



NU-OIL AND GAS PLC
AIM ticker: NUOG

11 October 2019

Nu-Oil and Gas plc
("Nu-Oil" or "the Company")

Posting of Circular and Notice of General Meeting

Further to the Company's announcement on 2 October 2019, the Company announces that it is today posting to its Shareholders a circular (the "Circular") and accompanying notice of general meeting of the Company (the "General Meeting") containing further details of the proposals set out in that announcement, and as more fully described below.

The Circular convenes the General Meeting for 10:30 a.m. on 4 November 2019 at 14/15 Belgrave Square, London, SW1X 8PS. A copy of the Circular and the Form of Proxy will shortly be made available on the Company's website at <http://nu-oilandgas.com/investors/reports-and-circulars>. Depending on shareholders' mailing preferences the Company will today post a copy of the Circular or letter, accompanied by a Form of Proxy.

The key sections of the Circular have been extracted verbatim below. Unless the context requires otherwise, definitions used in this announcement and the Circular are set out at the end of this announcement.

Introduction

On 2 October 2019, the Company announced the implementation of a number of changes to strengthen the Company's financial position and create the foundation for a new strategic direction. These changes included, inter alia, the restructuring of the Company's existing debt which is now owned by C4 Energy, the disposal of the Company's 50% interest in MFDevCo to RMRI Limited, a proposed Placing and certain Board changes.

The Proposals are conditional upon Shareholder approval, which will be sought at the General Meeting to be held on 4 November 2019, notice of which is set out at the end of this letter. Shareholder approval will also be sought at the General Meeting in relation to the proposed re-organisation of the Company's share capital to reduce the nominal value of each Existing Ordinary Share in order to facilitate, inter alia, the proposed Placing and the granting of conversion rights under the Loan Notes.

The Directors unanimously recommend that you vote in favour of all of the Resolutions, which are inter-conditional, to be proposed at the General Meeting as they intend to do in respect of their beneficial holdings of Existing Ordinary Shares.

Sale of interest in MFDevCo and issue of Settlement Shares

The Company has agreed to sell its 50% interest in MFDevCo to RMRI (which holds the remaining 50% interest in MFDevCo) and to issue 91,666,667 New Ordinary Shares in the Company to RMRI (Settlement



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Shares) in consideration for the release of all outstanding debt due to RMRI and Alan Minty which totals, approximately £1.3million. In the Company's announcement dated 2 October 2019 the number of Settlement Shares was incorrectly stated to be 88,709,678 due to a rounding error on the price used to calculate the number of shares.

As the Proposed Sale is considered to be a fundamental disposal for the purposes of Rule 15 of the AIM Rules, it is subject to Shareholder approval. Furthermore, the Proposed Sale and the issue of the Settlement Shares are considered related party transactions under the AIM Rules as RMRI is controlled by Alan Minty, a former director of the Company within the last 12 months. It was confirmed by the independent Directors of the Company (being, at the relevant time, Graham Scotton, Frank Jackson, Tejvinder Minhas and Michael Bowman) that, having consulted with Strand Hanson, the terms of the Proposed Sale and the accompanying issue of the Settlement Shares are fair and reasonable as far as Shareholders are concerned.

Restructuring of debt

As announced on 2 October 2019, the Company has been informed by Shard that it has sold the loan owing to Shard by the Company to C4 Energy (the "Debt Sale").

In connection with the Debt Sale, the Company has restructured the debt owing now to C4 Energy through the creation of the Loan Notes, which are freely transferable, unsecured, interest free and with repayment due at the end of the five-year term. Subject to approval of the Shareholders at the General Meeting, the Loan Notes will also grant C4 Energy the right to convert amounts due under the Loan Notes into New Ordinary Shares at the Issue Price at any time during the term of the Loan Notes.

The Loan Notes contain a restriction preventing conversion of such amount that would result in C4 Energy holding more than 29.9% of the Company's issued share capital from time to time.

Placing

The Company has conditionally agreed to raise gross proceeds of £0.5 million by way of a placing of 1,000,000,000 New Ordinary Shares at a price 0.05p per share.

The net proceeds of the proposed Placing will be used for short term general working capital purposes of the Company.

The admission of the Placing Shares to trading on AIM is expected to occur on or around 8:00 a.m. on 7 November 2019.

Proposed Share Capital Re-Organisation

Under English law, a company is unable to issue shares at a subscription price which is less than their nominal value. The nominal value of the Existing Ordinary Shares is 0.1p, and the current market price as at close of trading on 10 October 2019 (being the last practicable date prior to the approval of this document) was 0.09p.



