists, or when annual impairment testing for an asset is required, the Directors estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value-in-use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the Directors consider the asset impaired and write the subject asset down to its recoverable amount. In assessing value-in-use, the Directors discount the estimated future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, the Directors consider recent market transactions, if available. If no such transactions can be identified, the Directors utilize an appropriate valuation model.

When applicable, the Directors recognize impairment losses of continuing operations in the "*Statements of Profit or Loss and Other Comprehensive Income*" in those expense categories consistent with the function of the impaired asset.

(h) ***Leases***

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

(i) ***Decommission liability***

Where a material liability for the removal of production equipment and site restoration at the end of the production life of a well exists, a liability for decommissioning is recognized. The amount recognized is the present value of estimated future net expenditures determined in accordance with local conditions and requirements. The unwinding of the discount on the decommissioning liability is included as accretion of the decommissioning provision. The cost of the relevant property, plant and equipment asset is increased with an amount equivalent to the liability and depreciated on a unit of production basis. The Directors recognize changes in estimates prospectively, with corresponding adjustments to the liability and the associated non-current asset.

(j) ***Taxation***

Deferred taxation

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and expected to apply when the related deferred tax is realized or the deferred liability is settled.

Deferred tax assets are recognized to the extent that it is probable that the future taxable profit will be available against which the temporary differences can be utilized.

Income taxation

Current income tax assets and liabilities for the years ended 31 December 2017 and 31 December 2016 are measured at the amount to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the jurisdictions where the Group operates and generates taxable income.

In the year ended 31 December 2015, the Group consisted of pass-through taxable entities for all federal and state jurisdictions, thus no current income tax asset or liability existed.

(k) ***Revenue recognition***

Natural gas and crude oil

Revenue from sales of natural gas and crude oil products is recognized when the significant risks and rewards of ownership have been transferred, which is when title transfers to the customer. This transfer generally occurs when product is physically transferred into a vessel, pipe, sales meter or other delivery mechanism.

Revenue from the production of oil in which the Group has an interest with other producers is recognized based on the Group's working interest and the terms of the relevant production sharing contracts.

Operator revenue

Revenue from the operation of third-party wells is recognized as earned in the month work is performed and consistent with the Group's contractual obligations.

Certain prior period amounts for operator revenue have been reclassified to conform with current presentation.

Oil & gas program revenue

Revenue from sales of working interest ownership in the Group's operated wells is recognized as earned in the month the ownership transfers to or from the third-party working interest investors.

Water disposal revenue

Revenue from the sale of water disposal services to third-parties into the Group's disposal well is recognized as earned in the month the water was physically disposed.

Revenue is stated after deducting sales taxes, production taxes, excise duties and similar levies.

(l) ***Functional currency and foreign currency translation***

The Group Financial Information is presented in $, which is the Group's functional currency.

The results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of the "*Statement of Financial Position*";
- income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognized in other comprehensive income.

On consolidation, the Group recognizes in "*other comprehensive income*" the exchange differences arising from the translation of the net investment in foreign entities, and of monetary items receivable

from foreign subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future.

(q) ***Segment reporting***

The Company complies with IFRS 8 "*Operating Segments*", to determine its operating segments and has identified one reportable segment that produces natural gas and crude oil in the Appalachian Basin of the US.

4. Significant accounting judgments, estimates and assumptions

The Directors have made the following judgments which may have a significant effect on the amounts recognized in the Group Financial Information:

(a) ***Valuation of intangible oil and gas assets on acquisition***

Proved reserves are estimated by reference to available geological and engineering data and only include volumes for which access to market is assured with reasonable certainty. Estimates of proved reserves are inherently imprecise, require the application of judgement and are subject to regular revision, either upward or downward, based on new information such as from the drilling of additional wells, observation of long-term reservoir performance under producing conditions and changes in economic factors, including product prices, contract terms or development plans. An assessment of the value of these proved reserves on acquisition is produced, considering the discounted cash flows of production to a present value. The Directors use a discount ranging between 10 per cent. and 35 per cent. for such an acquisition, depending on the market conditions at the time of the transaction as well any additional risk factors arising in the specific transaction, to best obtain a fair value estimate of oil and gas properties.

(b) ***Impairment indicators for oil and gas properties***

Following a review by the Directors of ongoing operational performance of the Group's natural gas and crude oil properties for the year ending 31 December 2017, the Directors are of the opinion that no impairment indicators are apparent for these assets.

(c) ***Reserve estimates***

Reserves are estimates of the amount of natural gas and crude oil product that can be economically and legally extracted from the Group's properties. To calculate the reserves, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates.

Estimating the quantity and/or grade of reserves requires the size, shape and depth of fields to be determined by analysing geological data, such as drilling samples. This process may require complex and difficult geological judgments and calculations to interpret the data. The Directors have engaged third-party engineers who are considered experts and have extensive experience in oil and gas engineering, with focus in the Appalachian Basin of the US.

Given the economic assumptions used to estimate reserves change from year to year and, because additional geological data is generated during the course of operations, estimates of reserves may change from time to time.

(d) ***Decommissioning costs***

The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing and amount of expenditure can also change, for example, in response to changes in reserves or changes in laws and regulations or their interpretation. As a result, significant estimates and assumptions are made in determining the provision for decommissioning. See Note 18 to the Group Financial Information for more information.

5. Business acquisitions

The assets acquired in all acquisitions include the necessary permits, rights to production, royalties, contracts and agreements that support the production from the wells. The Company accounts for business acquisitions under IFRS 3. The acquisitions gave rise to bargain purchases due to the prevailing market conditions in the Appalachian Basin, the context of global oil and gas prices, the financial condition of the sellers and a change in the operational focus of the sellers compelling these sellers to divest of their conventional oil and gas assets.

(a) ***EnerVest (2017)***

In April 2017, the Group acquired approximately 1,300 conventional natural gas and oil wells in Ohio and equipment from EnerVest. The Company paid in cash the consideration totalling $1,750,000. The Directors considered the fair value of the reserves held in the assets acquired to be $5,629,000, which was the 30 per cent. cumulative cash flow discount reserve valuation derived from a third-party engineer at the time of purchase. The provisional estimated fair values of the assets and liabilities assumed were as follows:

	$'000
Oil and gas properties	5,629
Oil and gas properties (decommissioning provision, asset portion)	2,406
Decommissioning liability	(2,406)
Gain on bargain purchase	(3,879)
Purchase price	1,750

(b) ***Titan Energy (2017)***

In June 2017, the Group acquired approximately 8,380 producing conventional natural gas and oil wells in the states of Pennsylvania, Ohio, and Tennessee (including approximately 1,140 non-operated wells) and equipment from Titan Energy. The Company paid total consideration of $84,200,000 excluding customary purchase price adjustments. The cash consideration for the purchase was funded by a new $110,000,000 senior secured loan facility, of which, $64,000,000 was drawn at closing on 30 June 2017, and an equity placing of the Company's stock. The Company placed 39,300,000 new Ordinary Shares at $0.89 per Ordinary Share with certain existing and new institutional investors to raise $35,020,000. The equity placing occurred in two tranches of 11,400,000 Ordinary Shares which raised $10,158,000 and 27,900,000 Ordinary Shares were placed with the second tranche, which raised $24,862,000.

The Directors determined the fair value of the reserves held in the assets acquired on 30 June 2017 to be $85,392,000, which was approximately 25 per cent. cumulative cash flow discount reserve valuation derived from a third-party engineer at the time of purchase. The provisional estimated fair values of the assets and liabilities assumed were as follows:

	$'000
Oil and gas properties	85,392
Oil and gas properties (decommissioning provision, asset portion)	16,366
Other PPE	1,752
Decommissioning liability	(16,366)
Other liabilities	(2,279)
Gain on bargain purchase	(7,522)
Purchase price	77,343

(c) ***NGO (2017)***

In November 2017, the Group acquired approximately 550 wells in Central Ohio from NGO Development Corporation, Inc. The Company paid cash consideration totalling $3,114,000. The Directors determined the fair value of the reserves held in the assets acquired to be $3,003,000, which was approximately 25 per cent. cumulative cash flow discount reserve valuation derived from a third-

party engineer at the time of purchase. The provisional estimated fair values of the assets and liabilities assumed were as follows:

	$'000
Oil and gas properties	3,003
Oil and gas properties (decommissioning provision, asset portion)	818
Other PPE	352
Decommissioning liability	(818)
Other liabilities	(39)
Gain on bargain purchase	(202)
Purchase price	3,114

(d) ***Eclipse Resources (2016)***

In April 2016, the Group acquired 1,300 conventional natural gas and oil wells in Ohio and equipment from Eclipse Resources. The purchase consideration totalling $4,800,000, comprising cash of $1,300,000 and a short-term note payable of $3,500,000. The Directors considered the fair value of the reserves held in the assets acquired to be $11,774,000, which was the 30 per cent. cumulative cash flow discount reserve valuation derived from a third-party engineer at the time of purchase. The estimated fair values of the assets and liabilities assumed were as follows:

	$'000
Oil and gas properties	11,774
Oil and gas properties (decommissioning provision, asset portion)	2,443
Equipment	757
Decommissioning liability	(2,443)
Other liabilities, long term (suspended royalties and customer deposits)	(89)
Gain on bargain purchase	(7,642)
Purchase price	4,800

(e) ***Seneca Resources Corporation (2016)***

In June 2016, the group acquired 2,200 conventional natural gas and oil wells in Pennsylvania from Seneca Resources Corporation. The purchase consideration comprised of cash financed by a short-term note payable of $3,500,000 and an interest free obligation to the seller of $3,550,000. The Directors considered the value of the reserves held in the assets acquired was $23,620,000 which approximated the 35 per cent. cumulative cash flow discount reserve valuation derived from a third-party engineer at the time of purchase. The estimated fair values of the assets and liabilities assumed were as follows:

	$'000
Oil and gas properties	23,620
Oil and gas properties (decommissioning provision, asset portion)	4,249
Decommissioning liability	(4,249)
Gain on bargain purchase	(16,570)
Purchase price	7,050

(f) ***Broadstreet Energy (2015)***

In July 2015, the Group acquired 732 conventional natural gas and oil wells in Ohio from Broadstreet Energy. The purchase consideration totalling $2,600,000, comprised of cash of $600,000 and a short-term note payable of $2,000,000. The Directors considered the fair value of the reserves held in the assets acquired to be $3,253,000, which was the 10 per cent. cumulative cash flow discount reserve valuation derived from a third-party engineer at the time of purchase. The estimated fair values of the assets and liabilities assumed were as follows:

	$'000
Oil and gas properties	3,253
Oil and gas properties (decommissioning provision, asset portion)	2,919
Decommissioning liability	(2,919)
Gain on bargain purchase	(653)
Purchase price	2,600

Subsequent to the initial recording, the decommissioning provision and liability have both been reduced by $1,300,000 (see Note 18 to the Group Financial Information).

(g) ***Texas Keystone, Inc. (2015)***

In November 2015, the Group acquired 1,709 conventional natural gas and oil wells and two buildings in Pennsylvania and West Virginia, equipment and automobiles from Texas Keystone, Inc. The purchase consideration comprised of a short-term payable of $725,000. The Directors considered the value of the reserves held in the assets acquired to be $5,728,000 which was the 30 per cent. cumulative cash flow discount reserve valuation derived from a third-party engineer at the time of purchase. The estimated fair values of the assets and liabilities assumed were as follows:

	$'000
Oil and gas properties	5,728
Oil and gas properties (decommissioning provision, asset portion)	2,178
Buildings	428
Equipment	380
Automobiles	282
Capital lease obligation	(164)
Decommissioning liability	(2,178)
Gain on bargain purchase	(5,929)
Purchase price	725

Subsequent to the initial recording, the decommissioning provision and liability have both been reduced by $657,000 (see Note 18 to the Group Financial Information).

6. Revenue

The Group extracts and sells natural gas, natural gas liquids and crude oil to various customers in addition to operating a majority of these oil and natural gas wells for customers and other working interest owners. The following table reconciles the Group's revenue for the periods presented:

	Year ended 31 December 2015 $'000	*Year ended 31 December 2016 $'000*	*Year ended 31 December 2017 $'000*
Natural gas	4,431	10,671	30,463
Oil	307	4,207	8,047
NGL	–	–	1,043
Total natural gas, oil and NGL	4,738	14,878	39,553
Operator revenue	2	18	936
Oil and gas program revenue	344	1,573	705
Water disposal revenue	397	619	565
Other	–	–	18
Total revenue	5,481	17,088	41,777

A significant portion of the Group's trade receivables represent receivables related to either sales of oil and natural gas or operational services. Oil and natural gas trade receivables are generally uncollateralized.

During the year ended 31 December 2017, two customers individually totalled more than 10 per cent. of total revenues, totalling 25 per cent. and 17 per cent. (2016: three customers, 21 per cent., 18 per cent. and 10 per cent., 2015: two customers, 23 per cent. and 17 per cent.). All revenue was generated in the US. Because alternative purchasers of oil and natural gas are readily available, the Directors believe that the loss of any of these purchasers would not result in a material adverse effect on its ability to market future oil and natural gas production (see Note 2(a) to the Group Financial Information).

Certain prior period amounts of operator revenue have been reclassified to conform with current presentation.

7. Expenses by nature

	Year ended 31 December 2015 $'000	*Year ended 31 December 2016 $'000*	*Year ended 31 December 2017 $'000*
Automobile	389	797	1,441
Employees and benefits	2,047	3,844	8,539
Insurance	240	162	491
Production taxes	–	833	3,392
Gathering and transportation	–	–	1,925
Well operating expenses, net	752	5,667	5,120
Total cost of sales *(a)*	3,428	11,303	20,908
Depreciation	309	756	1,469
Depletion	3,079	3,283	5,544
Total depreciation and depletion	3,388	4,039	7,013
Employees and benefits	169	646	2,655
Other administrative	190	301	1,525
Professional fees	205	272	360
Auditors' remuneration			
Fees payable to the Company's auditor for the audit of the Group and the Company's annual accounts	31	34	55
Fees payable to the Company's auditor and its associates for other services:			
Audit of accounts of subsidiaries	38	247	125
Corporate finance services	9	42	73
Total Auditors' remuneration	78	323	253
Rent	81	93	86
Recurring administrative expenses	723	1,635	4,879
Non-recurring costs associated with acquisitions & contribution of assets	293	838	3,349
Provision for working interest owners receivable	–	–	632
Non-cash equity compensation *(b)*	–	340	59
Non-recurring administrative expenses	293	1,178	4,040
Total administrative expenses *(a)*	1,016	2,813	8,919
Total expenses *(a)*	7,832	18,155	36,840

Staff costs

	Year ended 31 December 2015 $'000	Year ended 31 December 2016 $'000	Year ended 31 December 2017 $'000
Aggregate remuneration (including Directors):			
Wages and salaries	1,723	3,346	8,272
Payroll taxes	150	278	729
Benefits	343	1,206	2,252
Total employees and benefits expense	2,216	4,830	11,253
The average monthly number of employees was as follows:	39	81	162

(a) The increase in expenses is primarily related to the oil and gas properties acquired during the year ended 31 December 2017. See Note 5 to the Group Financial Information for more information about the Group's acquisitions.

(b) Non-cash equity issuance during the year ended 31 December 2017 reflects the expense recognition related to the issuance of restricted stock units to certain key managers. The expense for the year ended 31 December 2016 was a non-recurring expense related to the initial issuance of stock to a Company senior manager.

Certain prior period amounts have been reclassified to conform with current presentation.

8. Adjusted EBITDA

Adjusted EBITDA is a non-IFRS financial measure, which is of particular interest to the industry and the Directors, as it is essentially the cash generated from operations that the Group has free for interest payments and capital investment. Adjusted EBITDA should not be considered as an alternative to operating profit/(loss), comprehensive income, cash flow from operating activities or any other financial performance or liquidity measure presented in accordance with IFRS. Adjusted EBITDA is a non-IFRS financial measure that is defined as comprehensive income/(loss) plus or minus items detailed in the table below.

The Directors believe Adjusted EBITDA is a useful measure because it enables a more effective way to evaluate operating performance and compare the results of operations from period-to-period and against its peers without regard to the Company's financing methods or capital structure. The Directors exclude the items listed in the table below from operating profit in arriving at Adjusted EBITDA because these amounts can vary substantially from company to company within the industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired.

The following table reconciles operating profit to Adjusted EBITDA:

	Year ended 31 December 2015 $'000	*Year ended 31 December 2016 $'000*	*Year ended 31 December 2017 $'000*
Operating profit	4,631	22,450	16,194
Gain on bargain purchase	(6,582)	(24,293)	(11,603)
Loss/(gain) on disposal of property and equipment	2	(34)	(95)
Loss on derivative financial instruments	859	957	1,965
Depreciation and depletion	3,388	4,039	7,013
Non-cash equity issuance included in administrative expenses	–	340	59
Non-recurring costs associated with acquisitions & contribution of assets	293	838	3,349
Provision for working interest owners receivable	–	–	632
Total adjustments	(2,040)	(18,153)	1,320
Adjusted EBITDA	2,591	4,297	17,514
Weighted average Ordinary Shares – basic	40,100,000	42,010,690	120,135,606
Weighted average Ordinary Shares – diluted	40,100,000	42,010,690	120,268,874
Adjusted EBITDA per Ordinary Share – basic and diluted	$0.06	$0.10	$0.15

9. Taxation

For the taxable year ended 31 December 2016, all of the Company's subsidiaries became subject to US federal and state income tax and began filing a consolidated US federal and state income tax returns and several separate state income tax returns. Prior to this date, the Company's subsidiaries had pass-through tax status. Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related to differences between the basis of assets and liabilities for financial and income tax reporting.

For the taxable years ending 31 December 2017 and 2016, DGO had tax benefits of $4,137,000 (2016: tax expenses of $14,829,000, 2015: $nil). The effective tax rate was (81.2) per cent. (2016: 45.6 per cent., 2015: nil per cent.) for the same periods. The change in the effective tax rate was primarily related to a reduction in the US rate applied to deferred tax liabilities, and was also impacted by recurring permanent differences including meals and entertainment, state taxes, and other deferred tax.

The components of the provision for taxation on income included in the "Statements of Profit or Loss and Other Comprehensive Income" for the periods presented are summarized below:

	Year ended 31 December 2015 $'000	*Year ended 31 December 2016 $'000*	*Year ended 31 December 2017 $'000*
Current income tax expense			
Federal	–	–	–
State	–	–	–
Total current income tax expense	–	–	–
Deferred income tax expense			
Federal	–	13,168	(4,366)
State	–	1,661	228
Total deferred income tax expense	–	14,829	(4,138)
Total income tax expense	–	14,829	(4,138)

The differences between the statutory federal income tax rate and the effective tax rates are summarized as follows:

	2017	
	$'000	*%*
Expected tax at statutory US federal income tax rate	1,731	34.0
Increase/(decrease) in tax resulting from:		
State income taxes, net of federal tax benefit	(90)	(1.8)
Federal and state rate changes due to TCJA	(5,463)	(107.2)
Federal credits	(250)	(4.9)
Other – net	(65)	(1.3)
	(4,137)	(81.2)

	2016	
	$'000	*%*
Expected tax at statutory US federal income tax rate	11,054	34.0
Increase (decrease) in tax resulting from:		
State income taxes, net of federal tax benefit	258	0.8
Book income of acquisitions prior to acquisition date	(7,968)	(24.5)
Prior year effect of change in tax status for tax year 2016	11,342	34.9
Other – net	143	0.4
	14,829	45.6

On 22 December 2017, the President of the United States signed into law the Tax Credits and Jobs Act ("TCJA") tax reform legislation. The legislation, among other things, (i) permanently reduces the US corporate income tax rate, (ii) repeals the corporate alternative minimum tax, (iii) eliminates the deduction for certain domestic production activities, (iv) imposes new limitations on the utilization of net operating losses, and (v) provides for more general changes to the taxation of corporations, including changes to cost recovery rules and to the deductibility of interest expense, which may impact the taxation of oil and gas companies. The legislation reduces the US corporate income tax rate from the current rate of 34 per cent. to 21 per cent. for the year ended 31 December 2018. As a result of the enacted law, the Group was required to revalue deferred tax assets and liabilities at 22 December 2017. The revaluation of deferred taxes for the rate reduction resulted in $5,463,000 of benefit to income tax expense. The other provisions of the TCJA are not expected to have a material impact on the Group's consolidated financial statements in future years.

The Group had a net deferred tax liability of $11,011,000 at 31 December 2017 (2016: $15,148,000, 2015: $nil). The decrease of $4,137,000 primarily related to the reduction of the statutory US tax rate from 34 per cent. to 21 per cent. following the enactment of the TCJA and 2017 acquisitions whereby bargain purchase gains were recorded for financial reporting purposes but not for tax purposes, which resulted in a deferred tax liability on acquired assets.

At 31 December 2017, the Group had unused net operating losses available of $5,026,000 and $3,615,000 for federal and states, respectively (2016: $4,379,000, 2015: $776,000), that may be applied against future taxable income and that begin to expire in 2034.

The components of the net deferred income tax liability included in noncurrent liabilities are as follows:

	Year ended 31 December 2015 $'000	*Year ended 31 December 2016 $'000*	*Year ended 31 December 2017 $'000*
Deferred tax assets			
Decommissioning provision, asset	–	4,696	9,133
Derivative adjustment	–	360	742
Allowance for doubtful accounts	–	–	166
Net operating loss carry forward	–	1,677	1,272
Federal tax credits carryover	–	–	250
Other	–	–	83
Total deferred tax assets	–	6,733	11,646
Deferred tax liabilities			
Depreciation	–	(21,562)	(22,657)
Foreign currency translation adjustment	–	(319)	–
Total deferred tax liabilities	–	(21,881)	(22,657)
Net deferred tax liability	–	(15,148)	(11,011)

For US federal tax purposes, the Group is taxed as one consolidated entity, which includes the Company. The Company is subject to additional taxes in its home jurisdiction of the UK. For the years ended 31 December 2017, 31 December 2016 and 31 December 2015, the Company did not incur any income tax liability in the UK.

10. (Loss)/earnings per Ordinary Share

The calculation of basic (loss)/income per Ordinary Share is based on the (loss)/income after taxation available to Shareholders and on the weighted average number of Ordinary Shares outstanding during the period. The calculation of diluted (loss)/income per Ordinary Share is based on the (loss)/income after taxation available to Shareholders and the weighted average number of Ordinary Shares outstanding plus the weighted average number of Ordinary Shares that would be issued if dilutive options and warrants were converted into Ordinary Shares on the last day of the reporting period.

Basic and diluted (loss)/income per Ordinary Share is calculated as follows:

	Year ended 31 December 2015 $'000	*Year ended 31 December 2016 $'000*	*Year ended 31 December 2017 $'000*
(Loss)/income after taxation *(a)*	(413)	17,682	8,875
Weighted average number of Ordinary Shares – basic (#'000) *(b)*	40,100	42,011	120,136
Weighted average number of Ordinary Shares – diluted (#'000) *(c)*	40,100	42,011	120,269
(Loss)/earnings per Ordinary Share – basic *(=a/b)*	$(0.01)	$0.42	$0.07
(loss)/earnings per Ordinary Share – diluted *(=a/c)*	$(0.01)	$0.42	$0.07
Adjusted EBITDA per Ordinary Share – basic and diluted (Note 8 to the Group Financial Information)	$0.06	$0.10	$0.15

11. Dividends

The following table summarizes the Company's dividends paid and declared:

Date declared	*Dividend per Ordinary Share $*	*Dividend per Ordinary Share £*	*Record date*	*Pay date*	*Ordinary Shares Outstanding #'000*	*Gross dividend paid $'000*
15 June 2017	0.0199	0.0155	7 July 2017	31 July 2017	145,076	2,888
11 September 2017	0.0199	0.0149	17 November 2017	20 December 2017	145,076	2,888
						5,776
3 April 2018	0.0345	Pending (a)	11 May 2018	31 May 2018	311,476	Pending *(a)*

(a) Note that the Company declared its 31 December 2017 final dividend of $0.0345 per Ordinary Share on 3 April 2018, which the Directors expect to pay on the 311,476,000 Ordinary Shares in issue on 11 May 2018, representing a total dividend of approximately $10,746,000. The dividend will be paid in $.

12. Oil and gas properties

	$'000
Cost at 1 January 2015	42,527
Additions *(a)*	14,472
Disposals	(340)
Cost at 31 December 2015	56,659
Additions *(a)*	41,077
Disposals	(3,128)
Cost at 31 December 2016	94,608
Additions *(a)*	120,037
Disposals	(321)
Cost at 31 December 2017	214,324
Accumulated depletion and impairment at 1 January 2015	(11,471)
Charge for the year	(3,079)
Disposals	244
Accumulated depletion and impairment at 31 December 2015	(14,306)
Charge for the year	(3,553)
Disposals	44
Accumulated depletion and impairment at 31 December 2016	(17,815)
Charge for the year	(6,151)
Disposals	–
Accumulated depletion and impairment at 31 December 2017	(23,966)
Net book value at 31 December 2015	42,353
Net book value at 31 December 2016	76,793
Net book value at 31 December 2017	190,358

(a) See Note 5 to the Group Financial Information for more information about the Group's acquisitions.

13. Property and equipment

	Land, buildings, leasehold improvements *$'000*	*Automobiles* *$'000*	*Other property and equipment* *$'000*	*Total* *$'000*
Cost at 1 January 2015	384	958	964	2,306
Additions	428	347	442	1,217
Disposals	–	(10)	(7)	(17)
Cost at 31 December 2015	812	1,295	1,399	3,506
Additions	291	985	515	1,791
Disposals	–	–	(74)	(74)
Cost at 31 December 2016	1,103	2,280	1,840	5,223
Additions	827	2,539	1,229	4,595
Disposals	–	(141)	(1)	(142)
Cost at 31 December 2017	1,930	4,678	3,068	9,676
Accumulated depreciation at 1 January 2015	(29)	(489)	(577)	(1,095)
Charge for the year	(10)	(170)	(129)	(309)
Disposals	–	8	1	9
Accumulated depreciation at 31 December 2015	(39)	(651)	(705)	(1,395)
Charge for the year	(19)	(286)	(181)	(486)
Disposals	–	–	6	6
Accumulated depreciation at 31 December 2016	(58)	(937)	(880)	(1,875)
Charge for the year	(50)	(572)	(240)	(862)
Disposals	–	6	2	8
Accumulated depreciation at 31 December 2017	(108)	(1,503)	(1,118)	(2,729)
Net book value at 31 December 2015	773	644	694	2,111
Net book value at 31 December 2016	1,045	1,343	960	3,348
Net book value at 31 December 2017	1,822	3,175	1,950	6,947

14. Restricted cash

Restricted cash is cash held on deposit and restricted in use by state governmental agencies to be utilized and drawn upon by those state agencies if the operator should abandon any wells. These deposit requirements are different by state.

	Year ended 31 December 2015 *$'000*	*Year ended 31 December 2016* *$'000*	*Year ended 31 December 2017* *$'000*
Restricted cash	115	117	744

15. Trade receivables

The majority of trade receivables are current and the Directors believe these receivables are collectible. Trade receivables also include certain receivables from third-party working interest owners. The Directors consistently assesses the collectability of these receivables. As at 31 December 2017, the Directors

considered a portion of these working interests receivables uncollectable and recorded a provision in the amount of $632,000 (2016: $nil, 2015: $nil).

	Year ended 31 December 2015 $'000	*Year ended 31 December 2016 $'000*	*Year ended 31 December 2017 $'000*
Trade receivables	1,345	3,084	13,917

16. Share capital

	Note	*Number of Ordinary Shares*	*Total share capital $'000*	*Total share premium $'000*
Balance as of 1 January 2015		40,000,000	611	–
Issuance – Martin Thomas	*(a)*	1,200,000	19	–
Balance as of 31 December 2015		41,200,000	630	–
Issuance – Martin Thomas	*(b)*	800,000	12	–
Issuance – Bradley Gray	*(c)*	2,210,481	27	313
Balance as of 31 December 2016		44,210,481	669	313
Issuance – initial offering	*(d)*	61,380,769	768	43,550
Issuance – secondary offering	*(e)*	39,484,837	503	32,163
Balance as of 31 December 2017		145,076,087	1,940	76,026

(a) Effective 2 December 2015, the Company issued 1,200,000 Ordinary Shares of £0.01 each to Martin Thomas.

(b) Effective 1 July 2016, the Company issued 800,000 Ordinary Shares of £0.01 each to Martin Thomas.

(c) Effective 24 October 2016, the Company issued 2,210,481 Ordinary Shares £0.01 each to Bradley Gray as non-cash salary compensation. These Ordinary Shares are subject to a vesting schedule over three years.

(d) Effective 3 February 2017, the Company issued 61,380,769 Ordinary Shares of £0.01 each at £0.65 per Ordinary Share to raise gross proceeds of $49,563,000 (approximately £39,650,000). The Company used the funds raised for the repurchase of bonds, repayment of existing debt facilities, costs of admission to AIM and working capital requirements of the Group.

(e) Effective 16 June 2017, the Company issued a further 39,484,837 Ordinary Shares of £0.01 each at £0.70 per Ordinary Share to raise additional gross proceeds of $34,938,000 (approximately £27,510,000) to fund part of the purchase price of an additional acquisition.

Subsequent Event

In February 2018, the Company placed 166,400,000 new Ordinary Shares at $1.13 per Ordinary Share (£0.80) to raise gross proceeds of $188,775,000 (approximately £133,120,000). The Company used the proceeds to fully fund the two acquisitions that closed in March 2018 as discussed in Note 5 to the Group Financial Information.

17. Stockholder contributions and distributions pre-Group reconstruction

	Year ended 31 December 2015 $'000	*Year ended 31 December 2016 $'000*	*Year ended 31 December 2017 $'000*
Stockholder contributions			
Cash from Robert R. Hutson, Jr. and Robert M. Post	1,296	–	–
Stockholder distributions			
Cash to Robert R. Hutson, Jr. and Robert M. Post	2,399	956	–

Stockholder contributions are injections of working capital provided by stockholders. These contributions have no conditions and are distributable, therefore they have been recognized directly to retained earnings.

18. Decommissioning liability

The Group records a liability for future cost of decommissioning production facilities and pipelines. The decommissioning liability represents the present value of decommissioning costs relating to oil and gas properties, which the Directors expect to incur over the long producing life of the Group's wells, presently estimated through to 2047 when the Directors expect the Group's producing oil and gas properties to reach the end of their economic lives.

As discussed more fully in Note 4 to the Group Financial Information, these liabilities represent the Directors' best estimates of the future obligation. The Directors' assumptions are based on the current economic environment, and represent what they believe is a reasonable basis upon which to estimate the future liability. The Directors review these estimates regularly and adjust for any identified material changes to the assumptions. However, actual decommissioning costs will ultimately depend upon future market prices at the time the decommissioning services are performed. Furthermore, the timing of decommissioning will vary depending on when the fields ceases to produce economically, which makes the determination dependent upon future oil and gas prices, which are inherently uncertain.

The discount rate and the cost inflation rate used in the calculation of the decommissioning liability as at 31 December 2017 were 8.0 per cent. and 3 per cent. respectively (2016: 8.0 per cent. and 3.0 per cent., 2015: 8.0 per cent. and 3.0 per cent.). The table below summarizes the activity for the Group's decommissioning liability:

	$'000
Liability at 1 January 2015	3,466
Additions (see Note 5 to the Group Financial Information)	5,377
Accretion	366
Disposals	(340)
Liability at 31 December 2015	8,869
Additions (see Note 5 to the Group Financial Information)	5,457
Accretion	797
Disposals	(4)
Change of estimate effect (see Note 5 to the Group Financial Information)	(2,854)
Liability at 31 December 2016	12,265
Additions (see Note 5 to the Group Financial Information)	21,497
Accretion	1,764
Disposals	(78)
Liability at 31 December 2017	35,448

19. Leases

The Group leased automobiles, equipment and real estate under both operating and capital leases as of 31 December 2017, 31 December 2016 and 31 December 2015. A summary of this activity is as follows:

(a) ***Capital leases***

The Group leases automobiles under leases classified as capital leases with an interest rate of 5.5 per cent. and mature in January 2018 through to December 2021. The net book value of assets under lease as at 31 December 2017 was $2,127,000 (2016: $556,000, 2015: $254,000).

Future minimum lease payments associated with capital leases as at 31 December 2017 were as follows:

	$'000
Not later than one year	324
Later than one year and not later than five years	971
Later than five years	–
Total minimum lease payments	1,295
Less amount representing interest	(135)
Present value of minimum lease payments	1,160

Future minimum lease payments associated with capital leases as at 31 December 2016 were as follows:

	$'000
Not later than one year	169
Later than one year and not later than five years	313
Later than five years	–
Total minimum lease payments	482
Less amount representing interest	(39)
Present value of minimum lease payments	443

Future minimum lease payments associated with capital leases as at 31 December 2015 were as follows:

	$'000
Not later than one year	115
Later than one year and not later than five years	58
Later than five years	–
Total minimum lease payments	173
Less amount representing interest	(15)
Present value of minimum lease payments	158

Reconciliation of capital leases arising from financing activities:

	Total present value of minimum lease payments $'000
As at 1 January 2015	–
Net cash flows	158
As at 31 December 2015	158
Net cash flows	285
As at 31 December 2016	443
Net cash flows	717
As at 31 December 2017	1,160

(b) ***Operating leases***

The Group leases both equipment and real estate under multi-year agreements that are classified as operating leases. Operating lease expense for the year ended 31 December 2017 was $124,000 (2016: $126,000, 2015: $85,000). Future minimum lease payments associated with operating leases with original terms of greater than one year as at 31 December 2017 were as follows:

	$'000
Not later than one year	122
Later than one year and not later than five years	412
Later than five years	1,371
Total future minimum lease payments	1,905

Future minimum lease payments associated with operating leases with original terms of greater than one year as at 31 December 2016 were as follows:

	$'000
Not later than one year	123
Later than one year and not later than five years	410
Later than five years	1,466
Total future minimum lease payments	1,999

Future minimum lease payments associated with operating leases with original terms of greater than one year as at 31 December 2015 were as follows:

	$'000
Not later than one year	91
Later than one year and not later than five years	24
Later than five years	–
Total future minimum lease payments	115

Operating leases between related parties are detailed at Note 27 to the Group Financial Information.

20. Borrowings

As discussed in Note 16 to the Group Financial Information, the Group used part of the equity proceeds raised through its placing and admission to AIM to repay much of the debt outstanding as at 31 December 2016. The Group's borrowings consist of the following amounts for the periods presented:

	Year ended 31 December 2015 $'000	*Year ended 31 December 2016 $'000*	*Year ended 31 December 2017 $'000*
Financial institution, with interest rate of 3.25%, matured December 2016, secured by oil and gas assets. In Q1 2017, paid in full with IPO proceeds	16,218	15,768	–
Note payable, mezzanine lender, with interest rate of 12.00%, maturing January 2018, secured by a lien on oil and gas assets	14,771	–	–
Note payable – financial institution, with interest rate of 4.00%, matured August 2016, secured by oil and gas properties. In Q1 2017, paid in full with IPO proceeds	3,285	3,165	–
Note payable – financial institution, with interest rate of Wall Street Journal Prime Rate plus 0.50%, maturing July 2017, secured by oil and gas properties	2,000	2,000	–
Notes payable – financing companies, with interest rates ranging from 10%-12%, maturing September 2016 through to November 2016, secured by oil and gas properties. In Q1 2017, paid in full with IPO proceeds	–	4,750	–
Bonds payable – individuals and institutional investors, with interest of 8.5%, maturing June 2020, unsecured. In Q1 2017, 99% of bonds were repaid with IPO proceeds	6,375	13,928	81
Financial institution, interest rate of 8.25% plus LIBOR, maturing July 2020, secured by oil and gas properties *(a)*	–	–	73,249
Miscellaneous notes, primarily for equipment, real estate and operational cash flow	1,729	1,728	495
Total borrowings	44,378	41,339	73,825

Borrowings payable as at each of 31 December 2017, 31 December 2016 and 31 December 2015 consist of the following:

	Year ended 31 December 2015 $'000	*Year ended 31 December 2016 $'000*	*Year ended 31 December 2017 $'000*
Total borrowings	44,378	41,339	73,825
Less current portion of long-term debt	(22,821)	(27,181)	(373)
Less deferred financing costs *(b)*	(2,367)	(4,045)	(2,833)
Plus accrued finance costs	925	–	–
Total non-current borrowings, net	20,115	10,113	70,619

(a) In June 2017 the Group closed a new $110,000,000 senior secured credit facility, of which, $64,000,000 was drawn at closing on 30 June 2017. On 30 September 2017, an additional $11,000,000 was drawn to close on the remaining purchase of oil and gas assets discussed in Note 5 to the Group Financial Information.

(b) Deferred financing costs outstanding at 31 December 2017 were incurred with the financing of the senior secured term loan.

The following table provides a reconciliation of the Group's future maturities of its total borrowings for each of the years ended 31 December 2017, 31 December 2016 and 31 December 2015:

	Year ended 31 December 2015 $'000	*Year ended 31 December 2016 $'000*	*Year ended 31 December 2017 $'000*
Not later than one year	22,821	27,181	373
Later than one year and not later than five years	21,557	14,158	73,452
Later than five years	–	–	–
	44,378	41,339	73,825

Reconciliation of borrowings arising from financing activities:

	Total borrowings $'000
As at 1 January 2015	36,078
Net cash flows	8,300
As at 31 December 2015	44,378
Net cash flows	(3,039)
As at 31 December 2016	41,339
Net cash flows	32,486
As at 31 December 2017	73,825

Gain/loss on debt extinguishment

As discussed above, the Group entered into a new senior secured credit facility in June 2017 that resulted in a non-recurring loss on the early extinguishment of debt, which primarily included a $3,835,000 charge for the accelerated amortization of the remaining deferred financing costs and $633,000 in premiums paid to redeem convertible bonds.

In March 2016, outstanding borrowings of $14,800,000 and accrued finance charges of $925,000 were settled in exchanged for an immediate payment of $950,000. The remaining balance, net of expenses, is recognized as a gain on early retirement of debt totalling $14,149,000.

Subsequent event

In March 2018, the Group closed a new $500,000,000 five-year senior secured revolving credit facility, initially subject to a borrowing limit of $140,000,000. Following the closing of the acquisition of certain assets of CNX in March 2018, as discussed in Note 5 to the Group Financial Information, the borrowing limit increased to $200,000,000. The facility has an initial interest rate of 2.50 per cent. plus LIBOR and is subject to a grid that fluctuates based upon utilisation with a pricing of 2.25 per cent. – 3.25 per cent. plus LIBOR. At 16 April 2018, the Group had an outstanding balance of $88,000,000.

21. Other liabilities

The following table includes a detail of other liabilities as at the periods presented:

	Year ended 31 December 2015 $'000	*Year ended 31 December 2016 $'000*	*Year ended 31 December 2017 $'000*
Other non-current liabilities			
Customer deposits	–	52	52
Revenue to be distributed	277	362	3,486
Other	–	–	283
Total other non-current liabilities	277	414	3,821
Other current liabilities			
Accrued expenses	374	1,112	2,300
Net revenue clearing	746	498	6,472
Acquisition related short-term financing	–	3,500	–
Other	180	473	2,784
Total other current liabilities	1,300	5,583	11,556

22. Trade and other payables

	Year ended 31 December 2015 $'000	*Year ended 31 December 2016 $'000*	*Year ended 31 December 2017 $'000*
Trade payables	1,610	3,439	1,893
Other payables and accruals	139	1,188	239
	1,749	4,627	2,132

23. Derivatives

The following table summarizes the Group's calculated fair value of derivative financial instruments:

(Liabilities)/assets	*Year ended 31 December 2015 $'000*	*Year ended 31 December 2016 $'000*	*Year ended 31 December 2017 $'000*
Natural gas			
Swaps	(88)	(99)	28
Collars	–	(685)	311
Basis swaps	–	–	(965)
Total natural gas financial derivative contracts	(88)	(784)	(626)
Oil			
Swaps	105	–	(56)
Collars	–	(155)	(2,222)
Total oil financial derivative contracts	105	(155)	(2,278)
Total financial derivative contracts	17	(939)	(2,904)

The Group reports derivative financial instrument assets and liabilities net on its balance sheet. The following table reconciles the Group's derivative financial instrument gross assets and gross liabilities for the periods presented:

Derivative financial instruments	*Statement of Financial Position line item*	*Year ended 31 December 2015 $'000*	*Year ended 31 December 2016 $'000*	*Year ended 31 December 2017 $'000*
Non-current assets		–	–	1,348
Current assets		105	640	955
Total assets		105	640	2,303
Non-current liabilities		–	–	(3,291)
Current liabilities		(88)	(1,579)	(1,916)
Total liabilities		(88)	(1,579)	(5,207)
Net assets – current	*Derivative financial instruments*	17	–	–
Net liabilities – non-current	*Derivative financial instruments*	–	–	(1,943)
Net liabilities – current	*Derivative financial instruments*	–	(939)	(961)
Net assets/(liabilities)		17	(939)	(2,904)

The Group recorded the following gain/(loss) on derivative financial instruments in the "Statements of Profit or Loss and Other Comprehensive Income" for the periods presented:

	Year ended 31 December 2015 $'000	*Year ended 31 December 2016 $'000*	*Year ended 31 December 2017 $'000*
Net gain on settlements	1,261	147	1,524
Net loss on fair value adjustments on unsettled financial instruments	(859)	(957)	(1,965)
Total gain/(loss) on derivative financial instruments	402	(810)	(441)

The Group's natural gas and oil derivative financial instruments outstanding as at each of 31 December 2017, 31 December 2016 and 31 December 2015 are listed below:

							Mark to Market		
Financial instrument type	*Remaining volumes*	*Ending month*	*Swap Price*	*Floor Price*	*Short Put Price*	*Ceiling Price*	*2015 $'000*	*2016 $'000*	*2017 $'000*
Natural gas derivatives									
Swap	–	Jun 2016	$2.39	–	–	–	(88)	–	–
Swap	535,000 MMBTUs	Oct 2017	$3.38	–	–	–	–	(99)	–
Swap	900,000 MMBTUs	Nov 2018	$2.84	–	–	–	–	–	13
Swap	6,000,000 MMBTUs	Mar 2019	$2.89	–	–	–	–	–	102
Swap	6,000,000 MMBTUs	Mar 2020	$2.81	–	–	–	–	–	62
Swap	207,000 MMBTUs	Dec 2020	$2.83	–	–	–	–	–	(6)
Swap	6,000,000 MMBTUs	Mar 2021	$2.82	–	–	–	–	–	(85)
Swap	1,470,000 MMBTUs	Mar 2021	$3.01	–	–	–	–	–	(58)
Two-Way Collar	270,000 MMBTUs	Mar 2017	–	$3.35	–	$3.87	–	(15)	–
Two-Way Collar	225,000 MMBTUs	Mar 2017	–	$3.25	–	$3.81	–	(20)	–
Two-Way Collar	152,500 MMBTUs	Dec 2017	–	$3.25	–	$3.75	–	(24)	–
Two-Way Collar	1,500,000 MMBTUs	Mar 2018	–	$3.00	–	$3.55	–	–	311
Three-Way Collar	1,642,500 MMBTUs	Dec 2017	–	$2.50	$3.00	$3.48	–	(470)	–
Three-Way Collar	1,237,000 MMBTUs	Dec 2017	–	$2.80	$3.30	$3.37	–	(156)	–
Basis swap	20,000 MMBTUs	Apr 2018	$(0.21)	–	–	–	–	–	1
Basis swap	320,000 MMBTUs	Oct 2018	$(0.34)	–	–	–	–	–	(6)
Basis swap	320,000 MMBTUs	Oct 2018	$(0.71)	–	–	–	–	–	9
Basis swap	3,600,000 MMBTUs	Dec 2018	$(0.60)	–	–	–	–	–	(316)
Basis swap	305,000 MMBTUs	Dec 2018	$(0.53)	–	–	–	–	–	(2)
Basis swap	65,000 MMBTUs	Feb 2019	$(0.32)	–	–	–	–	–	(1)
Basis swap	7,668,000 MMBTUs	Sep 2020	$(0.59)	–	–	–	–	–	(532)
Basis swap	2,100,000 MMBTUs	Sep 2020	$(0.39)	–	–	–	–	–	(4)
Basis swap	124,000 MMBTUs	Oct 2020	$(0.70)	–	–	–	–	–	17
Basis swap	397,500 MMBTUs	Nov 2020	$(0.60)	–	–	–	–	–	5
Basis swap	387,500 MMBTUs	Dec 2020	$(0.54)	–	–	–	–	–	(3)
Basis swap	207,000 MMBTUs	Dec 2020	$(0.43)	–	–	–	–	–	(3)
Basis swap	207,000 MMBTUs	Dec 2020	$(0.69)	–	–	–	–	–	13
Basis swap	1,770,000 MMBTUs	Mar 2021	$(0.48)	–	–	–	–	–	(90)
Basis swap	810,000 MMBTUs	Mar 2021	$(0.46)	–	–	–	–	–	(28)
Basis swap	397,500 MMBTUs	Mar 2021	$(0.60)	–	–	–	–	–	(25)
Crude oil derivatives									
Swap	–	Dec 2015	$90.07	–	–	–	105	–	–
Swap	33,000 BBLs	Mar 2021	$50.78	–	–	–	–	–	(56)
Two-Way Collar	7,600 BBLs	Dec 2016	–	$43.00	–	$52.00	–	(1)	–
Two-Way Collar	60,955 BBLs	Dec 2017	–	$50.00	–	$58.70	–	(68)	–
Two-Way Collar	2,800 BBLs	Feb 2018	–	$39.00	–	$53.35	–	–	(1,265)
Two-Way Collar	146,000 BBLs	Dec 2018	–	$41.50	–	$51.45	–	–	(20)
Two-Way Collar	5,600 BBLs	Feb 2019	–	$40.00	–	$56.05	–	–	(27)
Two-Way Collar	146,000 BBLs	Dec 2019	–	$43.50	–	$52.40	–	–	(854)
Two-Way Collar	33,000 BBLs	Dec 2020	–	$42.50	–	$57.40	–	–	(56)
Basis swap	45,600 BBLs	Dec 2017	–	$37.00	$47.00	$59.00	–	(86)	–
Total derivative financial instrument							17	(939)	(2,904)

Subsequent Event

Listed in the table below are the natural gas and oil derivative financial instruments executed subsequent to 31 December 2017:

Financial instrument type	*Remaining volumes*	*Ending month*	*Swap Price*	*Floor Price*	*Short Put Price*	*Ceiling Price*
Natural gas derivatives						
Swap	5,220,000 MMBTUs	Dec 2018	$2.88	–	–	–
Swap	12,094,500 MMBTUs	Mar 2019	$2.35	–	–	–
Swap	6,000,000 MMBTUs	Dec 2019	$2.83	–	–	–
Swap	6,207,000 MMBTUs	Dec 2020	$2.81	–	–	–
Swap	2,970,000 MMBTUs	Mar 2021	$2.91	–	–	–
Basis swap	4,355,000 MMBTUs	Dec 2018	$(0.58)	–	–	–
Basis swap	175,500 MMBTUs	Dec 2018	$(0.58)	–	–	–
Basis swap	523,000 MMBTUs	Dec 2018	$(0.35)	–	–	–
Basis swap	6,180,000 MMBTUs	Dec 2019	$(0.58)	–	–	–
Basis swap	1,160,000 MMBTUs	Dec 2019	$(0.39)	–	–	–
Basis swap	4,197,000 MMBTUs	Dec 2020	$(0.59)	–	–	–
Basis swap	1,029,000 MMBTUs	Dec 2020	$(0.40)	–	–	–
Crude oil derivatives						
Swap	15,000 BBLs	Dec 2018	$54.10	–	–	–
Swap	36,000 BBLs	Dec 2018	$63.65	–	–	–
Swap	48,000 BBLs	Dec 2019	$63.65	–	–	–
Two-Way Collar	7,500 BBLs	Jun 2018	–	$45.00	–	$53.95
Two-Way Collar	108,000 BBLs	Sep 2020	–	$45.00	–	$64.60
Two-Way Collar	36,000 BBLs	Dec 2020	–	$45.00	–	$60.00

24. Fair value

The fair value of an asset or liability is the price that would be received to sell that asset or paid to transfer that liability in an orderly transaction occurring in the principal marked (or most advantageous market in the absence of a principal market) for such asset or liability. In estimating fair value, the Directors utilize valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. Such valuation techniques are consistently applied. Inputs to valuation techniques include the assumptions that market participants would use in pricing an asset or liability. IFRS 13 "*Fair Value Measurement*" establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is defined as follows:

Level 1: Inputs are unadjusted, quoted prices in active markets for identical assets at the measurement date.

