

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt about the contents of this document or what action you should take, you are recommended to consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser (being in the case of persons resident in Ireland, an organisation or firm authorised pursuant to the European Communities (Markets in Financial Instruments) Regulations, 2007 (Nos. 1 to 3) (as amended) or authorised or exempted pursuant to the Investment Intermediaries Act, 1995 (as amended) and, in the case of persons resident in the United Kingdom, an organisation or firm authorised pursuant to the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA") and if you are not so resident from another appropriately authorised independent financial advisor). The whole of this document should be read, but your attention is in particular drawn to the section entitled "Risk Factors" at Part IV of this document.

If you have sold or otherwise transferred all of your Existing Ordinary Shares, please forward this document, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected except that such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including, but not limited to, the United States or any of the Restricted Jurisdictions. The distribution of this document and/or any accompanying documents into jurisdictions other than Ireland and the United Kingdom may be restricted by law and therefore persons into whose possession this document and/or any accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities law or regulations of such jurisdiction.

Copies of this document are available, free of charge, at the registered office of U.S. Oil and Gas PLC, Alexandra House, The Sweepstakes, Ballsbridge, Dublin 4, Co. Dublin, Ireland, for the period of one month from 11 March 2016.

This document does not constitute or contain an offer to sell, or a solicitation of an offer to subscribe for, the New Ordinary Shares to be issued in connection with the Open Offer.

Shareholders should note that this document:

- is not and should not be construed as a prospectus or a prospectus equivalent document within the meaning of the Prospectus Regulations;
- has not been prepared in accordance with Directive 2003/71/EC on prospectuses or any measures made under that Directive or the laws of Ireland or of any EU Member State or EEA Treaty adherent State that transpose or implement that Directive or those measures;
- has not been reviewed, prior to its being issued, by any regulatory authority in Ireland or in any other EU Member State or EEA Treaty adherent State, and therefore may not contain all the information required where a document is prepared pursuant to that Directive or those laws;
- in particular, has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom (in its capacity as UK Listing Authority or otherwise) pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, the Irish Stock Exchange, the Central Bank of Ireland or any other authority or regulatory body and has not been approved for the purposes of Section 21 of FSMA;
- does not constitute a recommendation regarding securities of the Company; and
- is a shareholder circular and is being sent solely for your information in connection with the Open Offer.

The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions declared, made or paid after the date of their issue.

## **U.S. Oil and Gas PLC**

*(Incorporated in Republic of Ireland under the Companies Acts 1963 to 2009 with  
Registered Number 471932)*

### **Proposed Open Offer of 10,744,663 Ordinary Shares**

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company, which is set out on pages 7 to 11 of this document.

The Directors, whose names and functions appear on page 7 of this document, and the Company, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Alexander David Securities Limited, 49 Queen Victoria Street, London, EC4N 4SA, which is authorised and regulated in the United Kingdom by the FCA, is the Company's financial adviser. Alexander David Securities Limited is acting exclusively for the Company and nobody else in connection with the Open Offer and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Open Offer and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Alexander David securities or for providing advice in relation to the Open Offer or any matters referred to in this document.

Qualifying Shareholders will find enclosed with this document an Application Form for use pursuant to the Open Offer. To be valid, the Application Form, completed in accordance with the instructions thereon and set out in this document, should be returned as soon as possible but, in any event, so as to be received by Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland, or by hand (during normal business hours only) to Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland by no later than 11.00 a.m. on 01 April 2016.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such representations must not be relied on as having been so authorised. The delivery of this document shall not, under any circumstances, create any implication that there has been no change to the affairs of the Company since the date of this document or that the information is correct as of any subsequent time.

#### **FORWARD-LOOKING STATEMENTS**

This Document includes statements that are, or may be deemed to be, "forward-looking statements". By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance. The development of the Company and the industry in which it operates may differ materially from the forward-looking statements in this document. The Company undertakes no obligation to release publicly the result of any revisions of any forward-looking statements in this document that may occur due to any change in the Company's expectations or to reflect events or circumstances after the date of this document.

In some cases, forward-looking statements can be identified by terminology such as "anticipate", "believe", "continue", "could", "envisaged", "estimate", "expect", "forecast", "intend", "may", "plan", "potential", "predict", "project", "should", or "will" or the negative of such terms or other comparable terminology. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. Important factors that could cause the Company's actual results, performance or achievements to differ materially from those in the forward-looking statements include, but are not limited to, those specifically described in Part IV of this document entitled "Risk Factors". If one or more of these risks or uncertainties materialises, or if underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements.

These forward-looking statements speak only as at the date of this document. Both the Directors and the Company expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements or risk factors contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based as a result of new information, future events or otherwise.

#### **IMPORTANT NOTICE**

The New Ordinary Shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. There will be no public offer of the New Ordinary Shares in the United States. The New Ordinary Shares are being offered and sold: (i) outside the United States in offshore transactions as such terms are defined in, and in reliance on, Regulation S under the US Securities Act; and (ii) inside the United States only to "qualified institutional buyers" as defined in Rule 144A under the Securities Act who have delivered a duly executed investor letter, pursuant to an exemption from registration under the Securities Act. In addition, until forty days after the commencement of the Open Offer, an offer, sale or transfer of New Ordinary Shares within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

The New Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission (the "SEC"), any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Ordinary Shares or the accuracy or adequacy of this document.

Any representation to the contrary is a criminal offence in the United States.

This document is not being and may not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent, in whole or in part, in or into the United States and persons receiving this document (including brokers, custodians, trustees and other nominees) must not, directly or indirectly, mail, transmit or otherwise forward, distribute or send this document in or into the United States.

The New Ordinary Shares have not been and will not be registered or qualified for distribution to the public under the securities legislation of any province or territory of any Restricted Jurisdictions or in any country, territory or jurisdiction where to do so may contravene local securities laws or regulations. Accordingly, the New Ordinary Shares may not, subject to certain exemptions be offered or sold directly or indirectly in or into, or to any national, citizen, or resident of a Restricted Jurisdiction. The distribution of this document in or into other jurisdictions may be restricted by law and therefore persons into whose possession this document comes, 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 jurisdictions.

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS (i,ii,iii,iv)

Event	Date
Record Date and time for entitlements under the Open Offer	17.00 on 10 March 2016
Announcement of the Open Offer	11 March 2016
Posting of this Document	11 March 2016
Non-CREST Shareholders only, the Application Form	11 March 2016
Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders	14 March 2016
Recommended latest time for requesting withdrawal of CREST Open Offer Entitlements from CREST	16:30 on 29 March 2016
Latest time for depositing CREST Open Offer Entitlements into CREST	15:00 on 30 March 2016
Latest time and date for splitting of Application Forms (to satisfy bona fide market claims only)	15:00 on 31 march 2016
Latest time and date for receipt of completed Application Forms from Qualifying Shareholders and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11:00. on 1 April 2016
Announcement of the results of the Open Offer	4 April 2016
New Ordinary Shares credited to CREST stock accounts	08:00 5 April 2016
Despatch of definitive share certificates for New Ordinary Shares held in certificated form	On or before 15 April 2016

### Notes

(i) Each of the times and dates shown above and elsewhere in this document are indicative and accordingly are subject to change.

(ii) References to time in this document are to London time unless otherwise stated.

(iii) If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by announcement through a Regulatory Information Service (RIS).

(iv) In order to subscribe for Open Offer Shares under the Open Offer, Qualifying Shareholders will need to follow the procedure set out in Part II of this document and, where relevant, complete the accompanying Application Form. If Qualifying Shareholders have any queries on the procedure for acceptance and payment, or wish to request another Application Form, they should contact Computershare Investor Services (Ireland) Limited between 9:00 a.m. to 5:00 p.m. Monday to Friday on +353 (0)1 447 5566.

The Company's SEDOL code is B4Q65W6 and ISIN code is IE00B4Q65W67.

## OPEN OFFER STATISTICS

Market price per Existing Ordinary Share (ii)	£ 0.25
Number of Existing Ordinary Shares in issue (iii)	42,978,653
Number of Open Offer Shares to be offered pursuant to the Open Offer	10,744,663
Price of each Open Offer Share	£ 0.27 (€0.35)
Gross proceeds of the Open Offer (before expenses) (iv)	£2,901,059
Percentage of Enlarged Share Capital represented by the Open Offer Shares (i and iv)	20%
Enlarged Share Capital following the Open Offer (i, and iv)	53,723,316
Notes:	
(i) For the purpose of this calculation it is assumed that no further Ordinary Shares will be issued as a result of the exercise of any Options under any Share Option Schemes respectively or otherwise and that the Possible Placing does not proceed between the date of this document and the completion of the Open Offer.	
(ii) Mid-market closing price on GXG STG 0.25p on 18th August 2015 being the date of the GXG Market closure.	
(iii) As at 10 March 2016, being the latest practicable date prior to the announcement of the Open Offer.	
(iv) Assuming the Open Offer is fully subscribed and relevant conditions satisfied.	

**PART I**  
**LETTER FROM THE CHAIRMAN**  
**U.S. Oil and Gas PLC**

*(Incorporated in Republic of Ireland under the Companies Act 1963 to 2009 with Registered Number 471932)*

**Directors**

Brian John McDonnell (Chief Executive Officer / Chairman)  
Karim Toma Akrawi (Executive Director - Exploration)  
Peter Paul Whelan (Non-Executive Director)  
Brian Stuart McBeth (Independent Non-Executive Director)

**Registered office**

Alexandra House  
The Sweepstakes  
Ballsbridge  
Dublin 4  
Co. Dublin  
Ireland

**Date 11 March 2016**

**To Shareholders and, for information only, to holders of options over Ordinary Shares**

Dear Shareholder,

**1. Introduction**

Recognising the continued support received from Shareholders, on behalf of the Board it is my pleasure to offer all Qualifying Shareholders the opportunity to participate in an Open Offer at a price of £0.27 (€0.35) per Open Offer Share. In addition, the Company is considering a Possible Placing to institutional and other investors at a price of £0.27 per Ordinary Share pursuant to this placing. The maximum number of Ordinary Shares that may be placed in this Possible Placing is 3,000,000. The Possible Placing may or may not proceed.

The aggregate funds that may be raised in the Open Offer will not exceed the Sterling amount that is using the exchange rate on March 4th 2016 the equivalent of €3,756,291 (before expenses) and the maximum aggregate number of New Ordinary Shares to be issued under the Open Offer will not exceed 10,744,663.

Qualifying Shareholders are hereby invited to subscribe for New Ordinary Shares on the basis of

**1 Open Offer Share at £0.27 (€0.35) per Open Offer Share for every 4 Ordinary Shares held.**

On behalf of the Board, I invite you to consider subscribing for Open Offer Shares in the Open Offer. I also take this opportunity to thank you for your continuing support for the Company.

The Board considers that it is in the best interests of the Company and Shareholders as a whole for funds to be raised by conducting the fundraising through an Open Offer. Had the Company made a fully pre-emptive offer, for example by way of a rights issue or an uncapped open offer which might have allowed existing Shareholders to subscribe for a larger amount of the overall capital raise, this would have necessitated significant additional cost, re-allocation of management time and a possible delay to the execution of the Company's plans, further details of which are set out below.

