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## Xplorer Plc

("Xplorer" or the "Company")

### Placing and Admission to trading on the London Stock Exchange

Following the publication of its Prospectus on 10 July 2013, Xplorer is pleased to announce that its entire issued ordinary share capital has today been admitted to the Standard Listing segment of the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange's main market for listed securities under the ticker "XPL".

The Placing which was conditional on Admission, has now completed raising gross proceeds of £1 million following the issue of 6,250,000 ordinary shares of 0.1p each at 16p per Placing Share.

Key elements of the Company's Prospectus are extracted below, and a full version of can be downloaded at [www.xplorerplc.co.uk](http://www.xplorerplc.co.uk).

#### **HIGHLIGHTS**

- A successful placing, fully subscribed by private investors and well known UK institutional investors.
- In partnership with Sprint Capital Partners Limited ("Sprint Capital"), a Hong Kong based private equity investment manager:
  - An early investor in Xplorer;
  - Significant natural resources expertise and interests;
  - Substantially backed; and
  - Two directors in common with Xplorer.
- Discussions commenced with several significant oil exploration & production companies.
- Strong Board with considerable expertise relevant to Xplorer's oil & gas sector focus roll-up strategy.

#### **John Davies, Chairman, commented:**

*"This is the start of an exciting journey in the creation of substantial value for our Shareholders. Our sights are set on a significant transaction which will be supported by Sprint Capital. Accordingly, we consider a listing on London's Official List, rather than a junior market as appropriate to our ambitions for building a substantial oil and gas business."*

#### **Chris McAuliffe, Director of Xplorer, commented:**

*“In-keeping with Sprint Capital’s approach of partnering with strong management teams with a proven track record in delivering highly prospective projects, we are excited to be participating in Xplorer. With discussions commencing with a number of producing and near-term producing oil and gas acquisition candidates, we are looking forward to initiating Xplorer’s roll-up strategy in the coming months.”*

## **Total Voting Rights & Disclosure of Shareholdings**

In accordance with Disclosure and Transparency Rule 5.6.1, the Company announces that its issued share capital consists of 11,250,100 ordinary shares of 0.1p each. The Company does not hold any ordinary shares in treasury.

Therefore, as at 11 July 2013, the total number of voting rights in the Company is 11,250,100.

Shareholders may use this figure as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Disclosure and Transparency Rules.

Following the Placing, the Company has the following Shareholders to be notified under the Disclosure and Transparency Rules:

Party Name	<i>Number of Ordinary Shares On Admission</i>	<i>% of Enlarged Share Capital</i>
John Roddison *	2,000,050	17.78
Christopher McAuliffe **	1,875,050	16.67
Jacqueline Lim **	1,875,050	16.67
Nicholas Nelson	750,000	6.66

\* 1,875,050 Ordinary Shares held by Xplorer Capital Limited and 125,000 Ordinary Shares held by Wednesday Limited; both companies are controlled by John Roddison, a Director of the Company.

\*\* 1,875,050 Ordinary Shares held by Sprint Capital Management Limited, a company jointly controlled by Christopher McAuliffe and Jacqueline Lim, both Directors of the Company.

(All definitions contained in this announcement are as defined in the Company’s Prospectus, as extracted below.)

11 July 2013

### **Enquiries:**

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**Extracts from the Company's Prospectus**

**PART I**

**INVESTMENT OPPORTUNITY AND STRATEGY**

**1. Introduction**

Xplorer is a newly established company incorporated under the laws of England and Wales and formed for the purpose of acquiring a company, business or asset that has operations in the oil and gas exploration and production sector that it will then look to develop and expand.

The Company has conditionally raised gross proceeds of £1,000,000 through the Placing. The Company has also raised £119,002 (gross proceeds) through the issue of new Ordinary Shares and Convertible Loan Notes prior to the date of this Prospectus, and has received commitments from Xplorer Capital and Sprint Capital to pay up the remaining unpaid share capital for a combined £56,000 on Admission.

The Board is responsible for the Company's business strategy and its overall supervision, including the approval of the Acquisition. The Board will also be responsible for the identification and assessment of acquisition opportunities, the structuring and execution of the Acquisition and determination and execution of strategy for the acquired companies, businesses or assets. The Board have considerable experience in identifying acquisition targets and in executing such transactions. The Acquisition is required to establish Xplorer's presence in the oil and gas sector and will form the basis of Xplorer's growth in that sector. It is not intended that Xplorer simply acquire minority stakes in oil and gas entities but that it acquires and operates oil and gas businesses.

**2. The Value Opportunity**

The Directors believe that increasing global industrialisation and urbanisation, particularly in Asia (outside Japan) and the other emerging markets, is likely to lead to increased global demand for commodities. At the same time, the Directors believe that the supply of commodities will be constrained by insufficient investment to keep pace with increased demand and by exploration and development challenges, which are likely in each case to generate sustained inflation in commodity pricing. The Directors' views in this area are supported by the findings of the Organization of the Petroleum Exporting Countries (OPEC) in their World Oil Outlook 2012 report.

The Directors consider these dynamics to be particularly apparent in the oil & gas industry. In recent years, the oil & gas industry has become significantly consolidated. Such consolidation has resulted in the acquisition of many mid-sized companies and the domination of the industry by a small number of non-state owned, vertically integrated companies (commonly known as the "oil majors" or "majors") and national oil companies. However, many valuable resource assets have been acquired by non-majors, which often do not have access to capital or sufficient know-how to realise their development

potential, especially in an increasingly complex technical environment. Many of these businesses have a bias towards exploration and development assets, so consequently do not have sufficient producing assets to benefit from the currently high oil prices in order to de-lever their balance sheets. Other parts of the natural resources sector demonstrate similar characteristics.

Accordingly, the Directors believe that the natural resources sector, and especially the oil & gas industry, presents multiple attractive investment opportunities. These include the opportunity to acquire privately owned natural resource businesses, or illiquid emerging market listed entities without the 'know-how' or capital to unlock the value of their natural resource assets.

### **3. Business strategy and execution**

Xplorer (including subsequently acquired or incorporated subsidiaries) will form a trading business, rather than an investment entity. The Company intends that the Acquisition be of an operating oil and gas exploration and production business that can act as the cornerstone for building a substantial group within the same sector. Xplorer intends to grow this operational oil and gas exploration and production business both organically and by acquisition. The Company aims to achieve its objective through the identification and acquisition of companies, businesses or assets where the existing owners are attracted to the Xplorer proposition, namely the opportunity to sell for cash or hold an ownership interest in a London listed company, with cash, access to capital markets and the "know-how" to unlock the value of their acquired resource assets.

The Company aims to generate value for Shareholders by focussing on opportunities where there is less visibility on transaction pricing owing to a combination of context and geography.