Level 2: Inputs (other than quoted prices included in Level 1) can include the following:

- observable prices in active markets for similar assets;
- prices for identical assets in markets that are not active;
- directly observable market inputs for substantially the full term of the asset; and
- market inputs that are not directly observable but are derived from or corroborated by observable market data.

Level 3: Unobservable inputs which reflect the Director's best estimates of what market participants would use in pricing the asset at the measurement date.

The Group does not hold derivatives for speculative or trading purposes and the derivative contracts held by the Group do not contain any credit-risk related contingent features. The Directors have not elected to apply hedge accounting to derivative contracts.

Netting the fair values of derivative assets and liabilities for financial reporting purposes is permitted if such assets and liabilities are with the same counterparty and a legal right of set-off exists, subject to a master netting arrangement. The Directors have elected to present derivative assets and liabilities net when these conditions are met. When derivative assets and liabilities are presented net, the fair value of the right to reclaim collateral assets (receivable) or the obligation to return cash collateral (payable) is also offset against

the net fair value of the corresponding derivative. As at each of 31 December 2017, 31 December 2016 and 31 December 2015, there were no collateral assets or liabilities associated with derivative assets and liabilities.

Derivatives expose the Group to counterparty credit risk. The derivative contracts have been executed under master netting arrangements which allow the Group, in the event of default by its counterparties, to elect early termination. The Directors monitor the creditworthiness of the Group's counterparties but are not able to predict sudden changes and hence may be limited in their ability to mitigate an increase in credit risk.

Possible actions would be to transfer the Group's positions to another counterparty or request a voluntary termination of the derivative contracts, resulting in a cash settlement in the event of non-performance by the counterparty. For each of the fiscal years ended 31 December 2017, 31 December 2016 and 31 December 2015, the counterparties for all of the Group's derivative financial instruments were lenders under formal credit agreements.

The derivative instruments consist of non-financial instruments considered normal purchases and normal sales. As such, significant fair values inputs can generally be verified and do not typically involve significant judgments of the Directors (Level 2 inputs).

For recurring and non recurring fair value measurements categorized within Level 2 and Level 3 of the fair value hierarchy, a description of the valuation technique(s) and the inputs used in the fair value measurement. If there has been a change in valuation technique (ex: changing from a market approach to an income approach or the use of an additional valuation technique), the entity shall disclose that change and the reason(s) for making it.

All financial instruments measured at fair value use Level 2 valuation techniques for the each of the years ended 31 December 2017, 31 December 2016 and 31 December 2015.

Level 2 fair value measurements are those including inputs other than quoted prices included within Level 1 that are observable for the asset or liability directly or indirectly. The fair value of the swap commodity derivatives is calculated using a discounted cashflow model and the fair value of the option commodity derivatives are calculated using a relevant option pricing model, which are calculated from relevant market prices and yield curves at the balance sheet date and are therefore based solely on observable price information. These instruments are not directly quoted in active markets and are accordingly classified as Level 2 in the fair value hierarchy.

There were no transfers between fair value levels during each of the years ended 31 December 2017, 31 December 2016 and 31 December 2015.

Classification of financial instruments

	Year ended 31 December 2015 $'000	*Year ended 31 December 2016 $'000*	*Year ended 31 December 2017 $'000*
Financial assets			
Loans and receivable financial assets	1,345	3,084	13,917
Fair value through profit or loss	17	–	–
	1,362	3,084	13,917
Financial liabilities			
Borrowings, net of deferred financing costs	42,936	37,294	70,992
Trade and other payables	1,749	4,627	2,132
Fair value through profit or loss	–	939	2,904
	44,685	42,860	76,028

25. Financial risk management

The Directors actively manage the Group's exposure to market risk, credit risk and liquidity risk.

The Group's principal financial liabilities comprise of borrowings and trade and other payables, which it uses primarily to finance and financially guarantee its operations.

The Group's principal financial assets include cash and cash equivalents and trade and other receivables derived from its operations.

The Group also enters into derivative transactions, which depending on market dynamics are recorded as assets or liabilities. To assist with its hedging program design and composition, the Directors engage a specialist firm with the appropriate skills and experience to manage the Group's risk management derivative-related activities.

(a) ***Market risk***

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of two types of risk: interest rate risk and commodity price risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(b) ***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is subject to this risk exposure as it relates to changes in interest rates on its variable rate borrowings. As discussed in Note 20 to the Group Financial Information, the Group had $73,249,000 of total debt outstanding as at 31 December 2017 (2016; $nil, 2015: $nil) on its senior secured credit facility with interest rate of 8.25 per cent. plus LIBOR. In March 2018, the Group closed a new $500,000,000 five-year senior secured revolving credit facility, subject to a current borrowing limit of $200,000,000. The facility has an initial interest rate of 2.50 per cent. plus LIBOR and is subject to a grid that fluctuates based upon utilization with a pricing of 2.25 per cent. – 3.25 per cent. plus LIBOR.

An interest rate swap, which is designed to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount is a way to mitigate interest rate risk. As at 31 December 2017, the Directors have elected not to enter an interest rate swap (2016: none, 2015: none).

(c) ***Commodity price risk***

The prices for natural gas and crude oil can be volatile and sometimes experience fluctuations as a result of relatively small changes in supply, weather condition, economic conditions and government actions. The Group's revenues are primarily derived from the sale of its natural gas and crude oil production, and as such, the Group is subject to this commodity price risk. During the year ended 31 December 2017, the Group's revenue was 94.7 per cent. related to the sale of natural gas and crude oil, respectively (2016: 87.1 per cent., 2015: 86.4 per cent.).

To help manage natural gas and oil price risk, the Group has entered into various direct/physical purchase contracts with gas purchasers and entered into various gas and oil financial contracts with BP Energy Company and Cargill. In March 2018 and concurrent with establishing the revolving credit facility with KeyBank (see Note 20 to the Group Financial Information), the Group novated its existing financial hedge contracts from BP Energy Company and Cargill to KeyBank and Huntington Bank. Further, Group is working with other financial institutions to broaden its network of financially stable financial hedge counterparties. See Note 23 to the Group Financial Information for more information on the Group's financial hedge contracts.

The Group's normal policy is to sell its products under contract at prices determined by reference to prevailing market prices on petroleum exchanges and keep options and swaps in place for approximately 36 months on approximately 75 per cent. of its anticipated production volumes to minimize commodity risk and create stabilized and predictable cash flow important to funding its operation and stated dividend for Shareholders.

(d) ***Credit risk***

Credit risk is the risk that a customer or counterparty to a financial instrument will not meet its obligations under a contract and arises primarily from the Group's cash in banks and trade receivables.

(e) ***Cash and Cash Equivalents***

The credit risk from its cash and cash equivalents is limited because the counter parties are banks with high credit ratings and have not experienced any losses in such accounts.

(f) ***Trade receivables***

Trade receivables are due from customers throughout the oil and natural gas industry and collectability is dependent on the financial condition of each individual company as well as the general economic conditions of the industry. The Directors review the financial condition of customers prior to extending credit and generally does not require collateral in support of the Group's trade receivables. The majority of trade receivables are current and the Directors believe these receivables are collectible. As at 31 December 2017, the Group had two customers that individually accounted for more than 10 per cent. of total receivables, totalling 35 per cent. of total trade receivables (2016: 4 customers, 63 per cent., 2015: 8 customers, 83 per cent.).

Receivables from joint interest owners, classified in other non-current assets, are generally with other oil and natural gas companies that own a working interest in the properties operated by the Group. The Directors have the ability to withhold future revenue payments to recover any non-payment of joint interest receivables.

(f) ***Liquidity risk***

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they are due. The Directors manage this risk by 1) maintaining adequate cash reserves through the use of the Group's cash from operations and bank borrowings and 2) continuously monitoring projected and actual cash flows to ensure the Group maintains an appropriate amount of liquidity. In March 2018, the Group closed a new $500,000,000 five-year senior secured revolving credit facility, subject to a current borrowing limit of $200,000,000 that furthers the Group's liquidity position. See Note 20 to the Group Financial Information for more information on the Group's secured revolving credit facility.

For the year ended 31 December 2017:

	Less than 3 months $'000	*3 to 12 months $'000*	*1 to 5 years $'000*	*> 5 years $'000*	*Total $'000*
Trade and other payables	2,130	2	–	–	2,132
Borrowings	266	107	70,619	–	70,992
Capital lease	54	270	971	–	1,295
Other liabilities	7,978	3,578	3,821	–	15,377
	10,428	3,957	75,411	–	89,796

For the year ended 31 December 2016:

	Less than 3 months $'000	*3 to 12 months $'000*	*1 to 5 years $'000*	*> 5 years $'000*	*Total $'000*
Trade and other payables	3,719	908	–	–	4,627
Borrowings	24,982	2,199	10,113	–	37,294
Capital lease	36	125	321	–	482
Other liabilities	967	4,616	414	–	5,997
	29,704	7,848	10,848	–	48,400

For the year ended 31 December 2015:

	Less than 3 months $'000	*3 to 12 months $'000*	*1 to 5 years $'000*	*> 5 years $'000*	*Total $'000*
Trade and other payables	948	801	–	–	1,749
Borrowings	1,226	21,595	20,115	–	42,936
Capital lease	29	86	58	–	173
Other liabilities	1,120	180	–	277	1,577
	3,323	22,662	20,173	277	46,435

(g) ***Capital risk***

The Directors' objectives when managing capital are to safeguard the ability to continue as a going concern while pursuing opportunities for growth through identifying and evaluating potential acquisitions and constructing new infrastructure on existing proved leaseholds. The Directors do not establish a quantitative return on capital criteria, but rather promotes year over year growth.

(h) ***Collateral risk***

The Group has pledged its oil and gas properties to fulfill the collateral requirements for borrowing credit facilities with its senior secured lenders. The collective fair value of the oil and gas properties pledged was $258,710,000 as at 31 December 2017 (2016: $125,000,000, 2015: $42,931,000). The fair value is based on a third-party engineering reserve calculation using a 10 per cent. cumulative discount cash flow and a commodities futures price schedule.

26. Contingencies and provisions

The Group is involved in various pending legal issues that have arisen in the normal course of business, none which are expected to have any material impact on the Group's financial position or results of operations.

The Group's operations are subject to environmental regulation in all the jurisdictions in which it operates. The Directors are unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would adversely affect the Group's operations. The Directors can offer no assurance regarding the significance or cost of compliance associated with any such new environmental legislation once implemented.

27. Related party transactions

(a) ***UK legal counsel***

Martin Thomas was a partner at Watson Farley & Williams LLP, the then UK legal advisor to the Company. The total billings from Watson Farley & Williams LLP to the Group totalled £661,000 (approximately $834,000) for the year ended 31 December 2017 (2016: £418,000 or approximately $588,000, 2015: £184,000 or approximately $281,000).

(b) ***Office space lease***

For its corporate headquarters in Birmingham, Alabama (US) and commencing during the year ended 31 December 2017, the Group entered into a twenty-year lease with Diversified Real Estate Holdings, LLC, a company owned by the Group's founders, Rusty Hutson, Jr. and Robert Post. The Directors believe the terms of this lease are reasonable and reflect market rates for a facility of this type.

The future lease payments under this lease are as follows:

Lease year	Total annual rent $'000
Years 1-5	467
Years 6-10	479
Years 11-15	491
Years 16-20	401
	1,838

28. Subsequent events

The Directors determined the need to disclose the following material transactions that occurred subsequent to 31 December 2017, which have been described within each relevant footnote as follows:

- acquisitions (Note 5 to the Group Financial Information);
- dividends (Note 11 to the Group Financial Information);
- share capital (Note 16 to the Group Financial Information);
- borrowings (Note 20 to the Group Financial Information); and
- derivatives (Note 23 to the Group Financial Information).

In February 2018, the Company placed 166,400,000 new Ordinary Shares at $1.13 per Ordinary Share with certain existing and new institutional investors to raise net proceeds of $180,000,000 to fund the following acquisitions (see Note 16 to the Group Financial Information for more information on share issuances):

(a) ***Acquisition of the stock of Alliance Petroleum Corporation***

In March 2018, the Group acquired the entire share capital of Alliance Petroleum Corporation, including approximately 13,000 conventional natural gas and oil wells in the states of Pennsylvania, West Virginia and Ohio and all other property and equipment. The Group paid consideration of $95,000,000, excluding customary purchase price adjustments, including cash consideration of $70,000,000 and the assumption of $25,000,000 of outstanding debt (which was fully paid on the closing date). The Company funded the cash consideration for the purchase with the $180,000,000 net proceeds from its equity placing of the Company's stock in February 2018. The Directors are evaluating the fair value of the assets acquired and liabilities assumed and any necessary pro forma financial information.

(b) ***Acquisition of assets from CNX Gas Company, LLC***

In March 2018, the Group acquired approximately 11,000 conventional natural gas and oil wells principally in the states of Pennsylvania and West Virginia and other equipment from CNX Gas Company LLC ("CNX"). The Group paid purchase consideration of $85,000,000 excluding customary purchase price adjustments. The Group funded the cash consideration for the purchase with the $180,000,000 net proceeds from the Company's equity placing of the Company's stock in February 2018. The Directors are evaluating the fair value of the assets acquired and liabilities assumed and any necessary pro forma financial information.

Subsequent to the purchase of these assets, CNX agreed to retain a monthly tariff obligation applicable to the Appalachian assets that requires monthly cash payments to a pipeline transmission company through a portion of calendar year 2022. Tariff payments from the effective date of the purchase through their expiration in 2022 totalled $27,000,000. In exchange for CNX retaining this $27,000,000 pipeline tariff obligation, the Company paid CNX $17,000,000. This one-time payment allows the Group to retain complete and uninterrupted access to the applicable pipeline system and eliminates the $27,000,000 tariffs the Group would have paid over the remaining term.

29. Ultimate controlling party

As at 31 December 2017, the Company did not have any one identifiable controlling party.

30. Nature of the Group Financial Information

The Group Financial Information presented above does not constitute statutory financial statements for the periods under review.

PART IV

(A) UNAUDITED PRO FORMA FINANCIAL INFORMATION

Set out below is the unaudited pro forma statement of financial position of the Group as at 31 December 2017, the pro forma statement of comprehensive income and pro forma EBITDA for the year then ended (together, the "Pro Forma Financial Information"). The Pro Forma Financial Information has been prepared on the basis set out in the notes below to illustrate the effects of:

- the placing of 166,400,000 ordinary shares of £0.01 each at £0.80 to raise gross proceeds of £133,120,000 on 20 February 2018;
- the associated costs the above placing of £11,500,000;
- the Alliance Petroleum Acquisition;
- the entering into of the Existing Facility and the repayment of the Group's historical facility with Angelo, Gordon & Co.;
- the CNX Acquisition;
- the entering into of the Facility;
- the EQT Acquisition;
- the Placing; and
- the Admission

on the assets, equity and liabilities of the Group as at 31 December 2017 and on the earnings and EBITDA of the Group for the year then ended. The Pro Forma Financial Information has been prepared for illustrative purposes only. Because of its nature, the Pro Forma Financial Information addresses a hypothetical situation and, therefore, does not represent the Group's actual financial position. It is based on the schedules used in preparing:

- the audited balance sheet of the Group as at 31 December 2017, which is reproduced in Part III(B) "*Historical Financial Information of the Group*" of this Document;
- the unaudited pro forma results for the year ended 31 December 2017 attributable to the producing gas and oil wells acquired as part of the Alliance Petroleum Acquisition, as provided by Alliance Petroleum and amended by the Directors;
- the unaudited pro forma results for the year ended 31 December 2017 attributable to the producing gas and oil wells acquired as part of the CNX Acquisition, as provided by CNX and amended by the Directors; and
- the unaudited pro forma results for the year ended 31 December 2017 attributable to the producing gas and oil wells acquired as part of the EQT Acquisition, as provided by EQT and amended by the Directors.

Users should read the whole of this document and not rely solely on the summarised financial information contained in this Part IV(A) "*Unaudited Pro-Forma Financial Information*".

The report on the Pro Forma Financial Information is set out in Part IV(B) "*Accountant's Report on the Unaudited Pro Forma Financial Information*" of this document.

Unaudited pro forma statement of financial position

	Group as at 31 December 2017 (Note 1) $'000	Adjustment Receipt of net proceeds from the February 2018 placing (Note 2) $'000	Adjustment Alliance Acquisition (Note 3) $'000	Adjustment Drawdown of Existing Facility and repayment of borrowings (Note 4) $'000	Adjustment CNX Acquisition (Note 5) $'000	Adjustment Drawdown of Facility (Note 6) $'000	Adjustment EQT Acquisition (Note 7) $'000	Adjustment Net Placing proceeds (Note 8) $'000	Unaudited Pro forma balances $'000
Oil and gas properties	190,358	–	139,835	–	136,034	–	564,877	–	1,031,104
Property, plant and equipment	6,947	–	2,444	–	–	–	80,000	–	89,391
Other assets	1,036	–	–	–	–	–	–	–	1,036
Restricted cash	744	–	–	–	–	–	500	–	1,244
Non-current assets	199,085	–	142,279	–	136,034	–	645,377	–	1,122,775
Inventories	–	–	248	–	–	–	–	–	248
Trade receivables	13,917	–	11,781	–	–	–	–	–	25,698
Other current assets	513	–	471	–	17,000	–	–	–	17,984
Cash and cash equivalents	15,168	177,275	(86,362)	17,303	(102,000)	346,835	(582,735)	238,808	24,292
Current assets	25,598	177,275	(73,862)	17,303	85,000	346,835	(582,735)	238,808	68,222
TOTAL ASSETS	228,683	177,275	68,417	17,303	51,034	346,835	62,642	238,808	1,190,997
Share capital	1,940	2,360	–	–	–	–	–	2,577	6,877
Additional paid-in capital	76,026	176,755	–	–	–	–	–	236,967	489,748
Merger reserve	(478)	–	–	–	–	–	–	–	(478)
Share-based payment reserve	59	–	–	–	–	–	–	–	59
Retained earnings	12,112	(1,196)	15,733	(2,833)	15,847	–	(7,235)	(479)	31,949
Equity	89,659	177,919	15,733	(2,833)	15,847	–	(7,235)	239,065	528,155
Decommissioning provision	35,448	–	29,007	–	21,864	–	69,877	–	156,196
Capital lease	836	–	–	–	–	–	–	–	836
Borrowings	70,619	–	–	20,509	–	346,835	–	–	437,963
Deferred tax liability	11,011	(644)	16,092	–	8,533	–	–	(257)	34,734
Other liabilities	5,764	–	10	–	–	–	–	–	5,774
Non-current liabilities	123,678	(644)	45,108	20,509	30,397	346,835	69,877	(257)	635,503
Trade and other payables	2,132	–	494	–	–	–	–	–	2,626
Borrowings	373	–	146	(373)	–	–	–	–	146
Capital lease	324	–	–	–	–	–	–	–	324
Other current liabilities	12,517	–	6,936	–	4,790	–	–	–	24,243
Current liabilities	15,346	–	7,576	(373)	4,790	–	–	–	27,339
Total liabilities	139,024	(644)	52,684	20,136	35,187	346,835	69,877	(257)	662,842
TOTAL EQUITY AND LIABILITIES	228,683	177,275	68,417	17,303	51,034	346,835	62,642	238,808	1,190,997

Unaudited pro forma statement of comprehensive income

	Group as at 31 December 2017 (Note 1) $'000	*Adjustment Receipt of net proceeds from the February 2018 placing (Note 2) $'000*	*Adjustment Alliance Acquisition (Note 3) $'000*	*Adjustment Drawdown of Existing Facility and repayment of borrowings (Note 4) $'000*	*Adjustment CNX Acquisition (Note 5) $'000*	*Adjustment Drawdown of Facility (Note 6) $'000*	*Adjustment EQT Acquisition (Note 7) $'000*	*Adjustment Net Placing proceeds (Note 8) $'000*	*Unaudited Pro forma results $'000*
Revenue	41,777	–	54,800	–	46,256	–	253,624	–	396,457
Cost of sales	(20,908)	–	(23,528)	–	(25,033)	–	(72,520)	–	(141,989)
Depreciation and depletion	(7,013)	–	(8,423)	–	(9,649)	–	(34,186)	–	(59,271)
Gross profit	13,856	–	22,849	–	11,574	–	146,918	–	195,197
Administrative expenses	(8,919)	(1,839)	(4,690)	–	(666)	–	(17,235)	(736)	(34,085)
Gain on disposal of property and equipment	95	–	–	–	–	–	–	–	95
Loss on derivative financial instruments	(441)	–	–	–	–	–	–	–	(441)
Gain on bargain purchase	11,603	–	24,204	–	24,380	–	–	–	60,187
Operating profit	16,194	(1,839)	42,363	–	35,288	–	129,683	(736)	220,953
Finance costs	(5,225)	–	(1,506)	(1,096)	–	(16,545)	–	–	(24,372)
Loss early retirement of debt	(4,468)	–	–	–	–	–	–	–	(4,468)
Accretion of decommissioning provision	(1,764)	–	(193)	–	(146)	–	(466)	–	(2,569)
Income before tax	4,737	(1,839)	40,664	(1,096)	35,142	(16,545)	129,217	(736)	189,544
Taxation on income	4,138	644	(14,232)	383	(12,300)	5,791	(45,226)	257	(60,545)
Income after taxation	8,875	(1,195)	26,432	(713)	22,842	(10,754)	83,991	(479)	128,999
Gain on foreign currency conversion	355	–	–	–	–	–	–	–	355
Total comprehensive income	9,230	(1,195)	26,432	(713)	22,842	(10,754)	83,991	(479)	129,354

Unaudited pro forma EBITDA

	Group as at 31 December 2017 (Note 1) $'000	*Adjustment Receipt of net proceeds from the February 2018 placing (Note 2) $'000*	*Adjustment Alliance Acquisition (Note 3) $'000*	*Adjustment Drawdown of Existing Facility and repayment of borrowings (Note 4) $'000*	*Adjustment CNX Acquisition (Note 5) $'000*	*Adjustment Drawdown of Facility (Note 6) $'000*	*Adjustment EQT Acquisition (Note 7) $'000*	*Adjustment Net Placing proceeds (Note 8) $'000*	*Unaudited Pro forma EBITDA $'000*
Revenue	41,777	–	54,800	–	46,256	–	253,624	–	396,457
Cost of sales	(20,908)	–	(23,528)	–	(25,033)	–	(72,520)	–	(141,989)
Administrative expenses	(8,919)	(1,839)	(4,690)	–	(666)	–	(17,235)	(736)	(34,085)
EBITDA	11,950	(1,839)	26,582	–	20,557	–	163,869	(736)	220,383

Notes:

1. The financial information relating to the Group has been extracted without adjustment from the Group Financial Information set out in Part IV(B) "*Historical Financial Information of the Group*" of this Document.

2. The adjustment of $177,275,000 represents the issue on 20 February 2018 of 166,400,000 Ordinary Shares of £0.01 at £0.80 each raising gross placing proceeds of $188,775,000, less associated costs of $11,500,000, translated at $1.418 to £1. Of the $11,500,000 of associated costs, $9,661,000 has been allocated to additional paid-in capital and $1,839,000 to administrative costs in accordance with IFRS.

   The $1,839,000 charge to the income statement generates a decrease in the Group's corporation tax charge for the year of $644,000, calculated at 35%, being the Group's effective rate of taxation for the year ended 31 December 2017. The charge to the income statement, net of tax, is $1,195,000.

3. The adjustment represents the acquisition of Alliance Petroleum for cash consideration of $95,000,000. The fair value of the assets and liabilities acquired was $119,204,000, resulting in gain on bargain purchase of $24,204,000. The Directors' have

estimated the fair value of the associated decommissioning liability at $29,007,000, resulting in an annual charge of $193,000 in the statement of comprehensive income.

The pro forma statement of comprehensive income has been prepared on the basis that the Alliance Acquisition took place on 1 January 2017. As such, the Alliance Petroleum pro forma results for the year ended 31 December 2017 have been included in the pro forma statement of comprehensive income.

The Alliance Petroleum pro forma results of $40,664,000 generate an increase in the Group's corporation tax charge for the year of $14,232,000, calculated at 35%, being the Group's effective rate of taxation for the year ended 31 December 2017.

4. The adjustment represents the drawdown of $97,000,000 from the Existing Facility, less associated costs of $6,448,000. In accordance with IFRS, the associated costs have been deferred and allocated against the loan drawn down, giving rise to net cash received and borrowings of $90,552,000.

   The pro forma statement of comprehensive has been prepared on the basis that the drawdown from the Existing Facility took place on 1 January 2017. As such, an interest charge of $3,987,000 has been recognised in the statement of comprehensive income, calculated at a rate of 4.11%. In addition, the pro forma statement of comprehensive income includes a deferred finance charge of $1,290,000 for the year ended 31 December 2017, in accordance with IFRS.

   The drawdown of from the Existing Facility was used to repay the $73,249,000 borrowings from Angelo, Gordon & Co. in full. The pro forma statement of comprehensive income has been adjusted to remove $3,843,000 of interest charges on the loan and the deferred costs charge of $338,000 recognised during the year ended 31 December 2017.

   The net interest charge of $1,096,000 generates a decrease in the Group's corporation tax charge for the year of $383,000, calculated at 35%, being the Group's effective rate of taxation for the year ended 31 December 2017.

5. The adjustment represents the CNX Acquisition for cash consideration of $85,000,000 and the subsequent acquisition of firm transportation costs of $17,000,000. The fair value of the assets acquired was $126,380,000, resulting in gain on bargain purchase of $24,380,000. The Directors' have estimated the fair value of the associated decommissioning liability at $21,864,000, resulting in an annual charge of $146,000 in the statement of comprehensive income.

   The pro forma statement of comprehensive income has been prepared on the basis that the CNX Acquisition took place on 1 January 2017. As such, the CNX Petroleum pro forma results for the year ended 31 December 2017 have been included in the pro forma statement of comprehensive income.

   The CNX Petroleum pro forma results of $35,142,000 generate an increase in the Group's corporation tax charge for the year of $12,300,000, calculated at 35%, being the Group's effective rate of taxation for the year ended 31 December 2017.

6. The adjustment represents the drawdown of $356,335,000 from the Facility, less associated costs of $9,500,000. In accordance with IFRS, the associated costs have been deferred and allocated against the loan drawn down, giving rise to net cash received of $346,835,000.

   The pro forma statement of comprehensive has been prepared on the basis that the drawdown from the Facility took place on 1 January 2017. As such, an interest charge of $14,645,000 has been recognised in the statement of comprehensive income, calculated at a rate of 4.11%. In addition, the pro forma statement of comprehensive income includes a deferred finance charge of $1,900,000 for the year ended 31 December 2017, in accordance with IFRS.

   The net interest charge of $16,545,000 generates a decrease in the Group's corporation tax charge for the year of $5,791,000, calculated at 35%, being the Group's effective rate of taxation for the year ended 31 December 2017.

7. The adjustment represents the EQT Acquisition for cash consideration of $575,000,000, $500,000 of well bonds and the associated adviser fees of $7,235,000. The fair values of the producing gas and oil wells and pipelines acquired was $495,000,000 and $80,000,000 respectively, resulting in gain on bargain purchase of $nil. The Directors' have estimated the fair value of the associated decommissioning liability at $69,877,000, resulting in an annual charge of $466,000 in the statement of comprehensive income.

   The pro forma statement of comprehensive income has been prepared on the basis that the EQT Acquisition took place on 1 January 2017. As such, the EQT pro forma results for the year ended 31 December 2017 have been included in the pro forma statement of comprehensive income.

   The EQT pro forma results of $129,217,000 generate an increase in the Group's corporation tax charge for the year of $45,226,000, calculated at 35%, being the Group's effective rate of taxation for the year ended 31 December 2017.

8. The adjustment of $238,808,000 represents the issue of the 195,330,000 Placing Shares of £0.01 at the Placing Price of £0.97 each raising gross Placing Proceeds of $250,006,000, less associated costs of $11,198,000, translated at $1.3195 to £1. Of the $11,198,000 of associated costs, $10,462,000 has been allocated to additional paid-in capital and $736,000 to administrative costs in accordance with IFRS.

   The $736,000 charge to the income statement generates a decrease in the Group's corporation tax charge for the year of $257,000, calculated at 35%, being the Group's effective rate of taxation for the year ended 31 December 2017. The charge to the income statement, net of tax, is $479,000.

9. The Pro Forma Financial Information does not reflect any changes in the trading position of the Group, additional or subsequent acquisitions, or any other changes arising from other transactions since 31 December 2017.

SECTION B – ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

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28 June 2018

The Directors
Diversified Gas & Oil PLC
27/28 Eastcastle Street
London W1W 8DH

The Directors
Smith & Williamson Corporate Finance Limited
25 Moorgate
London EC2R 6AY

Dear Sirs,

Introduction

We report on the unaudited pro forma statement of financial position of Diversified Gas & Oil PLC (the "Company") and its subsidiaries (together, the "Group") as at 31 December 2017 and the pro forma statement of comprehensive income for the year then ended (together, the "Pro Forma Financial Information") set out in Part IV(A) "*Unaudited Pro Forma Financial Information*" of the Company's AIM admission document dated 28 June 2018 (the "Document"). The Pro Forma Financial Information has been prepared on the basis of the notes thereto, for illustrative purposes only, to provide information about how:

- the placing of 166,400,000 ordinary shares of £0.01 each at £0.80 to raise gross proceeds of £133,120,000 on 20 February 2018;
- the associated costs the above placing of £11,500,000;
- the acquisition of the issued share capital of Alliance Petroleum Corporation on 7 March 2018;
- the entering into of the existing $500m revolving credit facility with KeyBank National Association and the repayment of the Group's facility with Angelo, Gordon & Co.;
- the acquisition of certain producing gas and oil assets from CNX Gas Company LLC on 29 March 2018;
- the proposed increase to the Group's existing borrowing facilities from KeyBank National Association;
- the proposed placing and associated costs;
- the proposed acquisition of certain producing gas and oil assets from EQT Corporation; and
- the Admission

might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the audited financial information as at 31 December 2017 and the year then ended. This report is required by Schedule Two of the AIM Rules for Companies (the "AIM Rules") and is given for the purpose of complying with that schedule and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the "Directors") to prepare the Pro Forma Financial Information. It is our responsibility to form an opinion on the Pro Forma Financial Information as to the proper compilation of the Pro Forma Financial Information and to report our opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting 4000 as issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial information with the Directors. We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Opinion

In our opinion:

- the Pro Forma Financial Information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules, we are responsible for this report as part of the 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 Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully,

Crowe U.K. LLP
Chartered Accountants

PART V

COMPETENT PERSON'S REPORTS

COMPETENT PERSON'S REPORT (CPR)

TO THE INTERESTS OF DIVERSIFIED GAS & OIL, PLC

Prepared For:

DIVERSIFIED GAS & OIL PLC
1100 CORPORATE DRIVE
BIRMINGHAM, AL 35242, UNITED STATES

THE DIRECTORS
SMITH & WILLIAMSON CORPORATE FINANCE LIMITED
25 MOORGATE
LONDON, EC2R 6AY, UNITED KINGDOM

June 13, 2018

Wright & Company, Inc.
Petroleum Consultants

TABLE OF CONTENTS

	PAGE
EXECUTIVE SUMMARY	1
INTRODUCTION	1
COMPANY BACKGROUND	2
GENERAL INFORMATION	2
DATA SOURCES	3
METHODS OF RESERVES DETERMINATION	4
INTERESTS	4
PRODUCT PRICES	4
OPERATING EXPENSES	5
SEVERANCE AND AD VALOREM TAXES	5
INVESTMENTS	5
AREA OF MATERIAL ASSETS	5
Introduction	5
Technical Discussion	6
RESERVES AND VALUE BY STATE	12
PROPERTY ABANDONMENT AND SALVAGE	13
ENVIRONMENTAL CONSIDERATIONS	13
CONCLUSIONS	13
PROFESSIONAL QUALIFICATIONS	14

APPENDIX 1

Summary Table of Assets – Oil & Gas

EXHIBITS

A Summary of Results – Oil and Gas Reserves
B SPE Petroleum Reserves Definitions
C Glossary of Terms
D1 Total Proved Reserves Charts by Category
D2 Total Proved Reserves Charts by State
E Map - Location of Evaluated Interests
F1 Cash Flow Summaries (BTAX)
F2 Cash Flow Summaries (ATAX)
G NYMEX Base Prices
H Professional Qualifications
I Confirmations

Wright & Company, Inc.
Petroleum Consultants

EXECUTIVE SUMMARY

Wright & Company, Inc. (Wright) has performed an evaluation of the petroleum reserves to the interests of Diversified Gas & Oil PLC (DGO or Company) for their properties located in the United States (U.S.). This evaluation encompasses the existing producing properties along with any future development identified at the time of this evaluation. This evaluation was completed using the guidelines as documented by the Society of Petroleum Engineers (SPE), and the report has been prepared in accordance with the standards of the *Note on Mining and Oil & Gas Companies* issued by the London Stock Exchange (LSE). This report details the methods, prices, expenses, and other criteria utilized in the evaluation process. Wright & Company, Inc. is confident that this report provides a fair and reasonable representation of the reserves and the associated results. The following table is a summary of the results of the evaluation.

Diversified Gas & Oil PLC Utilizing Specified Economics	Proved Developed Producing (PDP)	Proved Developed Nonproducing (PDNP)	Total Proved
Net Reserves to the Evaluated Interests			
Oil, Mbbl:	3,796.501	0.000	3,796.501
Gas, MMcf:	934,769.664	0.000	934,769.664
NGL, Mbbl:	3,217.126	0.000	3,217.126
Oil Equivalent, MBOE: (6 Mcf = 1 BOE)	162,808.571	0.000	162,808.571
Cash Flow Before Tax (BTAX), M$			
Undiscounted:	1,453,551.616	0.000	1,453,551.616
Discounted at 10% per Annum:	583,793.216	0.000	583,793.216
Cash Flow After Tax (ATAX), M$			
Undiscounted:	1,206,447.360	0.000	1,206,447.360
Discounted at 10% per Annum:	484,080.160	0.000	484,080.160

INTRODUCTION

At the request of DGO, Wright has performed an evaluation to estimate proved reserves and associated cash flow and economics from certain properties located in Kansas, Kentucky, North Dakota, New York, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, Virginia, and West Virginia, U.S. to the subject interests. This evaluation was authorized by Mr. Robert "Rusty" Hutson, Jr. of DGO. It is the understanding of Wright that this Competent Person's Report (CPR) will be included in the admission document issued by the Company in relation to the acquisition of certain gas and oil assets in the Appalachian Basin of from EQT Corporation (EQT) and admission of DGO's issued and to be issued share capital to trading on the AIM Market of the LSE (AIM). This CPR is provided in accordance with the *Note for Mining and Oil & Gas Companies – June 2009* (NOTE), issued by the LSE. Wright meets the requirements of a qualified Competent Person (CP) as stipulated in the NOTE. Additionally, Wright understands that this CPR may be presented by DGO to certain existing investors or financial institutions. The results of this evaluation, with economic parameters effective as of April 1, 2018, are summarized in the attached **Exhibit A**.

Oil, gas, and other liquid hydrocarbon reserves were evaluated for the proved developed producing (PDP) and proved developed nonproducing (PDNP) categories. The summary classification of total proved reserves combines the PDP and PDNP categories. In preparing this evaluation, no attempt has been made to quantify the element of uncertainty associated with any reserves category. Reserves were assigned to each category as warranted. The *SPE Petroleum Reserves Definitions* found in

Exhibit B describes all categories of reserves. A glossary of terms used throughout this CPR can be found in **Exhibit C**. Charts indicating the percent allocation of net proved reserves by reserves category and by state can be found in **Exhibit D1** and **Exhibit D2**.

The individual projections of lease reserves and economics were generated using certain data that describe the production forecasts and all associated evaluation parameters such as interests, severance and ad valorem taxes, product prices, operating expenses, and investments, as applicable. These data reports are not presented individually but are a part of Wright's work product and are retained in our files. This CPR is intended to be used in its entirety and should not be used for any purpose other than that outlined herein without the prior knowledge of and express written authorization by an officer of Wright. This CPR will be included in the Company's admission document, which will be a public document.

COMPANY BACKGROUND

DGO is an Appalachian Basin focused gas and oil company with headquarters in Birmingham, Alabama, U.S. DGO was founded in 2001 and now owns or operates approximately 42,000 conventional vertical wells and horizontal Marcellus wells in Kentucky, Ohio, Pennsylvania, Tennessee, and West Virginia. DGO does not perform high-risk drilling projects but has focused on existing areas with stable and reasonably predictable production. The recent strategic plan and growth potential is through acquisitions of certain companies with long-lived PDP wells with relatively low decline rates.

At the end of 2017, DGO owned or operated approximately 18,000 wells and locations. During the first half of 2018, DGO acquired an additional approximately 24,000 properties from Alliance Petroleum Corporation and CNX Gas Company. The divesting companies may not have focused on opportunities to increase production by improvements in operations, recompletion of additional formations, and/or identification of potential additional infill drilling locations on existing leases. In the opinion of Wright, a dedicated focus and effort by DGO may improve the overall performance of some of these acquired wells.

GENERAL INFORMATION

The majority of the properties evaluated in this CPR are located in the northeastern U.S. in the Appalachian Basin. The wells and locations are in the states of Kansas, Kentucky, North Dakota, New York, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, Virginia, and West Virginia. A map showing the states and counties in which the properties are located can be found in **Exhibit E**.

For this evaluation, projections of the reserves and associated cash flow and economics to the evaluated interests were based on specified economic parameters, operating conditions, and government regulations considered to be applicable at the effective date. Net income to the evaluated interests is the cash flow after consideration of royalty revenue payable to others, standard state and county taxes, operating expenses, investments, salvage values, and abandonment costs, as applicable. The cash flow is before federal income tax (BTAX) and excludes consideration of any encumbrances against the properties if such exist. At the request of DGO, Wright has also included a summary of cash flow values after federal income tax (ATAX). These summaries can be found in **Exhibit F1** and **Exhibit F2**. The cash flow values presented in **Exhibit F1** and **Exhibit F2** were based on projections of annual oil and gas production or sales. It was assumed there would be no significant delay between the date of oil and gas production and the receipt of the associated revenue for this production.

Wright used the ARIES™ Version 5000.2.1.0 petroleum software program of Landmark Graphics Corporation, a Halliburton business line, in the evaluation of the properties. Certain data such as product prices, operating expenses, ad valorem tax rate, and interests were provided by DGO, the accuracy of which were not independently verified by Wright. Wright did not review individual gas and oil purchase contracts. A review of the base price terms and adjustments is contained in the "Product Prices" section of this CPR. It should be noted that the values contained in this CPR may not always add to exactly the same values as shown in the summaries due to internal rounding in the ARIES™ petroleum software program.

Unless specifically identified and documented by DGO as having curtailment problems, gas production or sales trends have been assumed to be a function of well productivity and not of market conditions. In the opinion of Wright, for properties in which current rates of production are limited due to operating conditions, projections represent the operating status at the effective date.

Oil and other liquid hydrocarbon volumes are expressed in thousands of U.S. barrels (Mbbl) of 42 U.S. gallons. Gas volumes are expressed in millions of standard cubic feet (MMcf) at 60 degrees Fahrenheit and at the legal pressure base that prevails in the state in which the reserves are located. For purposes of this CPR, quantities of natural gas are converted into equivalent quantities of oil at the ratio of 6 Mcf = 1 barrel of oil equivalent (BOE). No adjustment of the individual gas volumes to a common pressure base has been made.

No investigation was made of potential gas volume and/or value imbalances that may have resulted from over/under delivery to the evaluated interests. Therefore, the estimates of reserves and cash flow do not include adjustments for the settlement of any such imbalances.

The Cash Flow (BTAX) and Cash Flow (ATAX) were discounted monthly at an annual rate of 10.0 percent as requested by DGO. Future cash flow was also discounted at several secondary rates as indicated on each reserves and economics page. These additional discounted amounts are displayed as totals only. It should be noted that no opinion is expressed by Wright as to the fair market value of the evaluated properties. In the determination of the Cash Flow (ATAX), DGO represented to Wright that their corporate tax rate was 17 percent, which was used in accordance with their instructions.

This CPR includes only those costs and revenues provided by DGO that are directly attributable to individual leases and areas. There could exist other revenues, overhead costs, or other costs associated with DGO that are not included in this CPR. Such additional costs and revenues are outside the scope of this evaluation. This CPR is not a financial statement for DGO and should not be used as the sole basis for any transaction concerning DGO or the evaluated properties.

DATA SOURCES

All data utilized in the preparation of this CPR with respect to ownership interests, product prices, gas contract terms, operating expenses, investments, salvage values, abandonment costs, well information, and current operating conditions, as applicable, were provided by DGO. Data obtained after the effective date, but prior to the completion of this CPR, were used only if such data were applied consistently. If such data were used, the reserves category assignments reflect the status of the wells as of the effective date. Production or sales data were provided by DGO or obtained by Wright through publicly available sources. All data have been reviewed for reasonableness and, unless obvious errors were detected, have been accepted as correct. It should be emphasized that revisions to the projections of reserves and economics included in this CPR may be required if the provided data are revised for any

reason. Historically, Wright has not inspected the properties it has evaluated, and Wright believes it is neither necessary nor customary for the purposes and scope of this CPR.

METHODS OF RESERVES DETERMINATION

The estimates of reserves contained in this CPR were determined by accepted industry methods as determined by the *Guidelines for Application of the Petroleum Resources Management System*, dated November 2011, and in accordance with the *SPE Petroleum Reserves Definitions* found in **Exhibit B**. Methods utilized in this CPR include extrapolation of historical production or sales trends and analogy to similar producing properties.

Where sufficient production history and other data were available, reserves for producing properties were determined by extrapolation of historical production or sales trends, commonly referred to as Decline Curve Analysis (DCA). Analogy to similar producing properties was used for those properties that lacked sufficient production history and other data to yield a definitive estimate of reserves. It should be noted that subsequent production performance trends or material balance calculations may cause the need for significant revisions to the estimates of reserves. It should be especially noted that in some of the wells, the historical production data may be incomplete, particularly in some of the newly acquired properties.

There are significant uncertainties inherent in estimating reserves, future rates of production, and the timing and amount of future costs. The estimation of reserves must be recognized as a subjective process that cannot be measured in an exact way, and estimates of others might differ materially from those of Wright. The accuracy of any reserves estimate is a function of the quantity and quality of available data and of subjective interpretations and judgments. It should be emphasized that production data subsequent to the date of these estimates or changes in the analogous properties may warrant revisions of such estimates. Accordingly, reserves estimates are often different from the quantities of oil and gas that are ultimately recovered.

INTERESTS

The overall average working interest (WI) owned by DGO for properties included in this evaluation calculates to be approximately 92 percent, and the overall average net revenue interest (NRI) calculates to be approximately 80 percent. The average royalty rate is approximately 13 percent.

PRODUCT PRICES

According to the instructions of DGO, the base product prices used for this CPR were the New York Mercantile Exchange (NYMEX) Futures Settlements as published by CME Group on March 29, 2018, for West Texas Intermediate oil at Cushing, Oklahoma, and natural gas at Henry Hub, Louisiana. Annual average NYMEX futures oil prices were used through December 2026. Thereafter, the oil price was held constant at the 2026 price for the life of the properties. Annual average NYMEX futures gas prices were used through December 2030. Thereafter, the gas price was held constant at the December 2030 price for the life of the properties. At the request of DGO, Wright used a natural gas liquids (NGL) price of $11.00 per barrel for the life of the properties. A table showing the base product prices can be found in **Exhibit G**. These base prices were adjusted for energy content, quality, and basis differential. The resultant average product prices are $49.53 per barrel of oil, $2.767 per Mcf of gas, and $11.00 per barrel of NGL. It should be emphasized that with the current economic uncertainties, fluctuations in market conditions could significantly change the economics in this CPR.

OPERATING EXPENSES

Operating expenses were provided by DGO and were used in accordance with their instructions. According to DGO, these expenses were based upon the latest available twelve-month average actual costs and included, but were not limited to, all direct operating expenses and field level overhead costs. Expenses for workovers, well stimulations, and other maintenance were not included in the operating expenses unless such work was expected on a recurring basis. Judgments for the exclusion of the nonrecurring expenses were made by DGO. Any internal indirect overhead costs (general and administrative), which are not billable to the working interest owners, were not included. Based on the economics in this evaluation, the operating expenses for the PDP properties are expected to average approximately $4.50 per barrel of oil equivalent (BOE) through year 2023. For new and developing properties where data were unavailable, operating expenses were estimated by DGO based on analogy to similar properties. After the effective date, the operating expenses were held constant for the life of the properties. It should be noted that these types of production profiles and estimated future volumes should have a relatively low cost per unit production.

SEVERANCE AND AD VALOREM TAXES

Standard state severance taxes and average county ad valorem taxes have been deducted as appropriate. All taxes were provided by DGO or based on current published rates and were used in accordance with the instructions of DGO. According to DGO, any ad valorem taxes not deducted separately were included in the operating expenses. The following table shows the various rates for each state used in this evaluation.

State	Ad Valorem Tax Rates	Severance Tax Rates	
		Oil	Gas
Kentucky	10% of revenue	4.5% of Revenue	4.5% of Revenue
Ohio	Ranged from 0% to 2.36% of revenue, depending on area	$0.20/bbl	$0.03/Mcf
Pennsylvania*	N/A	N/A	N/A
Tennessee	$1.49 per month per well	3% of Revenue	3% of Revenue
Virginia	0.54% of revenue	5% of Revenue	1% of Revenue
West Virginia	Ranged from 0% to 2.5% of revenue, depending on area	5% of Revenue	5% of Revenue

**There are no applicable ad valorem or severance taxes in Pennsylvania.*

INVESTMENTS

In accordance to the instructions of DGO, little or no capital investment is expected to be incurred to maintain the production profile for these assets.

AREA OF MATERIAL ASSETS

Introduction

Wright was founded in 1988 by D. Randall Wright. In preparing this CPR, Mr. Wright had the direct oversight and management of the evaluation methods and procedures and is a professionally qualified Competent Person (CP) under the AIM Rules for Companies (AIM Rules). Wright has evaluated tens of thousands of wells similar to the ones included in this CPR for many clients. Wright routinely prepares CPRs, or similar reports, for clients of their oil and gas reserves and economics pursuant to the

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financial reporting requirements of the U.S. Securities and Exchange Commission (SEC) for various publicly traded companies.

Wright maintains extensive knowledge and utilizes its proprietary internal database of analogous information, in conjunction with data and information from various clients, for evaluations of oil and gas reserves and economics throughout the U.S. and particularly the Appalachian Basin. The professional qualifications of Mr. Wright can be found in **Exhibit H**. The following is a technical discussion of the material assets of DGO based on Wright's evaluation.

Technical Discussion

The Appalachian Basin is an area of the northeast U.S. that underlies ten states including Kentucky, New York, Ohio, Pennsylvania, Tennessee, Virginia, and West Virginia as shown in *Figure 1*. The Appalachian Basin covers an area of approximately 185,500 square miles. It is 1,075 miles long from the northeast to the southwest and between 20 to 310 miles wide. While this area is famous for the more recent Marcellus Shale horizontal development, it has been a major contributor of vertical well development since the late 1800's.

Figure 1

The depositions for the Appalachian Basin are the erosional sediments from the once Acadian Mountains into the lower basin, as referenced in *Figure 2*. The basin was limited to the west by the Cincinnati arch. As the mountains eroded over time, the sediment was deposited in the basin with alternating layers of carbonates, limestones, sandstone, siltstone, and shale intervals, as shown in *Figure 3*.

