

RNS Number : 8636X
Roxi Petroleum Plc
27 February 2017

Roxi Petroleum Plc

Roxi Petroleum plc ("Roxi" or the "Company")

PROPOSED MERGER IN RESPECT OF THE COMPANY'S ERAGON ASSETS

APPROVAL OF WAIVER OF OBLIGATIONS UNDER RULE 9 OF THE CITY CODE

CHANGE OF NAME

AND

NOTICE OF GENERAL MEETING

Roxi, the Central Asian oil and gas company, with a focus on Kazakhstan, is pleased to announce that it will shortly be posting to Shareholders a Circular regarding a proposed merger in respect of the Company's Eragon Assets. The Circular also provides details regarding the proposed Conversion of the outstanding \$10,100,525 of Vertom Loan Notes into Roxi Ordinary Shares.

The Independent Directors and the Baverstock Quotaholders have, subject to independent Roxi Shareholder approval and regulatory consent, agreed to merge Roxi's and Baverstock's interests in Eragon, which holds an indirect 99% interest in the Company's principal asset, BNG.

The Merger is to be achieved by Roxi increasing its effective shareholding in Eragon from 59% to 100%, thereby increasing Roxi's interest in the BNG contract area from 58.41% to 99%.

Subject to the terms and conditions of the Merger Agreement, Roxi has agreed to allot 651,436,544 new Ordinary Shares to Baverstock. A further 80,804,200 Conversion Shares are to be issued to Kuat Oraziman pursuant to the Conversion of Vertom Loan, as detailed below. Together these new Ordinary Shares will represent 43.86% of the Company's Enlarged Share Capital.

Clive Carver, Chairman of Roxi commented:

"The proposed merger has been longed planned and once completed will bring 99% of our principal asset BNG under our direct control removing any funding constraints associated with maintaining the current structure.

Additionally the capitalisation of some \$10 million of debt would not only make the group essentially debt free but also demonstrates the continued belief and commitment of the Companies leading investors to it ultimate success.

Comments:

Roxi Petroleum plc

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Clive Carver

Executive Chairman

WH Ireland, Nominated Adviser & Broker

+44 (0) 207 220 1666

James Joyce

James Bavister

Tim Thompson / Rebecca Clube

The Circular will be made available on the Company's website at www.roxipetroleum.com .

Extracts from the Circular are included below:

EXPECTED TIMETABLE

Circular, Notice of General Meeting and Form of Proxy posted to Shareholders	27 February 2017
Latest time and date for receipt of completed Forms of Proxy	11:00 a.m. on 22 March 2017
Date and time of General Meeting	11:00 a.m. 24 March 2017
Long stop date for satisfaction of the Conditions Precedent	24 September 2017
Announcement of satisfaction of the Conditions Precedent, final Merger and Concert Party statistics, total voting rights and timetable to completion of the Merger.	CP Satisfaction Date
Submission to AIM of application for Admission	Two business days after the CP Satisfaction Date
Date of approval by the Eragon Shareholders of the Eragon Capital Reduction	Two business days after the CP Satisfaction Date
Eragon Capital Reduction becomes effective	Not earlier than two business days after the CP Satisfaction Date
Completion of the Merger, Admission and commencement of dealings in the Consideration Shares	8.00 a.m. on the fifth business day after submission of the application for Admission

Where dates have not been included in this timetable, the Company will announce the definitive timetable in due course. Any changes to the above dates will be notified via the Regulatory News Service.

STATISTICS

Issued share capital

Number of Ordinary Shares at the date of the Circular	937,433,076
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Merger statistics

Number of Consideration Shares proposed to be issued pursuant to the Merger	651,436,544*
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Number of Conversion Shares to be issued pursuant to the Conversion of the Vertom Loan	80,804,200
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Notional issue Price per Consideration Share	9.5 pence
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Aggregate Notional Consideration payable by Roxi pursuant to the Merger (to be satisfied by the issue of the Consideration Shares at the Notional Issue Price)	£61,886,471.68*
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Enlarged Share Capital	1,669,673,820 Ordinary Shares**
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Consideration Shares and Conversion Shares as a percentage of the Enlarged Share Capital	43.86%*
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AIM Symbol following change of name	CASP
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* Being the closing mid price on 24 February 2017, the last practicable date prior to publication of the Circular .

** *These figures set out the maximum Notional Consideration payable and the maximum number of Consideration Shares issuable, on the assumption that there is no downward adjustment under the terms of the Merger Agreement, as referred to in Part I of the Circular .*

*** Assuming the maximum number of Consideration Shares are issued.

DEFINITIONS

"2015 Annual Report and Accounts"	the annual report and accounts of the Company for the year ended 31 December 2015 containing, <i>inter alia</i> , the report of the Directors
"Admission"	the admission of the Consideration Shares to trading on AIM becoming effective in accordance with the AIM Rules
"Admission Document"	the admission document published by the Company relating to the acquisition of 59% of Eragon, dated 31 January 2008
"AIM"	the AIM market operated by the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies issued by the London Stock Exchange
"Baverstock"	Baverstock GmbH, a company organised under the laws of Switzerland with a registered office c/o Acton Treuhand AG, Innere Gueterstrasse 4, 6300 Zug, Switzerland
"Baverstock Quotaholders"	those persons beneficially entitled to, in aggregate, the whole of the issued quotas in the capital of Baverstock, being Kuat Oraziman, Dosbol Zholdybayev, Dae Han New Pharm and Cody Star Investment
"BNG"	the Kazakh subsoil use contract in respect of the BNG contract area, which is located in the west of Kazakhstan 40 kilometres southeast of Tengiz on the edge of the Mangistau Oblast, covering an area of 1,702 square kilometres, and the oil and gas assets and operations carried out therein
"Caspian Sunrise"	Caspian Sunrise plc
"Circular"	the Circular to be mailed to Shareholders regarding the Merger and providing Notice of General Meeting
"City Code"	the City Code on Takeovers and Mergers
"Cody Star Investment"	Cody Star Investment Ltd, a company incorporated in the British Virgin Islands with company number 1374946
"Companies"	the Companies Act 2006

Act"	
"Company" or "Roxi" or "Roxi Petroleum Plc Petroleum"	
"Concert Party"	the Baverstock Quotaholders, Kairat Satylganov, Daulet Beisenov, Zhanat Bukenova, Baverstock, Vertom, Raushaun Sagdiyeva and Bolatzhan Kerimbayev and each of their respective directors and shareholders as at the date of the Circular
"Conditions Precedent"	the conditions precedent to the completion of the Eragon Capital Reduction and the submission of the application for Admission, as set out in the Merger Agreement, further details of which are set out in the paragraph entitled "Basis of the Merger" in Part I of the Circular
"Consideration Shares"	the 651,436,544 new Ordinary Shares to be issued to the Baverstock Quotaholders (or their nominees) credited as fully paid, pursuant to the Merger Agreement (subject to downward adjustment as referred to in Part I of the Circular)
"Conversion"	the conversion of the outstanding \$10,100,525 loan owed to Vertom by the Company
"Conversion Shares"	the 80,804,200 new Ordinary Shares to be issued to Vertom in consideration for the Conversion
"CP Satisfaction Date"	the date on which the last of the Conditions Precedent is satisfied
"Dae Han New Pharm"	Dae Han New Pharm. Co. Ltd.
"Directors" or "Board"	the directors of Roxi Petroleum as at the date of the Circular
"Enlarged Share Capital"	the Issued Ordinary Shares and the Consideration Shares and Conversion Shares
"Eragon" or "Eragon Petroleum"	Eragon Petroleum Limited, a company incorporated in England and Wales with company number 06162215
"Eragon Capital Reduction"	the proposed reduction of the share capital of Eragon in respect of the whole of the Eragon Shares in accordance with the provisions of sections 641 to 644 of the Companies Act
"Eragon Shareholders"	Roxi and Baverstock (for the benefit of the Baverstock Quotaholders)
"Eragon Shares"	205,000 ordinary shares of 10 pence each in the share capital of Eragon which are currently held by Baverstock

	for the benefit of the Baverstock Quotaholders, and which comprise 41% of the issued and fully paid up share capital of Eragon and the whole of the share capital of Eragon not held by Roxi as at the date of the Circular
"Equity Investment Agreement"	the agreement between Kairat Satylganov and the Company for Kairat Satylganov to subscribe for up to \$40m of Ordinary Shares at a subscription price of approximately 7.41 pence per share, as announced by the Company on 8 January 2013
"FCA"	the Financial Conduct Authority
"Form of Proxy"	the form of proxy for use by Shareholders at the General Meeting
"General Meeting" or "GM"	the general meeting of the Company convened by the Notice, to be held at the offices of Fladgate LLP, 16 Great Queen Street, London WC2B 5DG on 24 March 2017 at 11:00 a.m.
"Group"	Roxi Petroleum and its subsidiaries
"Increased Share Capital"	the Issued Ordinary Shares and the Consideration Shares
"Independent Directors"	the Directors other than Kairat Satylganov and Kuat Oraziman (being Clive Carver and Edmund Limerick)
"Independent Shareholders"	the Shareholders other than the Concert Party
"Issued Ordinary Shares"	the 937,433,076 Ordinary Shares in issue as at 24 February 2017, being the latest practicable date prior to the publication of the Circular
"London Stock Exchange"	London Stock Exchange plc
"Majority Beneficiaries"	Kuat Oraziman and Dosbol Zholdybayev, who hold, in aggregate, a 67.85% interest in Baverstock
"Merger"	the Conversion and proposed establishment of Roxi as the holder of 100% of the issued share capital of Eragon, to be effected by way of the Eragon Capital Reduction pursuant to the Merger Agreement
"Merger Agreement"	the agreement dated on or around the date of the Circular between the Company, Eragon, Baverstock and Vertom pursuant to which the parties conditionally agree to: (i) procure the Eragon Capital Reduction in consideration of the payment of the Notional Consideration by Roxi to Baverstock; and (ii) effect the Conversion, further details of which are set out in the paragraph "Basis of the Merger" in Part I of the Circular