Assuming full take-up under the Open Offer, the issue of the Open Offer Shares will raise gross proceeds of up to £2,901,059 (before expenses) for the Company.

If the Open Offer is fully subscribed, it will represent approximately 20 per cent. of the Enlarged Share Capital.

The purpose of this letter is to explain to Shareholders the background to, and reasons for, the fundraising by means of the Open Offer and to explain why the Board believes that the Open Offer is in the best interests of the Company and Shareholders as a whole. Information about the Open Offer and the Company's business, as well as some of the risks of investing in the Company, are also set out in this document, which I encourage you to read carefully.

## **2. Background to and Reasons for the Open Offer**

In 2012, U.S. Oil and Gas, exploring in Hot Creek Valley, Nevada, drilled its Eblana #1 well to a depth of 8,500 ft and discovered light, sweet crude oil. The discovery was confirmed as such and evaluated in a May 2013 independent Competent Person's Report (CPR) by Forrest A. Garb & Associates (FGA) of Houston, Texas.

### **a. Prospective and Contingent Resources**

FGA estimated for U.S. Oil and Gas's 88 Sq km lease area, 282.8 million barrels Prospective Original Oil-in-Place (OOIP) at P50, 3.3 billion barrels at P10 and 102.342 million barrels at P90. The area immediately around the Eblana #1 exploration well they estimate at 19.2 million barrels Recoverable Contingent Resources (P50), 8.686 million barrels (P90) and 33.513 million barrels (P10). U.S. Oil and Gas, through its wholly owned subsidiary Major Oil International, owns 100% of the asset. 'Prospective Resources,' 'Contingent Resources' and 'Reserves' are defined by FGA in accordance with the Petroleum Resources Management System (PRMS) of the Society of Petroleum Engineers. The above resource estimates are for the Tertiary Volcanic strata. Deeper zones are also considered highly prospective but were not penetrated by Eblana #1.

Testing of the Eblana #1 well in February 2013 confirmed two potential producer zones and identified high quality oil of 33 deg. and 28.5 deg. API. Testing produced consistent but non-commercial flows.

**It is important to note that although the Company has made a discovery in Hot Creek Valley, there can be no guarantee that further wells will encounter hydrocarbons in commercial quantities. Exploration entails risk, and although the Company will do all in its power to reduce such risk, it can never be eliminated.**

### **b. Hot Creek Valley Farm-Out / Partnership**

Following the publication of the CPR, a search for an industry partner commenced with the objective of bringing in a suitably qualified partner to advance the project towards field development. Negotiations were entered into and terms discussed. However, the current climate of low oil prices and instability in the markets have slowed progress towards finalising an agreement. Shareholders should note that there is no certainty that a farm-out or partnership agreement will be concluded with a potential partner.

In the light of the above-mentioned industry turbulence and uncertainty, the Company intends to move ahead independently to raise sufficient working capital for 18 months of operations, to list on a recognised stock exchange (for which sufficient working capital is a requirement) and to accelerate its own independent exploration effort. The current Open Offer is intended to achieve, at the minimum, the objective of bolstering the Company's working capital and, subject to funds and official permissions, to fund further drilling operations in Hot Creek Valley and a trading facility on a recognised exchange.

The Board believes that, subject to establishing commercial flow rates, the nature of the Hot Creek Valley oil play as a conventional onshore play with low costs of recovery is potentially highly attractive in the prevailing oil price environment and will become more so if oil prices recover significantly. In addition, establishing a commercial flow could potentially raise 19.2 MMbbl Contingent Resources to Reserves status, positively impacting the Company's asset base.

The currently depressed price of drilling and related services at this time also offers a valuable opportunity to the Company to achieve cost-effective operations.

### **c. Financing and debt**

The Company is currently debt-free.

### **d. Litigation**

No member of the Group is engaged in any litigation at this time and the Directors are not aware of any circumstance that may give rise to a claim against any member of the Group.

### **e. Summary**

The major activities anticipated for the Company (subject, inter alia, to funding and management review) over the next 12 months include:

1. Raising funds in the Open Offer described in this letter and the accompanying Circular;
2. Raising funds in the Possible Placing;
2. The admission of the Ordinary Shares to dealing on a recognised exchange;
3. Carrying out additional survey activity in the area of the Company's Eblana #1 well, including Vertical Seismic Profiling;
4. Re-entering the Eblana #1 well and, depending on the results of surveys, offsetting the well to more finely target the accumulations that have already produced oil shows, and penetrating to Palaeozoic depth ;



5. Testing the Eblana#1 well, analysing the data generated and further modelling the reservoirs;
6. Commissioning a further Competent Person's Report;
7. Targeting a further well or wells, based on the results of data collected and analysed;
8. Drilling and testing a further well or wells, subject to funding.

### **3. Use of Proceeds of the Open Offer if fully subscribed**

It is proposed that the monies raised by the Open Offer, if fully subscribed, will be allocated as follows:

1. Working capital to maintain the assets in good standing, cover general and administrative costs, financing costs, marketing and necessary corporate activity.
2. Re-entering the Eblana #1 well, drilling offset and to a greater depth than previously. The Company intends also to carry out associated surveying, data analysis and reporting and may drill a further well or wells and/or carry out further surveys in so far as available funds permit.
3. Obtaining a trading facility for the Ordinary Shares on a recognised exchange.

**Shareholders should note that failure to raise at least £300,000 could compromise the Company's ability to continue as a going concern. If this amount is not raised, the Company would have to seek alternative forms of finance.**

**Failure to secure alternative forms of finance at all or on commercially acceptable terms, or undertaking other activities such as delaying or reducing capital expenditure, could have a material adverse effect on the Company's business, eligibility for a stock market listing, financial condition, prospects, capital resources, cash flows, share price, liquidity, results and/or future operations. As a result, the Company may be unable to fulfil its exploration, appraisal and development programme or meet its work commitments under existing licences or to continue as a going concern.**

### **4. Possible Placing**

The Board has been in discussions with certain institutional investors in relation to a possible placing of a maximum of 3,000,000 Ordinary Shares to raise up to a maximum of £810,000. It is proposed that if the Possible Placing does proceed it will be at the same price per share as the Open Offer Price per share.

Should the Possible Placing proceed it will be within the limits of the pre-emption dis-application permission obtained from the shareholders of the Company at the annual general meeting on the 19<sup>th</sup> of June 2015. Therefore it should not be necessary to request the shareholders to pass another resolution to approve the Proposed Placing, should it proceed.

There is no guarantee however that a Possible Placing will proceed.

### **5. Admission to a recognised exchange**

**It remains the Board's intention to obtain a trading facility for the Ordinary Shares on a suitable market. It continues to explore this objective.**

### **6. Details of the Open Offer**

The Company considers it important that Qualifying Shareholders have an opportunity to participate in any fundraising and, accordingly, the Company is making the Open Offer to Qualifying Shareholders.

The Open Offer is not a rights issue. Qualifying Shareholders will have an entitlement to subscribe for a pro rata number of Ordinary Shares. However, each Qualifying Shareholder may, in addition to their pro rata entitlement to subscribe for a pro rata number of Ordinary Shares, apply for such number of Open Offer Shares as they wish up to the full number of 10,744,663 Open Offer Shares available in the Open Offer.

Further information on the Terms and Conditions of the Open Offer are set out in Part II of this document. Information concerning the Open Offer Shares is set out in Part III of this document, and the Risk Factors are detailed in Part IV of this document.

The Open Offer, if fully subscribed, will raise gross proceeds of no more than £2,901,059 (before expenses) through the issue by the Company of 10,744,663 Open Offer Shares for cash at a price of £0.27 (€0.35) per Open Offer Share.

The Open Offer Shares will represent approximately 25 per cent. of the existing issued share capital of the Company as at the date of this document and will represent approximately 20 per cent. of the Enlarged Share Capital immediately following completion of the Open Offer (assuming the Open Offer Shares are taken up in full and relevant conditions satisfied).

The Open Offer Shares will, when issued and fully paid, rank pari passu in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions declared, made or paid after the date of their issue.

Assuming full take-up under the Open Offer the issued share capital of the Company would be increased by 25 per cent.

Further information on the Terms and Conditions of the Open Offer are set out in Part II, and the Risk Factors are set out in Part IV, of this document.

**The Open Offer is inter alia conditional on a minimum of £300,000 being raised under the Open Offer. The Open Offer will proceed if the Conditions of the Open Offer are met. If the minimum sum of £300,000 is not raised under the Open Offer any sums received will be returned to the Shareholders who applied for Open Offer Shares. In this regard you are referred to paragraph 2.1d of Part II of this document.**

In order to apply for Open Offer Shares, Qualifying Shareholders should complete the Application Form in accordance with the instructions set out on it and return it and the appropriate remittance, by post, to Computershare Investor Services (Ireland) Limited, Heron House, PO Box 954, Ireland or by hand (during normal business hours only) to Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland, together, in each case, with payment in full, so as to be received no later than 11.00 a.m. on 1 April 2016.

At the annual general meeting of the Company held on 19 June 2015 the shareholders gave authority to the directors under resolution 7 to, inter alia, allot Ordinary Shares under an open offer to shareholders of the Company in accordance with that resolution. Therefore it is not necessary to request the shareholders to pass a further resolution to approve the Open Offer which is set out in this document.

## **7. Current Trading and Prospects**

The Company published, its annual results for the period ended 31 July 2015 on 10 March 2016. A copy of the 2015 Annual Report, which include the financial statements of the Company for the ten month period ended 31 July 2015, can be found on the Company's website, [www.usoil.us](http://www.usoil.us).

Your specific attention is drawn to the 'Background to and reasons for the Open Offer' in paragraph 2 above, to the section entitled 'Risk Factors' at Part IV of this document and also to the recent market and operational updates made by the Company that are available on the Company's website. Information contained on or accessible from the Company's website is not, and does not form, a part of this document.

**Shareholders should note that if the Company does not receive the proceeds of the Open Offer of at least £300,000 the Company would have to seek alternative forms of finance.**

**Failure to secure alternative forms of finance at all or on commercially acceptable terms, or undertaking other activities such as delaying or reducing capital expenditure, could have a material adverse effect on the Company's business, eligibility for a stock market listing, financial condition, prospects, capital resources, cash flows, share price, liquidity, results and/or future operations. As a result, the Company may be unable to fulfil its exploration, appraisal and development programme or meet its work commitments under existing licences.**

**Failure to raise at least £300,000 in the Open Offer will compromise the Company's ability to continue as a going concern.**

## **8. Participation**

Qualifying Shareholders wishing to participate in the Open Offer should carefully read the Application Form and accompanying instructions and send completed Application Forms along with the appropriate remittance to Computershare Investor Services (Ireland) Limited at the address specified in the instructions.

## **9. Additional Information**

Your attention is drawn to the Risk Factors and Additional Information set out in Parts IV and V respectively of this document. Shareholders are advised to read the whole of this document and not rely solely on the summary information presented in this letter.