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Figure 2

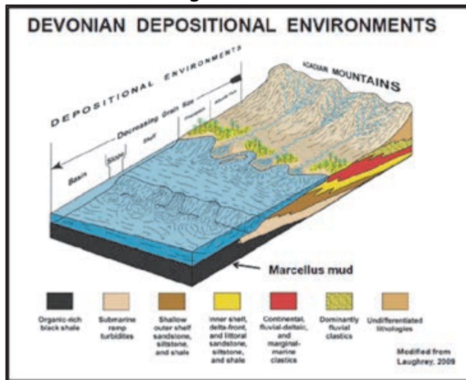
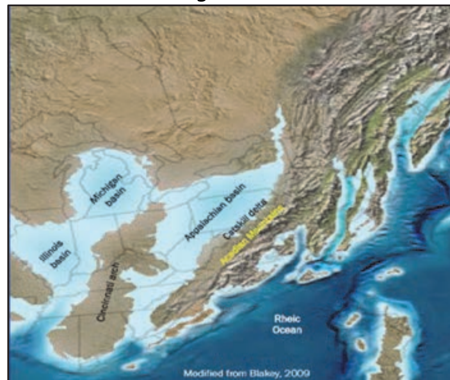
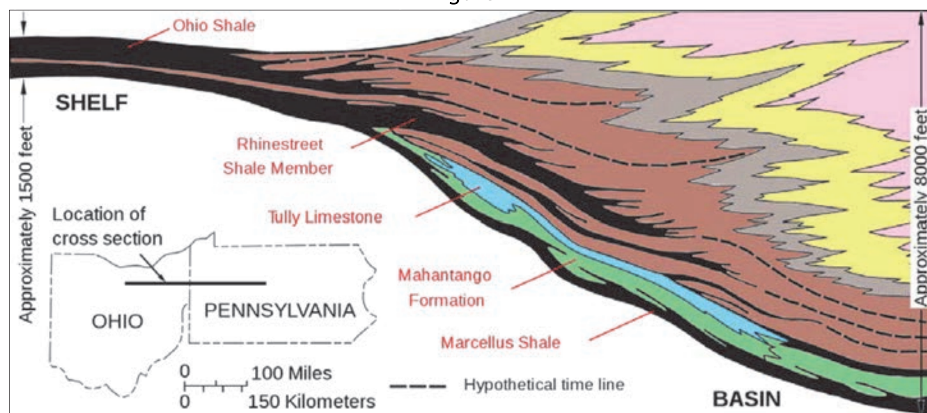


Figure 3



The effect of these geological events results in the Appalachian Basin section being very thin to the west and very thick to the south and the east. As shown below in *Figure 4*, in parts of Ohio the Appalachian Basin is approximately 1,500 feet thick, while in parts of Pennsylvania it can reach a thickness of 8,000 feet.

Figure 4



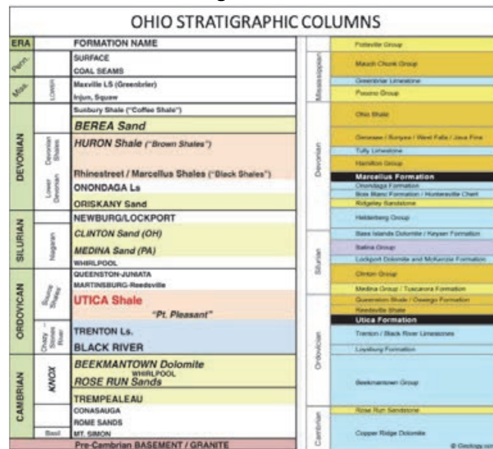
The beginning of the oil and gas industry started in 1859 with the discovery of oil in the Edwin Drake well located in northwestern Pennsylvania. Oil in this well was produced from the Upper Devonian sandstone at a depth of approximately 70 feet. This discovery well opened a trend of oil and gas fields producing from the Upper Devonian, Mississippian, and Pennsylvanian sandstones across many parts of the states of Kentucky, New York, Ohio, Pennsylvania, and West Virginia.

Hydrocarbon producing formations in the Appalachian Basin can range from approximately 2,000 feet deep in portions of Ohio to more than 8,000 feet deep in Pennsylvania and West Virginia. The Geological Age of the formations dates from the Lower Mississippian to the Upper Cambrian with most of DGO's current production coming from the Devonian and Silurian Ages.

In Ohio, the producing formations include the Berea Sand, Bradford Sand, Gantz Sand, Gordon Sand, Rose Run Sand, and several others as noted in the Ohio stratigraphic columns shown in

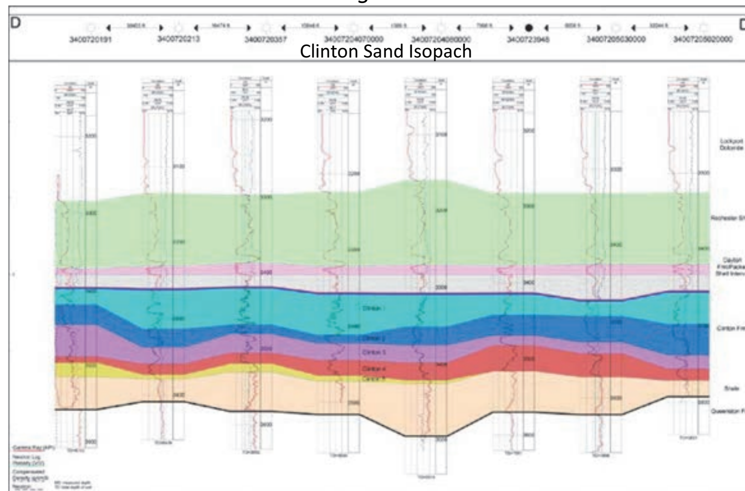
Figure 5, but the majority of the state production comes from the Clinton Sand. The Clinton Sand is a Silurian Age formation and has been the most actively drilled zone in Ohio since the 1950's.

Figure 5



The Clinton Sand was discovered in 1885 in Knox County, Ohio. It is believed to be formed as a nearshore deposit during the Silurian time and was deposited as a blanket of sand throughout eastern Ohio and western Pennsylvania, where it is renamed as the Medina Sand. The average depth is approximately 5,200 feet, with depths ranging from 3,500 to 6,000 feet. The entire Clinton/Medina Sand interval is generally 150 to 200 feet in thickness with net productive pay ranging from 10 to 100 feet. Hydraulic fracturing techniques introduced in the 1950s greatly improved oil and gas recoveries from these sandstones. The uniformity of the Clinton Sand deposition is represented in *Figure 6*.

Figure 6



The Cambrian Ordovician Age Knox Group play of the Appalachian Basin extends from northern Tennessee to south central Kentucky, through eastern Ohio and occurs in localized areas of northwestern Pennsylvania and western New York. The Knox Unconformity is a major erosional angular

unconformity that truncates progressively younger beds of rock from southeastern Ohio in the northwestern direction. The truncation of these gently dipping Lower Ordovician and Cambrian carbonates and sandstones provides an excellent trap and seal for hydrocarbon accumulation. The Knox Group is usually subdivided into units, listed in descending stratigraphic order: Beekmantown Dolomite, Rose Run Sandstone, and the Upper Copper Ridge Dolomite (Trempealeau).

The majority of the production in Pennsylvania and West Virginia is from Devonian and Mississippian aged formations. In Pennsylvania and West Virginia wells, multiple zones are typically hydraulically fractured and the production is commingled. For the wells included in this CPR, the primary productive formations in Pennsylvania wells include, but are not limited to, the Balltown, Bayard, Bradford, Elk, Fifth, Sheffield, Speechley, Tiona, and Warren, as referenced in *Figure 7*. In West Virginia, the major productive formations include the Alexander, Balltown, Benson, Big Injun, Big Lime, Elk, Fifth, Gordon, Riley, and Warren, as referenced in *Figure 8*. In general, sand thickness for these reservoirs ranges from 5 to 25 feet for any individual zone with cumulative net sand thickness ranging from 40 to 100 feet. A stratigraphic column summary is shown in *Figures 7* and *8* for Pennsylvania and West Virginia that depicts the relative positioning of the various productive zones.

Figure 7

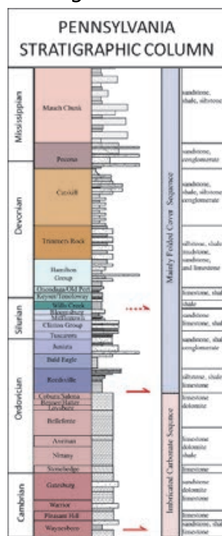
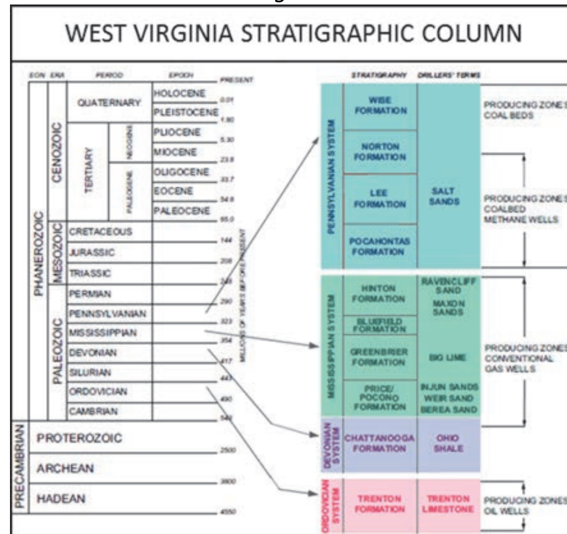


Figure 8



The Marcellus is a Devonian age formation that is located in portions of West Virginia, Ohio, Pennsylvania, and New York as shown in *Figure 9*. The Marcellus has been considered as a source for gas since the very early days, but due to its low porosity and extremely low permeability, has not been considered a major drilling target until fairly recently. Though there were numerous vertical wells in the Marcellus, historically, field development was localized. Characteristically, vertical Marcellus wells produce low volumes over a long productive life.

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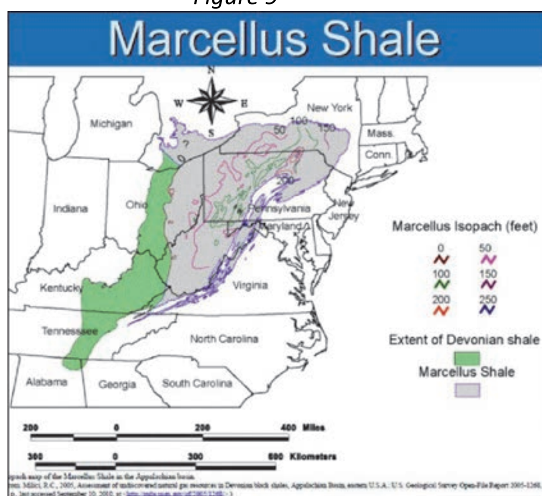
Figure 9



The first horizontal well targeting the Marcellus was drilled in 2004, but it was not until 2009 that the formation became the focus of horizontal shale gas development in the Appalachian Basin. Since then, the Marcellus has received a great deal of attention for its extremely high productive rates, large estimated ultimate recovery volumes, and the statistical repeatability of the producing wells. These horizontal wells have very long laterals that allow more contact with the reservoirs. Very large hydraulic fracture treatments are needed in order to make these commercial. Currently there are approximately 9,000 active horizontal wells that target the Marcellus throughout Appalachia.

The Appalachian Basin has a long history of oil and gas production and much of it has not been systematically recorded because of inadequate record-keeping in the early days. However, the U.S. Geological Survey (USGS) has estimated that the basin has produced over 3.5 billion barrels of oil and 44 trillion cubic feet of gas. This estimate was calculated for the vertical conventional production and was derived before any horizontal development started.

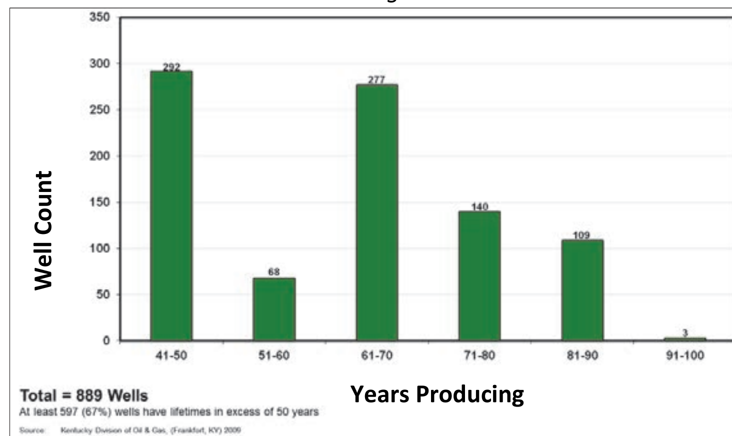
Almost all of the properties owned and/or operated by DGO are vertical wells producing from at least one of the formations previously described. Numerous wells are completed in multiple formations and production is commingled in the wellbore. Most of these properties may have additional productive formations up-hole from the existing producing formations, which may allow for future completion opportunities. Drilling and recompletion opportunities are considered relatively low-risk due to the widespread geology and the extensive mapping of the formations. During the last ten years, DGO has drilled over 150 wells with no dry holes.

All of the Mississippian, Devonian, and Silurian Age sands share similar geological and reservoir characteristics. All are considered "tight" sands with low permeability, which will require fracture treatments in order to obtain commercial production rates. The deposition of these sands yields a low-risk, high predictability of completion success.

Another similar characteristic for these formations is the production profile. Most of these formations produce gas and/or oil on a hyperbolic curve with an initial rapid decline followed by gradual decline of production for a very long time. A majority of the wells should have production life of at least 50 years, with some lasting in excess of 80 years. These wells produce very little, if any, water. As an

example, Wright has performed an extensive study of the Big Sandy formation located throughout Kentucky in the Appalachian Basin. This study reviewed 889 wells completed in the Big Sandy in which the original completion date was known. As referenced in *Figure 10*, the data showed that approximately 67 percent of these wells had a well life in excess of 50 years with three wells having over 90 years of well life.

Figure 10



Based on Wright's knowledge and experience in evaluating thousands of wells in the Appalachian Basin, the primary factors that determine the amount of production and the life of the well are the initial rate, initial decline, the shape of the curve ("b" factor), and the final decline rate. The initial rate and initial decline for each well are determined by its reservoir quality, pressure, and the completion technique. The initial decline can be very rapid due to the production drainage from the fracture system. These values can vary greatly from well to well. The "b" factor may vary from well to well, but generally ranges between 0.5 and 1.3. The final decline rates for these reservoirs are very low, indicating a steady drainage of the formation matrix. These rates are normally in the three to five percent range and have been determined from actual performance.

There are many examples of wells in this report that have produced over 30 years, since the mid-1980's, with another potential 40 years or more of productive life remaining. *Figures 11 and 12* are two examples that demonstrate the longevity of these wells. These production profiles create long life wells with very predictable future production rates.

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Figure 11

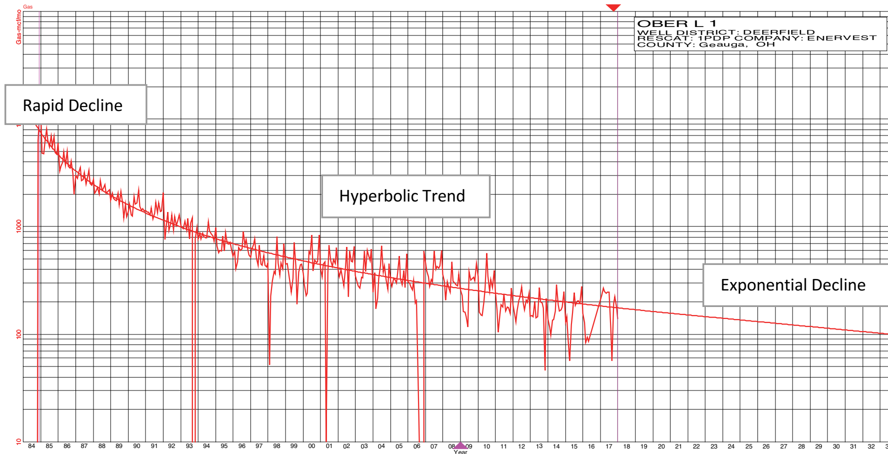
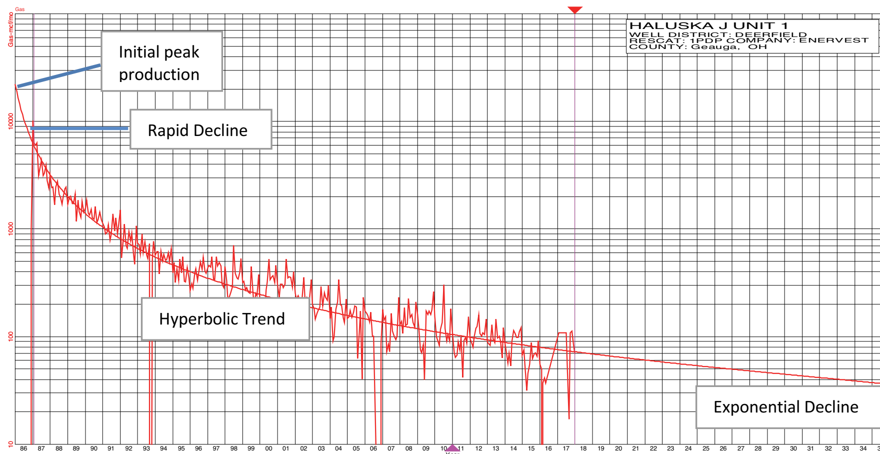


Figure 12



RESERVES AND VALUE BY STATE

The properties evaluated in this CPR include certain oil and gas properties located in Kansas, Kentucky, New York, North Dakota, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, Virginia, and West Virginia. The following table illustrates the total proved reserves, respective 10.0 percent cumulative discounted (Cum. Disc.) (BTAX) values, and the relative percent of the total 10.0 percent Cum. Disc. (BTAX) value for each state.

State	Number of Wells		Net Oil, Mbbl	Net Gas, MMcf	Net NGL, Mbbl	10.0 % Cum. Disc. (BTAX) Value, M$	Percent of Total Proved 10.0 % Cum. Disc. (BTAX)
	PDP	PDNP					
Kansas	0	1	0.000	0.000	0.000	0.000	0.00
Kentucky	32	3	0.000	718.463	0.000	415.375	0.07
New York	52	3	1.028	90.608	0.000	84.437	0.01
North Dakota	0	1	0.000	0.000	0.000	0.000	0.00
Ohio	6,690	1,384	2,794.718	59,221.612	322.965	82,477.264	14.13
Oklahoma	0	5	0.000	0.000	0.000	0.000	0.00
Pennsylvania	22,166	2,002	319.724	559,144.128	1,590.262	333,397.664	57.11
Tennessee	436	52	109.296	11,745.862	1,301.604	15,682.210	2.69
Texas	2	2	0.776	48.907	0.000	39.510	0.01
Virginia	11	2	0.000	420.694	0.000	156.189	0.03
West Virginia	9,220	792	570.960	303,379.904	2.296	151,540.352	25.96
TOTALS*	**38,609**	**4,247**	**3,796.501**	**934,769.664**	**3,217.126**	**583,793.216**	**100.00**

**It should be noted that some minor differences between the total summaries may exist due to rounding techniques in the ARIES™ petroleum software program.*

PROPERTY ABANDONMENT AND SALVAGE

It should be noted that no abandonment costs were included in this evaluation in accordance with the instructions of DGO. According to DGO, the cost and liability for any Asset Retirement Obligations are determined by DGO and are subject to audit by an independent registered public accounting firm. DGO has estimated that abandonment costs can range between $8,500 and $15,000 per well after salvage value. Wright offers no opinion regarding DGO's calculations for the abandonment costs and salvage value liabilities or the schedule for the plugging of the wells.

ENVIRONMENTAL CONSIDERATIONS

Wright is not aware of any potential environmental liabilities that may exist concerning the properties evaluated. There are no costs included in this evaluation for potential property restoration, liability, or clean-up of damages, if any, that may be necessary due to past or future operating practices.

CONCLUSIONS

Based on data and information provided by DGO, and the specified economic parameters, operating conditions, and government regulations considered applicable at the effective date, it is Wright's conclusion that this CPR provides a fair and accurate representation of the oil and gas reserves to the interests of DGO in those certain properties included in this CPR.

Wright considers that the scope of the CPR is appropriate and was prepared to a standard expected in accordance with the NOTE issued by the LSE. It is Wright's opinion that the methodologies employed, the adequacy and quality of the data relied upon, the depth and thoroughness of the reserves estimation process, the classification of reserves based on the relevant definitions used, and the reasonableness of the estimated reserves quantities are appropriate for the purpose served by the CPR and are in accordance with the guidelines set forth by the AIM rules.

PROFESSIONAL QUALIFICATIONS

The professional qualifications, shown in **Exhibit H**, of the petroleum consultant responsible for the evaluation of the reserves and economics information presented in this CPR meet the standards of Reserves Estimator as defined in the *Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information* as promulgated by the SPE, and the CPR has been prepared in accordance with these standards. The professional qualifications also meet the Competent Person (CP) requirements published by AIM in the NOTE. **Exhibit I** contains certain confirmations of Wright pertaining to the CPR in accordance with the AIM Rules.

Wright & Company, Inc.

By: ____________________________________
D. Randall Wright, P.E.
TX Reg. No. F-12302

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Appendix 1

SUMMARY TABLE OF ASSETS

Oil & Gas

Asset	Operator	Interest %	Status	Expiration Date	Total Lease Area (acres)	Comments
Kentucky, Ohio, Pennsylvania, Tennessee, and West Virginia	Various	87 (Average)	Production	None - Held by Production	4,000,000	Current net daily production at 165.2 MMcfe

The Company currently has an interest in approximately 42,000 wells in the states of Kentucky, Ohio, Pennsylvania, Tennessee, and West Virginia and is listed as the operator in the majority of these wells.

With all of the recent acquisitions made by the Company, there is a high probability of other potential areas for development that have not been fully explored at this time.

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Exhibit A
DIVERSIFIED GAS & OIL PLC
Summary of Results – Oil and Gas Reserves

(all figures in bbls and Mcf)	Gross			Net attributable			Operator
	Proved	Proved & Probable	Proved, Probable & Possible	Proved	Proved & Probable	Proved, Probable & Possible	Diversified Gas & Oil PLC and others
Oil & Natural Gas Liquids reserves per asset From production to planned for development	9,570,298	9,570,298	9,570,298	7,013,627	7,013,627	7,013,627	Diversified Gas & Oil PLC and others
Total for Oil & Natural Gas Liquids	9,570,298	9,570,298	9,570,298	7,013,627	7,013,627	7,013,627	Diversified Gas & Oil PLC and others
Gas reserves per asset From production to planned for development	1,324,531,712	1,324,531,712	1,324,531,712	934,769,664	934,769,664	934,769,664	Diversified Gas & Oil PLC and others
Total for Gas	1,324,531,712	1,324,531,712	1,324,531,712	934,769,664	934,769,664	934,769,664	Diversified Gas & Oil PLC and others

Source: D. Randall Wright, P.E.

Note: “Operator” is name of the company that operates the asset
“Gross” are 100% of the reserves and/or resources attributable to the license whilst “Net attributable” are those attributable to the AIM company

bbls – Barrels
Mcf – Thousand Standard Cubic Feet

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Exhibit B
SPE Petroleum Reserves Definitions

Reserves derived under these definitions rely on the integrity, skill, and judgment of the evaluator and are affected by the geological complexity, stage of development, degree of depletion of the reservoirs, and amount of available data. Use of these definitions should sharpen the distinction between the various classifications and provide more consistent reserves reporting.

Definitions

Reserves are those quantities of petroleum which are anticipated to be commercially recovered from known accumulations from a given date forward. All reserve estimates involve some degree of uncertainty. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability.

The intent of the Society of Petroleum Engineers (SPE) and World Petroleum Council (WPC, formerly World Petroleum Congresses) in approving additional classifications beyond proved reserves is to facilitate consistency among professionals using such terms. In presenting these definitions, neither organization is recommending public disclosure of reserves classified as unproved. Public disclosure of the quantities classified as unproved reserves is left to the discretion of the countries or companies involved.

Estimation of reserves is done under conditions of uncertainty. The method of estimation is called deterministic if a single best estimate of reserves is made based on known geological, engineering, and economic data. The method of estimation is called probabilistic when the known geological, engineering, and economic data are used to generate a range of estimates and their associated probabilities.

Identifying reserves as proved, probable, and possible has been the most frequent classification method and gives an indication of the probability of recovery. Because of potential differences in uncertainty, caution should be exercised when aggregating reserves of different classifications.

Reserves estimates will generally be revised as additional geologic or engineering data becomes available or as economic conditions change. Reserves do not include quantities of petroleum being held in inventory, and may be reduced for usage or processing losses if required for financial reporting.

Reserves may be attributed to either natural energy or improved recovery methods. Improved recovery methods include all methods for supplementing natural energy or altering natural forces in the reservoir to increase ultimate recovery. Examples of such methods are pressure maintenance, cycling, water flooding, thermal methods, chemical flooding, and the use of miscible and immiscible displacement fluids. Other improved recovery methods may be developed in the future as petroleum technology continues to evolve.

Proved Reserves

Proved reserves are those quantities of petroleum which, by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under current economic conditions, operating methods, and government regulations. Proved reserves can be categorized as developed or undeveloped.

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.

Establishment of current economic conditions should include relevant historical petroleum prices and associated costs and may involve an averaging period that is consistent with the purpose of the reserve estimate, appropriate contract obligations, corporate procedures, and government regulations involved in reporting these reserves.

In general, reserves are considered proved if the commercial producibility of the reservoir is supported by actual production or formation tests. In this context, the term proved refers to the actual quantities of petroleum reserves and not just the productivity of the well or reservoir. In certain cases, proved reserves may be assigned on the basis of well logs and/or core analysis that indicate the subject reservoir is hydrocarbon bearing and is analogous to reservoirs in the same area that are producing or have demonstrated the ability to produce on formation tests.

The area of the reservoir considered as proved includes (1) the area delineated by drilling and defined by fluid contacts, if any, and (2) the undrilled portions of the reservoir that can reasonably be judged as commercially productive on the basis of available geological and engineering data. In the absence of data on fluid contacts, the lowest known occurrence of hydrocarbons controls the proved limit unless otherwise indicated by definitive geological, engineering or performance data.

Reserves may be classified as proved if facilities to process and transport those reserves to market are operational at the time of the estimate or there is a reasonable expectation that such facilities will be installed. Reserves in undeveloped locations may be classified as proved undeveloped provided (1) the locations are direct offsets to wells that have indicated commercial production in the objective formation, (2) it is reasonably certain such locations are within the known proved productive limits of the objective formation, (3) the locations conform to existing well spacing regulations where applicable, and (4) it is reasonably certain the locations will be developed. Reserves from other locations are categorized as proved undeveloped only where interpretations of geological and engineering data from wells indicate with reasonable certainty that the objective formation is laterally continuous and contains commercially recoverable petroleum at locations beyond direct offsets.

Reserves which are to be produced through the application of established improved recovery methods are included in the proved classification when (1) successful testing by a pilot project or favorable response of an installed program in the same or an analogous reservoir with similar rock and fluid properties provides support for the analysis on which the project was based, and, (2) it is reasonably certain that the project will proceed. Reserves to be recovered by improved recovery methods that have yet to be established through commercially successful applications are included in the proved classification only (1) after a favorable production response from the subject reservoir from

either (a) a representative pilot or (b) an installed program where the response provides support for the analysis on which the project is based and (2) it is reasonably certain the project will proceed.

Unproved Reserves

Unproved reserves are based on geologic and/or engineering data similar to that used in estimates of proved reserves; but technical, contractual, economic, or regulatory uncertainties preclude such reserves being classified as proved. Unproved reserves may be further classified as probable reserves and possible reserves.

Unproved reserves may be estimated assuming future economic conditions different from those prevailing at the time of the estimate. The effect of possible future improvements in economic conditions and technological developments can be expressed by allocating appropriate quantities of reserves to the probable and possible classifications.

Probable Reserves

Probable reserves are those unproved reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable. In this context, when probabilistic methods are used, there should be at least a 50% probability that the quantities actually recovered will equal or exceed the sum of estimated proved plus probable reserves.

In general, probable reserves may include (1) reserves anticipated to be proved by normal step-out drilling where sub-surface control is inadequate to classify these reserves as proved, (2) reserves in formations that appear to be productive based on well log characteristics but lack core data or definitive tests and which are not analogous to producing or proved reservoirs in the area, (3) incremental reserves attributable to infill drilling that could have been classified as proved if closer statutory spacing had been approved at the time of the estimate, (4) reserves attributable to improved recovery methods that have been established by repeated commercially successful applications when (a) a project or pilot is planned but not in operation and (b) rock, fluid, and reservoir characteristics appear favorable for commercial application, (5) reserves in an area of the formation that appears to be separated from the proved area by faulting and the geologic interpretation indicates the subject area is structurally higher than the proved area, (6) reserves attributable to a future workover, treatment, re-treatment, change of equipment, or other mechanical procedures, where such procedure has not been proved successful in wells which exhibit similar behavior in analogous reservoirs, and (7) incremental reserves in proved reservoirs where an alternative interpretation of performance or volumetric data indicates more reserves than can be classified as proved.

Possible Reserves

Possible reserves are those unproved reserves which analysis of geological and engineering data suggests are less likely to be recoverable than probable reserves. In this context, when probabilistic methods are used, there should be at least a 10% probability that the quantities actually recovered will equal or exceed the sum of estimated proved plus probable plus possible reserves.

In general, possible reserves may include (1) reserves which, based on geological interpretations, could possibly exist beyond areas classified as probable, (2) reserves in formations that appear to be petroleum bearing based on log and core analysis but may not be productive at commercial rates, (3) incremental reserves attributed to infill drilling that are subject to technical

uncertainty, (4) reserves attributed to improved recovery methods when (a) a project or pilot is planned but not in operation and (b) rock, fluid, and reservoir characteristics are such that a reasonable doubt exists that the project will be commercial, and (5) reserves in an area of the formation that appears to be separated from the proved area by faulting and geological interpretation indicates the subject area is structurally lower than the proved area.

Reserve Status Categories

Reserve status categories define the development and producing status of wells and reservoirs.

***Developed*:** Developed reserves are expected to be recovered from existing wells including reserves behind pipe. Improved recovery reserves are considered developed only after the necessary equipment has been installed, or when the costs to do so are relatively minor. Developed reserves may be subcategorized as producing or non-producing.

***Producing*:** Reserves subcategorized as producing are expected to be recovered from completion intervals which are open and producing at the time of the estimate. Improved recovery reserves are considered producing only after the improved recovery project is in operation.

***Non-producing*:** Reserves subcategorized as non-producing include shut-in and behind-pipe reserves. Shut-in reserves are expected to be recovered from (1) completion intervals which are open at the time of the estimate but which have not started producing, (2) wells which were shut-in for market conditions or pipeline connections, or (3) wells not capable of production for mechanical reasons. Behind-pipe reserves are expected to be recovered from zones in existing wells, which will require additional completion work or future recompletion prior to the start of production.

***Undeveloped Reserves*:** Undeveloped reserves are expected to be recovered: (1) from new wells on undrilled acreage, (2) from deepening existing wells to a different reservoir, or (3) where a relatively large expenditure is required to (a) recomplete an existing well or (b) install production or transportation facilities for primary or improved recovery projects.

Approved by the Board of Directors, Society of Petroleum Engineers (SPE) Inc., and the Executive Board, World Petroleum Council (WPC), March 1997

Exhibit C

Glossary of Terms

The terms defined below may be used throughout this CPR.

Bbl. One barrel of crude oil, condensate, or other liquids equal to 42 U.S. gallons.

Bcf. Billion cubic feet.

Bcfe. Billion cubic feet of natural gas equivalent.

Btu. British thermal unit, which is the heat required to raise the temperature of a one-pound mass of water from 58.5 degrees Fahrenheit to 59.5 degrees Fahrenheit under specific conditions.

Development Well. A well drilled within the proved area of an oil or gas reservoir to the depth of a stratigraphic horizon known to be productive in an attempt to recover proved undeveloped reserves.

Dry hole. A well found to be incapable of producing either oil or natural gas in a sufficient quantities to justify completion as an oil or gas well.

Gross acres or gross wells. The total acres or wells, as the case may be, in which a working interest is owned.

Lease operating expense. Costs incurred to operate and maintain wells and related equipment and facilities, including applicable operating costs of support equipment and facilities and other costs of operating and maintaining those wells and related equipment and facilities.

Mbbl. One thousand barrels.

Mcf. One thousand cubic feet.

Mcfd. One thousand cubic feet per day.

Mcfe. One thousand cubic feet of natural gas equivalent.

Mcfed. One thousand cubic feet of natural gas equivalent per day.

MMbbl. One million barrels.

MMBtu. One million Btus.

MMcf. One million cubic feet.

MMcfd. One million cubic feet per day.

MMcfe. One million cubic feet of natural gas equivalent.

Natural gas equivalent. Cubic feet of natural gas equivalent, determined using the ratio of one Bbl of crude oil, condensate or natural gas liquids to six Mcf of natural gas.

Net acres or net wells. The sum of the fractional working interests owned in gross acres or gross wells.

Net oil and gas sales. Oil and natural gas sales less oil and natural gas production.

Oil Equivalent. Barrels of oil equivalent, determined using the ratio of one Mcf of natural gas to one-sixth Bbl of oil.

Overriding royalty interest. A royalty interest that is carved out of a lessee's working interest under an oil and gas lease.

Present Value. The pre-tax present value, discounted at 10% per annum, of future net cash flows from estimated proved reserves (including the estimated cost of abandonment and future development), calculated holding prices and costs constant at amounts in effect on the date of the estimate (unless such prices or costs are subject to change pursuant to contractual provisions) and in all instances in accordance with the Commission's rules for inclusion of oil and gas revere information in financial statements filed with the Commission. The difference between the Present Value and the standardized measure of discounted future net cash flows is the present value of income taxes applicable to such future net cash flows.

Productive well. A well that is producing oil and gas or that is capable of production.

Proved developed producing reserves. Proved developed reserves that are expected to be recovered from currently producing zones under the continuation of present operating methods through existing wells with existing equipment and operating methods.

Proved reserves. The estimated quantities of crude oil, natural gas, and natural gas liquids with geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions.

Proved undeveloped reserves. Proved reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

Recompletion. The completion for production of an existing well bore in another formation from that in which the well has been previously completed.

Reserve life index. Calculated by dividing year-end proved reserves by annual production from the most recent year.

Spud. To start (or restart) the drilling of a new well.

Standardized measure of discounted future net cash flows. The present value, discounted at 10% per annum, of future net cash flows from estimated proved reserves after income taxes, calculated holding prices and costs constant at amounts in effect on the date of the estimate

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(unless such prices or costs are subject to change pursuant to contractual provisions) and in all instances in accordance with the Commission's rules for inclusion of oil and gas reserve information in financial statements filed with the Commission.

Term overriding royalty interest. An overriding royalty interest with a fixed duration.

Undeveloped acreage. Lease acreage on which wells have not been participated in or completed to a point that would permit the production of commercial quantities of oil and gas regardless of whether such acreage contains proved reserves.

Waterflood. The injection of water into a reservoir to fill pores vacated by produced fluids, thus maintaining reservoir pressure and assisting production.

Working interest. A cost bearing interest which gives the owner the right to drill, produce, and conduct oil and gas operations on the property, as well as a right to a share of production therefrom.

Workover. Operations on a producing well to restore or increase production.

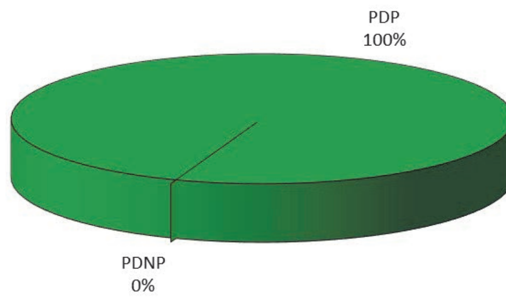
WTI. West Texas Intermediate

Exhibit D1

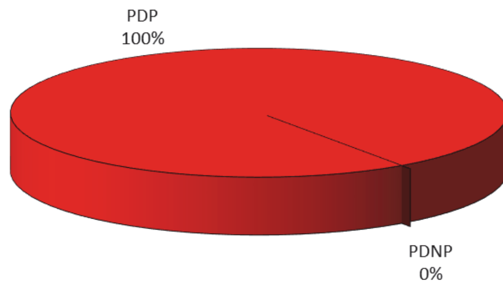
DIVERSIFIED GAS & OIL PLC

Total Proved Reserves Charts by Category

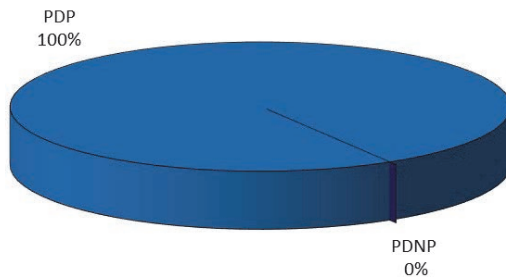
Net Oil & NGL Reserves



Net Gas Reserves

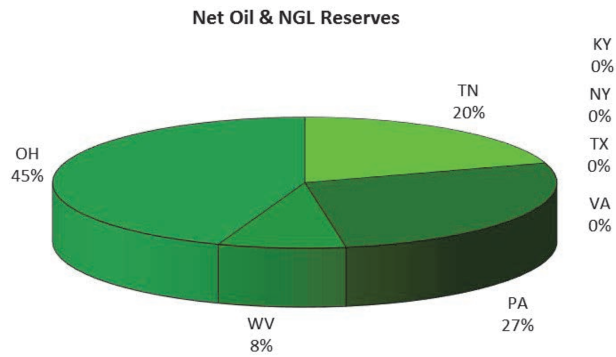


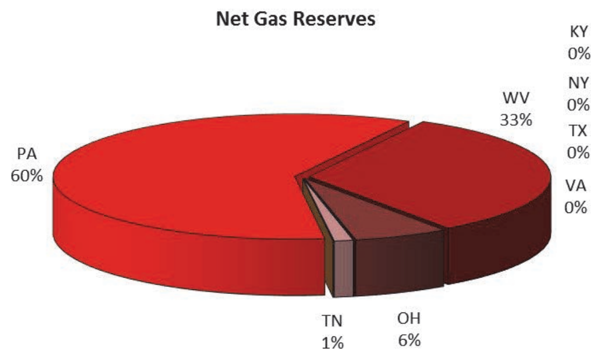
10.0 Percent Cum. Disc. (BTAX) Value

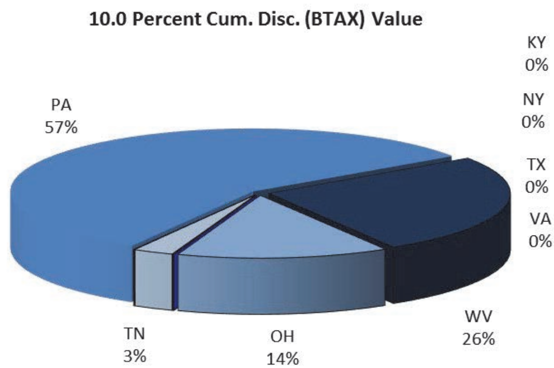


Wright & Company, Inc.
Petroleum Consultants

Exhibit D2
DIVERSIFIED GAS & OIL PLC
Total Proved Reserves Charts by State







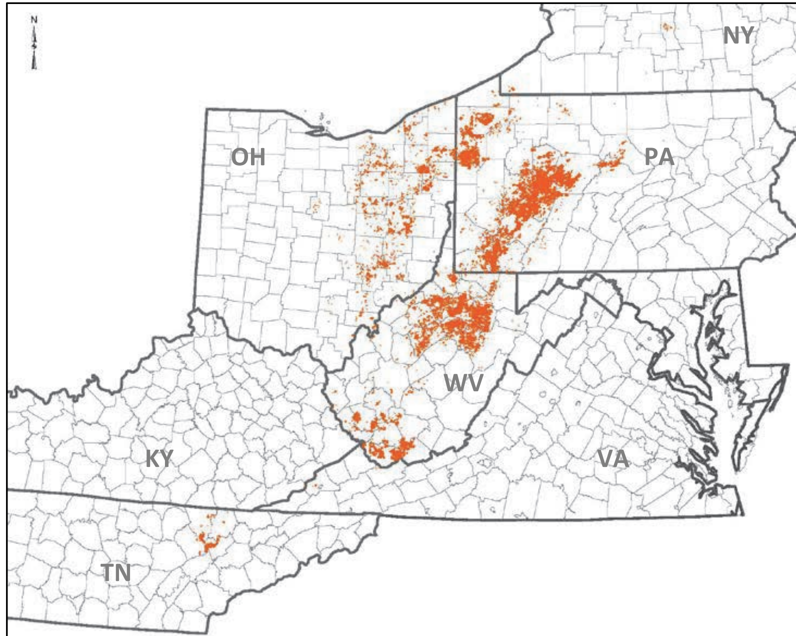
Wright & Company, Inc.
Petroleum Consultants

Exhibit E

Location of Evaluated Interests

DIVERSIFIED GAS & OIL PLC

Kentucky, New York, Ohio, Pennsylvania, Tennessee, Virginia, and West Virginia Properties



All properties located in Kansas, North Dakota, and Oklahoma are PDNP and are not included in the above map. There are also two (2) PDP and two (2) PDNP properties located in Texas that are not included in the above map.