"Ministry of Energy"	The Ministry of Energy of the Republic of Kazakhstan
"Notice"	the notice of general meeting which is set out at the end of the Circular
"Notional Consideration"	£61,886,471.68, to be satisfied by the issue of the Consideration Shares to Baverstock at the Notional Issue Price, pursuant to the Merger Agreement (subject to downward adjustment as referred to in Part I of the Circular)
"Notional Issue Price"	£0.095 per Consideration Share
"Ordinary Shares"	the ordinary shares of 1 pence each in the capital of the Company
"Panel"	the Panel on Takeovers and Mergers
"Proposals"	the Merger, the Waiver, the proposed change of name, the proposal of the Resolutions to the Shareholders (or Independent Shareholders as the case may be) and the other proposals as referred to in the Circular
"Raditie"	Raditie N.V., a company incorporated under the laws of the Netherlands Antilles with registered number 82438 and whose registered office is at Schottegatweg Oost 44, Curacao, Netherlands Antilles
"Related Party Transaction"	the Merger under the AIM Rules, by virtue of a substantial Shareholder and Director, Kuat Oraziman, being a party to it
"Resolutions"	the resolutions set out in the Notice and reference to a " Resolution " shall be the relevant resolution set out thereon
"Shareholders"	the holders of Ordinary Shares
"Vertom"	Vertom International N.V., a company incorporated under the laws of the Netherlands Antilles with registered number 63904 and whose registered office is at Schottegatweg Oost 44, Curacao, Netherlands Antilles
"Vertom Loan"	the loan owed to Vertom by Roxi, totalling \$10,100,525 which are due for repayment on 30 April 2018
"Waiver"	the waiver granted by the Panel (conditional on the approval of the Whitewash Resolution by the Independent Shareholders) in respect of the obligation of Mr Kuat Oraziman to make a mandatory offer that would otherwise arise pursuant to Rule 9 of the City Code as a result of the increase in the holding of Ordinary Shares

represented by the issue of the Consideration Shares to Baverstock on behalf of the Baverstock Quotaholders and the issue of Conversion Shares to Vertom

"WH Ireland" WH Ireland Limited, the Company's Nominated Adviser and Broker for the purposes of the AIM Rules and independent financial adviser for the purposes of Rule 3.1 of the City Code

"Whitewash Resolution" the ordinary resolution of the Independent Shareholders to approve the Waiver, to be proposed on a poll at the General Meeting and set out as Resolution 1 in the Notice

"£" or "Pounds" the lawful currency of the united Kingdom

"\$" or "Dollars" the lawful currency of the United States of America

LETTER FROM THE EXECUTIVE CHAIRMAN

Introduction

The Independent Directors and the Baverstock Quotaholders have, subject to independent Roxi Shareholder approval and regulatory consent, agreed to merge Roxi's and Baverstock's interests in Eragon, which holds an indirect 99% interest in the Company's principal asset, BNG.

The Merger is to be achieved by Roxi increasing its effective shareholding in Eragon from 59% to 100%, thereby increasing Roxi's interest in the BNG contract area from 58.41% to 99%.

The Baverstock Quotaholders are already interested in an aggregate of 98,000,000 Ordinary Shares representing 10.45% of the Issued Ordinary Shares.

Subject to the terms and conditions of the Merger Agreement, Roxi has agreed to allot 651,436,544 new Ordinary Shares to Baverstock, which would comprise 41% of the Increased Share Capital. A further 80,804,200 Conversion Shares are to be issued to Kuat Oraziman pursuant to the Conversion the of Vertom Loan, as detailed below.

The number of Consideration Shares to be allotted will be adjusted to reflect material changes to the non Eragon-related net assets of Baverstock and Roxi and its subsidiaries in the period from the date of the Circular to completion of the Merger, provided that, taking into account the net effect of all adjustments, the maximum number of Consideration Shares that can be allotted to Baverstock is 651,436,544.

The principal benefit from the Merger will be the increased level of control in the development of BNG, which your Board firmly believes should become an extremely valuable asset. In particular, following the completion of the Merger, any additional funding would be the exclusive responsibility of Roxi, rather than at present when additional funding is to be contributed on a 59:41 basis by Roxi and Baverstock. Roxi therefore would be able to dictate the pace at which the BNG asset will be exploited.

As part of the Merger Agreement, \$10,100,525 of loans owed to Vertom by Roxi will be converted to new Ordinary Shares at 10p each, being a 5.3% premium to the closing share price on 24 February, the last practicable day prior to publication of the Circular. This Conversion removes a significant liability from the Company's balance sheet. The removal of the Vertom Loan would leave Roxi materially debt free.

Other benefits include becoming a larger company with greater access to funding, removing any suggestion of an ongoing conflict of interest between the Roxi CEO Kuat Oraziman and the Company, disposing with the need for periodic related party opinions in relation to Baverstock and being able to simplify the existing Roxi corporate structure.

The proposed Merger is a related party transaction under the AIM Rules, and following the Merger the interest of Kuat Oraziman, the CEO of Roxi and its largest Shareholder and the largest of the four Baverstock Quotaholders, will increase from 35.16% to a maximum of 45.74% of the ordinary share capital of Roxi.

Baverstock will hold the Consideration Shares for each of the Baverstock Quotaholders. Roxi understands that the Consideration Shares (and the portion of the Issued Ordinary Shares) held by Baverstock for the Majority Beneficiaries will be transferred to them (or nominees on their behalf) shortly following Admission. The remaining Baverstock Quotaholders, comprising Dae Han New Pharm and Cody Star Investment, are under no obligation to transfer their Consideration Shares or their portion of the Issued Ordinary Shares out of Baverstock, but are entitled to do so.

Baverstock and Vertom have agreed to enter into an orderly market agreement restricting any disposal of the Consideration Shares and Conversion Shares for a six month period from the completion of the Merger. Transfers of Consideration Shares to the underlying Baverstock Quotaholders (or their nominees) are exempt provided the Baverstock Quotaholder enters into an orderly market agreement in like terms.

The mechanics to implement the above proposals are necessarily complex due to the international nature of the transaction and the need to comply with the provisions of the City Code.

The Circular explains why the Independent Directors of Roxi believe the Proposals to be in the best interests of Shareholders and how in detail the Proposals, if approved, are to be implemented.

A General Meeting has been convened for 11:00 a.m. on 24 March 2017 at the offices of Fladgate LLP, 16 Great Queen Street, London, WC2B 5DG to consider and if thought fit approve the Proposals. The Company is also seeking the approval of the Ministry of Energy.

Additionally, in recognition of this landmark in the Company's development a resolution to change the name of the Company from Roxi Petroleum plc to Caspian Sunrise PLC will be put before shareholders.

Background

On 29 February 2008, Shareholders approved the acquisition by Roxi of 59% of the issued share capital of Eragon, a company with a number of oil and gas assets in Kazakhstan, including the BNG contract area, which is the Company's principal commercial asset. The remaining 41% of the issued share capital of Eragon is held by Baverstock for the benefit of the Baverstock Quotaholders, the largest of which is Kuat Oraziman, Chief Executive Officer of Roxi Petroleum. Further details of such acquisition are set out in the Admission Document.

Eragon holds 100% of the issued share capital of BNG Energy B.V. which holds 99% of the issued share capital of BNG Ltd LLP, which owns BNG. Roxi Petroleum is the operator of BNG.

A condition in the Eragon acquisition agreement was that Roxi would carry Baverstock for the first \$100 million of development costs of the Eragon assets. This condition was satisfied in January 2015 and accordingly the Independent Directors of Roxi and the Baverstock Quotaholders believe a merger of their respective interests in BNG by reference to Roxi and Baverstock's respective 59:41 shareholdings in Eragon Petroleum would now be mutually beneficial.

The Company is proposing to obtain 100% ownership of the share capital of Eragon by way of the reduction of share capital in Eragon, which would entail the cancellation of the whole of the 41% of

the issued share capital of Eragon currently held by Baverstock for the benefit of the Baverstock Quotaholders, thus giving the Company full operational control and 99% ownership of its principal commercial asset.

The Baverstock Quotaholders have been treated as acting in concert, as defined by the Code, with a number of other Shareholders of the Company. Further details on the Concert Party can be found below in the paragraph entitled: "The Concert Party".

The Concert Party currently holds 69.67% of the Issued Ordinary Shares and is therefore above the 50% threshold stated in Rule 9 of the City Code. Therefore the Concert Party may acquire further Ordinary Shares without the necessity for a mandatory offer to be made.

The Waiver of obligations under Rule 9 of the City Code is sought to allow Kuat Oraziman, as an individual member of the Concert Party, to acquire Ordinary Shares (comprising part of the Consideration Shares and the Conversion Shares) which would take his individual holding from 35.16% of the Issued Ordinary Shares to 45.74% of the Enlarged Share Capital.

Following Admission, the Company anticipates that 66,493,000 out of the 98,000,000 Ordinary Shares (representing 7.09% and 10.45% of Roxi Petroleum's current issued ordinary share capital respectively) currently held by Baverstock for the Baverstock Quotaholders will be transferred to the Majority Beneficiaries (being part of the Baverstock Quotaholders) or their respective nominees on a *pro rata* basis, as referred to below under "Background to and reasons for the Merger: *Splitting the Baverstock Interest in Ordinary Shares*." Roxi Petroleum is not acquiring Baverstock under the Merger.

Following the Merger, the aggregate shareholdings of the Concert Party would increase to 82.97% of the Enlarged Share Capital.

Additionally, it is proposed that the name of the Company be changed to Caspian Sunrise PLC.

Kuat Oraziman is defined as a related party under the AIM Rules as he is a Director of the Company and a substantial shareholder (as defined by the AIM Rules as being any Shareholder with a holding of 10% or more of the Company's issued share capital), and is also the majority beneficial owner of quotas in Baverstock. The other beneficial owners of quotas in Baverstock are Dosbol Zholdybayev, Dae Han New Pharm and Cody Star Investment. The Merger will therefore be considered a related party transaction. Further information on the Related Party Transaction is included below in the paragraph entitled "Related Party Transaction".

The purpose of the Circular is to outline the reasons for, and to explain the terms of the Proposals and to explain why the Board considers the Proposals (including the Resolutions) to be in the best interests of the Company and Shareholders as a whole and why the Independent Directors recommend that you vote in favour of the Whitewash Resolution at the General Meeting as they intend to do in respect of the Ordinary Shares held by them.

Set out at the end of the Circular is a notice convening a General Meeting of the Company to be held at 11:00 a.m. on 24 March 2017 at the offices of Fladgate LLP, 16 Great Queen Street, London WC2B 5DG, at which the Resolutions will be proposed.

Background to and reasons for the Merger

Introduction

BNG is the Company's principal asset. Discoveries have been identified from both shallow drilling and deep drilling which the Company intends to develop. Roxi's management believe the contract area has very significant potential.

Roxi Petroleum currently owns 59% of Eragon Petroleum, which in turn owns 99% of BNG. Baverstock is the legal holder of 41% of the issued share capital of Eragon Petroleum.

The Merger would unite 99% of BNG under Roxi Petroleum's ownership.

Information on BNG

BNG is located in the west of Kazakhstan 40 kilometres southeast of Tengiz on the edge of the Mangistau Oblast, covering an area of 1,702 square kilometres of which 1,376 square kilometres has 3D seismic coverage acquired in 2009 and 2010.

Roxi Petroleum has a 58.41% interest in BNG via its 59% holding in Eragon.

In June 2015, the BNG subsoil use contract was successfully renewed for a further three-year period to 7 June 2018.

The main focus of activity during the period of the renewed contract will be to prove up the largest amount of reserves consistent with avoiding unnecessary dilution to Roxi shareholders.

Future development funding

From January 2015, Roxi Petroleum and Baverstock have been responsible for the continued funding of the Eragon assets in the ratio 59:41. As at the date of publication of the Circular, all

development work at BNG since January 2015 has been funded from the proceeds of the Galaz disposal and pre sales of oil from BNG, and as such the development of BNG has effectively been funded equally by Roxi and Baverstock.

As a privately owned entity Baverstock and the Baverstock Quotaholders do not have the ability to seek to fund their portion of the development costs from the public equity markets. To the extent this limits Baverstock's ability to meet its share of future funding, the pace of the development of the Eragon assets, in particular BNG, would suffer to the detriment of Roxi.

Additionally, the Directors believe owning 99% of the Eragon assets, and removing \$10,100,525 of debt pursuant to the Conversion of the Vertom Loan, would make it easier at the appropriate time for Roxi Petroleum to raise debt funding to develop the Eragon assets.

Greater institutional investor interest

The enlarged Roxi Petroleum would by virtue of its increased size and market capitalisation be of more interest to institutional investors. As the Company continues to grow and develop its assets, having the ability to approach larger institutional investors for funding will in the Directors' opinion be important.

In addition it removes a potential conflict of interest between the Company and its CEO, which the Directors believe would also make it easier to attract institutional equity investment.

Controlling the direction of development

Owning 99% of the Eragon assets will allow much greater control of the way the assets are developed. Should for example Baverstock sell its interest in the Eragon assets to a third party the direction of development would need to be agreed with the new owners.

Splitting the Baverstock interest in Ordinary Shares

Following the Merger, the Company anticipates that the beneficial interests of each of the Majority Beneficiaries in Issued Ordinary Shares would become attributable to the underlying beneficiary rather than being held in one block by Baverstock. Accordingly, of the 98,000,000 Ordinary Shares currently held by Baverstock, representing 10.45% of the Issued Ordinary Shares, the Company anticipates that shortly following Admission 66,493,000 Ordinary Shares, representing 7.09% of the Issued Ordinary Shares, would be transferred to the Majority Beneficiaries or their nominees, who are all treated as acting in concert with the other members of the Concert Party.

Completion of the Merger, and the issue and allotment of the Consideration Shares to Baverstock, is conditional on, amongst other things, the passing by Shareholders at the General Meeting of all

of the Resolutions (including the passing of the Whitewash Resolution by the Independent Shareholders).

Nature of business and financial and trading prospects

Roxi Petroleum is an oil and gas exploration and production company and it is engaged in building a portfolio of assets in Central Asia. Its focus is currently on Kazakhstan.

Information on current trading and future prospects of the Group is set out in the "Chairman's Statement" on page 13 of the 2015 Annual Report and Accounts. The audited consolidated account for the last two financial years and interim results for the six month period ended 30 June 2016 are available from the Company's website (www.roxipetroleum.com/roxi/en/investors) and have been incorporated into the Circular by reference to that website.

Further information relating to the location of financial information on Roxi Petroleum may be found in Part II of the Circular .

Basis of the Merger

The principle of the Merger is that, as BNG is the principal asset in which the Company is interested, and the Company currently ascribes limited value to its other assets, the Notional Consideration would comprise 41% of the market capitalisation of the Company following the issue of the Consideration Shares (at the closing share price on the trading day prior to the date of the Circular).

Accordingly, pursuant to the Merger Agreement, Roxi has conditionally agreed to issue to Baverstock 651,436,544 Consideration Shares in aggregate at the Notional Issue Price of 9.5 pence per Consideration Share. The number of Consideration Shares to be issued takes into account net asset adjustments in relation to the non-Eragon related assets and liabilities of Roxi Petroleum. The Consideration Shares will represent 41% of the Increased Share Capital (subject to any adjustment in connection with Roxi's expenditure, over and above its *pro rata* obligation on BNG beyond an agreed level of expenditure, and/or material changes to the non-Eragon related net assets of Roxi and its subsidiaries as referred to above). Further Shares are to be issued as part of the Vertom Loan Conversion as described below.

The key terms of the Merger Agreement are as follows:

- the parties to the Merger Agreement have agreed that Roxi will pay the Notional Consideration, to be satisfied by the issue at the Notional Issue Price of the Consideration Shares to Baverstock, in consideration for Roxi establishing 100% ownership of Eragon and accordingly a 99% interest in, and operational control of, BNG;
- Baverstock will hold the Consideration Shares for each of the Baverstock Quotaholders. Roxi understands that the Consideration Shares (and the portion of the Issued Ordinary Shares) held by Baverstock for the Majority Beneficiaries will be transferred to them (or nominees on their behalf) shortly following Admission. The remaining Baverstock Quotaholders, comprising Dae Han New Pharm and Cody Star Investment, are under no obligation to transfer their Consideration Shares or their portion of the Issued Ordinary Shares out of Baverstock, but are entitled to do so. The individual beneficial interests of the Baverstock Quotaholders in Roxi will not be affected by the transfer or otherwise of Consideration Shares or Issued Ordinary Shares to themselves or nominee accounts on their behalf;
- as referred to above, the parties have agreed that the Notional Consideration will be reduced by a proportionate amount of any additional expenditure incurred by Roxi Petroleum in respect of the BNG assets, above its *pro rata* obligations, in the period up to completion of the Merger beyond an agreed level of expenditure. In the event of any additional expenditure, the number of Consideration Shares to be allotted to Baverstock will accordingly be reduced by such amount divided by the Notional Issue Price. Additionally, the Notional Consideration payable, and the number of Consideration Shares to be allotted, will be adjusted to reflect material changes to the non-Eragon related net assets of Roxi and its subsidiaries in the period from the date of the Circular to completion of the Merger, provided that, taking into account the net effect of all adjustments, the maximum Notional Consideration payable is £61,886,471.60 and the maximum number of Consideration Shares that can be allotted is 651,436,544. The Company will announce the final Merger statistics in due course;
- to complete the Merger, the parties to the Merger Agreement have conditionally agreed to effect the Eragon Capital Reduction, thereby reducing the share capital of Eragon by cancelling the Eragon Shares, leaving Roxi Petroleum holding 100% of the resulting share capital of Eragon. Roxi Petroleum and Baverstock have agreed to pass, or to procure the passing of, a shareholder resolution of Eragon (conditional on and following the passing of all of the Resolutions at the General Meeting and the satisfaction of all other Conditions Precedent) to approve the Eragon Capital Reduction, and the parties to the Merger Agreement will procure that all further steps are taken by Eragon (including the making of a solvency statement by the directors of Eragon in accordance with section 643 of the Companies Act) to procure the effective registration by the Registrar of Companies of the Eragon Capital Reduction;
- conditional on and following the passing of all the Resolutions at the General Meeting and the satisfaction of all other Conditions Precedent, Roxi Petroleum will:

- allot the Consideration Shares to Baverstock (to be held for the Baverstock Quotaholders as referred to above), conditional on the Eragon Capital Reduction becoming effective and on Admission;

- apply to the London Stock Exchange for Admission; and

- immediately following the Eragon Capital Reduction becoming effective, confirm to the London Stock Exchange that such allotment has become unconditional save as to Admission;

- the other material condition precedent to the parties effecting the Eragon Capital Reduction that has not been satisfied as 24 February 2017 (being the latest practicable date prior to the publication of the Circular) is the receipt by the Company of the approval of the Ministry of Energy to the Proposals. The long stop date for the satisfaction of all the Conditions Precedent is 24 September 2017;

- it has been agreed between the parties that, as part of the Merger:
 - the joint venture agreement between Roxi Petroleum and Baverstock entered into in January 2008 as part of the Eragon acquisition, further details of which are set out in the Admission Document, will be terminated;

 - the royalty agreement entered into between Roxi Petroleum and Baverstock in July 2015, as announced by the Company on 24 July 2015, will be cancelled;

 - Baverstock and Roxi have agreed that with effect from the date the Eragon Capital Reduction becomes effective, all other agreements between them shall be terminated; there will be no outstanding liabilities or commitments between them; and neither Roxi nor Baverstock has any interest in the share capital or assets of the other(except as specifically contemplated in the Merger Agreement); and

 - the outstanding Vertom Loan amounting to \$10,100,525, will be converted into new Ordinary Shares at 10p. These Conversion Shares will represent 4.84% of the Company's Enlarged Share Capital.

You should note that the timing of completion of the Merger and certain prior steps are conditional

on the satisfaction of all of the Conditions Precedent, including in particular receipt of approval from the appropriate Kazakh authorities, the likely timing of which are not known as at the date of publication of the Circular . This is reflected in the expected timetable set out on page 3 of the Circular . The Company will announce the satisfaction of all Conditions Precedent and the definitive timetable in due course. The long stop date for the satisfaction of all Conditions Precedent is 24 September 2017.

If the Conditions Precedent are not satisfied by this date, the parties will not affect the Eragon Capital Reduction, Baverstock will retain its 41% holding of the shares in Eragon, Roxi will not issue the Consideration Shares, the Merger will not complete and the Baverstock Quotaholders will retain their aggregate interest in 40.59% of the Eragon assets, including BNG.

Information on the Concert Party

For the purposes of the City Code, the Concert Party is treated as acting in concert, as defined by the City Code, with regard to its interests in the issued share capital of Roxi Petroleum.

Kuat Oraziman is treated as acting in concert with a number of shareholders in Roxi Petroleum under the Code. The Concert Party comprises Kuat Oraziman, Kairat Satylganov, another Director of Roxi Petroleum, Mr Daulet Beisenov, Mrs Zhanat Bukenova, Baverstock and the other Baverstock Quotaholders, Vertom, Mrs Raushan Sagdiyeva and Mr Bolatzhan Kerimbayev.

The Baverstock Quotaholders are Kuat Oraziman, Dosbol Zholdybayev, Dae Han New Pharm and Cody Star Investment. The Baverstock Quotaholders are treated as acting in concert as a result of their professional relationship with Kuat Oraziman and their respective beneficial interests in quotas in Baverstock.

Baverstock holds the Eragon Shares for the Baverstock Quotaholders *pro rata* to their beneficial interests in Baverstock. Baverstock also holds 10.45% of the Ordinary Shares in Roxi Petroleum on the same basis.

The beneficial interests in the quotas of Baverstock and in the Eragon Shares are as follows:

Baverstock Quotaholder	Percentage interest in Baverstock and interest in the Eragon Shares
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Kuat Oraziman	54.24%
Dae Han New Pharm	30.00%
Dosbol Zholdybayev	13.61%
Cody Star Investment	2.15%

In January 2017 a transfer of 5% of the quotas in Baverstock was made between Kuat Oraziman and Dae Han New Pharm. Kuat Oraziman's quota holding was reduced from 59.24% to 54.24% and Dae Han New Pharm's quota holding increased from 25% to 30%. This transfer was made to more accurately reflect funds invested in Baverstock.

The table below shows the split of the 98,000,000 Ordinary Shares held by Baverstock for the Baverstock Quotaholders:

Baverstock Quotaholder	Ordinary Shares held through Baverstock	Percentage of Issued Ordinary Shares held through Baverstock
Kuat Oraziman	53,155,200	5.67%
Dae Han New Pharm	29,400,000	3.14%
Dosbol Zholdybayev	13,337,800	1.42%
Cody Star Investment	2,107,000	0.22%

Kuat Oraziman is the sole shareholder and director of Vertom. Daulet Beisenov was formerly a shareholder and director in Vertom and is included in the Concert Party by virtue this professional relationship with Kuat Oraziman. Between 29 September 2011 and 30 April 2012 Vertom provided loans to Roxi amounting to, in aggregate \$7m. The outstanding \$10,100,525 Vertom Loan is to be converted into Conversion Shares as detailed above.

Raushan Sagdiyeva, the sole owner of Raditie, has been treated as acting in concert with Kuat Oraziman due to their professional relationship. On 10 November 2011 Roxi Petroleum entered into a short term interest free loan arrangement with Raditie whereby Raditie lent \$2.5 million to the Company. Raditie had the right to convert this loan into a 30% share in Munaily Kazakhstan LLP, a subsidiary of Roxi Petroleum. On 12 March 2013, Raditie agreed to convert the full amount of the loan into Ordinary Shares. Subsequently, 22,654,731 Ordinary Shares were issued to Raditie at a deemed issue price of 7.412668p. On 22 August 2016 Raditie sold 39,171,745 shares to Bolatzhan Kerimbayev and transferred beneficial ownership in its remaining 20,482,986

Ordinary Shares to Raushan Sagdiyeva.

Kairat Satylganov and Kuat Oraziman are treated as acting in concert due to their professional relationship as Shareholders and Directors of Roxi Petroleum. Kairat Satylganov and Kuat Oraziman also have a professional relationship in Kazakhstan spanning approximately 15 years.

Zhanat Bukenova has been treated as acting in concert with Kuat Oraziman due to their professional relationship. On 24 July 2014 Roxi entered into a release and subscription agreement with Zhanat Bukenova (an individual resident in Kazakhstan) for the capitalisation of a loan provided by Zhanat Bukenova to Roxi. Under the terms of the agreement, Zhanat Bukenova agreed to release Roxi from any, and all, of its obligations to Zhanat Bukenova under, or in connection with, a US\$500,000 loan facility provided by Zhanat Bukenova to Roxi pursuant to a loan agreement dated 10 October 2010. In consideration for the release, Roxi issued 3,955,438 Ordinary Shares to Zhanat Bukenova.

Bolatzhan Kerimbayev has been treated as acting in concert with Kuat Oraziman due to their professional relationship. Mr Kerimbayev acquired 39,171,745 shares representing a 4.18% holding in the Company from Raditie on 22 August 2016.

Other than as disclosed above, there are no further relationships (personal, financial and commercial), arrangements and understandings between the Concert Party members to disclose.

The following description of the interests of the Concert Party and its individual members in the share capital of Roxi assumes that there is no downward adjustment in the Notional Consideration and the number of Consideration Shares based on the adjustments referred to above, including in respect of the level of expenditure incurred by Roxi in relation to BNG. Accordingly, the below interests represent the maximum potential interests of the Concert Party and its individual members in the share capital of Roxi following completion of the Merger. Final interests in Roxi's share capital following the Merger will be announced in due course.

The individual interests of the Concert Party members as at the date of the Circular, and on completion of the Merger and issuance of the Consideration Shares will be as follows:

Concert Party Member	Current Number of Ordinary Shares held	Current Percentage of Issued Ordinary Shares	Ordinary Shares distributed pursuant to splitting of Baverstock's	Consideration Shares to be issued pursuant to the Merger*	Conversion Shares to be issued pursuant to the Merger	Percentage of Enlarged Share Capital following the Merger
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				existing shareholding in the Issued Ordinary Shares		
Kuat Oraziman's personal shareholding	134,449,760	14.35%	53,155,200	353,339,182	80,804,200	37.24%
Vertom	141,958,273	15.14%	0	0	0	8.50%
Baverstock	53,155,200	5.67%	0	0	0	0%
Mr Kuat Oraziman total*	329,563,233	35.16%	53,155,200	353,339,182	80,804,200	45.74%
Dae Han New Pharm**	29,400,000	3.14%	29,400,000	195,430,964	0	13.47%
Cody Star Investment**	2,107,000	0.22%	2,107,000	14,005,886	0	0.97%
Mr Dosbol Zholdybayev**	13,337,800	1.42%	13,337,800	88,660,514	0	6.11%
Baverstock total excluding Mr Kuat Oraziman	44,844,800	4.78%	44,844,800	298,097,363	0	20.54%
Mr Kairat Satylganov						
Mr Bolatzhan Kerimbayev	205,428,656	21.91%	0	0	0	12.30%
Mrs Raushan Sagdiyeva	39,171,745	4.18%	0	0	0	2.35%
Mr D Beisenov	20,482,986	2.19%	0	0	0	1.23%
Mrs Zhanat Bukenova	1,644,737	0.18%	0	0	0	0.10%
	11,993,000	1.28%	0	0	0	0.72%
Total	653,129,157	69.67%	98,000,000	651,436,544	80,804,200	82.97%

* - Kuat Oraziman's current holdings include the Ordinary Shares held directly, the entire shareholding of Vertom (which he controls) and 54.24% of the Ordinary Shares held by Baverstock for the Baverstock Quotaholders.