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As disclosed above, the proposed Issue Price is below the nominal value of the Existing Ordinary Shares and therefore the Proposals could not proceed without the Share Capital Reorganisation being implemented.

In order to facilitate, inter alia, the proposed Placing and granting of conversion rights under the Loan Notes, it is proposed that each of the Existing Ordinary Shares be sub-divided into one New Ordinary Share with a nominal value of 0.0001p and one 2019 Deferred Share with a nominal value of 0.0999p.

The 2019 Deferred Shares will have no value or voting rights. They will not be admitted to trading on AIM. The full rights attaching to the 2019 Deferred Shares are set out in Resolution 1 in the Notice of General Meeting, which, if passed, will amend the Company's Articles of Association to set out the rights of the 2019 Deferred Shares.

After the Share Capital Reorganisation, there will be the same number of New Ordinary Shares in issue as there are Existing Ordinary Shares. The New Ordinary Shares will have the same rights as those currently accruing to the Existing Ordinary Shares in issue under the Articles of Association, including those relating to voting and entitlement to dividends.

You will not be issued with a new share certificate for your New Ordinary Shares and the existing certificate will remain valid. Holders of options and warrants over Existing Ordinary Shares will maintain the same rights as currently accruing to them and will not be issued with new warrant or option certificates.

A copy of the Company's existing Articles of Association and the proposed new Articles of Association marked up to show all the proposed changes will be available for inspection from 25 October to 1 November 2019 during normal business hours at the office of the Company and for at least 15 minutes prior to the General Meeting on 4 November 2019.

Board Changes

As part of the restructuring of the Company, Mr Jay Bhattacharjee will be appointed as Non-Executive Chairman of the Company and Mr Andrew Dennan will be appointed as a Non-Executive Director of the Company.

Graham Scotton has transitioned from his role as Executive Chairman of the Company to be Non-Executive Chairman of the Company on an interim basis, pending the appointment of Mr Jay Bhattacharjee as referred to above, at which point he will move into the position of Non-Executive Director. Frank Jackson remains as a Non-Executive Director of the Company.

Each of Damian Minty (Joint Managing Director and Chief Financial Officer of the Company), Alison Pegram, (Joint Managing Director of the Company), Professor Michael Bowman and Mr Tejvinder Minhas (both Non-Executive Directors of the Company) have resigned from their respective roles and stood down from the Board.



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Grant of Options and authority to issue Warrants

The Company intends that each of Mr Jay Bhattacharjee and Mr Andrew Dennan will each be granted options to subscribe for 90 million New Ordinary Shares at a price of 0.0625 pence per share (the "Options").

The Company further intends to have the ability, should it so desire in the future, to grant warrants over up to 120 million New Ordinary Shares on similar terms and at a similar exercise price to selected service providers (the "Warrants").

AIM Rule 15 and Future Strategy of the Company

As the Proposed Sale will result in the Company divesting of the majority of its trading business, activities or assets, the Company will, following the completion of the Proposed Sale, assuming Shareholders approve all the Resolutions, be deemed to become an AIM Rule 15 Cash Shell under the AIM Rules. As such, the Company will be required to make an acquisition (or acquisitions) which constitutes a reverse takeover under AIM Rule 14 on or before the date falling six months from completion of the Proposed Sale, or be re-admitted to trading on AIM as an investing company under AIM Rule 8 (which requires the raising of at least £6 million in cash via an equity fundraising on, or immediately before, re-admission). Failing which, the Company's New Ordinary Shares would then be suspended from trading on AIM pursuant to AIM Rule 40. Admission to trading on AIM would be cancelled six months from the date of suspension should the reason for the suspension not have been rectified pursuant to AIM Rule 41.

At this time, the reconstituted Board intends to complete an acquisition which will constitute a reverse takeover within six months following completion of the Proposed Sale. It is intended that this proposed acquisition would be within the oil and gas space, with further Board changes to be made as appropriate depending on the specifics of the proposed acquisition. The reconstituted Board intends to evaluate in short order potential acquisition targets with part of the net proceeds of the Placing and looks forward to updating the market as and when appropriate.

Recommendation

The Directors consider the Resolutions to be in the best interests of the Company and the Shareholders as a whole. The Directors unanimously recommend Shareholders to vote in favour of the Resolutions, as they intend to do or procure to be done in respect of their own beneficial holdings of Existing Ordinary Shares.

Shareholders should note that, given the inter-conditional nature of the Resolutions, in the event that all of the Resolutions are not approved at the General Meeting, the Proposals will not proceed. In this scenario, the funds from the Placing would not be received and the Board would need to seek alternative sources of financing immediately. The Board is not confident that alternative financing would be available and, in the event that such financing is not available then the Company will be put into administration. As such, Shareholders are strongly encouraged to vote in favour of the Resolutions.