Wright & Company, Inc.
Petroleum Consultants

Summaries

By Reserves Category (BTAX)

Wright & Company, Inc.
Petroleum Consultants

Exhibit F1

TOTAL PROVED
PDP & PDNP
TO THE INTERESTS OF
DIVERSIFIED GAS & OIL PLC

DATE : 06/13/2018
TIME : 18:54:31
DBS FILE : TKI
SCENARIO : WRI0418

R E S E R V E S   A N D   E C O N O M I C S

UTILIZING SPECIFIED ECONOMICS

JOB 18.1963

EFFECTIVE DATE: 04/2018

--END--	GROSS PRODUCTION			NET PRODUCTION			PRICES			M$
MO-YEAR	OIL, MBBL	GAS, MMCF	NGL, MBBL	OIL, MBBL	GAS, MMCF	NGL, MBBL	OIL $/B	GAS $/M	NGL $/B	TOTAL REVENUE
12-2018	336.805	58956.204	403.653	199.365	41126.364	339.212	59.72	2.393	11.00	114057.112
12-2019	415.132	73475.296	399.615	247.686	51445.640	339.589	55.15	2.339	11.00	137710.400
12-2020	381.422	68578.136	309.599	229.570	48171.448	265.689	51.56	2.294	11.00	125274.680
12-2021	351.617	64575.800	252.423	213.564	45499.480	218.398	49.18	2.396	11.00	121915.320
12-2022	324.957	60729.836	212.219	199.172	42890.140	184.928	47.88	2.457	11.00	116949.376
12-2023	300.906	57389.596	182.387	186.094	40584.960	159.930	47.44	2.519	11.00	112819.528
12-2024	279.393	54580.620	159.250	174.338	38632.408	140.421	47.62	2.577	11.00	109396.264
12-2025	259.527	51962.004	140.821	163.359	36802.236	124.789	47.95	2.639	11.00	106324.016
12-2026	241.008	49522.472	125.616	152.876	35094.000	111.824	48.36	2.702	11.00	103449.416
12-2027	224.384	47243.152	112.995	143.416	33498.998	100.985	48.36	2.767	11.00	100748.176
12-2028	208.918	45100.412	102.396	134.461	31995.572	91.812	48.37	2.838	11.00	98305.528
12-2029	194.851	43039.080	93.212	126.277	30544.258	83.833	48.37	2.913	11.00	96016.168
12-2030	181.493	41050.404	85.245	118.386	29143.582	76.868	48.37	2.996	11.00	93892.896
12-2031	168.857	38908.616	78.251	110.730	27626.188	70.719	48.37	2.997	11.00	88917.512
12-2032	157.155	36878.904	72.142	103.615	26184.116	65.322	48.37	2.997	11.00	84202.376
S TOT	4026.427	791990.592	2729.824	2502.909	559239.424	2374.318	50.12	2.608	11.00	1609978.752
AFTER	1891.382	532541.184	922.665	1293.592	375530.240	842.808	48.38	3.003	11.00	1199760.768
TOTAL	5917.809	1324531.712	3652.489	3796.501	934769.664	3217.126	49.53	2.767	11.00	2809739.520

--END--	OPERATIONS, M$				CAPITAL COSTS, M$					10.0%
MO-YEAR	SEV & ADV TAXES	NET OPER EXPENSES	T&C EXPENSES	ACTIVE WELLS	TANGIBLE INVEST.	INTANG. INVEST.	TOTAL INVEST.	SALVAGE VALUE	CASH FLOW BTAX, M$	CUM. DISC BTAX, M$
12-2018	2613.132	30205.542	11511.974	0.000	0.000	0.000	0.000	0.000	69729.504	67324.856
12-2019	3188.874	38514.472	14502.853	0.000	0.000	0.000	0.000	0.000	81504.520	139754.496
12-2020	2956.340	37002.544	13671.382	0.000	0.000	0.000	0.000	0.000	71644.768	197631.168
12-2021	2870.862	36126.048	12987.982	0.000	0.000	0.000	0.000	0.000	69930.704	248985.136
12-2022	2739.554	34899.036	13439.215	0.000	0.000	0.000	0.000	0.000	65871.548	292981.376
12-2023	2654.122	33951.880	14293.830	0.000	0.000	0.000	0.000	0.000	61920.188	330559.328
12-2024	2586.722	33403.236	13626.881	0.000	0.000	0.000	0.000	0.000	59779.424	363539.456
12-2025	2537.504	32828.514	13005.950	0.000	0.000	0.000	0.000	0.000	57952.576	392604.672
12-2026	2478.036	32272.588	12428.247	0.000	0.000	0.000	0.000	0.000	56270.860	418260.768
12-2027	2395.924	31778.996	11882.076	0.000	0.000	0.000	0.000	0.000	54691.996	440929.888
12-2028	2346.419	31299.794	11365.470	0.000	0.000	0.000	0.000	0.000	53293.892	461011.488
12-2029	2304.132	30756.540	10879.519	0.000	0.000	0.000	0.000	0.000	52076.104	478850.112
12-2030	2259.200	30186.076	10388.529	0.000	0.000	0.000	0.000	0.000	51059.736	494750.464
12-2031	2146.842	29112.544	9875.287	0.000	0.000	0.000	0.000	0.000	47783.300	508277.856
12-2032	2038.508	28077.252	9380.608	0.000	0.000	0.000	0.000	0.000	44706.072	519783.520
S TOT	38116.168	490415.072	183239.808	0.000	0.000	0.000	0.000	0.000	898215.040	519783.520
AFTER	31283.524	471900.192	141251.856	0.000	0.000	0.000	0.000	0.000	555336.576	583793.216
TOTAL	69399.696	962315.264	324491.648	0.000	0.000	0.000	0.000	0.000	1453551.616	583793.216

	OIL	GAS
GROSS WELLS	1126.0	41730.0
GROSS ULT., MB & MMF	36534.556	4586427.392
GROSS CUM., MB & MMF	30616.748	3261895.680
GROSS RES., MB & MMF	5917.810	1324531.712
NET RES., MB & MMF	3796.502	934769.664
NET REVENUE, M$	188027.680	2586322.176
INITIAL N.I., PCT.	59.111	63.302
FINAL N.I., PCT.	68.212	60.386

LIFE, YRS.	50.17
DISCOUNT %	10.00
UNDISCOUNTED PAYOUT, YRS.	0.00
DISCOUNTED PAYOUT, YRS.	0.00
RATE-OF-RETURN, PCT.	100.00
DISCOUNTED NET/INVEST.	0.00
INITIAL W.I., PCT.	70.261
FINAL W.I., PCT.	64.281

P.W. %	P.W., M$
9.00	621539.904
10.00	583792.192
15.00	449556.736
20.00	368112.992
25.00	313762.496
30.00	275004.096
40.00	223430.736
60.00	167836.480
80.00	138112.256
100.00	119432.920

WRIGHT & COMPANY, INC.
BRENTWOOD, TENNESSEE
JOHNNY D. STAMPER, P.E. / SENIOR PETROLEUM CONSULTANT
STEPHANIE MATLOCK / TECHNICAL ANALYST

Exhibit F1

PROVED DEVELOPED PRODUCING
PDP
TO THE INTERESTS OF
DIVERSIFIED GAS & OIL PLC

DATE : 06/13/2018
TIME : 18:51:54
DBS FILE : TKI
SCENARIO : WRI0418

R E S E R V E S   A N D   E C O N O M I C S

UTILIZING SPECIFIED ECONOMICS

JOB 18.1963

EFFECTIVE DATE: 04/2018

--END--	GROSS PRODUCTION			NET PRODUCTION			PRICES			M$
MO-YEAR	OIL, MBBL	GAS, MMCF	NGL, MBBL	OIL, MBBL	GAS, MMCF	NGL, MBBL	OIL $/B	GAS $/M	NGL $/B	TOTAL REVENUE
12-2018	336.805	58956.204	403.653	199.365	41126.364	339.212	59.72	2.393	11.00	114057.112
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12-2024	279.393	54580.620	159.250	174.338	38632.408	140.421	47.62	2.577	11.00	109396.264
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12-2029	194.851	43039.080	93.212	126.277	30544.258	83.833	48.37	2.913	11.00	96016.168
12-2030	181.493	41050.404	85.245	118.386	29143.582	76.868	48.37	2.996	11.00	93892.896
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AFTER	1891.382	532541.184	922.665	1293.592	375530.240	842.808	48.38	3.003	11.00	1199760.768
TOTAL	5917.809	1324531.712	3652.489	3796.501	934769.664	3217.126	49.53	2.767	11.00	2809739.520

--END--	OPERATIONS, M$				CAPITAL COSTS, M$					10.0%
MO-YEAR	SEV & ADV TAXES	NET OPER EXPENSES	T&C EXPENSES	ACTIVE WELLS	TANGIBLE INVEST.	INTANG. INVEST.	TOTAL INVEST.	SALVAGE VALUE	CASH FLOW BTAX, M$	CUM. DISC BTAX, M$
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12-2019	3188.874	38514.472	14502.853	0.000	0.000	0.000	0.000	0.000	81504.520	139754.496
12-2020	2956.340	37002.544	13671.382	0.000	0.000	0.000	0.000	0.000	71644.768	197631.168
12-2021	2870.862	36126.048	12987.982	0.000	0.000	0.000	0.000	0.000	69930.704	248985.136
12-2022	2739.554	34899.036	13439.215	0.000	0.000	0.000	0.000	0.000	65871.548	292981.376
12-2023	2654.122	33951.880	14293.830	0.000	0.000	0.000	0.000	0.000	61920.188	330559.328
12-2024	2586.722	33403.236	13626.881	0.000	0.000	0.000	0.000	0.000	59779.424	363539.456
12-2025	2537.504	32828.514	13005.950	0.000	0.000	0.000	0.000	0.000	57952.576	392604.672
12-2026	2478.036	32272.588	12428.247	0.000	0.000	0.000	0.000	0.000	56270.860	418260.768
12-2027	2395.924	31778.996	11882.076	0.000	0.000	0.000	0.000	0.000	54691.996	440929.888
12-2028	2346.419	31299.794	11365.470	0.000	0.000	0.000	0.000	0.000	53293.892	461011.488
12-2029	2304.132	30756.540	10879.519	0.000	0.000	0.000	0.000	0.000	52076.104	478850.112
12-2030	2259.200	30186.076	10388.529	0.000	0.000	0.000	0.000	0.000	51059.736	494750.464
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S TOT	38116.168	490415.072	183239.808	0.000	0.000	0.000	0.000	0.000	898215.040	519783.520
AFTER	31283.524	471900.192	141251.856	0.000	0.000	0.000	0.000	0.000	555336.576	583793.216
TOTAL	69399.696	962315.264	324491.648	0.000	0.000	0.000	0.000	0.000	1453551.616	583793.216

	OIL	GAS
GROSS WELLS	1064.0	37545.0
GROSS ULT., MB & MMF	35101.336	4421947.904
GROSS CUM., MB & MMF	29183.526	3097416.192
GROSS RES., MB & MMF	5917.810	1324531.712
NET RES., MB & MMF	3796.502	934769.664
NET REVENUE, M$	188027.680	2586322.176
INITIAL N.I., PCT.	59.111	63.303
FINAL N.I., PCT.	68.212	60.386

LIFE, YRS.	50.17
DISCOUNT %	10.00
UNDISCOUNTED PAYOUT, YRS.	0.00
DISCOUNTED PAYOUT, YRS.	0.00
RATE-OF-RETURN, PCT.	100.00
DISCOUNTED NET/INVEST.	0.00
INITIAL W.I., PCT.	70.659
FINAL W.I., PCT.	64.281

P.W. %	P.W., M$
9.00	621539.904
10.00	583792.192
15.00	449556.736
20.00	368112.992
25.00	313762.496
30.00	275004.096
40.00	223430.736
60.00	167836.480
80.00	138112.256
100.00	119432.920

WRIGHT & COMPANY, INC.
BRENTWOOD, TENNESSEE
JOHNNY D. STAMPER, P.E. / SENIOR PETROLEUM CONSULTANT
STEPHANIE MATLOCK / TECHNICAL ANALYST

Exhibit F1

PROVED DEVELOPED NONPRODUCING
PDNP
TO THE INTERESTS OF
DIVERSIFIED GAS & OIL PLC

DATE : 06/13/2018
TIME : 18:54:30
DBS FILE : TKI
SCENARIO : WRI0418

R E S E R V E S A N D E C O N O M I C S

UTILIZING SPECIFIED ECONOMICS

JOB 18.1963

EFFECTIVE DATE: 04/2018

--END--	GROSS PRODUCTION			NET PRODUCTION			PRICES			--- M$ ----
MO-YEAR	OIL, MBBL	GAS, MMCF	NGL, MBBL	OIL, MBBL	GAS, MMCF	NGL, MBBL	OIL $/B	GAS $/M	NGL $/B	TOTAL REVENUE
12-2018										
12-2019										
12-2020										
12-2021										
12-2022										
12-2023										
12-2024										
12-2025										
12-2026										
12-2027										
12-2028										
12-2029										
12-2030										
12-2031										
12-2032										
S TOT	0.000	0.000	0.000	0.000	0.000	0.000	0.00	0.000	0.00	0.000
AFTER	0.000	0.000	0.000	0.000	0.000	0.000	0.00	0.000	0.00	0.000
TOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.00	0.000	0.00	0.000

--END--	OPERATIONS, M$				CAPITAL COSTS, M$					10.0%
MO-YEAR	SEV & ADV TAXES	NET OPER EXPENSES	T&C EXPENSES	ACTIVE WELLS	TANGIBLE INVEST.	INTANG. INVEST.	TOTAL INVEST.	SALVAGE VALUE	CASH FLOW BTAX, M$	CUM. DISC BTAX, M$
12-2018										
12-2019										
12-2020										
12-2021										
12-2022										
12-2023										
12-2024										
12-2025										
12-2026										
12-2027										
12-2028										
12-2029										
12-2030										
12-2031										
12-2032										
S TOT	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
AFTER	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

	OIL	GAS
GROSS WELLS	62.0	4185.0
GROSS ULT., MB & MMF	1433.221	164479.584
GROSS CUM., MB & MMF	1433.221	164479.584
GROSS RES., MB & MMF	0.000	0.000
NET RES., MB & MMF	0.000	0.000
NET REVENUE, M$	0.000	0.000
INITIAL N.I., PCT.	0.000	26.804
FINAL N.I., PCT.	0.000	26.804

LIFE, YRS.	0.00
DISCOUNT %	10.00
UNDISCOUNTED PAYOUT, YRS.	0.00
DISCOUNTED PAYOUT, YRS.	0.00
RATE-OF-RETURN, PCT.	0.00
DISCOUNTED NET/INVEST.	0.00
INITIAL W.I., PCT.	31.223
FINAL W.I., PCT.	27.570

P.W. %	P.W., M$
9.00	0.000
10.00	0.000
15.00	0.000
20.00	0.000
25.00	0.000
30.00	0.000
40.00	0.000
60.00	0.000
80.00	0.000
100.00	0.000

WRIGHT & COMPANY, INC.
BRENTWOOD, TENNESSEE
JOHNNY D. STAMPER, P.E. / SENIOR PETROLEUM CONSULTANT
STEPHANIE MATLOCK / TECHNICAL ANALYST

Summaries

By Reserves Category (ATAX)

Wright & Company, Inc.
Petroleum Consultants

Exhibit F2

TOTAL PROVED
PDP & PDNP
TO THE INTERESTS OF
DIVERSIFIED GAS & OIL PLC

DATE : 06/13/2018
TIME : 13:08:20
DBS : TKI
SETTINGS : WRI0418
SCENARIO : WRI0418

A F T E R T A X E C O N O M I C S

UTILIZING SPECIFIED ECONOMICS

JOB 18.1963

EFFECTIVE DATE: 04/2018

--END-- MO-YEAR	TAXABLE CASH FLOW M$	DEPRECIA- TION M$	DEPLETION M$	INTANG. EXPENSED M$	INTEREST PAID & CAP M$	TAXABLE INCOME M$	TAX CREDIT M$	TAXES PAYABLE M$	CASH FLOW ATAX M$	10.0% CUM. DISC ATAX M$
12-2018	69729.504	0.000	0.000	0.000	0.000	69729.504	0.000	11854.005	57875.592	55843.468
12-2019	81504.520	0.000	0.000	0.000	0.000	81504.520	0.000	13855.717	67648.936	115894.688
12-2020	71644.768	0.000	0.000	0.000	0.000	71644.768	0.000	12179.564	59465.168	163882.528
12-2021	69930.704	0.000	0.000	0.000	0.000	69930.704	0.000	11888.213	58042.752	206464.160
12-2022	65871.548	0.000	0.000	0.000	0.000	65871.548	0.000	11198.194	54673.580	242927.728
12-2023	61920.188	0.000	0.000	0.000	0.000	61920.188	0.000	10526.375	51393.540	274087.648
12-2024	59779.424	0.000	0.000	0.000	0.000	59779.424	0.000	10162.506	49617.008	301435.872
12-2025	57952.576	0.000	0.000	0.000	0.000	57952.576	0.000	9851.893	48100.504	325537.856
12-2026	56270.860	0.000	0.000	0.000	0.000	56270.860	0.000	9566.066	46705.112	346813.152
12-2027	54691.996	0.000	0.000	0.000	0.000	54691.996	0.000	9297.668	45394.168	365611.488
12-2028	53293.892	0.000	0.000	0.000	0.000	53293.892	0.000	9059.986	44234.120	382264.096
12-2029	52076.104	0.000	0.000	0.000	0.000	52076.104	0.000	8852.951	43223.196	397056.896
12-2030	51059.736	0.000	0.000	0.000	0.000	51059.736	0.000	8680.144	42379.192	410242.272
12-2031	47783.300	0.000	0.000	0.000	0.000	47783.300	0.000	8123.172	39659.908	421459.904
12-2032	44706.072	0.000	0.000	0.000	0.000	44706.072	0.000	7600.050	37106.040	431001.056
12-2033	41815.560	0.000	0.000	0.000	0.000	41815.560	0.000	7108.677	34707.088	439114.048
12-2034	39091.408	0.000	0.000	0.000	0.000	39091.408	0.000	6645.487	32445.600	446008.960
12-2035	36534.016	0.000	0.000	0.000	0.000	36534.016	0.000	6210.798	30323.208	451867.008
12-2036	34122.176	0.000	0.000	0.000	0.000	34122.176	0.000	5800.749	28321.176	456840.928
12-2037	31862.238	0.000	0.000	0.000	0.000	31862.238	0.000	5416.595	26445.750	461063.200
S TOT	1081640.448	0.000	0.000	0.000	0.000	1081640.448	0.000	183878.800	897761.600	461063.200
AFTER	371911.232	0.000	0.000	0.000	0.000	371911.232	0.000	63224.872	308685.728	484080.160
TOTAL	1453551.616	0.000	0.000	0.000	0.000	1453551.616	0.000	247103.680	1206447.360	484080.160

BTAX RATE OF RETURN (PCT)	100.00	ATAX RATE OF RETURN (PCT)	100.00
BTAX PAYOUT YEARS	0.00	ATAX PAY OUT YEARS	0.00
BTAX PAYOUT YEARS (DISC)	0.00	ATAX PAY OUT YEARS (DISC)	0.00
BTAX NET INCOME/INVEST	0.00	ATAX NET INCOME/INVEST	0.00
BTAX NET INCOME/INVEST(DISC)	0.00	ATAX NET INCOME/INVEST(DISC)	0.00
PRODUCTION START DATE	08/2011	PROJECT LIFE (YEARS)	50.17
		DISCOUNT - RATE (PCT)	10.00
INITIAL OIL PRICE ($/B)	59.558	INITIAL GAS PRICE ($/M)	2.367
MAXIMUM OIL PRICE ($/B)	48.370	MAXIMUM GAS PRICE ($/M)	3.002
GROSS OIL WELLS	****	GROSS GAS WELLS	****
CUMULATIVE OIL (MBBL)	30616.748	CUMULATIVE GAS (MMF)	3261895.680
REMAINING OIL (MBBL)	5917.810	REMAINING GAS (MMCF)	1324531.712
ULTIMATE OIL (MBBL)	36534.556	ULTIMATE GAS (MMCF)	4586427.392
INITIAL WI (PCT)	70.261	FINAL WI (PCT)	64.281
INITIAL NET OIL (PCT)	59.111	FINAL NET OIL (PCT)	68.212
INITIAL NET GAS (PCT)	63.302	FINAL NET GAS (PCT)	60.386

PRESENT WORTH PROFILE AND
---- RATE-OF-RETURN VS. BONUS TABLE ---

P.W. FACTOR %	B.F.I.T. WORTH M$	A.F.I.T. WORTH M$	A.F.I.T. BONUS M$
0.00	1453556.2	1206442.4	1453556.0
9.00	621539.9	515443.5	554566.7
10.00	583792.2	484081.0	518481.0
15.00	449556.7	372515.1	392747.8
20.00	368113.0	304783.9	318317.3
25.00	313762.5	259557.2	269380.6
30.00	275004.1	227279.5	234820.7
35.00	245982.0	203093.8	209120.2
40.00	223430.7	184284.9	189251.7
50.00	190620.6	156883.0	160486.1
60.00	167836.5	137822.3	140605.4
70.00	151040.6	123746.2	125988.6
80.00	138112.3	112890.4	114756.3
90.00	127826.8	104238.7	105829.9
100.00	119432.9	97165.3	98547.9

WRIGHT & COMPANY, INC.
BRENTWOOD, TENNESSEE
JOHNNY D. STAMPER, P.E. / SENIOR PETROLEUM CONSULTANT
STEPHANIE MATLOCK / TECHNICAL ANALYST

Exhibit F2

PROVED DEVELOPED PRODUCING
PDP
TO THE INTERESTS OF
DIVERSIFIED GAS & OIL PLC

DATE : 06/13/2018
TIME : 13:03:50
DBS : TKI
SETTINGS : WRI0418
SCENARIO : WRI0418

A F T E R T A X E C O N O M I C S

UTILIZING SPECIFIED ECONOMICS

JOB 18.1963

EFFECTIVE DATE: 04/2018

--END-- MO-YEAR	TAXABLE CASH FLOW M$	DEPRECIA- TION M$	DEPLETION M$	INTANG. EXPENSED M$	INTEREST PAID & CAP M$	TAXABLE INCOME M$	TAX CREDIT M$	TAXES PAYABLE M$	CASH FLOW ATAX M$	10.0% CUM. DISC ATAX M$
12-2018	69729.504	0.000	0.000	0.000	0.000	69729.504	0.000	11854.005	57875.592	55843.468
12-2019	81504.520	0.000	0.000	0.000	0.000	81504.520	0.000	13855.717	67648.936	115894.688
12-2020	71644.768	0.000	0.000	0.000	0.000	71644.768	0.000	12179.564	59465.168	163882.528
12-2021	69930.704	0.000	0.000	0.000	0.000	69930.704	0.000	11888.213	58042.752	206464.160
12-2022	65871.548	0.000	0.000	0.000	0.000	65871.548	0.000	11198.194	54673.580	242927.728
12-2023	61920.188	0.000	0.000	0.000	0.000	61920.188	0.000	10526.375	51393.540	274087.648
12-2024	59779.424	0.000	0.000	0.000	0.000	59779.424	0.000	10162.506	49617.008	301435.872
12-2025	57952.576	0.000	0.000	0.000	0.000	57952.576	0.000	9851.893	48100.504	325537.856
12-2026	56270.860	0.000	0.000	0.000	0.000	56270.860	0.000	9566.066	46705.112	346813.152
12-2027	54691.996	0.000	0.000	0.000	0.000	54691.996	0.000	9297.668	45394.168	365611.488
12-2028	53293.892	0.000	0.000	0.000	0.000	53293.892	0.000	9059.986	44234.120	382264.096
12-2029	52076.104	0.000	0.000	0.000	0.000	52076.104	0.000	8852.951	43223.196	397056.896
12-2030	51059.736	0.000	0.000	0.000	0.000	51059.736	0.000	8680.144	42379.192	410242.272
12-2031	47783.300	0.000	0.000	0.000	0.000	47783.300	0.000	8123.172	39659.908	421459.904
12-2032	44706.072	0.000	0.000	0.000	0.000	44706.072	0.000	7600.050	37106.040	431001.056
12-2033	41815.560	0.000	0.000	0.000	0.000	41815.560	0.000	7108.677	34707.088	439114.048
12-2034	39091.408	0.000	0.000	0.000	0.000	39091.408	0.000	6645.487	32445.600	446008.960
12-2035	36534.016	0.000	0.000	0.000	0.000	36534.016	0.000	6210.798	30323.208	451867.008
12-2036	34122.176	0.000	0.000	0.000	0.000	34122.176	0.000	5800.749	28321.176	456840.928
12-2037	31862.238	0.000	0.000	0.000	0.000	31862.238	0.000	5416.595	26445.750	461063.200
S TOT	1081640.448	0.000	0.000	0.000	0.000	1081640.448	0.000	183878.800	897761.600	461063.200
AFTER	371911.232	0.000	0.000	0.000	0.000	371911.232	0.000	63224.872	308685.728	484080.160
TOTAL	1453551.616	0.000	0.000	0.000	0.000	1453551.616	0.000	247103.680	1206447.360	484080.160

BTAX RATE OF RETURN (PCT)	100.00	ATAX RATE OF RETURN (PCT)	100.00
BTAX PAYOUT YEARS	0.00	ATAX PAY OUT YEARS	0.00
BTAX PAYOUT YEARS (DISC)	0.00	ATAX PAY OUT YEARS (DISC)	0.00
BTAX NET INCOME/INVEST	0.00	ATAX NET INCOME/INVEST	0.00
BTAX NET INCOME/INVEST(DISC)	0.00	ATAX NET INCOME/INVEST(DISC)	0.00
PRODUCTION START DATE	08/2011	PROJECT LIFE (YEARS)	50.17
		DISCOUNT - RATE (PCT)	10.00
INITIAL OIL PRICE ($/B)	59.556	INITIAL GAS PRICE ($/M)	2.366
MAXIMUM OIL PRICE ($/B)	48.370	MAXIMUM GAS PRICE ($/M)	3.002
GROSS OIL WELLS	****	GROSS GAS WELLS	****
CUMULATIVE OIL (MBBL)	29183.526	CUMULATIVE GAS (MMF)	3097416.192
REMAINING OIL (MBBL)	5917.810	REMAINING GAS (MMCF)	1324531.712
ULTIMATE OIL (MBBL)	35101.336	ULTIMATE GAS (MMCF)	4421947.904
INITIAL WI (PCT)	70.659	FINAL WI (PCT)	64.281
INITIAL NET OIL (PCT)	59.111	FINAL NET OIL (PCT)	68.212
INITIAL NET GAS (PCT)	63.303	FINAL NET GAS (PCT)	60.386

PRESENT WORTH PROFILE AND
---- RATE-OF-RETURN VS. BONUS TABLE ---

P.W. FACTOR %	B.F.I.T. WORTH M$	A.F.I.T. WORTH M$	A.F.I.T. BONUS M$
0.00	1453556.2	1206442.4	1453556.0
9.00	621539.9	515443.5	554566.7
10.00	583792.2	484081.0	518481.0
15.00	449556.7	372515.1	392747.8
20.00	368113.0	304783.9	318317.3
25.00	313762.5	259557.2	269380.6
30.00	275004.1	227279.5	234820.7
35.00	245982.0	203093.8	209120.2
40.00	223430.7	184284.9	189251.7
50.00	190620.6	156883.0	160486.1
60.00	167836.5	137822.3	140605.4
70.00	151040.6	123746.2	125988.6
80.00	138112.3	112890.4	114756.3
90.00	127826.8	104238.7	105829.9
100.00	119432.9	97165.3	98547.9

WRIGHT & COMPANY, INC.
BRENTWOOD, TENNESSEE
JOHNNY D. STAMPER, P.E. / SENIOR PETROLEUM CONSULTANT
STEPHANIE MATLOCK / TECHNICAL ANALYST

Exhibit F2

PROVED DEVELOPED NONPRODUCING
PDNP
TO THE INTERESTS OF
DIVERSIFIED GAS & OIL PLC

DATE : 06/13/2018
TIME : 13:08:20
DBS : TKI
SETTINGS : WRI0418
SCENARIO : WRI0418

A F T E R   T A X   E C O N O M I C S

UTILIZING SPECIFIED ECONOMICS

JOB 18.1963

EFFECTIVE DATE: 04/2018

--END-- MO-YEAR	TAXABLE CASH FLOW M$	DEPRECIA-TION M$	DEPLETION M$	INTANG. EXPENSED M$	INTEREST PAID & CAP M$	TAXABLE INCOME M$	TAX CREDIT M$	TAXES PAYABLE M$	CASH FLOW ATAX M$	10.0% CUM. DISC ATAX M$
12-2018										
12-2019										
12-2020										
12-2021										
12-2022										
12-2023										
12-2024										
12-2025										
12-2026										
12-2027										
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12-2029										
12-2030										
12-2031										
12-2032										
12-2033										
12-2034										
12-2035										
12-2036										
12-2037										
S TOT	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
AFTER	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

BTAX RATE OF RETURN (PCT)	0.00	ATAX RATE OF RETURN (PCT)	0.00
BTAX PAYOUT YEARS	0.00	ATAX PAY OUT YEARS	0.00
BTAX PAYOUT YEARS (DISC)	0.00	ATAX PAY OUT YEARS (DISC)	0.00
BTAX NET INCOME/INVEST	0.00	ATAX NET INCOME/INVEST	0.00
BTAX NET INCOME/INVEST(DISC)	0.00	ATAX NET INCOME/INVEST(DISC)	0.00
PRODUCTION START DATE	08/2011	PROJECT LIFE (YEARS)	0.00
		DISCOUNT - RATE (PCT)	10.00
INITIAL OIL PRICE ($/B)	59.780	INITIAL GAS PRICE ($/M)	2.454
MAXIMUM OIL PRICE ($/B)	0.000	MAXIMUM GAS PRICE ($/M)	2.353
GROSS OIL WELLS	62.	GROSS GAS WELLS	****
CUMULATIVE OIL (MBBL)	1433.221	CUMULATIVE GAS (MMF)	164479.584
REMAINING OIL (MBBL)	0.000	REMAINING GAS (MMCF)	0.000
ULTIMATE OIL (MBBL)	1433.221	ULTIMATE GAS (MMCF)	164479.584
INITIAL WI (PCT)	31.223	FINAL WI (PCT)	27.570
INITIAL NET OIL (PCT)	0.000	FINAL NET OIL (PCT)	0.000
INITIAL NET GAS (PCT)	26.804	FINAL NET GAS (PCT)	26.804

PRESENT WORTH PROFILE AND
---- RATE-OF-RETURN VS. BONUS TABLE ---

P.W. FACTOR %	B.F.I.T. WORTH M$	A.F.I.T. WORTH M$	A.F.I.T. BONUS M$
0.00	0.0	0.0	0.0
9.00	0.0	0.0	0.0
10.00	0.0	0.0	0.0
15.00	0.0	0.0	0.0
20.00	0.0	0.0	0.0
25.00	0.0	0.0	0.0
30.00	0.0	0.0	0.0
35.00	0.0	0.0	0.0
40.00	0.0	0.0	0.0
50.00	0.0	0.0	0.0
60.00	0.0	0.0	0.0
70.00	0.0	0.0	0.0
80.00	0.0	0.0	0.0
90.00	0.0	0.0	0.0
100.00	0.0	0.0	0.0

WRIGHT & COMPANY, INC.
BRENTWOOD, TENNESSEE
JOHNNY D. STAMPER, P.E. / SENIOR PETROLEUM CONSULTANT
STEPHANIE MATLOCK / TECHNICAL ANALYST

Exhibit G

DIVERSIFIED GAS & OIL PLC
NYMEX Base Prices

Annual Average NYMEX Futures Prices as of March 29, 2018			
Year	Oil, $/bbl	Gas, $/MMBtu	NGL, $/bbl
2018 (Apr. – Dec.)	63.78	2.836	11.00
2019	59.21	2.792	11.00
2020	55.62	2.775	11.00
2021	53.24	2.829	11.00
2022	51.93	2.888	11.00
2023	51.49	2.948	11.00
2024	51.67	3.004	11.00
2025	52.00	3.064	11.00
2026	52.41	3.125	11.00
2027	52.41	3.188	11.00
2028	52.41	3.256	11.00
2029	52.41	3.329	11.00
2030 and thereafter	52.41	3.409	11.00

Wright & Company, Inc.
Petroleum Consultants

Exhibit H

Professional Qualifications
D. Randall Wright, President

I, D. Randall Wright, am the primary technical person in charge of the estimates of reserves and associated cash flow and economics on behalf of Wright & Company, Inc. (Wright) for the results presented in this report to Diversified Gas & Oil PLC. I have a Master of Science degree in Mechanical Engineering from Tennessee Technological University.

I am a qualified Reserves Estimator as set forth in the *"Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information"* promulgated by the Society of Petroleum Engineers. I am also qualified as a Competent Person (CP) as defined by the AIM Market of the London Stock Exchange (AIM). This qualification is based on more than 44 years of practical experience in the estimation and evaluation of petroleum reserves with Texaco, Inc., First City National Bank of Houston, Sipes, Williamson & Associates, Inc., Williamson Petroleum Consultants, Inc., and Wright which I founded in 1988.

I am a registered Professional Engineer in the state of Texas (TBPE #43291), granted in 1978, a member of the Society of Petroleum Engineers (SPE) and a member of the Order of the Engineer.

D. Randall Wright, P.E.
TX Reg. No. F-12302

Wright & Company, Inc.
Petroleum Consultants

Exhibit I
DIVERSIFIED GAS & OIL PLC
Confirmations

In accordance with your instructions, Wright & Company, Inc. (Wright) hereby confirms that:

(a) Wright consents to the CPR to be issued into the public domain by DGO.

(b) Wright accepts responsibility for the CPR and for any information sourced from the CPR. In accordance with Schedule Two to the AIM Rules (and paragraph 1.2 of Annex 1 of Appendix 3 to the Financial Conduct Authority's Prospectus Rules), Wright confirms, to the best of the knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained therein is in accordance with the facts and contains no omission likely to affect the import of such information;

(c) Wright confirms that it is unaware of any material change in circumstances to those stated in the CPR;

(d) D. Randall Wright, President of Wright, who supervised the evaluation, is professionally qualified and a member in good standing of the Society of Petroleum Engineers (SPE);

(e) Wright has the relevant and appropriate qualifications, experience, and technical knowledge to professionally and independently appraise the assets of DGO, which we have reported on;

(f) Wright considers that the scope of the CPR is appropriate and was prepared to a standard expected in accordance with the *Note on Mining and Oil & Gas Companies* issued by the London Stock Exchange;

(g) Wright has at least five years relevant experience in the estimation, assessment, and evaluation of oil, gas, and other liquid hydrocarbons under consideration;

(h) Wright is an independent petroleum consulting firm founded in 1988 and is independent of DGO and its directors, senior management and advisers, has no material interest in DGO or its properties and has acted as an independent competent person for the purposes of providing a report on the assets;

(i) No employee, officer, or director of Wright is an employee, officer, or director of DGO, nor does Wright or any of its employees have direct financial interest in DGO. Neither the employment of nor the compensation received by Wright is contingent upon the values assigned or the opinions rendered regarding the properties covered by this CPR; and

(j) Wright is not a sole practitioner.

COMPETENT PERSON'S REPORT (CPR)

ON THE ASSETS AQCUIRED FROM EQT CORPORATION

Prepared For:

DIVERSIFIED GAS & OIL PLC
1100 CORPORATE DRIVE
BIRMINGHAM, AL 35242, UNITED STATES

THE DIRECTORS
SMITH & WILLIAMSON CORPORATE FINANCE LIMITED
25 MOORGATE
LONDON, EC2R 6AY, UNITED KINGDOM

June 13, 2018

Wright & Company, Inc.
Petroleum Consultants

TABLE OF CONTENTS

	PAGE
EXECUTIVE SUMMARY	1
INTRODUCTION	1
COMPANY BACKGROUND	2
GENERAL INFORMATION	2
DATA SOURCES	3
METHODS OF RESERVES DETERMINATION	4
INTERESTS	4
PRODUCT PRICES	4
OPERATING EXPENSES	5
SEVERANCE TAXES	5
INVESTMENTS	5
AREA OF MATERIAL ASSETS	5
Introduction	5
Technical Discussion	6
Key Area Overviews	9
Midstream Assets	11
RESERVES AND VALUE BY STATE	12
PROPERTY ABANDONMENT AND SALVAGE	13
ENVIRONMENTAL CONSIDERATIONS	13
CONCLUSIONS	13
PROFESSIONAL QUALIFICATIONS	13

APPENDIX 1

Summary Table of Assets – Oil & Gas

EXHIBITS

A	Summary of Results – Oil and Gas Reserves
B	SPE Petroleum Reserves Definitions
C	Glossary of Terms
D1	Total Proved Reserves Charts by Category
D2	Total Proved Reserves Charts by State
E	Map - Location of Evaluated Interests
F1	Cash Flow Summaries (BTAX)
F2	Cash Flow Summaries (ATAX)
G	NYMEX Base Prices
H	Professional Qualifications
I	Confirmations

Wright & Company, Inc.
Petroleum Consultants

EXECUTIVE SUMMARY

Wright & Company, Inc. (Wright) has performed an evaluation of the proposed acquisition of certain gas and oil assets from EQT Corporation (EQT) referred to herein as EQT Assets by Diversified Gas & Oil PLC (DGO or Company). In June 2018, the Company entered into a letter of intent to acquire certain producing gas and oil properties, comprising approximately 12,000 wells. The wells are located close to the Company's existing operations in the Appalachian Basin in the eastern United States (U.S.) and is located in the states of Kentucky, Maryland, Virginia, and West Virginia.

All evaluations were completed using the guidelines as documented by the Society of Petroleum Engineers (SPE), and the report has been prepared in accordance with the standards of the *Note on Mining and Oil & Gas Companies* issued by the London Stock Exchange (LSE) (NOTE). This report details the methods, prices, expenses, and other criteria utilized in the evaluation process. Wright is confident that this report provides a fair and reasonable representation of the reserves and the associated results of the EQT Assets. The following table is a summary of the results of the evaluation.

Evaluation of EQT Assets Utilizing Specified Economics	Proved Developed Producing (PDP)	Proved Developed Nonproducing (PDNP)	Total Proved
Net Reserves to the Evaluated Interests			
Oil, Mbbl:	1,451.582	0.000	1,451.582
Gas, MMcf:	1,048,731.776	0.000	1,048,731.776
NGL, Mbbl:	54,231.616	0.000	54,231.616
Oil Equivalent, MBOE: (1 BOE = 6 Mcf)	230,471.827	0.000	230,471.827
Cash Flow Before Tax (BTAX), M$			
Undiscounted:	1,696,936.960	0.000	1,696,936.960
Discounted at 10% per Annum:	804,123.008	0.000	804,123.008
Cash Flow After Tax (ATAX), M$			
Undiscounted:	1,408,457.984	0.000	1,408,457.984
Discounted at 10% per Annum:	661,352.064	0.000	661,352.064

INTRODUCTION

At the request of DGO, Wright has been engaged to perform an evaluation to estimate proved reserves and associated cash flow and economics from the EQT Assets. This evaluation was authorized by Mr. Robert "Rusty" Hutson, Jr. of DGO. It is the understanding of Wright that this Competent Person's Report (CPR) will be included in the admission document issued by the Company in relation to the acquisition of the EQT Assets and admission of DGO's issued and to be issued share capital to trading on the AIM Market of the LSE (AIM). This CPR is provided in accordance with the NOTE. Wright meets the requirements of a qualified Competent Person (CP) as stipulated in the NOTE. Additionally, Wright understands that this CPR may be presented by DGO to certain existing investors or financial institutions. The results of this evaluation, with economic parameters effective as of April 1, 2018, are summarized in the attached **Exhibit A**.

Oil, gas, and other liquid hydrocarbon reserves were evaluated for the proved developed producing (PDP) and proved developed nonproducing (PDNP) categories. The summary classification of total proved reserves combines the PDP and PDNP categories. In preparing this evaluation, no attempt has been made to quantify the element of uncertainty associated with any reserves category. Reserves were assigned to each category as warranted. The *SPE Petroleum Reserves Definitions*, found in

Exhibit B, describes all categories of reserves. A glossary of terms used throughout this CPR can be found in **Exhibit C**. Charts indicating the percent allocation of net proved reserves by reserves category and by state can be found in **Exhibit D1** and **Exhibit D2**.

The individual projections of lease reserves and economics were generated using certain data that describe the production forecasts and all associated evaluation parameters such as interests, severance and ad valorem taxes, product prices, operating expenses, and investments, as applicable. These data reports are not presented individually, but are a part of Wright's work product and are retained in our files. This CPR is intended to be used in its entirety and should not be used for any purpose other than that outlined herein without the prior knowledge of and express written authorization by an officer of Wright. This CPR will be included in the Company's admission document, which will be a public document.

COMPANY BACKGROUND

DGO is an Appalachian Basin focused gas and oil company with headquarters in Birmingham, Alabama, U.S. DGO was founded in 2001 and currently owns or operates approximately 42,000 conventional vertical and horizontal wells in Kentucky, Ohio, Pennsylvania, Tennessee, and West Virginia. DGO currently does not perform high-risk drilling projects, but has focused on existing areas with stable and reasonably predictable production. DGO's strategic plan for growth includes, but is not necessarily limited to, acquisition and consolidation of other gas and oil producing assets, improving productivity of existing wells, and reducing overall expenses with improved economies of scale.

Recent activities in horizontal wells have caused many companies to lose focus of older conventional wells where performance trends are well established and easily predictable. In the opinion of Wright, this has created more opportunities for DGO to consider and continue to successfully grow. The acquisition of the EQT Assets continues this overall corporate strategy.

GENERAL INFORMATION

The properties evaluated in this CPR are located in the northeastern U.S. in the Appalachian Basin. The wells and locations are in the states of Kentucky, Maryland, Virginia, and West Virginia. A map showing the states and counties in which the properties included in this CPR are located can be found in **Exhibit E**.

For this evaluation, projections of the reserves and associated cash flow and economics to the evaluated interests were based on specified economic parameters, operating conditions, and government regulations considered to be applicable at the effective date. Net income to the evaluated interests is the cash flow after consideration of royalty revenue payable to others, standard state and county taxes, operating expenses, investments, salvage values, and abandonment costs, as applicable. The cash flow is before federal income tax (BTAX) and excludes consideration of any encumbrances against the properties if such exist. At the request of DGO, Wright has also included a summary of cash flow values after federal income tax (ATAX). These summaries can be found in **Exhibit F1** and **Exhibit F2**. The cash flow values presented in **Exhibit F1** and **Exhibit F2** were based on projections of annual oil and gas production or sales. It was assumed there would be no significant delay between the date of oil and gas production and the receipt of the associated revenue for this production.

Wright used the ARIES™ Version 5000.2.1.0 petroleum software program of Landmark Graphics Corporation, a Halliburton business line, in the evaluation of the properties. Certain data such as product prices, operating expenses, ad valorem tax rate, and interests were provided by DGO, the accuracy of which were not independently verified by Wright. Wright did not review individual gas and oil purchase contracts. A review of the base price terms and adjustments is contained in the "Product Prices" section of this CPR. It should be noted that the values contained in this CPR may not always add to exactly the same values as shown in the summaries due to internal rounding in the ARIES™ petroleum software program.

Unless specifically identified and documented by DGO as having curtailment problems, gas production or sales trends have been assumed to be a function of well productivity and not of market conditions. In the opinion of Wright, for properties in which current rates of production are limited due to operating conditions, projections represent the operating status at the effective date.

Oil and other liquid hydrocarbon volumes are expressed in thousands of U.S. barrels (Mbbl) of 42 U.S. gallons. Gas volumes are expressed in millions of standard cubic feet (MMcf) at 60 degrees Fahrenheit and at the legal pressure base that prevails in the state in which the reserves are located. For purposes of this CPR, quantities of natural gas are converted into equivalent quantities of oil at the ratio of 6 Mcf = 1 barrel of oil equivalent (BOE). No adjustment of the individual gas volumes to a common pressure base has been made.

No investigation was made of potential gas volume and/or value imbalances that may have resulted from over/under delivery to the evaluated interests. Therefore, the estimates of reserves and cash flow do not include adjustments for the settlement of any such imbalances.

The Cash Flow (BTAX) and Cash Flow (ATAX) were discounted monthly at an annual rate of 10.0 percent as requested by DGO. Future cash flow was also discounted at several secondary rates as indicated on each reserves and economics page. These additional discounted amounts are displayed as totals only. It should be noted that no opinion is expressed by Wright as to the fair market value of the evaluated properties. In the determination of the Cash Flow (ATAX), DGO represented to Wright that their corporate tax rate was 17 percent, which was used in accordance with their instructions.

This CPR includes only those costs and revenues provided by DGO that are directly attributable to individual leases and areas. There could exist other revenues, overhead costs, or other costs associated with DGO, the EQT Assets, and any other entity that are not included in this CPR. Such additional costs and revenues are outside the scope of this evaluation. This CPR is not a financial statement for DGO nor the EQT Assets and should not be used as the sole basis for any transaction concerning DGO or the evaluated EQT Assets.

DATA SOURCES

All data utilized in the preparation of this CPR with respect to the EQT Assets ownership interests, product prices, gas contract terms, operating expenses, investments, salvage values, abandonment costs, well information, and current operating conditions, as applicable, were provided by DGO. Data obtained after the effective date, but prior to the completion of this CPR, were used only if such data were applied consistently. If such data were used, the reserves category assignments reflect the status of the wells as of the effective date. Production or sales data were provided by DGO. All data have been reviewed for reasonableness and, unless obvious errors were detected, have been accepted as correct. It should be emphasized that revisions to the projections of reserves and economics included in this CPR may be required if the provided data are revised for any reason. Historically, Wright has not

inspected the properties it has evaluated, and Wright believes it is neither necessary nor customary for the purposes and scope of this CPR.

METHODS OF RESERVES DETERMINATION

The estimates of reserves contained in this CPR were determined by accepted industry methods as determined by the *Guidelines for Application of the Petroleum Resources Management System*, dated November 2011, and in accordance with the *SPE Petroleum Reserves Definitions* found in **Exhibit B**. Methods utilized in this CPR include extrapolation of historical production or sales trends and analogy to similar producing properties.

Where sufficient production history and other data were available, reserves for producing properties were determined by extrapolation of historical production or sales trends, commonly referred to as Decline Curve Analysis (DCA). In some of the wells, the historical production data may be incomplete. Analogy to similar producing properties was used for those properties that lacked sufficient production history and other data to yield a definitive estimate of reserves. It should be noted that subsequent production performance trends or material balance calculations may cause the need for significant revisions to the estimates of reserves.

There are significant uncertainties inherent in estimating reserves, future rates of production, and the timing and amount of future costs. The estimation of reserves must be recognized as a subjective process that cannot be measured in an exact way, and estimates of others might differ materially from those of Wright. The accuracy of any reserves estimate is a function of the quantity and quality of available data and of subjective interpretations and judgments. It should be emphasized that production data subsequent to the date of these estimates or changes in the analogous properties may warrant revisions of such estimates. Accordingly, reserves estimates are often different from the quantities of oil and gas that are ultimately recovered.

INTERESTS

The overall average working interest (WI) contained in the EQT Assets and expected to be transferred to DGO calculates to be approximately 95 percent, and the overall average net revenue interest (NRI) calculates to be approximately 88 percent. The average royalty rate is approximately 7.4 percent. There are approximately 3,500 properties that include the royalty interest.

PRODUCT PRICES

According to the instructions of DGO, the base product prices used for this CPR were the New York Mercantile Exchange (NYMEX) Futures Settlements as published by CME Group on March 29, 2018, for West Texas Intermediate oil at Cushing, Oklahoma, and natural gas at Henry Hub, Louisiana. Annual average NYMEX futures oil prices were used through December 2026. Thereafter, the oil price was held constant at the 2026 price for the life of the properties. Annual average NYMEX futures gas prices were used through December 2030. Thereafter, the gas price was held constant at the December 2030 price for the life of the properties. A table showing the base product prices can be found in **Exhibit G**. As instructed by DGO, the base product prices were adjusted for quality and basis differential. The resultant average product prices are $51.53 per barrel of oil and $3.083 per Mcf of gas. The natural gas liquids (NGL) product price was estimated to be approximately 54 percent of the base oil price, resulting in a weighted average price of $17.71 per barrel. It should be emphasized that with the current economic uncertainties, fluctuations in market conditions could significantly change the economics in this CPR.

OPERATING EXPENSES

Operating expenses were provided by DGO and were used in accordance with their instructions. According to DGO, these expenses were based upon the latest available twelve-month average actual costs and included, but were not limited to, all direct operating expenses and field level overhead costs. Expenses for workovers, well stimulations, and other maintenance were not included in the operating expenses unless such work was expected on a recurring basis. Judgments for the exclusion of the nonrecurring expenses were made by DGO. Any internal indirect overhead costs (general and administrative), which are not billable to the working interest owners, were not included. Based on the economics in this evaluation, the operating expenses for the PDP properties are expected to average approximately $5.00 per barrel of oil equivalent (BOE) through year 2023. After the effective date, the operating expenses were held constant for the life of the properties. It should be noted that these types of production profiles and estimated future volumes should have a relatively low cost per unit production.

SEVERANCE TAXES

Standard state severance taxes have been deducted as appropriate. All taxes were provided by DGO or based on current published rates and were used in accordance with the instructions of DGO. The following table shows the various rates for each state used in this evaluation.

State	Severance Tax Rates	
	Oil	Gas
Kentucky	Ranged from 0% to 0.50% of revenue, depending on area	Ranged from 3% to 4.5% of revenue, depending on area
Maryland	5.00% of revenue	4.25% of revenue
Virginia	Ranged from 0.50% to 5% of revenue, depending on area	Ranged from 3% to 4.25% of revenue, depending on area
West Virginia	Ranged from 0% to 5% of revenue, depending on area	Ranged from 4.25% to 4.50% of revenue, depending on area

INVESTMENTS

In most PDP wells, which contribute the majority of the total value, little or no capital investment is expected to be incurred to maintain the production profile for anticipated future production. At the request of DGO, Wright included an annual capital investment of eight million dollars for gathering system maintenance. Wright also included five million dollars per year for miscellaneous well maintenance expenses. At the request of DGO, these capital costs were included through the life of the properties. Wright did not evaluate any behind-pipe zones for potential recompletion or undeveloped locations in the EQT Assets; therefore, there is no capital investment anticipated in this CPR for the drilling and completion of future development wells.

AREA OF MATERIAL ASSETS

Introduction

Wright was founded in 1988 by D. Randall Wright. In preparing this CPR, Mr. Wright had the direct oversight and management of the evaluation methods and procedures and is a professionally qualified Competent Person (CP) under the AIM Rules for Companies (AIM Rules). Wright has evaluated tens of thousands of wells similar to the ones included in this CPR for many clients. Wright routinely prepares CPRs, or similar reports, for clients of their oil and gas reserves and economics pursuant to the

financial reporting requirements of the U.S. Securities and Exchange Commission (SEC) for various publicly traded companies.

Wright maintains extensive knowledge and utilizes its proprietary internal database of analogous information, in conjunction with data and information from various clients, for evaluations of oil and gas reserves and economics throughout the U.S., and particularly the Appalachian Basin. The professional qualifications of Mr. Wright can be found in **Exhibit H**. The following is a technical discussion of the EQT Assets based on Wright's evaluation.

Technical Discussion

The Appalachian Basin is an area of the northeast U.S. that underlies 10 states including eastern Kentucky, southern New York, Ohio, Pennsylvania, northeast Tennessee, and West Virginia as shown in *Figure 1*. The Appalachian Basin covers an area of approximately 185,500 square miles. It is 1,075 miles long from the northeast to the southwest and between 20 to 310 miles wide. While this area is famous for the more recent Marcellus Shale (Marcellus) horizontal development, it has been a major contributor of vertical well development since the late 1800's.

Figure 1

The depositions for the Appalachian Basin are the erosional sediments from the once Acadian Mountains into the lower basin, as referenced in *Figure 2*. The basin was limited to the west by the Cincinnati arch. As the mountains eroded over time, the sediment was deposited in the basin with alternating layers of carbonates, limestones, sandstone, siltstone, and shale intervals, as shown in *Figure 3*.

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Figure 2

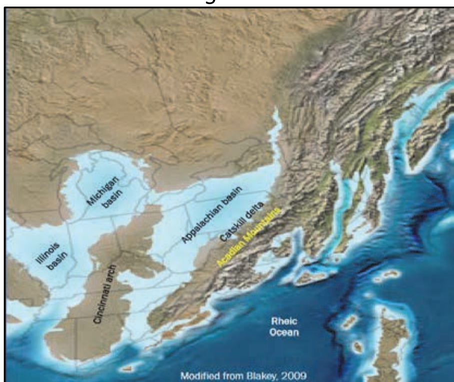
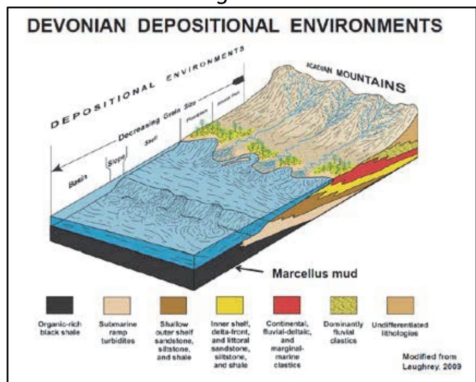


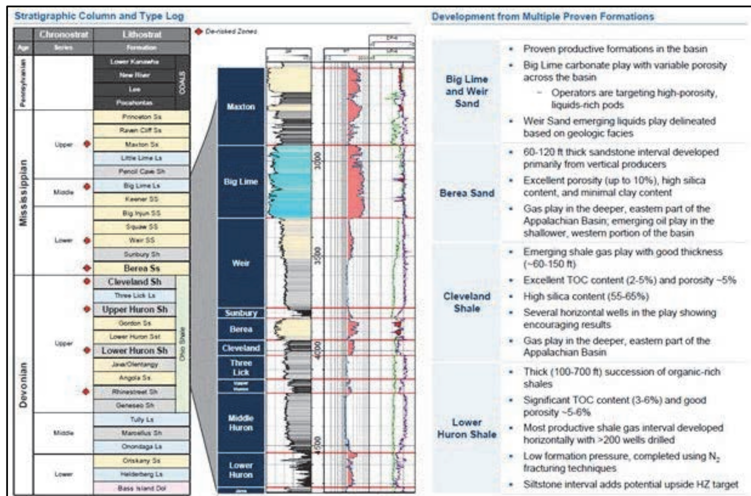
Figure 3



The beginning of the oil and gas industry started in 1859 with the discovery of oil in the Edwin Drake well located in northwestern Pennsylvania. Oil in this well was produced from the Upper Devonian sandstone at a depth of approximately 70 feet. This discovery well opened a trend of oil and gas fields producing from the Upper Devonian, Mississippian, and Pennsylvanian sandstones across many parts of the states of Kentucky, New York, Ohio, Pennsylvania, and West Virginia.