** - Dae Han New Pharm, Cody Star Investment and Dosbol Zholdybayev have a beneficial interest in the Ordinary Shares as such shares are held by Baverstock for such persons as Baverstock Quotaholders, as detailed above.

The current total holding of the Concert Party is 653,129,157 Ordinary Shares representing 69.67% of the Issued Ordinary Shares. Kuat Oraziman currently holds 329,563,233 Ordinary Shares representing 35.16% of the Issued Ordinary Shares and Kairat Satylganov currently holds 205,428,656 Ordinary Shares representing 21.91% of the Issued Ordinary Shares.

Following completion of the Merger and the issue of the Consideration Shares and Conversion Shares, the Concert Party would be interested in 1,385,369,901 Ordinary Shares representing 82.97% of the Enlarged Share Capital. Kuat Oraziman would be interested in 763,706,614 Ordinary Shares representing 45.74% of the Enlarged Share Capital and Kairat Satylganov would

continue to hold 205,428,656 Ordinary Shares representing 12.30% of the Enlarged Share Capital.

As detailed above, Baverstock will be issued and will hold the Consideration Shares for each of the Baverstock Quotaholders. Roxi understands that the Consideration Shares (and the portion of the Issued Ordinary Shares) held by Baverstock for the Majority Beneficiaries, Kuat Oraziman and Dosbol Zholdybayev, will be transferred to them (or nominees on their behalf) shortly following Admission. The remaining Baverstock Quotaholders, comprising Dae Han New Pharm and Cody Star Investment, will continue to have their respective interests in Roxi held by Baverstock and are under no obligation to transfer their Consideration Shares or their portion of the Issued Ordinary Shares out of Baverstock but are entitled to do so. The individual beneficial interests of the Baverstock Quotaholders in Roxi will not be affected by the transfer or otherwise of Consideration Shares or Issued Ordinary Shares to themselves or nominee accounts on their behalf.

As Directors of Roxi Petroleum, Kuat Oraziman and Kairat Satyrganov have been awarded certain rights to subscribe in Ordinary Shares. Further information on these share option agreements are disclosed in Part II of the Circular in the paragraph entitled "Interests and dealings". Were both of Kuat Oraziman and Kairat Satyrganov to exercise all share options, with Panel consent, under the aforementioned share option agreements following completion of the Merger and the issue of the Consideration Shares and Conversion Shares, Kuat Oraziman would be interested in 775,740,114 Ordinary Shares representing 46.05% of the Company's enlarged issued ordinary share capital and Kairat Satyrganov would hold 208,428,656 Ordinary Shares representing 12.37% of the Company's enlarged issued ordinary share capital. If both of Kuat Oraziman and Kairat Satyrganov were to exercise all of their rights to subscribe in Ordinary Shares the maximum controlling position of the Concert Party would be 83.12% of the Company's then issued ordinary share capital. The above percentages assume that no other person exercises any rights to subscribe for Ordinary Shares. A full breakdown of rights to subscribe held by the Directors of Roxi Petroleum is included in Part II of the Circular in the paragraph entitled: "Interests and Dealings".

Save as disclosed above no other members of the Concert Party have rights interests, rights to subscribe or short positions in Roxi Petroleum.

On 8 January 2013 Roxi Petroleum announced that it had entered into the Equity Investment Agreement with Kairat Satyrganov, who subsequently became a Director of the Company. The Equity Investment Agreement provided the Company with, at the Company's election, a facility of up to \$40 million in exchange for the issue and allotment to Mr. Satyrganov of up to 355,165,716 new Ordinary Shares at a price of approximately 7.41 pence per share. The following drawdowns have been made from the \$40 million facility:

Date	Amount drawn down	Shares issued to Kairat Satyrganov	Resultant holding of issued share capital	Percentage of enlarged share capital following draw down
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11/02/2013 \$10 m	83,791,429	83,791,429	12.1%
04/04/2013 \$2.5 m	20,947,858	104,739,287	14.2%
04/07/2013 \$5 m	41,895,714	146,635,001	18.8%
10/03/2014 \$7 m	58,654,000	205,289,002	24.5%
07/11/2014 \$1.7 m	14,244,542	219,533,544	25.6%
20/01/2015 \$2 m	16,758,286	236,291,830	27%
19/02/2015 \$1 m	8,379,143	244,670,973	27.68%

At the date of publication of the Circular an aggregate amount of \$29.2 million has been drawn down under the Equity Investment Agreement.

Since 2 January 2015, Zhanat Bukenova has made the following trades:

Date of trade	Buy / sell	Number of Ordinary Shares	Price	Resultant holding
02/01/2015	Buy	150,000	9.5 pence	15,120,567
05/01/2015	Buy	350,000	9.8 pence	15,470,567
06/01/2015	Buy	100,000	9.25 pence	15,570,567
14/01/2015	Buy	72,433	8.88 pence	15,643,000
14/04/2015	Sell	930,000	16 pence	14,713,000
16/04/2015	Sell	230,000	16 pence	14,483,000
17/04/2015	Sell	1,680,000	16.99 pence	12,803,000
20/04/2015	Sell	330,000	17 pence	12,473,000
21/04/2015	Sell	135,000	17 pence	12,338,000
22/04/2015	Sell	195,000	17 pence	12,143,000
27/04/2015	Buy	770,000	15.5 pence	12,913,000
28/04/2015	Buy	100,000	15.5 pence	13,013,000
29/04/2016	Buy	130,000	15.5 pence	13,143,000
09/06/2015	Sell	2,150,000	17.8 pence	10,993,000
29/06/2016	Buy	75,000	14 pence	11,068,000
14/07/2015	Buy	550,000	14 pence	11,618,000
15/07/2015	Buy	375,000	12.88 pence	11,993,000
15/01/2016	Buy	250,000	7 pence	12,243,000
18/01/2016	Buy	85,000	7 pence	12,328,000
20/01/2016	Buy	125,000	6.75 pence	12,453,000
20/01/2016	Buy	205,000	7 pence	12,658,000
21/01/2016	Buy	85,000	7 pence	12,743,000
05/02/2016	Sell	250,000	8.5 pence	12,493,000
08/02/2016	Sell	500,000	8.89 pence	11,993,000

On 22 August 2016 Bolatzhan Kerimbayev bought 39,171,745 shares at a price of 9.1 pence from Raditie. Following this transaction Bolatzhan Kerimbayev had an interest in 39,171,745 Ordinary shares. On the same date, Raditie transferred its remaining 20,482,986 Ordinary Shares to its sole Director and Shareholder, Raushan Sagdiyeva.

On 1 April 2015 the Company announced that Kuat Oraziman had acquired 39,242,317 Ordinary Shares from Kairat Satylganov at a price of 7.41 pence, representing 4.19% of the Company's total issued ordinary share capital at the time. The aggregate cash consideration for this transfer of shares was approximately £2.9m. Following the sale Kuat Oraziman had an interest in 374,408,033 Ordinary Shares representing 42.35% of the Company's total issued share ordinary capital at the time (these figures include the entire holding of Baverstock), and Kairat Satylganov had an interest in 205,428,656 Ordinary Shares representing 23.24% of the Company's total issued ordinary share capital at the time.

This was permitted under note 4 to Rule 9.1 of the Code following discussion with the Panel, without the requirement for a Rule 9 offer.

The Panel would not normally waive an obligation under Rule 9 of the City Code if the person to whom the new securities are to be issued or any person acting in concert with him has acquired any interest in shares in the company in the 12 months prior to the publication of a circular relating to the Proposals.

The purchase of Ordinary Shares by Kuat Oraziman on 1 April 2015 was not a "disqualifying transaction" for the purposes of paragraph 3 of Appendix 1 (Whitewash Guidance Note) to the City Code, and accordingly the Panel has granted the Waiver subject to Independent Shareholder approval as referred to below.

Under Rule 9 of the City Code, any person who acquires an interest (as such term is defined in the City Code) in shares which, taken together with the shares in which he and persons acting in concert with him are interested, carry 30% or more of the voting rights in a company which is subject to the City Code, is normally required to make a general offer to all of the remaining shareholders to acquire their shares. Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30% of the voting rights but does not hold shares carrying more than 50% of the voting rights of such a company, a general offer will normally be required if any further interests in shares are acquired by any such person. These limits apply to the entire concert party as well as the total beneficial holdings of individual members. Such an offer would have to be made in cash at a price not less than the highest price paid by him, or by any member of the group of persons acting in concert with him, for any interest in shares in the Company during the 12 months prior to the announcement of the offer.

Following completion of the Merger, the issue to Baverstock of the Consideration Shares, the issue to Kuat Oraziman of the Conversion Shares, and, as the Baverstock Quotaholders may subsequently direct, the subsequent transfer to the Baverstock Quotaholders or their nominees of the Ordinary Shares as referred to above, the members of the Concert Party will between them be interested in Ordinary Shares carrying more than 50% of the

Company's voting share capital, and, for as long as they continue to be treated as acting in concert, any further increase in that aggregate interest in shares will not be subject to the provisions of Rule 9 of the Takeover Code, although individual members of the Concert Party will not be able to increase their percentage interests in shares through or between a Rule 9 threshold without Panel consent. The members of the Concert Party will not be restricted from making an offer for the Company.