#### ***Business strategy – context***

In terms of context, the Company intends to focus on acquiring operating businesses or assets where value is trapped by virtue of a capital or expertise deficit. The Directors believe such trapped value may often occur in family controlled businesses and small companies with complex or diverse ownership structures or where the business or assets are considered to be non-core by a larger natural resources company. The Company will look to provide liquidity and/or cash to owners through the issue of new Ordinary Shares as consideration for the Acquisition or to raise capital, as well as the strategic and financial management expertise that the Board has identified as lacking in many of the target group businesses. The Directors consider this flexibility to be particularly attractive to owners who wish to remain operationally involved in, and participate in the future of, a target. The Board will look to identify and recruit suitable operational expertise to address any weaknesses in the management team of the Acquisition.

#### ***Business strategy – geography and sector focus***

In terms of geography, the Company intends to focus primarily on emerging and under-developed geographic regions where the Directors collectively have prior knowledge and experience. These include Asia, the Middle East, and Latin America. However the Company will not exclude other geographic regions where an opportunity presents an appropriate investment proposition. Similarly, while the Company intends to adopt an oil & gas focus, it will also remain open to opportunities in other commodities in the natural resources sector should an appropriate investment opportunity present itself.

#### ***Execution***

The Company anticipates that it will acquire the whole voting control and equity interest of any target company or business.

The initial equity capital base of Xplorer will be relatively small compared with the likely value of the Acquisition, so it is intended to use Ordinary Shares as a material element of the consideration for the Acquisition. As the Acquisition is expected to be of a business valued at substantially more than Xplorer, it will constitute a Reverse Takeover under the Listing Rules, and a new Prospectus, a circular to Shareholders convening a general meeting and a new Standard Listing application will be

required. The vendors of the Acquisition may receive a controlling stake in Xplorer as part of the transaction, which may well also result in a person or concert party owning 30 per cent. or greater of the issued Ordinary Shares. As the vendors of the Acquisition are unlikely to be connected with Xplorer and/or own any Ordinary Shares, it is expected that the Company will apply for dispensation under Rule 9 of the City Code, through a vote of independent shareholders (known as a “Whitewash”). The information required under the City Code for a Whitewash will be incorporated in the circular to be sent to Shareholders to accompany a Reverse Takeover and will require their vote at a general meeting. It is expected that concurrently with the Acquisition that Xplorer will need to raise new capital by making an offer of new Ordinary Shares for cash. The Acquisition is more likely to be successfully completed if the vendors agree to receive Ordinary Shares as a material element of the consideration and the Company is able to raise additional capital through the issue of new Ordinary Shares. It is likely that the completion of the Acquisition will be contingent on these events.

The Board brings considerable expertise that is specifically relevant to this stage of the Company’s development, i.e. in relation to identifying, assessing and executing the Acquisition, and negotiating and securing the required financing for the Acquisition:

- Christopher McAuliffe and Jaqueline Lim have experience of sourcing and executing acquisitions within the natural resources sector in a number of emerging economies. A list of the particularly relevant transactions are in the following paragraph. This experience will be important in successfully sourcing and executing the Acquisition.
- John Roddison is a Chartered Accountant with 35 years post qualification experience. He was also Finance Director of AIM quoted Silvermere Energy plc, which he left following the successful reverse takeover of the Mustang Island assets (an oilfield off the coast of Texas) in August 2011, which valued the enlarged group at £4.25m. He has specific expertise in relation to assessing, structuring and executing acquisitions, notably the implementation of financial reporting procedures, undertaking financial due diligence, managing capital requirements, and raising debt and equity finance. This experience will be important in successfully executing the Acquisition.
- John Davies and Christopher McAuliffe have been involved in a wide range of fundraisings of both equity and debt on public and private markets. They have an extensive range of investor contacts, which are expected to be important in successfully executing the Acquisition.
- Jacqueline Lim is a qualified corporate lawyer with 17 years post qualification experience. She has particular expertise in mergers, acquisition and capital markets transactions, both as a lawyer and as a private equity investment manager, which will be important in successfully executing the Acquisition.

The current Board has a focus on financial, transactional, legal and strategic expertise, and these are the key strengths that they will bring to the enlarged business following the Acquisition. The Board believes that these are the most important areas of expertise for the Company at this stage of its development, where the focus is to identify, finance and execute the Acquisition. Christopher McAuliffe has originated and advised on a large number of key mergers & acquisition, debt, equity capital markets and private equity transactions in Asia, including many deals in the natural resources sector, notably:

- Advising First Resources Limited, an Indonesian palm oil producer on their S\$295m IPO on the Singapore Stock Exchange in 2007;
- Advising GMR Group, an Indian conglomerate, on their 2009 acquisition of Indonesian coal mining assets for US\$100m;
- Advising Indika Energy Tbk, an Indonesian energy group with interests in coal mining, oil services and power generation on their US\$300m IPO on the Jakarta Stock Exchange;

- Advising China Coal Energy Company Limited, one of China's largest coal mining companies, on their US1bn IPO on the Hong Kong Stock Exchange in 2006; and
- Advising on the 2007 principal investment of US\$150m into DP Cleantech (formerly Dragon Power), a leading Chinese biomass energy group.

The Company intends to leverage the Directors' extensive and complementary network of contacts across the natural resources industry to access a number of quality acquisition opportunities. The Company and its Directors intend to assemble high calibre transaction and operating teams to conduct due diligence on targets and structure and execute the Acquisition and apply discipline to transaction selection.

One of the key considerations when assessing the Acquisition will be the quality of the operational management. It would be expected that following the Acquisition, one or more of the senior management team of the Acquisition would join the Board in order to add operational expertise at that point, especially in relation to the Acquisition. Information on the new Directors would be detailed in the Prospectus and circular to Shareholders that will accompany a Reverse Takeover. Additional Directors and management may also be recruited externally if the Board identifies such a requirement.

The Board will only recommend for Shareholder approval an Acquisition if it believes that the terms of the Acquisition offer an opportunity to holders of the Ordinary Shares to achieve attractive returns. The Directors (other than John Davies) are incentivised to achieve such returns through an aggregate holding of 3,750,100 Ordinary Shares (3,875,100 Ordinary Shares on Admission) and the Warrants. (See Part VII, paragraph 6 for further information).

Following completion of the Acquisition, the Company intends to implement a strategy designed to maximise Shareholder value by optimising the capital structure of the acquired activities, implementing disciplined operational improvements and strengthening management, including through the services of the Directors who may assume executive roles. The Company may also undertake targeted investments within the operations of the acquired activities and pursue strategic "bolt-on" acquisitions to increase the scale of the Company's operating business.

#### **4. The Company's Competitive Strengths**

The Directors believe that the Company should be well placed to compete against other market participants in the oil and gas exploration and production sector on the basis of the following competitive advantages:

- the Directors have a strong track record of operating in emerging and under-developed markets and a significant understanding of the sector. See "Part II – The Company, its Board, and the Acquisition Structure" for further details;
- the Directors have an extensive network of relationships with the key decision-makers and owners of potential targets in the sector; and
- the Company has considerable flexibility in how it would be able to finance the consideration for the Acquisition, which will include the Net Proceeds together with the potential to incur indebtedness and/or to issue additional listed equity (whether to raise additional cash or as transaction consideration).