Hydrocarbon producing formations in the Appalachian Basin can be very prolific with multiple producing zones and source rocks ranging from approximately 2,000 feet deep in portions of Kentucky to more than 8,000 feet deep in Pennsylvania and West Virginia. The Geological Age for the majority of producing formations in this discussion dates from the Lower Mississippian to the Upper Devonian as shown in *Figure 4*.

Figure 4



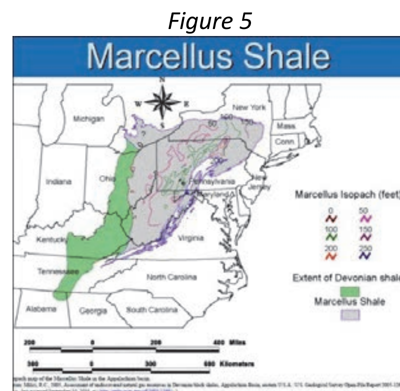
The majority of the wells in Kentucky, Virginia, and West Virginia are conventional vertical wells with multiple zones, are typically hydraulically fractured, and the production is commingled. For the wells included in this CPR, the primary productive formations include, but are not limited to, the Alexander, Balltown, Berea, Big Injun, Big Lime, Bordon, Bradley, Cleveland Shale, Lower Huron Shale,

Maxton, and the Rosedale. In general, sand thickness for these reservoirs ranges from 5 to 25 feet for any individual zone with cumulative net sand thickness ranging from 40 to 100 feet.

In Virginia and West Virginia, there are numerous wells producing from the shallower Pennsylvanian coal formations. These coal bed methane (CBM) wells range in depth from 1,300 feet to 2,000 feet. The CBM wells typically are extremely long-life wells with very little decline in the production rates.

In addition to the conventional vertical production, there are horizontal wells in the Marcellus located in West Virginia. The Marcellus is a Devonian age formation that is located in portions of West Virginia, Ohio, Pennsylvania, and New York as shown in *Figure 5*. The Marcellus has been considered as a source for gas since the very early days, but due to its low porosity and extremely low permeability, has not been considered a major drilling target until fairly recently.

Figure 5



The first horizontal well targeting the Marcellus was drilled in 2004, but it was not until 2009 that the formation became the focus of horizontal shale gas development in the Appalachian Basin. Since then, the Marcellus has received a great deal of attention for its extremely high productive rates, large estimated ultimate recovery volumes, and the statistical repeatability of the producing wells. These horizontal wells have very long laterals that allow more contact with the reservoirs. Very large hydraulic fracture treatments are needed in order to make these commercial. Currently there are approximately 9,000 active horizontal wells that target the Marcellus throughout Appalachia.

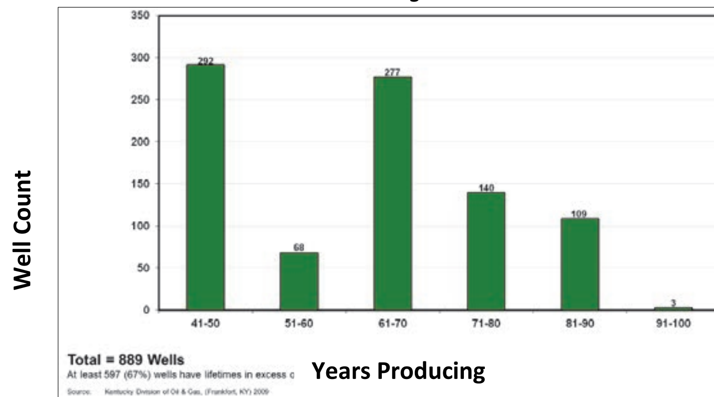
The Appalachian Basin has a long history of oil and gas production and much of it has not been systematically recorded because of inadequate record-keeping in the early days. However, the U.S. Geological Survey (USGS) has estimated that the basin has produced over 3.5 billion barrels of oil and 44 trillion cubic feet of gas. This estimate was calculated for the vertical conventional production and was derived before any horizontal development started.

Almost all of the properties included in this CPR are producing from at least one of the formations previously described. Numerous wells are completed in multiple formations and production is commingled in the wellbore. Most of these properties may have additional productive formations up-hole from the existing producing formations, which may allow for future completion opportunities. Drilling and recompletion opportunities are considered relatively low-risk due to the widespread geology and the extensive mapping of the formations.

All of the Mississippian, Devonian, and Silurian Age sands share similar geological and reservoir characteristics. All are considered "tight" sands with low permeability, which will require fracture treatments in order to obtain commercial production rates. The deposition of these sands yields a low-risk, high predictability of completion success.

Another similar characteristic for these formations is the production profile. Most of these formations produce gas and/or oil on a hyperbolic curve with an initial rapid decline followed by gradual decline of production for a very long time. A majority of the wells should have production life of at least 50 years, with some lasting in excess of 80 years. These wells produce very little, if any, water. As an example, Wright has performed an extensive study of the Big Sandy formation located throughout Kentucky in the Appalachian Basin. This study reviewed 889 wells completed in the Big Sandy in which the original completion date was known. As referenced in *Figure 6*, the data showed that approximately 67 percent of these wells had a well life in excess of 50 years with three wells having over 90 years of well life.

Figure 6



Based on Wright's knowledge and experience in evaluating thousands of wells in the Appalachian Basin, the primary factors that determine the amount of production and the life of the well are the initial rate, initial decline, the shape of the curve ("b" factor), and the final decline rate. The initial rate and initial decline for each well are determined by its reservoir quality, pressure, and the completion technique. The initial decline can be very rapid due to the production drainage from the fracture system. These values can vary greatly from well to well. The "b" factor may vary from well to well, but generally ranges between 0.5 and 1.3. The final decline rates for these reservoirs are very low, indicating a steady drainage of the formation matrix. These rates are normally in the three to five percent range and have been determined from actual performance.

Key Area Overviews

The Pikeville Area shown below in *Figure 7* is located in Eastern Kentucky and has approximately 6,700 wells. The primary formations in this area include the Berea Sand, Big Lime, Big Injun, Cleveland, Lower Huron, and the Weir. The gas production from these wells have a very high Btu content and is liquid rich, which will produce NGLs after being processed by the Langley Processing Plant (Langley). The production from the wells in this area tends to have a shallow decline profile.

Figure 7

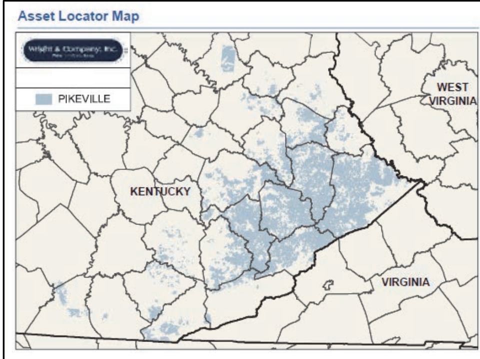
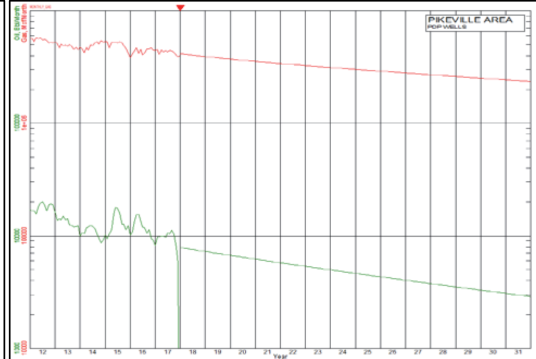


Figure 8



The three key areas in West Virginia are the Brenton, Madison, and Weston (*Figure 9*). There are approximately 4,400 wells combined in these areas. The primary formations in these areas are the Alexander, Balltown, Berea, Big Lime, Big Injun, Lower Huron, and the Marcellus. This area also includes 23 horizontal Marcellus wells. Most of the vertical conventional gas wells in these areas have a shallow decline profile (*Figure 10*), while the horizontal Marcellus wells have a hyperbolic production profile (*Figure 11*).

Figure 9

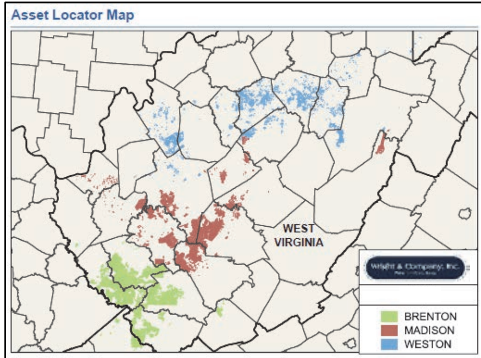


Figure 10

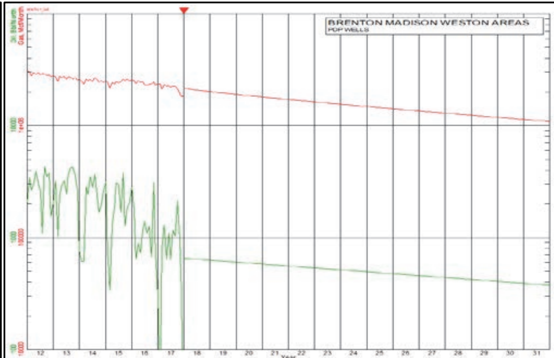


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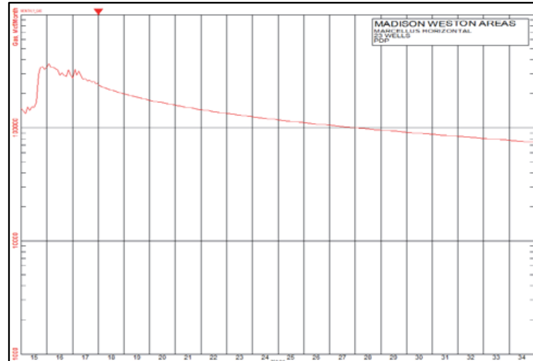
Figure 11



The Big Stone Gap area in *Figure 12* contains the Nora and the Roaring Fork field in Virginia and Kentucky. There are approximately 750 wells in this area producing from the Berea, Big Lime, CBM, Cleveland, and the Lower Huron. As with the other conventional gas areas, the production profile for this area has a shallow decline profile (*Figure 13*).

Figure 12

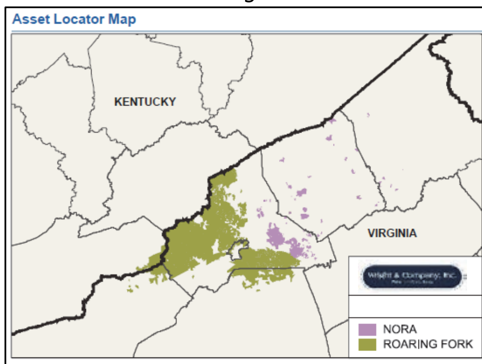
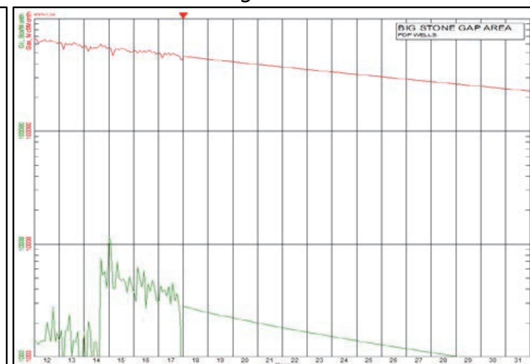


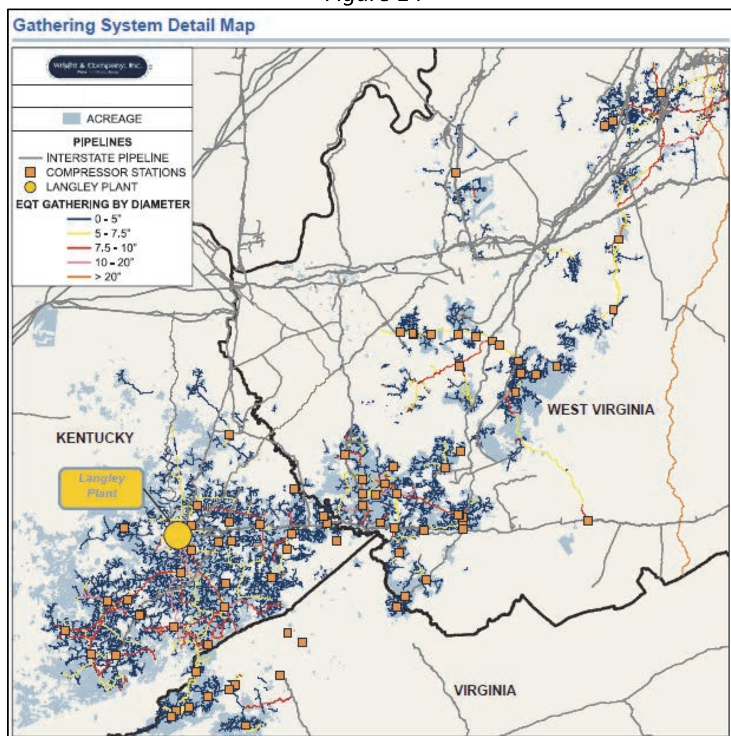
Figure 13



Midstream Assets

The EQT Assets include a gathering and compression system consisting of approximately 6,400 miles of pipeline and 59 compressor stations located in Kentucky, Virginia, and West Virginia (*Figure 14*). The size of the pipeline varies from 2-inch to as large as 30-inch. The purpose of the system is to primarily gather the gas from the EQT Assets in the Pikeville Area along with some third party gas from other operators and deliver the volumes to Langley. Currently, the EQT Assets are delivering approximately 100 MMcf/day to Langley to be processed for NGLs. Once the NGLs are recovered at the plant, the dry gas can be delivered to multiple interconnections through the Big Sandy pipeline for marketing purposes to maximize product pricing and value. The gathering system is also located in several of the other key areas in order to gather and compress the gas from the EQT Assets that do not require processing at Langley and deliver those volumes to the interconnections for marketing.

Figure 14



RESERVES AND VALUE BY STATE

The properties evaluated in this CPR for the EQT Assets include certain oil and gas properties located in Kentucky, Maryland, Virginia, and West Virginia. The following table illustrates the total proved reserves, respective 10.0 percent cumulative discounted (Cum. Disc.) (BTAX) values, and the relative percent of the total 10.0 percent Cum. Disc. (BTAX) value for each state.

State	Number of Wells		Net Oil, Mbbl	Net Gas, MMcf	Net NGL, Mbbl	10.0 % Cum. Disc. (BTAX) Value, M$	Percent of Total Proved 10.0 % Cum. Disc. (BTAX)
	PDP	PDNP					
Kentucky	6,259	530	1,165.278	751,415.488	54,231.632	766,782.016	95
Maryland	1	0	0.000	0.000	0.000	0.000	0
Virginia	791	28	130.231	59,957.232	0.000	45,179.872	5
West Virginia	4,194	192	156.073	237,358.560	0.000	-7,838.502	0
TOTALS*	**11,245**	**750**	**1,451.582**	**1,048,731.776**	**54,231.616**	**804,123.008**	**100**

**It should be noted that some minor differences between the total summaries may exist due to rounding techniques in the ARIES™ petroleum software program.*

PROPERTY ABANDONMENT AND SALVAGE

Abandonment costs net of salvage values have been included in this evaluation on an annual expenditure basis. The abandonment program assumes a plugging schedule starting at 50 wells per year ramping up to a maximum of 225 wells per year. The capital is estimated at $45,000 per well. Wright has not performed a detailed study of the abandonment costs nor the salvage values and offers no opinion as to potential abandonment liabilities or the schedule for the plugging of the wells.

ENVIRONMENTAL CONSIDERATIONS

Wright is not aware of any potential environmental liabilities that may exist concerning the EQT Assets. There are no costs included in this evaluation for potential property restoration, liability, or clean up of damages, if any, that may be necessary due to past or future operating practices.

CONCLUSIONS

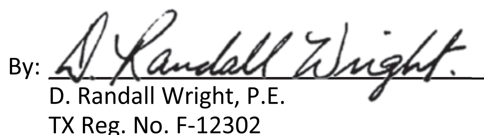
Based on data and information provided by DGO, and the specified economic parameters, operating conditions, and government regulations considered applicable at the effective date, it is Wright's conclusion that this CPR provides a fair and accurate representation of the oil and gas reserves for the EQT Assets in those certain properties included in this CPR.

Wright considers that the scope of the CPR is appropriate and was prepared to a standard expected in accordance with the NOTE. It is Wright's opinion that the methodologies employed, the adequacy and quality of the data relied upon, the depth and thoroughness of the reserves estimation process, the classification of reserves based on the relevant definitions used, and the reasonableness of the estimated reserves quantities are appropriate for the purpose served by the CPR and are in accordance with the guidelines set forth by the AIM Rules.

PROFESSIONAL QUALIFICATIONS

The professional qualifications, shown in **Exhibit H**, of the petroleum consultant responsible for the evaluation of the reserves and economics information presented in this CPR meet the standards of Reserves Estimator as defined in the *Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information* as promulgated by the SPE, and the CPR has been prepared in accordance with these standards. The professional qualifications also meet the Competent Person (CP) requirements published by AIM in the NOTE. **Exhibit I** contains certain confirmations of Wright pertaining to the CPR in accordance with the AIM Rules.

Wright & Company, Inc.

By: 

D. Randall Wright, P.E.
TX Reg. No. F-12302

DRW/JDS/SLM/tts

Appendix 1

SUMMARY TABLE OF EQT ASSETS

Oil & Gas

Asset	Operator	Interest %	Status	Expiration Date	Total Lease Area (acres)	Comments
Kentucky, Maryland, Virginia, West Virginia	Various	95 (Average)	Production	None - Held by Production	2,500,000	Current net production at 188.2 MMcfe/d
Kentucky, Virginia, West Virginia	EQT	100	Operating	None		Midstream Assets including 6,400 miles of pipeline and 59 compressor stations

EQT currently has an interest in approximately 12,000 wells in the states of Kentucky, Maryland, Virginia, and West Virginia and is listed as the operator in the majority of these wells.

EQT currently owns and operates approximately 6,400 mile of a gathering system including 59 compressor stations located in the system.

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Exhibit A

EQT ASSETS

Summary of Results – Oil and Gas Reserves

(all figures in bbls and Mcf)	**Gross**			**Net attributable**			**Operator**
	Proved	Proved & Probable	Proved, Probable & Possible	Proved	Proved & Probable	Proved, Probable & Possible	Various
Oil & Natural Gas Liquids reserves per asset From production to planned for development	61,169,536	61,169,536	61,169,536	55,683,198	55,683,198	55,683,198	Various
Total for Oil & Natural Gas Liquids	61,169,536	61,169,536	61,169,536	55,683,198	55,683,198	55,683,198	Various
Gas reserves per asset From production to planned for development	1,470,410,752	1,470,410,752	1,470,410,752	1,048,731,776	1,048,731,776	1,048,731,776	Various
Total for Gas	1,470,410,752	1,470,410,752	1,470,410,752	1,048,731,776	1,048,731,776	1,048,731,776	Various

Source: D. Randall Wright, P.E.

Note: "Operator" is name of the company that operates the asset
"Gross" are 100% of the reserves and/or resources attributable to the license whilst "Net attributable" are those attributable to the AIM company

bbls – Barrels
Mcf – Thousand Standard Cubic Feet

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Exhibit B

SPE Petroleum Reserves Definitions

Reserves derived under these definitions rely on the integrity, skill, and judgment of the evaluator and are affected by the geological complexity, stage of development, degree of depletion of the reservoirs, and amount of available data. Use of these definitions should sharpen the distinction between the various classifications and provide more consistent reserves reporting.

Definitions

Reserves are those quantities of petroleum which are anticipated to be commercially recovered from known accumulations from a given date forward. All reserve estimates involve some degree of uncertainty. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability.

The intent of the Society of Petroleum Engineers (SPE) and World Petroleum Council (WPC, formerly World Petroleum Congresses) in approving additional classifications beyond proved reserves is to facilitate consistency among professionals using such terms. In presenting these definitions, neither organization is recommending public disclosure of reserves classified as unproved. Public disclosure of the quantities classified as unproved reserves is left to the discretion of the countries or companies involved.

Estimation of reserves is done under conditions of uncertainty. The method of estimation is called deterministic if a single best estimate of reserves is made based on known geological, engineering, and economic data. The method of estimation is called probabilistic when the known geological, engineering, and economic data are used to generate a range of estimates and their associated probabilities.

Identifying reserves as proved, probable, and possible has been the most frequent classification method and gives an indication of the probability of recovery. Because of potential differences in uncertainty, caution should be exercised when aggregating reserves of different classifications.

Reserves estimates will generally be revised as additional geologic or engineering data becomes available or as economic conditions change. Reserves do not include quantities of petroleum being held in inventory, and may be reduced for usage or processing losses if required for financial reporting.

Reserves may be attributed to either natural energy or improved recovery methods. Improved recovery methods include all methods for supplementing natural energy or altering natural forces in the reservoir to increase ultimate recovery. Examples of such methods are pressure maintenance, cycling, water flooding, thermal methods, chemical flooding, and the use of miscible and immiscible displacement fluids. Other improved recovery methods may be developed in the future as petroleum technology continues to evolve.

Proved Reserves

Proved reserves are those quantities of petroleum which, by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under current economic conditions, operating methods, and government regulations. Proved reserves can be categorized as developed or undeveloped.

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.

Establishment of current economic conditions should include relevant historical petroleum prices and associated costs and may involve an averaging period that is consistent with the purpose of the reserve estimate, appropriate contract obligations, corporate procedures, and government regulations involved in reporting these reserves.

In general, reserves are considered proved if the commercial producibility of the reservoir is supported by actual production or formation tests. In this context, the term proved refers to the actual quantities of petroleum reserves and not just the productivity of the well or reservoir. In certain cases, proved reserves may be assigned on the basis of well logs and/or core analysis that indicate the subject reservoir is hydrocarbon bearing and is analogous to reservoirs in the same area that are producing or have demonstrated the ability to produce on formation tests.

The area of the reservoir considered as proved includes (1) the area delineated by drilling and defined by fluid contacts, if any, and (2) the undrilled portions of the reservoir that can reasonably be judged as commercially productive on the basis of available geological and engineering data. In the absence of data on fluid contacts, the lowest known occurrence of hydrocarbons controls the proved limit unless otherwise indicated by definitive geological, engineering or performance data.

Reserves may be classified as proved if facilities to process and transport those reserves to market are operational at the time of the estimate or there is a reasonable expectation that such facilities will be installed. Reserves in undeveloped locations may be classified as proved undeveloped provided (1) the locations are direct offsets to wells that have indicated commercial production in the objective formation, (2) it is reasonably certain such locations are within the known proved productive limits of the objective formation, (3) the locations conform to existing well spacing regulations where applicable, and (4) it is reasonably certain the locations will be developed. Reserves from other locations are categorized as proved undeveloped only where interpretations of geological and engineering data from wells indicate with reasonable certainty that the objective formation is laterally continuous and contains commercially recoverable petroleum at locations beyond direct offsets.

Reserves which are to be produced through the application of established improved recovery methods are included in the proved classification when (1) successful testing by a pilot project or favorable response of an installed program in the same or an analogous reservoir with similar rock and fluid properties provides support for the analysis on which the project was based, and, (2) it is reasonably certain that the project will proceed. Reserves to be recovered by improved recovery methods that have yet to be established through commercially successful applications are included in the proved classification only (1) after a favorable production response from the subject reservoir from

either (a) a representative pilot or (b) an installed program where the response provides support for the analysis on which the project is based and (2) it is reasonably certain the project will proceed.

Unproved Reserves

Unproved reserves are based on geologic and/or engineering data similar to that used in estimates of proved reserves; but technical, contractual, economic, or regulatory uncertainties preclude such reserves being classified as proved. Unproved reserves may be further classified as probable reserves and possible reserves.

Unproved reserves may be estimated assuming future economic conditions different from those prevailing at the time of the estimate. The effect of possible future improvements in economic conditions and technological developments can be expressed by allocating appropriate quantities of reserves to the probable and possible classifications.

Probable Reserves

Probable reserves are those unproved reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable. In this context, when probabilistic methods are used, there should be at least a 50% probability that the quantities actually recovered will equal or exceed the sum of estimated proved plus probable reserves.

In general, probable reserves may include (1) reserves anticipated to be proved by normal step-out drilling where sub-surface control is inadequate to classify these reserves as proved, (2) reserves in formations that appear to be productive based on well log characteristics but lack core data or definitive tests and which are not analogous to producing or proved reservoirs in the area, (3) incremental reserves attributable to infill drilling that could have been classified as proved if closer statutory spacing had been approved at the time of the estimate, (4) reserves attributable to improved recovery methods that have been established by repeated commercially successful applications when (a) a project or pilot is planned but not in operation and (b) rock, fluid, and reservoir characteristics appear favorable for commercial application, (5) reserves in an area of the formation that appears to be separated from the proved area by faulting and the geologic interpretation indicates the subject area is structurally higher than the proved area, (6) reserves attributable to a future workover, treatment, re-treatment, change of equipment, or other mechanical procedures, where such procedure has not been proved successful in wells which exhibit similar behavior in analogous reservoirs, and (7) incremental reserves in proved reservoirs where an alternative interpretation of performance or volumetric data indicates more reserves than can be classified as proved.

Possible Reserves

Possible reserves are those unproved reserves which analysis of geological and engineering data suggests are less likely to be recoverable than probable reserves. In this context, when probabilistic methods are used, there should be at least a 10% probability that the quantities actually recovered will equal or exceed the sum of estimated proved plus probable plus possible reserves.

In general, possible reserves may include (1) reserves which, based on geological interpretations, could possibly exist beyond areas classified as probable, (2) reserves in formations that appear to be petroleum bearing based on log and core analysis but may not be productive at commercial rates, (3) incremental reserves attributed to infill drilling that are subject to technical

uncertainty, (4) reserves attributed to improved recovery methods when (a) a project or pilot is planned but not in operation and (b) rock, fluid, and reservoir characteristics are such that a reasonable doubt exists that the project will be commercial, and (5) reserves in an area of the formation that appears to be separated from the proved area by faulting and geological interpretation indicates the subject area is structurally lower than the proved area.

Reserve Status Categories

Reserve status categories define the development and producing status of wells and reservoirs.

Developed: Developed reserves are expected to be recovered from existing wells including reserves behind pipe. Improved recovery reserves are considered developed only after the necessary equipment has been installed, or when the costs to do so are relatively minor. Developed reserves may be subcategorized as producing or non-producing.

Producing: Reserves subcategorized as producing are expected to be recovered from completion intervals which are open and producing at the time of the estimate. Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Non-producing: Reserves subcategorized as non-producing include shut-in and behind-pipe reserves. Shut-in reserves are expected to be recovered from (1) completion intervals which are open at the time of the estimate but which have not started producing, (2) wells which were shut-in for market conditions or pipeline connections, or (3) wells not capable of production for mechanical reasons. Behind-pipe reserves are expected to be recovered from zones in existing wells, which will require additional completion work or future recompletion prior to the start of production.

Undeveloped Reserves: Undeveloped reserves are expected to be recovered: (1) from new wells on undrilled acreage, (2) from deepening existing wells to a different reservoir, or (3) where a relatively large expenditure is required to (a) recomplete an existing well or (b) install production or transportation facilities for primary or improved recovery projects.

Approved by the Board of Directors, Society of Petroleum Engineers (SPE) Inc., and the Executive Board, World Petroleum Council (WPC), March 1997

Exhibit C

Glossary of Terms

The terms defined below may be used throughout this CPR.

Bbl. One barrel of crude oil, condensate, or other liquids equal to 42 U.S. gallons.

Bcf. Billion cubic feet.

Bcfe. Billion cubic feet of natural gas equivalent.

Btu. British thermal unit, which is the heat required to raise the temperature of a one-pound mass of water from 58.5 degrees Fahrenheit to 59.5 degrees Fahrenheit under specific conditions.

Development Well. A well drilled within the proved area of an oil or gas reservoir to the depth of a stratigraphic horizon known to be productive in an attempt to recover proved undeveloped reserves.

Dry hole. A well found to be incapable of producing either oil or natural gas in a sufficient quantities to justify completion as an oil or gas well.

Gross acres or gross wells. The total acres or wells, as the case may be, in which a working interest is owned.

Lease operating expense. Costs incurred to operate and maintain wells and related equipment and facilities, including applicable operating costs of support equipment and facilities and other costs of operating and maintaining those wells and related equipment and facilities.

Mbbl. One thousand barrels.

Mcf. One thousand cubic feet.

Mcfd. One thousand cubic feet per day.

Mcfe. One thousand cubic feet of natural gas equivalent.

Mcfed. One thousand cubic feet of natural gas equivalent per day.

MMbbl. One million barrels.

MMBtu. One million Btus.

MMcf. One million cubic feet.

MMcfd. One million cubic feet per day.

MMcfe. One million cubic feet of natural gas equivalent.

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Natural gas equivalent. Cubic feet of natural gas equivalent, determined using the ratio of one Bbl of crude oil, condensate or natural gas liquids to six Mcf of natural gas.

Net acres or net wells. The sum of the fractional working interests owned in gross acres or gross wells.

Net oil and gas sales. Oil and natural gas sales less oil and natural gas production.

Oil Equivalent. Barrels of oil equivalent, determined using the ratio of one Mcf of natural gas to one-sixth Bbl of oil.

Overriding royalty interest. A royalty interest that is carved out of a lessee's working interest under an oil and gas lease.

Present Value. The pre-tax present value, discounted at 10% per annum, of future net cash flows from estimated proved reserves (including the estimated cost of abandonment and future development), calculated holding prices and costs constant at amounts in effect on the date of the estimate (unless such prices or costs are subject to change pursuant to contractual provisions) and in all instances in accordance with the Commission's rules for inclusion of oil and gas revere information in financial statements filed with the Commission. The difference between the Present Value and the standardized measure of discounted future net cash flows is the present value of income taxes applicable to such future net cash flows.

Productive well. A well that is producing oil and gas or that is capable of production.

Proved developed producing reserves. Proved developed reserves that are expected to be recovered from currently producing zones under the continuation of present operating methods through existing wells with existing equipment and operating methods.

Proved reserves. The estimated quantities of crude oil, natural gas, and natural gas liquids with geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions.

Proved undeveloped reserves. Proved reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

Recompletion. The completion for production of an existing well bore in another formation from that in which the well has been previously completed.

Reserve life index. Calculated by dividing year-end proved reserves by annual production from the most recent year.

Spud. To start (or restart) the drilling of a new well.

Standardized measure of discounted future net cash flows. The present value, discounted at 10% per annum, of future net cash flows from estimated proved reserves after income taxes, calculated holding prices and costs constant at amounts in effect on the date of the estimate

(unless such prices or costs are subject to change pursuant to contractual provisions) and in all instances in accordance with the Commission's rules for inclusion of oil and gas reserve information in financial statements filed with the Commission.

Term overriding royalty interest. An overriding royalty interest with a fixed duration.

Undeveloped acreage. Lease acreage on which wells have not been participated in or completed to a point that would permit the production of commercial quantities of oil and gas regardless of whether such acreage contains proved reserves.

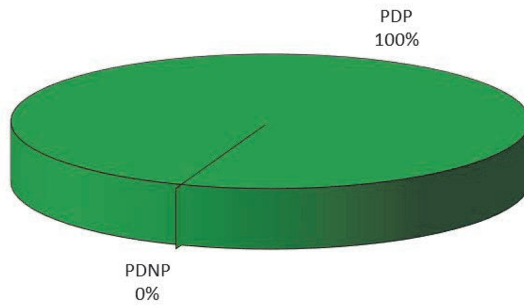
Waterflood. The injection of water into a reservoir to fill pores vacated by produced fluids, thus maintaining reservoir pressure and assisting production.

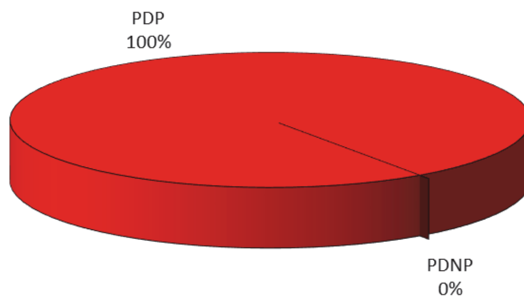
Working interest. A cost bearing interest which gives the owner the right to drill, produce, and conduct oil and gas operations on the property, as well as a right to a share of production therefrom.

Workover. Operations on a producing well to restore or increase production.

WTI. West Texas Intermediate

Exhibit D1
EQT ASSETS
Total Proved Reserves Charts by Category





*PDP - Proved Developed Producing
*PDNP - Proved Developed Nonproducing

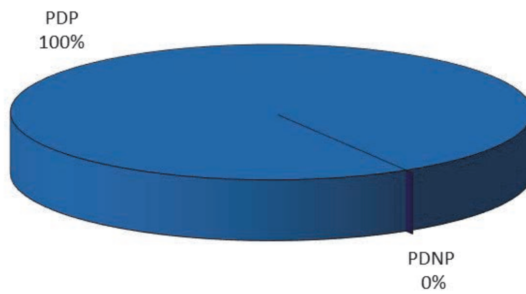


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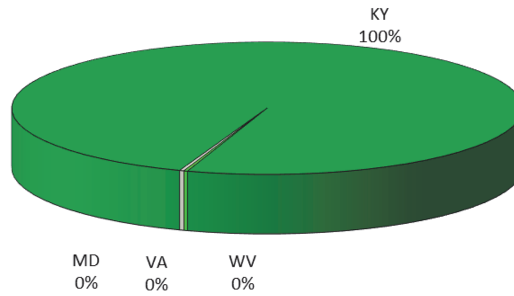
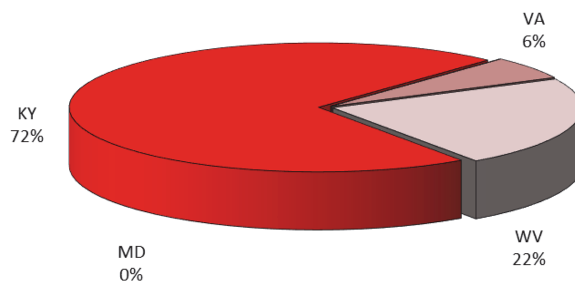
Exhibit D2
EQT ASSETS
Total Proved Reserves Charts by State

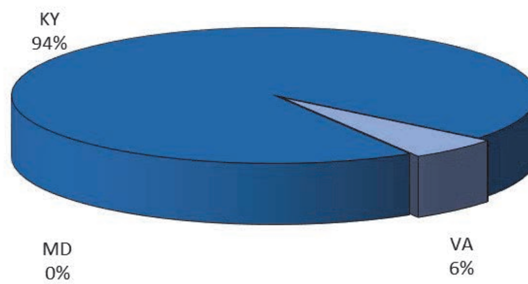
Net Oil & NGL Reserves



Net Gas Reserves



10.0 Percent Cum. Disc. (BTAX) Value



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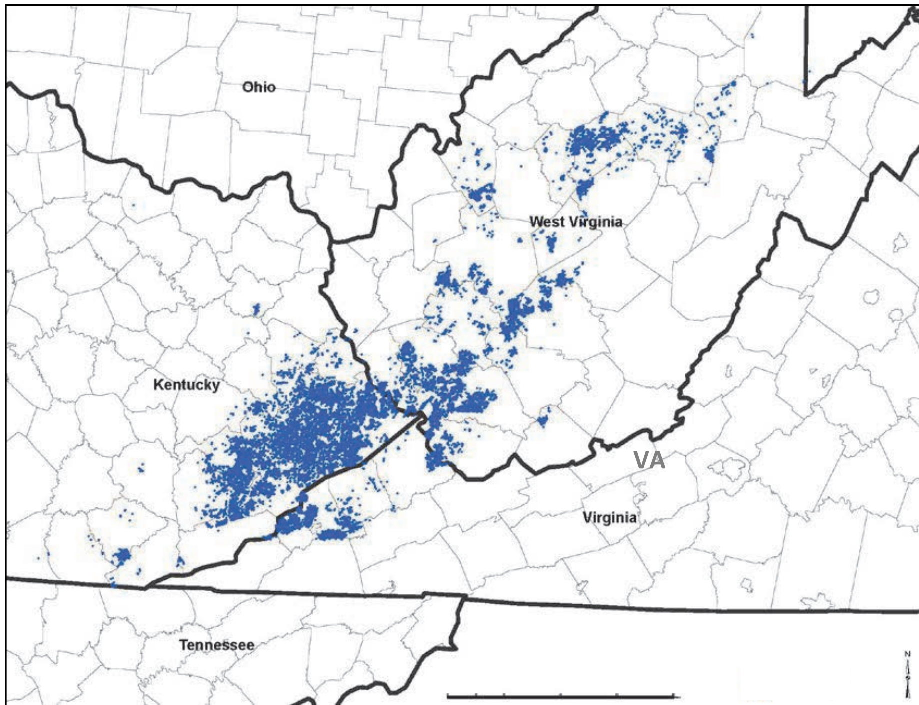
<u>Exhibit E</u>
Location of Evaluated Interests
EQT ASSETS

Kentucky, Maryland, Virginia, and West Virginia Properties



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Summaries

By Reserves Category (BTAX)

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Exhibit F1

TOTAL PROVED (PDP & PDNP)
EQT ASSETS
POTENTIAL ACQUISITION BY
DIVERSIFIED GAS & OIL PLC

DATE : 06/13/2018
TIME : 10:32:20
DBS FILE : HURON
SCENARIO : WRI0418

R E S E R V E S   A N D   E C O N O M I C S

UTILIZING SPECIFIED ECONOMICS

JOB 18.1964

EFFECTIVE DATE: 04/2018

--END--	GROSS PRODUCTION			NET PRODUCTION			PRICES			--- M$ ----
MO-YEAR	OIL, MBBL	GAS, MMCF	NGL, MBBL	OIL, MBBL	GAS, MMCF	NGL, MBBL	OIL $/B	GAS $/M	NGL $/B	TOTAL REVENUE
12-2018	94.756	56154.508	2069.466	73.524	39245.596	1856.253	61.78	2.805	23.44	164466.848
12-2019	117.226	70655.864	2617.801	90.977	49384.552	2348.584	57.21	2.656	20.97	193834.608
12-2020	108.044	66522.248	2479.370	83.914	46528.476	2225.787	53.62	2.593	19.03	175449.024
12-2021	99.893	63131.988	2361.177	77.668	44200.756	2121.406	51.24	2.636	17.75	165889.376
12-2022	92.575	60126.848	2255.172	72.074	42150.988	2028.446	49.93	2.695	17.04	159243.984
12-2023	85.958	57415.572	2160.638	67.021	40303.308	1945.305	49.49	2.764	16.80	154678.992
12-2024	79.945	54954.456	2074.792	62.432	38629.820	1870.085	49.67	2.829	16.90	151046.656
12-2025	74.462	52656.892	1995.190	58.248	37064.376	1800.016	50.00	2.898	17.08	147929.728
12-2026	69.429	50483.876	1920.261	54.401	35586.628	1734.414	50.41	2.969	17.30	145040.992
12-2027	64.800	48436.888	1849.838	50.857	34191.564	1672.438	50.41	3.041	17.30	141937.744
12-2028	60.589	46508.712	1783.351	47.639	32879.106	1614.208	50.41	3.120	17.30	139164.304
12-2029	56.716	44679.636	1720.547	44.677	31635.640	1559.462	50.41	3.204	17.30	136666.224
12-2030	53.145	42903.960	1660.014	41.942	30424.424	1506.472	50.41	3.296	17.30	134357.136
12-2031	49.840	41081.848	1600.174	39.407	29183.842	1454.112	50.41	3.296	17.30	129056.728
12-2032	46.776	39328.660	1541.668	37.053	27988.018	1403.325	50.41	3.296	17.30	123945.432
S TOT	1154.154	795041.920	30089.460	901.834	559397.056	27140.314	52.21	2.900	18.12	2262707.712
AFTER	681.790	675368.832	29244.130	549.748	489334.688	27091.302	50.41	3.292	17.30	2226186.496
TOTAL	1835.944	1470410.752	59333.592	1451.582	1048731.776	54231.616	51.53	3.083	17.71	4488894.464

--END--	OPERATIONS, M$				CAPITAL COSTS, M$					10.0%
MO-YEAR	SEV & ADV TAXES	NET OPER EXPENSES	T&C EXPENSES	ACTIVE WELLS	TANGIBLE INVEST.	INTANG. INVEST.	TOTAL INVEST.	SALVAGE VALUE	CASH FLOW BTAX, M$	CUM. DISC BTAX, M$
12-2018	6745.190	41472.776	0.000	0.000	0.000	15250.000	15250.000	0.000	100998.416	97333.984
12-2019	7914.088	52760.196	0.000	0.000	0.000	15512.000	15512.000	0.000	117649.112	201873.744
12-2020	7143.400	50462.036	0.000	0.000	0.000	15775.000	15775.000	0.000	102068.560	284322.848
12-2021	6753.646	48964.216	0.000	0.000	0.000	16038.000	16038.000	0.000	94133.592	353448.416
12-2022	6486.922	47730.428	0.000	0.000	0.000	16301.000	16301.000	0.000	88725.704	412678.880
12-2023	6308.885	46669.532	0.000	0.000	0.000	16563.000	16563.000	0.000	85137.888	464347.168
12-2024	6169.550	45779.508	0.000	0.000	0.000	16826.000	16826.000	0.000	82271.888	509736.608
12-2025	6051.650	44913.448	0.000	0.000	0.000	17088.000	17088.000	0.000	79876.672	549798.336
12-2026	5943.282	44059.388	0.000	0.000	0.000	17352.000	17352.000	0.000	77686.224	585219.264
12-2027	5824.986	43228.632	0.000	0.000	0.000	17614.000	17614.000	0.000	75270.112	616418.688
12-2028	5720.136	42462.300	0.000	0.000	0.000	17877.000	17877.000	0.000	73105.008	643965.440
12-2029	5626.584	41748.672	0.000	0.000	0.000	18139.000	18139.000	0.000	71151.944	668338.944
12-2030	5540.809	40962.896	0.000	0.000	0.000	18402.000	18402.000	0.000	69451.648	689967.296
12-2031	5324.096	39909.660	0.000	0.000	0.000	18664.000	18664.000	0.000	65158.732	708414.336
12-2032	5114.946	38852.428	0.000	0.000	0.000	18928.000	18928.000	0.000	61050.212	724127.232
S TOT	92668.160	669976.064	0.000	0.000	0.000	256329.008	256329.008	0.000	1243735.808	724127.232
AFTER	91968.960	809580.672	0.000	0.000	0.000	871436.160	871436.160	0.000	453201.184	804123.008
TOTAL	184637.120	1479556.736	0.000	0.000	0.000	1127765.120	1127765.120	0.000	1696936.960	804123.008

	OIL	GAS
GROSS WELLS	26.0	11969.0
GROSS ULT., MB & MMF	10165.200	5369850.880
GROSS CUM., MB & MMF	8329.255	3899440.640
GROSS RES., MB & MMF	1835.944	1470410.368
NET RES., MB & MMF	1451.582	1048731.968
NET REVENUE, M$	74796.336	3233393.664
INITIAL N.I., PCT.	73.072	78.603
FINAL N.I., PCT.	81.777	91.183

LIFE, YRS.	50.00
DISCOUNT %	10.00
UNDISCOUNTED PAYOUT, YRS.	0.10
DISCOUNTED PAYOUT, YRS.	0.10
RATE-OF-RETURN, PCT.	200.00
DISCOUNTED NET/INVEST.	5.25
INITIAL W.I., PCT.	90.988
FINAL W.I., PCT.	96.158

P.W. %	P.W., M$
8.00	908095.552
10.00	804121.728
12.00	721341.312
15.00	625576.000
18.00	553511.872
20.00	514781.856
30.00	386801.760
40.00	315469.728
75.00	205071.824
200.00	112873.960

WRIGHT & COMPANY, INC.
BRENTWOOD, TENNESSEE
JOHNNY D. STAMPER P.E. / SENIOR PETROLEUM CONSULTANT
STEPHANIE MATLOCK / TECHNICAL ANALYST

Exhibit F1

PROVED DEVELOPED PRODUCING (PDP)
EQT ASSETS
POTENTIAL ACQUISITION BY
DIVERSIFIED GAS & OIL PLC

DATE : 06/13/2018
TIME : 10:31:40
DBS FILE : HURON
SCENARIO : WRI0418

R E S E R V E S   A N D   E C O N O M I C S

UTILIZING SPECIFIED ECONOMICS

JOB 18.1964

EFFECTIVE DATE: 04/2018

--END--	GROSS PRODUCTION			NET PRODUCTION			PRICES			M$
MO-YEAR	OIL, MBBL	GAS, MMCF	NGL, MBBL	OIL, MBBL	GAS, MMCF	NGL, MBBL	OIL $/B	GAS $/M	NGL $/B	TOTAL REVENUE
12-2018	94.756	56154.508	2069.466	73.524	39245.596	1856.253	61.78	2.805	23.44	164466.848
12-2019	117.226	70655.864	2617.801	90.977	49384.552	2348.584	57.21	2.656	20.97	193834.608
12-2020	108.044	66522.248	2479.370	83.914	46528.476	2225.787	53.62	2.593	19.03	175449.024
12-2021	99.893	63131.988	2361.177	77.668	44200.756	2121.406	51.24	2.636	17.75	165889.376
12-2022	92.575	60126.848	2255.172	72.074	42150.988	2028.446	49.93	2.695	17.04	159243.984
12-2023	85.958	57415.572	2160.638	67.021	40303.308	1945.305	49.49	2.764	16.80	154678.992
12-2024	79.945	54954.456	2074.792	62.432	38629.820	1870.085	49.67	2.829	16.90	151046.656
12-2025	74.462	52656.892	1995.190	58.248	37064.376	1800.016	50.00	2.898	17.08	147929.728
12-2026	69.429	50483.876	1920.261	54.401	35586.628	1734.414	50.41	2.969	17.30	145040.992
12-2027	64.800	48436.888	1849.838	50.857	34191.564	1672.438	50.41	3.041	17.30	141937.744
12-2028	60.589	46508.712	1783.351	47.639	32879.106	1614.208	50.41	3.120	17.30	139164.304
12-2029	56.716	44679.636	1720.547	44.677	31635.640	1559.462	50.41	3.204	17.30	136666.224
12-2030	53.145	42903.960	1660.014	41.942	30424.424	1506.472	50.41	3.296	17.30	134357.136
12-2031	49.840	41081.848	1600.174	39.407	29183.842	1454.112	50.41	3.296	17.30	129056.728
12-2032	46.776	39328.660	1541.668	37.053	27988.018	1403.325	50.41	3.296	17.30	123945.432
S TOT	1154.154	795041.920	30089.460	901.834	559397.056	27140.314	52.21	2.900	18.12	2262707.712
AFTER	681.790	675368.832	29244.130	549.748	489334.688	27091.302	50.41	3.292	17.30	2226186.496
TOTAL	1835.944	1470410.752	59333.592	1451.582	1048731.776	54231.616	51.53	3.083	17.71	4488894.464

