

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document or as to what action you should take you, should consult an independent professional adviser authorised under the Financial Services and Markets Act 2000 ("FSMA") if you are in the UK, or, if not, another appropriately authorised independent financial adviser who specialises in advising on the acquisition of shares and other securities.

This Document comprises an Admission Document drawn up in compliance with the requirements of the PLUS Rules (the "PLUS Rules") and is being issued in connection with the proposed admission of Nodding Donkey Plc to the PLUS-quoted Market. This Document is only being directed to (a) persons reasonably believed by the Company to be qualified investors within the meaning of section 86(7) of FSMA and (b) fewer than 150 other persons in the United Kingdom that do not fall within the definition of a qualified investor. Accordingly this Document does not constitute and the Company is not making an offer to the public within the meaning of sections 85 and 102B of FSMA. Therefore this Document is not an approved prospectus for the purposes of and as defined in section 85 of FSMA, has not been prepared in accordance with the Prospectus Rules and its contents have not been approved by the FSA or any other authority which could be a competent authority for the purposes of the Prospectus Directive. Further, the contents of this Document have not been approved by an authorised person for the purposes of section 21 of FSMA.

The Directors of the Company, whose names are set out on page 8 of this Document, accept responsibility, individually and collectively, for the contents of this Document including responsibility for compliance with the PLUS Rules. 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 other material information the omission of which is likely to affect the import of such information.

The share capital of the Company is not presently listed or dealt in on any stock exchange. An application has been made for the issued and to be issued ordinary share capital of the Company to be traded on the PLUS-quoted Market. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on the PLUS-quoted Market on 5 September 2011.

The PLUS-quoted Market, which is operated by PLUS Stock Exchange plc, a recognised investment exchange, 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. It is not classified as a Regulated Market under EU financial services law and PLUS-quoted securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in PLUS-quoted securities and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities. It is emphasised that no application is being made or has been made for admission of the Ordinary Shares to the Official List of the United Kingdom Listing Authority. The PLUS-quoted Market is not part of the London Stock Exchange.

The Company is required by PLUS Stock Exchange plc to appoint a PLUS Corporate Adviser to apply on its behalf for admission to the PLUS-quoted market and must retain a PLUS Corporate Adviser at all times. The responsibilities and duties of a PLUS Corporate Adviser are set out in the PLUS Rules for Issuers.

NODDING DONKEY PLC

(Incorporated in England and Wales under the Companies Act 2006 with registration number 07603259)

Subscription to raise £300,000

and

Admission to trading on the PLUS-quoted Market

PLUS Corporate Adviser

ST HELENS CAPITAL PARTNERS LLP

Class	Issued Share Capital on Admission	
	£	Number
<i>Ordinary Shares of £0.0025</i>	<i>245,000</i>	<i>98,000,000</i>

St Helens Capital Partners LLP, which is authorised and regulated by the Financial Services Authority, is the Company's PLUS Corporate Adviser for the purposes of Admission. St Helens Capital Partners LLP has not made its own enquiries except as to matters which have come to its attention and on which it considered it necessary to satisfy itself and accepts no liability whatsoever for the accuracy of any information or opinions contained in this Document, or for the omission of any material information, for which the Directors are solely responsible. St Helens Capital Partners LLP is acting for the Company and no one else in relation to the arrangements proposed in this Document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice to any other person on the content of this Document.

This Document is not for distribution outside the UK and, in particular, it should not be distributed to persons with addresses in Canada, Australia, Japan, South Africa or the Republic of Ireland. The Securities have not been, nor will be, registered in the United States under the United States Securities Act of 1933 as amended, or under the securities laws of Australia, Canada, Japan, South Africa or the Republic of Ireland. Accordingly they may not be offered or sold, directly or indirectly, within the United States, Australia, Canada, Japan, South Africa or the Republic of Ireland or to, or for the account or benefit of, any person, in or any national citizen or resident of these countries. The distribution of this Document outside the United Kingdom may be restricted by law and therefore persons outside the United Kingdom into whose possession this Document comes should inform themselves about and observe any restrictions as to the securities and the distribution of this Document.

The whole text of this Document should be read. An investment in the Company involves a high degree of risk and, may not be suitable for all recipients of this Document. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

FORWARD-LOOKING STATEMENTS

This Document contains forward-looking statements. These statements relate to the Company's future prospects, developments and business strategies.

Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those variations or comparable expressions, including references to assumptions. These statements are primarily contained in Part I of this Document.

The forward-looking statements in this Document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. Certain risks to and uncertainties for the Company are specifically described in Part II of this Document headed "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 are made only as at the date of this Document. Neither the Directors nor the Company undertake any obligation to update forward-looking statements or Risk Factors other than as required by law or the PLUS Rules whether as a result of new information, future events or otherwise.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	1 September 2011
Admission and dealings to commence in Ordinary Shares on PLUS	5 September 2011
Ordinary Shares credited to CREST (where applicable)	5 September 2011
Despatch of share certificates (where applicable)	12 September 2011

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DEFINITIONS

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

“Act”	the Companies Act 2006, as amended
“Admission”	admission of the issued and to be issued ordinary share capital of the Company to trading on PLUS becoming effective in accordance with the PLUS Rules
“AIM”	the AIM market operated by London Stock Exchange plc
“Articles” or “Articles of Association”	the articles of association of the Company from time to time
“Baker Finch”	Baker Finch Limited (a company registered in England and Wales with company number 7105445) whose registered office is at 77 Wimpole Street, London, W1G 9RU
“Board” or “Directors”	the directors of the Company, whose names are set out on page 8 of this Document
“Business Day”	a day other than Saturday or Sunday or a public holiday in England and Wales
“City Code”	the City Code on Takeovers and Mergers
“Company” or “Nodding Donkey”	Nodding Donkey Plc (a company registered in England and Wales with company number 07603259) whose registered office is at 3 Wimpole Street, London, W1G 9SQ
“CREST”	the computerised settlement system to facilitate the transfer of title in shares and the holding of shares in uncertificated form which is operated by Euroclear UK & Ireland Limited
“CREST Regulations”	the Uncertified Securities Regulations 2001 (SI 2001/3755) (as amended from time to time)
“Current Shareholders”	Anthony Fabrizi, Baker Finch and Noel Lyons
“DMT”	Direct Market Touch Limited (a company registered in England and Wales with company number 6731780) whose registered office is at Holland House, 4 Bury Street, London, EC3A 5AW
“Document”	this document and its contents
“Enlarged Share Capital”	the issued ordinary share capital of the Company on Admission, comprising the Existing Ordinary Shares and the Subscription Shares

“Existing Ordinary Shares”	the 23,000,000 Ordinary Shares in issue as at the date of this Document
“FSA”	the Financial Services Authority
“Investment Vehicle”	as defined in the PLUS Rules, an issuer whose actual or intended principal activity is to invest in the securities of other businesses (whether publicly traded or not), or to acquire a particular business, in accordance with specific investment criteria
“JIM Nominees”	JIM Nominees Limited (a company registered in England and Wales with company number 4634540) whose registered office is at 78 Mount Ephraim, Tunbridge Wells, Kent, TN4 8BS
“Lock-In Agreements”	the lock-in agreements that certain companies and individuals have entered into with the Company and St Helens Capital, further details of which are set out in paragraph 8.1 of Part I of this Document
“Member”	any member of the Company
“NJL Management Services”	NJL Management Services Limited (a company registered in England and Wales with company number 07174649) whose registered office is at 3 Wimpole Street, London, W1G 9SG
“Official List”	the Official List of the UK Listing Authority
“Options”	options to subscribe for Ordinary Shares, further details of which are set out in paragraphs 10 of Part IV of this Document
“Ordinary Shares”	ordinary shares of £0.0025p each in the capital of the Company
“PLUS” or “PLUS-quoted Market”	the primary market for unlisted securities operated by PLUS Stock Exchange
“PLUS Rules”	the PLUS Rules for Issuers, which set out the admission requirements and continuing obligations of companies seeking admission to and whose shares are admitted to trading on PLUS
“PLUS Stock Exchange”	PLUS Stock Exchange plc, a recognised investment exchange under section 290 of FSMA, which is a subsidiary of PLUS Markets Group plc
“QCA Code”	Guidance for Smaller Quoted Companies published in November 2006 by the Quoted Companies Alliance
“Registrars”	Neville Registrars Limited

“Reverse Takeover”	an acquisition by the Company which constitutes a reverse takeover for the purposes of the PLUS Rules
“Shareholders”	the persons who are registered as the holders of Ordinary Shares from time to time
“Shore Capital”	Shore Capital Stockbrokers Limited (a company registered in England and Wales with company number 01850105) whose registered office is at 14 Clifford Street, London, W1S 4JU
“St Helens Capital”	St Helens Capital Partners LLP, PLUS Corporate Adviser to the Company, authorised and regulated by the FSA
“Subscription”	the subscription of the Subscription Shares at the Subscription Price by DMT
“Subscription Price”	£0.004 per Subscription Share
“Subscription Shares”	the 75,000,000 Ordinary Shares to be issued conditional on Admission
“Subsidiary”	as defined in the Act
“UK”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority”	the FSA acting in its capacity as the competent authority for the purposes of Part VI of the FSMA
“uncertificated” or “in uncertificated form”	recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which by virtue of the CREST Regulations, may be transferred by means of CREST
“US ” or “United States”	The United States of America

SHARE CAPITAL INFORMATION

Number of Existing Ordinary Shares in issue prior to the Subscription	23,000,000
Number of Subscription Shares being issued	75,000,000
Subscription Price	£0.004
Admission Price	£0.01
Enlarged Share Capital	98,000,000
Gross proceeds from the Subscription	£300,000
Estimated expenses of Admission	£84,755
Estimated net proceeds from the Subscription	£220,594
Market capitalisation on Admission at 1p per share	£980,000
PLUS symbol	NODD
ISIN number	GB00B6YSFQ21

DIRECTORS, SECRETARY AND ADVISERS

Directors	Conrad Windham (<i>Non- Executive Chairman</i>) Noel Lyons (<i>Non-Executive Director</i>) Francisco Anthony Bodie Fabrizi (<i>Non-Executive Director</i>)
Secretary	Buckingham Corporate Services Limited
Registered Office	3 Wimpole Street London W1G 9SQ
PLUS Corporate Adviser	St Helens Capital Partners LLP 223a Kensington High Street London W8 6SG
Legal Advisers to the Company	Nabarro LLP Lacon House 84 Theobald's Road London WC1X 8RW
Reporting Accountants and Auditors	Adler Shine LLP Aston House Cornwall Avenue London N3 1LF
Registrars	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA

PART I

INFORMATION ON THE COMPANY

1. Introduction

1.1 Nodding Donkey was incorporated on 13 April 2011 as an Investment Vehicle to identify investment opportunities in the oil and gas sectors. The Directors believe that, significant opportunities exist to invest in, or acquire a company or companies or businesses or assets in, the oil and gas sectors. Such investments may be acquired by direct investment, by acquiring all or part of an existing or newly formed company or business, with the intention of acquiring minority or passive stakes in the securities of other businesses (whether publicly traded or not), or as an active investor.

1.2 In connection with Admission, the Company has raised a total of £300,000 (before expenses).

2. Investment Strategy

2.1 The Directors' main criteria when seeking suitable opportunities that:

- the investment target must be in the oil and gas sector in any part of the world;
- via an injection of new finances or specialist management, the Company can enhance the prospects and therefore the future value of the investment target;
- the investment target has the potential for rapid sustainable growth; and
- the investment target already has a proven business model which is expected to provide attractive returns on capital.

2.2 The above investment criteria are not intended to be exhaustive and the Directors may make an investment which does not fulfil any or all of the investment criteria if they believe it is in the interests of Shareholders as a whole to proceed with such an investment. In the event that the Company finds a suitable opportunity outside the oil and gas sector, Shareholder approval will be sought for such acquisition opportunity.

2.3 The Directors believe that they have strong management and advisory experience and intend to utilise their skills and experience to make investments and/or acquisitions and then apply their relevant experience to improve the performance of any acquisitions or investments where they are able to do so thus taking the role of an active investor. They will use their collective experience to identify appropriate targets, negotiate transactions and undertake due diligence.

2.4 At present the Directors are seeking suitable investment and acquisition opportunities. They have not, however, at this stage carried out any due diligence on any targets and no commitments have been entered into. Once a suitable opportunity has been identified, initial due diligence will be carried out by the Directors where it is believed to be appropriate or necessary.

2.5 The Directors believe that the status of the Company as a publicly traded Investment Vehicle will enable it to obtain favourable terms in providing capital investment for companies in growth situations. The Directors intend to fund such investments or acquisitions using a mixture of cash, equity and/or debt and intend to actively monitor them following a

transaction.

- 2.6 In implementing this strategy, any substantial investment or acquisition by the Company may be considered to be treated as a Reverse Takeover and therefore be subject to, *inter alia*, Shareholders' approval.
- 2.7 If the Company has not made a material investment within one year following Admission it will either seek Shareholder's approval for the further pursuit of its investment strategy and that such approval will be sought in each subsequent year if it has not made by then a material investment.

3. Information on the Subscription

- 3.1 Conditional on Admission and the opening trading price being 1 pence per Ordinary Share, the Company has raised £300,000 (net of expenses) through the Subscription. The Subscription Shares will represent 76.53 per cent. of the issued share capital of the Company at Admission. The Subscription Shares will be issued and credited as fully paid and will rank *pari passu* in all respects with the existing Ordinary Shares and will rank in full for dividends and other distributions declared, paid or made following Admission in respect of the Existing Ordinary Shares.
- 3.2 DMT has subscribed for 75,000,000 Ordinary Shares at the Subscription Price. Further details are set out in paragraph 8.6 of Part IV of this Document.

The entire proceeds of the Subscription, less the expenses set out in paragraph 13.1 of Part IV of this Document, will be used to provide funds needed by the Company to identify and carry out due diligence on potential acquisitions and investments and to provide working capital for the Company's initial operations in line with its acquisition and investment strategy.

4. Reasons for Admission to PLUS

The Directors believe that the benefits of Admission to the PLUS-quoted Market include:

- Increased corporate profile — the Directors believe that the status of being a company whose shares are traded publicly could benefit the Company by increasing its profile with potential new clients;
- Incentivising of key staff — the ability to motivate personnel through the future grant of share options, which will assist the Company to attract, retain and motivate high calibre personnel;
- Future capital requirements — the Directors believe that Admission will enable the Company to access working capital at later dates more effectively than if it were an unquoted company; and
- Improved negotiating position — the ability to enter into negotiations with vendors of businesses or companies, to whom the issue of publicly traded shares as consideration is potentially more attractive than the issue of shares in an equivalent private company for which no trading facility exists.

5. Financial Information

- 5.1 Historical financial information on the Company is set out in Part III of this Document.

6. Directors

6.1 Brief biographical details of the Directors are set out below:

Conrad Windham, Non-Executive Chairman (Aged 27)

Conrad is the Chief Executive Officer of PLUS-quoted All Star Minerals plc, which he assumed the position of in June 2009, having previously been an Executive Director of the Company. Conrad is the founder and CEO of U3O8 Holdings plc, a PLUS-quoted company with uranium projects in Chile, and was a founding director and shareholder of AIM-listed coal development company, Oracle Coalfields plc. He has been involved in a number of transactions in the natural resource industry, and holds a Bachelor of Arts degree with honours from King's College, University of London.

Anthony Fabrizi, Non-Executive Director (Aged 50)

Anthony qualified as a chartered accountant with KPMG in 1986 and joined James Capel (later HSBC Investment Bank) in 1987. He worked in corporate finance and spent eight years undertaking UK transactions, becoming a director in 1993. During his last three years at HSBC he was responsible for the other financial and fund management activities within corporate broking.

Anthony joined RP&C, a US Investment Bank, as a partner in 1998 to help develop their UK business.

In 2002 he established Ghaliston Limited as a corporate finance advisory business. Over the next four years Ghaliston acted as financial adviser to 10 companies listing on AIM and raised capital for a number of private companies. In May 2006, Ghaliston Limited acquired Merchant Securities Limited, a private client stockbroking business and the enlarged company listed on AIM in November 2006. Anthony resigned as CEO in June 2008.

Noel Lyons, Non-Executive Director (Aged 46)

Noel started his career in accounting and progressed from there to management and director level. He has worked for such companies as Amoco/BP, Coca Cola, Kentz Corporation Plc and Oilinvest International and has worked in diverse locations such as Africa and The Middle East. Noel has been involved in several listings on the AIM Market of the London Stock Exchange and the PLUS-quoted Market in both a management and advisory capacity. Noel is currently a director of AIM listed Blue Star Capital Plc and Music Festivals Plc and a PLUS-quoted company, Circle Opportunities plc. Noel has an MBA and masters in Accounting and Finance.

7. Current Shareholders

7.1 The Current Shareholders in the Company and their interests in the Company as they will be at Admission are as follows:

Name	Number of Ordinary Shares	% of Issued Share Capital
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Baker Finch*	10,500,000	10.71
Noel Lyons	10,500,000	10.71
Anthony Fabrizi	2,000,000	2.04

* Baker Finch is 100 per cent. beneficially owned by Conrad Windham

- 7.2 On 1 September 2011 the Company granted Options to Baker Finch and Noel Lyons to subscribe for 10,000,000 Ordinary Shares each at a price of 1p each per share in the Company, exercisable in whole or in part, at any time until the Business Day immediately preceding the fifth anniversary of the execution of the Options. Further details of the Options are set out in paragraph 10 in Part IV of this Document.

8. Lock-In Agreements and Orderly Market Arrangements

- 8.1 On Admission Anthony Fabrizi, Noel Lyons and Baker Finch will, in aggregate, hold 23,000,000 Ordinary Shares, representing 23.47 per cent. of the Enlarged Share Capital. Baker Finch Limited and Noel Lyons may also subscribe for a further 10,000,000 Ordinary Shares each pursuant to the Options dated 1 September 2011. Anthony Fabrizi, Noel Lyons and Baker Finch have agreed with the Company and St Helens Capital, save as for certain standard exceptions, not to dispose of any interest in the Ordinary Shares held by them for a period of 12 months following Admission. Further each of the Current Shareholders undertook not to sell any Ordinary Shares during the period from the date being 24 months after Admission without the consent of St Helens Capital and PLUS Stock Exchange (not to be unreasonably withheld or delayed) and if consent is given such shares shall be sold through St Helens Capital or the Company's broker from time to time. A summary of the Lock-In Agreements is set out in paragraph 9 of Part IV of this Document.
- 8.2 In order to ensure that there is an orderly market in the Ordinary Shares following Admission, Noel Lyons and Conrad Windham, who are interested in 10,500,000 Ordinary Shares each, have agreed with St Helens Capital to make such numbers of Ordinary Shares available for sale as may be required from time to time in order to satisfy market demand, subject to the consent of PLUS.

9. Warrants

The Company has agreed to issue warrants to subscribe for up to 1,960,000 Ordinary Shares at £0.01 at any time up to the fifth anniversary from Admission to St Helens Capital. The warrants are constituted by an instrument, further details of which are contained in paragraph 8.5 of Part IV of this Document.

10. Dividend Policy

- 10.1 The Directors do not intend to pay a dividend for the foreseeable future until the Company has achieved sufficient profitability and requirements for working capital are such that it is prudent to do so.
- 10.2 The Company has not paid any dividends since incorporation.

11. Corporate Governance

- 11.1 The Directors are committed to maintaining high standards of corporate governance, and propose, so far as is practicable given the Company's size and nature, to comply with the

QCA Code. In particular the Company will lay the annual audited accounts before all Shareholders at an Annual general Meeting no later than six months after the close of the previous financial year. Following Admission, due to the size and nature of the Company, audit and risk management issues will be addressed by the Directors as a whole, rather than by separate committees.

- 11.2 As the Company develops, the Board will consider establishing separate audit and risk management committees and will consider developing further policies and procedures which reflect the principles of good governance.
- 11.3 The Company has adopted a share dealing code for the Directors and will take steps to ensure compliance by the Directors and any relevant employees with the terms of this code.
- 11.4 The Directors have established financial controls and reporting procedures which are considered appropriate given the size of and structure of the Company. These controls will be reviewed in the light of an investment or acquisition and adjusted accordingly.

12. The City Code

- 12.1 The City Code, which is issued and administered by the Panel on Takeovers and Mergers (the "Panel"), applies to all takeover and merger transactions, however effected, where the offeree company is, *inter alia*, a listed company or unlisted public company, quoted or unquoted, and resident in the UK, the Channel Islands or the Isle of Man (and to certain categories of private limited companies).
- 12.2 Ordinarily, under Rule 9 of the City Code ("Rule 9"), where (i) any person acquires an interest in shares which, when taken together with shares in which persons acting in concert with them are interested, carry 30 per cent or more of the voting rights of a company subject to the City Code or (ii) any person who, together with persons acting in concert with them, is interested in shares which in aggregate carry not less than 30 per cent but not more than 50 per cent. of the voting rights of a company and such person, or persons acting in concert with them, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which they are interested, that person is normally obliged to make a general offer to all shareholders to purchase, in cash, that company's shares at the highest price paid by them, or any person acting in concert with them, within the preceding 12 months.
- 12.3 Under the City Code, a concert party arises when persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate control of that company. Under the City Code, control means a holding, or aggregate holding, of shares carrying 30 per cent or more of the voting rights of a company, irrespective of whether the holding or holdings gives de facto control.
- 12.4 Rule 9 further provides that, *inter alia*, where any person, who, together with persons acting in concert with him, holds over 50 per cent. of the voting rights of a company, acquires additional interests in the shares which carry voting rights, then they will not generally be required to make a general offer to the other shareholders to acquire the balance of the shares not held by that person.
- 12.5 On Admission, DMT will hold 75,000,000 Ordinary Shares representing approximately 76.53 per cent. of the Enlarged Share Capital. DMT will then credit the accounts of its private clients through the CREST account of JIM Nominees. DMT has covenanted that no one client holds 3 per cent. or more of the Ordinary Shares and none of the clients will be deemed to

be acting in concert (within the meaning of the City Code).

13. Application to PLUS

- 13.1 The Company has applied for the Enlarged Share Capital to be admitted to trading on PLUS. Dealings in the Ordinary Shares are expected to commence on 5 September 2011.

As required by the PLUS Rules, the Company has entered into an agreement with a Regulated Information Service which is a Primary Information Provider, approved by the FSA to disseminate regulatory information to the market and which is on the list of Regulated Information Services maintained by the FSA.

- 13.2 The PLUS website is available to private investors through the internet at www.plus-sx.com.
- 13.3 Any individual wishing to buy or sell shares, which are traded on PLUS, must trade through a stockbroker who is regulated by the FSA, as the market cannot deal directly with the public.

14. CREST

- 14.1 CREST is a voluntary system and Shareholders who wish to receive and retain certificates in respect of their Ordinary Shares will be able to do so.
- 14.2 The Company's Articles of Association are consistent with the transfer of Ordinary Shares in dematerialised form in CREST under the CREST Regulations. Application has been made by the Registrars for the Ordinary Shares to be admitted to CREST on Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if relevant Shareholders so wish.

15. Taxation

- 15.1 The Ordinary Shares do not rank as a qualifying investment for the purposes of the Enterprise Investment Scheme nor as a "qualifying holding" for the purposes of investment by Venture Capital Trusts.
- 15.2 Information regarding UK taxation in relation to the Ordinary Shares is set out in paragraph 12 of Part IV of this Document. These details are, however, intended only as a general guide to the current tax position under UK taxation law. **If you are in any doubt as to your tax position you should consult your own independent financial adviser immediately.**

16. Further Information and Risk Factors

- 16.1 **Your attention is drawn to the further information in this Document and particularly to the risk factors set out in Part II of this Document. Potential investors should carefully consider the risks described in Part II before making a decision to invest in the Company.**

PART II
RISK FACTORS

In addition to all other information set out in this Document, the following specific factors should be considered carefully in evaluating whether to make an investment in the Company. If you are in any doubt about the action you should take, you should consult a professional adviser authorised under the FSMA who specialises in advising on the acquisition of shares and other securities prior to making any investment.

The Directors believe the following risks to be the most significant for potential investors. However, the risks listed do not necessarily comprise all those associated with an investment in the Company. In particular, the Company's performance may be affected by changes in market or economic conditions and in legal, regulatory and tax requirements.

If any of the following risks were to materialise, the Company's business, financial conditions, results or future operations could be materially adversely affected. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Company.

The list below is not exhaustive, nor is it an explanation of all the risk factors involved in investing in the Company and nor are the risks set out in any order of priority.

RISKS RELATING TO THE COMPANY'S STRATEGY

Identifying and acquiring suitable target investment opportunities

The Company's ability to implement the investment strategy (as set out in this Document) will be limited by its ability to identify and acquire suitable investments. Suitable opportunities may not always be readily available. The Company's initial and future investments may be delayed or made at a relatively slow rate because, *inter alia*:

- the Company intends to conduct detailed due diligence prior to approving investments;
- the Company may conduct extensive negotiations in order to secure and facilitate an investment;
- it may be necessary to establish certain structures in order to facilitate an investment;
- competition from other investors, market conditions or other factors may mean that the Company cannot identify attractive investments or such investments may not be available at the rate the Company currently anticipates;
- the Company may be unable to raise bank finance on terms the Directors consider reasonable; or
- the Company may need to raise further capital to make investments and/or fund the assets or businesses invested in,

which may in turn have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Success of the strategy not guaranteed

The Company's level of profit will be reliant upon the performance of the assets acquired and the strategy (in both its current form and as amended from time to time). The success of the strategy depends on the Directors' ability to identify investments in accordance with the Company's

investment objectives and to interpret market data correctly. No assurance can be given that the strategy to be used will be successful under all or any market conditions, that the Company will be able to identify opportunities meeting the Company's investment criteria, that the Company will be able to invest its capital on attractive terms or that the Company will be able to generate positive returns for Shareholders. If the strategy is not successfully implemented, this may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Acceptability of Ordinary Shares as consideration

Although it is the Company's intention, where appropriate, to use Ordinary Shares to satisfy all or part of any consideration payable for investments, vendors may not be prepared to accept these shares.

Potential loss on investments

The Company's strategy carries inherent risks and there can be no guarantee that any appreciation in the value of an investment or acquisition will occur or that the objectives of the Company will be achieved. For example (i) trading difficulties may occur following investment by the Company; or (ii) the Company may not be able to conduct a full investigation of the target prior to investment/acquisition and previously undisclosed underperformance or other adverse matters may only come to light after investment.

Concentration of risk

There can be no assurance that the actual investment opportunities that the Directors are able to source for the Company will not lead to concentration of risk. To the extent that the investments are concentrated in any particular niche of the oil and gas sector, region, country or asset class, downturns affecting the source of the concentration may result in a total or partial loss of such investments and have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Early stage of development

The Company may make investments in entities and assets at a relatively early stage of development. There can be no assurances that such companies or assets will successfully develop or that the technologies they have will be suitable for commercialisation. Such entities and assets may require the injection of further capital at a level that the Company, or any third party, is unable or unwilling to meet. Such an outcome may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Further issue of Ordinary Shares

It may be desirable for the Company to raise additional capital by way of the further issue of Ordinary Shares to enable the Company to progress through further stages of development. Any additional equity financing may be dilutive to Shareholders. There can be no assurance that such funding, if required, will be available to the Company.

Borrowings

The Company may, from time to time, be required to raise capital (whether through the issue of debt or equity) to make investments. There is no guarantee that the Company will be able to obtain financing on appropriate terms and conditions or at all. The companies in which the Company invests may also have borrowings or otherwise be geared or leveraged. Although such facilities may increase investment returns, they also create greater potential for loss. This includes the risk that

the borrower will be unable to service the interest repayments, or comply with other requirements, rendering the debt repayable, and the risk that available capital will be insufficient to meet required repayments. There is also the risk that existing borrowings will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing borrowings. A number of factors (including changes in interest rates, conditions in the banking market and general economic conditions, which are beyond the Company's control) may make it difficult for the Company to obtain new financing on attractive terms or even at all. An inability to obtain such facilities may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

INDUSTRY SPECIFIC RISKS

Competition

The Company intends to invest in the growth opportunities that it perceives exist in the oil and gas sector. However, the oil and gas sector is competitive and the Company may face significant competition from domestic and overseas competitors in identifying and acquiring suitable businesses, including from competitors who may have greater resources and superior brand recognition than the Company and who may be able to provide better services, adopt more aggressive investment policies or pay higher prices to acquire businesses. Competition may lead to prices for investments identified by the Company as suitable being driven up through competing bids by potential purchasers. There is no assurance that the Company will be able to compete successfully in such an environment. Accordingly, the existence and extent of such competition may have a material adverse effect on the Company's ability to make acquisitions at satisfactory prices and otherwise on satisfactory terms, which may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Exploration and mining risks

Whilst the Directors will endeavour to apply what they consider from time to time to be the latest technology to assess potential projects, the business of exploration for oil, gas and hydrocarbon products is speculative and involves a high degree of risk. The hydrocarbon deposits of any projects invested in, or acquired, by the Company may not contain economically recoverable volumes of hydrocarbon reserves of sufficient quality and even if there are economically recoverable quantities, delays in the construction and commissioning of oil and gas projects or other technical difficulties may make the deposits difficult to exploit.

The exploration and/or development of any project may be disrupted, damaged or delayed by a variety of risks and hazards which are beyond the control of the Company. These include (without limitation) geological, geotechnical and seismic factors, environmental hazards, technical failures, adverse weather conditions, acts of God, government regulations and delays. Exploration is also subject to general industrial operating risks, such as explosions, fires, equipment failure and industrial accidents, which may result in potential delays or liabilities, loss of life, injury, environmental damage, damage to or destruction of property and regulatory investigations. The Company or a business it invests in may also be liable for the exploitation activities of previous producers. Although the Company intends, itself or through a business it invests in, or through its operators, to maintain insurance in accordance with industry practice, no assurance can be given that the Company or the operator of an exploration project will be able to obtain insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims. The Company may or the business in which it invests may elect not to become insured because of high premium costs or may incur a liability to third parties (in excess of any insurance cover) arising from pollution or other damage or injury.

Drilling, developing and operating risks

The availability of a ready market for oil, gas and hydrocarbon products which may be sold by the Company depends upon numerous factors beyond its control, the exact effects of which cannot be accurately predicted. These factors (the list of which is not exhaustive) include: general economic activity, the world oil and gas prices, the marketability of the hydrocarbons produced, action taken by other producing nations, the availability of transportation capacity, the availability and pricing of competitive fuels, and the extent of governmental regulation and taxation.

All drilling to establish productive hydrocarbon reserves is inherently speculative. The techniques presently available to geophysicists, geologists, petro-physicists, reservoir and petroleum engineers, and other technical specialists to identify the existence and location of accumulations of oil and gas are indirect and subject to a wide variety of variables which are subjective in nature with respect to the environment in which they exist and are not precise on their application, and therefore, a considerable amount of personal judgment is involved in the selection of any prospect for drilling or identifying potentially profitable producing hydrocarbon accumulation. In addition, even when drilling successfully encounters oil and gas and a well is completed as a producing oil or gas well, unforeseeable operating problems may arise which render it uneconomical to produce such oil and natural gas.

Historical facts, information gained from historic experience, present facts, circumstances and information, and assumptions from all or any of these are not a guide to the future. Aims, targets, plans and intentions referred to herein are no more than that and do not imply forecasts.

Reserve and resource estimates

Any future reserve and/or resource figures for projects in which the Company may invest or acquire will be estimates and there can be no assurance that the oil, gas and hydrocarbons are present, will be recovered or that they can be brought into profitable production. Reserves and resources estimates may require revisions based on actual production experience. Furthermore, a decline in the market price for oil and gas that may be discovered could render oil and gas reserves containing relatively low volumes of hydrocarbons uneconomic to recover and may ultimately result in a restatement of reserves.

Volatility of prices

Historically, oil prices have fluctuated and are affected by numerous factors beyond the Company's control, including global demand and supply, international economic trends, currency exchange fluctuations, expectations for inflation, speculative activity, consumption patterns and global or regional political events. The aggregate effect of these factors is impossible to predict.

There is also uncertainty as to the possibility of increases in world production both from existing wells and as a result of oil fields currently closed being reopened in the future if price increases make such projects economic.

As a result of the above factors, price forecasting can be difficult and imprecise.

Exploration risks

Hydrocarbon exploration is speculative in nature, involves many risks and is frequently unsuccessful. There can be no assurance that any prospect drilled will result in an increase in the proven and probable reserves. If reserves are developed, it can take a number of years from the initial phases of drilling and appraisal operations until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish reserves through drilling. As a result of these uncertainties, no assurance can be given that any exploration programmes undertaken by the Company will result in any new commercial development operations

being brought into operation.

Financing risks

The successful exploration of oil and gas on any project will require very significant capital investment. The only sources of financing currently available to the Company (other than through the cash raised pursuant to the Subscription) are through the issue of additional equity capital or through bringing in partners to fund exploration and development costs. The Company's ability to raise further funds will depend on the success of its investment strategy and acquired operations. The Company may not be successful in procuring the requisite funds on terms which are acceptable to it (or at all) and, if such funding is unavailable, the Company may be required to reduce the scope of its investments or anticipated expansion.

Political and economic risks

Projects in which the Company invests are likely to be in jurisdictions outside the United Kingdom and accordingly there will be a number of risks which the Company will be unable to control. Whilst the Company or a business in which it invests will make every effort to ensure it has robust commercial agreements covering its activities, there is a risk that the Company's activities or the activities of a business in which it invests will be adversely affected by economic and political factors such as the imposition of additional taxes and charges and changes in exchange control regulations, cancellation or suspension of licences, expropriation of mining rights, war, terrorism, insurrection and changes to the laws governing hydrocarbon exploration and operations. There is also the possibility that the terms of any licence or permit the Company may acquire may be changed.

Ability to exploit successful discoveries

It is possible that the Company or a business in which it invests may not be able to exploit commercially viable discoveries in which it acquires an interest or control. Exploitation may require external approvals or consents from relevant authorities and the granting of these approvals and consents is beyond the Company's control. The granting of such approvals and consents may be withheld for lengthy periods, not given at all, or granted subject to the satisfaction of certain conditions which the Company or a business in which it invests may not be able to meet. As a result of such delays, the Company or a business in which it invests may incur additional costs or losses.

Uninsured risks

If the Company participates in exploration programmes, it may encounter hazards such as unusual geological or unexpected operating conditions that cannot be insured against, or against which it may elect not to be so insured because of high premium costs or other reasons. The Company is currently uninsured against all such risks.

Health and safety risks

A violation of health and safety laws or the failure to comply with the instructions of relevant health and safety authorities could lead to, among other things, a temporary shut down of all or a proportion of any future operations or the imposition of costly compliance procedures. This could have a material adverse effect on the Company's operations and/or financial condition.

Legal systems

If the Company makes investments in prospective hydrocarbon rich properties, some of the countries in which it may operate could have legal systems that may result in risks such as: (i) potential difficulties in obtaining effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation, or in an ownership dispute; (ii) a varying degree of

discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; and (v) relative inexperience of the judiciary and courts in such matters. In certain jurisdictions the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed.

There can be no assurance that joint ventures, permits, licences, licence applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured.

COMPANY SPECIFIC RISKS

The Company is a new company with no operating history

The Company was incorporated on 13 April 2011 and, since that date, has not commenced operations and so does not have a track record or operating history, nor does it have any material assets or liabilities. Accordingly, as at the date of this Document, the Company has limited financial statements and/or meaningful historical financial data upon which prospective investors may base an evaluation of the Company. The Company is therefore subject to all of the risks and uncertainties associated with any new business enterprise including the risk that the Company will not achieve its investment objectives and that the value of an investment in the Company could decline and may result in the total loss of all capital invested. The past performance of companies, assets or funds managed by the Directors, or persons affiliated with them, in other ventures in the oil and gas sector or otherwise, is not necessarily a guide to the future business, results of operations, financial condition or prospects of the Company.

Dependence on key personnel

The future success of the Company is substantially dependent on the continued services and continuing contributions of its Directors. The loss of the services of any of its Directors or other key employees could have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Dependence on third party services

The Company may rely on products and services provided by third parties, such as undertaking due diligence and technical reviews, and providing general financial and strategic advice. If there is any interruption to the products or services provided, or failure to perform these services with due care and skill by such third parties, the Company's business could be adversely affected and the Company may be unable to find adequate replacement services on a timely basis, if at all, and/or on acceptable commercial terms. This may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Fluctuations of revenues, expenses and operating results

The revenues, expenses and operating results of the Company could vary significantly from period to period as a result of a variety of factors, some of which are outside of its control. These factors include general economic conditions, adverse movements in interest rates, conditions specific to the oil and gas services market, seasonal trends in revenues, capital expenditure and other costs and the introduction of new products or services to the market. In response to a changing competitive environment, the Company may elect from time to time to make certain pricing, service or marketing decisions or investments that could have a material adverse effect on the Company's

revenues, results of operations and financial condition.

Currency risks

The Company may make investments in currencies other than Sterling and the Company does not currently intend to hedge against exchange rate fluctuations. Accordingly, the value of such investments may be adversely affected by changes in currency exchange rates notwithstanding the performance of the investments themselves, which may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

RISK FACTORS RELATING TO INVESTMENTS

Investments in private companies are subject to a number of risks

The Company may invest in or acquire privately held companies or assets. These may (a) be highly leveraged and subject to significant debt service obligations, stringent operational and financial covenants and risks of default under financing and contractual arrangements, which may adversely affect their financial condition; (b) have limited operating histories and smaller market shares than larger businesses making them more vulnerable to changes in market conditions or the activities of competitors; (c) have limited financial resources; (d) be more dependent on a limited number of management and operational personnel, increasing the impact of the loss of any one or more individuals; and (e) require additional capital. All or any of these factors may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Material facts or circumstances not revealed in the due diligence process

Prior to making or proposing any investment, the Company will undertake legal, financial and commercial due diligence on potential investments to a level considered reasonable and appropriate by the Company on a case by case basis. However, these efforts may not reveal all material facts or circumstances that would have a material adverse effect upon the value of the investment. In undertaking due diligence, the Company will need to utilise its own resources and may be required to rely upon third parties to conduct certain aspects of the due diligence process. Further, the Company may not have the ability to review all documents relating to the investee company and assets. Any due diligence process involves subjective analysis and there can be no assurance that due diligence will reveal all material issues related to a potential investment. Any failure to reveal all material facts or circumstances relating to a potential investment may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Aborted investments

There can be no guarantee that the Company will successfully effect an investment where there is an identified opportunity and, as a result, resources may be expended on investigative work and due diligence without the investment being completed.

Difficulties integrating investments

The success of an investment will depend upon the ability of the Directors to integrate the investment in a timely and cost-effective manner. Any difficulties in the integration process may result in increased expense, loss of sales and a decline in profitability. The process of integration may require a disproportionate amount of time and attention of the Company's management, which may distract management's attention from its day-to-day responsibilities. In addition, any interruption or deterioration in service resulting from an investment may result in a customer's decision to stop dealing with the Company or a target. For these reasons the Company may not realise the anticipated benefits of an investment, either at all or in a timely manner. If that happens and the Company incurs significant costs, it could have a material adverse impact on the profits and the

business of the Company. Similarly getting added value for an investment may prove to be difficult and limit returns.

Infringement upon intellectual property rights

The intellectual property of a target may infringe upon intellectual rights owned by third parties who may challenge the target's rights to the same. Patents owned by the Company may be challenged by third parties and may not be enforceable in certain parts of the world. In addition, agreements concerning intellectual property rights entered into by the Company could be terminated and may have an adverse effect upon the Company's business.

Market growth and industry data

Information or other statements presented in this Document regarding market growth, market size, development of the market and other industry data pertaining to the oil and gas market and the Company's strategy consist of estimates based on data and reports compiled by industry professionals, organisations, analysts or the Company's knowledge of the industry. Without prejudice to the responsibility statement in paragraph 1 of Part IV of this Document, the Directors take responsibility for compiling and extracting (but have not independently verified) market data provided by third parties or industry or general publications, although they consider such data and publications to be reliable.

Joint ventures

The Company or a business in which it invests may enter into joint ventures. There is a risk that a joint venture partner does not meet its obligations and the Company or a business in which it invests may therefore suffer additional costs or other losses. It is also possible that the interests of the Company or a business in which it invests and those of its joint venture partners are not aligned resulting in project delays or additional costs and losses. The Company may have minority interests in the companies, partnerships and ventures in which it invests and may be unable to exercise control over the operations of such companies.

RISKS RELATING TO THE ORDINARY SHARES AND THEIR TRADING ON PLUS

Investment in unlisted securities

Investment in shares traded on PLUS is perceived to involve a higher degree of risk and be less liquid than investment in companies whose shares are listed on the Official List. An investment in Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

Suitability

An investment in the Ordinary Shares may not be suitable for all recipients of this Document. Investors are accordingly advised to consult an appropriate person authorised under the FSMA before making their decision.

Share price volatility and liquidity

The share price of quoted emerging companies can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Company and

its operations and some which may affect quoted companies generally. These factors could include the performance of the Company, large purchases or sales of the Ordinary Shares, legislative changes and general economic, political or regulatory conditions.

Market risks

Notwithstanding the fact that an application has been made for the Ordinary Shares to be traded on the PLUS-quoted Market this should not be taken as implying that there will be "liquid" market in the Ordinary Shares. An investment in the Ordinary Shares may thus be difficult to realise. The value of the Ordinary Shares may go down as well as up. Investors may therefore realise less than their original investment, or sustain a total loss of their investment.

Continued admission to the PLUS-quoted Market is entirely at the discretion of PLUS Stock Exchange.

The PLUS-quoted Market is not AIM or the Official List. Consequently, it may be more difficult for an investor to sell his or her Ordinary Shares and he or she may receive less than the amount paid. The market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets or operations.

The share prices of public companies are often subject to significant fluctuations. In particular, the market for shares in smaller public companies is less liquid than for larger public companies.

If the Company has not undertaken an investment or acquisition within 12 months of Admission, there is no guarantee that the Company can maintain a PLUS trading facility.

Any changes to the regulatory environment, in particular the PLUS Rules could, for example, affect the ability of the Company to maintain a trading facility on the PLUS-quoted Market.

The investment opportunity offered in this Document may not be suitable for all recipients of this Document. Investors are therefore strongly recommended to consult a professional adviser authorised under FSMA, who specialises in investments of this nature, before making their decision to invest.

PART III
Part (a)

ACCOUNTANT'S REPORT ON NODDING DONKEY PLC

The following is the full text of a report on Nodding Donkey Plc from Adler Shine LLP, the Reporting Accountants, to the Directors of Nodding Donkey Plc and the Members of St Helens Capital Partners LLP.



CHARTERED ACCOUNTANTS
& BUSINESS ADVISERS

Adler Shine LLP
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Cornwall Avenue
London N3 1LF
www.adlershine.com

The Directors
Nodding Donkey Plc
3 Wimpole Street
London
W1G 9SQ

The Members
St Helens Capital Partners LLP
223a Kensington High Street
London
W8 6SG

1 September 2011

Dear Sirs

Nodding Donkey Plc ("the Company")

We report on the financial information for the period ended 31 July 2011 set out in Part (b) of Part III. This information has been prepared for inclusion in the PLUS admission document dated 1 September 2011 (the "Admission Document") of the Company on the basis of the accounting policies set out in note 2 of the financial information. This report is required by the PLUS Rules for Issuers (the "PLUS Rules") and is given for the purpose of complying with paragraph 26 of appendix 1 to the PLUS Rules and for no other purpose.

Responsibilities

The directors of the Company ("the Directors") are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with applicable United Kingdom accounting standards.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it has been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Company as at the date stated, and of its loss and cash flows for the period then ended in accordance with the basis of preparation and applicable accounting standards as described in note 2.

Declaration

For the purposes of Paragraph 26 of Appendix 1 to the PLUS Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Yours faithfully

A handwritten signature in black ink that reads "Adler Shine LLP." The signature is written in a cursive, flowing style.**Adler Shine LLP**

Adler Shine LLP is a limited liability partnership registered in England and Wales (with registered number OC301724) and is regulated for audit work by the Institute of Chartered Accountants in England and Wales

**Part III
Part (b)**

HISTORICAL FINANCIAL INFORMATION ON NODDING DONKEY PLC

Profit and Loss Account

	Notes	13 April 2011 to 31 July 2011 £
Turnover		-
Cost of sales		-
		<hr/>
Gross profit		-
Administrative expenses		50,000
		<hr/>
Operating loss		(50,000)
Interest payable		-
		<hr/>
Loss before taxation		(50,000)
Taxation		-
		<hr/>
Net loss for the period	5	(50,000)
		<hr/> <hr/>

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

Balance Sheet

	Notes	As at 31 July 2011 £
Current assets		
Other debtors		-
Cash at bank		-
		<hr/>
		-
Creditors: Amounts falling due within one year		
Other creditors and accruals		-
		<hr/>
		-
Net assets		<hr/>
		-
Capital and reserves		<hr/> <hr/>
Called up share capital	4	50,000
Profit and loss account	5	(50,000)
		<hr/>
Total shareholders' funds	6	-
		<hr/> <hr/>

Cash Flow Statement

	13 April 2011 to 31 July 2011 £
Cash flows from operating activities	
Operating loss	(50,000)
Increase in debtors	-
Increase in creditors	-
	<hr/>
Net cash inflow from operating activities	(50,000)
	<hr/>
Financing	
Proceeds from issue of share capital	50,000
	<hr/>
Net cash inflow from financing	50,000
	<hr/>
Increase in net cash	-
	<hr/> <hr/>
Reconciliation to net funds	
Increase in net cash	-
Net cash at beginning of period	-
	<hr/>
Net funds at end of period	-
	<hr/> <hr/>

Notes to the historical financial information

1. Introduction

The Company was incorporated in England and Wales on 13 April 2011 with registered number 07603259.

No audited financial statements have been prepared and no dividends have been declared or paid since the date of incorporation.

The financial information presented is the responsibility of the Company's directors who approved its issue.

2. Accounting policies and basis of preparation

The financial information has been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards, which have been applied consistently.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as interest bearing loans and borrowings in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited directly to equity.

3. Employees and directors

The average number of employees during the period, including directors, was:

	13 April 2011 to 31 July 2011 Number
Office and management	3
Staff costs for all employees, including directors, consist of:	
	£
Directors' emoluments	-

4. Share capital

	As at 31 July 2011 £
Allotted, issued and fully paid	
20,000,000 ordinary shares of 0.25p each	50,000

On incorporation, the Company issued two ordinary shares of 25p each.

On 4th May 2011, the shareholders passed an ordinary resolution to subdivide each share such that the nominal value of the shares is now 0.25p, resulting in the Company's issued share capital being 200 ordinary shares of 0.25p each.

On the same day, the Company issued 19,999,800 ordinary shares of 0.25p each at par for cash.

5. Retained earnings

	As at 31 July 2011 £
As at start of period	-
Loss for the period	(50,000)
As at end of period	(50,000)

6. Reconciliation of movement in shareholders' funds

	As at 31 July 2011 £
Issue of share capital	50,000
Loss for the period	(50,000)
Shareholders' funds as at end of period	-

7. Reconciliation of net funds

	As at 31 July 2011 £
Cash at bank	-

Net funds as at end of period

-
=====

8. Post balance sheet events

Between 15 and 16 August 2011, the Company issued for cash 3,000,000 Ordinary Shares of £0.0025 each at £0.01 per share .

On 1 September 2011, the Company issued 75,000,000 Ordinary Shares of £0.0025 each at £0.004 per share by way of a subscription to raise £300,000.

On 1 September 2011, pursuant to a warrant instrument in favour of St Helens Capital Partners LLP, the Company has issued warrants entitling St Helens Capital Partners LLP to subscribe for 1,960,000 Ordinary Shares exercisable at £0.01 per share for a period of five years from admission to PLUS.

On 1 September 2011, the Company granted, conditional on Admission, options to acquire an aggregate of 20,000,000 Ordinary Shares exercisable at £0.01 per share. These options are exercisable at any time for a period of five years.

9. Related party transactions

During the period ended 31 July 2011, the Company paid the following consultancy fees for the services of the directors:

		£
Baker Finch	Consultancy services of Conrad Windham	22,500
Noel Lyons	Consultancy services	22,500

PART IV

ADDITIONAL INFORMATION

1. Responsibility

The Directors, whose names appear on page 8 of this Document, accept responsibility, both individually and collectively, for the information contained in this Document and for compliance with the PLUS Rules. 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 are no other facts which, if omitted, would effect the import of such information. The Directors accept responsibility accordingly.

2. The Company

- 2.1 The Company was incorporated and registered as a public company limited by shares in England and Wales on 13 April 2011 under the companies Act 2006 with the name Nodding Donkey Plc and with registered number 07603259.
- 2.2 The Company is a public limited company and accordingly the liability of its members is limited. The Company and its activities and operations are principally regulated by the Act and the regulations made thereunder.
- 2.3 On 6 May 2011 the Registrar of Companies issued a certificate entitling the Company to do business under section 761 of the Act.
- 2.4 The Company was incorporated to make acquisitions and investments in the oil and gas sector.
- 2.5 The Company's registered office is 3 Wimpole Street, London, W1G 9SQ. The telephone number of the Company is + 44 (0)20 7580 6205.
- 2.6 The accounting reference date of the Company is currently 30 April.

3. Share capital of the Company

- 3.1 On incorporation the Company issued two shares of 25 pence each.
- 3.2 Since incorporation, there have been the following changes to the issued share capital of the Company:
 - 3.2.1 on 04 May 2011 the shareholders passed an Ordinary resolution to sub-divide the shares such that the nominal value of the Ordinary Shares is now £0.0025;
 - 3.2.2 on 4 May 2011, the Company issued a further 19,999,800 Ordinary Shares of £0.0025 each in the Capital of the Company;
 - 3.2.3 On 15 August 2011, the Company allotted and issued 2,000,000 Ordinary Shares at 1 pence each in cash to Anthony Fabrizi;
 - 3.2.4 On 16 August 2011, the Company allotted and issued 500,000 Ordinary Shares at 1 pence each in cash to each of Baker Finch and Noel Lyons; and
 - 3.2.5 by resolutions passed on 16 August 2011 it was resolved that:
 - a) in substitution for all existing authorities conferred on the directors, the directors be generally and unconditionally authorised in accordance with section 551 of the Act

to exercise all the powers of the Company to allot and to make offers or agreements to allot shares or grant rights to subscribe for or to convert any securities into shares (together the "**Relevant Securities**") up to an aggregate nominal amount of one million five hundred and eleven thousand six hundred and sixty seven pounds (£1,511,667) provided that this authority shall expire on the earlier of the conclusion of the next annual general meeting of the Company and 31 December 2012, except that the Company may, before such expiry, make an offer or agreement which would or might require Relevant Securities to be allotted or granted after such expiry and the directors may allot Relevant Securities in pursuance of any such offer or agreement as if the authority conferred by this resolution had not expired and that this authority shall be in substitution to all previous authorities conferred upon the directors pursuant to section 551 of the Act and without prejudice to the allotment of any Relevant Securities already made or to be made pursuant to such authorities.

- b) the directors be and they are hereby generally empowered, in accordance with section 571 of the Act, to allot equity securities (within the meaning of section 560(1) of the Act) pursuant to the authority conferred by on the Directors by paragraph 3.2.3(a) above as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:
 - (i) the allotment of equity securities up to an aggregate nominal amount of five hundred thousand pounds (£500,000) in connection with the subscription of new Ordinary Shares to investors; and
 - (ii) the allotment of equity securities up to an aggregate nominal amount of fifty thousand pounds (£50,000) in connection with the allotment of shares to Baker Finch and Noel Lyons under the options agreements entered into on or around the date herewith;
 - (iii) the allotment of equity securities up to an aggregate nominal amount of three hundred and thirty three thousand, three hundred and thirty three pounds (£333,333) provided that this authority may only be used in connection with a rights issue or other pro-rata offer in favour of holders of Ordinary Shares where the equity securities respectively attributable to the interests of ordinary shareholders at such record dates as the directors may determine are proportionate (as nearly as may be) to the respective numbers of equity securities held or deemed to be held by them or otherwise allotted in accordance with the rights attaching to such equity securities, subject to such exclusions or other arrangements as the directors may consider necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal difficulties in or under the laws of any territory or the requirements of a regulatory body or stock exchange; and
 - (iv) in any other case, in addition to the authorities set out in Resolutions 3.2.3(b)(i) to 3.2.3(b)(iii), to exercise all the powers of the Company to allot equity securities up to an aggregate nominal amount of three hundred thousand pounds (£300,000).

The authorities in subparagraphs 3.2.3(b)(iii) and 3.2.3(b)(iv) shall, unless renewed, varied or revoked by the Company, expire on the earlier of the conclusion of the next annual general meeting of the Company and 31 December 2012, except that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities as the case may be to be allotted after such expiry and the directors may allot Relevant Securities in pursuance of any such offer or agreement as if the authority conferred by the Company's shareholders had not expired.

- 3.3 It should be noted that a resolution was incorrectly filed on 29 July 2011 with the Registrar of Companies. The consent to short notice was signed by NJL Management Services and Baker Finch as opposed to Noel Lyons and Baker Finch. As such the resolution is considered to be invalid.
- 3.4 As at 31 August 2011 (being the latest practicable date prior to the issue of this document), the issued and fully paid up share capital of the Company was as follows:

Issued and fully paid	
Number	Amount (£)
23,000,000	57,500

- 3.5 The issued and fully paid share capital of the Company immediately following completion of the Subscription and Admission is expected to be as follows:

Issued and fully paid on Admission	
Number	Amount (£)
98,000,000	245,000

- 3.6 The Company's share capital consists of one class of Ordinary Shares with equal voting rights (subject to the Articles) and are transferrable in both certified and uncertified form. No major Shareholder of the Company has any different voting rights from the other Shareholders.

4 Summary of Articles of Association

- 4.1 In this paragraph 4 of Part IV, "Statutes" means the Act and every other statute or statutory instrument, rule, order or regulation from time to time in force concerning companies so far as they apply to the Company.

The Articles contain provisions, among others, to the following effect:

- 4.2 *Voting rights*

Subject to any special terms as to voting upon which any share may be issued, or may be held, and subject to the provisions of the Articles, on a show of hands every Member in person and entitled to vote shall have one vote and on a poll every Member present in person or by proxy and entitled to vote shall have one vote for every share of which he is the holder.

Subject to the paragraphs (c) and (d) below, on a vote on a resolution on a show of hands at a meeting, every proxy present who has been duly appointed by one or more Member entitled to vote on the resolution has one vote.

On a vote on a resolution on a show of hands at a meeting, a proxy has one vote for and one vote against the resolution if:

- (a) the proxy has been duly appointed by more than one Member entitled to vote on the resolution; and
- (b) the proxy has been instructed by one or more of those Members to vote for the resolution and by one or more of those other Members to vote against it.

On a vote on a resolution on a show of hands at a meeting, if:

- (c) a proxy has been duly appointed by more than one Member entitled to vote on the resolution; and
- (d) the proxy has been instructed by one or more Members ("Member(s) A") to vote in a certain manner and has been given discretionary authority by one or more other Members ("Member(s) B") to vote in relation to the resolution in the manner such proxy deems fit, such proxy is entitled, pursuant to the discretionary authority granted by Member(s) B to cast a second vote which is contrary to the manner in which such proxy voted in accordance with the instructions of Member(s) A.

No Member is entitled to be present or to be counted in the quorum or vote, either in person or by proxy, at any general meeting or at any separate meeting of the holders of a class of shares or on a poll or to exercise other rights conferred by membership in relation to the meeting or poll, unless all calls or other moneys due and payable in respect of the Member's share or shares have been paid.

Where a notice is served by the Company under section 793 of the Act (a "section 793 notice") on a Member, or another person appearing to be interested in shares held by that Member, and the Member or other person has failed in relation to any shares (the "default shares" which expression includes any shares issued after the date of the section 793 notice in respect of those shares) to give the Company the information required within 14 days from the date of service of the section 793 notice then, unless the Board otherwise decides, the Member is not entitled in respect of the default shares to be present or to vote (either in person or by proxy) at a general meeting or at a separate meeting of the holders of a class of shares or on a poll or to exercise other rights conferred by membership in relation to the meeting or poll.

4.3 Dividends

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is declared and paid. Dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

Any dividend which has remained unclaimed for a period of 12 years from the date it became due for payment is forfeited and ceases to remain owing by the Company.

Where a section 793 notice is served on a Member, or another person appearing to be interested in shares held by that Member, and the Member or other person has failed in relation to any default shares to give the Company the information required within 14 days of the service of the section 793 notice and the default shares represent at least 0.25 per cent. in nominal value of the issued shares of their class then, unless the Board otherwise decides, any dividend (or any part of a dividend) or other amount payable in respect of the default shares shall be withheld by the Company, which has no obligation to pay interest on it and the Member is not entitled to elect to receive shares instead of a dividend.

4.4 Distribution of assets on a winding up

If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution and any sanction required by law, divide among the Members in kind the whole or any part of the assets of the Company and whether or not the assets consist of property of one kind or of different kinds and may for this purpose set such value as he deems fair on any class or classes of property and may determine on the basis of that valuation and in accordance with the then existing rights of Members how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the same authority, vest any part of the assets in the trustees upon such trust for the benefit of Members as the liquidator may think fit but so that no member shall be compelled to accept any asset in respect of which there is a liability or potential liability.

4.5 Variation of class rights

Subject to the Statutes, the rights attached to any class of shares may be modified, varied or abrogated:

- (a) in such manner (if any) as may be provided by those rights; or
- (b) in the absence of provision, either with the consent in writing of the holders of at least three quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate meeting of the holders of that class and then only subject to the provisions of section 633 of the Act.

4.6 Transfer of shares

Subject to the provisions of the Articles, any Member may transfer all or any of his certificated shares by instrument of transfer in any usual form or in such other form as the Board may approve and the instrument must be executed by or on behalf of the transferor and (except in the case of a share which is fully paid up) by or on behalf of the transferee but need not be under seal. The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of Members in respect of it.

Subject to the provisions of Articles, the Board may refuse to register a transfer of a certificated share unless it is:

- (a) in respect of only one class of shares;
- (b) in favour of not more than four joint transferees;
- (c) duly stamped (if required);
- (d) not in favour of a minor, infant, bankrupt or person with mental disorder; and

- (e) delivered for registration to the registered office of the Company from time to time or such other place as the Board may decide accompanied by the certificate for the shares to be transferred (save in the case of a transfer by a recognised person to whom no certificate was issued) and such other evidence as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so. The Board may impose restrictions on the transfer of a certificated share which is not fully paid, provided that the restrictions are not such as to prevent dealings in the shares from taking place on an open and proper basis.

The Board may, in exceptional circumstances approved by the UKLA and PLUS Stock Exchange, disapprove the transfer of a certificated share, provided that exercise of such powers does not disturb the market in the shares.

Subject to the Uncertificated Securities Regulations 2001, the Board may permit shares of any class to be held in uncertificated form and to be transferred by means of a relevant system and may determine that any class of shares shall cease to be a participating security.

The Board may refuse to register the transfer of an uncertificated share in any circumstances permitted by the UKLA, PLUS Stock Exchange, the Uncertificated Securities Regulation 2001 and the rules and practices of the operator of the relevant system.

Where a section 793 notice is served on a Member, or another person appearing to be interested in shares held by that Member, and the Member or other person has failed in relation to any default shares to give the Company the information required within 14 days from the date of service of the section 793 notice and such shares represent at least 0.25 per cent. in nominal value of the issued shares of their class, then, unless the Board otherwise decides, no transfer of any of the default shares shall be registered unless the transfer is an "excepted transfer" (as defined in the Articles) or the Member is not himself in default in supplying the information required and the Member proves to the satisfaction of the Board that no person in default in supplying the information required is interested in any of the shares the subject of the transfer or the transfer is required by the Uncertificated Securities Regulations 2001.

Other than as set out above, the Articles contain no restrictions as to the free transferability of fully paid shares.

4.7 Alterations to capital

Subject to the Act, the Company may by ordinary resolution:

- (a) consolidate and divide all or any of its authorised share capital into shares of a larger amount than its existing shares; and
- (b) sub-divide all or any of its shares into shares of a smaller amount and may by the resolution determine that the shares resulting from such sub-division may have any preferred or other special rights or be subject to any restrictions, as compared with the others.

4.8 Borrowing powers

The Board may exercise all the powers of the Company to borrow money. The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings so as to secure (as regards subsidiary undertakings so far as by such exercise they can secure) that the aggregate principal amount (including any premium payable on final repayment) remaining undischarged of all moneys borrowed by the Group does not at any time without the previous sanction of an ordinary resolution exceed a sum equal to two times the aggregate of:

- (a) the amount paid up on the allotted or issued share capital of the Company; and
- (b) the amount standing to the credit of the consolidated capital and revenue reserves of the Group (including any share premium account and capital redemption reserve) plus or minus the credit or debit balance, as the case may be, of the consolidated profit and loss account all as shown in the then latest audited consolidated balance sheet of the Group, adjusted as specified in the Articles.

4.9 *Directors*

Unless and until otherwise determined by the Company by ordinary resolution the number of directors is not subject to a maximum but must not be fewer than two. The Board may appoint a person who is willing to act to be a director, either to fill a vacancy or as an addition to the Board. A director so appointed shall hold office only until the dissolution of the annual general meeting following next after his appointment, unless he is reappointed during the meeting. A director so retiring shall not be taken into account in determining the number of directors who are to retire by rotation at such meeting. Each director shall retire from office at the third annual general meeting after the annual general meeting at which he was last elected.

The remuneration of a director appointed to hold employment or executive office in accordance with the Articles may be a fixed sum of money or in whole or in part by participation in profits or otherwise as the Board may determine and may be in addition to or instead of a fee payable to him for his services as director pursuant to the Articles.

The directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in the performance of their duties as directors, including their expenses of travelling to and from meetings of the Board or committees of the Board or general meetings or separate meetings of the holders of a class of shares and any expenses incurred by them in obtaining independent professional advice.

The Board may establish, maintain, participate in or contribute to or procure the establishment or maintenance of, participation in or contribution to any pension, superannuation, benevolent or life assurance fund, scheme or arrangement (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances, benefits and emoluments to, any persons who are or were at any time in the employment or service of or who have at any time been directors of the Company or of any company which is or was a member of the Group or any of their predecessors in business (and for any member of his family, including a spouse or civil partner or former spouse or former civil partner or a person who is or was dependent on him). Any director or former director shall be entitled to participate in and retain for his own benefit any such donations, gratuities, pensions, allowances, benefits or emoluments. The Board may arrange for this to be done by the Company either alone or in conjunction with any other person.

Without prejudice to the requirements of the Statutes, a director who is in any way, directly or indirectly, interested in a contract, arrangement, transaction or proposal with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract, arrangement, transaction or proposal is first taken into consideration, if he knows his interest then exists, or, in any other case, at the next meeting of the directors after he knows that he is or has become interested.

Except as provided in the Articles, a director may not vote in respect of any contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he is, to his knowledge, materially interested, directly or indirectly otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company. This prohibition does not apply to any resolution concerning any of the following matters namely:

- (a) the giving to him of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (b) the giving to a third party of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility, in whole or in part, under a guarantee or indemnity or by the giving of security;
- (c) a contract, arrangement, transaction or proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the director is to participate;
- (d) a contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning any other company in which he is interested directly or indirectly and whether as an officer or shareholder or otherwise (relevant company) if he is not directly or indirectly the holder of or beneficially interested in one per cent. or more of a class of equity share capital of the relevant company (excluding any shares held as treasury shares) or of the voting rights available to members of the relevant company or able to cause one per cent. or more of those voting rights to be cast at his direction (and for the purposes of this Article, shares held by a director as bare or custodian trustee and in which he has no beneficial interest, shares comprised in a trust and in which the director's interest is in reversion or is in remainder, if and so long as another person is entitled to receive the income from the trust, and shares comprised in an authorised unit trust scheme in which the director is interested only as a unit holder are disregarded);
- (e) a contract, arrangement, transaction or proposal concerning the adoption, modification or operation of a pension, superannuation or similar scheme or retirement, death or disability benefits scheme or personal pension plan or employees' share scheme under which he may benefit and which has been approved by or is subject to and conditional on approval by HM Revenue & Customs for taxation purposes or which does not accord to any director as such any privilege or benefit not accorded to the employees to whom the scheme or fund relates;

- (f) a contract, arrangement, transaction or proposal for the benefit of employees of the Company or any of its subsidiary undertakings under which the director benefits in a similar manner to the employees and which does not accord to any director as such any privilege or benefit not accorded to the employees to whom it relates; or
- (g) a contract, arrangement, transaction or proposal concerning the maintenance or purchase of any insurance policy for the benefit of directors or for the benefit of persons including directors.

4.10 Directors' indemnity

Subject to the provisions of the Act, the Company may:

- (a) indemnify any person who is or was a director, or a director of any associated company, directly or indirectly (including by funding any expenditure incurred or to be incurred by him), against any loss or liability, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company; and/or
- (b) indemnify to any extent any person who is or was a director of an associated company that is a trustee of an occupational pension scheme, directly or indirectly (including by funding any expenditure incurred or to be incurred by him) against any liability incurred by him in connection with the company's activities as trustee of an occupational pension scheme; and/or
- (c) purchase and maintain insurance for any person who is or was a director, or a director of any associated company, against any loss or liability or any expenditure he may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company.

4.11 General meetings

At least 21 clear days' notice of every annual general meeting and at least 14 clear days' notice of every other general meeting shall be given, to such Members as are, under the Articles, or the terms of issue of shares, entitled to receive such notices from the Company and to the Directors and the auditors of the Company.

Every notice of meeting shall specify the place, date and time of the meeting and the general nature of the business to be transacted and, if a meeting is convened to pass a special resolution, the intention to propose the resolution as a special resolution. Where the Company has given an electronic address in any notice of meeting, any documents or information relating to proceeding at the meeting may be sent by electronic means to that address, subject to any conditions or limitations specified in the relevant notice.

5 Directors' and other Interests

- 5.1 On Admission, the interests (including rights to subscribe and short positions) of the Directors (all of which are beneficial, unless otherwise stated) (so far as is known to the Directors, or could with reasonable diligence be ascertained by them) or any connected persons in the issued share capital of the Company will be, as follows:

<i>Director</i>	<i>Number of Ordinary</i>	<i>% of Issued</i>	<i>Options at</i>
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	<i>Shares</i>	<i>Share Capital</i>	<i>Admission</i>
Baker Finch*	10,500,000	10.71	10,000,000
Noel Lyons	10,500,000	10.71	10,000,000
Anthony Fabrizi	2,000,000	2.04	Nil

* Baker Finch is 100 per cent. beneficially owned by Conrad Windham

5.2 Save as disclosed in paragraph 5.1, none of the Directors nor any member of his family or person connected with him (within the meaning of section 252 and 254 of the Act) holds, or is beneficially interested, directly or indirectly, in any shares or options to subscribe for, or securities convertible into shares of the Company.

5.3 In addition to the holdings disclosed in paragraph 5.1 above, as at 31 August 2011 (being the latest practicable date prior to the publication of this Document) the Company has been notified of the following holdings which will, following Admission, represent more than 3 per cent. of the issued share capital or voting rights of the Company:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>% of Issued Share Capital</i>	<i>Options at Admission</i>
JIM Nominees*	75,000,000	76.53	Nil

* DMT in a subscription letter dated 5 August 2011, covenants that it will not transfer, and will use all reasonable endeavours to procure that JIM Nominees will not transfer any Subscription Shares to any one entity or individual clients such that any particular individual or entity holds three per cent. or more of the issued shares on Admission and none of the entities or individuals will be deemed to be acting in concert for the purposes of the City Code.

5.4 Save as disclosed in paragraphs 5.1 and 5.3 above, as at the date of this Document, the Directors are not aware of any interest which will immediately following Admission represent 3 per cent. or more of the issued share capital or voting rights of the Company or any person who which directly or indirectly, jointly or severally, exercises or could exercise control of the Company.

5.5 Save as disclosed in this Document, none of the Directors has or will have any interest in the share capital or loan capital of the Company following Admission nor does any person connected with the Directors have any such interest, whether beneficial or non-beneficial.

5.6 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors.

5.7 Save as disclosed in this Document, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.

5.8 Save as disclosed in Part III of this Document, as at 31 August 2011 (being the latest practicable date prior to the publication of this Document), there are no material related party transactions required to be disclosed under the accounting standards applicable to the

Company, to which the Company was a party during the period of twelve months preceding the date of this Document.

6 Directors' Terms of Appointment

- 6.1 A letter of appointment with Anthony Fabrizi was entered into on 1 September 2011 under the terms of which Mr Fabrizi has agreed to act as non-executive Director of the Company. The letter of appointment will be for an initial period of 12 months effective from Admission and terminable thereafter by either party giving three months' notice in writing. The fee payable is £7,500 per annum payable in monthly arrears until the Company has invested at least £150,000 and thereafter, the remuneration will be £15,000 per annum.
- 6.2 Save as referred to above, there are no service agreements or letters of appointment in existence between any of the Directors and the Company which cannot be determined by the Company without payment compensation (other than statutory compensation) within one year and there have been no changes to the Director's letters of appointment in the last six months.
- 6.3 The aggregate remuneration paid (including any contingent or deferred compensation) and benefits in kind granted to the Directors by the Company during the financial period ended 31 July 2011 was £nil.
- 6.4 As at the date of this Document, the Company has no employees.

7 Additional Information on the Board

- 7.1 In addition to directorships of the Company, the Directors hold or have held the following directorships (including directorships of companies registered outside England and Wales) or have been partners in the following partnerships within the five years prior to the date of this Document:

Director	Current directorships:	Previous directorships:
Noel Lyons	Blue Star Capital Plc Circle Opportunities Plc Earl of Sandwich (No 1) Plc Eveman (No. 1) Limited Interactive Social Media Investments Plc Madwaves (UK) limited Music Festivals Plc NJL Management Services Limited Noco Limited Nodding Donkey Plc Phoenix Opportunities Limited RAP Management Limited Services Limited Sports Personality Investment Partners Plc Trade Finance Partners Limited Trade Finance Partnership Limited True Vibrations Limited Zeomedical Plc	Ely Islington Limited Ely Nottingham Limited True Vibrations Limited Trade Finance Partners Limited

Director	Current directorships:	Previous directorships:
Conrad Windham	All Star Minerals Plc Baker Finch Ltd JLi Europe Ltd Mighty Me Investments Ltd NoCo Limited Nodding Donkey Plc Phoenix Opportunities Ltd SIM Free PDA Ltd Southern Star Investments Plc U308 Ltd U308 Energy Ltd U308 Holdings Plc Valiant Investments Plc Valiant Financial Media Ltd	Oracle Coalfields Plc Square Lime Recruitment Ltd
Anthony Fabrizi	Loki Finance Limited Blue Star Capital plc Borala Limited	Bioprogress Plc Designer Vision Group Plc Caplay Plc John East & Partners Ltd Intrinsic Value Partnership Limited Lumina Partners Limited Meldex International Plc Meabell Limited Merchant Securities Plc Merchant Securities Holdings Limited Merchant Securities Nominees Limited MSGL Limited Ruffler Bank Plc Sabas Limited Smart Voucher Limited Virtue Fusion Limited

7.2 The following Directors were directors at the time of or within 12 months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with creditors generally or any class of creditors of such company:

7.2.1 On 22 February 2007 Noel Lyons was appointed a director of Ely Islington Limited. Noel Lyons resigned on 1 July 2009. A liquidator was appointed to the company on 04 November 2009. The deficiency to creditors has not been disclosed on the Register of Companies.

7.3 None of the Directors has:

7.3.1 had any previous names;

7.3.2 any unspent convictions in relation to indictable offences;

- 7.3.3 had any bankruptcy order made against him or entered into any voluntary arrangements;
- 7.3.4 been a director of a company which has been placed in receivership, insolvent liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
- 7.3.5 been a partner in any partnership which has been placed in insolvent liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- 7.3.6 been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- 7.3.7 been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or
- 7.3.8 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a Company.

8 Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company within the period from incorporation to the date immediately preceding the date of this Document and are, or may be, material:

- 8.1. An engagement letter dated 17 May 2011 between the Company and St Helens Capital pursuant to which the Company has appointed St Helens Capital to act as corporate adviser to the Company for the purposes of seeking admission of the Company's shares to PLUS for which the Company agreed to pay a fee of £25,000 plus VAT, conditional upon Admission. In addition the Company has agreed to pay a fee of £10,000 plus VAT per annum for retaining St Helens Capital's services as PLUS Corporate Adviser following Admission. The annual retainer will increase to £12,000 plus VAT per annum for retaining its services as PLUS corporate adviser once the Company has made at least two investments using over half of the net cash available to it at Admission after the costs of Admission are deducted. The letter contains certain undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable laws and regulations. The engagement letter continues for a fixed period of two year from the date of Admission and thereafter is subject to termination by either party giving three months' prior written notice. The Company has agreed to pay St Helens Capital commission of 5 per cent. in respect of any funds raised by St Helens Capital from whatever source whether by way of equity or loan in connection with the proposed admission to PLUS.
- 8.2 An appointment letter dated 15 August 2011 between the Company and Shore Capital pursuant to which the Company has appointed Shore Capital as market maker to the Company with effect from Admission. The appointment shall continue until terminated by either party giving one month's written notice. The Company paid a fee of £10,000 (plus VAT) on signature of the appointment and will pay a retainer fee of £10,000 (plus VAT) per annum commencing on 15 August 2012, quarterly in advance.

- 8.3 A consultancy agreement with Baker Finch was entered into on 1 September 2011 whereby Baker Finch has agreed to provide the services of Conrad Windham in the capacity of non-executive Chairman of the Company. The agreement will be for an initial period of 12 months effective from Admission and terminable thereafter by either party giving three months' notice in writing. The fee payable is £7,500 per annum until the Company has invested at least £150,000. The fee will accrue until the Company has made such investment. Thereafter the fee will be £15,000 per annum, payable monthly in arrears, for providing the services of Conrad Windham.
- 8.4 A consultancy agreement with NJL Management Services Limited was entered into on 1 September 2011 whereby NJL Management Services Limited has agreed to provide the services of Noel Lyons in the capacity of non-executive Director of the Company. The agreement will be for an initial period of 12 months effective from Admission and terminable thereafter by either party giving three months' notice in writing. The fee payable is £7,500 per annum until the Company has invested at least £150,000. The fee will accrue until the Company has made such investment. Thereafter, the remuneration will be £15,000 per annum, payable monthly in arrears, for providing the services of Noel Lyons.
- 8.5 On 1 September 2011, the Company executed a warrant instrument pursuant to which warrants exercisable over up to 2 per cent. of the fully diluted issued share capital following Admission have been granted to St Helen's Capital, such warrants to be exercisable at £0.01 at any time prior to the fifth anniversary of Admission. The warrant instrument is part of a fee arrangement agreed with St Helen's Capital. The exercise price is subject to appropriate adjustment in the event of the Company's share capital being consolidated or subdivided. The Company shall, subject to certain exemptions, apply for all of the Ordinary Shares issued upon exercise of the warrants to be admitted to trading on PLUS or such other recognised investment exchange on which the Ordinary Shares of the Company are being traded from time to time.
- 8.6 On 5 August 2011, the Company accepted an application from DMT to subscribe for 75,000,000 Ordinary Shares at the Subscription Price conditional on:
- 8.6.1 shareholder approval at a general meeting of a resolution authorising the directors to allot shares pursuant to section 551 of the Companies Act 2006 and a resolution to disapply pre-emption rights under section 561;
 - 8.6.2 Admission; and
 - 8.6.3 the opening trading price as quoted by PLUS of the issued Ordinary Shares being at least £0.01 at Admission.

The Subscription Shares shall be settled through the CREST account of JIM Nominees following Admission. It is the Company's understanding that DMT has subscribed for the Subscription Shares on behalf of its private clients.

If the conditions have not been satisfied or waived by the Company by 5 p.m. on 29 August 2011 (or such later time and/or date as may be agreed by the parties), DMT shall not be obliged to make the Subscription.

DMT has provided a covenant that it will not transfer, and it shall use all reasonable endeavours to procure that JIM Nominees shall not transfer any Subscription Shares to any one entity or individual, such that any one particular entity or individual holds three per cent (3%) or more of the issued Ordinary Shares of the Company on Admission and none of the entities or individuals will be deemed to be acting in concert for the purposes of the City

Code.

9 Lock-In Agreements

Lock-In Agreements dated 1 September 2011 between (1) the Directors, (2) the Company and (3) St Helens Capital, (the "Lock-In Agreements") pursuant to which each of the Directors has agreed with St Helens Capital and the Company not to dispose of any Ordinary Shares held by them for a period of 12 months from Admission ("Lock-in Period"). They have further undertaken to the Company and St Helens Capital that, for a period of 12 months following the Lock-In Period, they will only dispose of the Ordinary Shares which they hold with the consent of St Helens Capital and PLUS Stock Exchange (not to be unreasonably withheld or delayed) and if consent is given such shares should be sold through St Helens Capital or the brokers Company from time to time. Certain disposals are excluded from the Lock-In Agreements including those relating to acceptance of a general offer made to all shareholders, pursuant to a court order, in the event of the death of a Current Shareholder or as otherwise agreed to by PLUS and St Helens Capital. The Lock-In Agreements also contain covenants given by the Current Shareholders to use their reasonable endeavours to ensure that any persons deemed to be connected with them also adhere to the terms of the Lock-In Agreements.

10 Option Agreements

On 1 September 2011, the Company granted, conditional on Admission, Options to acquire an aggregate of 20,000,000 Ordinary Shares exercisable at 1 pence per Ordinary Share, as follows:

Name	Number of Ordinary Shares under option (as at the date of this document)
Baker Finch	10,000,000
Noel Lyons	10,000,000

The Options are exercisable at any time for a period of five years in whole or in part provided that the Options may not be exercised in portions of less than 5,000,000 Ordinary Shares.

11 Litigation

The Company is not involved in any legal, governmental or arbitration proceedings which may have or have had since incorporation a significant effect on the Company's financial position or profitability and, so far as the Directors are aware, there are no such proceedings pending or threatened against the Company.

12 United Kingdom Taxation

- 12.1 The following paragraphs are intended as a general guide only and summarise advice received by the Directors about the UK tax position of shareholders who are resident (and in the case of individuals, ordinarily resident and domiciled) in the UK, holding shares as investments and not as securities to be realised in the course of a trade. Unless otherwise noted the paragraphs below are based on current UK legislation and HMRC practice. It should be noted that a number of the UK tax treatments referred to below relate to unquoted shares as shares listed on the PLUS market are generally treated as unquoted for these purposes.

12.2. An investor should consult his/her own tax professional about the tax consequences of an investment in the shares of the Company.

12.3. *Taxation of dividends*

(a) Under current UK legislation, no tax is withheld from dividend payments by the Company.

(b) Dividends paid by the Company will carry an associated tax credit of one-ninth of the cash dividend or ten percent of the aggregate of the cash dividend and associated tax credit. Individual shareholders resident in the UK who are basic rate tax payers receiving such dividends will be liable to income tax on the aggregate of the dividend and associated tax credit at the dividend basic rate (10 per cent.). The effect will be that the taxpayers who are otherwise liable to pay at only the basic rate of income tax will have no further liability to income tax in respect of such a dividend. The rate of income tax payable on such dividends by a UK individual shareholder whose total income, including the dividend and associated tax credit, falls within the 40% income tax band, is 32.5 per cent, which taking into account the 10 per cent tax credit gives an effective rate of tax of 25 per cent on the dividend actually received. For UK individual shareholders in the 50% income tax band the effective rate of tax is approximately 36.1 per cent of the dividend actually received.

(c) Trustees of discretionary trusts are liable to account for income tax at the dividend trust rate, currently 42.5 per cent.

(d) Investors should consult their own tax advisers on what relief or credit may be claimed for any such tax credit in the jurisdiction in which they are resident.

12.4. *Taxation of capital gains made by shareholders*

(a) A UK resident and ordinarily resident individual shareholder who disposes of, or who is deemed to dispose of, their shares in the company may be liable to capital gains tax in relation thereto at a rate of 18 per cent. of any chargeable gain realised falling in the basic income tax band (being £35,000 for the tax year 2011/2012) and 28 per cent. on chargeable gains above the basic rate band limit. In computing the chargeable gain, the shareholder should be entitled to deduct from proceeds the cost of the shares (together with incidental costs of acquisition and disposal).

(b) A UK resident corporate shareholder disposing of its shares in the company may be liable to corporation tax on chargeable gains in relation thereto at the usual rates of corporation tax applicable to it (currently 20 per cent. – 26 per cent. for the financial year to 31 March 2012, depending on the taxable profits of the shareholder). In computing the chargeable gain liable to corporation tax, the shareholder is entitled to deduct from the disposal proceeds, the cost to it of the shares, together with incidental costs of acquisition, as increased by indexation allowance, and disposal costs.

12.5 UK Stamp duty and duty reserve tax

No United Kingdom stamp duty will be payable on the issue by the Company of Ordinary Shares. Transfer of Ordinary Shares for value will generally give rise to a liability to pay United Kingdom stamp duty, or stamp duty reserve tax, at the rate of 0.5 per cent. of the amount or value of the consideration given.

12.6. Inheritance tax

The Company's shares are treated as unquoted shares for UK inheritance tax (IHT) purposes. Individuals and Trustees subject to IHT may be entitled to business property relief of up to 100 per cent. after a holding period of two years, providing all the relevant conditions for the relief are satisfied at the appropriate time.

12.7. General Note on Taxation

Investors should be aware that taxation treatment may be varied in accordance with changes made in taxation rules by H.M. Government from time to time.

13. General

13.1 The total costs and expenses in relation to Admission payable by the Company are estimated to amount to approximately £84,755.00 (excluding VAT).

13.2 Except as disclosed in this Document and for the advisers named on page 8 of this Document, no person has received, directly or indirectly, from the Company during the twelve months preceding the date of this Document or has entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after the start of trading on PLUS, fees totalling £10,000 or more or securities in the Company with a value of £10,000 or more (calculated by reference to the price) or any other benefit to a value of £10,000 or more.

13.3 Except as disclosed in this Document, there are no significant investments in progress by the Company.

13.4 Except as disclosed in this Document, there has been no significant change in the financial or trading position of the Company since 31 July 2011, the date of to which the Financial Information in Part III of this Document was prepared.

13.5 Adler Shine LLP has given and has not withdrawn its written consent to the issue of this Document with the inclusion herein of their report set out in Part III and references thereto. Adler Shine LLP also accepts responsibility for its report.

13.6 St Helens Capital Partners LLP has given and not withdrawn its written consent to the inclusion in this Document of references to its name in the form and context in which it appears.

13.7 None of the Directors, or any members of their families, has a related financial product referenced to the Ordinary Shares.

13.8 Save as set out in this Document, there are no patents or licences, industrial or commercial or financial contracts or new manufacturing processes, which are of material importance to the Company's business and profitability

13.9 Save as disclosed in this Document, the Directors are unaware of the trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the current financial year.

- 13.10 The Directors confirm that the financial information disclosed in Parts I and III of this Document have been prepared in accordance with the law applicable to the Company and they accept responsibility for it.

14 Working Capital

The Directors are of the opinion that, having made due and careful enquiry, the working capital available to the Company on Admission will be sufficient for the present requirements of the Company, that is, for the next twelve month period following Admission.

15 Documents Available for Inspection

- 15.1 Copies of the following Documents will be available for inspection during normal business hours on any weekday (Saturdays and public holidays excepted) at the offices of Nabarro LLP, Lacon House, 84 Theobald's Road, London, WC1X 8RW until the date of Admission:

- 15.1.1 the Articles of Association;
- 15.1.2 the Accountants Report in Part III of this Document;
- 15.1.3 the Directors' letter of appointment and consultancy agreements referred to in paragraph 6 and paragraph 8 above;
- 15.1.4 the material contracts referred to in paragraph 8 above; and
- 15.1.5 the written consents referred to in paragraph 13 above.

- 15.2 Copies of this Document will be available free of charge to the public during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the offices of St Helens Capital Partners LLP, 223a Kensington High Street, London, W8 6SG and shall remain available for at least one month after the date of Admission.

Dated: 1 September 2011