

This document is important and requires your immediate attention

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant or other professional independent adviser. If you have sold or otherwise transferred all of your shares, please pass this document, together with the accompanying documents, to the purchaser or transferee, or to the person who arranged the sale or transfer, so that they can pass them to the person who now holds the shares.

To the holders of Ordinary Shares.

Proposed Capital Restructuring and Notice of General Meeting

A notice convening a General Meeting of JKX Oil & Gas Limited to be held at 12:00 noon on 3 June 2024 at The Garden Room at the King's Fund, 11-13 Cavendish Square, London, W1G 0AN is set out at the end of this document. Whether or not you intend to be present at the General Meeting, you are urged to complete and return the enclosed Form of Proxy, in accordance with the instructions printed thereon, so as to arrive as soon as possible and in any event by no later than 12:00 noon on 30 May 2024.

Copies of this document are available from the Company's registered office at 100 New Bridge Street, London, England, EC4V 6JA from the date of this document to the date of the General Meeting and also from the Company's web site: <https://www.jkx.co.uk/investor-centre>.

IMPORTANT NOTICE

Notice to overseas persons

The distribution of this document and/or the Form of Proxy in certain jurisdictions may be restricted by law and therefore persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

References to defined terms

Certain terms used in this document are defined and certain technical and other terms used in this document are explained at the section of this document under the heading "Definitions".

In the document, references to "£", "pounds sterling", "pence" and "p" are to the lawful currency of the United Kingdom.

All times referred to in this document are references to London time.



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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2024
Publication date of this document	15 May 2024
Latest time and date for receipt of Forms of Proxy	12.00 noon on 30 May 2024
General Meeting	12.00 noon on 3 June 2024
Record Date	6.30 pm on 3 June 2024
Effective date of the Consolidation	4 June 2024
Effective date of the Capital Reduction	4 June 2024
Anticipated payment of cash into CREST account or, in the case of shares held in certificated form, the date of dispatch of cheques following cancellation of the Deferred Share	Within 10 business days of the date of the Capital Reduction
Anticipated date of issue of share certificates for Consolidated Ordinary Shares held in certificated form	Within 10 business days of the date of the Consolidation

If any details contained in the timetable above should change, the revised times and dates will be notified on the Company's website.

TRANSACTION STATISTICS

Existing Ordinary Shares	144,780,947
Anticipated number of Consolidated Ordinary Shares in issue immediately following the Capital Restructuring	58
Consolidation ratio	Every 2,251,763.19 Existing Ordinary Shares to be consolidated into 1 Consolidated Ordinary Shares
Cash payment to ultimately be made in respect of each Existing Ordinary Share that is not consolidated into a Consolidated Ordinary Share	17 pence

DEFINITIONS

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

"Act"	the Companies Act 2006 (as amended)
"Business Day"	a day (other than a Saturday, Sunday or public holiday) when clearing banks are open for business in the City of London
"BVI"	the British Virgin Islands
"Capital Reduction"	the proposed cancellation of the Deferred Share arising on the Consolidation pursuant to Resolution 2 as set out in the Notice
"Capital Restructuring"	the proposed restructuring of the Company's capital comprising the Consolidation and the Capital Reduction
"Circular"	this document
"Code"	the City Code on Takeovers and Mergers
"Company"	JKX Oil & Gas Limited
"Consolidated Ordinary Shares"	the ordinary shares of £225,176.319 each created by the Consolidation
"Consolidation"	the proposed consolidation of the Company's ordinary share capital resulting in every 2,251,763.19 Existing Ordinary Shares being consolidated into 1 Consolidated Ordinary Share pursuant to Resolution 1 as set out in the Notice
"Consolidation Ratio"	2,251,763.19 to 1
"CREST"	the system for the paperless settlement of trades in securities and the holding of uncertificated securities in accordance with the CREST regulations (the Uncertificated Securities Regulations 2001 SI 2001 No. 3755) operated by Euroclear
"Deferred Share"	the deferred share arising on the Consolidation, formed of the Fractional Entitlements, and proposed to be held by a nominee and then cancelled pursuant to the Capital Reduction
"Directors" or "the Board"	the directors of the Company whose names are set out on page 6 of this document
"Eclairs"	means Eclairs Group Limited
"Existing Ordinary Shares"	the 144,780,947 Ordinary Shares of £0.10 each in issue as at the date of this document
"Form of Proxy"	the form of proxy for use in relation to the General Meeting, which accompanies this document
"Fractional Entitlement"	a fractional entitlement to a Consolidated Ordinary Share arising on the Consolidation
"General Meeting"	the general meeting of the Company convened for 12:00 noon on 3 June 2024 by the Notice set out in this document, to be held at the Garden Room at The King's Fund, 11-13 Cavendish Square, London, W1G 0AN for the purpose of considering and, if thought fit, passing the Resolutions