--END--	OPERATIONS, M$				CAPITAL COSTS, M$					10.0%
MO-YEAR	SEV & ADV TAXES	NET OPER EXPENSES	T&C EXPENSES	ACTIVE WELLS	TANGIBLE INVEST.	INTANG. INVEST.	TOTAL INVEST.	SALVAGE VALUE	CASH FLOW BTAX, M$	CUM. DISC BTAX, M$
12-2018	6745.190	41472.776	0.000	0.000	0.000	15250.000	15250.000	0.000	100998.416	97333.984
12-2019	7914.088	52760.196	0.000	0.000	0.000	15512.000	15512.000	0.000	117649.112	201873.744
12-2020	7143.400	50462.036	0.000	0.000	0.000	15775.000	15775.000	0.000	102068.560	284322.848
12-2021	6753.646	48964.216	0.000	0.000	0.000	16038.000	16038.000	0.000	94133.592	353448.416
12-2022	6486.922	47730.428	0.000	0.000	0.000	16301.000	16301.000	0.000	88725.704	412678.880
12-2023	6308.885	46669.532	0.000	0.000	0.000	16563.000	16563.000	0.000	85137.888	464347.168
12-2024	6169.550	45779.508	0.000	0.000	0.000	16826.000	16826.000	0.000	82271.888	509736.608
12-2025	6051.650	44913.448	0.000	0.000	0.000	17088.000	17088.000	0.000	79876.672	549798.336
12-2026	5943.282	44059.388	0.000	0.000	0.000	17352.000	17352.000	0.000	77686.224	585219.264
12-2027	5824.986	43228.632	0.000	0.000	0.000	17614.000	17614.000	0.000	75270.112	616418.688
12-2028	5720.136	42462.300	0.000	0.000	0.000	17877.000	17877.000	0.000	73105.008	643965.440
12-2029	5626.584	41748.672	0.000	0.000	0.000	18139.000	18139.000	0.000	71151.944	668338.944
12-2030	5540.809	40962.896	0.000	0.000	0.000	18402.000	18402.000	0.000	69451.648	689967.296
12-2031	5324.096	39909.660	0.000	0.000	0.000	18664.000	18664.000	0.000	65158.732	708414.336
12-2032	5114.946	38852.428	0.000	0.000	0.000	18928.000	18928.000	0.000	61050.212	724127.232
S TOT	92668.160	669976.064	0.000	0.000	0.000	256329.008	256329.008	0.000	1243735.808	724127.232
AFTER	91968.960	809580.672	0.000	0.000	0.000	871436.160	871436.160	0.000	453201.184	804123.008
TOTAL	184637.120	1479556.736	0.000	0.000	0.000	1127765.120	1127765.120	0.000	1696936.960	804123.008

	OIL	GAS
GROSS WELLS	14.0	11231.0
GROSS ULT., MB & MMF	10165.200	5367527.936
GROSS CUM., MB & MMF	8329.255	3897117.696
GROSS RES., MB & MMF	1835.944	1470410.368
NET RES., MB & MMF	1451.582	1048731.968
NET REVENUE, M$	74796.336	3233393.664
INITIAL N.I., PCT.	73.072	78.603
FINAL N.I., PCT.	81.777	91.183

LIFE, YRS.	50.00
DISCOUNT %	10.00
UNDISCOUNTED PAYOUT, YRS.	0.10
DISCOUNTED PAYOUT, YRS.	0.10
RATE-OF-RETURN, PCT.	200.00
DISCOUNTED NET/INVEST.	5.25
INITIAL W.I., PCT.	90.988
FINAL W.I., PCT.	96.158

P.W. %	P.W., M$
8.00	908095.552
10.00	804121.728
12.00	721341.312
15.00	625576.000
18.00	553511.872
20.00	514781.856
30.00	386801.760
40.00	315469.728
75.00	205071.824
200.00	112873.960

WRIGHT & COMPANY, INC.
BRENTWOOD, TENNESSEE
JOHNNY D. STAMPER P.E. / SENIOR PETROLEUM CONSULTANT
STEPHANIE MATLOCK / TECHNICAL ANALYST

Exhibit F1

PROVED DEVELOPED NONPRODUCING (PDNP)
EQT ASSETS
POTENTIAL ACQUISITION BY
DIVERSIFIED GAS & OIL PLC

DATE : 06/13/2018
TIME : 10:32:19
DBS FILE : HURON
SCENARIO : WRI0418

R E S E R V E S   A N D   E C O N O M I C S

UTILIZING SPECIFIED ECONOMICS

JOB 18.1964

EFFECTIVE DATE: 04/2018

--END--	GROSS PRODUCTION			NET PRODUCTION			PRICES			M$
MO-YEAR	OIL, MBBL	GAS, MMCF	NGL, MBBL	OIL, MBBL	GAS, MMCF	NGL, MBBL	OIL $/B	GAS $/M	NGL $/B	TOTAL REVENUE
12-2018										
12-2019										
12-2020										
12-2021										
12-2022										
12-2023										
12-2024										
12-2025										
12-2026										
12-2027										
12-2028										
12-2029										
12-2030										
12-2031										
12-2032										
S TOT	0.000	0.000	0.000	0.000	0.000	0.000	0.00	0.000	0.00	0.000
AFTER	0.000	0.000	0.000	0.000	0.000	0.000	0.00	0.000	0.00	0.000
TOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.00	0.000	0.00	0.000

--END--	OPERATIONS, M$				CAPITAL COSTS, M$					10.0%
MO-YEAR	SEV & ADV TAXES	NET OPER EXPENSES	T&C EXPENSES	ACTIVE WELLS	TANGIBLE INVEST.	INTANG. INVEST.	TOTAL INVEST.	SALVAGE VALUE	CASH FLOW BTAX, M$	CUM. DISC BTAX, M$
12-2018										
12-2019										
12-2020										
12-2021										
12-2022										
12-2023										
12-2024										
12-2025										
12-2026										
12-2027										
12-2028										
12-2029										
12-2030										
12-2031										
12-2032										
S TOT	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
AFTER	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

	OIL	GAS			P.W. %	P.W., M$
GROSS WELLS	12.0	738.0	LIFE, YRS.	0.00	8.00	0.000
GROSS ULT., MB & MMF	0.000	2322.886	DISCOUNT %	10.00	10.00	0.000
GROSS CUM., MB & MMF	0.000	2322.886	UNDISCOUNTED PAYOUT, YRS.	0.00	12.00	0.000
GROSS RES., MB & MMF	0.000	0.000	DISCOUNTED PAYOUT, YRS.	0.00	15.00	0.000
NET RES., MB & MMF	0.000	0.000	RATE-OF-RETURN, PCT.	0.00	18.00	0.000
NET REVENUE, M$	0.000	0.000	DISCOUNTED NET/INVEST.	0.00	20.00	0.000
INITIAL N.I., PCT.	0.000	0.000	INITIAL W.I., PCT.	0.000	30.00	0.000
FINAL N.I., PCT.	0.000	0.000	FINAL W.I., PCT.	0.000	40.00	0.000
					75.00	0.000
					200.00	0.000

WRIGHT & COMPANY, INC.
BRENTWOOD, TENNESSEE
JOHNNY D. STAMPER P.E. / SENIOR PETROLEUM CONSULTANT
STEPHANIE MATLOCK / TECHNICAL ANALYST

Summaries

By Reserves Category (ATAX)

Wright & Company, Inc.
Petroleum Consultants

Exhibit F2

TOTAL PROVED (PDP & PDNP)
EQT ASSETS
POTENTIAL ACQUISITION BY
DIVERSIFIED GAS & OIL PLC

DATE : 06/13/2018
TIME : 11:50:22
DBS : HURON
SETTINGS : WRI0418
SCENARIO : WRI0418

A F T E R T A X E C O N O M I C S

UTILIZING SPECIFIED ECONOMICS

JOB 18.1964

EFFECTIVE DATE: 04/2018

--END-- MO-YEAR	TAXABLE CASH FLOW M$	DEPRECIA-TION M$	DEPLETION M$	INTANG. EXPENSED M$	INTEREST PAID & CAP M$	TAXABLE INCOME M$	TAX CREDIT M$	TAXES PAYABLE M$	CASH FLOW ATAX M$	10.0% CUM. DISC ATAX M$
12-2018	116248.488	0.000	0.000	12130.000	0.000	104118.352	0.000	17700.132	83298.168	80197.392
12-2019	133161.104	0.000	0.000	12392.000	0.000	120769.128	0.000	20530.692	97118.448	166408.048
12-2020	117843.600	0.000	0.000	12655.000	0.000	105188.552	0.000	17882.040	84186.408	234345.344
12-2021	110171.536	0.000	0.000	12918.000	0.000	97253.608	0.000	16533.102	77600.384	291274.976
12-2022	105026.680	0.000	0.000	13181.000	0.000	91845.704	0.000	15613.787	73111.896	340035.648
12-2023	101700.848	0.000	0.000	13443.000	0.000	88257.888	0.000	15003.895	70134.184	382558.176
12-2024	99097.840	0.000	0.000	13706.000	0.000	85391.808	0.000	14516.600	67755.136	419903.520
12-2025	96964.728	0.000	0.000	13968.000	0.000	82996.728	0.000	14109.409	65767.320	452857.856
12-2026	95038.072	0.000	0.000	14232.000	0.000	80806.120	0.000	13737.068	63949.200	481988.256
12-2027	92884.176	0.000	0.000	14494.000	0.000	78390.088	0.000	13326.344	61943.836	507639.904
12-2028	90981.872	0.000	0.000	14757.000	0.000	76224.992	0.000	12958.242	60146.796	530283.040
12-2029	89290.880	0.000	0.000	15019.000	0.000	74271.976	0.000	12626.217	58525.832	550312.960
12-2030	87853.728	0.000	0.000	15282.000	0.000	72571.640	0.000	12337.187	57114.460	568082.944
12-2031	83822.896	0.000	0.000	15544.000	0.000	68278.824	0.000	11607.398	53551.396	583229.632
12-2032	79978.184	0.000	0.000	15808.000	0.000	64170.224	0.000	10908.935	50141.196	596122.560
12-2033	76306.240	0.000	0.000	16070.000	0.000	60236.404	0.000	10240.180	46876.180	607080.128
12-2034	72802.616	0.000	0.000	16333.000	0.000	56469.584	0.000	9599.827	43749.840	616377.152
12-2035	69455.312	0.000	0.000	16595.000	0.000	52860.324	0.000	8986.264	40754.032	624250.304
12-2036	66252.832	0.000	0.000	16857.000	0.000	49395.824	0.000	8397.270	37878.480	630902.656
12-2037	63188.596	0.000	0.000	17121.000	0.000	46067.660	0.000	7831.497	35116.104	636509.248
S TOT	1848070.272	0.000	0.000	292504.992	0.000	1555565.568	0.000	264446.048	1228719.360	636509.248
AFTER	976631.616	0.000	156000.000	679260.160	0.000	141371.008	0.000	24033.044	179738.560	661352.064
TOTAL	2824701.952	0.000	156000.000	971765.120	0.000	1696936.576	0.000	288479.104	1408457.984	661352.064

BTAX RATE OF RETURN (PCT)	200.00	ATAX RATE OF RETURN (PCT)	200.00
BTAX PAYOUT YEARS	0.10	ATAX PAY OUT YEARS	0.12
BTAX PAYOUT YEARS (DISC)	0.10	ATAX PAY OUT YEARS (DISC)	0.12
BTAX NET INCOME/INVEST	2.50	ATAX NET INCOME/INVEST	2.25
BTAX NET INCOME/INVEST(DISC)	5.25	ATAX NET INCOME/INVEST(DISC)	4.50
PRODUCTION START DATE	04/2008	PROJECT LIFE (YEARS)	50.00
		DISCOUNT - RATE (PCT)	10.00
INITIAL OIL PRICE ($/B)	61.780	INITIAL GAS PRICE ($/M)	2.796
MAXIMUM OIL PRICE ($/B)	50.410	MAXIMUM GAS PRICE ($/M)	3.279
GROSS OIL WELLS	26.	GROSS GAS WELLS	****
CUMULATIVE OIL (MBBL)	8329.255	CUMULATIVE GAS (MMF)	3899440.640
REMAINING OIL (MBBL)	1835.944	REMAINING GAS (MMCF)	1470410.368
ULTIMATE OIL (MBBL)	10165.200	ULTIMATE GAS (MMCF)	5369850.880
INITIAL WI (PCT)	90.988	FINAL WI (PCT)	96.158
INITIAL NET OIL (PCT)	73.072	FINAL NET OIL (PCT)	81.777
INITIAL NET GAS (PCT)	78.603	FINAL NET GAS (PCT)	91.183

PRESENT WORTH PROFILE AND
---- RATE-OF-RETURN VS. BONUS TABLE ---

P.W. FACTOR %	B.F.I.T. WORTH M$	A.F.I.T. WORTH M$	A.F.I.T. BONUS M$
0.00	1696934.9	1408455.6	1851200.3
8.00	908095.6	746868.7	810964.8
10.00	804121.7	661353.0	709293.0
12.00	721341.3	593264.8	630611.4
15.00	625576.0	514449.1	541639.0
18.00	553511.9	455079.3	475913.5
20.00	514781.9	423145.0	440972.2
25.00	440210.9	361592.8	374371.7
30.00	386801.8	317443.3	327171.4
35.00	346698.4	284247.5	291977.0
40.00	315469.7	258363.1	264702.4
50.00	269904.4	220526.6	225096.3
75.00	205071.8	166469.6	169034.2
100.00	170266.0	137271.1	139001.9
200.00	112874.0	88584.3	89302.2

WRIGHT & COMPANY, INC.
BRENTWOOD, TENNESSEE
JOHNNY D. STAMPER, P.E. / SENIOR PETROLEUM CONSULTANT
STEPHANIE MATLOCK / TECHNICAL ANALYST

Exhibit F2

PROVED DEVELOPED PRODUCING (PDP)
EQT ASSETS
POTENTIAL ACQUISITION BY
DIVERSIFIED GAS & OIL PLC

DATE : 06/13/2018
TIME : 11:48:06
DBS : HURON
SETTINGS : WRI0418
SCENARIO : WRI0418

A F T E R   T A X   E C O N O M I C S

UTILIZING SPECIFIED ECONOMICS

JOB 18.1964

EFFECTIVE DATE: 04/2018

--END-- MO-YEAR	TAXABLE CASH FLOW M$	DEPRECIATION M$	DEPLETION M$	INTANG. EXPENSED M$	INTEREST PAID & CAP M$	TAXABLE INCOME M$	TAX CREDIT M$	TAXES PAYABLE M$	CASH FLOW ATAX M$	10.0% CUM. DISC ATAX M$
12-2018	116248.488	0.000	0.000	12130.000	0.000	104118.352	0.000	17700.132	83298.168	80197.392
12-2019	133161.104	0.000	0.000	12392.000	0.000	120769.128	0.000	20530.692	97118.448	166408.048
12-2020	117843.600	0.000	0.000	12655.000	0.000	105188.552	0.000	17882.040	84186.408	234345.344
12-2021	110171.536	0.000	0.000	12918.000	0.000	97253.608	0.000	16533.102	77600.384	291274.976
12-2022	105026.680	0.000	0.000	13181.000	0.000	91845.704	0.000	15613.787	73111.896	340035.648
12-2023	101700.848	0.000	0.000	13443.000	0.000	88257.888	0.000	15003.895	70134.184	382558.176
12-2024	99097.840	0.000	0.000	13706.000	0.000	85391.808	0.000	14516.600	67755.136	419903.520
12-2025	96964.728	0.000	0.000	13968.000	0.000	82996.728	0.000	14109.409	65767.320	452857.856
12-2026	95038.072	0.000	0.000	14232.000	0.000	80806.120	0.000	13737.068	63949.200	481988.256
12-2027	92884.176	0.000	0.000	14494.000	0.000	78390.088	0.000	13326.344	61943.836	507639.904
12-2028	90981.872	0.000	0.000	14757.000	0.000	76224.992	0.000	12958.242	60146.796	530283.040
12-2029	89290.880	0.000	0.000	15019.000	0.000	74271.976	0.000	12626.217	58525.832	550312.960
12-2030	87853.728	0.000	0.000	15282.000	0.000	72571.640	0.000	12337.187	57114.460	568082.944
12-2031	83822.896	0.000	0.000	15544.000	0.000	68278.824	0.000	11607.398	53551.396	583229.632
12-2032	79978.184	0.000	0.000	15808.000	0.000	64170.224	0.000	10908.935	50141.196	596122.560
12-2033	76306.240	0.000	0.000	16070.000	0.000	60236.404	0.000	10240.180	46876.180	607080.128
12-2034	72802.616	0.000	0.000	16333.000	0.000	56469.584	0.000	9599.827	43749.840	616377.152
12-2035	69455.312	0.000	0.000	16595.000	0.000	52860.324	0.000	8986.264	40754.032	624250.304
12-2036	66252.832	0.000	0.000	16857.000	0.000	49395.824	0.000	8397.270	37878.480	630902.656
12-2037	63188.596	0.000	0.000	17121.000	0.000	46067.660	0.000	7831.497	35116.104	636509.248
S TOT	1848070.272	0.000	0.000	292504.992	0.000	1555565.568	0.000	264446.048	1228719.360	636509.248
AFTER	976631.616	0.000	156000.000	679260.160	0.000	141371.008	0.000	24033.044	179738.560	661352.064
TOTAL	2824701.952	0.000	156000.000	971765.120	0.000	1696936.576	0.000	288479.104	1408457.984	661352.064

BTAX RATE OF RETURN (PCT)	200.00	ATAX RATE OF RETURN (PCT)	200.00
BTAX PAYOUT YEARS	0.10	ATAX PAY OUT YEARS	0.12
BTAX PAYOUT YEARS (DISC)	0.10	ATAX PAY OUT YEARS (DISC)	0.12
BTAX NET INCOME/INVEST	2.50	ATAX NET INCOME/INVEST	2.25
BTAX NET INCOME/INVEST(DISC)	5.25	ATAX NET INCOME/INVEST(DISC)	4.50
PRODUCTION START DATE	04/2008	PROJECT LIFE (YEARS)	50.00
		DISCOUNT - RATE (PCT)	10.00
INITIAL OIL PRICE ($/B)	61.780	INITIAL GAS PRICE ($/M)	2.796
MAXIMUM OIL PRICE ($/B)	50.410	MAXIMUM GAS PRICE ($/M)	3.279
GROSS OIL WELLS	14.	GROSS GAS WELLS	****
CUMULATIVE OIL (MBBL)	8329.255	CUMULATIVE GAS (MMF)	3897117.696
REMAINING OIL (MBBL)	1835.944	REMAINING GAS (MMCF)	1470410.368
ULTIMATE OIL (MBBL)	10165.200	ULTIMATE GAS (MMCF)	5367527.936
INITIAL WI (PCT)	90.988	FINAL WI (PCT)	96.158
INITIAL NET OIL (PCT)	73.072	FINAL NET OIL (PCT)	81.777
INITIAL NET GAS (PCT)	78.603	FINAL NET GAS (PCT)	91.183

PRESENT WORTH PROFILE AND
---- RATE-OF-RETURN VS. BONUS TABLE ---

P.W. FACTOR %	B.F.I.T. WORTH M$	A.F.I.T. WORTH M$	A.F.I.T. BONUS M$
0.00	1696934.9	1408455.6	1851200.3
8.00	908095.6	746868.7	810964.8
10.00	804121.7	661353.0	709293.0
12.00	721341.3	593264.8	630611.4
15.00	625576.0	514449.1	541639.0
18.00	553511.9	455079.3	475913.5
20.00	514781.9	423145.0	440972.2
25.00	440210.9	361592.8	374371.7
30.00	386801.8	317443.3	327171.4
35.00	346698.4	284247.5	291977.0
40.00	315469.7	258363.1	264702.4
50.00	269904.4	220526.6	225096.3
75.00	205071.8	166469.6	169034.2
100.00	170266.0	137271.1	139001.9
200.00	112874.0	88584.3	89302.2

WRIGHT & COMPANY, INC.
BRENTWOOD, TENNESSEE
JOHNNY D. STAMPER, P.E. / SENIOR PETROLEUM CONSULTANT
STEPHANIE MATLOCK / TECHNICAL ANALYST

Exhibit F2

PROVED DEVELOPED NONPRODUCING (PDNP)
EQT ASSETS
POTENTIAL ACQUISITION BY
DIVERSIFIED GAS & OIL PLC

DATE : 06/13/2018
TIME : 11:50:21
DBS : HURON
SETTINGS : WRI0418
SCENARIO : WRI0418

A F T E R T A X E C O N O M I C S

UTILIZING SPECIFIED ECONOMICS

JOB 18.1964

EFFECTIVE DATE: 04/2018

--END-- MO-YEAR	TAXABLE CASH FLOW M$	DEPRECIA-TION M$	DEPLETION M$	INTANG. EXPENSED M$	INTEREST PAID & CAP M$	TAXABLE INCOME M$	TAX CREDIT M$	TAXES PAYABLE M$	CASH FLOW ATAX M$	10.0% CUM. DISC ATAX M$
12-2018										
12-2019										
12-2020										
12-2021										
12-2022										
12-2023										
12-2024										
12-2025										
12-2026										
12-2027										
12-2028										
12-2029										
12-2030										
12-2031										
12-2032										
12-2033										
12-2034										
12-2035										
12-2036										
12-2037										
S TOT	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
AFTER	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

BTAX RATE OF RETURN (PCT)	0.00	ATAX RATE OF RETURN (PCT)	0.00
BTAX PAYOUT YEARS	0.00	ATAX PAY OUT YEARS	0.00
BTAX PAYOUT YEARS (DISC)	0.00	ATAX PAY OUT YEARS (DISC)	0.00
BTAX NET INCOME/INVEST	0.00	ATAX NET INCOME/INVEST	0.00
BTAX NET INCOME/INVEST(DISC)	0.00	ATAX NET INCOME/INVEST(DISC)	0.00
PRODUCTION START DATE	04/2008	PROJECT LIFE (YEARS)	0.00
		DISCOUNT - RATE (PCT)	10.00
INITIAL OIL PRICE ($/B)	0.000	INITIAL GAS PRICE ($/M)	0.000
MAXIMUM OIL PRICE ($/B)	0.000	MAXIMUM GAS PRICE ($/M)	0.000
GROSS OIL WELLS	12.	GROSS GAS WELLS	738.
CUMULATIVE OIL (MBBL)	0.000	CUMULATIVE GAS (MMF)	2322.886
REMAINING OIL (MBBL)	0.000	REMAINING GAS (MMCF)	0.000
ULTIMATE OIL (MBBL)	0.000	ULTIMATE GAS (MMCF)	2322.886
INITIAL WI (PCT)	0.000	FINAL WI (PCT)	0.000
INITIAL NET OIL (PCT)	0.000	FINAL NET OIL (PCT)	0.000
INITIAL NET GAS (PCT)	0.000	FINAL NET GAS (PCT)	0.000

PRESENT WORTH PROFILE AND
---- RATE-OF-RETURN VS. BONUS TABLE ---

P.W. FACTOR %-----	B.F.I.T. WORTH M$------	A.F.I.T. WORTH M$------	A.F.I.T. BONUS M$------
0.00	0.0	0.0	0.0
8.00	0.0	0.0	0.0
10.00	0.0	0.0	0.0
12.00	0.0	0.0	0.0
15.00	0.0	0.0	0.0
18.00	0.0	0.0	0.0
20.00	0.0	0.0	0.0
25.00	0.0	0.0	0.0
30.00	0.0	0.0	0.0
35.00	0.0	0.0	0.0
40.00	0.0	0.0	0.0
50.00	0.0	0.0	0.0
75.00	0.0	0.0	0.0
100.00	0.0	0.0	0.0
200.00	0.0	0.0	0.0

WRIGHT & COMPANY, INC.
BRENTWOOD, TENNESSEE
JOHNNY D. STAMPER, P.E. / SENIOR PETROLEUM CONSULTANT
STEPHANIE MATLOCK / TECHNICAL ANALYST

Exhibit G

EQT ASSETS
NYMEX Base Prices

Annual Average NYMEX Futures Prices as of March 29, 2018			
Year	**Oil, $/bbl**	**Gas, $/MMBtu**	**NGL, $/bbl**
2018 (Apr. – Dec.)	63.78	2.836	34.44
2019	59.21	2.792	31.97
2020	55.62	2.775	30.03
2021	53.24	2.829	28.75
2022	51.93	2.888	28.04
2023	51.49	2.948	27.80
2024	51.67	3.004	27.90
2025	52.00	3.064	28.08
2026	52.41	3.125	28.30
2027	52.41	3.188	28.30
2028	52.41	3.256	28.30
2029	52.41	3.329	28.30
2030 and thereafter	52.41	3.409	28.30

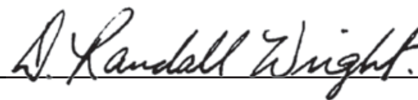
Exhibit H

Professional Qualifications
D. Randall Wright, President

I, D. Randall Wright, am the primary technical person in charge of the estimates of reserves and associated cash flow and economics on behalf of Wright & Company, Inc. (Wright) for the results presented in this report to Diversified Gas & Oil PLC. I have a Master of Science degree in Mechanical Engineering from Tennessee Technological University.

I am a qualified Reserves Estimator as set forth in the *"Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information"* promulgated by the Society of Petroleum Engineers. I am also qualified as a Competent Person (CP) as defined by the AIM Market of the London Stock Exchange (AIM). This qualification is based on more than 44 years of practical experience in the estimation and evaluation of petroleum reserves with Texaco, Inc., First City National Bank of Houston, Sipes, Williamson & Associates, Inc., Williamson Petroleum Consultants, Inc., and Wright which I founded in 1988.

I am a registered Professional Engineer in the state of Texas (TBPE #43291), granted in 1978, a member of the Society of Petroleum Engineers (SPE) and a member of the Order of the Engineer.



D. Randall Wright, P.E.
TX Reg. No. F-12302

Wright & Company, Inc.
Petroleum Consultants

Exhibit I
EQT ASSETS
Confirmations

In accordance with your instructions, Wright & Company, Inc. (Wright) hereby confirms that:

(a) Wright consents to the CPR to be issued into the public domain by DGO.

(b) Wright accepts responsibility for the CPR and for any information sourced from the CPR. In accordance with Schedule Two to the AIM Rules (and paragraph 1.2 of Annex 1 of Appendix 3 to the Financial Conduct Authority's Prospectus Rules), Wright confirms, to the best of the knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained therein is in accordance with the facts and contains no omission likely to affect the import of such information;

(c) Wright confirms that it is unaware of any material change in circumstances to those stated in the CPR;

(d) D. Randall Wright, President of Wright, who supervised the evaluation, is professionally qualified and a member in good standing of the Society of Petroleum Engineers (SPE);

(e) Wright has the relevant and appropriate qualifications, experience, and technical knowledge to professionally and independently appraise the assets of DGO, which we have reported on;

(f) Wright considers that the scope of the CPR is appropriate and was prepared to a standard expected in accordance with the *Note on Mining and Oil & Gas Companies* issued by the London Stock Exchange;

(g) Wright has at least five years relevant experience in the estimation, assessment, and evaluation of oil, gas, and other liquid hydrocarbons under consideration;

(h) Wright is an independent petroleum consulting firm founded in 1988 and is independent of DGO and its directors, senior management and advisers, has no material interest in DGO or its properties and has acted as an independent competent person for the purposes of providing a report on the assets;

(i) No employee, officer, or director of Wright is an employee, officer, or director of DGO, nor does Wright or any of its employees have direct financial interest in DGO. Neither the employment of nor the compensation received by Wright is contingent upon the values assigned or the opinions rendered regarding the properties covered by this CPR; and

(j) Wright is not a sole practitioner.

PART VI

ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT

The Company and the Directors, whose names and functions are set out on page 5 of this document, accept responsibility, both individually and collectively, for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules for Companies. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. THE COMPANY AND ITS SUBSIDIARIES

2.1 The Company was incorporated in England and Wales under the Act on 31 July 2014 with company number 09156132 as a public limited company. On 5 January 2015 the Company obtained a trading certificate pursuant to section 761 of the Act entitling it to do business and borrow.

2.2 The registered office of the Company is 27/28 Eastcastle Street, London W1W 8DH. The Company's website, which discloses the information required by Rule 26 of the AIM Rules for Companies, is www.dgoc.com. The Company's trading address is 1100 Corporate Drive, Birmingham, Alabama 35242, USA. The Company's telephone number is +1 205 408 0909.

2.3 The principal activity of the Company is to act as a holding company. It acts as the holding company of the Group, whose principal activities are described more fully in Part I of this document. Details of the Company's Subsidiaries are set out in paragraph 2.11 of this Part VI.

2.4 The Company has no administrative, management or supervisory bodies other than the Board, the Remuneration Committee, the Audit Committee and the Nomination Committee, details of which are set out in Part I of this document.

2.5 The Company is governed by its Articles and the principal legislation under which the Company operates is the Act and the regulations made thereunder.

2.6 The Group's auditors are Crowe U.K. LLP, St Bride's House, 10 Salisbury Square, London, EC4Y 8EH. Crowe U.K. LLP is a member of the Institute of Chartered Accountants in England and Wales.

2.7 The accounting reference date of the Company is 31 December.

2.8 The ISIN for the Ordinary Shares is GB00BYX7JT74.

2.9 The liability of the Shareholders is limited.

2.10 The Company is domiciled in England and Wales.

2.11 As at the date of this document and on Admission, the Company has the following subsidiary undertakings:

(a) Diversified Gas & Oil Corporation was incorporated on 24 March 2014 in Delaware as a corporation. Its company federal employer identification number ("FEIN") is 46-5279721. Its business address is 1100 Corporate Drive, Birmingham, Alabama, 35242, United States and registered address is Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 1980, United States. Diversified Gas & Oil Corporation is wholly owned by the Company.

(b) Diversified Resources, Inc. was incorporated on 7 June 2006 in West Virginia as a corporation. Its company FEIN is 86-1169388. Its business address is 1100 Corporate Drive, Birmingham, Alabama, 35242, United States and its registered agent and address is C T Corporation System, 5400 D Big Tyler Road, Kanawha County, Charleston, West Virginia 25313, United States. Diversified Resources, Inc is wholly owned by Diversified Gas & Oil Corporation.

(c) M&R Investments, LLC was formed on 11 May 2006 in the State of West Virginia as a limited liability company. Its company FEIN is 77-0663329. Its business address is 1100 Corporate Drive, Birmingham, Alabama, 35242, United States and its registered agent and address is C T Corporation System, 5400 D Big Tyler Road, Kanawha County, Charleston, West Virginia 25313, United States. M&R Investments, LLC is wholly owned by Diversified Gas & Oil Corporation.

(d) M&R Investments Ohio, LLC was formed on 14 May 2010 in the State of Ohio as a limited liability company. Its company FEIN is 27-2599239. Its business address is 1100 Corporate Drive, Birmingham, Alabama, 35242, United States and its registered agent and address is C T Corporation System, 4400 Easton Commons Way, Suite 125, Columbus, Ohio 43219, United States. M&R Investments Ohio, LLC is wholly owned by Diversified & Gas and Oil Corporation.

(e) Marshall Gas & Oil Corporation was incorporated on 26 February 1996 in Etowah County, Alabama, as a corporation. Its company FEIN is 72-1351013. Its business address is 1100 Corporate Drive, Birmingham, Alabama, 35242, United States and its registered agent is R. Hutson, Jr. and address is P.O. Box 380187, Birmingham, Alabama 35238, United States. Marshall Gas & Oil Corporation is wholly owned by Diversified Gas & Oil Corporation.

(f) R&K Oil & Gas, Inc. was incorporated on 7 August 2001 in West Virginia as a corporation. Its company FEIN is 31-1793778. Its business address is 1100 Corporate Drive, Birmingham, Alabama, 35242, United States and the registered agent and address is Robert R. Hutson Jr. P.O. Box 381087 Birmingham, Alabama, 35238, United States. R&K Oil & Gas, Inc. is wholly owned by Diversified Gas & Oil Corporation.

(g) Fund 1 DR, LLC was formed on 15 January 2013 in Nevada as a limited liability company. Its company FEIN is 46-1790185. Its business address is 1100 Corporate Drive, Birmingham, Alabama, 35242, United States and the registered agent and address is The Corporation Trust Company of Nevada, 7015 Carson Street, Suite 200, Carson City, NV89701, United States. Fund 1 DR, LLC is wholly owned by Diversified Gas & Oil Corporation.

(h) Diversified Oil & Gas LLC was formed on 2 February 2012 in Alabama as a limited liability company. Its company FEIN is 45-4551458. Its business address is 1100 Corporate Drive, Birmingham, Alabama, 35242, United States and the registered agent and address is Robert R. Hutson Jr., P.O. Box 380187, Birmingham, Alabama 35242, United States. Diversified Oil & Gas LLC is wholly owned by Diversified Gas & Oil Corporation.

(i) Diversified Appalachian Group, LLC was formed on 22 June 2016 in Alabama as a limited liability company. Its company FEIN is 81-3018961. Its business address is 1100 Corporate Drive, Birmingham, Alabama, 35242, United States and the registered agent and address is Robert R. Hutson Jr., P.O. Box 380187, Birmingham, Alabama 35238, United States. Diversified Appalachian Group LLC is wholly owned by Diversified Gas & Oil Corporation.

(j) Diversified Energy, LLC was formed on 3 May 2017 in Alabama as a limited liability company. Its company FEIN is 82-1429871. Its business address is 1100 Corporate Drive, Birmingham, Alabama, 35242, United States and the registered agent and address is Robert R. Hutson Jr., 1100 Corporate Drive, Birmingham, Alabama 35242, United States. Diversified Energy, LLC is wholly owned by Diversified Gas & Oil Corporation.

(k) Diversified Partnership Holdings, LLC was formed on 20 June 2017 in Delaware as a limited liability company. Its company FEIN is 82-1920136 . Its business address is 1100 Corporate Drive, Birmingham, Alabama, 35242, United States and the registered agent and address is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. Diversified Partnership Holdings, LLC is wholly owned by Diversified Energy, LLC.

(l) Diversified Partnership Holdings II, LLC was formed on 7 July 2017 in Delaware as a limited liability company. Its company FEIN is 82-2140826. Its business address is 1100 Corporate Drive, Birmingham, Alabama, 35242, United States and the registered agent and address is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. Diversified Partnership Holdings II, LLC is wholly owned by Diversified Energy, LLC.

(m) Atlas Energy Tennessee, LLC was formed on 15 May 2008 in Pennsylvania as a limited liability company. Its company FEIN is 26-2770794. Its business address is 1100 Corporate Drive, Birmingham, Alabama, 35242 and the registered agent and address is C T Corporation System,

600 N 2nd Street, Suite 401, Dauphin County, Harrisburg, Pennsylvania 17101-1071. Atlas Energy Tennessee, LLC is wholly owned by Diversified Energy, LLC.

(n) Atlas Pipeline Tennessee, LLC was formed on 16 January 2008 in Pennsylvania as a limited liability company. Its company FEIN is 83-0504919. Its business address is 1100 Corporate Drive, Birmingham, Alabama, 35242 and the registered agent and address is C T Corporation System, 600 N 2nd Street, Suite 401, Dauphin County, Harrisburg, Pennsylvania 17101-1071. Atlas Pipeline Tennessee, LLC is wholly owned by Atlas Energy Tennessee, LLC.

(o) Alliance Petroleum Corporation was incorporated on 29 April 1985 in Georgia as a corporation. Its company FEIN is 58-1618408a. Its business address is 1100 Corporate Drive, Birmingham, Alabama, 35242 and the registered agent and address is CT Corporation System, 289 S. Culver St., Lawrenceville, Gwinnett County, GA 30046-4805. Alliance Petroleum is wholly owned by Diversified Gas & Oil Corporation.

3. SHARE CAPITAL OF THE COMPANY

3.1 The issued fully paid up share capital of the Company as at the date of this document and as it is expected to be immediately following Admission, is as follows:

Ordinary Shares	*Aggregate nominal value*	*Number of Ordinary Shares*
As at the date of this document	£3,114,760.87	311,476,087
Immediately following Admission	£5,068,060.87	506,806,087

3.2 The Company does not have an authorised share capital. The Company was incorporated with a share capital of £50,000 divided into 5,000,000 Ordinary Shares of £0.01 each which were fully paid. The initial subscribers were Robert Hutson Jr. and Robert Post, each of whom subscribed for 2,500,000 Ordinary Shares.

3.3 The following changes in the share capital of the Company have taken place between incorporation and the date of this document:

(a) on or around 10 June 2015: (i) 17,500,000 Ordinary Shares were issued to Robert Hutson Jr.; and (ii) 17,500,000 Ordinary Shares were issued to Robert Post in consideration for the transfer to the Company of the entire issued share capital of Diversified Gas & Oil Corporation pursuant to a share exchange agreement dated 10 June 2015;

(b) on 2 December 2015, 1,200,000 Ordinary Shares were issued to Martin Thomas for cash;

(c) on 19 May 2016, 800,000 Ordinary Shares were issued to Martin Thomas for cash;

(d) on 24 October 2016, 2,210,481 Ordinary Shares were issued to Bradley Gray upon his joining the Company;

(e) on 30 January 2017, 61,380,769 Ordinary Shares were issued for cash;

(f) on 14 June 2017, 184,837 Ordinary Shares were issued to bondholders in consideration for the redemption of the bondholder's unlisted bonds of the Company pursuant to a bond instrument dated 6 October 2016;

(g) on 14 June 2017, 11,400,000 Ordinary Shares were issued for cash;

(h) on 15 June 2017, 27,900,000 Ordinary Shares were issued for cash;

(i) on 19 February 2018, 166,400,000 Ordinary Shares were issued for cash;

following which the share capital of the Company was £3,114,760.87 divided into 311,476,087 Ordinary Shares with a nominal value of £0.01 each.

The Ordinary Shares issued to Bradley Gray are subject to the terms of the Restricted Stock Agreement, as set out in paragraph 12.1 of this Part VI.

3.4 At the General Meeting, the following resolutions are proposed, that:

3.4.1 the EQT Acquisition is approved by the Shareholders of the Company as required by the AIM Rules for Companies;

3.4.2 the Directors be generally and unconditionally authorised, for the purposes of Section 551 of the Act, to exercise all powers of the Company to allot equity securities (within the meaning of Section 560 of the Act):

(a) up to an aggregate nominal amount of £1,953,300 in respect of the Placing Shares;

(b) up to £506,806.09 to satisfy awards under the Share Option Scheme; and

(c) otherwise than pursuant to (a) and (b) above up to an aggregate nominal amount of £1,689,353.62,

such authorisation expiring at the conclusion of the next Annual General Meeting.

3.4.3 the Directors be generally and unconditionally empowered, for the purposes of Section 570 of the Act, to exercise all powers of the Company to allot equity securities for cash pursuant to the authorisation conferred by 3.4.2 above as if the statutory pre-emption provisions set out in Section 561 of the Act did not apply to the allotment, provided that this power shall be limited to:

(a) the allotment up to an aggregate nominal amount of £1,953,300 in respect of the Placing Shares;

(b) the allotment of equity securities (within the meaning of section 560 of the Act) in connection with an offer by way of a rights issue to Shareholders and holders of other equity securities; and

(c) otherwise than pursuant to (a) and (b) above the allotment of further equity securities up to an aggregate nominal amount of £506,806.09, such power expiring at the conclusion of the next Annual General Meeting.

3.5 The number of Existing Ordinary Shares is 311,476,087. The Company will, pursuant to the Placing (and in accordance with the terms of the Placing Agreement), allot 195,330,000 Placing Shares at the Placing Price, conditionally upon Admission. Accordingly, immediately following Admission the issued share capital of the Company will increase to £5,068,060.87 divided into 506,806,087 Ordinary Shares.

3.6 The Placing Shares will, following allotment, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends and other distributions hereafter declared, paid or made on the share capital of the Company.

3.7 The holders of Existing Ordinary Shares will be diluted by the issue of the Placing Shares. The effect of the issue of the Placing Shares (assuming that the Placing is fully subscribed by parties who are not holders of Existing Ordinary Shares) will be that holders of Existing Ordinary Shares at the date of this document will own 61.5 per cent. of the Enlarged Share Capital following Admission.

3.8 The legislation under which the Ordinary Shares have been created is the Act and regulations made under the Act. The Placing Shares are denominated in sterling. It is expected that the Placing Shares will be allotted on 16 July 2018, conditional only on Admission taking place, and issued on Admission, which is expected to be on 17 July 2018.

3.9 The Placing Shares will be in registered form. They will be capable of being held in certificated form or in uncertificated form and traded in CREST. The records in respect of Placing Shares held in uncertificated form will be maintained by Neville Registrars Limited.

3.10 There is no class of shares in issue other than Ordinary Shares and no Ordinary Shares have been issued other than as fully paid.

3.11 Pursuant to awards made on 10 July 2017 and 1 November 2017, the Company awarded rights to acquire an aggregate of 795,002 new Ordinary Shares to a total of nine employees under the Share Option Scheme, further details of which are set out in paragraph 7.4 of this Part VI.

3.12 Based on the recommendations of the Remuneration Committee (after consultation with major Shareholders), and subject to Shareholders passing the appropriate Resolution being proposed at the General Meeting, the Board intends to grant Share Options under the Share Option Scheme over a further 15,525,000 new Ordinary Shares in aggregate at an exercise price of 84 pence per Ordinary Share to a total of 18 executive Directors and employees. Further details of this proposed grant is set out in paragraph 7.5 of this Part VI.

3.13 Save as disclosed in this Part VI, as at the date of this document:

(a) no shares in the capital of the Company or of any member of the Group are under option or are the subject of an agreement, conditional or unconditional, to be put under option;

(b) no shares in the capital of the Company have been issued, or are now proposed to be issued, otherwise than fully paid;

(c) there are no shares in the capital of the Company which do not represent capital;

(d) no person has any preferential subscription rights for any share capital of the Company;

(e) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any shares in the capital of the Company;

(f) the Company does not hold any of its own Ordinary Shares as treasury shares and none of the Company's subsidiaries hold any Ordinary Shares;

(g) the Company has no convertible debt securities, exchangeable debt securities or debt securities with warrants in issue; and there are no acquisition rights or obligations over the unissued share capital of the Company and there is no undertaking to increase the share capital of the Company.

4. ARTICLES OF ASSOCIATION

4.1 The intention of the Company is to carry on business as a holding company of the Group.

4.2 The Articles contain provisions which are summarised below in this paragraph 4:

Liability of Shareholders

The liability of the Shareholders of the Company is limited to the amount, if any, unpaid on the Ordinary Shares held by them.

Pre-emption

In certain circumstances, the Company's Shareholders may have statutory pre-emption rights under the Act in respect of the allotment of new Ordinary Shares in the Company. These statutory pre-emption rights would require the Company to offer new Ordinary Shares for allotment to existing Shareholders on a *pro rata* basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such Ordinary Shares would be offered to the Company's Shareholders.

Share Rights

Save as may be permitted by the Act, the Company shall not give financial assistance, whether directly or indirectly, for the purpose of the acquisition of any Ordinary Shares in the Company or its holding company (if any) or for reducing or discharging any liability incurred for the purpose of any such acquisition.

Subject to the Act and to the authority of the Company in an annual general meeting or a general meeting required by the Act, the Directors shall have unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any unissued Ordinary Shares of the Company to such persons, at such times and generally on such terms and conditions as the Directors may determine.

The Company may in connection with the issue of any Ordinary Shares exercise all powers of paying commission and brokerage conferred or permitted by the Act. Any such commission or brokerage may be satisfied in fully or partly paid Ordinary Shares in the Company, in which case, Sections 552 and 553 of the Act shall be complied with.

If two or more persons are registered as joint holders of any Ordinary Share, any one of such persons may give effectual receipts for any dividend or other moneys payable in respect of such Ordinary Share.

Subject to the provisions of the Act and to any rights conferred on the holders of any other Ordinary Shares, the Company may, with the sanction of a special resolution, issue Ordinary Shares which are to be redeemed or are liable to be redeemed at the option of the Company or of the Shareholder on such terms and in such manner as may be provided by the Articles save that the date on or by which, or dates between which, any such Ordinary Shares are to be or may be redeemed may be fixed by the Board (and if so fixed, the date or dates must be fixed before the Ordinary Shares are issued).

Calls on Ordinary Shares

Subject to the terms of issue, the Board may from time to time make calls upon the Shareholders in respect of any amounts unpaid on their Ordinary Shares. Each Shareholder shall, subject to receiving at least 14 clear days' notice, pay to the Company the amount called on his Ordinary Shares. In the event of non-payment, interest shall be payable on the amount unpaid from the day it become due until paid.

Forfeiture

If a Shareholder or person entitled by transmission fails to pay in full any call or instalment of a call on or before the day appointed for payment thereof, the Board may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest and expenses which may have accrued.

The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the Ordinary Shares on which the call was made will be liable to be forfeited.

If the requirements of any such notice as aforesaid are not complied with, any Ordinary Share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited Ordinary Share and not actually paid before forfeiture. The Board may accept a surrender of any Ordinary Share liable to be forfeited hereunder in lieu of forfeiture and the provisions of the Articles shall apply to any Ordinary Share so surrendered as if it had been forfeited.

Subject to the provisions of the Act, an Ordinary Share so forfeited or surrendered shall become the property of the Company and may be sold, reallotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Board shall think fit. At any time before a sale, reallotment or disposal the forfeiture or surrender may be cancelled on such terms as the Board may think fit. The Board may, if necessary, authorise some person to transfer a forfeited or surrendered Ordinary Share to any such other person as aforesaid.

A Shareholder whose Ordinary Shares have been forfeited or surrendered shall cease to be a Shareholder in respect of such Ordinary Shares (and shall surrender to the Company for cancellation the certificate for such Ordinary Shares), but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the Ordinary Shares with interest thereon at the prescribed rate. The Board may, if it thinks fit, waive the payment of all or part of such money and/or the interest payable thereon.

Lien

The Company shall have a first and paramount lien on every Ordinary Share (not being a fully paid Ordinary Share) for all amounts payable to the Company (whether presently or not) in respect of that Ordinary Share. The Board may at any time, either generally or in any particular case, waive any lien that has arisen, or declare any Ordinary Share to be wholly or partly exempt from the lien. The Company's lien on an Ordinary Share shall extend to all dividends and other moneys payable in

respect of it. The Company may sell, in such manner as the Board determines, any Ordinary Share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice has been sent to the holder of the Ordinary Share, or to the person entitled to it by transmission, demanding payment and stating that if the notice is not complied with the Ordinary Share may be sold.

Transfer of Shares

All transfers of Ordinary Shares which are in certificated form may be effected by an instrument of transfer in any usual form or any other form which the Board may approve, and shall be signed by or on behalf of the transferor and, unless the Ordinary Share is a fully paid Ordinary Share, the transferee. The transferor will be deemed to remain the holder of the Ordinary Share until the name of the transferee is entered in the register in respect of it.

All transfers of Ordinary Shares which are in uncertificated form shall be effected in accordance with the CREST Regulations.

The Board may, in its absolute discretion and without giving any reason, decline to register the transfer of a certificated Ordinary Share which is not fully paid, provided that, in the case of a class of Ordinary Shares which have been admitted to trading on AIM, the refusal does not prevent dealings from taking place on an open and proper basis. The Board may also decline to register the transfer of a certificated Ordinary Share unless the instrument of transfer is (i) lodged, duly stamped (if stampable), at the place where the register of members of the Company is kept accompanied by the certificate for the Ordinary Share 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; (ii) in respect of only one class of Ordinary Shares; and (iii) is in favour of not more than four transferees.

The Board may decline to register a transfer of an uncertificated Ordinary Share in the circumstances set out in the CREST Regulations, and where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated Ordinary Share is to be transferred exceeds four.

In addition, the Board may also refuse to register a transfer of any Ordinary Share (whether a certificated Ordinary Share or not and whether fully paid or not):

(a) to an entity which is not a natural or legal person;

(b) to a minor, to a person in respect of whom a receiving order or adjudication order in bankruptcy has been made which remains undischarged or to a person who is then suffering from mental disorder and where (i) a registered medical practitioner who is treating him gives a written opinion to the Company stating that he has become physically or mentally incapable of acting as a Shareholder and may remain so for more than three months; or (ii) he is or has been suffering from mental or physical ill health and the Board shall resolve that he be disqualified.

If the Board declines to register a transfer, it shall send the transferee notice of its refusal within two months after the date on which the instrument of transfer was lodged with the Company or the instructions of the Operator (as defined in the CREST Regulations) were received.

No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to an Ordinary Share.