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Expected Timetable

Circular posted to Shareholders	11 October 2019
Last time and date of receipt of Forms of Proxy	10:30 a.m. on 31 October 2019
General Meeting	10:30 a.m. on 4 November 2019
Admission of the New Ordinary Shares, the Placing Shares and Settlement Shares to trading on AIM	8:00 a.m. on 7 November 2019

References to the time in this letter and Notice of General Meeting are to British Summer Time (BST) or Greenwich Mean Time (GMT) as appropriate.

Key Statistics

Number of Existing Ordinary Shares as at the date of this document	1,498,726,550
Number of New Ordinary Shares in issue following the Share Capital Reorganisation	1,498,726,550
Number of 2019 Deferred Shares in issue following the Share Capital Reorganisation	1,498,726,550
Number of Placing Shares	1,000,000,000
Number of Settlement Shares	91,666,667
Number of New Ordinary Shares following the Share Capital Reorganisation, the Placing and the issue of the Settlement Shares	2,590,393,217
Number of New Ordinary Shares (following the Share Capital Reorganisation) held in treasury	12,445,378
Expected number of voting rights in the Company following the Share Capital Reorganisation, the Placing and the issue of the Settlement Shares	2,577,947,839
Options being issued as part of the Proposals	180,000,000
Existing number of options and warrants in issue as at the date of this document	121,293,696

Definitions

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

“Act”	the Companies Act 2006;
“AIM”	the AIM market of the London Stock Exchange;
“AIM Rules”	the rules applicable to companies whose securities are traded on AIM published by the London Stock Exchange;
“Articles of Association”	the articles of association of the Company;
“C4 Energy”	C4 Energy Limited, a UK incorporated company;
“Company”	Nu-Oil and Gas PLC;
“Directors” or “Board”	the directors of the Company at the date of this document;
“Existing Ordinary Shares”	the 1,498,726,550 Ordinary Shares of 0.1p each in issue at the date of this document;
“FCA”	the Financial Conduct Authority of the United Kingdom;
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the General Meeting;
“FSMA”	the Financial Services and Markets Act 2000 (as amended);
“General Meeting”	the general meeting of the Company convened for 10:30 a.m. on 4 November 2019 at 14/15 Belgrave Square, London, SW1X 8PS, or any reconvened meeting following any adjournment thereof, notice of which is set out in the Notice;
“Issue Price”	0.05p per Placing Share;
“Loan Notes”	£2,500,000 nominal amount unsecured convertible loan notes due 2024 constituted by a convertible loan note instrument dated 2 October 2019;
“London Stock Exchange”	London Stock Exchange plc;
“MFDevCo”	Marginal Field Development Company (MFDevCo) Ltd;
“New Ordinary Shares”	the proposed new ordinary shares of 0.0001p each in the capital of the Company resulting from the Share Capital Reorganisation;
“Notice”	the notice of the General Meeting which is set out at the end of this letter;
“Placing”	the proposed placing of 1,000,000,000 New Ordinary Shares at a price of 0.05p per share;
“Placing Shares”	the 1,000,000,000 New Ordinary Shares to be issued in connection with the Placing;



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"Proposals"	the Share Capital Reorganisation, the Proposed Sale, the Placing, the grant of conversion rights under the Loan Notes, the issue of the Settlement Shares, the grant of Warrants and the grant of Options;
"Proposed Sale"	the proposed sale by the Company of its 50% interest in MFDevCo to RMRI (which holds the remaining 50% interest in MFDevCo);
"Resolutions"	the ordinary and special resolutions set out in the Notice;
"RMRI"	RMRI Ltd, a company controlled by Alan Minty;
"Settlement Shares"	91,666,667 New Ordinary Shares to be issued to RMRI as detailed in this document;
"Shard"	Shard Capital Management Limited;
"Shareholders"	the holders of Existing Ordinary Shares or (following the Share Capital Reorganisation) New Ordinary Shares from time to time;
"Share Capital Reorganisation"	the proposed subdivision of each of the Existing Ordinary Shares into one New Ordinary Share and one 2019 Deferred Share to be effected at the General Meeting, further details of which are set out in the Letter from the Chairman of the Company in this circular;
"Strand Hanson"	Strand Hanson Limited, Nominated adviser to the Company;
"UKLA"	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
"United States"	the United States of America and its respective territories;
"£"	Pounds sterling, the lawful currency of the United Kingdom; and
"2019 Deferred Shares"	the proposed new deferred shares of 0.0999p each in the capital of the Company to be created pursuant to the Share Capital Reorganisation.



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Disclaimer

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR").