

**THIS DOCUMENT AND THE ENCLOSED FORM OF PROXY IS IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you should seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended, "FSMA") if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser who specialises in advising on the acquisition of shares and other securities.**

If you have sold or otherwise transferred all of your registered holding of Ordinary Shares please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of Ordinary Shares, you should retain these documents and also contact the stockbroker, bank or other agent through whom the sale or transfer was effected as to the actions you should take.

**The whole of this document should be read by Shareholders when deciding on what action to take in relation to the Proposal. Your attention is drawn to the letter from the Senior Independent Director of the Company that is set out in Part I of this document.**

---

# **GULFSANDS PETROLEUM PLC**

*(Incorporated and registered in England and Wales with registered number 05302880)*

## **Proposal for the cancellation of the admission to trading on AIM of the Ordinary Shares**

**and**

## **Notice of General Meeting**

---

Capitalised terms in this document have the meaning ascribed to them in "**Definitions**" set out on pages 6 to 8 of this document.

References to times are to London, United Kingdom, time unless otherwise stated. References to dates and times in this document should be read as being subject to adjustment. Where appropriate, the Company will make an announcement via RNS giving details of any revised dates and/or times, but Shareholders may not receive any further written communication.

Cantor Fitzgerald Europe, which is authorised and regulated by the Financial Conduct Authority, is acting exclusively for the Company and no-one else in connection with the Proposal and is not, and will not be, responsible to anyone other than the Company for providing the protections afforded to its clients or for advising any other person on the contents of this document or any matter, transaction or arrangement referred to therein. Cantor Fitzgerald Europe makes no representation or warranty, express or implied, as to the contents of this document and Cantor Fitzgerald Europe does not accept any liability whatsoever for the accuracy of or opinions contained (or for the omission of any material information) in this document and shall not be responsible for the contents of this document. Nothing in this paragraph shall serve to exclude or limit any responsibilities which Cantor Fitzgerald Europe may have under FSMA or the regulatory regime established thereunder.

A notice of a General Meeting of Gulfsands Petroleum plc to be held at 11.00 a.m. on 10 April 2018 at the offices of Shakespeare Martineau LLP at 60 Gracechurch Street, London EC3V 0HR is set out at the end of this document.

**To be valid, Shareholders should complete, sign and return the Form of Proxy as soon as possible but in any event so as to be received not later than 11.00 a.m. (London time) on 8 April 2018 to Link Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU. The return of a Form of Proxy will not preclude a Shareholder from attending speaking or voting in person at the General Meeting should they so wish. If you hold Ordinary Shares in uncertificated form (that is, in CREST), you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Link Asset Services (CREST participant RA10) so that it is received by no later than 11.00 a.m. on 8 April 2018. Completion and return of a Form of Proxy or CREST Proxy Instruction will not prevent Shareholders from attending and voting in person at the General Meeting should they wish to do so.**

**Subject to the passing of the Resolution set out in the notice of General Meeting, application has been made to the London Stock Exchange for cancellation of the admission to trading on AIM of the Ordinary Shares at 7.00 a.m. on 23 April 2018.**

**THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER TO SELL, OR THE SOLICITATION OF AN OFFER TO BUY, ANY SECURITY, NOR SHALL THERE BE ANY SALE, ISSUANCE OR TRANSFER OF THE SECURITIES REFERRED TO IN ANY JURISDICTION.**

**The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of such jurisdictions and so incur the risk of civil or criminal liabilities.**

This document is not, subject to certain exceptions, for distribution in, or into, the United States of America, Canada, Australia, the Republic of South Africa or Japan. Accordingly, this document may not, subject to certain exceptions, be transmitted directly or indirectly in, or into, the United States of America, Canada, Australia, the Republic of South Africa or Japan. The Ordinary Shares have not been nor will they be registered under the United States Securities Act 1933 (as amended) or under the securities legislation of any state of the United States of America, Canada, Australia, the Republic of South Africa or Japan and they may not be, subject to certain exemptions, sold directly or indirectly within the United States of America, Canada, Australia, the Republic of South Africa or Japan or to or for the account of any national, citizen or resident of the United States of America, Canada, Australia, the Republic of South Africa or Japan.

If you have any questions relating to this document or the Form of Proxy, you should call Link's helpline on 0871 664 0300 (or, if calling from outside the United Kingdom on +44 (0) 20 3728 5000) between 8.30 a.m. and 5.30 p.m. (London Time) Monday to Friday. For legal reasons, Link Asset Services will not be able to provide advice on the merits of the Proposal or offer any financial, legal or tax advice.

#### **Information regarding forward-looking statements**

This document contains a number of forward-looking statements relating to Gulfsands Petroleum plc or the Group. Gulfsands Petroleum plc considers any statements that are not historical facts as "forward-looking statements". They relate to events and trends that are subject to risks and uncertainties that could cause the actual results and financial position of Gulfsands Petroleum plc to differ materially from the information as presented in the relevant forward-looking statement. When used in this document the words "estimate", "project", "intend", "aim", "anticipate", "believe", "expect", "should", and similar expressions, as they relate to Gulfsands Petroleum plc or the management of it, are intended to identify such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. Gulfsands Petroleum plc does not undertake any obligation to update or revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, save in respect of any requirement under applicable laws, the AIM Rules and other regulations.