Subject to the provisions of the CREST Regulations, the Board may permit title to Ordinary Shares of any class to be evidenced otherwise than by a certificate and title to Ordinary Shares of such class to be transferred by means of a relevant system, and subject to the CREST Regulations may cancel such permission.

Failure to Disclose Interests in Ordinary Shares

If any Shareholder, or any other person appearing to be interested in Ordinary Shares held by such Shareholder, shall have been duly served with a notice under section 793 of the Act and has failed in relation to any Ordinary Shares (the “default Ordinary Shares”) to give the Company the information thereby required within the prescribed period from the date of notice, the following sanctions shall apply:

(a) the Shareholder shall not be entitled in respect of the default Ordinary Shares or any other Ordinary Shares held by the Shareholder to attend and vote either personally or by proxy at any general meeting of the Company or to exercise any other right conferred on Shareholders in relation to any such meeting or poll; and

(b) where the default Ordinary Shares represent at least 0.25 per cent. in nominal value of their class the Board may direct that:

 (i) any dividend or other money payable in respect of the default Ordinary Shares shall be retained by the Company without any liability to pay interest on it and the Shareholder shall not be entitled to elect in the case of a scrip dividend to receive Ordinary Shares instead of that dividend; and

 (ii) the Shareholder shall not be entitled to transfer any of such Ordinary Shares unless required by the CREST Regulations or by way of an approved transfer, which is a transfer (1) by way of sale of the whole beneficial interest to an unconnected third party, or (2) which results from a sale made through a recognised investment exchange or any other stock exchange outside the United Kingdom on which the Company's Ordinary Shares are normally traded, or (3) pursuant to an acceptance of a takeover offer.

The above restrictions shall continue until either the default is remedied or the Ordinary Shares are the subject of an approved transfer. Any dividends withheld shall be paid to the Shareholder as soon as practicable after the above restrictions lapse. Furthermore, restrictions may also be imposed on Ordinary Shares under Part 21A of the Act.

Alterations to Capital

Except as otherwise provided by or pursuant to the Articles or by the conditions of issue, any new Ordinary Share capital shall be considered as part of the existing Ordinary Share capital, and shall be subject to the same provisions with reference to the payment of calls, transfer, transmission, forfeiture, lien and otherwise as the existing Ordinary Share capital.

The Company may from time to time by ordinary resolution:

(a) cancel any Ordinary Shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its Ordinary Share capital by the amount of the Ordinary Shares so cancelled;

(b) subdivide its Ordinary Shares, or any of them, into Ordinary Shares of smaller amount than its existing Ordinary Shares, subject nevertheless to the provisions of Section 618(2) of the Act and so that the resolution whereby any Ordinary Share is subdivided may determine that, as between the holders of the Ordinary Shares resulting from such subdivision, one or more of the Ordinary Shares may have any such preferred or other special rights over, or may have such deferred rights, or be subject to any such restrictions, as compared with the others, as the Company has power to attach to unissued or new Ordinary Shares.

Upon any consolidation of fully paid Ordinary Shares into Ordinary Shares of larger amount the Board may settle any difficulty which may arise with regard thereto and in particular may, as between the holders of Ordinary Shares so consolidated, determine which Ordinary Shares are consolidated into each consolidated Ordinary Share and in the case of any Ordinary Shares registered in the name of one Shareholder being consolidated with Ordinary Shares registered in the name of another Shareholder the Board may make such arrangements for the allotment, acceptance and/or sale of Ordinary Shares representing fractional entitlements to the consolidated Ordinary Share or for the sale of the consolidated Ordinary Share and may sell the fractions or the consolidated Ordinary Share either upon the market or otherwise to such person at such time and at such price as it may think fit and shall distribute the net proceeds of sale among such Shareholders rateably in accordance with their rights and interests in the consolidated Ordinary Share or the fractions and for the purposes of giving effect to any such sale the Board may, in respect of certificated Ordinary Shares, appoint some person to transfer the Ordinary Shares or fractions sold to any purchaser thereof and such appointment and any transfer executed in pursuance thereof shall be effective and, in respect of uncertificated Ordinary Shares, may authorise any person to transfer such Ordinary Shares or fractions sold to any purchaser thereof in accordance with the facilities and requirements of the relevant system concerned and any transfer executed in pursuant thereof shall be effective. Provided that the Board

shall have power when making such arrangements to determine that no Shareholder shall be entitled to receive such net proceeds of sale unless his entitlement exceeds such amount as the Board shall determine and if the Board exercises such power, the net proceeds of sale not distributed to Shareholders as a result shall belong absolutely to the Company. For the purposes of the Articles, any Ordinary Shares representing fractional entitlements to which any Shareholder would, but for the Articles, become entitled may be issued in certificated form or uncertificated form.

The Articles do not prevent the Company from purchasing its own Ordinary Shares in accordance with the provisions of the Act.

Variation of Rights

Subject to the provisions of the Act, if at any time the capital of the Company is divided into different classes of Ordinary Shares, rights attached to any class of Ordinary Shares may be varied or abrogated either with the written consent of the holders of not less than three-quarters in nominal value of the issued Ordinary Shares of that class (excluding any Ordinary Shares of that class held as treasury Ordinary Shares), or with the sanction of a special resolution passed at a separate general meeting of the holders of those Ordinary Shares.

Annual General Meetings

An annual general meeting of the Company shall be held in each year in addition to any other meetings which may be held in that year, and such meeting shall be specified as the annual general meeting in the notices calling it. Subject to the provisions of the Act, the annual general meeting shall be held at such time and place as the Directors shall appoint.

General Meetings

The Directors may convene a general meeting of the Company whenever they think fit and general meetings shall also be convened on such requisition, by Shareholders as provided by the Act, whereupon the Directors shall forthwith proceed to convene a general meeting in accordance with the requirements of the Act. If at any time there are not sufficient Directors capable of acting to form a quorum of the Directors, any Director or any two Shareholders of the Company may convene a general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

Two persons entitled to vote upon the business to be transacted, each being a Shareholder or a proxy for a Shareholder or a duly authorised representative of a corporation which is a Shareholder, shall be a quorum. In calculating whether a quorum is present for the purposes of the Articles, if two or more persons are appointed as proxies for the same Shareholder or two or more persons are appointed as corporate representatives of the same corporate Shareholder, only one of such proxies or one of such corporate representatives shall be counted.

At least 21 clear days' notice of every annual general meeting and at least 14 clear days' notice of every general meeting shall be given in the manner hereinafter mentioned to such Shareholders as are under the provisions of the Articles entitled to receive such notices from the Company and to the auditors of the Company. Every notice of meeting shall specify the place, day and hour of meeting and, in the case of special business, the general nature of such business and shall also state with reasonable prominence that a Shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and to speak and to vote instead of him (provided that, where more than one proxy is appointed, each proxy is appointed to exercise the rights attached to a different Ordinary Share or Ordinary Shares) and that a proxy need not also be a Shareholder. In the case of a meeting convened for passing a special resolution, the notice shall specify the intention to propose the resolution as a special resolution. Subject to the provisions of the Articles, to the rights attaching to any class of Ordinary Shares and to any restrictions imposed on any holder, notice shall be given to all Shareholders, the Directors and the auditors.

Voting Rights

Subject to any special terms as to voting upon which any Ordinary Shares may be issued, or may for the time being be held:

(a) upon a show of hands:

(i) every Shareholder who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative and in each case is entitled to vote shall have one vote;

(ii) every proxy present who has been duly appointed by a Shareholder shall have one vote; and

(iii) every corporate representative present who has been duly authorised by a corporation shall have the same voting rights as the corporation would be entitled to; and

(b) upon a poll, every Shareholder present in person or by proxy and entitled to vote shall have one vote for every Ordinary Share held by him and a person entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

In the case of joint Shareholders, the person whose name stands first in the register of members and who votes in person or by proxy is entitled to vote to the exclusion of all other joint holders.

No member shall be entitled to vote at any general meeting unless all moneys presently payable by him in respect of Ordinary Shares in the Company have been paid.

City Code

If at any time when the City Code does not apply to the Company, a person (together with any persons held to be acting in concert with him) acquires any interest in Ordinary Shares in the Company which would have obliged them to extend an offer (a "mandatory offer") to the holders of all other Ordinary Shares in the Company had the City Code applied, the Directors have the discretion (but not the obligation) to disenfranchise such person until a compliant mandatory offer is made. At the current time the City Code does apply to the Company.

Directors

Until otherwise determined by an annual general meeting or a general meeting, the number of Directors (other than alternate directors) shall not be less than two. The Company may by ordinary resolution from time to time vary the minimum and maximum number of Directors.

The Board may from time to time and at any time appoint any other person to be a Director either to fill a casual vacancy or by way of addition to the Board. A Director so appointed shall hold office only until the annual general meeting following next after his appointment, when he shall retire, but shall then be eligible for re-election.

There shall be paid out of the funds of the Company to the Directors of the Company (other than Directors appointed to an executive office or alternate directors) such remuneration (by way of fee) for their services to the Company as the Directors may determine, such sum to be deemed to accrue from day to day and to be divided among such Directors (other than Directors appointed to an executive office or alternate directors) in such proportion and manner as they may agree or, in default of agreement, equally provided that any such Director holding the office of non-executive Director for part of a year shall unless otherwise agreed be entitled only to a proportionate part of such remuneration, save that unless otherwise approved by ordinary resolution of the Company in annual general meeting or general meeting the aggregate of the remuneration (by way of fee) of all the Directors (other than Directors appointed to an executive office or alternate directors) shall not exceed £250,000 per annum. The Company may by ordinary resolution increase the amount of the fees payable under the Articles either permanently or for a year or longer term.

The Directors shall be entitled to be repaid all travelling, hotel and other incidental expenses properly incurred by them respectively in and about the performance of their duties as a Director.

Interests of Directors

Provided he has declared his interest in accordance with the Articles, a Director may hold any other office or place of profit under the Company (except that of auditor) in conjunction with his office of Director and subject to Section 188 of the Act on such terms as to remuneration and otherwise as the Board shall arrange.

Without prejudice to the requirements of the Act:

(a) a Director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other Directors before the Company enters into the transaction or arrangement;

(b) a Director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other Directors as soon as is reasonably practicable, unless the interest has already been declared under (a) above;

(c) any declaration required by (a) above may (but need not) be made at a meeting of the Directors or by notice in writing in accordance with Section 184 of the Act or by general notice in accordance with Section 185 of the Act. Any declaration required by (b) above must be made at a meeting of the Directors or by notice in writing in accordance with Section 184 of the Act or by general notice in accordance with Section 185 of the Act;

(d) a Director need not declare an interest under the Articles if:

  (i) it cannot reasonably be regarded as likely to give rise to a conflict of interest;

  (ii) or to the extent that the other Directors are already aware of it (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware);

  (iii) or to the extent that it concerns terms of his service contract that have been or are to be considered by a meeting of the Directors or by a committee of the Directors appointed for the purpose under these articles; or

  (iv) the Director is not aware of his interest or is not aware of the transaction or arrangement in question (and for this purpose a Director is treated as being aware of matters of which he ought reasonably to be aware).

Subject to the provisions of the Act and provided that he has declared to the Board the nature and extent of any direct or indirect interest of his in accordance with the Articles (or where no declaration of interest is required) a Director notwithstanding his office:

(a) may be a party to, or otherwise be interested in, any transaction or arrangement with the Company or in which the Company is directly or indirectly interested;

(b) may act by himself or through his firm in a professional capacity for the Company (otherwise than as auditor), and in any such case on such terms as to remuneration and otherwise as the Board may decide; or

(c) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise be interested in, any body corporate in which the Company is directly or indirectly interested.

For the purposes of Section 175 of the Act, the Board may authorise any matter proposed to it in accordance with the Articles which would, if not so authorised, involve a breach of duty by a Director under that Section, including, without limitation, any matter which relates to a situation in which a Director has, or can have, an interest which conflicts, or possibly may conflict, with the interests of the Company. Any such authorisation will be effective only if: (i) any requirement as to quorum at the meeting at which the matter is considered is met without counting the Director in question or any other interested Director; and (ii) the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

A Director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a Director of the Company and in respect of which he owes a duty of confidentiality to another person. However, to the extent that his relationship with that other person gives rise to a conflict or possible conflict of interest, this provision applies only if the existence of that relationship has been authorised by the Board pursuant to the Articles. In particular, the Director shall not be in breach of the general duties he owes to the Company by virtue of Sections 171 to 177 of the Act because he fails: (i) to disclose any such information to the Board or to any Director or other

officer or employee of the Company; or (ii) to use or apply any such information in performing his duties as a Director of the Company.

Where the existence of a Director's relationship with another person has been authorised by the Board pursuant to the Articles and his relationship with that person gives rise to a conflict of interest or possible conflict of interest, the Director shall not be in breach of the general duties he owes to the Company by virtue of Sections 171 to 177 of the Act because he: (i) absents himself from meetings of the Board at which any matter relating to the conflict of interest or possible conflict of interest will or may be discussed or from the discussion of any such matter at a meeting or otherwise; and/or (ii) makes arrangements not to receive documents and information relating to any matter which gives rise to the conflict of interest or possible conflict of interest sent or supplied by the Company and/or for such documents and information to be received and read by a professional adviser for so long as he reasonably believes such conflict of interest (or possible conflict of interest) subsists.

Save as provided in the Articles, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any interest which (together with any interest of any person connected with him) is to his knowledge a material interest otherwise than by virtue of his interests in Ordinary Shares or debentures or other securities of or otherwise through the Company or in respect of which he has any duty which conflicts with his duty to the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution in respect of which he is debarred from voting.

A Director shall not, by reason of his office, be accountable to the Company for any remuneration or other benefit which he derives from any office or employment or from any transaction or arrangement or from any interest in any body corporate: (i) the acceptance, entry into or existence of which has been authorised by the Board pursuant to the Articles (subject, in any such case, to any terms upon which such authorisation was given); or (ii) which he is permitted to hold or enter into pursuant to the Articles, nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under Section 176 of the Act. No transaction or arrangement authorised or permitted pursuant to the Articles shall be liable to be avoided on the ground of any such interest or benefit.

A Director shall (in the absence of some other interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters namely:

(a) the giving of any security, guarantee or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;

(b) the giving of any security, guarantee or indemnity to a third party 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 under a guarantee or indemnity or by the giving of security;

(c) any proposal concerning an offer of Ordinary Shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or may be entitled to participate as a holder of securities or in which he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;

(d) any proposal concerning any other company in which he is interested (as defined in the Act) directly or indirectly and whether as an officer or Shareholder or otherwise howsoever: provided that he (together with any person connected with him within the meaning of Section 252 of the Act) is not the holder or beneficially interested in 1 per cent. or more of any class of the equity Ordinary Share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to Shareholders of the relevant company (any such interest being deemed for the purpose of the Articles to be a material interest in all circumstances);

(e) any proposal concerning the adoption modification or operation of a superannuation fund or retirement, death or disability benefits scheme or employees' Ordinary Share scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes and which does not award him any privilege or benefit not awarded to the employee to whom the scheme relates;

(f) any contract arrangement or proposal for the benefit of employees of the Group under which the Director benefits in a similar manner as the employees and does not accord to any Director as such any privilege or advantage not generally accorded to the employees to which such contract arrangement or proposal relates;

(g) an insurance arrangement which subject to the provisions of the Act the Company proposes to maintain or purchase for the benefit of a Director or for the benefit of any persons including Directors against liabilities incurred in connection with the discharge of that Director's duties or exercise of his powers in relation to his duties in respect of the Company.

Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested such proposals may be divided and considered in relation to each Director separately and in such cases each of the Directors concerned (if not debarred from voting under the Articles) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be determined by a majority of votes of the remaining Directors present at the meeting and in the case of an equality of votes the Chairman (unless he be the Director the materiality of whose interest or the entitlement of whom to vote shall be in issue) shall have a second or casting vote and their ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed and pending such ruling Article 20.8 shall apply to the Director in question.

Subject to the Act, the Company may by ordinary resolution suspend or relax to any extent, in respect of any particular matter, any provision of the Articles prohibiting a Director from voting at a meeting of the Board or of a committee of the Board.

Managing and other Executive Directors

Subject to the Act, the Board may from time to time appoint one or more of its body to be the holder of any executive office, including the office of Managing or Joint or Assistant Managing Director, on such terms and for such period as it may determine.

The appointment of any Director to any executive office shall be capable of being terminated by the Board at any time, unless the contract or resolution under which he holds office shall expressly state otherwise, but without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company.

A Director holding any executive office shall receive such remuneration, whether in addition to or in substitution for his ordinary remuneration as a Director and whether by way of salary, commission, participation in profits or otherwise as the remuneration committee (if established) or the Board (if no remuneration committee is in existence at the time) may determine.

Powers of Directors

The business of the Company shall be managed by the Board, which may exercise all such powers of the Company and do on behalf of the Company all such acts as may be exercisable and done by the Company, and as are not by the Act or by the Articles required to be exercised or done by the Company in an annual general meeting or a general meeting, subject nevertheless to any regulations of the Articles, to the provisions of the Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in an annual general meeting or a general meeting but no regulation made by the Company in an annual general meeting or a general meeting shall invalidate any prior act of the Board which would have been valid if such regulation had not been made. The general powers given by the Articles shall not be limited or restricted by any special authority or power given to the Directors by any other Article.

The Board may delegate any of its powers, authorities and discretions (with power to sub-delegate) for such time on such terms and subject to such conditions as it thinks fit to any committee consisting

of two or more Directors and (if thought fit) one or more other persons, provided that: (i) a majority of the Shareholders of a committee shall be Directors; and (ii) no resolution of a committee shall be effective unless a majority of those present when it is passed are Directors or alternate Directors.

The Board may establish and maintain any employees' Ordinary Share scheme Ordinary Share option or Ordinary Share incentive scheme approved by ordinary resolution whereby selected employees of the Company or of any company which is a subsidiary of the Company are given the opportunity of acquiring Ordinary Shares in the capital of the Company on the terms and subject to the conditions set out in such scheme and establish and (if any such scheme so provides) contribute to any scheme for the purchase by or transfer allotment or issue to trustees of Ordinary Shares in the Company or its holding company to be held for the benefit of employees (including Directors and officers) of the Company and subject to the Act lend money to such trustees or employees to enable them to purchase such Ordinary Shares provided that if any Ordinary Shares are to be issued to employees or trustees under the provisions of any such scheme pursuant to which the rights attaching to such Ordinary Shares shall be altered or varied then any such scheme shall be approved by special resolution and the Articles shall be deemed to be altered so far as appropriate by the special resolution approving such scheme.

Powers of Borrowing and Mortgaging

The Board may exercise all the powers of the Company to borrow money, and to mortgage or charge all or part of its undertaking, property and assets both present and future, including uncalled capital, and subject to the provisions of Section 549 of the Act to issue debentures, and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

The Board may mortgage or charge all or any part of the Company's undertaking, property and uncalled capital and subject to Section 549 of the Act may issue or sell any bonds, loan notes, debentures or other securities whatsoever for such purposes and upon such terms as to time of repayment, rate of interest, price of issue or sale, payment of premium or bonus upon redemption or repayment or otherwise as it may think proper including a right for the holders of bonds, loan notes, debentures or other securities to exchange the same for Ordinary Shares in the Company of any class authorised to be issued.

Rotation, Retirement and Removal of Directors

The office of a Director shall be vacated if:

(a) he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a Director; or

(b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or

(c) a registered medical practitioner who is treating him gives a written opinion to the Company stating that he has become physically or mentally incapable of acting as a Director and may remain so for more than three months; or

(d) he is or has been suffering from mental or physical ill health and the Board shall resolve that he be disqualified; or

(e) in the case of a Director holding executive office subject to the terms of any contract between him and the Company, he resigns his office by notice in writing to the Company; or

(f) he shall for more than 6 consecutive months have been absent without permission of the Board from meetings of the Board held during that period and the Board shall resolve that his office be vacated; or

(g) he shall be removed from office by notice in writing served on him signed by all his co-Directors but so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company; or

(h) he shall be removed from office by ordinary resolution of the Company in an annual general meeting or general meeting in accordance with the Act.

At the annual general meeting in every year one third of the Directors for the time being or if their number is not a multiple of 3 then the number nearest to but not exceeding 33.3 per cent. shall retire from office: provided always that if in any year the number of Directors (other than those retiring as aforesaid) is two, one of such Directors shall retire, and if in any year there is only one Director (other than those retiring as aforesaid) that Director shall retire.

The Directors to retire at the annual general meeting in every year shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be the Directors who have been longest in office since their last election. As between Directors of equal seniority, the Directors to retire shall in the absence of agreement be selected from among them by lot. A retiring Director shall be eligible for re-election and shall act as a Director throughout the meeting at which he retires.

The Company at the meeting at which a Director retires in the manner aforesaid, may fill the vacated office by electing a person thereto, and in default the retiring Director shall, if offering himself for re-election be deemed to have been re-elected, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such Director shall have been put to the meeting and lost.

In addition to any power of removal conferred by the Act, the Company may by ordinary resolution remove any Director before the expiration of his period of office, and may (subject to the Articles) by ordinary resolution appoint another Director in his place. A person appointed in place of a Director so removed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

Proceedings of the Board

The Board or any committee of the Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit, and determine the quorum necessary for the transaction of business. Meetings of the Board or of any committee of the Board may take place in any part of the world and may take place via telephonic communication, video conference or similar means of communication notwithstanding that the Directors or committee present may not all be meeting in one particular place. Unless otherwise determined by the Board two Directors shall be a quorum. For the purposes of the Articles an alternate Director shall be counted in a quorum but so that not less than two persons shall constitute the quorum.

Questions arising at any meeting of the Board or any committee of the Board shall be decided by a majority of votes. In the case of an equality of votes the Chairman shall have a second or casting vote.

The Board shall cause proper minutes to be made of all annual general meetings and general meetings of the Company and also of all appointments of officers and of the proceedings of all meetings of the Board and committees of the Board, and of the attendances thereat, and all business transacted at such meetings, and any such minutes of any meeting, if purporting to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting of the Company or of the Board or committee, shall be conclusive evidence without any further proof of the facts therein stated.

A proposed Directors' resolution in writing must be sent to all the Directors for the time being entitled to receive notice of a meeting of the Board. A resolution in writing signed by all the Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting (provided that those Directors would have formed a quorum at such meeting) shall be as effective for all purposes as a resolution passed at a meeting of the Board duly convened and held and so that any such resolution or document signed by an alternate Director shall be deemed to have been signed by the Director who appointed such alternate Director.

Any resolution in writing for the purposes of the Articles may consist of several documents in the like form each signed by or on behalf of one or more of the relevant Directors and any such document

may be in the form of a fax or in any other legible form sent by any other similar method of transmission or by electronic communications. Unless the contrary shall be proved, any such document shall be deemed to be duly and validly signed by the person or persons purporting to sign the same and whose name appears in the text as the person signing the same. Where electronic communications are used, no signature is necessary, subject to any terms and conditions the Board may decide.

A meeting of the Board or a committee of the Board may consist of a conference between Directors some or all of whom are in different places, if, when the meeting proceeds to business, it appears that the following conditions are satisfied in relation to sufficient Directors to form a quorum: (i) each such Director can hear every other Director addressing the meeting; and (ii) each such Director can, if he wishes, address every other Director simultaneously, whether by word of mouth, by conference telephone, video conference or by any other form of communications equipment (whether in use at the date of the adoption of the Articles or developed subsequently) or by a combination of these methods.

Such a meeting is deemed to take place at the place where the largest number of participating Directors is assembled or, if this is not readily identifiable, at the location at which the Chairman of the meeting participates.

Dividends

The Company may by ordinary resolution declare dividends in accordance with the respective rights of the Shareholders, but no dividend shall exceed the amount recommended by the Board. Except as otherwise provided by the rights and restrictions attached to any class of Ordinary Shares, all dividends will be declared and paid according to the amounts paid up on the Ordinary Shares on which the dividend is paid, but no amount paid on an Ordinary Share in advance of calls shall be treated for these purposes as paid up on the Ordinary Share. Dividends may be declared or paid in any currency. The Board may pay interim dividends if it appears to the Board that they are justified by the financial position of the Company. The Board may also pay at intervals determined by it any dividend at a fixed rate if the financial position of the Company, in the opinion of the Board, justifies the payment.

Where, in respect of any Ordinary Shares, any member or any other person appearing to be interested in Ordinary Shares of the Company fails to comply with any notice given by the Company under section 793 of the Act, then, provided that the Ordinary Shares concerned represent at least 0.25 per cent. in nominal amount of the issued Ordinary Shares of the relevant class, the Company may retain dividends on such Ordinary Shares.

Any dividend which has remained unclaimed for 12 years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company.

The Board may, if authorised by an ordinary resolution of the Company, offer any holder of Ordinary Shares the right to elect to receive Ordinary Shares by way of scrip dividend instead of cash in respect of the whole (or some part, to be determined by the Board) of any dividend.

Untraced Shareholders

The Company shall be entitled to sell at the best price reasonably obtainable any shares of a member, or any shares to which a person is entitled by transmission, who has remained untraced for 12 years immediately prior to the date of the publication of an advertisement of an intention by the Company to make such a disposal.

Winding Up

If the Company shall be wound up (whether the liquidation is altogether voluntary, under supervision or by the UK Court) the liquidator may, with the authority of a special resolution and any other sanction or authority required by the Act or the Insolvency Act 1986, divide among the Shareholders in proportion to their Ordinary Shareholdings in specie the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the like authority, vest the whole or any part of the assets in trustees upon such trusts for the benefit of

Shareholders as the liquidator shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no Shareholder shall be compelled by the liquidator to accept any assets in respect of which there is attached a liability or potential liability.

Indemnity

Subject always to the provisions of the Act, and without prejudice to any protection from liability which may otherwise apply, the Company may, at its discretion and subject to any policies adopted by the Directors from time to time, indemnify every Director or other officer or auditor of the Company out of the assets of the Company against all costs, charges, losses, expenses and liabilities which he may sustain or incur in relation to the Company in or about the actual or purported execution of the duties of his office or the exercise or purported exercise of his powers or otherwise in relation thereto, including any liability incurred by him in defending any criminal or civil proceedings, provided that no such indemnity shall be provided in respect of any liability incurred:

(a) by a Director:

  (i) to the Company or any associated company of the Company;

  (ii) to pay a fine imposed in any criminal proceedings or a penalty imposed by a regulatory authority for non-compliance with any requirement of a regulatory nature (however arising);

  (iii) in defending any criminal proceedings in which he is convicted;

  (iv) in defending any civil proceedings brought by the Company, or an associated company of the Company, in which judgement is given against him; or

  (v) in connection with any application for relief under sections 661(3) or (4) or 1157 of the Companies Act 2006 in which the court refuses to grant him relief; or

(b) by an auditor in defending any proceedings (whether civil or criminal) in which judgment is given against him or he is convicted.

The Directors shall also have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers or employees of the Company, or of any other company in which the Company or any of the predecessors of the Company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which employees of the Company or of any such other company or subsidiary undertaking are interested, including, (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/ or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund. For the purposes of the Articles "subsidiary undertaking" shall have the meaning assigned to it in Section 1162 of the Act.

5. OTHER REGULATORY MATTERS

5.1 *Disclosure of interests in shares*

A shareholder in a public company incorporated in the UK whose shares are admitted to trading on AIM is required pursuant to Rule 5 of the Disclosure and Transparency Rules to notify the Company of the percentage of his voting rights if the percentage of voting rights which he holds as a shareholder or through his direct or indirect holding of financial instruments reaches, exceeds or falls below certain thresholds. In addition, AIM Rule 17 requires notification without delay of any changes to the holding of a significant shareholder (as defined in the AIM Rules, which may include a Director) above 3 per cent. which increase or decrease such holding through any single percentage point. Schedule 5 to the AIM Rules specifies what information must be disclosed.

Pursuant to Part 22 of the Act and the Articles, the Company is empowered by notice in writing to require any person whom the Company knows, or has reasonable cause to believe to be or, at any time during the three years immediately preceding the date on which the notice is issued, interested in the Company's shares, within a reasonable time to disclose to the Company particulars of any interests, rights, agreements or arrangements affecting any of the shares held by that person or in which such other person as aforesaid is interested.

5.2 ***Takeovers***

The City Code applies to the Company. The Panel has statutory powers to enforce the City Code in respect of companies whose shares are admitted to trading on AIM.

Under Rule 9 of the City Code a person who acquires, whether by a single transaction or by a series of transactions over a period of time, shares which (taken with shares held or acquired by persons acting in concert with him) carry 30 per cent. or more of the voting rights of a company, is normally required to make a cash offer for all the outstanding shares of that company at not less than the highest price paid by him or any persons acting in concert during the offer period and in the 12 months prior to its commencement. This requirement would also be triggered by an acquisition of shares by a person holding (together with its concert parties) shares carrying between 30 and 50 per cent. of the voting rights in the company if the effect of such acquisition were to increase that person's percentage of the voting rights.

Pursuant to Sections 979 to 982 of the Act, where the offeror has by way of a takeover offer as defined in Section 974 of the Act acquired or unconditionally contracted to acquire not less than 90 per cent. in value of the shares to which an offer relates and where the shares to which the offer relates represent not less than 90 per cent. of the voting rights in the company to which the offer relates, the offeror may give a compulsory acquisition notice to the holder of any shares to which the offer relates which the offeror has not acquired or unconditionally contracted to acquire, and which he wishes to acquire, to acquire those shares on the same terms as the general offer.

Pursuant to Sections 983 to 985 of the Act, where an offeror makes a takeover offer as defined by Section 974 of the Act and, by virtue of acceptances of the offer and any other acquisitions holds or has agreed to acquire not less than 90 per cent. of the shares in the target (or if the offer relates to a class of shares 90 per cent. of the shares in that class) and which carry not less than 90 per cent. of the voting rights in the target, then a minority shareholder who has not accepted the offer may require the offeror to acquire his shares in the target on the same terms as the general offer.

6. DIRECTORS' SHAREHOLDINGS AND OTHER INTERESTS

6.1 Details of the Directors, their business addresses and their functions in the Company are set out on page 5 of this document. Each of the Directors can be contacted at the registered office of the Company at 27/28 Eastcastle Street, London W1W 8DH.

6.2 The interests (all of which are beneficial) of the Directors and their immediate families (within the meaning set out in the AIM Rules) in the share capital of the Company at the date of this document and immediately following Admission are as follows:

Director	*Number of Existing Ordinary Shares*	*Percentage of Existing Ordinary Shares*	*Number of Ordinary Shares immediately following Admission*	*Percentage of Enlarged Share Capital*
Robert Hutson Jr.	20,000,000	6.42	20,000,000	3.95
Robert Post	20,000,000	6.42	20,000,000	3.95
Bradley Gray*	2,210,481	0.71	2,210,481	0.44
Martin Thomas	2,050,000	0.66	2,075,000	0.41
David Johnson	150,000	0.05	200,000	0.04
Total	44,410,481	14.26	44,485,481	8.78

* The Ordinary Shares issued to Bradley Gray are subject to the terms of the Restricted Stock Agreement, as set out in paragraph 12.1 of Part VI of this document.

6.3 In addition to the interests disclosed in paragraph 6.2 above, the Company is aware of the following persons who will, immediately following Admission, hold, directly or indirectly, voting rights

representing three per cent. or more of the Enlarged Share Capital of the Company to which voting rights are attached:

Name	*Number of Existing Ordinary Shares*	*Percentage of Existing Ordinary Shares*	*Number of Ordinary Shares immediately following Admission*	*Percentage of Enlarged Share Capital*
Sand Grove Capital Management LLP	37,651,128	12.09	59,456,128	11.73
Premier Fund Managers	23,870,000	7.66	37,369,000	7.37
GLG Partners	23,221,326	7.46	33,530,326	6.62

6.4 So far as the Directors are aware and save as disclosed in paragraphs 6.2 and 6.3 above, there are no persons who, immediately following the Placing, will, directly or indirectly, be interested in three per cent. or more of the capital of the Company or who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

6.5 The Ordinary Shares held by the Shareholders set out in paragraphs 6.2 and 6.3 above rank *pari passu* with all other existing Ordinary Shares and, in particular, have no different voting rights than other existing Shareholders. Following the Placing, neither the Directors nor any major Shareholders will have different voting rights to other Shareholders.

6.6 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors, nor are there any outstanding loans or guarantees provided by the Directors to or for the benefit of the Company.

6.7 Save as otherwise disclosed in this document, none of the Directors nor any members of their respective families, nor any person connected with the Directors (within the meaning of section 252 of the Act), has any holding, whether beneficial or otherwise, in the share capital of the Company or any of its Subsidiaries.

6.8 In addition to being directors of the Company, the Directors hold or have held directorships of the companies and/or are or were partners of the partnerships specified opposite their respective names below within the five years prior to the date of this document:

Name	*Current directorships/partnerships*	*Previous directorships/partnerships*
Robert Hutson Jr.	Alliance Petroleum Corporation Diversified Gas & Oil Corporation Diversified Real Estate Holding LLC Diversified Resources Inc. Marshall Gas and Oil Corporation M&R Investments LLC R&K Oil and Gas Inc.	None
Robert Post	Diversified Gas & Oil Corporation Diversified Real Estate Holding LLC Diversified Resources Inc.	None
Bradley Gray	Alliance Petroleum Corporation Marshall Gas and Oil Corporation M&R Investments LLC Myers and Gray LLC R&K Oil and Gas Inc.	The McPherson Companies, Inc.
David Johnson	Bilby plc Fit Together (UK) Limited Tribeca Nominee Limited	None

Name	*Current directorships/partnerships*	*Previous directorships/partnerships*
Martin Thomas	Jasper Consultants Limited Pristec AG Wedlake Bell LLP	Chadbourne & Parke (London) LLP Energy Everything Investments PLC Hunton & Williams LLP Pemar Capital Partners PLC Watson Farley & Williams LLP

6.9 As at the date of this document, no Director has:

(a) any unspent convictions in relation to indictable offences;

(b) been declared bankrupt or been subject to any individual voluntary arrangement;

(c) been a director of any company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within 12 months after he ceased to be a director of that company;

(d) been a partner in any partnership which has been placed in compulsory liquidation, administration or partnership voluntary arrangement whilst he was a partner of that partnership or within 12 months after he ceased to be a partner in that partnership;

(e) been the owner of any asset or been a partner in any partnership which had an asset placed in receivership whilst he was a partner of that partnership or within the 12 months after he ceased to be a partner of that partnership; or

(f) been subject to any public criticisms by any statutory or regulatory authorities (including recognised professional bodies) or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

7. OPTIONS, WARRANTS AND SHARE OPTION SCHEME

7.1 As at the date of this document:

(a) the Company has not, save as set out in paragraphs 7.1(b), 7.1(c), 7.3 and 7.4 below of this Part VI, issued any options or warrants to subscribe for Ordinary Shares, nor any other equity securities convertible into Ordinary Shares;

(b) on 30 January 2017, the Company issued warrants to Mirabaud and Smith & Williamson as more fully described in paragraphs 12.9 and 12.10 of this Part VI; and

(c) on 15 June 2017, the Company issued warrants to Mirabaud as more fully described in paragraph 12.14 of this Part VI.

7.2 The Directors believe that the success of the Group will depend to a significant degree on the future performance of the executive management team. The Directors also recognise the importance of employees being well motivated and identifying closely with the success of the Group.

7.3 On 30 January 2017, the Directors implemented an equity incentive plan (the "Share Option Scheme"), under which the Company shall offer incentives to employees and executive Directors. Awards of Share Options granted under the Share Option Scheme shall be administered by the Board (or duly constituted committee thereof), which shall also be responsible for, *inter alia*, construing and interpreting the Share Option Scheme. Subject to certain conditions, a total of up to 50,680,609 new Ordinary Shares of the Company from time to time shall be available to satisfy awards under the Share Option Scheme. The Share Option Scheme provides for the potential award of two types of Share Option awards: incentive stock options and non-qualified stock options. The Share Option Scheme sets out a number of eligibility conditions which must be followed, including that incentive stock options are only to be granted to employees and each Share Option granted under the Share Option Scheme must be evidenced by an award agreement. The Share Option Scheme also provides for other awards consisting of stock appreciation rights, restricted awards, performance share awards and performance compensation awards. The Share Option Scheme is governed by the laws of the State of Alabama.

7.4 As at the date of this document, the Company has entered into Restricted Stock Unit Agreements with certain employees ("Recipients") pursuant to which such employees were granted the following restricted stock units (the "Units") in the Company to acquire new Ordinary Shares under the Share Option Scheme:

Recipient	*Position*	*Grant Date*	*Units Granted*
Eric Williams	Chief Financial Officer	10 July 2017	110,000
Bob Cayton	Senior Vice President of Operations	1 November 2017	150,000
Jack Crook	Senior Vice President of Environmental, Health and Safety	1 November 2017	85,002
Rich Palya	Vice President of Operations (South Pennsylvania)	1 November 2017	75,000
Rusty Hutson, Sr	Vice President of Operations (West Virginia & South Ohio)	1 November 2017	75,000
Drew Adamo	Vice President of Operations (North Pennsylvania)	1 November 2017	75,000
Tom Vosick	Vice President of Operations (North Ohio)	1 November 2017	75,000
William Kurtz	Senior Vice President	1 January 2018	75,000
Michael Garrett	Vice President of Accounting and Controller	22 March 2018	75,000

Each Unit represents the right to one Ordinary Share in the Company. The Recipients do not have any rights as a shareholder with respect to the shares underlying the Units, including the rights to vote or to dividends, until the Units vest and are settled by the issuance of new Ordinary Shares. In order for the Units to vest, the Recipient must remain actively employed with the Company.

The vesting periods for the Units granted to Eric Williams are as follows:

- fifty per cent (50.00 per cent.) of the Units vest on the first anniversary of the Grant Date; and
- fifty per cent (50.00 per cent.) of the Units vest on the second anniversary of the Grant Date.

The vesting periods for the Units granted to Michael Garrett are as follows:

- thirty-three and one-third per cent (33.33 per cent.) of the Units vest on 1 January 2019;
- thirty-three and one-third per cent (33.33 per cent.) of the Units vest on 1 January 2020; and
- thirty-three and one-third per cent (33.34 per cent.) of the Units vest on 1 January 2021.

The vesting periods for the Units granted to all other Recipients are as follows:

- thirty-three and one-third per cent (33.33 per cent.) of the Units vest on the first anniversary of the Grant Date;
- thirty-three and one-third per cent (33.33 per cent.) of the Units vest on the second anniversary of the Grant Date; and
- thirty-three and one-third per cent (33.34 per cent.) of the Units vest on the third anniversary of the Grant Date.

7.5 Based on the recommendations of the Remuneration Committee (after consultation with major Shareholders) and subject to Shareholders passing the appropriate Resolution being proposed at the General Meeting, the Board intends to grant Share Options under the Share Option Scheme over a further 15,525,000 new Ordinary Shares in aggregate at an exercise price of 84 pence per share to a total of 18 executive Directors and employees. These Share Options will vest in three to five years' time, with (i) one third of them being exercisable without any performance conditions attached, (ii) one third of them to be exercisable subject to certain earnings per share targets being achieved in years three, four and five and (iii) one third of them to be exercisable subject to certain total shareholder return targets being achieved in years three, four and five.

8. SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

8.1 *Rusty Hutson Jr.*

On 30 January 2017, Rusty Hutson Jr. ("RH") entered into a service agreement with the Company under the terms of which he agreed to act as Chief Executive Officer of the Company on a full time basis. The remuneration payable under this agreement is $325,000 gross per annum. RH is also entitled to partake in any employee benefit plans, programs, practices or arrangements of the Company in which other employees of the Company located in the United States are eligible to participate, including, without limitation, any qualified or non-qualified pension, profit sharing and savings plans, any death benefit and disability benefit plans, and any medical, dental, health and welfare insurance plans. This will include RH's eligibility to participate in the Share Option Scheme outlined at paragraph 7.3 of this Part VI. The service agreement is for an initial fixed term of 12 months from the February 2017 Admission continuing thereafter until terminated by either party giving not less than 6 months' notice in writing. RH is entitled to be reimbursed for all expenses reasonably incurred by him in the proper performance of his duties.

8.2 *Robert Post*

On 30 January 2017, Robert Post ("RP") entered into a service agreement with the Company under the terms of which he agreed to act as Executive Chairman of the Company on a part time basis. The remuneration payable under this agreement is $100,000 gross per annum. On 28 July 2017, RP became non-executive Chairman of the Company with immediate effect and his salary was reduced to $49,500 gross per annum. RP is also entitled to partake in any employee benefit plans, programs, practices or arrangements of the Company in which other employees of the Company located in the United States are eligible to participate, including, without limitation, any qualified or non-qualified pension, profit sharing and savings plans, any death benefit and disability benefit plans, and any medical, dental, health and welfare insurance plans. This will include RP's eligibility to participate in the Share Option Scheme. The service agreement is for an initial fixed term of 12 months from the February 2017 Admission continuing thereafter until terminated by either party giving not less than 6 months' notice in writing. RP is entitled to be reimbursed for all expenses reasonably incurred by him in the proper performance of his duties.

8.3 *Bradley Gray*

On 30 January 2017, Brad Gray ("BG") entered into a service agreement with the Company under the terms of which he agreed to act as Finance Director of the Company and Chief Operating Officer of Diversified Gas & Oil Corporation on a full time basis. The remuneration payable under this agreement is $300,000 gross per annum. BG is also entitled to partake in any employee benefit plans, programs, practices or arrangements of the Company in which other employees of the Company located in the United States are eligible to participate, including, without limitation, any qualified or non-qualified pension, profit sharing and savings plans, any death benefit and disability benefit plans, and any medical, dental, health and welfare insurance plans. This will include BG's eligibility to participate in the Share Option Scheme. The service agreement is for an initial fixed term of 12 months from the February 2017 Admission continuing thereafter until terminated by either party giving not less than 6 months' notice in writing. Upon termination, BG is additionally entitled to a termination payment equating to 6 months' basic salary. BG is entitled to be reimbursed for all expenses reasonably incurred by him in the proper performance of his duties. In connection with his appointment to the Board, BG was issued 2,210,481 Ordinary Shares, which are subject to the terms of the Restricted Stock Agreement (as more fully described in paragraph 12.1 of Part VI of this document).

8.4 *David Johnson*

On 30 January 2017, David Johnson ("DJ") entered into an appointment agreement under the terms of which he agreed to act, with effect from the February 2017 Admission, as a non-executive director of the Company and to devote such time as is reasonably necessary for the proper performance of his duties under the agreement, including attending or participating in all board meetings. The remuneration payable under the agreement is £50,000 gross per annum. The agreement is for an initial period of 12 months from the February 2017 Admission and continuing thereafter unless terminated by either party giving not less than 3 months' notice.

8.5 ***Martin Thomas***

On 30 January 2017, Martin Thomas ("MT") entered into an appointment agreement under the terms of which he has agreed to act as a non-executive director of the Company and to devote such time as is reasonably necessary for the proper performance of his duties under the agreement, including attending or participating in all board meetings. The remuneration payable under the agreement is £50,000 gross per annum. The agreement acknowledges that whilst MT was a director of the Company with effect from 1 January 2015, his appointment pursuant to the terms of the aforementioned non-executive director agreement is for an initial period of 12 months from the February 2017 Admission continuing thereafter unless terminated by either party giving not less than 3 months' notice.

8.6 The aggregate remuneration paid or payable by any company in the Group (including benefits in kind) to the Directors during the year ended 31 December 2016 was $664,000 and during the year ended 31 December 2017 was $1,645,000. The aggregate estimated remuneration paid or payable to the Directors by any company in the Group for the current financial year under the arrangements in force is expected to amount to approximately $808,500.

8.7 Save as disclosed above, there are no existing or proposed service contracts between any Director and the Company or any other company in the Group and there are no existing or proposed service contracts between any Director and the Company or any company in the Group.

8.8 Save as disclosed in this paragraph 8, no Director has a service agreement with the Company that has been entered into or varied within six months prior to the date of this document or which is a contract which expires or which is determined by the Company without payment of compensation (other than statutory compensation) after more than one year.

8.9 Save for any ordinary contractual benefits accrued to termination, or benefits in respect of the notice period under the relevant agreement with the Director referred to above, or as disclosed in this paragraph 8, no benefits upon termination are payable by the Company or any company in the Group to any Director.

9. SIGNIFICANT INVESTMENTS

Save as disclosed in this document, there have been no significant investments by any member of the Group since 31 December 2017 (being the date to which the financial information is set out in Part III of this document).

10. EMPLOYEES

As at the date of this document, the Group had 441 employees (other than the executive directors), all of whom are employed by Diversified Resources, Inc. or Alliance Petroleum Corporation and all of whom are located in the USA. The significant majority of US employees serve on an "at will" basis.

Save as disclosed in this Part VI, none of the employment contracts relating to the key management referred to in this paragraph 10, contains a right to benefits (other than those due during the notice period under the contract) upon termination.

The Directors have identified, and post Completion expect to employ, approximately a further 250 employees comprising operational employees located in the gas and oil fields and administrative employees located in various corporate and support offices.

11. TAXATION

Taxation in the United Kingdom

11.1 The following information is based on UK tax law and HMRC practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional advisor immediately.

Tax treatment of UK investors

11.2 The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

(a) who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10 per cent., of any of the classes of shares in the Company; or

(b) who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or

(c) who are in any doubt as to their taxation position.

11.3 Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

11.4 Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

Dividends

11.5 Where the Company pays dividends, Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

11.6 UK resident individual Shareholders who hold their Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

11.7 Dividend income received by UK tax resident individuals will have a £2,000 dividend tax allowance. Dividend receipts in excess of £2,000 will be taxed at 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers, and 38.1 per cent. for additional rate taxpayers.

11.8 Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received but will not be entitled to claim relief in respect of any underlying tax or withholding tax imposed.

Disposals of Ordinary Shares

11.9 Any gain arising on the sale, redemption or other disposal of Ordinary Shares will be taxed at the time of such sale, redemption or disposal as a capital gain.

11.10 The rate of capital gains tax on disposal of Ordinary Shares by basic rate taxpayers is 10 per cent. and for upper rate and additional rate taxpayers the rate is 20 per cent.

11.11 For Shareholders within the charge to UK corporation tax, indexation allowance may reduce any chargeable gain arising on disposal of Ordinary Shares but will not create or increase an allowable loss.

11.12 Subject to certain exemptions, the corporation tax rate applicable to its taxable profits is currently being 19 per cent. falling to 17 per cent. after 1 April 2020.

11.13 Further information for Shareholders subject to UK income tax and capital gains tax

"Transactions in securities"

11.14 The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HMRC to raise tax assessments so as to cancel "tax advantages" derived from certain prescribed "transactions in securities".

Stamp Duty and Stamp Duty Reserve Tax

11.15 The statements below are intended as a general guide to the current position. They do not apply to certain intermediaries who are not liable to stamp duty or stamp duty reserve tax or (except where stated otherwise) to persons connected with depositary arrangements or clearance services who may be liable at a higher rate.

11.16 No stamp duty or stamp duty reserve tax will generally be payable on the issue of Ordinary Shares.

11.17 Neither UK stamp duty nor stamp duty reserve tax should arise on transfers of Ordinary Shares on AIM (including instruments transferring 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).

11.18 In the event that either of the above assumptions does not apply, stamp duty or stamp duty reserve tax may apply to transfers of Ordinary Shares in certain circumstances.

11.19 The above comments are intended as a guide to the general stamp duty and stamp duty reserve tax position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

United States Federal Income Tax Consequences of the Group structure

11.20 Pursuant to Section 7874 of the Code, the Company should be treated as a US corporation for all purposes under the Code because the Company does not have substantial business activities in the UK.

11.21 As the Company will be treated as a US corporation for all purposes under the Code, the Company will not be treated as a "*passive foreign investment company*", as such rules apply only to non-US corporations for US federal income tax purposes.

11.22 As the Company will be treated as a US corporation for all purposes under the Code, dividends from the Company may be subject to US withholding taxes, depending on the country of residence of the Shareholder, and whether the country has an income tax treaty with the US. The statutory rate of withholding under the Code is 30 per cent. to non-US Shareholders, which may be reduced by an applicable treaty.

