

LONGBOAT ENERGY PLC

INVESTING POLICY

Longboat Energy will look to achieve its investment objectives and strategy by taking an active approach in investments made in line with the following parameters:

- **Geographic focus:** initially the Company's principal focus will be acquiring assets or corporate opportunities based in or principally operating in Norway, the United Kingdom, or in the wider EEA region. The Company may consider acquiring assets globally, including in emerging markets.
- **Sector focus:** the Company intends to focus on the oil and gas sector.
- **Proposed targets:** the proposed acquisitions to be made by the Company may be licence applications, direct interests in oil and gas assets, quoted or unquoted companies, made by acquisition or through farm-ins, either in companies, partnerships or joint ventures.
- **Types of investment and control of investments:** it is anticipated that the Company will acquire and control one or more working interests, assets, businesses or companies on a long-term basis. The Company's equity interest in a proposed acquisition may range from a minority position to 100 per cent. ownership. The Company intends, where possible, to be actively involved in the management and development of the assets that it acquires irrespective of the equity ownership acquired in the assets with a view to improving performance and adding value to the assets. The Board may issue new ordinary shares as acquisition consideration to vendors of working interests, assets, or businesses as appropriate, and the Board would expect such new ordinary shares to represent a non-controlling or minority shareholding in Longboat Energy at that point in time.
- **Investment size:** the Company is applying its funds , principally to investigate and pursue potential acquisitions, perform due diligence, contribute towards professional costs associated with an acquisition and fund the initial working capital requirements of the Company. It is envisaged that the Company's first acquisition will be in the region of an enterprise value of US\$10-US\$500 million, which will be funded through further equity issuance and debt to appropriate and prudent levels.
- **Nature of returns:** it is anticipated that returns to shareholders will be delivered through a combination of an appreciation in the Company's share price and, at an appropriate time, dividends paid out of retained earnings or a one off capital return, if appropriate.

Any material change to the Investing Policy will be made only with the approval of shareholders.