“Group”	the Company and its subsidiaries and subsidiary undertakings
“Notice”	the notice convening the General Meeting which is set out at the end of this document
“Ordinary Shares” or “Shares”	the ordinary shares of £0.10 each in the capital of the Company
“Proposals”	the Capital Restructuring and the Resolutions
“Record Date”	6:30 pm on 3 June 2024 (or such other time and date as the Directors may determine)
“Resolutions”	the resolutions to be proposed at the General Meeting as set out in the Notice
“Shareholders”	person(s) who is/are registered as holder(s) of Ordinary Shares at the relevant time
“Takeover Panel”	the Panel on Takeovers and Mergers
“UK”	the United Kingdom of Great Britain and Northern Ireland

LETTER FROM THE CHAIRMAN

JKX Oil & Gas Limited

(Incorporated and registered in England and Wales under number 03050645)

Directors:

Michael Bakunenko (Chairman)

Vitaliy Dorogan

Mark Katsnelson

Registered Office

100 New Bridge Street

London

England

EC4V 6JA

15 May 2024

Dear Shareholder,

Proposed Reduction of Capital and Capital Restructuring

Notice of General Meeting

1. Introduction

I am writing to explain the Proposals relating to the Capital Restructuring.

As a result of: (i) the Company's de-listing from the premium segment of the Official List and from trading on the Main Market for listed securities of the London Stock Exchange on 6 January 2022; (ii) the re-registration of the Company as a private limited company on 2 February 2022, and, (iii) the subsequent unlawful invasion of Ukraine by the forces of the Russian Federation, it is apparent that the Company has a very large shareholder base for a private company, with many small minority Shareholders, and there is no longer an effective liquid market for the Company's Shares, meaning that the Shareholders have little or no opportunity to sell, transfer or realise any immediate value for their Shares.

On 24 February 2022 Russia initiated a full-scale military invasion of Ukraine and there currently remains no end in sight to the resulting conflict. The Group's most significant oil and gas operations are located in Ukraine. The conflict has disrupted the activities of the Group in all areas of its operations. The Company has sought to protect the safety and wellbeing of the Group's employees, but the Board is unable to provide full assurances as to how the ongoing war will impact the Group.

The Company has a share register which includes a large number of Shareholders holding a minority percentage of the total Ordinary Shares, which as well as having limited overall economic value for those Shareholders, also creates a significant financial and logistical burden for the Company to administer. The Company needs to be able to respond quickly to changing events in Ukraine, which will be easier with a smaller shareholder base.

A consolidation of the Company's Existing Ordinary Shares and a cancellation by way of capital reduction by the Company of a deferred share to be formed from the fractional entitlements arising on the Consolidation is proposed in this document. The purpose of the proposed Consolidation and Capital Reduction is to rationalise the large shareholder base of the Company, increasing the Company's ability to respond quickly to the ongoing conflict in Ukraine and resulting geopolitical changes and reducing the costs to the Company of administering the shareholder base. It will also provide an immediate and cost-effective exit for Shareholders with minority holdings and little economic interest in the Company at a time when the Board can provide no assurances as to the future.

The Board acknowledges that the effect of the Capital Restructuring, if approved, will be to require all Shareholders (unless their shareholding is exactly divisible by the Consolidation Ratio with no fractional entitlements arising) to have at least some, and for smaller shareholders all, of their shares cancelled in return

for cash and that some Shareholders might prefer to retain such Shares. Nevertheless, having considered the unprecedented circumstances in which the Group is now operating in Ukraine and the possible alternative options, the Board has concluded that this is the most appropriate way forward for the Company and the Shareholders.

