

Iona Energy Company (UK) Limited (In Administration) (“the Company”)

15 September 2016

Update to Bondholders

We refer to our previous update to bondholders of 19 August 2016.

We advised in that update that an extension to the backstop date in the sale and purchase agreement (SPA) with Bridge Petroleum Limited (“Bridge”) had been agreed to 31 August 2016.

We had indicated that we expected that further extensions would be required, subject to satisfactory progress being made in relation to Bridge securing the Orlando development funding, in order that the agreed completion funding can be released.

This fund raise process continues to progress and based on progress to date and agreements in relation to Bridge meeting operating costs in the interim period, we have further extended the backstop date of the SPA to 31 October 2016.

The extension documentation also includes provisions for exclusivity effective on payment of operating costs by Bridge.

The affairs, business and property of Iona Energy Company (UK) Limited (“the Company”) is being managed by the Joint Administrators. The Joint Administrators act as agents of the Company and without personal liability.

Chad Griffin and Lisa Rickelton are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales, under section 390(2)(a) of the Insolvency Act 1986.