#### **5. Use of Proceeds**

The Company's intention is to use the Net Proceeds of the Placing to fund the due diligence and other transaction costs in respect of the Acquisition. Prior to completion of the Acquisition, the Company will invest or deposit the Net Proceeds in sterling denominated money market instruments, government securities, commercial paper, asset backed commercial paper, corporate bonds and/or deposits with commercial banks. Each of these instruments or commercial banks will be no less than AA- rated at the time of investment or deposit.

Prior to completion of the Acquisition, a portion of the gross proceeds of the Placing will be used for ongoing corporate purposes, including to pay the expenses of the Placing (as further described in Part III of this document) and the Company's ongoing costs and expenses (as further described in Part II and Part VII of this document), including directors' fees, due diligence costs, and other costs of sourcing, reviewing and pursuing the Acquisition.

## **6. Capital and returns management**

The Company has conditionally raised gross proceeds of £1,000,000 from the Placing, giving net proceeds to the Company of approximately £840,350. Further equity capital raisings are expected to be undertaken by the Company as it pursues its objectives. The amount of any such additional equity to be raised, which could be substantial, will depend on the nature of the Acquisition opportunities which arise and the form of consideration the Company uses to make the Acquisition, and so cannot be determined with any certainty at this time.

The Company expects that returns for Shareholders will derive primarily from capital appreciation of the Ordinary Shares and any dividends paid pursuant to the Company's dividend policy set out below. The Articles include pre-emption rights in favour of existing Shareholders which have been disapplied in relation, amongst other things, to the issue of new Ordinary Shares for cash pursuant to the Placing, the Warrants and the Allenby Warrants, or in connection with: (a) the allotment of Ordinary Shares for cash or otherwise up to an aggregate nominal amount of 10 per cent. of the nominal value of the issued Ordinary Shares (as at the close of the first Business Day following Admission), and (b) allotments of Ordinary Shares where such Ordinary Shares have been offered to holders of existing Ordinary Shares subject to various prescribed exclusions. Otherwise, Shareholders will have pre-emption rights which will generally apply in respect of future issues of Ordinary Shares for cash. See paragraph 2 of Part VII of this document for further details.

If the Acquisition is not completed before the second anniversary of Admission, then (unless the Acquisition has been previously announced but completes after the second anniversary of Admission or the Company is in active negotiations relating to the Acquisition which is announced shortly after the second anniversary of Admission and subsequently completes) the Board will recommend to Shareholders either that the Company be wound up by Special Resolution (in order to return to Shareholders any remaining distributable assets) or that the Company continue to pursue the Acquisition for a further year. The Board's recommendation will then be put to a Shareholder vote.

## **7. Dividend Policy**

The Company intends to pay dividends on the Ordinary Shares following the Acquisition at such times (if any) and in such amounts (if any) as the Board determines appropriate. The Board's current intention is to retain any earnings for use in its business operations, and the Board does not anticipate declaring any dividends in the foreseeable future. The Company will only pay dividends to the extent that to do so is in accordance with all applicable laws.

## **8. Corporate Governance**

In order to implement its business strategy, the Company has adopted a corporate governance structure more fully outlined in Part II of this document. The key features of this structure are:

- a non-executive board with three Non-Executive Directors and an Independent Non-Executive Chairman. The Board has extensive experience of making international acquisitions and has relevant experience in the natural resources sector. The Company has established separate Audit and Risk and Remuneration Committees chaired by the Non-Executive Chairman; and
- the Company will seek Shareholder approval at a general meeting in order for the Company to complete the Acquisition if, as anticipated, the Acquisition constitutes a Reverse Takeover.

## **9. Sprint Capital**

Sprint Capital is a Hong Kong based private equity investment manager, focused on undertaking investments in the mining and natural resources sector. Sprint Capital is controlled by Christopher

McAuliffe and Jacqueline Lim, who are also directors of Xplorer. Sprint Capital owns 1,875,050 Ordinary Shares and 1,875,000 Warrants. Sprint Capital seeks to invest in resources which are in high demand across China and the wider Asian region (including high grade thermal and metallurgical coal, oil and gas, iron ore, potash and copper). Sprint Capital's investment approach is to partner with strong management teams with a proven track record in bringing highly prospective exploration and development-stage projects through to production. Sprint Capital will not be a contracted adviser or an external manager to the Company but Christopher McAuliffe and Jacqueline Lim may introduce suitable acquisition opportunities that they identify through their work with Sprint Capital. Sprint Capital will not be separately remunerated for such introductions, but will instead hope to gain through an increase in the value of its shareholding in Xplorer. There is no contractual or advisory relationship between Sprint Capital and Xplorer other than that described in paragraph 13(ii) of Part VII of this Prospectus.

#### **10. RPS Energy Consultants Limited**

The Company has appointed RPS Energy Consultants Limited, a highly experienced provider of geoscience and engineering consultancy services to the oil and gas industry, to provide independent assessments of potential Acquisition targets, and to provide advice to the Board on the maximisation of those assets post acquisition. The provision of the technical due diligence information from RPS Energy Consultants Limited will assist the Board in their decision making process when assessing the attractiveness of potential Acquisition targets. Key elements of this technical due diligence information includes:

- Technical, resource and economic assessments of potential Acquisition targets;
- Strategy consulting on the development of assets, post Acquisition; and
- Reservoir engineering, in order to maximise the economic return on producing oil and gas assets, post Acquisition.

The information provided to the Board by RPS Energy Consultants Limited will enable the Board to make suitable judgements regarding the geoscience and engineering aspects of a potential Acquisition. RPS Energy Consultants Limited will not perform management functions, but provide advisory and consultancy services. Further details of the terms of engagement of RPS Energy Consultants Limited are set out in Part VII paragraph 12(ix).

RPS Energy Consultants Limited is a wholly owned subsidiary of RPS Group plc, ("RPS") listed on the Main Market of the London Stock Exchange and valued at around £500m. RPS employ 5,000 people in the UK, Ireland, the Netherlands, the United States, Canada, Brazil, Africa, the Middle East, Australia and Asia. Their international presence allows them to undertake co-ordinated and integrated projects throughout the world. Since the beginning of 2010 they have undertaken projects in 123 countries across six continents. RPS is an international consultancy providing advice upon:

- the exploration and production of energy and other natural resources; and
- the development and management of the built and natural environment.

Within the energy sector, RPS is a global, multi-disciplinary consultancy. They provide integrated technical, commercial and project management support in the fields of geoscience, engineering and HS&E (health, safety and environment) to the energy sector. Their aim is to help clients develop their energy resources across the complete life-cycle, combining technical and commercial skills with an extensive knowledge of environmental and safety issues.

Within the energy sector they operate in the following areas:

##### *Operations Support*

Cost effective operations are the key to successful energy projects, in both oil & gas and renewables. RPS has been instrumental in providing project management and technical support as well as expert quality control for seismic surveys, site investigation, well operations, positioning and infrastructure projects.

#### *Technical Studies*

RPS has worked in almost every petroleum basin in the world, undertaking projects ranging from niche specialist work to large multi-disciplinary exploration and production studies. This mix of experience and expertise comes from highly-experienced staff and associates, comprising a wide range of surface and sub-surface disciplines.

#### *Advisory*

RPS provide independent, technically-led advice and management support, using experienced consultants to work individually or with clients' teams. Whether working on business process, specific assets or portfolios, RPS provide high-level support across the complete E&P value chain. The individual RPS consultants assigned to assist the Board evaluate the Acquisition will depend on the nature (location, type of hydrocarbon, stage of development, etc.) of the asset being acquired.

#### *Emerging Areas*

The diverse resources available from within the broader RPS Group, including the Environmental and Planning & Development teams, enables them to deliver focused advice on complex areas of new and emerging business both in the oil & gas and renewable energy industry.

RPS is owned by a broad range of institutional and private investors, with no single shareholder owning over 10%. RPS' CEO is Dr Alan S Hearne, a role he has held since 1981. Dr Hearne was the Plc Entrepreneur of the Year in 2001. RPS' Chairman is Brook Land, the former senior partner of the leading law firm Nabarro.

## PART II

### THE COMPANY, ITS BOARD AND THE ACQUISITION STRUCTURE

#### 1. The Company

The Company was incorporated in England and Wales on 12 March 2012. Its share capital will, on Admission, consist of the Existing Ordinary Shares and the New Ordinary Shares. It is intended that the Enlarged Share Capital will be admitted by the FCA to the standard listing segment of the Official List in accordance with Chapter 14 of the Listing Rules and to trading on the London Stock Exchange's Main Market for listed securities.

#### 2. The Directors

The Directors believe the Board comprises a knowledgeable and experienced group of professionals with relevant experience for sourcing, evaluating, structuring and executing the Acquisition. The Company will not be externally managed and the Board will have full responsibility for its activities.

The details of the Directors are listed below:

John Guy William Davenport Davies, *Independent Non-Executive Chairman, aged 56, date of birth 19 February 1957*

John has over 30 years experience in investment banking with Rowe and Pitman (1979-1981), Brown Brothers Harriman & Co (1981-1985) and Lehman Brothers where he became Co-Head of Institutional Equity Sales Europe (1985-1994). He was then appointed as a Managing Director of Bear Stearns International (1994-1996), before taking the role of Managing Director at Instinet (1996-1997), the electronic agency broker then owned by Reuters. In 1997 he joined Credit Lyonnais in London where he was Global Head of European Equity Sales. In 2001 he began his current specialist focus on hedge fund advisory and marketing, co-founding Altius Partners in partnership with Geneva based Mirabaud Group in 2001 and DNA Advisors in 2004. In 2006 he founded Davenport Capital Limited. He is currently a director of Davenport Capital. John holds an M.A. (Hons.) in Law from Emmanuel College, University of Cambridge.

John's responsibilities will include overseeing the proper functioning of the Board, liaison with the financial adviser and broker to the Company, co-ordinating the Prospective Investors, liaising with the Shareholders on a continuing basis and overseeing the integration of the Acquisition or Acquisitions including the induction and development of new directors. He will also oversee that the regulatory requirements of all statutory bodies are met regarding all the Company's financial and regulatory affairs.

Christopher John McAuliffe, *Non-Executive Director, aged 48, date of birth 12 December 1964*

Chris is an experienced industrials and resources banker with significant relationships across Asia. Until February 2008, Chris was Managing Director and co-head of Asia Pacific Industrials Group for Citigroup (HK). Prior to which he worked for 13 years with CSFB (including BZW) including 5 years as Managing Director and Head of Asia Industrials Group at CSFB (Singapore). Chris has originated and advised on a large number of key mergers & acquisition, debt, equity capital markets and private equity transactions in Asia, including many deals in the natural resources sector, notably:

- Advising First Resources Limited, an Indonesian palm oil producer on their S\$295m IPO on the Singapore Stock Exchange in 2007;
- Advising GMR Group, an Indian conglomerate, on their 2009 acquisition of Indonesian coal mining assets for US\$100m;
- Advising Indika Energy Tbk, an Indonesian energy group with interests in coal mining, oil services and power generation on their US\$300m IPO on the Jakarta Stock Exchange;
- Advising China Coal Energy Company Limited, one of China's largest coal mining companies, on their US1bn IPO on the Hong Kong Stock Exchange in 2006; and

- Advising on the 2007 principal investment of US\$150m into DP Cleantech (formerly Dragon Power), a leading Chinese biomass energy group.

Chris is a member and Vice Chairman of the Supervisory Board of Asian Bamboo AG, China's largest bamboo producer, which listed on the Frankfurt Stock Exchange in 2007. Asian Bamboo AG grows, processes and distributes bamboo products, and had total revenues in 2011 of €90m. Chris is also an advisory board member of Asiasons Capital Group, an alternative asset investment and management group (predominantly involving private equity) focused on opportunities in emerging East Asia. The Group is listed on the Main Board of the Singapore Stock Exchange and has a market capitalization of circa US\$500m as at August 2012. Chris holds a Business Law Degree LLB (Hons.) from Huddersfield University and an MBA from Bradford Business School.

He is a founder shareholder and Managing Director of Sprint Capital and Sprint Capital Management Limited. Sprint Capital is a Hong Kong based private equity investment manager, focused on undertaking investments in the mining and natural resources sector. Sprint Capital seeks to invest in resources which are in high demand across China and the wider Asian region (including high grade thermal and metallurgical coal, oil and gas, iron ore, potash and copper). Sprint Capital's investment approach is to partner with strong management teams with a proven track record in bringing highly prospective exploration and development-stage projects through to production. Sprint Capital will not be a contracted adviser or an external manager to the Company but Christopher McAuliffe may introduce suitable acquisition opportunities that he identifies through his work with Sprint Capital. Sprint Capital will not be separately remunerated for such introductions, but will instead hope to gain through an increase in the value of its shareholding in Xplorer. There is no contractual or advisory relationship between Sprint Capital and Xplorer other than that described in paragraph 13(ii) of Part VII of this Prospectus. Chris will not be separately remunerated for such introductions; the terms of his appointment are laid on in Part VII, paragraph 7 of this Prospectus.

Chris will assist with all transaction activity related to the Acquisition or Acquisitions, including, identification, financial analysis, due diligence, contract negotiation and execution.

Jacqueline Lim (Hui – Erh Lim), *Non-Executive Director, aged 43, date of birth 14 May 1970*

Jacqueline has over 15 years of experience in London and Hong Kong focusing on corporate finance, cross-border mergers and acquisitions, equity capital market and private equity transactions. She started her career as a lawyer with Allen & Overy in London and was a Partner with Paul Hastings, Janofsky & Walker responsible for its equity capital markets practice in Hong Kong, advising on a number of landmark transactions in Hong Kong, including many deals in the natural resources sector, including Western Mining, Hidili, Titan Mining, SSRG, GMR and Dragon Power. Jacqueline then became a Partner and Head of China Investments at Asiasons Capital Group, an alternative asset investment and management group listed on the Singapore Stock Exchange. Jacqueline is a founder shareholder and Managing Director of Sprint Capital and Sprint Capital Management Limited. Jacqueline received her LL.B.(Hons.) and Masters Degree in Law from the University of Bristol, qualifying as a Barrister in England and a Solicitor in Hong Kong. She is fluent in Mandarin and Cantonese, as well as English. Jacqueline Lim may introduce suitable acquisition opportunities that she identifies through her work with Sprint Capital. Sprint Capital will not be separately remunerated for such introductions, but will instead hope to gain through an increase in the value of its shareholding in Xplorer. Jacqueline will not be separately remunerated for such introductions; the terms of her appointment are laid on in Part VII, paragraph 7 of this Prospectus.

Jacqueline will assist with all transaction activity related to the Acquisition or Acquisitions, including, identification, financial analysis, due diligence, contract negotiation and execution, as well as providing in-house legal advice.

John Roddison FCA, *Non-Executive Director, aged 58, date of birth 2 January 1955*

John is a chartered accountant (qualifying in 1977 with the Institute of Chartered Accountants of England and Wales) and is senior partner of Brown McLeod, a medium-sized accounting firm. John

has built Brown McLeod into a specialist accounting firm with a select client base comprised of ultra high net worth individuals and a large number of clients in the Entertainment Industry covering Music, Film, Theatre and TV. His music clients include Pulp, Richard Hawley, Wretch 32 and The Kills and he has worked extensively in the film industry and acted as finance director for Parallel Pictures PLC, a film production company, which was admitted to AIM in 1998.

He also previously served as Finance Director for AIM quoted Silvermere Energy PLC, which owns oil and gas activities in the Gulf of Mexico, off the coast of Texas, USA. He left following the successful reverse takeover of the Mustang Island assets in August 2011, which valued the enlarged group at £4.25m.

John's responsibilities will include overall control of the Company's accounting function, including, audit systems, financial reporting, corporate finance, including, financial due diligence, managing capital requirements, debt, taxation and equity with particular reference to the Acquisition.

### **3. Independence of the Board**

John Davies is currently the only "independent" member of the Board (using the definition set out in the Corporate Governance Code). It is intended that additional Directors, both executive and non-executive, will be appointed at the time of the Acquisition and that independence will be one of the factors taken into account at that time.

### **4. Directors' Fees**

John Davies will be entitled to receive an annual fee of £36,000 based on 3 days per month at £3,000 per month with any additional days in excess of 3 days per month being paid at £1,000 per day plus reasonable expenses. Christopher McAuliffe, Jacqueline Lim and John Roddison, will each be entitled to receive an annual fee of £24,000 based on 2 days per month at £2,000 per month with any additional days in excess of 2 days per month being paid at £1,000 per day plus reasonable expenses. Further details of Directors' letters of appointment are set out in paragraph 7 of Part VII of this document.

### **5. Strategic Decisions**

#### ***Members and responsibility***

The Directors are responsible for the Company's objectives and business strategy and its overall supervision. Acquisition, divestment and other strategic decisions will all be considered and determined by the Board. The Board will provide leadership within a framework of prudent and effective controls. The Board will set the corporate governance values of the Company and will have overall responsibility for setting the Company's strategic aims, defining the business plan and strategy, managing the financial and operational resources of the Company and reviewing the performance of the officers and management of the Company's business. The Acquisition will be subject to Board approval and in the event that it constitutes a Reverse Takeover, Shareholder approval will be sought.

#### ***Frequency of meetings***

While the Board will schedule quarterly meetings, it will hold additional meetings as and when required.

#### ***Audit and Risk Committee***

The Company has established an Audit and Risk Committee with delegated duties and responsibilities. The Audit and Risk Committee will be responsible, amongst other things, for making recommendations to the Board on the appointment of auditors and the audit fee, monitoring and reviewing the integrity of the Company's financial statements and any formal announcements on the Company's financial performance as well as reports from the Company's auditors on those financial statements. In addition, the Audit and Risk Committee will review the Company's internal financial

control and risk management systems to assist the Board in fulfilling its responsibilities relating to the effectiveness of those systems, including an evaluation of the capabilities of such systems in light of the expected requirements for any specific acquisition target. The Audit and Risk Committee will meet at least four times a year, or more frequently if required.

### ***Financial Management***

The Company does not currently have a finance director and responsibility for financial management of the Company is undertaken by the Directors. Due to the limited number of financial transactions pre-Acquisition and the financial expertise of the Board, the Board believes this to be appropriate. Brown & McLeod, an accountancy practice where Mr Roddison is the senior partner, will provide bookkeeping services prior to the Acquisition. However, it is the Company's intention to appoint a finance director to the Board, to the extent that a suitable candidate is not provided by the target business which is the subject of the first Acquisition.

### ***Corporate Governance***

The Company will observe the requirements of the Corporate Governance Code (the UK Corporate Governance Code, as published by the Financial Reporting Council). This is the corporate governance regime for England and Wales, the Company's country of incorporation. As at the date of this Prospectus the Company is, and at the date of Admission will be, in compliance with the Corporate Governance Code with the exception of the following:

- Given the size and non-executive composition of the Board, certain provisions of the Corporate Governance Code (in particular the provisions relating to the composition of the Board, the division of responsibilities between the Chairman and chief executive and executive compensation), are not being complied with by the Company as the Board considers these provisions to be inapplicable to the Company.
- Until the Acquisition is made the Company will not have a nominations committee. Following the Acquisition the Board intends to put in place nominations committee. The Board as a whole will review the appointment of new members of the Board prior to the Acquisition, taking into account the interests of Shareholders and the performance of the Company.
- Until a further Independent Non-Executive Director is appointed, the Board will not comply with the provision of the Corporate Governance Code that at least half of the Board, excluding the Chairman, should comprise non-executive directors determined by the Board to be independent. The Company intends to appoint an additional Independent Non-Executive Director following the Acquisition so that the Board complies with this provision.

At this stage of the Company's development, the Board considers these three elements of the Corporate Governance Code to be inappropriate. The Company does have an Audit and Risk Committee and a Remuneration Committee, both of which are chaired by the Non-Executive Chairman. The Company will seek Shareholder approval at a general meeting in respect of the Acquisition if the Acquisition constitutes a Reverse Takeover. The Board intends to review its observance of the remaining aspects of the Corporate Governance Code concurrent with the Acquisition.

As at the date of this document, the Board has voluntarily adopted the Model Code for directors' dealings contained in the Listing Rules. The Board will be responsible for taking proper and reasonable steps for ensuring compliance with the Model Code by the Directors.

**Compliance with the Model Code is being undertaken on a voluntary basis, and the FCA will not have the authority to (and will not) monitor the Company's compliance with the Model Code nor will it be able to impose any sanctions in respect of failure by the Company to comply.**

**The Company is applying for a Standard Listing of the Ordinary Shares on the Official List and a Standard Listing offers less protection to Investors than would otherwise be the case with a Premium Listing on the Official List. Further details on the consequences of a Standard Listing are set out in the section entitled "Consequences of a Standard Listing" on page 21 of this document.**

**6. Acquisition Structure**

Acquisitions are expected to be structured by way of private share purchase or business or asset purchase agreements between the Company and the relevant sellers. Further details on the types of Acquisitions that may be carried out by the Company are detailed in Part I of this document.

**7. Material Contracts**

The Company has entered into a number of other contracts since incorporation, including but not limited to, the Registrar Agreement and the Placing Agreement, which are summarised in paragraph 12 of Part VII of this document.

## 8. Operating and Financial Review, Capital Resources and Indebtedness

The Company was incorporated on 12 March 2012. It has not as yet traded and no material level of interest income has been received to date. Since incorporation, its expenses have related to professional and associated expenses related to the Standard Listing, and Placing. These expenses have been met from the proceeds of the issue of new Ordinary Shares, the history of which is described fully in Part VII paragraph 2, and which have been the only sources of cash for the Company to date.

As at the date of this Prospectus, the Company will have cash resources of £100 plus unused overdraft facilities of £3,300. This includes the proceeds from the issue of £100,000 of Convertible Loan Notes, which compulsorily convert into 1,250,000 Ordinary Shares on Admission. This figure does not include the unpaid £56,000 of capital due on the Deferred Shares, which is due unconditionally on Admission, nor does it include the Net Proceeds from the Placing, which is not underwritten and is conditional on Admission. The Company expects to issue significantly more Ordinary Shares than it currently has in issue when completes the Acquisition. The Company may also significantly increase its level of borrowings post-Acquisition.

The Company's capitalisation and Indebtedness are summarised in the table below:

Total Current Debt	
- Guaranteed	-
- Secured	-
- Unguaranteed/Unsecured	-
Total Non-Current Debt (excluding current portion of long-term debt)	
- Guaranteed	-
- Secured	-
- Unguaranteed/Unsecured	-
Shareholder's Equity (extracted pro-forma statement in Part Va)	
a) Share capital	£839,538
b) Legal Reserves	-
c) Other reserves	-
Total	£839,538

The pro-forma statement in Part Va of this Prospectus 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 Company's actual financial position.

## **PART III**

### **THE PLACING**

#### **1. Description of the Placing**

Under the Placing, 6,250,000 Placing Shares have been conditionally subscribed for by Investors at the Placing Price of 16 pence per Ordinary Share, conditionally raising gross proceeds of £1,000,000, subject to commissions and other estimated fees and expenses of £159,650.

The net proceeds to the Company amount to approximately £840,350, after deduction of fees and expenses payable by the Company which are related to the Placing and Admission. The Placing is conditional on, *inter alia*, Admission. If Admission does not proceed, the Placing will not proceed and all monies paid will be refunded to the applicants.

The Placing Shares have been made available primarily to institutional investors in the UK and elsewhere. In accordance with Listing Rule 14.3, at Admission at least 25% of the Ordinary Shares of this listed class will be in public hands (as defined in the Listing Rules).

Completion of the Placing will be announced via a regulatory news service on Admission, which is expected to take place at 8.00 a.m. on 11 July 2013.

#### **2. Sprint Capital and Xplorer Capital Equity Commitment**

On 26 November 2012 Sprint Capital subscribed for 37,500 ordinary shares of £1.00 each in the capital of the Company, which pursuant to the Reorganisation, were subdivided and reclassified into 37,500 Deferred Shares and 1,875,000 Ordinary Shares at an equivalent subscription price of 2 pence per Ordinary Share, in respect of which £9,500 has been paid up and Sprint Capital has undertaken to pay up the balance of £28,000 on the earlier of the date of Admission and 12 months from the date of subscription.

On 26 November 2012 Xplorer Capital subscribed for 37,500 ordinary shares of £1.00 each in the capital of the Company, which pursuant to the Reorganisation, were subdivided and reclassified into 37,500 Deferred Shares and 1,875,000 Ordinary Shares at an equivalent subscription price of 2 pence per Ordinary Share, in respect of which £9,500 has been paid up and Xplorer Capital has undertaken to pay up the balance of £28,000 on the earlier of the date of Admission and 12 months from the date of subscription.

On 23 August 2012, John Roddison gave a guarantee for a 12 month overdraft facility of £75,000 granted by Royal Bank of Scotland plc to the Company as more fully described in Paragraph 12 (vi) of Part VII of this Document. In consideration for the issue of the Warrants, further details of which are set out in paragraph 12 (vii) of Part VII of this document, Xplorer Capital and Sprint Capital have agreed to guarantee the obligations of John Roddison in the event that Royal Bank of Scotland plc enforce the guarantee given by him on the overdraft facility.

#### **3. Admission, Dealings and CREST**

The Placing is subject to the satisfaction of conditions contained in the Placing Agreement, including Admission occurring on or before 11 July 2013 or such later date as may be agreed by Allenby, the Directors and the Company (being not later than 31 July 2013). Further details of the Placing Agreement are set out in paragraph 12 (i) of Part VII of this document.

Admission is expected to take place and unconditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on 11 July 2013. Dealings on the London Stock Exchange before Admission will only be settled if Admission takes place. All dealings in Ordinary Shares prior to commencement of unconditional dealings will be at the sole risk of the parties concerned.

The expected date for electronic settlement of such dealings will be 11 July 2013. All dealings between the commencement of conditional dealings and the commencement of unconditional dealings will be on a "when issued basis". If the Placing does not become unconditional in all respects, any such dealings will be of no effect and any such dealings will be at the risk of the parties concerned.

Where applicable, definitive share certificates in respect of the New Ordinary Shares are expected to be despatched, by post at the risk of the recipients, to the relevant holders, not later than 25 July 2013. The Ordinary Shares are in registered form and can also be held in uncertificated form. Prior to the despatch of definitive share certificates in respect of any Ordinary Shares which are held in certificated form, transfers of those Ordinary Shares will be certified against the register of members of the Company. No temporary documents of title will be issued.

#### **4. Placing Arrangements**

The Company, the Directors, and Allenby have entered into the Placing Agreement pursuant to which Allenby has agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The Placing Agreement does not include any underwriting obligations.

Allenby may terminate the Placing Agreement (and the arrangements associated with it) at any time prior to Admission in certain circumstances (including for a material breach of warranty). If this right is exercised, the Placing and these arrangements will lapse and any monies received in respect of the Placing will be returned to applicants without interest by Allenby.

Further details of the terms of the Placing Agreement are contained in paragraph 12 (i) of Part VII of this document.

#### **5. Allocation and Pricing**

All Ordinary Shares issued or sold pursuant to the Placing will be issued or sold (as applicable) at the Placing Price which has been determined by Allenby after consultation with the Directors.

Allocations will be determined by agreement between the Directors and the Company after indications of interest from Prospective Investors have been received. A number of factors will be considered upon deciding the basis of allocations under the Placing, including the level and nature of the demand for the Ordinary Shares, investor profile and the firm through which they are made. Each Prospective Investor shall only be entitled to acquire their allocation. Allocations will be managed by Allenby so that the Company shall have sufficient shares in public hands, as defined in the Listing Rules. Admission will only be applied for if applications are received under the Placing for 6,250,000 Ordinary Shares, and those applications are conditional only on Admission. Admission will also only be applied for if a minimum of 3,000,000 Placing Shares are allocated to Investors whose individual and unconnected Shareholdings will each equate to less than 5.0 per cent. of the Enlarged Share Capital, and who do not fall within any of the other excluded categories of investors in Listing Rule 14.2.2 (4).

Conditional upon Admission occurring and becoming effective by 8.00 a.m. London time on or prior to 11 July 2013 (or such later date as the Company, Allenby and Optiva may agree (not being later than 31 July 2013)) and the Investors being allocated Placing Shares, an Investor who has applied for Ordinary Shares agrees to become a member of the Company and agrees to subscribe for those Ordinary Shares allocated to it by Allenby (such allocations not being subject to clawback) at the Placing Price. To the fullest extent permitted by law, Investors will not be entitled to rescind their agreement at any time. In the event that Admission does not become effective by 8.00 a.m. London time on or prior to 11 July 2013 (or such later date as the Company, Allenby and Optiva may agree (not being later than 31 July 2013)), Investors will receive a full refund of monies subscribed.

The rights attaching to the Placing Shares will be uniform in all respects and all of the Ordinary

Shares will form a single class for all purposes.

The Placing Shares are priced at a premium to net asset value (post Placing) of approximately 8.7 pence per share. The net asset value reflects the cash balances of the Company, as the Company has no other assets until the Acquisition is completed. The premium to net asset value places an intangible value on the strategy proposed by the Board and the human capital contained in the Board, as well as reflecting the costs incurred in achieving the Placing and Admission. At the Placing Price, the Enlarged Share Capital will have a total value of £1,800,016.

## **6. Payment**

Each Investor undertakes to pay the Placing Price for the Placing Shares issued to such Investor in such manner as shall be directed by Allenby. Liability for stamp duty and stamp duty reserve tax is as described in paragraph 3 of Part VI of this document.

If Admission does not occur, subscription monies will be returned without interest by Allenby.

## **7. Use of Proceeds**

The gross proceeds of the Placing will be used to pay the expenses of the Placing and further the Company's objective of making one or more Acquisitions. As stated above, in making any Acquisition the Company will focus on the acquisition of controlling interests in companies, businesses and/or assets in the oil and gas sector.

The Company's intention is to use the Net Proceeds of the Placing to fund the due diligence and other transaction costs in respect of the Acquisition. This due diligence will include a legal, financial, technical and operational evaluation of the Acquisition. The Company has appointed RPS Energy Consultants Limited, a highly experienced provider of geoscience and engineering consultancy services to the oil and gas industry, to provide independent assessments of potential Acquisition targets, and to provide advice to the Board on the maximisation of those assets post acquisition. The provision of the technical due diligence information from RPS Energy Consultants Limited will assist the Board in their decision making process when assessing the attractiveness of potential Acquisition targets. Key elements of this technical due diligence information includes:

- Technical, resource and economic assessments of potential Acquisition targets;
- Strategy consulting on the development of assets, post Acquisition; and
- Reservoir engineering, in order to maximise the economic return on producing oil and gas assets, post Acquisition.

The information provided to the Board by RPS Energy Consultants Limited will enable the Board to make suitable judgements regarding the geoscience and engineering aspects of a potential Acquisition. The amount to be paid to RPS Energy Consultants Limited will depend on the specifics of the Acquisition, but is estimated to be in the range of £100,000 - £200,000, with approximately two thirds of this amount being payable on success. Other principal other parties who will be retained to undertake elements of the Acquisition process will be lawyers, accountants and financial advisers, but they will be selected once the Acquisition is identified. The amount to be paid to these other advisers will depend on the specifics of the Acquisition, but is estimated to be in the range of £300,000 - £400,000, with approximately two thirds of this amount being payable on success.

## **8. CREST**

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission and it is expected that the Ordinary Shares will be admitted with effect from that time. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any Investor so wishes.

CREST is a voluntary system and Investors who wish to receive and retain certificates for their securities will be able to do so. An Investor applying for Ordinary Shares in the Placing may elect to receive Ordinary Shares in uncertificated form if such Investor is a system-member (as defined in the Regulations) in relation to CREST.

## **9. Selling Restrictions**

The Ordinary Shares will not be registered under the Securities Act or the securities laws of any state

or other jurisdiction of the US and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within into or in the US.

The Placing is being made by means of offering placing of new Ordinary Shares to certain institutional investors in the UK and elsewhere outside the US in accordance with Regulation S. The Company has not been and will not be registered under the US Investment Company Act, and Investors will not be entitled to the benefits of that Act.

Certain restrictions that apply to the distribution of this document and the New Ordinary Shares being issued pursuant to the Placing in certain jurisdictions are described in the section headed "Notices to Investors" in Part VIII of this document.

## DEFINITIONS

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

"Acquisition" or "Acquisitions"	the acquisition by the Company of one or more companies or businesses as described in Part I of this document (and, in the context of the Acquisition or Acquisitions, references to a company without reference to a business and vice versa shall in both cases be construed to mean both a company and a business);
"Admission"	the admission of the Ordinary Shares to the Standard Segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities;
"AIM"	the market of that name, operated by the London Stock Exchange;
"Allenby"	Allenby Capital Limited, financial adviser and joint broker to the Company, which is authorised and regulated in the UK by the FCA;
"Allenby Warrants"	means the 75,000 warrants to be granted to Allenby to subscribe for Ordinary Shares at 10 pence per share for a period of five years from Admission and as more particularly detailed in Part VII of this document;
"Articles"	the articles of association of the Company;
"Board" or "Directors"	the directors of the Company whose names are set out on page 28 of this document;
"Business Day"	means a day (other than a Saturday or Sunday) on which banks are open for business in London;
"Chapter 10"	Chapter 10 of the Listing Rules;
"City Code"	the City Code on Takeovers and Mergers;

"Company" or "Xplorer"	Xplorer plc, a company incorporated in England and Wales with company number 7987393;
"Companies Act"	the Companies Act 2006, as amended;
"Control"	(i) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to: (a) cast, or control the casting of, 30 per cent. or more of the maximum number of votes that might be cast at a general meeting of the Company, or (b) appoint or remove all, or the majority, of the directors or other equivalent officers of the Company, or (c) give directions with respect to the operating and financial policies of the Company with which the directors or other equivalent officers of the Company are obliged to comply, and/or (ii) the holding beneficially of 30 per cent. or more of the issued share capital of the Company (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital), but excluding in the case of each of (i) and (ii) above any such power or holding that arises as a result of the issue of Ordinary Shares by the Company to an investor in connection with an Acquisition;
"Convertible Loan Notes"	£100,000 convertible loan notes constituted by the Convertible Loan Note Instrument;
"Convertible Loan Note Instrument"	the convertible loan note instrument constituting the Convertible Loan Notes, which were issued by the Company on 4 December 2012;
"Corporate Governance Code"	the code of best practice including the principles of good governance known as the "UK Corporate Governance Code" (the latest edition of which was published in June 2010) published by the Financial Reporting Council as amended from time to time;
"CREST"	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which Euroclear UK & Ireland is the operator (as defined in the Uncertificated Securities Regulations 2001);
"Deferred Shares"	the 75,002 deferred shares of £0.95 each in issue as at the date of this Prospectus;
"Disclosure and Transparency Rules"	the Disclosure and Transparency Rules of the UK Listing Authority made in accordance with section 73A of FSMA;
"EEA"	the European Economic Area;
"EEA States"	the member states of the European Union and the

	European Economic Area;
“Enlarged Share Capital”	the entire issued share capital of the Company upon Admission, comprising the New Ordinary Shares and the Existing Ordinary Shares and the Ordinary Shares issued by the Company on conversion of the Convertible Loan Notes;
"ERISA"	the US Employee Retirement Income Security Act of 1974, as amended;
"Euroclear UK & Ireland"	Euroclear UK & Ireland Limited, the operator of CREST;
“Existing Ordinary Shares”	the 3,750,100 Ordinary Shares in issue as at the date of this document;
"FCA"	the UK Financial Conduct Authority;
"FSMA"	the Financial Services and Markets Act 2000, as amended;
"Group"	the Company and its subsidiaries from time to time;
“Historical Financial Information”	the historical financial information of the Company for the period ended 31 October 2012 as set out in Part IV (B) of this document;
“HMRC”	Her Majesty’s Revenue and Customs;
“IFRS”	International Financial Reporting Standards as endorsed by the European Union;
"Investor"	a person who confirms his agreement to Allenby to subscribe for Placing Shares under the Placing;
"Listing Rules"	the Listing Rules made by the FCA under Part VI of the FSMA;
“Locked In Persons”	Sprint Capital and Xplorer Capital;
"London Stock Exchange"	London Stock Exchange plc;
"Model Code"	the Model Code on director’s dealings in securities set out in Listing Rule 9, Annex 1R;
"Net Proceeds"	the funds received on closing of the Placing less any expenses paid or payable in connection with the Placing and Admission;
"New Ordinary Shares"	the 6,250,000 new Ordinary Shares to be allotted and issued pursuant to the Placing;
“Non-Executive Directors”	the non-executive directors of the Company whose names are set out on page 28 of this document;

"Official List"	the Official List of the UKLA;
"Overseas Shareholder"	a Shareholder in a territory other than the UK;
"Ordinary Shares"	ordinary shares of 0.1 pence each in the share capital of the Company;
"Overseas Shareholder"	a Shareholder in a territory other than the UK;
"Optiva"	Optiva Securities Limited, joint broker and placing agent to the Company which is authorised and regulated by the FCA;
"Placing"	the conditional placing of the Placing Shares by Allenby at the Placing Price pursuant to the Placing Agreement;
"Placing Agreement"	the conditional agreement dated 27 June 2013 between the Company, the Directors and Allenby, summary details of which are set out in paragraph 12 (i) of Part VII of this document;
"Placing Price"	16 pence per Placing Share;
"Placing Shares"	the 6,250,000 New Ordinary Shares to be allotted pursuant to the Placing;
"Premium Listing"	a Premium Listing under Rule 6 of the Listing Rules;
"Pro Forma Financial Information"	the unaudited pro forma statement of net assets of the Company as at 31 October 2012 as set out in Part V (A) of this document;
"Prospective Investors"	prospective investors in New Ordinary Shares;
"Prospectus"	a prospectus required under the Prospectus Directive and prepared in accordance with the Prospectus Rules;
"Prospectus Directive"	Directive 2003/71/EC of the European Union;
"Prospectus Rules"	the Prospectus Rules made by the FCA under Part VI of the FSMA;
"Registrar"	Share Registrars Limited;
"Registrar Agreement"	the registrar agreement dated 10 October 2012 entered into between the Company and the Registrar, details of which are set out in paragraph 12 (ii) of Part VII of this document;
"Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755);

"Regulation S"	Regulation S under the Securities Act;
"Reorganisation"	the subdivision and reclassification of each of the issued ordinary shares of £1.00 in the capital of the Company into 50 new Ordinary Shares and 1 Deferred Share;
"Reverse Takeover"	a transaction defined as a reverse takeover under Listing Rule 10;
"SEC"	the US Securities and Exchange Commission;
"Securities Act"	the US Securities Act of 1933, as amended;
"Shareholders"	the holders of Ordinary Shares and/or the New Ordinary Shares (as the context requires);
"Special Resolution"	a special resolution within the meaning of the Companies Act;
"Sprint Capital"	Sprint Capital Management Limited, a company incorporated in the Cayman Islands with company number 262894;
"Standard Listing"	a Standard Listing under Chapter 14 of the Listing Rules;
"Sterling Denominated Money Markets"	the wholesale markets for money-related instrument denominated in Sterling (including, without limitation, commercial paper, floating rate notes, certificates of deposit and bonds);
"Subscriber Shares"	the two ordinary shares of £1 each in the share capital of the Company, issued on incorporation, and subsequently sub-divided and reclassified into 100 Ordinary Shares and two Deferred Shares ;
"Subsidiary"	has the meaning set out in sections 1159 and Schedule 6 of the Companies Act;
"Takeover Panel"	the Panel on Takeovers and Mergers;
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland;
"UK Listing Authority" or "UKLA"	the FCA acting in its capacity as the competent authority for the purposes of Part VI of the FSMA and in the exercise of its functions in respect of admission to the Official List;
"US" or "United States"	the United States of America;
"US Investment Company Act"	the US Investment Company Act of 1940, as

	amended, and related rules;
"US Person"	has the meaning set out in Regulation S;
"US Tax Code"	the US Internal Revenue Code of 1986, as amended;
"VAT"	UK Value Added Tax;
"Warrant Holders"	“Warrant Holders” means Xplorer Capital and Sprint Capital;
"Warrant Instrument"	an instrument setting out the terms of the Warrants to be granted to each of the Warrant Holders;
" Warrants"	3,750,000 warrants to subscribe for Ordinary Shares at a subscription price of 0.1p each for a period from the date of the Acquisition to three years from Admission as more particularly detailed in Part VII of this document; and
"Xplorer Capital"	Xplorer Capital Limited.