The Company previously understood that Igor Kolomoisky, through his ownership of the Company's largest shareholder, Eclairs was a person with significant control of the Company. As set out in the Company's announcement dated 27 November 2023, the Company received confirmation from the Registrar of Corporate Affairs in the BVI that Eclairs was struck of the register on 1 November 2022 and dissolved by operation of BVI law on 4 July 2023. The Company received advice from BVI lawyers that pursuant to BVI law the 47,287,027 shares in the Company would therefore vest in the Crown. The Company therefore duly updated its register of persons with significant control to no longer refer to Igor Kolomoisky and made the appropriate filing with UK Companies House. Nevertheless, in accordance with the Company's articles, registered title to the 47,287,027 shares will only vest in the Crown once the Company has received written notice of that wish. In addition, the Company has been advised by BVI lawyers that the shareholders of Eclairs have five years from the date of its dissolution to apply to restore Eclairs from its dissolved state. If Eclairs is in the future restored from its dissolved state then the Directors anticipate that it might assert rights to shares in the Company it previously held. Given the possibility of Eclairs being restored to the register in the BVI the Company has decided to structure the Capital Restructuring in a manner that it intended to minimise any impact on the Shares formerly held by Eclairs. In particular, the ratio for the Consolidation has been determined so that no fractions will arise on those shares and therefore no cash payments will be due in respect of those shares.

Shareholder approval is required for the Capital Restructuring. The Company is not subject to the Code as none of its securities are admitted to trading on a UK regulated market and its central place of management is not in the UK, Channel Islands or Isle of Man. Therefore the Capital Restructuring is not a transaction that would be subject to the Code.

The purpose of this document is to provide you with information about the background to and the reasons for the Capital Restructuring, to explain why the Board considers the Capital Restructuring to be in the best interests of the Company and its Shareholders as a whole, and why the Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this document.

2. **The Consolidation and Capital Reduction**

Board Considerations

The Board has considered a range of alternative routes to reduce the size of the shareholder base of the Company, but none of them are considered by the Board to be practicable solutions. In particular, despite the best efforts of the Company, the take-up of a buyback tender offer put in place at the time of the delisting was relatively low. It was understood that this was primarily because of a lack of interest amongst shareholders. Therefore, incurring the material expense of repeating a similar process was not felt to be likely to have a material impact on the current position. As described below, the Board has put in place a matched bargain facility, but that proved to offer very little liquidity in the current challenging environment for the Group. Finally, consideration was given to forms of corporate restructuring or voluntary insolvency processes but such processes were considered likely to be highly complex and expensive and potentially subject to governmental and/or regulatory approvals which may not be obtainable.

Background and overview

There is currently no effective market for the Existing Ordinary Shares, although the Company has sought to operate a matched bargain facility on Asset Match (the "**Matched Bargain Facility**").

As at 13 May 2024 (being the latest practicable date prior to the publication of this document), the Company had 144,780,947 Existing Ordinary Shares in issue.

Since the de-listing of the Company, there have been two auctions on the Matched Bargain Facility. On 2 May 2023, an auction was carried out on the Matched Bargain Facility and 19,400 Existing Ordinary Shares traded at a matched bargain price per Existing Ordinary Share of 5 pence (the "**Matched Bargain Price**"). On 16 June 2023, another auction was carried out on the Matched Bargain Facility and 15,296 Existing Ordinary Shares traded at the Matched Bargain Price.

The vast majority of Shareholders hold only a minority number of Shares, and (based upon the Matched Bargain Price of an Ordinary Share of 5 pence on 16 June 2023) the Shareholders each holding fewer than 2,251,763.19 Ordinary Shares have an aggregate holding valued at only £512,345, and comprising only approximately 7.08% of the Company's issued share capital.

JKX obtained an independent value analysis report (the "**Report**") from one of the "Big 4" international accounting and professional services firms (the "**Valuer**") in relation to which the Valuer performed a value analysis of the market value of one of the Existing Ordinary Shares as of 31 March, 2023. For the purpose of that value analysis, market value was defined as "*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted, knowledgeably, prudently and without compulsion*". As is customary, the value analysis was based on a number of limitations and assumptions including the prevailing economic, market and other conditions as of the date of the analysis. Given the situation in Ukraine, such matters may be more susceptible to change than would normally be the case. Based on the analysis in the Report, the estimated value range of the market value of one Existing Ordinary Share as of 31 March, 2023 was between \$0.2302 and \$0.3164 (the "**USD Value Range**"). Based on the spot rate showing on the website of the Bank of England for 10 May 2024 (being the latest practicable date prior to the publication of this document) of £1:USD1.2508 the value range in pounds sterling was between £0.1840 and £0.2530 (the "**GBP Value Range**"). The range reflected a minority discount of 23% (based on an average value for Oil & Gas companies) and assumed that the group's Russian subsidiaries had a value of nil, given the lack of control over, and economic benefits from, those subsidiaries as a result of the impact of international sanctions. The Report was produced for the benefit of the Company only. The Company has provided this value range for information purposes only. The Valuer does not accept or assume any duty of care, responsibility or liability to any Shareholder or any other third party, including in connection with the Capital Restructuring, this circular and/or the Report.

Since the valuation date in the Report, it has become apparent that certain assumptions made in the Report, in particular as to taxation, required adjustment to reflect material subsequent events, which occurred after the valuation date and indicated a higher level of tax and legal risks of the Group than initially anticipated.

In addition, the Company's position has materially deteriorated in a way which is not practical to quantify accurately but is expected to have negatively impacted its value.

First, there have been attempts to seize or nationalise certain of the Company's assets. As announced on 19 April 2023, the Company became aware of reports that a judge of the Pechersk District Court of Kyiv had ordered the seizure of the entire equity rights in a Ukrainian company, PJSC "Ukrnaftoburinnia". The Company held 10% of those rights. Separately, as announced by the Company on 7 March 2024, the Russian companies, that had historically been under the Company's control were, together with their assets and property, nationalised by the Russian Federation. The Company expressly asserts its continued rights to both the equity rights in PJSC "Ukrnaftoburinnia" and the nationalised assets in Russia, although the Directors can give no assurance in respect of the Company's ability to recover such assets in the future. Secondly, the ongoing and escalating situation on the ground in Ukraine has damaged the business. The Company has faced increased difficulties in maintaining ordinary course operations in Ukraine. The conflict in Ukraine continues to disrupt all aspects of the Group's operations. This includes the direct impact on the workforce, significant destruction of infrastructure and buildings and on business operations in Ukraine. The conflict has also impacted the fiscal and economic environment in Ukraine affecting its financial stability and banking system creating further challenges for the Company. Of course, the safety of the Company's workforce is a paramount concern. The Company's assets were struck by five Russian missiles in March 2024 which caused material damage and continued disruption. The Company's assets remain vulnerable to further attacks by Russian armed forces. As well as the direct impact of these attacks, it means the Company faces further disruption from taking mitigating actions to seek to support the safety of its employees.

By undertaking the Capital Restructuring, the Board believes that a smaller shareholder base will allow the Group to respond more quickly to the impact on the operations of the Group of the ongoing conflict and resulting geopolitical changes and uncertainties. The current size of the shareholder register also places a financial and administrative burden on the Company which is disproportionate to its size. Your Board believes that the cost of administering the Company's shareholder register and communicating with such a large number of Shareholders (the vast majority of whom have only a very minority interest in the Company) is to the detriment of the Company and its current Shareholders taken as a whole.

Accordingly, the Board proposes to implement the Proposals to cancel the Deferred Share to be formed from Fractional Entitlements which will accrue to Shareholders on the Consolidation without any transaction cost being charged to the Shareholders. This will benefit the Shareholders who are holding what is essentially an illiquid shareholding.

The Consolidation and the Deferred Share

Upon implementation of the Consolidation, Shareholders on the register of members of the Company at the Record Date, will exchange every 2,251,763.19 Existing Ordinary Shares that they hold for one Consolidated Ordinary Share. As all existing ordinary shareholdings in the Company are proposed to be consolidated the proportion of the issued ordinary share capital of the Company held by each Shareholder immediately before and after the Consolidation will, save for those holding fewer than 2,251,763.19 Existing Ordinary Shares, remain relatively unchanged.

There are currently five shareholders with more than 2,251,763.19 Existing Ordinary Shares. In aggregate, they currently hold 92.92% of the issued share capital of the Company. Those five shareholders would be the only remaining shareholders of the Company after the Consolidation. The expected impact on the shareholders of the Capital Restructuring is shown below (assuming no other changes to the share structure of the Company):

Shareholder	As of the date of this Circular		Immediately following the Capital Restructuring		
	Number of Existing Ordinary Shares	Percentage of Existing Ordinary Shares (%)	Number of Consolidated Ordinary Shares	Percentage of Consolidated Ordinary Shares (%)	Cash Entitlement (£)
Previously Eclairs (as described further in Section 1 "Introduction" above)	47,287,027	32.66	21	36.21	Nil
Euroclear Nominees Limited	34,383,678	23.75	15	25.86	£103,229.13
Lynchwood Nominees Limited	24,784,023	17.12	11	18.97	£2,486.74
Keyhall Holding Limited	19,656,344	13.58	8	13.79	£279,180.54
Aurora Nominees Limited	8,422,975	5.82	3	5.172	£288,506.52
Other Shareholders	10,246,900	7.08	0	0	£1,741,973.00
Total	144,780,947	100	58	100	£2,415,375.93

As a consequence of the Consolidation, if you held fewer than 2,251,763.19 Existing Ordinary Shares at the Record Date, then your Existing Ordinary Shares will not qualify you for a Consolidated Ordinary Share. If you held 2,251,763.19 or more Existing Ordinary Shares at the Record Date, then unless your holding is divisible by 2,251,763.19 you will be left with a whole number of Consolidated Ordinary Shares together with a Fractional Entitlement. Under the Proposals, in either case, any Fractional Entitlement you hold will be consolidated into the Deferred Share. This consolidation is being proposed for technical company law reasons to then allow for the prompt cancellation of the Deferred Share. The Deferred Share will be held by a nominee, to be determined by the Company, who will hold the Deferred Share on trust on behalf of all Shareholders who had a right to Fractional Entitlements. Your proportionate beneficial interest in the Deferred Share will be equal to the proportion that your right to Fractional Entitlements represents as compared to all Shareholders' rights to Fractional Entitlements. The nominee has entered into a trustee arrangement under which it will account for, or direct payment to, the Shareholders with a beneficial interest in the Deferred Share. You will receive the proceeds for your respective beneficial interest in the Deferred Share, free of dealing costs, via the Company's registrar.

The Deferred Share will carry no dividend or voting rights and carry a right to the return of only its nominal value on a winding-up, and only after £10,000,000 in capital has been returned on each ordinary share in issue. In other words, the Deferred Share is deeply subordinated with no meaningful economic value and is being created solely to enable the Capital Reduction to be effected.

Resolution 1, a special resolution, deals with the Consolidation and Resolution 2, also a special resolution, authorises the Directors to implement the cancellation of the Deferred Share.

The Capital Reduction

Subject to completion of the Consolidation, the Capital Reduction will be effected. The Board's expectation is that the ancillary dealing costs which would be incurred by Shareholders individually realising investments of this size through the Matched Bargain Facility would be prohibitive for many Shareholders. Coupled with the current illiquidity of the Existing Ordinary Shares, the Capital Restructuring accordingly provides a realisation event for the Shareholders holding less than 2,251,763.19 Existing Ordinary Shares without any transaction cost being charged to them. The Capital Reduction would also apply in the same way to any fractional entitlements arising on the shareholdings of those Shareholders with more than 2,251,763.19. Although, as the holding formerly held by Eclairs is divisible by 2,251,763.19 that should not result in any fractional entitlements. As explained above, that ratio was chosen to minimise the risk of any legal complications arising to the Company from having to pay cash in respect of that holding.

The Capital Reduction will be effected in accordance with Chapter 10 of Part 17 of the Companies Act 2006. The Directors intend to sign the solvency statement in relation to the Capital Reduction prior to the General Meeting and it will be made available for inspection throughout the General Meeting. Subject to the passing of the Resolutions, the Capital Reduction will take effect once the special resolution approving the Capital Reduction (and the signed solvency statement, a statement of capital and a compliance statement) are duly filed at UK Companies House.

Taking into account that certain assumptions in the Report have required updating to reflect material subsequent events that occurred after the valuation date (in particular, a higher level of tax and legal risks and the material yet unquantified deterioration in the Company's position since the determination of the USD Valuation Range, GBP Valuation Range and the Matched Bargain Price), and also considering the potential upside to the Company from having a smaller shareholder base and all other relevant factors (including but not limited to those circumstances as summarised in this circular), **the Board has determined that a fair valuation for the Deferred Share should be based on a price of 17 pence per Existing Ordinary Share.** This valuation would be applied in respect of the Deferred Share to be formed from all the Fractional Entitlements.

It is anticipated within ten business days of the cancellation of the Deferred Shares, the relevant payments to shareholders of cash into CREST accounts or, in the case of shares held in certificated form, the dispatch of cheques would take place. If for any reason, following the Capital Restructuring, any shareholder's entitlement to a cash payment in respect of an Existing Ordinary Share or the Deferred Share remains

unclaimed then such amount may be invested or otherwise made use of by the directors for the benefit of the Company until claimed. Such amounts may or may not be held in a separate account. The Company would not be a trustee in respect of such amounts. Such amounts may be claimed within six years (or, to the extent provided under the Company's articles of association from time to time, twelve years) of the date on which they become due for payment.

As the cash that Shareholders will receive for their beneficial interest in the Deferred Share is based on a price per Existing Ordinary Share that is greater than the current nominal value of the Existing Ordinary Shares, the Capital Reduction will also result in a reduction in the distributable reserves of the Company.

Examples of how the Capital Reduction will work are set out further below.

Shareholders will receive payment for their beneficial interest in the Deferred Share (by cheque if they hold their Shares in certificated form, or if held through CREST their accounts will be credited), and all beneficial interests in the Deferred Share will be included in the Capital Reduction. Payment of the cash consideration is to be made to the Shareholders by cheque (or through any operational CREST accounts) within 10 business days of the Capital Reduction becoming effective.

Example 1 – Shareholders with less than 2,251,763.19 Shares

If a Shareholder held 10,000 Existing Ordinary Shares at the Record Date, such Shareholder will, following the implementation of the Consolidation, hold a beneficial interest in the Deferred Share. Shortly following the Consolidation, the Deferred Share will be cancelled by the Company, without any transaction cost being charged to the Shareholder. At a price of 17 pence per Existing Ordinary Share (as if the Consolidation had not occurred in respect of these Existing Ordinary Shares) they would receive £1,700 for their original shareholding of 10,000 Existing Ordinary Shares.

Example 2 – Shareholders with more than 2,251,763.19 Shares

If a Shareholder holds 3,000,000 Existing Ordinary Shares at the Record Date, such Shareholder will, following the implementation of the Consolidation, hold 1 (one) Consolidated Ordinary Share derived from 2,251,763.19 Existing Ordinary Shares with the remaining 748,236.81 Existing Ordinary Shares forming a fractional entitlement of a Consolidated Ordinary Share that will immediately be consolidated into the Deferred Share. Shortly following the Consolidation, such Deferred Share will be cancelled by the Company, without any transaction cost being charged to the Shareholder. At a price of 17 pence per Existing Ordinary Share (as if the Consolidation had not occurred in respect of these Existing Ordinary Shares) they would receive £127,200.25 for their original shareholding of 748,236.81 Existing Ordinary Shares (as well as 1 (one) Consolidated Ordinary Share).

If you hold a share certificate in respect of your Existing Ordinary Shares it will no longer be valid from the time the proposed Capital Restructuring takes effect. Shareholders who become entitled to Consolidated Ordinary Shares will, if they currently hold a physical share certificate, be sent a new share certificate within 10 Business Days of the effective date of the Consolidation and upon receipt thereof should destroy the old certificate(s). No share certificates will be issued in respect of the Deferred Share or any interests therein.

The Consolidated Ordinary Shares created by the Capital Restructuring will (save as to their nominal value) have the same rights and restrictions as the Existing Ordinary Shares.

Resulting share capital

The issued share capital of the Company immediately following the Consolidation and the Capital Reduction is expected to comprise 58 Consolidated Ordinary Shares. Following the Consolidation and the Capital Reduction, the Consolidated Ordinary Shares will not be Crest enabled.

3. Resolutions and Notice of General Meeting

The notice convening the General Meeting for 12:00 noon on 3 June 2024 is set out at the end of this document.

The Resolutions set out in the Notice, of which, each is proposed as special resolutions, are as follows:

- Resolution 1 has been proposed to obtain the approval of the Shareholders for the Consolidation. Resolution 1 is conditional upon the passing of Resolution 2,
- Resolution 2 has been proposed to obtain the approval of the Shareholders for the Capital Reduction. Resolution 2 is conditional upon the passing of Resolution 1.

4. Tax

The following comments are intended as a general guide only and are based on current United Kingdom tax law and HM Revenue and Customs' published practice. The comments below apply only to Shareholders who are individuals resident, ordinarily resident and domiciled in the United Kingdom for tax purposes, who hold their Existing Ordinary Shares as investments and not on a trading account and are the absolute beneficial owners of such shares.

The taxation position of certain Shareholders subject to special rules, such as dealers in securities, broker dealers, companies, insurance companies and collective investment schemes, is not considered and such Shareholders who are in any doubt about their tax position or who are subject to tax in another jurisdiction outside the UK should consult their own professional advisers.