11.23 Shareholders are encouraged to consult with their tax advisor with respect to their individual tax situation related to these matters.

12. MATERIAL CONTRACTS

The following material contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this document or are other material subsisting contracts which relate to the assets and liabilities of the Group:

12.1 ***Restricted Stock Agreement***

The Company entered into a restricted stock agreement with Bradley Gray which has an effective date of 24 October 2016 (the "Restricted Stock Agreement"), pursuant to which Bradley Gray was awarded 2,210,481 Ordinary Shares (the "Restricted Stock"). Bradley Gray shall subscribe for the Restricted Stock at the par value (£0.01) per Ordinary Share and the Restricted Stock is vested or is to be vested (subject to certain conditions) on three separate dates:

(i) 24 October 2016: Bradley Gray acquired a vested interest in 736,827 Ordinary Shares (being 1/3 of the Restricted Stock);

(ii) 24 October 2018: Bradley Gray will acquire a vested interest in 736,827 Ordinary Shares (being 1/3 of the Restricted Stock); and

(iii) 24 October 2019: Bradley Gray will acquire a vested interest in 736,827 Ordinary Shares (being 1/3 of the Restricted Stock).

Subject to the Restricted Stock Agreement and the conditions outlined therein, Bradley Gray is only able to transfer any interest he may have in the Ordinary Shares once the relevant number of the Ordinary Shares have vested.

The Company has the right, exercisable at any time during the ninety day period following the date on which Bradley Gray ceases for any reason to be a Service Provider (as defined below) to the Company (or such longer period of time mutually agreed to by the parties), to have forfeited for no additional consideration all or (at the discretion of the Company) any portion of the Restricted Stock in which Bradley Gray has not acquired a vested interest in accordance with the vesting provisions set out in the Restricted Stock Agreement. For the purposes of the Restricted Stock Agreement, Bradley Gray will be deemed to be a "Service Provider" to the Company for so long as he renders periodic services to the Company or one or more of its parent or subsidiary corporations, whether as an employee, non-employee member of the board of directors, or an independent, non-employee consultant.

The Restricted Stock Agreement also provides that the Company shall pay to Bradley Gray an amount equal to the estimated US and applicable state income tax liability to be incurred by Bradley Gray resulting from the grant of the Restricted Stock, together with a grossed up amount to ensure that Bradley Gray will not incur any unreimbursed tax (the "Tax Indemnity"), provided that the Tax Indemnity does not exceed $500,000.

12.2 ***Contribution Agreement***

The Company entered into a contribution agreement effective as of 1 November 2016 with Robert M. Post and Robert R. Hutson, Jr. (the "Contributors") (the "Contribution Agreement") pursuant to which the Contributors agree to contribute their interests in Diversified Oil & Gas, LLC and Diversified Appalachian Group, LLC to the capital of the Company. The Contribution Agreement contains certain basic warranties and representations given by the Contributors to the Company. The Contribution Agreement is governed by the laws of the State of Alabama.

12.3 ***Assignment Agreement (1)***

Pursuant to the Contribution Agreement, the Company entered into an assignment of interests agreement by and between Robert M. Post, Robert R. Hutson, Jr. (the "Assignors") and the Company effective as of 1 November 2016 ("Assignment Agreement (1)") pursuant to which the Assignors assign their interest (which collectively amounts to 100 per cent. ownership) in Diversified Oil & Gas, LLC and Diversified Appalachian Group, LLC to the Company. The Assignment Agreement (1) is governed by the laws of the State of Alabama.

12.4 ***Assignment Agreement (2)***

Pursuant to the Contribution Agreement, the Company entered into an assignment of interests agreement by and between the Company (the "Assignor") and DGO Corp effective as of 1 November 2016 ("Assignment Agreement (2)") pursuant to which the Assignor assigns its interest in Diversified Oil & Gas, LLC and Diversified Appalachian Group, LLC to DGO Corp immediately after Assignment Agreement (1) was effective. The Assignment Agreement (2) is governed by the laws of the State of Alabama.

12.5 ***February 2017 Admission – Placing Agreement***

On 30 January 2017, the Company, Smith & Williamson and Mirabaud entered into a placing agreement pursuant to which Smith & Williamson and Mirabaud agreed to use their reasonable endeavours procure subscribers for 61,000,000 Ordinary Shares for which Smith & Williamson and Mirabaud were paid an advisory fee and broking commission in respect of the gross proceeds of the placing (allocated *pro rata* to the funds raised by each of Mirabaud and Smith & Williamson).

In addition, the Company agreed to issue Warrants to the value of 5 per cent. of the gross placing proceeds, to be divided between Mirabaud and Smith & Williamson (allocated *pro rata* to the funds raised by each of Mirabaud and Smith & Williamson).

The Company and the Directors gave warranties in favour of Smith & Williamson and Mirabaud. The liability of the Directors was limited in terms of time and the amount of the liability save in certain circumstances. The Company was not so limited. In addition, the Company gave Smith & Williamson and Mirabaud, their affiliates and their respective directors, officers, employees and agents an indemnity relating to certain losses and liabilities which may be incurred by such persons in the performance by Smith & Williamson and Mirabaud of their obligations and services rendered pursuant to the February 2017 Admission.

12.6 ***February 2017 Admission – Lock-in agreements***

Each of Rusty Hutson Jr., Robert Post, Brad Gray and Martin Thomas has undertaken with Smith & Williamson, Mirabaud and the Company (subject to certain exceptions) not to dispose of any interest in any of their Ordinary Shares until 18 months after 3 February 2017 without the prior written consent of each of Smith & Williamson and Mirabaud.

12.7 ***February 2017 Admission – Nominated Adviser and Broker Appointment Letter***

A nominated adviser and broker appointment letter dated 30 January 2017 and made between (1) the Company and (2) Smith & Williamson (the "Nominated Adviser and Broker Appointment Letter") pursuant to which the Company appointed Smith & Williamson to act as nominated adviser and joint broker to the Company for the purposes of the AIM Rules. The Company agreed to pay Smith & Williamson a fee of £42,500 (plus VAT) for its services as nominated adviser and joint broker under the Nominated Adviser and Broker Appointment Letter. The Nominated Adviser and Broker Appointment Letter contains certain covenants and undertakings given by the Company to Smith & Williamson. The appointment shall continue until terminated by either the Company or Smith & Williamson on, among other things, giving three months' prior written notice after the initial twelve month term. On 26 April 2018, an addendum letter was entered into between the Company and Smith & Williamson whereby the parties agreed that Smith & Williamson would continue as the Company's nominated adviser in accordance with the terms of the Nominated Adviser and Broker Appointment Letter but would relinquish any role as the Company's broker with immediate effect.

12.8 ***February 2017 Admission – Mirabaud Broker Agreement***

A broker agreement dated 30 January 2017 and made between the Company and Mirabaud pursuant to which the Company appointed Mirabaud as lead broker in connection with the February 2017 Admission. The Company agreed to pay Mirabaud an annual retainer of £45,000 plus VAT for its services as lead broker. The agreement shall continue until terminated by either the Company or Mirabaud giving not less than three months' prior written notice not to expire before the first anniversary of the date of the agreement. The Company has agreed to give an indemnity in favour of Mirabaud, subject to certain limitations on liability.

12.9 ***February 2017 Admission – Warrant Agreement between the Company and Mirabaud***

On 30 January 2017, the Company entered into a warrant agreement with Mirabaud (the "Mirabaud Warrant Agreement"), pursuant to which the Company granted Mirabaud the right, subject to the February 2017 Admission, to subscribe for up to 2,364,769 new Ordinary Shares at 65 pence for the period beginning on 3 February 2017 and ending on 3 February 2022.

The Mirabaud Warrant Agreement contains a mechanism whereby the Warrant subscription price (being 65 pence) may be adjusted following the occurrence of certain alterations to the Company's share capital, including a sub-division or consolidation of the Ordinary Shares.

The Mirabaud Warrant Agreement shall be exercised by Mirabaud giving notice to the Company in writing setting out the number of Ordinary Shares in respect of which it wishes to exercise the warrants accompanied by payment of the relevant subscription price.

The Mirabaud Warrant Agreement is governed by English law and the parties irrevocably submit to the exclusive jurisdiction of the Courts of England.

12.10 ***February 2017 Admission – Warrant Agreement between the Company and Smith & Williamson***

The terms of the Warrant Agreement between the Company and Smith & Williamson are the same as the Mirabaud Warrant Agreement summarised in paragraph 12.10 above (*mutatis mutandis*), save that the right relates to up to 685,231 new Ordinary Shares.

12.11 ***Titan Acquisition Agreement***

On 4 May 2017, Titan and the Company entered into the Titan Acquisition Agreement pursuant to which Diversified Energy, LLC ("Diversified Energy"), a wholly owned subsidiary of DGO Corp, agreed, conditionally, to purchase the Titan Assets from (i) Atlas Energy Group, LLC, (ii) Atlas Energy Ohio, LLC, (iii) Resource Well Services, LLC, (iv) Atlas Energy Tennessee, LLC, (v) Atlas Pipeline Tennessee, LLC, (vi) Atlas Noble, LLC, (vii) Viking Resources, LLC, (viii) Resource Energy, LLC, (ix) Atlas Resources, LLC, and (x) REI-NY, LLC (collectively, the "Sellers") (the "Titan Acquisition").

The purchase price for the Titan Acquisition was $84,200,000 payable in immediately available funds upon the closing of the Titan Acquisition. The purchase price for the Titan Acquisition was subject to adjustment in accordance with the terms of the Titan Acquisition Agreement.

The Titan Acquisition Agreement contained certain warranties given by the Sellers in relation to the Titan Assets, subject to certain limitations as to quantum. Claims under the warranties generally must be brought within 1 year of completion of the Titan Acquisition.

The conveyance documents contained certain special warranties of title given by the Sellers in relation to the Titan Assets. There was no time limit for claims under the special warranties.

The Titan Acquisition Agreement contained certain covenants from the Sellers that they would conduct their businesses in the usual and customary manner, consistent with prior practice and not take certain significant actions prior to the closing of the Titan Acquisition without Diversified Energy's consent.

The Titan Assets included interests in partnerships that hold certain oil and gas properties. As part of the Titan Acquisition, Titan agreed to undertake a reorganization of the partnerships. In most cases, the reorganization resulted in the formation of new partnerships and the transfer by the Sellers of the relevant oil and gas properties that comprised certain of the Titan Assets to such new partnerships the Sellers created a new limited liability company and transferred to this company the Sellers' interests in the partnerships which included the sole general partner interests. The Sellers then transferred to Diversified Energy the interest in the newly formed company that held these partnership interests.

Due to the fact that certain of the partnerships were SEC reporting partnerships, the closing of the acquisition of the interests in the reorganized partnerships were deferred due to certain SEC notice and filing requirements. The Sellers were required to complete the reorganization on or before September 30, 2017 or Diversified Energy was not obligated to purchase the partnership interests. As a result, the consideration payable at closing was $72,000,000 and the balance of $11,800,000 was paid at the closing of purchase of the interests in the recognised partnerships.

Diversified Energy had the right under the Titan Acquisition Agreement to offer employment to certain employees of the Sellers, and Diversified Energy has hired a number of the employees following completion.

The Titan Acquisition Agreement was capable of termination by Diversified Energy prior to completion if the Sellers committed a material breach of certain representations, warranties and covenants relating to ownership of the Titan Assets which were not cured.

If the conditions to closing of the Titan Acquisition were not satisfied due to breach by a party to the Titan Acquisition Agreement, then the non-breaching party that elected to terminate the Titan Acquisition Agreement had the option to (i) receive the deposit delivered by Diversified Energy that was being held in escrow pending completion of the Titan Acquisition or (ii) pursue other rights and remedies at law and equity (but excluding specific performance) subject to a maximum limit on monetary damages.

The Titan Acquisition Agreement was governed by the laws of the state of Texas.

12.12 ***EnerVest Acquisition Agreement***

On 23 February 2017, a purchase and sale agreement was entered into by and among Diversified Oil & Gas, LLC, Enervest Energy Institutional Fund, XI-A, L.P., Enervest Energy Institutional Fund XI-WI, L.P., CGAS Properties L.P., and Belden & Blake, L.L.C., as amended relating to the purchase of oil and gas leaseholds, wells, working interests, related equipment and other assets for a total consideration of $1,750,000.

This agreement was governed by the laws of the state of Texas.

12.13 ***Office Space Lease***

On 26 January 2017 each of Diversified Real Estate Holdings, LLC a company owned by Rusty Hutson Jr. and Robert Post, as landlord, and Diversified Resources, Inc, and DGO Corp, collectively as tenant entered into a lease relating to the property situated in 1100 Corporate Drive, Birmingham, Alabama, 35242. The effective date of the lease was 1 January 2017 and the lease terminates on 31 December 2036, with an annual rent of $93,000 for years one to five, $95,328 for years six to 10, $97,716 for years 11 to 15 and $100,164 for years 16 to 20. The lease is governed by Alabama law. This lease supersedes and fully replaces the lease dated 18 May 2016 entered into between Diversified Real Estate Holdings, LLC, as landlord, and Diversified Resources, Inc, as tenant.

12.14 ***July 2017 Admission – Mirabaud Warrant Agreement***

On 15 June 2017, the Company entered into a warrant agreement with Mirabaud (the “June 2017 Mirabaud Warrant Agreement”), pursuant to which the Company granted Mirabaud the right, subject to the July 2017 Admission, to subscribe for up to 1,179,000 new Ordinary Shares at 75 pence for the period beginning on 3 July 2017 and ending on 3 July 2022.

The June 2017 Mirabaud Warrant Agreement contains a mechanism whereby the Warrant subscription price (being 75 pence) may be adjusted following the occurrence of certain alterations to the Company’s share capital, including a sub-division or consolidation of the Ordinary Shares.

The June 2017 Mirabaud Warrant Agreement shall be exercised by Mirabaud giving notice to the Company in writing setting out the number of Ordinary Shares in respect of which it wishes to exercise the warrants accompanied by payment of the relevant subscription price.

The June 2017 Mirabaud Warrant Agreement is governed by English law and the parties irrevocably submit to the exclusive jurisdiction of the Courts of England.

12.15 ***July 2017 Admission – Placing Agreement***

On 15 June 2017, the Company, the Directors, Smith & Williamson and Mirabaud entered into a placing agreement pursuant to which Mirabaud agreed to use its reasonable endeavours to procure subscribers for the Ordinary Shares, which are to be admitted to trading on AIM in two separate tranches – the Firm Placing Shares and the Conditional Placing Shares (as defined in the July 2017 Admission – Placing Agreement), for which Mirabaud was paid a broking commission of 5 per cent. in respect of the gross proceeds of the Placing.

The Company and the Directors gave warranties in favour of Smith & Williamson and Mirabaud. The liability of the Directors was limited in terms of time and the amount of the liability save in certain circumstances. The Company was not so limited. In addition, the Company gave Smith & Williamson and Mirabaud, their affiliates and their respective directors, officers, employees and agents an indemnity relating to certain losses and liabilities which may be incurred by such persons in the performance by Smith & Williamson and Mirabaud of their obligations and services rendered pursuant to the Admission.

The Placing Agreement is governed by English Law.

12.16 ***Existing KeyBank Facility Agreement***

On March 14, 2018, DGO Corp and certain of its subsidiaries entered into a five year, senior secured revolving loan facility (including letters of credit) of up to $500,000,000 with KeyBank, National Association (“KeyBank”) and certain other lenders (collectively, and together with KeyBank, the “Lenders”), the proceeds of which were utilised to finance the Alliance Petroleum Acquisition and the

CNX Acquisition, to refinance existing indebtedness and for working capital and transaction costs (the "Existing KeyBank Facility"). Certain subsidiaries of the DGO Corp have guaranteed the Existing KeyBank Facility and have pledged their assets to secure the Existing KeyBank Facility.

The Existing KeyBank Facility is 5 year facility bearing an interest rate of LIBOR plus a margin based upon utilization of the Existing KeyBank Facility. DGO Corp has to pay KeyBank an annual administration fee equal to $50,000 and a quarterly commitment fee based upon utilization of the Existing KeyBank Facility.

The Existing KeyBank Facility contains standard representations and warranties, affirmative and negative covenants and events of defaults, including financial reporting requirements (e.g., annual audited financial statements, quarterly and monthly unaudited financial statements, compliance certificates, financial plans, reserve reports and information regarding oil and gas properties) and performance covenants (e.g., net leverage ratio and asset coverage ratio). DGO Corp is permitted to make semi-annual dividend payments in a maximum specified amount so long as, after giving effect to such dividend payment on a pro forma basis, DGO Corp is in compliance with certain performance covenants (i.e. liquidity coverage, total leverage and utilisation ratios).

DGO Corp is responsible for payment of all fees and costs associated with the Existing KeyBank Facility including the fees and costs of legal advisors to the Lenders. DGO Corp has provided the Lenders, their respective officers, directors, employees, advisors, representatives and agents with an indemnity relating to certain indemnified liabilities which may be incurred by such person, absent any wilful misconduct or gross negligence of such person as determined by a court or competent jurisdiction.

The Existing KeyBank Facility is governed by the laws of the state of New York, and the parities have irrevocably waived their right to a jury trial and have agreed to submit to the jurisdiction of the courts of New York.

12.17 ***January 2018 Placing Agreement***

On 31 January 2018, the Company, Mirabaud, Stifel and Smith & Williamson entered into a placing agreement pursuant to which Mirabaud and Stifel agreed, subject to certain conditions, to use their reasonable endeavours to procure subscribers for 166,400,000 new Ordinary Shares (the "2018 Placing Shares") pursuant to the placing.

Application was made for the made for the 2018 Placing Shares to be admitted to trading on AIM. Admission of the 2018 Placing Shares became effective, and dealings in the Placing Shares commenced, on AIM on 20 February 2018.

12.18 ***NGO Acquisition Agreement***

On 30 November 2017, Diversified Energy, LLC entered into a sale and purchase agreement (the "NGO Acquisition Agreement") pursuant to which it acquired from NGO Development Corporation, Inc. ("NGO") certain oil and gas leaseholds, 577 wells, working interests, licenses, pipelines, related equipment and other assets located in the State of Ohio (the "NGO Assets"). The purchase price for the NGO Acquisition was $3.1 million, subject to certain adjustments.

The NGO Acquisition Agreement contains certain warranties given by NGO in relation to the NGO Assets, subject to certain limitations as to quantum. Claims under the warranties generally must be brought within one (1) year of the closing of the NGO Acquisition. The conveyance documents contain certain special warranties of title given by NGO in relation to the NGO Assets.

12.19 ***Alliance Petroleum Acquisition Agreement***

On 7 February 2018, DGO Corp entered into a conditional sale and purchase agreement to acquire Lake Fork Resources Acquisition Corporation ("LFRA"), the parent holding company of Alliance Petroleum Corporation, pursuant to which DGO Corp agreed to purchase all of the outstanding shares of capital of stock of LFRA.

The total consideration for the Alliance Petroleum Acquisition was $95.0 million (£66.9 million) comprising the purchase price of $70 million (£49.3 million), plus repayment of certain debts of Alliance

Petroleum Corporation in the amount of $25.0 million (approximately £17.6 million), to be satisfied in cash at closing. The purchase price for the Alliance Petroleum Acquisition was subject to adjustment in accordance with the terms of the Alliance Petroleum Acquisition Agreement. The Alliance Petroleum Acquisition completed on 7 March 2018. Immediately after the completion of the Alliance Petroleum Acquisition, LFRA was merged with and into Alliance Petroleum Corporation leaving Alliance Petroleum as a direct subsidiary of DGO Corp.

The Alliance Petroleum Acquisition Agreement contains certain undertakings and warranties given by Lake Fork Resources Operating, LLC in relation to LFRA and Alliance Petroleum Corporation, which are usual for a transaction of this nature. Claims under the warranties generally must be brought within eight months of the closing of the Alliance Petroleum Acquisition. The Alliance Petroleum Acquisition Agreement contains certain special warranties, such as those related to Alliance Petroleum Corporation's organisation and capital structure, for which there is no time limit for claims to be brought.

DGO Corp agreed to use reasonable efforts to continue the employment of certain of Alliance Petroleum Corporation's senior management at their respective current rates of benefits and pay for a minimum period of twelve months following closing of the Alliance Petroleum Acquisition and will not terminate such employees except for cause.

12.20 ***CNX Acquisition Agreement***

On 8 February 2018, Diversified Natural Resources, LLC and CNX Gas Company, LLC entered into a conditional sale and purchase agreement (the "CNX Acquisition Agreement"), pursuant to which Diversified Natural Resources, LLC agreed to purchase certain oil and gas leaseholds, wells, working interests, licenses, related equipment and other assets located in the Appalachian Basin, primarily in the states of Pennsylvania and West Virginia (the "CNX Assets"). Prior to completion, Diversified Natural Resources, LLC assigned its rights under the CNX Acquisition Agreement to Alliance Petroleum Corporation as permitted by the CNX Acquisition Agreement. The purchase price for the CNX Acquisition was $85.0 million and the closing occurred on 30 March 2018.

The CNX Acquisition Agreement contains certain warranties given by CNX Gas Company, LLC in relation to the CNX Assets, subject to certain limitations as to quantum. Claims under the warranties generally must be brought within one (1) year of closing of the CNX Acquisition. The conveyance documents contain certain special warranties of title given by CNX Gas Company, LLC in relation to the CNX Assets. The time limit for claims under the special warranties is twenty-four (24) months.

12.21 ***Amended KeyBank Facility Agreement***

Further to the Existing KeyBank Facility DGO Corp has arranged a five year, senior secured credit facility of up to $1 billion from KeyBank and certain other lenders to entirely replace the facilities under the Existing KeyBank Facility Agreement (the "Amended KeyBank Facility").

Up to $600 million of the Amended KeyBank Facility will be available to be drawn down to fund the EQT Acquisition, to pay related closing costs and to refinance indebtedness under the Existing KeyBank Facility.

The agreement in respect of the Amended KeyBank Facility stipulates that the loan proceeds are to be utilised for the EQT Acquisition, refinancing of the Existing KeyBank Facility, capital expenditures programme, working capital and transaction costs. The Amended KeyBank Facility Agreement has an interest rate of LIBOR plus a margin based on a pricing grid of 2.25 per cent. to 3.25 per cent. based upon utilisation.

The Amended KeyBank Facility Agreement contains standard representations and warranties, affirmative and negative covenants and events of defaults, including financial reporting requirements and performance covenants and other terms all of which are comparable to those contained in the Existing KeyBank Facility

The Amended KeyBank Facility Agreement will be governed by the laws of the state of New York, and the parties will irrevocably waive their right to a jury trial and submit to the jurisdiction of the courts of New York.

12.22 ***EQT Acquisition Agreement***

On 28 June 2018, DGO Corp entered into a membership interest purchase agreement (the "EQT Acquisition Agreement") with the Sellers, pursuant to which DGO Corp has conditionally agreed to acquire all of the issued and outstanding membership interests of Diversified Southern Production and Diversified Southern Midstream which will be formed via a statutory division of the existing businesses of the Sellers pursuant to the Pennsylvania Entity Transactions Law (as cited in paragraph 12.23 below). The consideration payable by DGO Corp is $575 million, $57.5 million of which was paid as a deposit upon execution of the EQT Acquisition Agreement (the "Deposit") and the remainder of which is to be satisfied entirely in cash at closing (subject to adjustment post-closing in accordance with the terms of the EQT Acquisition Agreement).

The EQT Acquisition Agreement, includes the requirement for DGO Corp or one of its affiliates to hire all of the employees of Diversified Southern Midstream and Diversified Southern Production. For a period of one year immediately following closing, DGO Corp is required to offer (or cause one of its affiliates to offer) the employees of Diversified Southern Midstream and Diversified Southern Production compensation (including base salary or wage rate, variable compensation opportunity and long term incentive opportunity) no less favourable in the aggregate than those provided to DGO Corp's similarly situated employees. Post-closing, the Group expects that DGO Corp will employ, approximately a further 250 employees of Diversified Southern Midstream and Diversified Southern Production, comprising operational employees located in the gas fields and administrative employees located in various corporate and support offices.

On the closing of the EQT Acquisition, it is expected that Diversified Southern Midstream and Diversified Southern Production will enter into a transition services agreement pursuant to which the Sellers will provide certain services to Diversified Southern Midstream and to Diversified Southern Production.

The EQT Acquisition Agreement is capable of termination by DGO Corp prior to closing if closing has not taken place by 31 July 2018 (unless the closing fails to occur as of such date as a result of a breach by DGO Corp of its representations or warranties or the failure to perform its covenants and agreements under the EQT Acquisition Agreement).

If closing does not occur by 31 July 2018 due to a breach by DGO Corp of its obligation to close the EQT Acquisition Agreement, the EQT Acquisition Agreement entitles the Sellers to elect to terminate the EQT Acquisition Agreement and retain the Deposit. If the closing does not occur by 31 July 2018 due to a breach by either of the Sellers of their obligation to close the EQT Acquisition Agreement, then the EQT Acquisition Agreement entitles DGO Corp to elect to either (i) seek specific performance or (ii) terminate the EQT Acquisition Agreement, have the Deposit returned by the Sellers.

12.23 ***EQT Separation Agreements***

Shortly before Completion of the EQT Acquisition, each of the Sellers will undergo a division in accordance with Subchapter F of the Pennsylvania Entity Transactions Law (15 Pa. Stat. and Cons. Stat. Ann. § 361 et seq.). As part of the division process, each of the Sellers will enter into a separation agreement and adopt a plan of division that will identify assets and liabilities that are to be allocated to a newly formed entities, the interests of which are to be acquired by DGO Corp pursuant to the EQT Acquisition Agreement.

Specifically, the First Seller will enter into a separation agreement and adopt a plan of division that will identify the midstream assets that are to be allocated to Diversified Southern Midstream, a new entity that will result from and be created by the division, as well as the assets and liabilities that will be retained by the First Seller. The Second Seller's separation agreement and plan of division will identify the assets relating to it's natural gas production business that are to be allocated to Diversified Southern Production, a new entity that will result from and be created by the division, as well as those assets and liabilities that will be retained by the Second Seller.

The divisions will be consummated by the filing of plans of division with the Pennsylvania Department of State. Upon filing of the plans of division, the divisions will be effective, Diversified Southern Midstream and Diversified Southern Production will be formed, and the assets and liabilities will vest in, and be assumed by, as applicable, each newly formed entity in accordance with its separation agreement.

12.24 ***Smith & Williamson Engagement Letter***

Pursuant to a letter of engagement dated 30 May 2018, the Company appointed Smith & Williamson to act as its nominated adviser in connection with Admission. The Company agreed to pay to Smith & Williamson a corporate finance fee payable on Admission.

The Company agreed to reimburse Smith & Williamson for any expenses and disbursements as Smith & Williamson, in its discretion, incurs in connection with its appointment under the letter of engagement.

The letter of engagement is governed by English law, and the parties irrevocably submit to the jurisdiction of the courts of England and Wales.

12.25 ***Mirabaud Engagement Letter***

The Company appointed Mirabaud as its lead broker in connection with the Placing and Admission by way of an engagement letter dated 15 June 2018. The Company has agreed to pay Mirabaud commission on the basis set out in paragraph 12.28 below. In the event that the Placing does not complete and the Company undertakes another placing within 12 months of the date of termination of Mirabaud's appointment, then Mirabaud is entitled to 5 per cent. of the gross funds received by the Company in respect of such placing.

Under the letter of engagement, the Company has given certain customary undertakings and indemnities to Mirabaud in connection with its engagement.

The letter of engagement is governed by English law and the parties have agreed to irrevocably submit to the jurisdiction of the courts of England and Wales.

12.26 ***Stifel Engagement Letter***

Pursuant to a letter of engagement dated 8 June 2018, the Company has appointed Stifel to act as joint bookrunner to the Company in connection with Admission. The Company has agreed to pay Stifel commission on the basis set out in paragraph 12.28 below.

Under the letter of engagement, the Company has given certain customary undertakings and indemnities to Stifel in connection with its engagement.

The letter of engagement is governed by English law. The Company and Stifel agree to irrevocably submit to the jurisdiction of the English courts, save that if Stifel becomes subject to proceedings brought by a third party in the courts of any country other than England, Stifel retains the right to join or counterclaim the Company as a party to such proceedings.

12.27 ***Stifel, Nicolaus & Company. Inc. Engagement Letter***

The Company appointed Stifel, Nicolaus & Company Incorporated as its exclusive financial advisor in connection with the EQT Acquisition by way of an engagement letter dated 13 June 2018 for which it will receive a fee of 1 per cent. of the acquisition value.

The engagement letter is governed by the laws of the state of New York and the parties agree to submit to the jurisdiction of the federal courts in the city of New York.

12.28 ***Placing Agreement***

On 28 June 2018, the Company, the Directors, Smith & Williamson, Mirabaud and Stifel entered into a placing agreement pursuant to which each of Mirabaud and Stifel agreed to use their reasonable endeavours to procure subscribers for the Placing Shares. Each of Mirabaud and Stifel agreed to accept settlement risk on the Placees procured by each of them. Each of Mirabaud and Stifel are due to be paid (i) a fixed placing commission of 0.25 per cent. of the gross Placing proceeds, (ii) a commission of 3 per cent. of the gross Placing proceeds (allocated *pro rata* to the funds raised by each of Mirabaud and Stifel).and (iii) a discretionary commission, at the sole discretion of the Company, of up to 0.5 per cent. of the gross Placing proceeds, to be allocated between Mirabaud and Stifel at the Company's sole discretion. Conditional on Admission, a corporate finance fee will be paid to Smith & Williamson.

The Company and the Directors jointly and severally gave warranties in favour of each Mirabaud, Stifel and Smith & Williamson. The liability of the Directors is limited in terms of time and the amount of the liability save in certain circumstances. The liability of the Company is not limited in any way. In addition, the Company has indemnified each of Mirabaud, Stifel and Smith & Williamson, their affiliates and their respective directors, officers or employees in respect of certain losses and liabilities which may be incurred by such persons in the performance their respective obligations and services rendered pursuant to the Admission.

The Placing Agreement is governed by English Law.

13. RELATED PARTY TRANSACTIONS

Save for the related party transactions noted in the historical financial information for the Group in Part III of this document, or referred to in paragraph 12.13 in this Part VI, during the period of two years immediately preceding the date of this document, no company in the Group has entered into any related party transactions.

14. WORKING CAPITAL

The Directors are of the opinion, having made due and careful enquiry that, after taking into existing cash resources and the net proceeds of the Fundraising, the working capital available to the Enlarged Group will be sufficient for its present requirements, that is, for at least the period of 12 months from the date of Admission.

15. LITIGATION

No member of the Group is or has been engaged in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which have had or may have a significant effect on the Group's financial position or profitability during the 12 months preceding the date of this document and, so far as the Directors are aware, there are no such proceedings pending or threatened by or against any member of the Group.

16. NO SIGNIFICANT CHANGE IN FINANCIAL OR TRADING POSITION

Save as otherwise disclosed in this document, there has been no significant change in the financial or trading position of the Group since 31 December 2017, the date to which financial information set out in Part III of this document was prepared.

17. INTELLECTUAL PROPERTY

The Company has confirmed that it does not have any registered intellectual property other than its website domain name – www.dgoc.com.

18. PROPERTY

The following properties are owned by the Group:

(a) the real property located at 7907 TR 103, Millersburg, Ohio, 44654 (and consists of a garage and pipe yard);

(b) the real property located at 1823 State Route 14, Deerfield, Ohio 44411 (and consists of an office building, garage and yard);

(c) the real property located at 101 McQuisition Drive, Jackson Center, 16133, Fayette, PA (and consists of an office building, garage and yard);

(d) the real property located at 980 Market Street, Mahaffey, Clearfield County, PA 15757 (and consists of the Mahaffey Field Office), being 4.647 acres, more or less;

(e) the real property located at 2560 Route 36, Brookville, PA 15825 (and consists of the Brookville-Jefferson District Office), being 26.30 acres, more or less;

(f) the real property located at 460 Harriger Interline Road, Punxsutwaney, Oliver Township, Jefferson County, PA 15864 (and consists of the EXCO T2 Compressor), being 1.00 acres, more or less;

(g) the real property located at Pioneer Lake Road, Cherry Tree, Montgomery Township, Indiana County, PA 15724 (and consists of the EXCO Myers Compressor), being 0.630 acres, more or less;

(h) the real property located at 262 Osborne Road, Brookville, Eldred Township, Jefferson County, PA 15825 (and consists of the company house and compressor) being 4.38 acres, more or less;

(i) the real property located at Warsaw Township, Jefferson County, PA (and consists of the Old Columbia Gas Tap Building), being 9.5 acres, more or less;

(j) the real property located at Richardsville Road, Warsaw, Jefferson County, PA (and consists of two Richardsville Station buildings), being 1.7 acres, more or less;

(k) the real property located at 67 Collin Run Road, Glennville, Gilmer County, WV 26351 (and consists of the Glennville Field Office), being 2.8 acres, more or less;

(l) the real property located at 1997 Old Weston Road, Buckhannon, Upshur County, WV 26201 (and consists of the Buckhannon Field Office), being 3.33 acres, more or less;

(m) the real property located in Brookfield, Trumbull County, Ohio, and acquired pursuant to Deed recorded in OR 374, Page 607 (and consists of a pipeline and meter location);

(n) the real property located in Jackson, Mercer County, PA, and acquired pursuant to Deed recorded in Book 221, Page 1078 and Book 242, Page 1187 (and consists of the Jackson Center Office);

(o) the real property located at 375 Huntsville Industrial Lane, Huntsville, Scott County, TN (and consists of the Fruehauf Gas Plant);

(p) the real property located at 391 & 395 Airport Road, Indiana, Indiana County, PA 15701 (and consists of the Indiana and Indiana Airport offices) being 22.1 acres, more or less;

(q) the real property located at 1341 Martin Road, Indiana, Indiana County, PA 15701 (and consists of the Indian Field Office) being 11.93 acres, more or less;

(r) the real property located at 261 Beaver Drive, Rochester Mills, Indiana County, PA 15771 (and consists of the Marchard Field Office) being 6.26 acres, more or less.

(s) the real property located at 1214 McGee's Mill Road, Mahaffey, PA 15757, (and consists of the Brady Field Office), being 4.591 acres, more or less;

(t) the real property located at 9525 Greenville Pike, Clarion, Clarion County, PA 16214, (and consists of the Limestone Compressor property), being 15.25 acres, more or less;

(u) the following interests in surface real property:

State	*County*	*City/District*	*Acreage*	*Tax Map ID#*
PA	Jefferson	Warsaw	56.000	38-265-0120(1/3 int)

State	*County*	*City/District*	*Wells/Instrument*
OH	Mahoning	Berlin	Atlas America #3D (16579), #4D (16580)
OH	Mahoning	Berlin	Atlas America #5D (16581)
OH	Trumbull	Bazetta	Atlas #1 (15091), Atlas #2 (15101)
OH	Trumbull	Bazetta	Atlas #3(15084)
OH	Trumbull	Champion/Bazetta	Cambridge Farms #1 (11145), #2 (11146)
OH	Trumbull	Champion/Bazetta	Cambridge #3 (11152)
PA	Westmoreland	Sewickey	Instrument 200901260002290 (well access)
PA	Fayette	Luzerne	Instrument 200800001819 (access road)

In addition, the US headquarters of the Group is located at 1100 Corporate Drive, Birmingham, Alabama 35242. The 1100 Corporate Drive office building is leased to the Group by an entity owned by the two founding principals, Robert Post and Rusty Hutson Jr. The terms of this lease are summarised in paragraph 12.13 of this Part VI.

19. CONSENTS AND OTHER INFORMATION

19.1 Smith & Williamson has given and not withdrawn its written consent to the issue of this document with the inclusion in it of references to its name in the form and context in which they appear.

19.2 Mirabaud has given and not withdrawn its written consent to the issue of this document with the inclusion in it of references to its name in the form and context in which they appear.

19.3 Stifel has given and not withdrawn its written consent to the issue of this document with the inclusion in it of references to its name in the form and context in which they appear.

19.4 The reporting accountant, Crowe U.K. LLP, has given and not withdrawn its written consent to the issue of this document with the inclusion in it of its reports and letters contained in Parts III and IV of this document respectively, and references thereto and to its name in the form and context in which they appear.

19.5 The Competent Person, Wright & Co Inc., has given and not withdrawn its written consent to the issue of this document with the inclusion in it of its reports contained in Part V of this document respectively, and references thereto and to its name in the form and context in which they appear.

19.6 Crowe U.K. LLP of St Bride's House, 10 Salisbury Square, London, EC4Y 8EH are the auditors of the Group.

19.7 The estimated costs of the Placing are £8.0 million and the net proceeds of the Placing receivable by the Company are expected to be approximately £181.4 million. The total costs and expenses payable by the Company in connection with the Proposals (including professional fees, commissions, the costs of printing and registrars fees) are estimated to amount to approximately £21.1 million excluding VAT.

19.8 Save as otherwise disclosed in this document, there are no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Group's business or profitability.

19.9 Save as otherwise disclosed in this document, there have been no significant authorised or contracted capital commitments of the Group at the date of publication of this document.

19.10 No environmental issues have arisen in the past 12 months which would have had a significant effect on the Company's financial position or profitability. Save as disclosed in this document, the Company is not aware of any material environmental issues or risks affecting the utilisation of the Group's tangible fixed assets or its operations.

19.11 Other than as disclosed in this document, no person has (excluding those professional advisers disclosed in this document and trade suppliers):

(a) received, directly or indirectly, from the Company within the 12 months preceding the date of this document; or

(b) entered into any contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission any of the following:

- fees totalling either £10,000 or more;
- securities in the Company with a value of either £10,000 or more calculated by reference to the expected price of an Ordinary Share at Admission; or
- any other benefit with a value of either £10,000 or more or more at the date of Admission.

19.12 Where information contained in this document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

19.13 The Ordinary Shares are issued and allotted in registered form under the laws of England and Wales and their currency is Pounds Sterling. No admission to listing or trading of the Ordinary Shares is being sought on any stock exchange other than AIM.

19.14 It is expected that CREST accounts will be credited as applicable on the date of Admission. The ISIN of the Ordinary Shares is GB00BYX7JT74. Share certificates in respect of Placing Shares (where applicable) will be dispatched by first class post within 14 days of the date of Admission.

19.15 There are no arrangements in existence under which future dividends are to be waived or agreed to be waived.

19.16 Smith & Williamson is registered in England and Wales as a private company under the Companies Act 1985 of Great Britain with number 04533970 and is regulated by the FCA. Its registered office is at 25 Moorgate, London, EC2R 6AY.

19.17 Mirabaud is registered in England and Wales as a private company under the Act with number 01654710 and is regulated by the FCA. Its registered office is at 10 Bressenden Place, London, SW1E 5DH.

19.18 Stifel is registered in England and Wales as a private company under the Companies Act 1985 of Great Britain with number 03719559 and is regulated by the FCA. Its registered office is at 150 Cheapside, London, EC2V 6ET.

19.19 The Directors will comply with Rule 21 of the AIM Rules and Article 19 of the Market Abuse Regulation relating to Directors' and applicable employees' dealings in Ordinary Shares and to this end, the Company has adopted an appropriate share dealing code.

19.20 The Placing Price of 97 pence per Ordinary Share represents a premium of 96 pence over the nominal value of £0.01 per Ordinary Share.

19.21 There are no provisions in the Articles which would have the effect of delaying, deferring or preventing a change of control of the Company.

19.22 Save as disclosed in this document, the Directors are unaware of:

(a) any significant trends in production, sales and inventory and costs and selling prices from 31 December 2017 (being the date to which the financial information set out in Part III of this document was prepared) to the date of this document;

(b) any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group's prospects for at least the current financial year; or

(c) any exceptional factors which have influenced the Company's activities.

19.23 There are no mandatory takeover bids outstanding in respect of the Company and no public takeover bids have been made by third parties either in the last financial year or the current financial year of the Company.

19.24 There are no arrangements known to the Company, the operation of which may at a subsequent date result in a change of control of the Company.

20. AVAILABILITY OF ADMISSION DOCUMENT

Copies of this document, which contains full details about the Company and the admission of its securities, will be available from the offices of Smith & Williamson, 25 Moorgate, London EC2R 6AY, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of one month from the date of Admission. A copy of this document is also available for download at the Company's website at www.dgoc.com.

29 June 2018

PART VII

NOTICE OF GENERAL MEETING

DIVERSIFIED GAS & OIL PLC

("Company")

(incorporated in England and Wales with registered number 09156132)

NOTICE IS HEREBY GIVEN that a General Meeting of the Company will be held at the offices of Buchanan Communications Limited, 107 Cheapside, London EC2V 6DN at 11.00 a.m. on 16 July 2018 for the purpose of considering and, if thought fit, passing the following resolutions, resolutions numbered 1 and 2 as Ordinary Resolutions and resolution 3 as a Special Resolution:

ORDINARY RESOLUTIONS

1. **THAT** the proposed acquisition by the Company of certain of the producing gas, NGL and oil assets of EQT Gathering LLC and EQT Production Company through the acquisition of all of the issued and outstanding membership interests of two new entities which will result from and be created by the divisions of EQT Gathering, LLC and EQT Production Company made pursuant to Pennsylvanian Law (the "**Acquisition**") on the terms summarised in the admission document issued by the Company dated 29 June 2018 (the "**Admission Document**") of which this notice forms part be and is hereby approved and that the directors of the Company, or a duly constituted committee of the directors, be and are hereby authorised to waive, amend, vary or extend any of the terms and conditions of the Acquisition or the agreement for the Acquisition or any related agreements (but not to a material extent) and do all such things that they may consider necessary or desirable in connection with the Acquisition.

2. **THAT**:

2.1 the directors of the Company be generally and unconditionally authorised under section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot equity securities (within the meaning of section 560 of the Act):

2.1.1 up to an aggregate nominal amount of £1,953,300 in respect of the 195,330,000 new Ordinary Shares of £0.01 each in the capital of the Company to be issued at £0.97 per share by the Company pursuant to the placing on the terms set out in the Admission Document (the "Placing Shares");

2.1.2 up to £506,806.09 in respect of up to 50,680,609 new ordinary shares of £0.01 each in the capital of the Company issuable to satisfy awards made under the Company's share option scheme; and

2.1.3 otherwise than pursuant to 2.1.1 and 2.1.2 above, up to an aggregate nominal amount of £1,689,353.62 (being equal to one-third of the nominal value of the Company's enlarged issued share capital immediately following Admission);

2.2 such authority shall expire (unless previously revoked by the Company) at the conclusion of the next Annual General Meeting of the Company and the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be granted after the authority has expired and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that this authority has expired; and

2.3 all previous authorities to allot equity securities to the extent unused, shall be revoked.

SPECIAL RESOLUTION

3. **THAT**:

3.1 the directors of the Company be generally and unconditionally empowered under section 570 of the Act to exercise all the powers of the Company to allot equity securities for cash pursuant to the authorisation conferred by resolution 2 above as if section 561 of the Act did not apply to the allotment, provided that this power shall be limited to:

3.1.1 the allotment of up to an aggregate nominal amount of £1,953,300 in respect of the allotment and issue of the Placing Shares; and

3.1.2 the allotment of equity securities (as defined in section 560 of the Act) in connection with an offer by way of a rights issue to:

3.1.2.1 ordinary shareholders in proportion (as nearly as may be) to their existing holdings; and

3.1.2.2 holders of other equity securities, if this is required by the rights of those securities or, if the directors consider it necessary, but subject to such exclusions and other arrangements as the directors may consider necessary or appropriate in relation to fractional entitlements, record dates, legal, regulatory or practical problems nor under the laws of any territory (including the requirements of any regulatory body or stock exchange) or any other matter; and

3.1.3 otherwise than pursuant to 3.1.1 and 3.1.2 above the allotment of further equity securities up to an aggregate nominal amount of £506,806.09 (being 10 per cent. of the nominal value of the Company's enlarged issued share capital immediately following Admission);

3.2 such power shall expire (unless previously revoked by the Company) at the conclusion of the next annual general meeting of the Company and in each case the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement as if this power had not expired.

3.3 all previous powers to allot equity securities to the extent unused, shall be revoked.

By Order of the Board

Registered Office:
27/28 Eastcastle Street
London
W1W 8DH

Cargil Management Services Limited
Company Secretary

Dated: 29 June 2018

NOTES TO THE NOTICE OF GENERAL MEETING

(a) Only those shareholders registered in the Company's register of members at:

(i) 11.00 a.m. (UK time) on 14 July 2018; or,

(ii) if this meeting is adjourned, at 11.00 a.m. (UK time) on the day two days prior to the adjourned meeting, shall be entitled to attend, speak and vote at the meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

(b) Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, can be found at www.dgoc.com.

(c) If you wish to attend the meeting in person, please attend the offices of Buchanan Communications Ltd, 107 Cheapside, London EC2V 6DN on 16 July 2018 at 11.00 a.m. (UK time) for the purpose of considering and, if thought fit, passing the proposed Resolutions.

(d) If you are a shareholder who is entitled to attend and vote at the meeting, you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. A proxy does not need to be a shareholder of the Company but must attend the meeting to represent you. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form. To appoint more than one proxy, please contact the Company's share registrar on telephone number 0121 585 1131.

(e) To be valid, an instrument appointing a proxy and any power of attorney or other authority under which the proxy instrument is signed (or a notarially certified copy thereof) must be deposited with the Company's share registrar, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD ("Neville Registrars") by 11.00 a.m. (UK time) on 14 July 2018.

(f) The completion and return of a proxy card will not affect the right of a member to attend, speak and vote in person at the meeting convened by this notice. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

(g) A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

(h) In the case of joint holders, where more than one of the joint holders completes a proxy appointment, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).

(i) Shareholders may change proxy instructions by submitting a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

(j) Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Neville Registrars.

(k) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment thereof by using the procedures described in the CREST manual setting out the rules governing the operation of CREST as published by Euroclear (the "CREST Manual"). CREST personal members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. All messages relating to the appointment of a proxy or an instruction to a previously appointed proxy must be transmitted so as to be received by Neville Registrars Limited (ID: 7RA11) no later than 11.00 a.m. on 14 July 2018. Normal system timings and limitations will apply in relation to the input of CREST Proxy Instructions. It is therefore the responsibility of the CREST member concerned to take such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable their CREST sponsor(s) or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 as amended.

(l) If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

(m) A shareholder may change a proxy instruction but to do so you will need to inform the Company in writing by sending a signed hard-copy notice clearly stating your intention to revoke your proxy appointment to the Neville Registrars. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

(n) In either case, the revocation notice must be received by Neville Registrars no later than 11.00 a.m. (UK time) on 14 July 2018.

(o) If you attempt to revoke your proxy appointment but the revocation is received after the time specified, your original proxy appointment will remain valid unless you attend the meeting and vote in person.

(p) A corporation which is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a shareholder provided that no more than one corporate representative exercises powers over the same share.

(q) As at 6.00 p.m. (UK time) on 28 June 2018, which is the latest practicable date before publication of this notice, the Company's issued share capital comprised 311,476,087 ordinary shares of £0.01 each and therefore, the total number of voting rights in the Company on the resolutions proposed at this general meeting is 311,476,087.

(r) Any member attending the meeting has the right to ask questions. The Company must answer any question you ask relating to the business being dealt with at the meeting unless:

  (i) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;

  (ii) the answer has already been given on a website in the form of an answer to a question; or

  (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

(s) The quorum for the meeting is two or more members, who are entitled to vote, present in person or by proxy or a duly authorised representative of a corporation which is a member.

(t) The ordinary resolutions must be passed by a simple majority of the total number of votes cast for and against such resolution.

(u) At the meeting the vote may be taken by show of hands or by poll. On a poll, every member, who is present in person or by proxy, shall be entitled to one vote for every share held by him.

(v) If, within five minutes after the time appointed for the meeting (or such longer interval not exceeding one hour as the Chairman of the meeting may think fit to allow) a quorum is not present, the meeting shall stand adjourned to a day (but not less than 10 days later, excluding the day on which the meeting is adjourned and the day for which it is reconvened) the time and place to be decided by the Chairman, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present in person and by proxy shall be a quorum.

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