Waiver of the obligation to make a mandatory offer under Rule 9 of the City Code

The Panel has agreed, subject to the Whitewash Resolution being passed on a poll by the Independent Shareholders at the General Meeting, to waive the requirement under Rule 9 of the City Code for Kuat Oraziman and the Concert Party to make a mandatory offer for the ordinary shares it does not already own, as would otherwise arise from the receipt of further shares in the Company pursuant to the Merger. The Concert Party will be disenfranchised from voting on the Whitewash Resolution due to its involvement in the Proposals.

The Independent Directors believe that it is in the best interests of the Company that the Whitewash Resolution be passed so as to allow the Company to obtain a 100% interest in Eragon. Kairat Satylganov and Kuat Oraziman, being Directors of the Company who are also included in the Concert Party, are not considered to be Independent Directors and therefore are not included in the Board recommendation relating to the Whitewash Resolution as set out below.

Disqualifying Transactions

There are no disqualifying transactions to be disclosed pursuant to paragraph 3 of Appendix 1 (Whitewash Guidance Note) to the City Code. Please see above paragraph entitled: "Information on the Concert Party" for more information on all transactions in Ordinary Shares entered into by the Concert Party in the last 12 months.

Intentions of the Concert Party

The Concert Party is not intending to seek any changes to the Board and have confirmed that it would be their intention that, following any increase in their proportionate shareholding as a result of the issue of Consideration Shares to Baverstock for certain Concert Party members and the transfer to them of the Ordinary Shares previously held by Baverstock pursuant to the Merger, the business of the Company would be continued in substantially the same manner as at present, with no major changes. As a result, there will be no repercussions on employment or the location of Roxi Petroleum's places of business and no redeployment of Roxi Petroleum's fixed assets. The Concert Party is also not intending to prejudice the existing employment rights, including pension

rights and employer contributions to the Company's pension scheme, of any of the employees or management of the Company nor to procure any material change in the conditions of employment of any such employees or management. The Concert Party has no intention to make any changes with regard to the maintenance of the existing trading facilities for the Company's shares on AIM.

Related Party Transaction

As a result of Kuat Oraziman's substantial shareholding or interest in Baverstock, the Eragon Shares and Roxi Petroleum, the Merger is considered a related party transaction under the AIM Rules. The independent directors of the Company in respect of AIM Rule 13, being Clive Carver and Edmund Limerick, as well as Kairat Satylganov, consider, having consulted with WH Ireland, that the terms of the Merger are fair and reasonable insofar as Shareholders are concerned. For the purposes of the AIM Rules Kairat Satylganov is deemed an independent director as he is not personally receiving any shares pursuant to the Merger. Kairat Satylganov is however a member of the Concert Party, and as such he is disenfranchised from voting on the Whitewash Resolution and from providing a recommendation to the Independent Shareholders as to the Whitewash Resolution.

By reason of Kuat Oraziman's directorship of Roxi Petroleum, section 190 of the Companies Act will also apply to the Merger Agreement, the transaction envisaged by which represents a substantial property transaction with the Company.

Name Change

Following completion of the Merger the Directors believe it would be appropriate to change the name of the Company to Caspian Sunrise PLC, which would mark the beginning of a new era in the Company's development.

General Meeting

You will find set out at the end of the Circular the Notice convening the General Meeting to be held at the offices of Fladgate LLP, 16 Great Queen Street, London WC2B 5DG at 11:00a.m. on 24 March 2017 at which the necessary Shareholder approvals in connection with the Merger and the Proposals will be proposed, comprising the Resolutions.

The Resolutions will be proposed as follows:

- (a) Resolution 1 (ordinary resolution on a poll of Independent Shareholders): to approve the Whitewash Resolution;
- (b) Resolution 2 (ordinary resolution): conditional on the passing of Resolutions 1 and 3 to 5 inclusive, to give the Directors general authority to allot the Consideration Shares and Conversion Shares and following completion of the Merger and the issue of the Consideration Shares, to allot equity securities up to a maximum aggregate nominal value of £5,615,691.07 (representing one third of the Enlarged Share Capital);
- (c) Resolution 3 (ordinary resolution): conditional on the passing of Resolutions 1, 2, 4 and 5, to authorise for the purposes of section 190 of the Companies Act the terms of the Merger which is a substantial transaction with Kuat Oraziman who is a Director;
- (d) Resolution 4 (special resolution): conditional on the passing of Resolutions 1 to 3 inclusive and 5, to disapply statutory pre-emption rights in respect of the Consideration Shares and Conversion Shares and to give the Directors power to allot securities in the Company for cash without first having to offer them to existing Shareholders, up to a maximum aggregate nominal value of £2,504,510.73 (representing 15% of the Enlarged Share Capital); and
- (e) Resolution 5 (special resolution): conditional on the passing of Resolutions 1 to 4 inclusive, to change the name of the Company to Caspian Sunrise PLC.

In accordance with the requirements of the City Code, Kuat Oraziman, Kairat Satylganov and the other members of the Concert Party may attend the General Meeting and vote on the Resolutions except that they will not vote on the Whitewash Resolution, which will be conducted by means of a poll.

Action to be taken

A Form of Proxy for use in connection with the General Meeting is enclosed. Whether or not you intend to attend the General Meeting, it is important, particularly in view of the fact that the Whitewash Resolution to be put to the Meeting will be determined by a poll, that you duly complete, execute and return the enclosed Form of Proxy, by hand or by post, to Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF in accordance with the instructions printed thereon. To be valid, the completed Form of Proxy must be returned as soon as possible and, in any event, so as to arrive not less than 48 hours before the time for holding the General Meeting. Completion and return of the Form of Proxy will not prevent Shareholders from

attending and voting at the General Meeting in person should they wish to do so.

Admission and total voting rights

Following the satisfaction of the Conditions Precedent, Roxi will allot the 651,436,544 Consideration Shares to Baverstock, and the 80,804,200 Conversion Shares to Kuat Oraziman and application will be made for the Consideration and Conversion Shares to be admitted to trading on AIM conditional on the Eragon Capital Reduction becoming effective. The expected timetable for these events is set out on page 3 of the Circular and the Company will announce definitive dates for the final steps, and definitive Merger and Concert Party statistics, in due course following satisfaction of all Conditions Precedent. The total number of Ordinary Shares in issue following the issue of these shares will be 1,669,673,820 (subject to downward adjustment pursuant to the Merger Agreement as referred to above).

Roxi has no shares in treasury, therefore (subject to any further share issuance prior to Admission) this figure may be used by Shareholders, from Admission, as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

Further information

Your attention is drawn to Part II of the Circular which contains further information relating to Roxi Petroleum and to the 2015 Annual Report and Accounts.

Recommendation

The Independent Directors, who have been so advised by WH Ireland, consider that the Whitewash Resolution is fair and reasonable and in the best interests of the Company and Independent Shareholders as a whole. Accordingly, the Independent Directors unanimously recommend that Independent Shareholders vote in favour of the Whitewash Resolution at the General Meeting as they intend to do in respect of their entire holdings which amount to 2,235,000 Ordinary Shares (representing approximately 0.24% of the Issued Ordinary Shares). In providing advice to the Independent Directors, WH Ireland has taken into account the Independent Directors' commercial assessments. The Concert Party will be disenfranchised from voting on the Whitewash Resolution.

With regard to all other Proposals, excluding the Whitewash Resolution, the Directors consider the other Resolutions to be fair and reasonable and in the interests of the Shareholders as a whole. Accordingly the Directors unanimously recommend that Shareholders vote in favour of Resolutions 2,3,4 and 5, at the General Meeting as they intend to do in respect of their entire holdings which amount to 537,226,889 Ordinary Shares (representing approximately 57.31% of the Issued Ordinary Shares).

A full breakdown of the holdings of all Directors' shareholdings can be found in Part II of the Circular in the paragraph entitled "Interests and dealings".

ADDITIONAL INFORMATION

1. Responsibility

The Directors, whose names appear in paragraph 2 below, accept responsibility for the information contained in the Circular, save for the Whitewash Resolution recommendation of the Independent Directors set out in Part I in the paragraph entitled "Recommendation", for which the Independent Directors are solely responsible. 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 the Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

The members of the Concert Party accept responsibility for the information contained in the Circular relating to themselves. To the best of the knowledge and belief of the members of the Concert Party, who have taken all reasonable care to ensure that such is the case, the information contained in the Circular for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Directors of Roxi Petroleum

The current Directors of Roxi Petroleum are:

Clive Carver(Executive Chairman)

Kuat Oraziman (Chief Executive Officer)

Kairat Satylganov (Chief Financial Officer)

Edmund Limerick (Non-Executive Director)

3. Interests and dealings

(a) The interests of each of the Directors in the ordinary share capital of the Company (all of which are beneficial), and the existence of which is known to the Directors or could with reasonable diligence be ascertained by them as at 24 February 2017 (being the latest date practicable prior to the publication of the Circular) are set out below:

Director	Number of Ordinary Shares held	% of Issued Voting Shares
Clive Carver	0	0
Kuat Oraziman*	329,563,233	35.16
Kairat Satylganov	205,428,656	21.91
Edmund Limerick**	2,235,000	0.24
Total	537,226,889	57.31

* - Kuat Oraziman's holdings include Ordinary Shares held directly, the entire holding of Ordinary Shares of Vertom and 54.24% of the Ordinary Shares held by Baverstock for the Baverstock Quotaholders.