This document will be available for download from the Company's website: <http://www.gulfsands.com>

## CONTENTS

	<i>Page</i>
Expected timetable of principal events	4
Directors and Advisers	5
Definitions	6
PART I: Letter from the Senior Independent Director	9
PART II: Additional Information	16
PART III: Notice of General Meeting	18

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for receiving this Circular	20 March 2018
Announcement of timetable for proposed Delisting	21 March 2018
Posting of this document and Form of Proxy to Shareholders	21 March 2018
Record Date and latest time and date for receipt of Forms of Proxy and CREST Proxy Instructions in respect of the General Meeting	11.00 a.m. on 8 April 2018
General Meeting	11.00 a.m. on 10 April 2018
Last day of dealings on AIM in the Ordinary Shares, subject to the passing of the Resolution	20 April 2018
Cancellation of the admission to trading on AIM of the Ordinary Shares expected to be effective, subject to the passing of the Resolution	7.00 a.m. on 23 April 2018

### Notes:

All references to times of day in this document are to London time.

Dates set out against events that are expected to occur after the expected date of the General Meeting assume that the General Meeting is not adjourned and that the Resolution is passed at the General Meeting.

All of the above times and dates are subject to change at the Company's discretion. In the event of any change, where appropriate, the revised times and dates will be notified to Shareholders by an announcement through a Regulatory Information Service.

## DIRECTORS AND ADVISERS

<b>Directors</b>	James Ede-Golightly (Non-Executive Chairman) John Bell (Managing Director) Andrew James Morris (Finance Director) Joseph Darby (Senior Independent Non-Executive Director) Michael Kroupeev (Non-Executive Director) Richard Milne (Non-Executive Director)
<b>Registered office</b>	6th Floor 60 Gracechurch Street London EC3V 0HR United Kingdom
<b>Nominated Adviser and Broker</b>	Cantor Fitzgerald Europe One Churchill Place Canary Wharf London, E14 5RB United Kingdom
<b>Financial PR</b>	Camarco PR 107 Cheapside London EC2V 6DN United Kingdom
<b>Solicitors to the Company as to English law</b>	Pinsent Masons LLP 30 Crown Place Earl Street London EC2A 4ES United Kingdom
<b>Auditor to the Company</b>	BDO LLP 55 Baker Street London W1 7EU United Kingdom
<b>Registrars</b>	Link Asset Services 34 Beckenham Road Beckenham Kent BR3 4TU

## DEFINITIONS

In this document and the accompanying Form of Proxy the following words and expressions shall, except where the context requires otherwise, have the following meanings:

<b>“AIM”</b>	AIM, the market of that name operated by the London Stock Exchange;
<b>“AIM Rules”</b>	the rules and guidance for companies whose shares are admitted to trading on AIM entitled “AIM Rules for Companies” published by the London Stock Exchange, as amended from time to time;
<b>“Articles of Association”</b>	the articles of association of the Company in force as at the date of this document;
<b>“Board” or the “Directors”</b>	the directors of the Company from time to time, who, as at the date of this document, comprise those directors of the Company (including the Non-Shareholder Directors) whose names are set out on page 5 of this document;
<b>“Business Day”</b>	any day upon which the London Stock Exchange is open for business;
<b>“certificated” or “in certificated form”</b>	where a security is not held in uncertificated form (i.e. not in CREST);
<b>“City Code”</b>	the UK City Code on Takeovers and Mergers;
<b>“Companies Act”</b>	means the UK Companies Act 2006 (as amended);
<b>“Company” or “Gulfsands”</b>	Gulfsands Petroleum plc, a company incorporated in England and Wales with registration number 05302880 whose registered office is at 6th Floor, 60 Gracechurch Street, London, United Kingdom, EC3V 0HR;
<b>“CREST”</b>	the relevant system (as defined in the CREST Regulations (as amended)) operated by Euroclear in accordance with which securities may be held or transferred in uncertificated form;
<b>“CREST Proxy Instruction”</b>	the means by which a Shareholder who holds Ordinary Shares in CREST may appoint a proxy;
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755);
<b>“Delisting”</b>	the proposed cancellation of admission of the Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, the operator of CREST;
<b>“Executive Director”</b>	an executive Director of the Company at the relevant time;
<b>“Facility”</b>	the Single Currency Term Facility Agreement dated 15 February 2017, as amended on 20 March 2018;
<b>“Financial Conduct Authority”</b>	the UK Financial Conduct Authority;
<b>“Form of Proxy”</b>	the form of proxy enclosed with this document for use by Shareholders in connection with the General Meeting or any adjournment of such meeting;

