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FOR IMMEDIATE RELEASE

25 March 2019

Response to RockRose Energy plc offer for IOG debt

The Board of Directors of Independent Oil & Gas plc ("IOG" or the "Company") notes the announcement by RockRose Energy plc ("RockRose") of its approach to Smith & Williamson LLP (acting as joint administrators of LOG; the "Administrators") to acquire the entire debt due with accrued interest to London Oil and Gas Limited (in administration) ("LOG") from IOG for the sum of £40 million in cash (the "RRE Debt Offer").

The RRE Debt Offer significantly undervalues LOG's interest in IOG, and IOG itself

The RRE Debt Offer cannot reasonably be described as "fair and generous". Instead, it demonstrates RockRose's intention to acquire the loans at substantially below not only their fundamental value but also at a substantial discount to the see-through value of the already opportunistic Possible Offer, to the detriment of the creditors of LOG and LCF, while exploiting the unfortunate circumstances of holders of "mini-bonds".

In relation to the RRE Debt Offer, the Board of IOG makes the following observations:

- The RRE Debt Offer of £40 million seeks to acquire LOG's convertible and non-convertible loans at around their current face value of £38.66 million. RockRose's valuation therefore ascribes minimal value to the conversion rights attached to LOG's convertible loans;
- The RRE Debt offer itself lacks clarity: it is unclear whether or not the RRE Debt Offer contemplates or attaches any value to LOG's warrants in IOG;
- On 5 March, RockRose announced the terms of a possible offer for the entire issued and to be issued share capital of IOG (the "Possible Offer"), ascribing a value of 20 pence per IOG share;
- Under the Takeover Code, if RockRose were to make an offer for IOG, it would be required to make an "appropriate" offer or proposal to holders of subscription rights, including LOG as a result of its convertible interests in IOG. The Takeover Panel's guidance (as set out in Practice Statement No 24) provides that an appropriate offer for such securities will normally need to be for no less than their see-through value i.e. the value of LOG's convertible instruments by reference to the terms of the Possible Offer;
- Based on the terms of the Possible Offer, LOG's convertible loans have a see-through value of £41.1 million and LOG's 8p and 11.9p warrants have a combined see-through value of £1.4 million (together, £42.5 million - the "Convertible See-Through Value"). Absent the exceptional agreement of the Administrators to accept an offer or proposal for the convertible instruments at a lower value, the Convertible See-Through Value of £42.5 million would be the minimum "appropriate" consideration payable to LOG under the terms of the Possible Offer;
- Combining this Convertible See-Through Value of LOG's convertible interests with the £15.9 million face value of LOG's non-convertible instruments, the total underlying value of LOG's loan and warrant interests in IOG (using RockRose's own Possible Offer valuation) stands currently at £58.4 million; and

- Excluding warrants, the total underlying value of LOG's loan interests is £57.0 million, yet the RRE Debt Offer is at just £40 million - a 30% discount.

Taken together, it is clear that the RRE Debt Offer is a transparent attempt by RockRose to deny LOG's and LCF's creditors, and by extension mini-bond holders, of fundamental value, seeking instead to reserve that value for the benefit of RockRose and Andrew Austin himself (as a major shareholder in RockRose).

Repeated rejection of RockRose's Possible Offer for IOG

As announced on 5 March, the Board of IOG believes that the Possible Offer is opportunistic and materially undervalues the Company and does not attribute fair value to either IOG's assets or their significant future upside.

The Board therefore unanimously concluded to reject this proposal unequivocally, and continues to focus its efforts on unlocking additional value for all IOG stakeholders by securing a farm-out partner for its core project to provide funding optionality, in parallel with advancing IOG's stated capital markets funding plans.

The Board's rejection of RockRose's approach was given with the full support of LOG and the administrators of LCF. Since that rejection, there has been no substantive engagement by RockRose with IOG, with RockRose seemingly electing instead to focus its efforts on pushing the Administrators to accept its derisory offer for LOG's interests in IOG.

LOG's interests in IOG

LOG's interests in IOG comprise convertible and non-convertible loans, and warrants, as set out below. The key terms of the loans are all in the public domain as a result of IOG's announcements on 7 December 2015, 11 December 2015, 5 February 2016, 21 February 2018 and 17 August 2018.

The Board of IOG is satisfied that all its disclosure and other regulatory obligations have been met.

Instrument	Issue Date	Principal amount (£m)	Drawn down principal and accrued interest (£m)	Conversion Price (p)	Maturity date	Conversion rights (# IOG shares)
<i>Non-convertible interests</i>						
Loan	Dec-15	2.75	3.45	N/A	2019-20	N/A
Loan	Dec-15	0.80	1.07	N/A	Oct-19	N/A
Loan	Sep-18	15.00	11.42	N/A	2021-22	N/A
<i>Convertible interests</i>						
Warrants	Dec-15	N/A	N/A	8.00	Dec-19	7,500,000
Warrants	Dec-15	N/A	N/A	11.90	Dec-19	5,777,310
Warrants	Sep-18	N/A	N/A	32.18	Aug-23	20,000,000
Convertible	Feb-16	10.00	11.87	8.00	2019-21	148,325,470
Convertible	Feb-18	10.00	10.85	19.00	2021	57,129,639
		38.55	38.66			238,732,419

Accrued interest on the loans is calculated as at 28 February 2019.

Fiona MacAulay, Chair of IOG, said:

"The Board of IOG is focused on delivering value to our stakeholders via our already announced strategy to achieve FID for our sanction-ready portfolio of UK Southern Gas Basin gas fields. We are making good progress with shortlisted partners on our farm-out process and continue to believe that our strategy will deliver significantly better stakeholder returns than RockRose's derisory proposals. It is disappointing to see RockRose trying to take advantage of LCF's mini-bond holders by offering them a significant discount to the

opportunistic possible offer to IOG shareholders, which already materially undervalues the Company."

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Further information

Peel Hunt LLP, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for IOG and for no one else in connection with the subject matter of this announcement and will not be responsible to anyone other than IOG for providing the protections afforded to its clients or for providing advice in connection with the subject matter of this announcement.

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Disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror

and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on website

A copy of this announcement will be made available, subject to certain restrictions relating to persons resident in restricted jurisdictions, on Independent Oil & Gas plc's website www.independentoilandgas.com no later than 12 noon (London time) on the Business Day following this announcement. For the avoidance of doubt, the content of this website is not incorporated by reference into, and does not form part of, this announcement.

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