For the purposes of United Kingdom taxation, if a Shareholder receives Consolidated Ordinary Shares then paragraph (A) below will be relevant and if a Shareholder has a beneficial interest in the Deferred Share which is cancelled (which is expected to be the case for all Shareholders other than Eclairs if the Resolutions are passed) then paragraph (B) below will also be relevant.

(A) Treatment in respect of Existing Ordinary Shares which, following the Consolidation, give rise to whole Consolidated Ordinary Shares which are held by the Shareholder in question

The Capital Restructuring will be treated as a reorganisation of the share capital of the Company for UK tax purposes. Accordingly, the Consolidated Ordinary Shares will, for tax purposes, be treated as the same asset as the Shareholder's Existing Ordinary Shares and as having been acquired at the same time and for the same price as the Shareholder's Existing Ordinary Shares were acquired.

(B) Treatment in respect of the beneficial interests in the Deferred Share which will be subject to the Capital Reduction

The Capital Reduction of the Deferred Share will constitute a disposal for tax purposes. The disposal will be subject to capital gains tax ("CGT"). This may, depending on the Shareholder's individual circumstances and the amount they paid for their shares, give rise to a chargeable gain or an allowable loss for CGT purposes.

Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the United Kingdom should consult an appropriate independent professional adviser.

5. Action to be Taken

You will find, accompanying this document, a Form of Proxy for use at the General Meeting. Whether or not you propose to attend the General Meeting in person, you are encouraged to complete the Form of Proxy and return it, in accordance with the instructions printed thereon, so as to arrive as soon as possible, but in any event so as to be received no later than 12:00 noon on 30 May 2024.

You are entitled to appoint a proxy to attend and vote instead of you. However, completion and return of a Form of Proxy will not preclude you from attending and voting at the General Meeting if you wish.

6. **Recommendation**

The Directors consider that the Capital Restructuring is in the best interests of Shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of the Resolutions.

Yours faithfully

Michael Bakunenko

Chairman

JKX Oil & Gas Limited

(Incorporated and registered in England and Wales under number 03050645)

(the “Company”)

NOTICE IS HEREBY GIVEN that a general meeting of the Company (the “Meeting”) will be held at 12:00 noon on 3 June 2024 to consider and, if thought fit, pass both of the resolutions as special resolutions:

1. **THAT**, subject to and conditional upon the passing of Resolution 2, all of the existing ordinary shares of £0.10 each in the capital of the Company other than those to be cancelled and extinguished pursuant to Resolution 1, which at 6.30 pm on 3 June 2024 are shown in the books of the Company to be in issue (the “Existing Ordinary Shares”):
 - (a) be and are hereby consolidated into ordinary shares of £225,176.319 each (the “Consolidated Ordinary Shares”) on the basis of one Consolidated Ordinary Share for each 2,251,763.19 Existing Ordinary Shares held, each such Consolidated Ordinary Share having the same rights and being subject to the same restrictions (save as to nominal value) as the existing ordinary shares of £0.10 each in the capital of the Company;
 - (b) the fractional entitlements to a Consolidated Ordinary Share arising pursuant to this Resolution (“Fractional Entitlements) be and are hereby aggregated and consolidated into one deferred share with a nominal value equal to the aggregate nominal value of all the Fractional Entitlements, and the Deferred Share shall be registered in the name of a person to be identified by the Board to hold the Deferred Share as nominee for the members who were entitled to the Fractional Entitlements; and
 - (c) the Directors be and are hereby authorised to do all such acts and things as they may, in their absolute discretion, consider necessary to give effect to such consolidation of the Existing Ordinary Shares, the creation of the Deferred Share from the Fractional Entitlements, the nominee becoming the holder of the Deferred Share and all associated matters,

and for the purposes of this resolution “Deferred Share” means the deferred share in the capital of the Company, having the following rights and restrictions:

- (i) save as contemplated by Resolution 2, the holder of the Deferred Share shall not be entitled in its capacity as holder of such share to receive any dividend or other distribution of the Company, and the Deferred Share shall confer no right to participate in the profits of the Company;
- (ii) on a return of capital on a winding-up, there shall be paid to the holder of the Deferred Share only the nominal capital paid up, or credited as paid up, on such Deferred Share, and only after paying to the holders of the Consolidated Ordinary Shares the nominal capital paid up or credited as paid up on the Consolidated Ordinary Shares held by them respectively the sum of £10,000,000 on each Consolidated Ordinary Share;
- (iii) the holder of the Deferred Share shall not be entitled in its capacity as holder of such share to receive notice of, attend, speak at or vote at any general meeting of the Company;
- (iv) the Deferred Share shall not be listed or traded on any stock exchange nor shall any share certificates be issued in respect of such share, and the Deferred Share shall be non-transferable except with the written consent of the board of the Company;
- (v) the Company may from time to time create, allot and issue further shares, whether ranking *pari passu* with or in priority to the Deferred Share, and the creation, allotment or issue, of any such further shares (whether or not ranking in any respect in priority to the Deferred Share) shall be treated as being in accordance with the rights attaching the Deferred Share and shall not involve a variation of such rights for any purpose or require the consent of the holder of the Deferred Share;
- (vi) any reduction of the capital paid up on the Deferred Share and/or the cancellation of the Deferred Share (with or without payment in respect thereof) shall be in accordance with the rights attaching to the Deferred Share and shall not involve a variation of such rights for any purpose;
- (vii) without prejudice to (v) and (vi) above, the Company is authorised to reduce or cancel (or purchase) shares in its capital of any class or classes and such reduction or cancellation (or purchase) shall not involve any variation of any rights attaching to the Deferred Share for any purpose or require the consent of the holder of the Deferred Share; and



(viii) the Company shall have irrevocable authority at any time after the creation of the Deferred Share to appoint any person to execute on behalf of the holder of such share a transfer thereof and/or an agreement to transfer the same, without making any payment to the holder thereof, to such person as the Company determine.

2. **THAT**, subject to and conditional upon the passing of Resolution 1 the issued share capital of the Company be reduced by cancelling and extinguishing the Deferred Share (as defined in the Circular) arising pursuant to resolution 1 and that an aggregate amount, which shall be equal to 17 pence for each Existing Ordinary Share that is not consolidated into a Consolidated Ordinary Share, shall be repaid in cash to those former holders of Existing Ordinary Shares pro rata by reference to the Fractional Entitlements held by them arising as a result of the consolidation set out in Resolution 1 .

BY ORDER OF THE BOARD
Michael Bakuneneko
Chairman

Registered office
100 New Bridge Street
London
England
EC4V 6JA

Dated: 15 May 2024

Notes:

1. Only those members registered on the Company's register of members at:
 - (a) 6:30 p.m. on 30 May 2024; or,
 - (b) if this meeting is adjourned, at 6:30 p.m. on the day two working days prior to the adjourned meeting, shall be entitled to attend and vote, whether in person or in proxy, at the meeting.
2. A copy of this notice is available on the Company's website www.jkx.co.uk.
3. If you wish to attend the meeting in person, it will be held at to be held on 3 June 2024 at 12.00 noon at the Garden Room at The King's Fund, 11-13 Cavendish Square, London, W1G 0AN. Registration will open at 11:30 a.m. Please bring your admission card, enclosed with this notice of GM with you and on arrival hand it to one of the Company's officials.
4. If you are a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a Form of Proxy with this notice of meeting. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by them. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy.
5. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in these notes and the notes to the Form of Proxy.
6. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the Form of Proxy are set out in the notes to the Form of Proxy. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
7. The notes to the Form of Proxy explain how to direct your proxy to vote on each resolution or withhold such vote. To be valid, the instrument appointing a proxy, together with the power of attorney or other authority, if any, under which it is signed (or a notarially certified copy of such power or authority) must be deposited with the Company's Registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA by 12.00 noon on 30 May 2024. Completion and return of the Form of Proxy will not preclude shareholders from attending or voting at the meeting if they wish. You must inform the Company's Registrars in writing of any termination of the authority of a proxy.
8. As an alternative to completing a hard copy Form of Proxy, you can appoint (a) proxy(ies) electronically by visiting www.shareview.co.uk. You will need your Shareholder Reference Number (as printed on your Form of Proxy). Full instructions are given on the website. To be valid your proxy appointment(s) and instructions should reach Equiniti no later than 12.00 noon on 30 May 2024.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
10. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a

proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA 19) by no later than at 12.00 noon on 30 May 2024. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

11. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
12. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
13. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
14. A member attending the meeting has the right to ask questions.
15. You may not use any electronic address provided in this notice of GM or the Form of Proxy or in any related documents to communicate with the Company for any purpose other than those purposes expressly stated.

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