

## **SUPPLEMENTARY CIRCULAR**

### **REVISED TIMETABLE**

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about what action you should take, you should consult an independent financial adviser recognised and regulated under the Financial Services and Markets Act 2000 (as amended) who are recognised in advising on the acquisition of shares and other securities before taking any action. The whole of this document should be read in addition to the Circular. You should be aware that an investment in the Company involves a high degree of risk and prospective investors should carefully consider the section entitled “Risk Factors” set out in Part III of the Circular.**

If you have sold or otherwise transferred all of your Existing Ordinary Shares prior to the date the Ordinary Shares are marked ex-entitlement by the London Stock Exchange please forward this document at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom you have sold or transferred your shares for delivery to the purchaser or transferee. This document should, however, not be forwarded to or transmitted into any jurisdiction outside of the UK. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. 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 immediately.

**The total consideration under the Open Offer shall be less than €5 million in aggregate. Therefore, in accordance with section 85 and Schedule 11A of FSMA, this document is not, and is not required to be, a prospectus for the purposes of the Prospectus Rules published by the Financial Conduct Authority. This document has not been approved by the Financial Conduct Authority or by any other authority in any jurisdiction.**

The Existing Ordinary Shares are currently admitted to trading on AIM. Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission will become effective, and dealings for normal settlement in the Open Offer Shares will commence, at 8.00 a.m. on 25 June 2015. No application is being made for admission of the Existing Ordinary Shares or the Open Offer Shares to the Official List. Neither the Existing Ordinary Shares nor the Open Offer Shares will be dealt on any other recognised investment exchange and no other such application will be made.

**AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the London Stock Exchange nor the UK Listing Authority has examined or approved the contents of this document. The AIM Rules are less demanding than those of the Official List. This document does not comprise an admission document under the AIM Rules.**

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## **SOUND OIL PLC**

*(Incorporated and registered in England and Wales with registered number 5344804)*

**Open Offer of up to 18,226,394 Open Offer Shares  
at a price of 19.0p per Open Offer Share**

**on the basis of:**

**1 Open Offer Share for every 23 Existing Ordinary Shares held on the Record Date**

**For every Open Offer Share issued Eligible Shareholders will also receive  
one Open Offer Warrant**

**Notice of General Meeting**

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**This document should be read as a whole and in conjunction with the Circular to which it relates. The contents of the Circular are deemed to be repeated in full herein save to the extent that such contents are supplemented by this document. Your attention is drawn to the letters from the Chairman of the Company which are set out in Part I of this document and in Part I of the Circular.**

The Open Offer will close at 11.00 a.m. on 23 June 2015. If you are an Eligible Shareholder and wish to apply for entitlements under the Open Offer you should follow the procedure set out in Part II of the Circular and, if you are an Eligible Non-CREST Shareholder, complete and return the Application Form which accompanied the Circular. Eligible CREST Shareholders (who did not receive an Application Form) instead received a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlements which was enabled for settlement on 22 May 2015. If you do not wish to participate in the Open Offer then you should not return your Application Form or send a USE instruction through CREST. Applications under the Open Offer may only be made by the Eligible Shareholders originally entitled thereto or by persons becoming so entitled, by virtue of a *bona fide* market claim arising out of the sale or transfer of Existing Ordinary Shares prior to the date on which the Existing Ordinary Shares are marked ‘ex’ the entitlement by the London Stock Exchange.

The Open Offer Shares will, following allotment, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends and other distributions declared made or paid on the Ordinary Share capital of the Company.

**This document is being sent to all Shareholders, but in relation to those Shareholders who are not Eligible Shareholders (which means any Shareholders resident outside of the United Kingdom) it is being sent to them, insofar as the Open Offer is concerned, for information purposes only.**

## IMPORTANT INFORMATION

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy shares to any person in any jurisdiction to whom or in which such offer or solicitation is unlawful. Securities may not be offered or sold in the United States absent registration under the Securities Act or an applicable exemption from such registration requirements. The Existing Ordinary Shares and the Open Offer Shares have not been, and will not be, registered under the Securities Act or under the securities legislation of any state of the United States. There will be no public offering of the Existing Ordinary Shares or the Open Offer Shares in the United States. The relevant clearances have not been, and will not be, obtained from the Securities Commission of any province or territory of Canada; no document in relation to the Open Offer has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission; and no registration statement has been, or will be, filed with the Japanese Ministry of Finance in relation to the Open Offer. The Open Offer Shares may not, directly or indirectly, be offered or sold within any territory other than the United Kingdom or offered or sold to a person within any territory other than the United Kingdom. Any failure to comply with these restrictions may constitute a violation of the securities law of any jurisdiction. Persons (including, without limitation, nominees and trustees) receiving this document and/or an Application Form should not, in connection with the Open Offer, distribute or send this document or Application Form into any jurisdiction when to do so would, or might contravene local securities laws or regulations or be contrary to the terms and conditions of the Open Offer.

This document contains “forward-looking statements” which includes all statements other than statements of historical fact including, without limitation, those regarding the Company’s financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “estimates”, “plans”, “will”, “may”, “might”, “anticipates”, “would”, “could” or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to forward-looking statements 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 statements are based unless required to do so by applicable law or the AIM Rules.

The Open Offer Shares have not been and are not intended to be registered or qualified for sale in any jurisdiction other than the United Kingdom. Accordingly, unless otherwise determined by the Company and effected by the Company in a lawful manner, the Application Form will not be sent to Eligible Shareholders with registered addresses in any jurisdiction other than the United Kingdom since to do so would require compliance with the relevant securities laws of that jurisdiction. Applications from any such person will be deemed to be invalid. If an Application Form is received by any Eligible Shareholder whose registered address is elsewhere but who is in fact a resident or domiciled in a territory other than the United Kingdom, he/she/it should not seek to take up his/her/its allocation.

**PART I**  
**LETTER FROM THE CHAIRMAN**

**SOUND OIL PLC**

*(Incorporated and registered in England and Wales with registered number 05344804)*

*Directors:*

Simon Davies (*Non-Executive Chairman*)  
James Parsons (*Chief Executive Officer*)  
Luca Madeddu (*Executive Director*)  
Marco Fumagalli (*Non-Executive Director*)  
Andrew Hockey (*Non-Executive Director*)  
Gerry Orbell (*Non-Executive Director*)

*Registered Office:*

Third Floor  
55 Gower Street  
London  
WC1E 6HQ

16 June 2015

*To Shareholders and, for information purposes only, the holders of options or existing warrants over Ordinary Shares*

Dear Shareholder

**Open Offer – Additional Information**

**1. Introduction**

On 21 May 2015 the Company posted a Circular to Eligible Shareholders containing details of the Open Offer to Eligible Shareholders on the register as at the Record Date of up to 18,226,394 Open Offer Shares at an Issue Price of 19.0 pence per Open Offer Share to raise up to £3.46 million.

The Circular described, at paragraph 4 of Part I, that the second appraisal well at the Group's Nervesa Discovery (Carita Permit) had reached total depth at 2,054 metres and that logging had also completed. Logging results confirmed that mud log gas shows were recorded whilst drilling in the target reservoir zone within the Miocene San Dona Formation. The wireline logging had confirmed the presence of various gas bearing levels. Paragraph 4 of Part I of the Circular went on to state that the Company was proceeding to complete the well and to test the well thereafter, after which a further announcement would be made. It was not expected that such an announcement would be made before the last time for acceptances by Eligible Shareholders under the Open Offer.

Ahead of the Company's expectations as at the date of the Circular, testing of the second Nervesa appraisal well has now completed and the Company's decision to abandon the Second appraisal well pending a possible sidetrack was announced by Sound Oil on 16 June 2015.

The Company is also pleased to confirm, as announced on 8 June 2015, that it has entered into a farm in agreement in relation to the Tendirra Licence, onshore Morocco, on terms described in the Circular.

**2. Background to and reasons for this document**

The purpose of this document is to (i) provide Eligible Shareholders with the updated information contained in announcements made by the Company on 8 June 2015 and 16 June 2015 respectively; (ii) to provide details of an extended timetable of principal events of the Open Offer; and (iii) to provide Eligible Shareholders with details of the procedure for applying for Open Offer Shares or withdrawing any application made for Open Offer Shares prior to the date of this document, should they wish to do so based on the updated information contained within the announcements.

**3. The Announcements**

The Company made the Announcements through an RIS on 8 June 2015 and 16 June 2015 respectively. The Announcements confirmed (a) entry into a farm in respect of the Tendirra Licence on terms described in the Circular; and (b) the abandonment of the second appraisal well at the Company's onshore Nervesa discovery. Relevant extracts from the Announcements are set out below:

## **The Tendirara Announcement**

“Sound Oil, the Mediterranean focused upstream oil and gas company, is pleased to announce that, further to the announcement of 11 May, it has entered into a farm in agreement (the “Farm In Agreement”) with the Moroccan Oil and Gas Investment Fund (“OGIF”) in relation to the Tendirara licence, onshore Morocco (the “Tendirara Licence”).

### *Highlights*

- Large scale onshore Moroccan gas discovery with very significant exploration upside
- Proven hydrocarbon system with seven wells drilled to date, of which five discovered hydrocarbons and two were tested successfully
- Sound Oil will acquire, upon completion, a 55% net working interest and operatorship of the Tendirara Licence

### *The Tendirara Licence*

The onshore Tendirara Licence includes two stranded gas discoveries with low risk appraisal potential and significant (multiple Tcf) blue sky exploration upside. Preliminary internal estimates of existing discovery volumes are broadly comparable to estimated volumes (post a successful drill) at the Company’s Badile licence in Italy.

The Tendirara Licence area covers eight blocks across a total of 14,500 square kilometres in the North East of Morocco. The underlying Trias Argilo-Gréseux Inférieur (TAGI) reservoir is a continuation of the Algerian Triassic Province capped by salt and underlain by Paleozoic source rocks. Seven wells have been drilled on the Tendirara Licence to date, of which five discovered hydrocarbons and two were tested successfully. The licence already has 4,400 kilometres of 2D seismic and 500 square kilometres of 3D seismic. Gas produced from the Tendirara Licence is expected to either feed the gas hungry Moroccan domestic market or be connected to the Gazoduc Maghreb Europe (GME) gas export pipeline. The Tendirara Licence is currently, subject to completion of the Farm In Agreement, owned 75% by OGIF and 25% by The National Office of Hydrocarbons and Mines (“ONHYM”), the Moroccan national hydrocarbon and mineral company – which has a 25% carried interest during the exploration phase.

Morocco is a stable, hydrocarbon rich geography with growing domestic energy demand, a very competitive fiscal regime and access to key EU gas import infrastructure.

### *Sound Oil Farm in*

Sound Oil has, subject to regulatory approvals, agreed to assume operatorship of the Tendirara Licence and to take a 55% working interest (with OGIF retaining 20% and ONYHM the remaining 25%). The 55% working interest will be granted in two tranches, with an initial 37.5% awarded on completion of the transaction and the remaining 17.5% being granted once Sound Oil commits on the second exploration phase (which would include a second well).

Under the terms of the Farm In Agreement, Sound Oil will pay 100% of the cost of three wells, of which only the first well would be a firm commitment. The first well is to appraise the larger of two existing discoveries in the Tendirara Licence with a view to addressing the residual reservoir uncertainties (well deliverability and areal continuity) and proving up sufficient reserves to properly size the design of the infrastructure required to commercialize the gas. Sound Oil’s commitment to fund the second and third wells will depend upon the results of the first well.

It is anticipated that drilling of the first well, costing approximately £6 million (100%), will commence in Q4 2015.”

James Parsons, the Company’s Chief Executive Officer, went on to comment in the Tendirara Announcement that:

“This transaction is our first transformational deal in pursuit of our Mediterranean gas strategy.

The Tendirara asset, with two existing discoveries and resource potential of multiple Tcf, has a very attractive risk / reward profile, builds on our core technical and commercial strengths and dovetails well with our Italian portfolio.

The Company expects to share the resultant combined drill programme and updated investor presentation with shareholders in due course.”

### **The Nervesa Announcement**

“Sound Oil, the European / Mediterranean focused upstream oil and gas company announces that it has decided to abandon the second appraisal well pending a possible sidetrack at its onshore Nervesa discovery.

Despite the confirmed presence of gas and the completion of reperforation and stimulation operations in the lower section of the target reservoir, the Company has been unable to secure a stabilised flow rate. The Company has therefore concluded that the lower section of the target reservoir is insufficiently permeable to flow gas. With no material gas shows in the upper section of the target reservoir, the Company has decided to abandon the well. It is the Company’s intention, subject to permitting, to retain the top-hole facilities at site in anticipation of a future sidetrack.

The Company will now turn its attention towards:

- achieving first gas at the first Nervesa well, where construction of production facilities is expected to commence shortly; and
- preparing for the first well in respect of its newly acquired interest in Morocco.

The Company invites shareholders to a conference call at 0900 on Friday 19 June 2015. For details please contact [h.chapman@soundoil.co.uk](mailto:h.chapman@soundoil.co.uk).”

James Parsons, Sound Oil’s Chief Executive Officer, commented in the Nervesa Announcement that:

“I am disappointed to report that, whilst we found gas in the lower portion of the reservoir, the level of permeability encountered was insufficient, despite reperforation and stimulation operations, to establish a flow. We will be evaluating the result of this well to assess the remaining prospectivity in the licence area and consider a sidetrack.

The Company remains very well positioned with a diverse and well balanced portfolio of assets in Italy and Morocco and a strong cash balance (over Euro 26 million on completion, later this month, of the second tranche of the placing first announced by the Company on 28 April 2015).

We are rapidly approaching commercial production at the first Nervesa well, the drilling of the first appraisal well in Morocco and the permitting and farm out of the Badile exploration well. I therefore see this well result as a frustrating but relatively minor set-back.

The Sound Oil team and I remain committed to building a mid cap Mediterranean gas company.”

### **4. Revised expected timetable of principal Open Offer events**

In order to provide Eligible Shareholders with sufficient time to consider the contents of the Announcements, the Company has decided to extend the Open Offer timetable, such that the last time and date for receipt of completed Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) be extended to 11.00 a.m. on 23 June 2015. As a result, the revised expected timetable of the remaining principal Open Offer events is as follows.

References to times in this document are to London time (unless otherwise stated). The dates and timing of the events in the below timetable and in the rest of this document are indicative only and may be subject to change at the absolute discretion of the Company. If any of the below times or dates should change, the details of the revised times and/or dates will be notified to AIM and, where appropriate, to Shareholders.

Recommended latest time for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 17 June 2015
Latest time for depositing Open Offer and Excess Open Offer Entitlements into CREST	3.00 p.m. on 18 June 2015
Latest time for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 19 June 2015
Latest time and date for withdrawing (in whole or in part) Open Offer acceptances made prior to the date of this document	by 11.00 a.m. on 23 June 2015
<b>Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate)</b>	11.00 a.m. on 23 June 2015
Expected date of announcement of results of the Open Offer through an RIS	on or by 24 June 2015
Expected time and date for Admission and commencement in dealings in the Open Offer Shares on AIM	8.00 a.m. on 25 June 2015
Expected date for crediting of the Open Offer Shares and Open Offer Warrants in uncertificated form to CREST accounts	25 June 2015
Expected date of dispatch of definitive share/warrant certificates for the Open Offer Shares and Open Offer Warrants	6 July 2015

## 5. Action to be taken

### (a) Application for Open Offer Shares

If you are an Eligible Shareholder and wish to apply for entitlements under the Open Offer you should follow the procedure set out in Part II of the Circular.

### (b) Withdrawal of acceptances

Eligible Shareholders who have applied for Open Offer Shares prior to the date of this document and who wish to withdraw (in whole or in part) their applications for Open Offer Shares after the date of issue of this document must do so by lodging a written notice of withdrawal, which shall include a notice sent by email to [withdraw@capita.co.uk](mailto:withdraw@capita.co.uk) or by post to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, which must include the full name and address of the Eligible Shareholder wishing to withdraw their application (including in the case of partial withdrawal, stating the number of Open Offer Shares to which the withdrawal relates) and, if such person is a Qualifying CREST Shareholder, their participant ID and the CREST member account ID of such Qualifying CREST Shareholder and sent to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received no later than 11.00 a.m. on 23 June 2015. Notice of withdrawal given by any other means or which is deposited with or received by Capita Asset Services after expiry of such period will not constitute a valid withdrawal. The Company will not however permit the exercise of withdrawal rights after payment by the relevant person for the Open Offer Shares applied for in full and the allotment of such Open Offer Shares to such person becoming unconditional save to the extent required by statute. In such circumstances, Eligible Shareholders are advised to consult their professional advisers.

### (c) Overseas Shareholders

If you are not an Eligible Shareholder and/or a person who has a contractual or other legal obligation to forward this document into a jurisdiction outside the UK and who has a registered address in, or who is resident or ordinarily resident in, or a citizen of, or which is a corporation, partnership or another entity created or organised under the law of a country other than the UK, then your attention is drawn to the information in paragraph 8 of Part II of the Circular.

### (d) Other

If you have not applied for Open Offer Shares under the Open Offer or if you do not wish to withdraw your application for Open Offer Shares you are not required to take any further action under this document.

**If you are in any doubt as to the action you should take, you are recommended to seek your own independent advice.**

#### **6. Further Information**

Your attention is drawn to the Risk Factors relating to the Group set out in Part III of the Circular, the additional information set out in Part IV of the Circular and the terms and conditions of the Open Offer set out in Part II of the Circular and, where relevant, the Application Form.

In particular, your attention is drawn to the Risk Factor titled “Drilling and operating risk”.

#### **7. Responsibility**

The Company, whose registered office appears on page 4 of this document and the Directors, whose names also appear on page 3 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company, the Directors (each of whom has taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

#### **8. Availability of this document**

Copies of this document will be available for inspection at the offices of Watson Farley & Williams LLP at 15 Appold Street, London, EC2A 2HB during normal business hours on any day (Saturdays, Sundays and public holidays excepted) for a period of one month from the date of publication. This document will also be available for a period of twelve months from the date of this document on the Company’s website [www.soundoil.co.uk](http://www.soundoil.co.uk) free of charge in accordance with the requirements of Rule 26 of the AIM Rules.

Yours faithfully,

Simon Davies  
*Chairman*

## DEFINITIONS

The definitions in the Circular and, in addition, the following definitions apply throughout this document, except where the context requires otherwise:

“Announcements”	the Tendirara Announcement and the Nervesa Announcement
“Circular”	the circular published by the Company and sent to Eligible Shareholders on 21 May 2015 containing details of the Open Offer and including a notice convening the General Meeting
“Nervesa Announcement”	the announcement made by the Company through an RIS on 16 June 2015 with RNS number 2337Q
“Tendirara Announcement”	the announcement made by the Company through an RIS on 8 June 2015 with RNS number 4441P