** - Edmund Limerick's holdings include Ordinary Shares held by himself and his wife.

The current interests of the current Directors in share options agreements are as follows:

Directors	Granted	Exercise Price	Expiry date
Clive Carver	2,400,000	4p	14 December 2021
Kuat Oraziman	4,200,000	4p	14 December 2021
Edmund Limerick	1,200,000	4p	14 December 2021

Directors	Granted	Exercise Price	Expiry date
Clive Carver	538,264	12p	14 August 2019
Kuat Oraziman	269,132	12p	14 August 2019
Edmund Limerick	200,000	12p	15 February 2020

Directors	Granted	Exercise Price	Expiry date
Clive Carver	750,000	13p	12 January 2021
Kuat Oraziman	3,090,000	13p	12 January 2021
Edmund Limerick	750,000	13p	12 January 2021

Directors	Granted	Exercise Price	Expiry date
Clive Carver	3,000,000	20p	21 August 2024
Kuat Oraziman	3,000,000	20p	21 August 2024
Kairat Satylganov	3,000,000	20p	21 August 2024
Edmund Limerick	750,000	20p	21 August 2024

Directors	Granted	Exercise Price	Expiry date
Clive Carver	1,345,660	38p	22 May 2017
Kuat Oraziman	672,830	38p	22 May 2017

Directors	Granted	Exercise Price	Expiry date
Clive Carver	1,215,385	65p	29 February 2018
Clive Carver	387,692	65p	22 April 2018
Kuat Oraziman	607,692	65p	29 February 2018
Kuat Oraziman	193,846	65p	22 April 2018

(b) Other than under the terms of the Merger or as described above, the Concert Party and any person acting in concert with it is not interested in any right to subscribe for relevant securities, any short positions (whether conditional or absolute and whether in the money or otherwise), any short position under a derivative, any agreement to sell or any delivery obligation or any right to require another person to purchase or take delivery and have not borrowed or lent any relevant securities.

(c) In the period of 12 months immediately preceding the date of the Circular, the Company has undertaken no dealings in its own shares.

(d) Save as disclosed above, during the period of 12 months immediately preceding the date of the Circular, there have been no dealings in relevant securities by the Company, the Directors, the Concert Party or any person acting in concert with the Company, the Directors or Concert Party. Details of a transfer of Ordinary Shares between Kuat Oraziman and Kairat Satylganov is included in Part I in the paragraph entitled "Information on the Concert Party".

(e) No relevant securities have been borrowed or lent by the Company, the Directors, the Concert Party or any person acting in concert with the Company.

(f) Other than disclosed in paragraphs (a) and (e) above, no Director or member of the Concert Party and no other person acting in concert with the Company is interested in any relevant securities or has the right to subscribe for relevant securities, or securities in the Concert Party, or has a short position (whether conditional or absolute and whether in the money or not), including a short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery of or in any relevant securities, or securities in the Concert Party.

In this paragraph references to:

(i) "control" means a holding, or aggregate holdings, of shares carrying 30% or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding(s) give(s) de facto control;

(ii) "dealing" or "dealt" includes the following:

a. the acquisition or disposal of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of voting rights attached to relevant securities, or of general control of relevant securities;

b. the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any relevant securities;

c. subscribing or agreeing to subscribe for relevant securities;

d. the exercise of conversion of any relevant securities carrying conversion or subscription rights;

e. the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced directly or indirectly, to relevant securities;

f. entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and

g. any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;

(iii) being "interested" in relevant securities includes where a person:

a. owns relevant securities;

b. has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them;

c. by virtue of any agreement to purchase, option or derivative, has the right or option to acquire relevant securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or

d. is party to any derivative whose value is determined by reference to its price and which results, or may result, in his having a long position in it;

(iv) "relevant securities" means Ordinary Shares and securities convertible into, rights to subscribe for, derivatives referenced to, short positions (including a short position under a derivative) and options (including traded options) in respect of, Ordinary Shares.

4. Directors' service agreements

(a) Details of the service contracts for the Board of Roxi Petroleum are as follows:

	Date of Agreement	Notice Period	Salary / benefits as at 31 December 2014 \$	2014 Share options \$	2014 Total \$	2013 Total \$
Clive Carver	1 June 2012	6 months	240,000	136,441	376,441	274,110
Kuat Oraziman	1 April 2007	6 months	116,814	136,441	253,255	149,662
Kairat Satylganov	11 February 2013	6 months	121,505	136,441	257,946	153,287
Edmund Limerick	1 February 2010	6 months	45,250	34,110	79,360	57,990

Mr Satylganov entered into an executive service agreement with the Company, effective from 11 January 2013, in which he agreed to act as the Company's Chief Financial Officer. The agreement will continue until terminated and is terminable on not less than six months' written notice by either party. In addition, the Company may terminate the agreement and make payment in lieu of notice. Mr Satylganov's annual salary is US\$120,000 and he is eligible to receive an annual bonus which will be determined at the discretion of the Company's remuneration committee. Mr Satylganov is entitled to be covered by a policy of directors' and officers' liability insurance to be provided by the Company.

Mr Carver entered into an executive service agreement with the Company, effective from 1 June

2012, in which he agreed to act as the Company's Executive Chairman. The agreement will continue until terminated and is terminable on not less than six months' written notice by either party. In addition, the Company may terminate the agreement and make payment in lieu of notice. Mr Carver's annual salary is US\$240,000 and he is eligible to receive an annual performance related bonus which will be determined at the discretion of the Company's remuneration committee. Mr Carver is entitled to be covered by a policy of directors' and officers' liability insurance to be provided by the Company.

Mr Oraziman entered into an executive service agreement with the Company, effective from 1 June 2012, in which he agreed to act as the Company's Chief Executive Officer. The agreement will continue until terminated and is terminable on not less than six months' written notice by either party. In addition, the Company may terminate the agreement and make payment in lieu of notice. Mr Oraziman's annual salary is US\$120,000 and he is eligible to receive an annual performance related bonus which will be determined at the discretion of the Company's remuneration committee. Mr Oraziman is entitled to be covered by a policy of directors' and officers' liability insurance to be provided by the Company.

Lord Limerick is engaged as a non-executive director of the Company under the terms of an agreement dated 1 February 2010. Pursuant to this agreement, Lord Limerick will work 18 days per annum and will receive an annual fee of £30,000. Lord Limerick's agreement is terminable on six months' written notice by either of the parties. Subject to early termination, Lord Limerick is appointed for an initial period of three years.

(b) None of the above Directors has entered into or amended their service agreements with the Company in the last six months.

5. Middle market quotations

Set out below are the closing middle-market quotations for the Ordinary Shares for the first dealing day of each of the six months immediately preceding the date of the Circular and for 24 February 2017 (being the latest practicable date prior to the publication of the Circular).

Date	Price per Ordinary Share (pence)
1 September 2016	10.0
3 October 2016	9.5
1 November 2016	10.13
1 December 2016	10.75
3 January 2017	10.5
1 February 2017	9.5
24 February 2017	9.5

6. General

(a) WH Ireland is Roxi Petroleum's sole Nominated Adviser and sole Broker. Kuat Oraziman and Raushan Sagdiyeva have share trading accounts with WH Ireland's wealth management division.

(b) WH Ireland has given and has not withdrawn its written consent to the issue of the Circular with the inclusion herein of the references to its name and its advice to the Independent Directors in the form and context in which they appear.

(c) Save as disclosed above, there is no personal, financial or commercial relationship, arrangement or understanding between the Concert Party or the Company and WH Ireland.

(d) There is no agreement, arrangement, or understanding (including any compensation arrangement) between the Concert Party or any person acting in concert with any of them and any of the Directors, recent directors, Shareholders, or recent shareholders of the Company, or any person interested or recently interested in Shares of the Company having any connection with or dependence upon the proposals set out in the Circular .

(e) There has been no significant change in the financial or trading position of Roxi Petroleum since the publication of the Company's interim results for the period ended 30 June 2015.

(f) No agreement, arrangement or understanding exists whereby any shares in Roxi acquired by Kuat Oraziman, Kairat Satylganov or any member of the Concert Party will be transferred to any other person.

7. Further information on the Concert Party

The Concert Party members and a brief description of them are as follows:

Baverstock GmbH is a private Swiss registered company that acts as an investment holding company and trustee. Its sole holdings are the legal title to the Eragon Shares and 98,000,000 Ordinary Shares, all held for the Baverstock Quotaholders.

Dae Han New Pharm Co. Ltd. is a Baverstock Quotaholder and is a Korean-registered pharmaceutical company. It is listed on the Korean Stock Exchange and has a current market capitalisation of approximately \$£178 million. The directors of Dae Han are Mr Wan Jin Lee, Geon

Wu Bae, Yeong Jun Song, Ju Ha Lee, Hu Jang Lee and Mr Kyungju Hwang.

Cody Star Investment Limited is a Baverstock Quotaholder and is a private company that is registered in the British Virgin Islands, the sole director of which is Haejung Rah.