Yours faithfully,

**Brian McDonnell**  
*Chairman*

**U.S. Oil and Gas PLC**

## PART II

### TERMS AND CONDITIONS OF THE OPEN OFFER

#### (A) INTRODUCTION

The Company proposes to raise approximately £2,901,059 (before expenses) by way of a Open Offer of 10,744,663 Open Offer Shares at £0.27 per share with the aggregate consideration to be received by the Company from the Open offer limited to £2,901,059 (equivalent to approximately €3,756,291) up to a maximum of 10,744,663 New Ordinary Shares issued.

The Company considered a number of options to meet its current financial requirements and has concluded that the Open Offer would enable Existing Shareholders to participate in the issue by subscribing for their pro rata entitlement of New Ordinary Shares under the Open Offer as well as applying for further New Ordinary Shares (by virtue of the Excess Application Facility).

The Open Offer is only open to Qualifying Shareholders. No Qualifying Shareholder may subscribe for Open Offer Shares in excess of the £2,901,059 maximum aggregate subscription price. Qualifying Shareholders who are joint Shareholders may only apply for Open Offer Shares as joint applicants.

The Open Offer is not a rights issue and any Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer. Qualifying Shareholders will have an entitlement to subscribe for their Open Offer Entitlement.

If the Possible Placing were to proceed, and both the Open Offer and the Possible Placing were fully subscribed the aggregate number of Ordinary Shares in issue would be 56,723,316 shares.

The proceeds of the Open Offer will be used by the Group as outlined in Part I of this Circular.

#### (B) THE OPEN OFFER

##### 1. Introduction

U.S. Oil and Gas proposes to raise gross proceeds of up to £2,901,059 (before expenses) (approximately US\$4,106,739) through the Open Offer. The Open Offer is in respect of a maximum of 10,744,663 New Ordinary Shares, the amount to be scaled back by the Directors so as the sum raised by the Open Offer will not exceed the sterling amount that is per the exchange rate on March 4th 2016 the equivalent of €3,756,291 (before expenses), and the maximum aggregate number of New Ordinary Shares to be issued under the Open Offer will not exceed 10,744,663.

Qualifying Shareholders are hereby invited to subscribe for Open Offer Shares at a price of £0.27 per Open Offer Share on the following basis:

##### **1 Open Offer Share at £0.27 (€0.35) per Open Offer Share for every 4 Ordinary Shares**

registered in the names of Qualifying Shareholders at the Record Date, and so in proportion for any other number of Existing Ordinary Shares then registered. Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Open Offer Shares and shall be each Qualifying Shareholders' Open Offer Entitlement. Fractional entitlements under the Open Offer will be rounded down to the nearest whole number of New Ordinary Shares and any fractional entitlements to Open Offer shares will be disregarded in calculating each Open Offer Entitlement and will be aggregated and made available to Qualifying Shareholders under the excess application facility. Accordingly, Qualifying Shareholders holding fewer than 100 Existing Ordinary Shares will have no Open Offer Entitlement under the Open Offer. Shareholders with a nil Open Offer Entitlement will however be able to apply for excess under the Open Offer and these applications will be satisfied to the extent that Open Offer Shares have not otherwise been subscribed for by Qualifying Shareholders.

Qualifying Shareholders may apply for their full Open Offer Entitlement under the Open Offer. Excess applications are subject to the maximum number of Open Offer Shares being offered under the Open Offer and will be scaled down pro rata to the number of excess Open Offer Shares applied for, or otherwise at the absolute discretion of the Company. Any monies paid in excess of the amount due will be returned without interest by crossed cheque in favour of the applicant at his risk.

Qualifying Shareholders who wish to participate in the Open Offer may, if they wish, apply for fewer shares than their full Open Offer Entitlement under the Open Offer. There is no maximum subscription, but excess applications may be scaled down as explained above. Not all Shareholders will be Qualifying Shareholders. Shareholders who have a registered address, or that

are located, in the United States, or who have a registered address, or that are located, in or, who are citizens or residents, of a Restricted Jurisdiction (regardless of the number of Existing Ordinary Shares that they hold) will not qualify to participate in the Open Offer.

Applicants are encouraged to submit their Application Forms early. In the event that applications are received for an amount in excess of a Shareholders' maximum entitlement under the Open Offer, the Directors reserve the right to exercise their discretion in the allocation of successful applications. The right is also reserved to reject in whole or in part any application or any part thereof for any reason whatsoever, including (without limitation) a breach of any of the terms, conditions, representations and/or warranties set out in this document and/or the Application Form and to treat as valid any application not in all respects completed in accordance with the instructions relating to the Application Form.

The attention of Overseas Shareholders is drawn to section 4 ("Overseas Shareholders") of this Part II. Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer as will holdings under different designations and in different accounts. The Open Offer is not a "rights issue". Invitations to apply under the Open Offer are not transferable unless to satisfy bona fide market claims and the Application Form is not a document of title and cannot be traded. Qualifying Shareholders should be aware that, in the Open Offer, unlike in the case of a rights issue, any Open Offer Shares not applied for under the Open Offer will not be sold in the market or placed for the benefit of Qualifying Shareholders.

No temporary documents of title will be issued. Definitive certificates in respect of Open Offer Shares are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form by within 14 days of the Closing Date. In respect of those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST at 08:00 on 5 April 2016. The attention of Shareholders who wish to receive their Open Offer Shares in uncertificated form pursuant to the Open Offer is drawn to paragraph 2 below.

The Open Offer is inter alia conditional on a minimum of £300,000 being raised pursuant to the Open Offer. The Open Offer will proceed if the Conditions of the Open Offer are met.

The Open Offer will close at 11:00 a.m. in Dublin on 1 April 2016 or such later date as the Company may decide being not later than 08.00 a.m. on 08 April 2016. The Open Offer is not being underwritten. The Application Form and accompanying procedure for application sets out, in detail, how Qualifying Shareholders may participate under the Open Offer. Applications must be made on the terms and conditions set out in this Part II of this document and in the Application Form and by duly completing and returning the Application Form and appropriate remittance.

Any Qualifying Shareholder who has sold or transferred all or part of his/her registered holding(s) of Existing Ordinary Shares prior to 08.00 a.m. on 11th March 2016, is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible, since the invitation to subscribe for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him/her by purchasers. Further details of the procedure for application and payment are set out in paragraph 2 below.

The Open Offer Shares will be allotted and issued fully paid and will, on issue, rank *pari passu* with the Existing Ordinary Shares, including the right to receive, in full, all dividends and other distributions thereafter declared, made or paid after the date of issue together with all rights attaching to them and free from all liens, charges and encumbrances of any kind.

## **2. Procedure for application and payment under the Open Offer**

### **2.1 If you have an Application Form in respect of your entitlement under the Open Offer**

#### **(a) General**

Each Application Form shows the number of Ordinary Shares registered in the relevant Qualifying Non-CREST Shareholder's name on the Record Date, and the Qualifying Non-CREST Shareholder's Open Offer Entitlement (the number of Open Offer Shares for which such Qualifying Non-CREST Shareholder is entitled to apply under the Open Offer, calculated on the basis set out in paragraph 1 above. The Application Form incorporates further terms of the Open Offer. Valid applications for the relevant Qualifying Non-CREST Shareholder's Open Offer Entitlement will be accepted in full. In the case of applications in excess of the relevant Qualifying Non-CREST Shareholder's Open Offer Entitlement, applications will be satisfied to the extent that sufficient Qualifying Shareholders do not apply to take up their Open Offer Entitlement. If there is an oversubscription resulting from excess applications in respect of such excess, applications will be satisfied *pro rata* to the number of excess Open Offer Shares applied for.

**(b) Bona Fide Market Claims**

Applications for Open Offer Shares under the Open Offer may only be made on the Application Forms. Each Application Form is personal to the Qualifying Non-CREST Shareholder(s) named thereon and may not be assigned, transferred or split except to satisfy bona fide market claims.

The Application Form represents only a right to apply for Open Offer Shares. It is not a document of title and cannot be traded. A Qualifying Non-CREST Shareholder who has sold or transferred all or part of his holding of Existing Ordinary Shares prior to the Record Date should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee from his counterparty. Qualifying Shareholders who have sold all of their registered holding should, if the bona fide claim is to be settled outside CREST, complete Box 8 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

If you have sold or transferred part of your registered holding of Existing Ordinary Shares prior to 08:00 a.m. on 11 March 2016, you should complete Box 8 on the Application Form and immediately send it to Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland accompanied by a letter stating the number of Open Offer Shares to be included in each split Application Form.

If the bona fide claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in the paragraph headed "Market Claims" in paragraph 2.2 (b).

**(c) Application Procedures**

Any Qualifying Non-CREST Shareholder who wishes to apply for any of their Open Offer Entitlement, or an amount in excess of their Open Offer Entitlement, must complete the Application Form in accordance with the instructions printed thereon and return it by post or by hand (during normal business hours only) to Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland with a cheque or bankers' draft for the full amount payable on application so as to arrive as soon as possible and in any event no later than 11:00 a.m. on 1 April 2016, at which time the Open Offer will close. Qualifying Non-CREST Shareholders may apply for Open Offer Shares in excess of their Open Offer Entitlements by completing Box 5 and Box 6 on the Application Form indicating the number of Open Offer Shares for which they may wish to make application (including their Open Offer Entitlements) and submitting the amount payable on such application.

Any Qualifying Non-CREST Shareholder who does not wish to apply for any of the Open Offer Shares to which he/she is entitled should not return a completed Application Form to the Receiving Agent.

Applications made under the Open Offer will not be acknowledged and receipts will not be issued for amounts paid on application. The Company reserves the right to treat any application not strictly complying with the terms and conditions of application as nevertheless valid. If you post your Application Form within Ireland you are recommended to allow at least two Business Days for delivery (or, within the United Kingdom to use first class post and you may need to allow a longer time for delivery). In the event of industrial action by postal workers, you should consider allowing a longer period of time for your application to be delivered. Applications may only be made on the accompanying Application Form, which is personal to the Qualifying non-CREST Shareholder's named therein and may not be transferred or split except in the circumstances described above.

**(d) Payments**

All Qualifying Non-CREST Shareholders, irrespective of their registered address must make payment in Sterling or Euro. The price per Open Offer Share is £0.27 (€0.35). Payments made in Sterling and Euro must be made by cheque or bankers' drafts drawn on a bank or building society or branch of a bank or building society in Ireland or the UK or the Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or a member of either of the Committees of the Irish or Scottish or Belfast Clearing Houses or which has arranged for its cheques and bankers' drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner.

All cheques and bankers' drafts in Sterling and Euro must be made payable to "CIS (Ireland) Ltd – re USOG Open Offer 2016" and crossed "A/C Payee only".

The Company reserves the right to have cheques and bankers' drafts presented for payment on receipt and to instruct Computershare Investor Services (Ireland) Limited to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity. Any person returning an Application Form with a remittance in the form of a cheque warrants that the cheque will be honoured on first presentation. The Company may elect at its sole discretion to treat as invalid any acceptance in respect of which remittance is notified to it as not having been so honoured. If cheques or bankers' drafts are presented before the Conditions of the Open Offer are fulfilled, the application monies will be held in a separate interest bearing account, with any interest being retained for the benefit of the Company, until all conditions are met. If the Conditions of the Open Offer are not fulfilled by 11:00

a.m. on 8 April 2016 at the latest, the Open Offer will lapse and application monies will be returned, without interest, by crossed cheque in favour of the applicant(s) through the post at his/her/their own risk as soon as practicable after the lapse of the Open Offer.

All enquiries in connection with the procedure for application and completion of the Application Form should be referred to Computershare Investor Services (Ireland) Limited, which is acting as receiving agent and paying agent in respect of the Open Offer. The Computershare Shareholder helpline is available on 01 447 5566 if you are a Shareholder resident in Ireland, or if you are a Shareholder resident in the UK or an Overseas Shareholder, on +353 1 447 5566 from 9.00 a.m. to 5.00 p.m. on Monday to Friday (excluding holidays). Please note that Computershare Investor Services (Ireland) Limited cannot provide advice on the merits of the Open Offer or give any financial or tax advice. For Qualifying Non-CREST Shareholders who have applied using an Application Form, definitive share certificates in respect of the Open Offer Shares are expected to be despatched within 14 days of the Closing Date. Pending despatch of the definitive share certificates, transfers of Open Offer Shares will be certified against the register. All documents or remittances sent by or to applicants, or as they may direct, will be sent through the post at their own risk. The Open Offer Shares will be issued in dematerialised or registered form as required by individual Shareholders on the Application Form.

***(e) Incorrect sums***

If an Application Form encloses a payment for an incorrect sum, the Company, through the Receiving Agent, reserves the right:

(i) to reject the application in full and return the cheque or bankers' draft or refund the payment to the Qualifying Non-CREST Shareholder in question; or

(ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Open Offer Price, refunding any unutilised sum to the Qualifying Non-CREST Shareholder in question, save that any sums of less than £10.00 will be retained for the benefit of the Company; or (iii) in the case that an excess sum is paid, to treat the application as a valid application for all of the Open Offer Shares referred to in the Application Form, refunding any unutilised sums to the Qualifying Non-CREST Shareholder in question, save that any sums of less than £10.00 will be retained for the benefit of the Company.

***(f) Effect of valid application***

A Qualifying non-CREST Shareholder by completing and delivering the Application Form will thereby:

a) request that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this Circular, subject to the memorandum and articles of association of the Company;

b) agree that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of Ireland and that such applicant submits to the jurisdiction of the Irish Courts and agrees that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;

c) represent and warrant that he is not, nor is he applying on behalf of, or for the account or benefit of, a Shareholder who has a registered address, or is located, in the United States, or who has a registered address, or is located, in or, who is a citizen or resident, of any of the Restricted Jurisdictions and he is not applying with a view to reoffering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application to, or for the benefit of, a Shareholder who has a registered address, or is located, in the United States, or who has a registered address, or is located, in or, who is a citizen or resident, of any of the Restricted Jurisdictions;

d) confirm that in making such application he is not relying on any information or representation other than that contained in this Circular and, accordingly, he agrees that no person responsible solely or jointly for this Circular or any part of it or involved in the preparation of it, shall have any liability for such information or representation not contained in this Circular and further agree that having had the opportunity to read this Circular, he will be deemed to have had notice of all information contained in this Circular;

e) represent and warrant that he is the Qualifying Non-CREST Shareholder originally entitled to the Open Offer Entitlement or he has received such Open Offer Entitlement by virtue of a bona fide market claim;

f) represents and warrants that, if such applicant signs an Application Form on behalf of somebody else, such applicant has due authority to do so on behalf of that other person and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained herein and undertake to enclose such applicant's power of attorney or a copy thereof duly certified by a solicitor with the Application Form;

g) confirms, represents and warrants that such applicant is not under the age of 18;

and

h) agrees that any monies returnable to such applicant may be retained by Computershare Investor Services (Ireland) Limited pending clearance of such applicant's remittance and the completion of any verification of identity required by The Irish Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 (as amended) or the UK Money Laundering Regulations 2007 and/or any amendment, modification, and/or re-enactment of the same and that such monies will not bear interest.

## **2.2 If you have Open Offer Entitlements and Excess CREST Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer**

### ***(a) General***

Each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlement equal to the maximum number of Open Offer Shares for which he is entitled to apply under the Open Offer.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlements have been allocated. If for any reason the Open Offer Entitlements cannot be admitted to CREST, or the stock accounts of Qualifying CREST Shareholders cannot be credited, by 14th March 2016 or such later time as the Company may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements to be credited to his stock account in CREST. In these circumstances, the expected timetable as set out in this Circular will be adjusted as appropriate and the provisions of this Circular applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive Application Forms.

Qualifying CREST Shareholders who wish to apply for any of their Open Offer Entitlement to Open Offer Shares should refer to the CREST manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact the Computershare Investor Services (Ireland) Limited.

The Shareholder helpline is 01 447 5566 if you are a Shareholder resident in Ireland or, if you are a Shareholder resident in the UK or an Overseas Shareholder, on +353 (0)1 447 5566 from 9.00 a.m. to 5.00 p.m. on Monday to Friday (excluding holidays). Computershare Investor Services (Ireland) Limited cannot provide advice on the merits of the Open Offer or give any financial or tax advice. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for your Open Offer Entitlement to Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

### ***(b) Market Claims***

The Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying CREST Shareholder originally entitled or by virtue of a bona fide claim transaction. Transactions identified by the CREST Claims Processing Unit as "cum" the Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) will thereafter be transferred accordingly.

### ***(c) USE Instructions***

Qualifying CREST Shareholders who wish to apply for Open Offer Shares in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE instruction to Euroclear which, on its settlement, will have the following effect:

(i) the crediting of a stock account of Computershare Investor Services (Ireland) Limited under the participant ID and member account ID specified below, with a number of Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and

(ii) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of Computershare Investor Services (Ireland) Limited in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in (i) immediately above.

### ***(d) Content of USE instructions in respect of Open Offer Entitlements.***

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:



(i) the number of Open Offer Shares comprised in the relevant Open Offer Entitlement for which application is being made (and hence that part of the Open Offer Entitlement to Open Offer Shares being delivered to Computershare Investor Services (Ireland) Limited);

(ii) the ISIN of the Open Offer Entitlement; this is IE00BYZ0F529;

(iii) the participant ID of the accepting CREST member;

(iv) the member account ID of the accepting CREST member from which the Open Offer

Entitlements are to be debited;

(v) the participant ID of Computershare Investor Services (Ireland) Limited, in its capacity as CREST receiving agent: this is RA86;

(vi) the member account ID of Computershare Investor Services (Ireland) Limited, in its capacity as CREST receiving agent: this is USOILGAS;

(vii) the amount payable (in Sterling or Euro only) by means of a CREST payment on settlement of the USE instruction; this must be the full amount payable on application for the number of Open Offer Shares referred to in (i) immediately above;

(viii) the intended settlement date; this must be on or before 11.00 a.m. on 1st April 2016; and

(ix) the Corporate Action Number for the Open Offer; this will be available by reviewing the relevant corporate action details in CREST.

In order for an application under the Open Offer by a Qualifying CREST Shareholder for all or part of his entitlement to Open Offer Shares to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 1st April 2016.

In order to assist prompt settlement of the USE instruction CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to their USE instruction:

(i) contact name and telephone number (in the free format shared note field); and

(ii) a priority of at least 80.

Qualifying CREST Shareholders and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle is 11.00 a.m. on 1st April, 2016. In the event that the Open Offer does not become unconditional by 08.00 a.m. on 8th April 2016 at the latest the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as reasonably practicable thereafter. Any interest earned on such monies will be retained for the benefit of the Company.

Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 1st April 2016 (the latest time and date for applications under the Open Offer). If the conditions to the Open Offer described above are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company on the day on which such conditions are satisfied (expected to be 5th April 2016). On this day, Computershare Investor Services (Ireland) Limited will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from the 08.00 a.m. on 5th April 2016. The stock accounts to be credited will be accounts under the same participant IDs and member account IDs in respect of which the USE instruction was given.

Notwithstanding this or any other provision of this Circular or the Application Form, the Company reserves the right to send to a Qualifying CREST Shareholder an Application Form instead of crediting the relevant stock account with Open Offer Entitlements or to issue any Open Offer Shares in certificated form for any reason. In normal circumstances this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or the facilities and/or systems operated by Computershare Investor Services (Ireland) Limited in connection with CREST. This right may be exercised if CREST member account details held by Computershare Investor Services (Ireland) Limited on behalf of Shareholders are incorrect or if Computershare Investor Services (Ireland) Limited is unable for any reason to credit the CREST member account.

#### **(e) Depositing of Open Offer Entitlements into, and withdrawal from, CREST**

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in the Application Form may be deposited into CREST (either into the account of the Qualifying Non-CREST Shareholder named in the Application Form or into the name of a person entitled by virtue of a bona fide market claim). Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 3.00 p.m. on the 30th March 2016.

In particular, having regard to normal processing times in CREST and on the part of Computershare Investor Services (Ireland) Limited, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 p.m. on the 30th March 2016, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on 29th March 2016, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11.00 a.m. on 1st April 2016.

Delivery of an Application Form with the CREST deposit form duly completed either in respect of a deposit into the account of the Qualifying Non-CREST Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and Computershare Investor Services (Ireland) Limited by the relevant CREST member(s) that it/they is/are not in breach of the 'Shareholder Declarations' set out in the Application Form, and a declaration to the Company and Computershare Investor Services (Ireland) Limited from the relevant CREST member(s) that it/they is/are not located, or does not/do not has/have a registered address, in the United States, or not located, or does not/do not has/have a registered address, in or, is/are not a citizen(s) or resident(s), of a Restricted Jurisdiction and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of the bona fide claim.

***(f) Validity of application***

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 1st April 2016 will constitute a valid application under the Open Offer.

***(g) CREST procedures and timings***

Qualifying CREST Shareholders and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 1st April 2016. In this connection, CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

***(h) Incorrect sums***

If a USE instruction includes a CREST payment for an incorrect sum, the Company through Computershare Investor Services (Ireland) Limited reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question (with any interest retained for the benefit of the Company);
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Open Offer Price, refunding any unutilised sum to the CREST member in question, save that any sums of less than £10 will be retained for the benefit of the Company; or
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all of the Open Offer Shares referred to in the USE instruction, refunding any unutilised sums to the CREST member in question, save that any sums of less than £10 will be retained for the benefit of the Company.

***(i) Effect of valid application***

A Qualifying CREST Shareholder who makes or is treated as making a valid application for his Open Offer Entitlement to Open Offer Shares in accordance with the procedures will thereby:

- a. pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to

Computershare Investor Services (Ireland) Limited in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);

b. request that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this Circular, subject to the memorandum and articles of association of the Company;

c. agree that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of Ireland and that such applicant submits to the jurisdiction of the Irish Courts and agrees that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;

d. represent and warrant that he is not, nor is he applying on behalf of, or for the account or benefit of, a Shareholder who has a registered address, or is located, in the United States, or who has a registered address, or is located, in or, who is a citizen or resident, of any of the Restricted Jurisdictions and he is not applying with a view to reoffering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application to, or for the benefit of, a Shareholder who has a registered address, or is located, in the United States, or who has a registered address, or is located, in or, who is a citizen or resident, of any of the Restricted Jurisdictions;

e. confirm that in making such application he is not relying on any information or representation other than that contained in this Circular and, accordingly, he agrees that no person responsible solely or jointly for this Circular or any part of it or involved in the preparation of it, shall have any liability for such information or representation not contained in this Circular and further agree that having had the opportunity to read this Circular, he will be deemed to have had notice of all the information contained in this Circular;

f. represent and warrant that he is the Qualifying CREST Shareholder originally entitled to the Open Offer Entitlement or that he has received such Open Offer Entitlement by virtue of a bona fide claim;

g. represents and warrants that, if such applicant signs an Application Form on behalf of somebody else, such applicant has due authority to do so on behalf of that other person and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained herein and undertake to enclose such applicant's power of attorney or a copy thereof duly certified by a solicitor with the Application Form;

h. confirms, represents and warrants that such applicant is not under the age of 18;

and

i. agrees that any monies returnable to such applicant may be retained by Computershare Investor Services (Ireland) Limited pending clearance of such applicant's remittance and the completion of any verification of identity required by The Irish Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 (as amended) or the UK Money Laundering Regulations 2007 and/or any amendment, modification, and/or re-enactment of the same and that such monies will not bear interest.

***(j) Company's discretion as to rejection and validity of applications***

The Company may in its sole discretion:

(i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in Part II of this document;

(ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;

(iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which Computershare Investor Services (Ireland) Limited receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or Computershare Investor Services (Ireland) Limited has received actual notice from Euroclear of any of the matters specified in regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. The matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and

(iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member (or where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative

instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member (or where applicable) the CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by Computershare Investor Services (Ireland) Limited in connection with CREST.

**(k) Excess applications**

Qualifying CREST Shareholders may apply for Open Offer Shares in excess of the Open Offer Entitlement to Open Offer Shares. Applications for Open Offer Shares in excess of a Qualifying CREST Shareholder's Open Offer Entitlement will be satisfied to the extent that corresponding applications by other Qualifying Shareholders are not made. If there is an oversubscription resulting from excess applications, allocations in respect of such excess applications will be made pro rata to the number of excess Open Offer Shares applied for, or otherwise at the absolute discretion of the Company. A Qualifying CREST Shareholder should not make an excess application unless such relevant Qualifying CREST Shareholder has applied for his New Ordinary Shares pursuant to his Open Offer Entitlements in full.

The CREST accounts of Qualifying CREST Shareholders are being credited with Excess CREST Open Offer Entitlements in order for any applications for excess New Ordinary Shares to be settled through CREST and the credit of such Excess CREST Open Offer Entitlements does not in any way give a Shareholder a right to the New Ordinary Shares attributable to the Excess CREST Open Offer Entitlements as the Excess CREST Open Offer Entitlements are subject to scaling back in accordance with the terms of this Circular.

***Excess CREST Open Offer Entitlements may not be sold or otherwise transferred. However, should a CREST member become entitled to Open Offer Entitlements by virtue of a bona fide market claim, in circumstances where the CREST member was not otherwise a Qualifying CREST Shareholder and therefore does not already have Excess CREST Open Offer Entitlements credited to his CREST account, such CREST member may apply to Computershare Investor Services (Ireland) Limited for the credit to his CREST account of Excess CREST Open Offer Entitlements and thereby apply for further New Ordinary Shares pursuant to the Excess Application Facility. Such requests should be made no later than 3.00 p.m. on the 30th March 2016.***

Subject as provided in paragraph 4 of this Part II in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of excess CREST Open Offer Entitlements on a 20 for 1 basis based on the record date holding. To apply for excess New Ordinary Shares pursuant to the Open Offer, **Qualifying CREST Shareholders should follow the instructions below and must not return a paper form or a cheque.**

The provisions of paragraphs 2.2(b) to 2.2(c) above, paragraphs 2.2(e) to 2.2(j) above and paragraphs 2.2(l) to 2.2(m) below apply mutatis mutandis to applications in respect of Excess Open Offer Entitlements, save that: (i) where the context permits references to "Open Offer Entitlements" shall be deemed to be references to Excess CREST Open Offer Entitlements; and (ii) should a transaction be identified by the CREST Claims Processing Unit as "cum" the Open Offer Entitlements and the relevant Open Offer Entitlement(s) be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlement(s). Should a Qualifying CREST Shareholder cease to hold all of its Existing Ordinary Shares as a result of one or more bona fide market claims, the Excess CREST Open Offer Entitlements admitted to CREST and allocated to the relevant Qualifying Shareholder will be disabled. Please note that an additional USE Instruction must be sent in respect of the Excess CREST Open Offer Entitlements.

Should the Open Offer become unconditional and applications for New Ordinary Shares under the Open Offer exceed 10,744,663 New Ordinary Shares resulting in a scale back of applications, each Qualifying CREST Shareholder who has made a valid application pursuant to Excess CREST Open Offer Entitlements under the Excess Application Facility and from whom payment in full for the excess New Ordinary Shares has been received, will receive a Sterling or Euro amount (whichever is applicable) equal to the number of New Ordinary Shares validly applied and paid for but which are not allocated to the relevant Qualifying CREST Shareholder multiplied by the Open Offer Issue Price. Monies will be returned as soon as reasonably practicable following the completion of the scale back, without payment of interest and at the applicant's sole risk.

Fractions of New Ordinary Shares will not be issued under the Excess Application Facility and fractions of New Ordinary Shares will be rounded down to the nearest whole number.

All enquiries in connection with the procedure for excess applications should be referred to Computershare Investor Services (Ireland) Limited. The Computershare Shareholder helpline is available on 01 447 5566 if you are a Shareholder resident in Ireland, on +353 (0)1 447 5566 if you are a Shareholder resident in the UK or an Overseas Shareholder, from 9.00 a.m. to 5.00 p.m. on Monday to Friday (excluding holidays). Please note that Computershare Investor Services (Ireland) Limited cannot provide advice on the merits of the Open Offer or give any financial or tax

advice.

**(l) Content of USE instructions in respect of Excess CREST Open Offer Entitlements**

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares comprised in the relevant Open Offer Entitlement for which application is being made (and hence the number of the Excess CREST Open Offer Entitlement(s) being delivered to Computershare Investor Services (Ireland) Limited);
- (ii) the ISIN of the Excess CREST Open Offer Entitlements; this is IE00BYZ0FB88;
- (iii) the participant ID of the accepting CREST member;
- (iv) the member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of Computershare Investor Services (Ireland) Limited, in its capacity as CREST receiving agent: this is RA86;
- (vi) the member account ID of Computershare Investor Services (Ireland) Limited, in its capacity as CREST receiving agent: this is RA86;
- (vii) the amount payable (in Sterling only) by means of a CREST payment on settlement of the USE instruction; this must be the full amount payable on application for the number of Open Offer Shares referred to in (i) immediately above;
- (viii) the intended settlement date; this must be on or before 11.00 a.m. on the 1st of April 2016 ; and
- (ix) the Corporate Action Number for the Excess Open Offer; this will be available by reviewing the relevant corporate action details in CREST.

In order for an application under the Open Offer by a Qualifying CREST Shareholder for all or part of his entitlement to Open Offer Shares to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on the 1st of April 2016.

In order to assist prompt settlement of the USE instruction CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to their USE instruction:

- (i) contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

Qualifying CREST Shareholders and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle is 11.00 a.m. on the 1st of April 2016. **Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.**

**(m) Lapse of the Open Offer**

If the conditions of the Open Offer are not fulfilled by 08.00 a.m. on 8 April 2016 at the latest, the Open Offer will lapse, the Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Registrar will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as reasonably practicable thereafter. The interest earned on such monies, if any, will be retained for the benefit of the Company.

**3. Anti-Money Laundering Legislation**

It is a term of the Open Offer that, to ensure compliance with Anti-Money Laundering Legislation, the Company and/or the Registrar, may require verification of the identity of the person by whom or on whose behalf a Application Form is lodged with payment (which requirements are referred to below as the "verification of identity requirements"). The person(s) (the "acceptor") who, by lodging a Application Form with payment, as described above, accept(s) the allotment of the Open Offer Shares (the "relevant Open Offer Shares") comprised in such Application Form (being the provisional allottee or, in the case of renunciation, the person named in such Application Form) shall thereby be deemed to agree to provide the Registrars and/or the Company with such information and other evidence as they or either of them may require to satisfy the verification of identity requirements and agree for the Registrar to make a search via a credit reference agency where deemed necessary (a record of the search results will be retained).

If the Registrar determines that the verification of identity requirements apply to an acceptance of an allotment and the verification of identity requirements have not been satisfied (which the Registrar shall in its absolute discretion determine) by 1st April 2016, U.S Oil and Gas may, in its absolute discretion, and without prejudice to any other rights of the Company, treat the acceptance as invalid or may confirm the allotment of the relevant Open Offer Shares to the acceptor but (notwithstanding any other term of the Open Offer) such Open Offer Shares will not be issued to him or her or registered in his or her name until the verification of identity requirements have been satisfied (which the Registrar shall in its absolute discretion determine). If the acceptance is not treated as invalid and the verification of identity requirements are not satisfied within such period, being not less than seven days after a request for evidence of identity is dispatched to the acceptor, as U.S. Oil and Gas may in its absolute discretion allow, U.S. Oil and Gas will be entitled to make arrangements (in its absolute discretion as to manner, timing and terms) to place the relevant Open Offer Shares (and for that purpose U.S. Oil and Gas will be expressly authorised to act as agent of the acceptor). Any proceeds of sale (before expenses) of the relevant Open Offer Shares which shall be issued to and registered in the name of the purchaser(s) or an amount equivalent to the original payment, whichever is the lower, will be held by U.S Oil and Gas in trust for the acceptor, subject to the requirements of the Anti-Money Laundering Legislation. The Registrar is entitled in its absolute discretion to determine whether the verification of identity requirements apply to any acceptor and whether such requirements have been satisfied. Neither the Company nor the Registrars will be liable to any person for any loss suffered or incurred as a result of the exercise of any such discretion or as a result of any sale of relevant Open Offer Shares.

**Return of an Application Form with the appropriate remittance will constitute a warranty from the acceptor that the Anti-Money Laundering Legislation will not be breached by acceptance of such remittance. If the verification of identity requirements apply, failure to provide the necessary evidence of identity may result in your acceptance being treated as invalid or in delays in the dispatch of a receipted fully paid Application Form or a share certificate.**

The verification of identity requirements will not usually apply:

- (i) if the acceptor is an organisation not required to comply with Anti-Money Laundering Legislation; or
- (ii) if the acceptor is a regulated Irish broker or intermediary acting as agent and is itself subject to the Anti-Money Laundering Legislation; or
- (iii) if the acceptor (not being an acceptor who delivers his or her acceptance in person) makes payment by way of a cheque drawn on an account in the name of such acceptor; or
- (iv) if the aggregate subscription price for the relevant shares is less than €15,000.

Where the verification of identity requirements apply, please note the following as this will assist in satisfying the requirements. Satisfaction of the verification of identity requirements may be facilitated in the following ways:

- (i) if payment is made by cheque or banker's draft in Sterling or Euro drawn on a licensed bank, building society or credit institution or branch of a licensed bank, building society or credit institution and bearing a bank sort code number in the top right-hand corner, the following applies:

Cheques should be made payable to CIS (Ireland) Ltd – re USOG Open Offer 2016 and crossed "A/C payee only".

Third-party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the building society cheque/ banker's draft to such effect. The account name should be the same as that shown on the application; or

- (ii) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti money-laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, Hong Kong, Iceland, India, Japan, Mexico, New Zealand, Norway, the Republic of Korea, the Russian Federation, Singapore, South Africa, Switzerland, Turkey, the United States of America and, by virtue of their membership of the Gulf Co-operation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE), the agent should provide written confirmation with the Application Form that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the persons for whom it acts and that it will on demand make such evidence available to the Registrar or the relevant authority; or

- (iii) if an Application Form is lodged by hand by the acceptor in person, he/she should ensure that he/she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and evidence of his or her address. In order to confirm the acceptability of any written assurance referred to above or any other case, the acceptor should contact the Registrar.

#### 4. Overseas Shareholders

The distribution of this Circular and the making of the Open Offer to persons located or resident in, or who are citizens of, or who have a registered address in, countries other than Ireland or the United Kingdom may be restricted by the law or regulatory requirements of the relevant jurisdiction. Any failure to comply with such restrictions may constitute a violation of the securities laws of the relevant jurisdiction. Any Shareholder who is in any doubt as to his or her position should consult an appropriate professional adviser without delay.

In particular, the Open Offer Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and, subject to certain exceptions, may not be offered or sold in the United States. Accordingly, the Company is not extending the Open Offer into the United States and the Open Offer Shares and entitlements thereto are only being offered and sold outside the United States in reliance on Regulation S under the Securities Act.

Receipt of this Circular and/or the Application Form will not constitute an invitation to subscribe for Open Offer Shares in those jurisdictions in which it would be illegal to make such an invitation or any related offer and/or acceptance and, in those circumstances, this Circular and/or the Application Form will be sent for information only and should not be copied or redistributed. No person receiving a copy of this Circular and/or the Application Form in any territory other than Ireland or the United Kingdom may treat the same as constituting an invitation or offer to him or her, or use the Application Form, unless in the relevant territory such an invitation or offer could lawfully be made to him/her and such an Application Form could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements.

Accordingly, persons receiving a copy of this Circular and/or the Application Form should not, in connection with the Open Offer or otherwise, distribute or send the same to any person in, or citizen or resident of, or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this Circular and/or the Application Form is received by any person in any such territory, or by their agent or nominee in any such territory, he or she must not seek to apply for Open Offer Shares. Any person who does forward this Circular and/or the Application Form into any such territories (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph 4.

Any person (including, without limitation, nominees and trustees) outside Ireland or the United Kingdom wishing to apply for Open Offer Shares must satisfy himself/herself as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The comments set out in this paragraph 4 are intended as a general guide only and any Qualifying Shareholder who is in any doubt as to his/her position should consult his/her appropriately authorised professional adviser without delay. The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares which appears to the Company or its agents to have been executed, effected or despatched in a manner which may involve a breach of the laws or regulations of any jurisdiction or if the Company believes or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of share certificates for Open Offer Shares, or in the case of a credit of Open Offer Shares in CREST to a CREST Member whose registered address would be, in the United States or in a Restricted Jurisdiction.

The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents to have been executed in, or despatched from, the United States, or that provides an address in the United States for the receipt of New Ordinary Shares, or which does not make the warranties set out in the Application Form or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements.

Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exemptions, Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements.

The New Ordinary Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction, except pursuant to an applicable exemption.

Qualifying Shareholders in jurisdictions outside Ireland or the United Kingdom other than the United States or any of the Restricted Jurisdiction may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares in accordance with the instructions set out in this Circular and the Application Form. Such Qualifying Shareholders who have registered addresses in, or who are resident in, or who are citizens of, countries other than Ireland or the United Kingdom should, however, consult their appropriate professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their Open Offer Shares. Notwithstanding any other provision of this Circular or the Application Form, the Company reserves the right to permit any Qualifying Shareholder to apply for Open Offer Shares if the Company, in its sole and absolute discretion, is satisfied at any time prior to 11.00 a.m. on 1st April 2016 that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question. If you are in

any doubt as to your eligibility to take up Open Offer Shares, you should contact an appropriate professional adviser immediately.

#### **5. Open Offer Consideration**

The total consideration raised from the Open Offer shall not exceed £2,901,059 (before expenses) and the Ordinary Shares issued shall not exceed 10,744,663 New Ordinary Shares , and (if necessary) the number of Open Offer Shares that may be issued shall be scaled back by the Directors.

#### **6. Governing law**

The terms and conditions of the Open Offer as set out in Part II of this Circular and the Application Form shall be governed by, and construed in accordance with, Irish law. The Courts of Ireland are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this Circular and the Application Form. By taking up Open Offer Shares in accordance with the instructions set out in this Circular and the Application Form, Qualifying Shareholders irrevocably submit to the exclusive jurisdiction of the Courts of Ireland and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

#### **7. Times and dates**

The times and dates set out in the expected timetable of principal events at the beginning of this document are indicative only and may be adjusted by agreement between the Company and its advisors, in which event details of the new times and dates will be notified to a Regulatory Information Service and, where appropriate, to Qualifying Shareholders.

#### **8. Revocation of the Offer**

Up until the Closing Date, the Open Offer can be revoked or suspended by the Company. Revocation cannot occur after the Closing Date . In the event of a revocation the Company will notify a Regulatory Information Service and, where appropriate, Qualifying Shareholders.

#### **9. Results of the Open Offer**

The results of the Open Offer will be announced via a Regulatory Information Service two business days after the Closing Date. This announcement will include a statement of the extent to which excess applications, if made, will be or have been satisfied.



## **PART III**

### **INFORMATION CONCERNING THE NEW ORDINARY SHARES**

#### **1. DESCRIPTION OF THE TYPE AND CLASS OF SECURITIES BEING OFFERED**

The New Ordinary Shares to be issued by the Company pursuant to the Open Offer have a nominal value of €0.0001 each. Assuming full subscription of the Open Offer Shares, and the satisfaction of all associated conditions, following completion of the Open Offer the Company will have 53,723,316 Ordinary Shares in issue. The rights attaching to the Ordinary Shares are as set out in the Articles.

If the Possible Placing described in Paragraph 4 of Part I of this document proceeds and is fully taken up, and the Open Offer is fully taken up, the Company will have 56,723,316 Ordinary Shares in issue. There is no guarantee that the proposed Possible Placing will proceed.

The ISIN of the Existing Ordinary Shares is IE00B4Q65W67. This will be unchanged by the Open Offer.

The New Ordinary Shares will be issued credited as fully paid and free from all liens, equities, charges, encumbrances and other interests, and, subject to the Articles will rank *pari passu* in all respects in relation to all dividends and distributions on the ordinary share capital of the Company declared, made or paid after their issue.

#### **2. LEGISLATION UNDER WHICH THE NEW ORDINARY SHARES HAVE BEEN CREATED**

The New Ordinary Shares to be issued pursuant to the Open Offer shall be issued by the Company pursuant to the 2014 Act and the Articles.

#### **3. FORM AND CURRENCY OF THE NEW ORDINARY SHARES**

The New Ordinary Shares to be issued pursuant to the Open Offer will, when issued and fully paid, be in registered form and will be capable of being held in certificated and uncertificated form. The registrars of the Company are Computershare Investor Services (Ireland) Limited.

Title to the certificated New Ordinary Shares will be evidenced by entry in the register of members of the Company and title to uncertificated New Ordinary Shares will be evidenced by entry in the operator register maintained by Euroclear (which forms part of the register of members of the Company). No share certificates will be issued in respect of the New Ordinary Shares in uncertificated form. If any such Ordinary Shares are converted to be held in certificated form, certificates will be issued in respect of those Ordinary Shares in accordance with applicable legislation.

#### **4. RIGHTS ATTACHING TO THE NEW ORDINARY SHARES**

The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions declared, made or paid after the date of their issue.

## **PART IV**

### **RISK FACTORS**

The attention of potential investors is drawn to the fact that the purchase of Ordinary Shares in the Company involves a variety of risks. Investors should be aware of the risks associated with an investment in a business in the early stages of development. All potential investors should carefully consider the entire contents of this document, including, but not limited to, the risk factors described below before deciding whether to invest in the Company, particularly in the light of the current economic circumstances, and potential investors are asked to read this document and these risk factors with regard to current economic circumstances. The risks noted below do not necessarily comprise all those potentially faced by the Company and are not intended to be presented in any assumed order of priority. Potential investors should also consider additional risk factors relevant to their particular circumstances.

If any of the events set out in the following risks do happen, the Company's business, financial circumstances, results or future operations could be adversely affected. In such a case, the price of the Ordinary Shares could fall and investors may lose all or part of their investment. Further risks and uncertainties, of which the Directors are currently unaware or which the Directors currently consider to be immaterial, may also have an adverse effect on the Company.

Current and potential investors are strongly recommended to consult an independent financial adviser who specialises in investments of this nature before making any decision to invest.

#### **Market risks**

The Group may be affected by general market trends which are unrelated to the performance of the Group itself. The Group's activities are carried out in North America and involve the exploration for oil and gas. Accordingly, the principal risks are considered to be the following:

#### **Economic, Political, Judicial, Administrative, Taxation or other Regulatory Matters**

Adverse developments in the political, economic and regulatory environment may materially and adversely affect the financial position and business prospects of the Group. Political and economic uncertainties include, but are not limited to economic slowdowns, changes in interest rates, changes in taxation and currency exchange control. Legislative and regulatory risks may include potential changes around data privacy and protection for intellectual property. Changes in environmental regulations or administrative decisions could adversely affect exploration and/or production activities.

Changes in taxation rates or law, or misinterpretation of the law or any failure to manage tax risks adequately could result in increased charges, financial loss, including penalties, and reputational damage, which may have an adverse effect on the Group's financial condition and future prospects. Whilst the Group strives to continue to take effective measures such as prudent financial management and efficient operating procedures, there is no assurance that adverse political, economic, regulatory and taxation factors will not materially and adversely affect the Group.

#### **Commodity risk**

The demand for, and price of, oil and gas is dependent on global and local supply and demand, the actions of governments or cartels and general global economic and political developments. Low oil prices may impact the willingness and ability of potential industry partners and financiers to support development projects.

#### **Exploration risk**

Exploration and development activities may be delayed or adversely affected by factors outside the Group's control, in particular: climatic conditions, existence of commercial deposits of oil and gas, unknown geological conditions; remoteness of location; actions of host governments or other regulatory authorities (relating to, inter alia, the grant, maintenance or renewal of any required authorisations, environmental regulations or changes in law).

Although the Company has made a discovery in Hot Creek Valley, there can be no guarantee that further wells will encounter hydrocarbons in commercial quantities. Exploration entails risk, and although the Company will do all in its power to reduce such risk, it can never be eliminated.

#### **Dependency on key personnel**

Attracting, training, retaining and motivating technical and managerial personnel are critical components of the current and future success of the Group's business. Accordingly, the Group may encounter difficulties in attracting or retaining qualified personnel. The departure of any of the Group's relatively small number of executive officers or other key employees could have

a negative impact on its operations. In the event that future departures of employees occur, the Group's ability to execute its business strategy successfully be adversely affected. The performance of the Group depends, to a significant extent, upon the abilities and continued efforts of its existing senior management. The loss of the services of any of the key management personnel or the failure to retain key employees could adversely affect the Group's ability to maintain and/or improve its operating and financial performance. As a consequence, the cost base associated with the remuneration of key personnel may increase significantly. The Company does not have key personnel insurance on these individuals.

#### **Exchange rate fluctuations**

The Group's reporting currency is the US Dollar (USD) which is the currency most commonly used in the pricing of commodities and for significant exploration and production costs, Other expenditure (in particular central administrative costs) and equity funding may be denominated in other currencies, being Euro (€) and Sterling (£) respectively, thus creating currency exposure. The movement of any of these two currencies against the US Dollar may have a detrimental effect on the Group's results of operations and financial condition.

The Group may, from time to time, hedge a portion of its currency exposures and requirements to try to limit any adverse effect of exchange rate fluctuations on the Group's operations, financial performance and prospects, but there can be no assurance that such hedging will eliminate the potentially material adverse effect of such fluctuations.

#### **Changes in exchange rates may have an adverse effect on the value or the price of the Ordinary Shares.**

#### **Cost of drilling, equipment and services**

The cost of drilling, equipment and services may increase due to market or other conditions outside of the Company's control, and any projected costs and budgets outlined in this document may be negatively affected by such increases. Proposed operations and activities may as a result be scaled back or may prove unviable.

#### **Operational problems**

The Group's future revenues are dependent on the continued development of its leases. Operational risks include equipment failure, failure to comply with applicable regulations and standards, disruptions in the supply of drilling equipment, labour force shortages or work stoppages, events impeding or increasing the cost of transporting the Group's products and natural disasters. Any disruption in exploration and development can result in exploration and development delays. Whilst the Group has established relationships with more than one energy-related third party provider, which mitigates this risk, a disruption to development could damage the Group's reputation, ultimately leading to a reduction in its revenues.

#### **Legacy exploration liability**

Depending on regulatory demands, Major Oil may be required to expend some funds on site clean-up and maintenance at the Eblana#1 well. A contingency fund of \$12,000 has been allocated for this purpose.

#### **Business interruption**

A disruption or failure of the Group's systems or operations in the event of a major earthquake, adverse weather conditions, cyber-attack, terrorist attack, or any other catastrophic event could cause delays in performing mission-critical functions. A catastrophic event that results in the destruction or disruption of any of the Group's critical business systems could harm its ability to conduct normal business operations and its operating results. Abrupt political change, terrorist activity, and armed conflict pose a risk of general economic disruption, which may increase the Company's operating costs.

#### **Taxation**

The tax rules, including stamp duty provisions and their interpretation, relating to an investment in the Company may change during the life of the Company. The levels of, and reliefs from, taxation may also change and vary in respect of a given investor's circumstances. Any change in the Company's tax status or the tax applicable to holding Ordinary Shares or in taxation legislation or its interpretation could affect the value of the Ordinary Shares to an investor. Investors should obtain tax advice from an appropriate advisor prior to an investment in the Ordinary Shares and whether or not an investment in the Company is suitable for them.

#### **Mandatory Offer under the Irish Takeover Rules**

Under the Irish Takeover Rules, if an acquisition of Ordinary Shares were to increase the aggregate holding of the acquirer and its concert parties of Ordinary Shares carrying 30% or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties would be required (except with the consent of the Irish Takeover Panel) to make an offer for the outstanding Ordinary Shares at a price not less than the highest price paid for the Ordinary Shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by an acquisition of Ordinary Shares by a person holding (together with its concert parties) Ordinary Shares carrying between 30% and 50% of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights by 0.05% within a 12 month period.

### **Transfer restrictions for shareholders in the United States may make it difficult to resell shares or may have an adverse impact on the market price of the shares**

The Ordinary Shares have not been and will not be registered in the United States under the Securities Act or under any other applicable securities laws and are subject to restrictions on transfer contained in such laws. There are additional restrictions on the resale of the Ordinary Shares by shareholders who are in the United States and on the resale of the Ordinary Shares by any shareholders to any person who is in the United States. These restrictions could make it more difficult to resell the Shares in many instances and this could have an adverse effect on the market value of the Ordinary Shares. There can be no assurance that shareholders in the United States will be able to locate acceptable purchasers or obtain the required certifications to effect a sale.

### **The ability of overseas shareholders to bring actions or enforce judgments against the Company or the Directors may be limited**

The ability of an overseas shareholder to bring an action against the Company may be limited under law. The Company is a public company incorporated in Ireland. The rights of holders of shares are governed by the laws of Ireland and by the Articles. These rights differ from the rights of shareholders in typical U.S. corporations and some other non-Irish corporations. An overseas shareholder may not be able to enforce a judgment against some or all of the Directors or other executive officers of the Company. There can be no assurance that an overseas shareholder will be able to enforce any judgments in civil and commercial matters, or any judgments under the securities laws of countries other than Ireland, against the Directors or executive officers who are residents of the Ireland or countries other than those in which judgment is made. In addition, Irish or other courts may not impose civil liability on the Directors or executive officers in any original action based solely on foreign securities laws brought against the Company or the Directors or the executive officers in a court of competent jurisdiction in Ireland or other countries.

### **Dependence on availability of capital**

The Company's business is dependent upon the availability of adequate funding and capital under applicable regulatory requirements. Although the Board expects to raise sufficient capital to satisfy all of the Company's capital requirements, there can be no assurance that any, or sufficient, funding or capital will continue to be available to the Company in the future on terms that are acceptable to it.

### **Litigation**

While the Group currently has no material outstanding litigation, there can be no guarantee that the current or future actions of the Group will not result in litigation or arbitration or otherwise be subject to legal claims, both with and without merit, from time to time. The Directors cannot preclude that such litigation or arbitration proceedings may be brought against the Group in the future. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceedings will not have a material adverse effect on the Group's financial position, results or operations.

## **Risks relating to the Ordinary Shares**

### **Future funding**

The Group may require additional funds to respond to business challenges, such as funding future acquisitions or to undertake exploration and development on its leases. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. If the Company raises additional funds through further issues of equity or convertible debt securities, existing Shareholders could suffer significant dilution, and any new equity securities could have rights, preferences and privileges superior to those of current Shareholders. Any debt financing secured by the Company in the future could involve restrictive covenants relating to its capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, the Company may not be able to obtain additional financing on terms favourable to it, if at all. If the Group is unable to obtain adequate financing or financing on terms satisfactory to it, when the Group requires it, the Group's ability to continue to support its business growth and to respond to business challenges could be significantly limited or could affect its financial viability.

### **Dividends**

The Company currently does not declare or pay any dividends. The declaration, payment and the amount of any future dividends of the Company are subject to the discretion of the Shareholders or, in the case of interim dividends to the discretion of the Directors, and will depend upon, amongst other things, the Company's earnings, financial position, cash requirements, availability of profits, as well as provisions for relevant laws or generally accepted accounting principles from time to time.

### **Financial risk**

Financial Risk is addressed in Note 18 (Financial Instruments and Financial Risk Management) of the Financial Statements for the year ending 31st July 2015, which are available from the Company's website [www.usoil.us](http://www.usoil.us). The main risks arising from the Group and Company's financial instruments are foreign currency risk, credit risk, liquidity risk, interest rate risk and capital risk. It is, and has been throughout 2015 and prior years, the Group and Company's policy that no trading in derivatives be undertaken.

### **Regulatory risk and liquidity risk**

Presently the Company's shares are not listed or traded on any stock exchange or public market, and although the Board hopes a listing may be achieved, a listing may not result, or may result but not in the immediate future. In that event, shareholders may experience difficulty reselling the Ordinary Shares in many instances, and this could have an adverse effect on the market value of the Ordinary Shares. There can be no assurance that in the absence of a market listing shareholders will be able to locate acceptable purchasers.

**It may be difficult for shareholders to sell or realise their investment in the Ordinary Shares and/or obtain reliable information about their value or the extent of the risk to which they are exposed.**

**The risks noted in Part IV of this document do not necessarily comprise all those potentially faced by the Group and are not intended to be presented in any assumed order of priority.**

**Although the Directors will seek to minimize the impact of the Risk Factors, an investment in the Company should only be made by investors able to sustain a total loss of their investment. Investors are strongly recommended to consult an investment adviser authorized or exempted if you are a resident in Ireland, European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended) or the Investment Intermediaries Act 1995 (as amended), if you are resident in the United Kingdom, the UK Financial Services and Markets Act 2000 (as amended) who specialises in the acquisition of shares and other securities or other advisers such as legal advisers and accountants, who specialize in investments of this nature before making a decision to invest.**

## PART V

### ADDITIONAL INFORMATION

#### 1. Information on the Company

- a. U.S. Oil and Gas was incorporated in the Republic of Ireland on 15 June 2009 pursuant to the Companies Acts 1963 to 2009 (registered number 471932). The legislation under which the Company operates is the 2014 Act and any regulations made thereunder. The Company is registered as a public company limited by shares with the name U.S. Oil and Gas PLC and is the holding company of the U.S. Oil and Gas Group. The domicile of the Company is the Republic of Ireland.
- b. The Existing Ordinary Shares were admitted to trading on GXG on 19 April 2012. The GXG Market was closed on 18<sup>th</sup> August 2015. The Existing Ordinary Shares are not traded on any recognised exchange at the date of this document.
- c. The Company's registered and head office is U.S. Oil and Gas PLC, Alexandra House, The Sweepstakes, Ballsbridge, Dublin 4, Ireland.
- d. The liability of Shareholders is limited to amounts, if any, unpaid on the Ordinary Shares issued to them.
- e. The principal activity of the Company is oil and gas exploration and development in Nevada, USA, where the Company holds contiguous Federal Leases in Hot Creek Valley. The leases are owned by the Company's wholly-owned USA-based operating subsidiary, Major Oil International LLC. The leases cover an area of approximately 88.1 square kilometres or the equivalent of 21,760 acres.

#### 2. Responsibility

The Directors, whose names appear on page 7 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and there is no omission likely to affect the import of such information.

#### 3. Share Capital

The following table sets out the authorized and issued fully paid capital of the Company at the close of business on 10 March 2016 (being the last practicable date prior to the publication of this document) and the approximate issued fully paid up share capital of the Company (assuming no Ordinary Shares are issued between the date of this document and the Record Date) following the Open Offer (assuming the Open Offer is fully subscribed and relevant conditions met), respectively.

	Prior to Open Offer		Enlarged share capital following Open Offer	
	Nominal Value €	Number	Nominal Value €	Number
<i>Authorised Share Capital</i>				
Ordinary Shares of €0.0001	2,000,000	20,000,000,000	2,000,000	20,000,000,000

<i>Allotted, called up and fully paid</i>				
Ordinary Shares of €0.0001	4,297	42,978,653	5,372	53,723,316

If the Possible Placing described in Paragraph 4 of Part I of this document proceeds and is fully taken up, and the Open Offer is fully taken up, the Company will have 56,723,316 Ordinary Shares in issue. There is no guarantee that the proposed Possible Placing will proceed.

#### 4. Directors and Senior Management

- a. At the close of business on 10 March 2016 (being the last practicable date prior to the publication of this document) the interests of the Directors (all of which are beneficial) and their families and the interests of persons connected with them (within the meaning of Section 220 of the 2014 Act) in relevant securities (whether by interests, rights to subscribe or short positions) of the Company are as follows:

Name	Position	Number of Ordinary Shares	% of Ordinary Shares in Issue
Brian John McDonnell	Chief executive and Chairman	3,913,234	9.11%
Peter Paul Whelan	Non-Executive Director	564,118	1.31%
Karim Toma Akrawi	Non-Executive Director	100,000	0.23%
Dr. Brian Stuart McBeth	Independent Non-Executive Director	0	0

- b. During the period of 12 months preceding the date of this document, there have been no dealings by the Directors and their connected persons in the Company's securities.
- c. At the close of business on 10 March 2016 (being the last practicable date prior to the publication of this document) the Directors were interested in the following options over Ordinary Shares in the Company pursuant to the Company's Share Option Schemes:

Name	Position	Number of Shares under Option	Scheme	Exercise Price
Brian John McDonnell	Chief Executive and Chairman	895,000	2012	£ 0.65
Peter Paul Whelan	Non-Executive Director	565,000	2012	£0.65
Karim Toma Akrawi	Executive Director - Exploration	100,000	2012	£0.65
Dr. Brian Stuart McBeth	Independent Non-Executive Director	0	0	0

- d. During the period of 12 months preceding the date of this document, no options over Ordinary Shares were exercised.

#### **5. Other Information**

- a. The Directors' intentions regarding the continuance of the Company's business and their intentions regarding the continued employment of its employees and those of its subsidiaries will not be altered by the Open Offer.
- b. The total costs, charges and expenses payable by the Company in respect of the Open Offer are estimated to amount to approximately £36,300 (including irrecoverable VAT).

#### **6. Material contracts**

No member of the Group is a party to any material contract.

#### **7. Documents Available for Inspection**

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays and public holidays excepted) at the registered office of the Company at: U.S. Oil and Gas PLC, Alexandra House, The Sweepstakes, Ballsbridge, Dublin 4, Ireland, from the date of this document:

- a. the Memorandum and Articles of Association of the Company;
- b. the audited report and financial statements of the Company for the year ended 31 July 2015;
- c. this document.



## DEFINITIONS

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

"2014 Act"	Companies Act 2014 of Ireland
"ADSL"	Alexander David Securities Limited, the Company's Corporate Adviser
"Anti-Money Laundering Legislation"	the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010, the Criminal Justice (Terrorist Offences) Act 2005, and the Money Laundering Regulations 2007 (SI No. 2007/2157) of the United Kingdom
"API"	the American Petroleum Institute's scale for denoting the lightness or heaviness of crude oils calibrated in API degrees
"Application Form"	the personalized application form being sent to Qualifying non-Crest Shareholders for use in connection with the Open Offer accompanying this document
"Articles"	the Articles of Association of the Company
"Barrel" or "bbl"	Unit of volume for crude oil and petroleum products. One barrel equals 42 US gallons or 35 UK (imperial) gallons, or approximately 159 litres
"Board" or "Directors"	the directors of the Company whose names are set out on page 7 of this document, or as applicable, the directors of the Company from time to time
"Business Day"	a day (other than a Saturday, Sunday or public holiday) on which banks generally are open in London, England and Dublin, Ireland for the transaction of normal banking business
"Central Bank"	the Central Bank of Ireland
"Circular"	this document, 11 March 2016
"Closing Date "	the proposed date of the closing of the Open Offer in accordance with this document being no later than 08 April 2016
"the Company" or " U.S. Oil and Gas ",	a company incorporated under the laws of Ireland (registered under the number 471932) with its registered office at Alexandra House, The Sweepstakes, Ballsbridge, Dublin 4.
"Computershare" or "Registrars"	Computershare Investor Services (Ireland) Limited.
"Conditions to the Open Offer"	the conditions set out in Part I and Part II of this document and in the Application Form
"Contingent Resources"	defined in accordance with the Petroleum Resources Management System (PRMS) of the Society of Petroleum Engineers
"CPR"	the report prepared by Forrest Garb Associates dated May 1, 2013 in relation to the assets of the Group

“CREST”	the relevant system (as defined in the CREST Regulations, as amended), enabling title to securities to be evidenced and transferred in dematerialized form operated by Euroclear “CREST Regulations” the Irish Companies Act 1990 (Uncertificated Securities) Regulations 1996 S.I. No. 68 of 1996, including (i) any enactment or subordinate legislation which amends or supersedes those regulations and (ii) any applicable rules made under those regulations or any enactment or subordinate legislation for the time being in force “CREST Shareholders” Shareholders holding Ordinary Shares in uncertificated form “CREST sponsor” a CREST participant admitted to CREST as a CREST sponsor “CREST sponsored member” a CREST member admitted to CREST as a sponsored member (which includes all CREST personal members)
“Enlarged Share Capital”	the issued ordinary share capital of the Company as enlarged following the completion of the Open Offer
“Entire Issued Share Capital”	all of the issued ordinary share capital of the Company from time to time
“EU”	the European Union
“EUR”	euro, the lawful currency of Ireland
“Euro”	euro, the lawful currency of Ireland
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Excess Application Facility”	the arrangement pursuant to which Qualifying Shareholders may apply for New Ordinary Shares in excess of their Open Offer Entitlement in respect of each Qualifying CREST Shareholder, the conditional entitlements to apply for New Ordinary Shares credited to his stock account in CREST, which are subject to scaling back in accordance with the provisions of this document, the ISIN of which is IE00BYZ0FB88
“Excess Open Offer”	the arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of their Open Offer Entitlement in accordance with the terms and conditions of the Open Offer
“Existing Ordinary Shares”	the Ordinary Shares in issue as at the date of this document
“Excess CREST Open Offer Entitlements”	in respect of each Qualifying CREST Shareholder, the conditional entitlements to apply for New Ordinary Shares credited to his stock account in CREST, which are subject to scaling back in accordance with the provisions of this document, the ISIN of which is IE00BYZ0FB88
“FCA”	the Financial Conduct Authority of the United Kingdom
“FSMA”	the Financial Services and Markets Act 2000 (as amended) of the United Kingdom
“Group”	the Company and its subsidiaries and/or subsidiary undertakings
“Ireland”	the island of Ireland (excluding Northern Ireland), and the word Irish shall be construed accordingly
“ISIN”	International Securities Identification Number

"Major Oil"	Major Oil International Inc a subsidiary of the Company
"Mbbbl"	thousand barrels of oil
"MMbbbl"	million barrels of oil
"New Ordinary Shares"	the new Ordinary Shares to be issued pursuant to the Open Offer
"Open Offer"	the open offer of up to 10,744,663 Open Offer Shares in the Company to Qualifying Shareholders as described in Part II of this document
"Open Offer Entitlements"	an entitlement to apply for Open Offer Shares, calculated on a pro rata basis of 1 Open Offer Share for every 4 Ordinary Shares held, allocated to a Qualifying CREST Shareholder or Qualifying Non-CREST Shareholder pursuant to, and subject to the terms of, the Open Offer, the ISIN of which is IE00BYZ0F529
"Open Offer Issue Price"	£0.27 (€0.35) per Open Offer Share
"Open Offer Shares"	up to 10,744,663 New Ordinary Shares to be issued under the Open Offer
"Ordinary Shares"	ordinary shares of €0.0001 each in the share capital of the Company
"Original Oil-In-Place" (OOIP)	defined in accordance with the Petroleum Resources Management System (PRMS) of the Society of Petroleum Engineers
'P10,' 'P50,' 'P90'	defined in accordance with the Petroleum Resources Management System (PRMS) of the Society of Petroleum Engineers
"Participant ID"	the identification code or membership number used in CREST to identify a particular CREST member or other CREST Participant
"Possible Placing "	the possible placing of up to 3,000,000 Ordinary Shares being considered by the Company at the date of this document
"Posting"	the posting of the Circular
"Prospective Resources"	defined in accordance with the Petroleum Resources Management System (PRMS) of the Society of Petroleum Engineers
"Prospectus"	a prospectus for the purposes of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, the Irish Companies Act 2014 or the Prospectus Rules of the FCA
"Prospectus Regulations"	the Prospectus (Directive 2003/71 EC) Regulations 2005 of Ireland
"Qualifying CREST Shareholders"	the Qualifying Shareholders holding Ordinary Shares in uncertificated form

"Qualifying Non-CREST Shareholders"	Qualifying Shareholders holding Ordinary Shares in certificated form on the Record Date
"Qualifying Shareholders"	Shareholders on the register of members of the Company on the Record Date other than Shareholders resident in a Restricted Jurisdiction
"Receiving Agent"	Computershare Investor Services (Ireland) Ltd.
"Record Date"	5.00 p.m. on the 10th March 2016
"Regulatory Information Service" or "RIS"	a Regulatory Information Service provided by or approved for use by the regulated market on which the relevant financial instruments are admitted to trading or in respect of which a request for admission to trading on such a regulated market has been made
"Reserves"	defined in accordance with the Petroleum Resources Management System (PRMS) of the Society of Petroleum Engineers
"Restricted Jurisdiction"	the United States, Australia, Canada, Japan, New Zealand, Switzerland and the Republic of South Africa and any other jurisdiction in which it would be unlawful to offer the Open Offer Shares or where the Open Offer would be required to be approved by a regulatory body
"Securities Act"	the US Securities Act of 1933, as amended
"Shareholders"	the holders of Existing Ordinary Shares
"Sterling"	Pounds Sterling, the lawful currency of the United Kingdom
"STG"	Pounds Sterling, the lawful currency of the United Kingdom
"Stock account"	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited
"Subsidiary"	shall have the meaning given by section 7 of the 2014 Act
"UK Prospectus Rules"	the Prospectus Rules of the United Kingdom issued by the FCA under Part VI of the FSMA the Ordinary Shares recorded on the register of members as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of an instruction issued in accordance with the rules of CREST
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland the FCA, acting in its capacity as the competent authority for the purposes of Part V of the FSMA
"US" "USA" or "United States"	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to the jurisdiction of the United States of America
"US Dollar"	Dollar, the lawful currency of the United States of America

"US Oil"	U.S. Oil and Gas PLC
\$	Dollar, the lawful currency of the United States of America
"€"	Euro, the lawful currency of Ireland
"£"	Pounds Sterling, the lawful currency of the United Kingdom

*Notes*

(i) Unless otherwise stated in this document, all references to statutes or other forms of legislation shall refer to statutes or legislation of Ireland. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

(ii) Words importing the singular shall include the plural and vice versa and words importing the masculine gender shall include the feminine or neuter gender.

(iii) Unless otherwise stated, US dollar amounts referred to throughout this document have been translated from Sterling to US dollars at a rate of £1:US1.4156 and Euro amounts referred to throughout this document have been translated from Sterling to Euro at a rate of £1:€1.2948. These rates are Bank of England close of business rates as of 4th March 2016.

(iv) All references to time in this document are to Greenwich Mean Time (G.M.T.).