Mr Kuat Oraziman, Chief Executive Officer of the Company, is the sole shareholder and director of Vertom and is a Baverstock Quotaholder. He is a Kazakh national. Mr Oraziman has nearly 27 years of business experience in Kazakhstan and abroad and nearly 17 years of oil and gas experience in Kazakhstan. Kuat Oraziman's experience has included the operation of import and export businesses, the establishment and operation of an international brewery in Kazakhstan, and the Kazakhstan representative of Phillips and Stork. Since 1991 Kuat Oraziman has been a director of ADA Oil LLP. Kuat Oraziman also holds a doctorate in science and is a trained geologist. He was appointed to the board of Roxi Petroleum as a Non-Executive Director in November 2006, became an Executive Director in 2008 and was appointed Chief Executive Officer in 2012.

Mr Daulet Beisenov was formerly a shareholder and director of Vertom and is a Kazakh national. Mr Beisenov has nearly 27 years of business experience in Kazakhstan and abroad and nearly 17 years of oil and gas experience in Kazakhstan. Mr Beisenov's experience has included the operation of import and export businesses and the establishment and operation of service orientated businesses including various hotels and restaurants.

Vertom International N.V. is a limited liability company registered with the number 63904 in the Netherlands Antilles, with registered address Schottegatweg Oost 44, Curacao, Netherlands Antilles. Kuat Oraziman is the sole shareholder and director of Vertom.

Kairat Satylganov joined Roxi Petroleum in January 2013 as Chief Financial Officer. Kairat has over 20 years of experience in banking, financial and investment business. In 1996 he was Deputy Chairman of the Management Board at Bank Turan Alem supervising the International Relations, Operations and Treasury departments. He has also served as chairman of two of the largest banks in Kazakhstan. ATF Bank for four years from 1998, where he supervised the Administration, Human Resources, Internal Audit, Security, Project Financing, Risk Management departments, and Halyk Bank between 2002 and 2004, where he supervised the Management board, Internal Audit, Marketing & PR, directed bank's overall business development strategies. From 2004 he was chairman of Almex, a large Kazakh investment company, where he supervised administrative and business development strategy.

Mrs Raushan Sagdiyeva, a Kazakh national, is the sole shareholder and director of Raditie N.V., a limited liability company registered with the number 82438 in the Netherlands Antilles, with registered address Schottegatweg Oost 44, Curacao, Netherlands Antilles.

Mrs Zhanat Bukenova is a Kazakh national. She loaned US\$500,000 to the Company on 10 October 2010, further information on which is included below in the paragraph below entitled: "Material Contracts".

Bolatzhan Kerimbayev is a Kazakh national and a business associate of Kuat Oraziman.

8. Financial information on Roxi Petroleum

Below is a table setting out the location of certain financial information contained within the 2015 and 2014 Annual Report and Accounts:

	2015 Page Number	2014 Page Number
Financial information:		
Revenue	21	20
Net profit/loss before tax	21	20
Tax charge	21	20
Net profit/loss after tax	21	20
Amount absorbed by dividends	N/A	N/A
Earnings per share	21	20
Dividends per share	N/A	N/A
Group statement of financial position	25	20
Group statement of cash flows	26	21
Significant accounting policies and major notes to accounts	27	22

The Company's Annual Report and Accounts for 2014 can be found at the following website: <http://www.roxipetroleum.com/roxi/en/investors/financialreports?year=2015&month=all&go=Go> .

The Company's Annual Report and Accounts for 2015 can be found at the following website: <http://www.roxipetroleum.com/roxi/uploads/finreports/annual-report-and-accounts-2015.pdf> .

The Company's interim results for the 6 months ended 30 June 2016 can be found at the following website: <http://www.roxipetroleum.com/roxi/uploads/pressreleases/roxi-petroleum-interim->

[results.pdf](#).

The above financial information has been incorporated into the Circular by reference in accordance with Rule 24.15 of the Code.

A Shareholder, person with information rights or person to whom the Circular has been sent may request a copy of the above information in hard copy form (hard copies will not be provided unless requested). Hard copies may be requested by writing to Roxi Petroleum Plc, 5 New Street Square, London, EC4A 3TW.

9. Material contracts

The following contracts (i) not being contracts entered into in the ordinary course, have been entered into by the Company or other members of the Group in the two years prior to the date of the Circular , or (ii) are subsisting agreements which are included within, or which relate to, the assets and liabilities of the Company (notwithstanding whether such agreements are within the ordinary course or were entered into outside of the two years immediately preceding the publication of the Circular) and are, or may be, material:

(a) Merger Agreement

Details of the Merger Agreement are set out under the heading: "Basis of the Merger" in Part I of the Circular .

(b) Cancellation Agreement

In January 2009, Roxi entered into a farm out agreement with Canamens Central Asia BV whereby Canamens Central Asia BV acquired a 35% stake in BNG from Roxi in return for a \$7 million payment to Roxi plus a further \$45 million to be paid towards existing BNG work programme commitments.

Following Canamens Central Asia BV informing Roxi that it would be unable to pay the full amount due under the work programme commitments, Roxi and Canamens Central Asia BV entered into a

royalty agreement on 10 May 2011. Under the terms of the royalty agreement Roxi would make an initial payment of \$2 million and grant a royalty in perpetuity of 1.5% of production revenues (calculated by reference to the wellhead price) to Canamens Central Asia BV in consideration for the restoration of the 35% stake in BNG previously acquired by Canamens Central Asia BV to Roxi. The royalty agreement was subsequently assigned to Canamens Limited who held the benefit 50% for itself and 50% for Sector Umbrella Trust.

Under the provisions of the cancellation agreement dated 24 July 2015 ("Cancellation Agreement"), Roxi, Canamens Limited and Sector Umbrella Trust agreed to cancel and terminate the royalty agreement in consideration for the issue of 46,661,654 new Ordinary Shares (representing 5% of the then enlarged share capital of Roxi) to Canamens Limited.

(c) Royalty Agreement

Since January 2015, under the terms of the acquisition of Roxi of 59% of the issued share capital of Eragon from Baverstock, Roxi and Baverstock have been liable to fund all costs incurred in respect of BNG in the ratio 59:41, including the 1.5% perpetual royalty previously payable to Canamens Limited.

Accordingly, in consideration of Roxi fulfilling its obligations under the Cancellation Agreement, Roxi has entered into a BNG royalty agreement with Baverstock dated 24 July 2015. Under the terms of this agreement Baverstock agreed to pay to Roxi, in perpetuity, a royalty payment at the rate of 0.615% of the production revenues at BNG, being 41% of the 1.5% original BNG royalty to reflect the interest in BNG attributable to Baverstock. This agreement will be terminated on completion of the Merger.

(d) Galaz disposal

On 10 February 2015 Roxi entered into a share sale agreement with, amongst others Xinjiang Zhundong Petroleum Technology Co. Ltd, for the sale of Galaz & Company LLP, an entity which held the exploration licence for an exploration site known as the Galaz contact area. Roxi's interest in Galaz & Company LLP was derived from its 59% holding of the share capital of Eragon as Eragon held the entire share capital of Galaz Energy BV, which in turn owned 58% of Galaz & Company LLP.

The sale completed on 12 June 2015 and the consideration attributable to Roxi pursuant to its interest in Galaz & Company LLP was approximately \$23,000,000 consisting of consideration for the sale of the shares in Galaz & Company LLP and the assignment of a loan made by Roxi to Galaz & Company LLP.

(e) Bright Oceans share subscription agreement

On 16 April 2015 Roxi entered into a share subscription agreement with Bright Oceans Corporation (a company registered in the People's Republic of China). Pursuant to the terms of this agreement, Bright Oceans Corporation agreed to subscribe for 74,508,208 Ordinary Shares for an aggregate subscription price of US\$20,000,000. In addition it was agreed that whilst Bright Oceans Corporation held 10% or more of the issued share capital of Roxi, it would be entitled to appoint one director to the board of Roxi.

As agreed between the parties this agreement was not completed.

(f) Zhanat Bukenova debt conversion agreement

On 24 July 2014 Roxi entered into a release and subscription agreement with Zhanat Bukenova (an individual resident in Kazakhstan) for the capitalisation of a loan provided by Zhanat Bukenova to Roxi.

Under the terms of the agreement, Zhanat Bukenova agreed to release Roxi from any, and all, of its obligations to Zhanat Bukenova under, or in connection with, a US\$500,000 loan facility provided by Zhanat Bukenova to Roxi pursuant to a loan agreement dated 10 October 2010. In consideration for the release, Roxi issued 3,955,438 Ordinary Shares to Zhanat Bukenova.

10. Orderly market agreements

Baverstock and Vertom have entered into an orderly market agreement with WH Ireland and the Company on or about 24 February 2017 pursuant to which Baverstock has undertaken to WH Ireland and to the Company that, subject to certain limited exceptions, it will not dispose of any of the Consideration Shares or Conversion Shares which are acquired pursuant to the Merger for a period of six months following Admission except through WH Ireland (or the broker to the Company for the time being), subject to market terms being offered for the carrying out of any such sale, and such broker may in its discretion, acting reasonably, refuse or impose restrictions with a view to maintaining an orderly market in the Ordinary Shares. During such orderly market period, Baverstock may only distribute the Consideration Shares held by it to the Baverstock Quotaholders (or their nominees), subject to such transferees entering into similar orderly market arrangements with the broker and the Company for the remainder of the period.

The restrictions described in the foregoing paragraphs will not apply, inter alia, in the event of death of the relevant individual (if applicable), an intervening court order, a takeover becoming or being declared unconditional or the acceptance of an offer for the Company (for which the relevant Shareholder may give an irrevocable undertaking to accept).

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