<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended);
<b>“General Meeting”</b>	the general meeting of the Company convened for 11.00 a.m. on 10 April 2018 pursuant to the GM Notice or any adjournment of such meeting;
<b>“GM Notice”</b>	the notice of the General Meeting which is set out in Part III of this document;
<b>“Group”</b>	the Company and its subsidiary undertakings;
<b>“Independent Director”</b>	means, in respect of any subject matter, any Director of the Company at the relevant time, other than a Director who has an interest in that subject matter which has not been approved pursuant to s.175 or s.177 of the Companies Act (as the case may be);
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“Major Shareholders”</b>	together Richard Griffiths, ME Investments and Waterford owning approximately 83 per cent of the Company’s issued share capital (as at 19 March 2018 being the last practicable date before the date of this document);
<b>“ME Investments”</b>	ME Investments Ltd of Les Echelons Court, Les Echelons, St Peter Port, Guernsey, GY1 1AR;
<b>“Minority Shareholders”</b>	means those Shareholders who are not Major Shareholders;
<b>“Non-Shareholder Directors”</b>	means a director of the Company at the relevant time who is considered by the Board to be independent of the Major Shareholders and consequently, as at the date of this document each of John Bell, Andrew Morris, Joseph Darby and Richard Milne;
<b>“Ordinary Shares”</b>	the fully paid ordinary shares of par value £0.01 each in the capital of the Company;
<b>“participant ID”</b>	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;
<b>“Proposal”</b>	the Delisting as described in this document;
<b>“QCA Code”</b>	means the Corporate Governance Code for Small and Mid-Size Quoted Companies published by the Quoted Companies Alliance in 2013 and as updated from time to time
<b>“Record Date”</b>	the record date for voting at the General Meeting, being 11:00 a.m. on 8 April 2018;
<b>“Registrars”</b>	Link Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU;
<b>“RNS”</b>	has the meaning given to such terms in the AIM Rules;
<b>“Resolution”</b>	the Resolution to be proposed at the General Meeting, as set out in the GM Notice;
<b>“Richard Griffiths”</b>	Mr. Richard Griffiths and any entities controlled by him which hold Ordinary Shares (including Blake Holdings Limited);
<b>“Shareholders”</b>	holders of Ordinary Shares;

<b>“Shareholder Director”</b>	means a director of the Company at the relevant time who is considered by the Board to be affiliated with a Major Shareholder and consequently, as at the date of this document each of James Ede-Golightly and Michael Kroupeev;
<b>“uncertificated” or “in uncertificated form”</b>	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which may be transferred by means of CREST;
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“United States”</b>	the United States of America, its territories and possessions, any state of the United States of America and the district of Columbia and all other areas subject to its jurisdiction;
<b>“US\$” or “USD” or “cents”</b>	the lawful currency of the United States;
<b>“Waterford”</b>	Waterford Finance & Investment Limited of Channel House, Forest Lane, St. Peter Port, Guernsey; and
<b>“£” or “pence”</b>	the lawful currency of the United Kingdom.

## PART I

### LETTER FROM THE SENIOR INDEPENDENT DIRECTOR OF GULFSANDS PETROLEUM PLC

#### *Directors*

<i>James Ede-Golightly</i>	<i>(Non-Executive Chairman)</i>
<i>John Bell</i>	<i>(Managing Director)*</i>
<i>Andrew James Morris</i>	<i>(Finance Director)*</i>
<i>Joseph Darby</i>	<i>(Senior Independent Non-Executive Director)*</i>
<i>Michael Kroupeev</i>	<i>(Non-Executive Director)</i>
<i>Richard Milne</i>	<i>(Non-Executive Director)*</i>

*\*Non-Shareholder Director*

21 March 2018

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

Dear Shareholder

#### **Proposal for the cancellation of the admission to trading on AIM of the Ordinary Shares (the “Delisting”)**

**and**

#### **Notice of General Meeting**

##### **1. Introduction**

The Directors of Gulfsands Petroleum PLC have recently undertaken a review of the benefits of having its shares continuing to trade on AIM. Having concluded this review, the Company is announcing today that it is seeking Shareholder approval to cancel the admission of its Ordinary Shares from trading on AIM (the “**Delisting**”). The Delisting is pursuant to Rule 41 of the AIM Rules, and requires the approval of not less than 75 per cent of the votes cast by Shareholders (whether present in person or by proxy) at the General Meeting.

The GM Notice is set out in Part III of this document.

The purpose of this document is to give you further information about the background to, and reasons for, the proposed Delisting, to provide additional information on the implications of the Delisting and ultimately explain why the Directors believe that it is the best course of action in the interests of the Company and Shareholders to vote in favour of the Resolution.

Delisting is conditional upon the approval of the Resolution at the General Meeting convened for this purpose to be held at 11.00 a.m. (London time) on 10 April 2018 at the offices of Shakespeare Martineau LLP, 60 Gracechurch Street, London EC3V 0HR.

##### **2. Background to and Reasons for the Proposal**

On 17 January 2018, the Company announced that it had drawn down the remaining £1.6 million available under the final two tranches of the Facility and explained that the Board would then explore its further funding options for the Company beyond the middle of 2018.

The Board concluded that the only realistic source of such further funding would be the existing Major Shareholders who have been the Company’s only significant sources of capital for more than three years. As part of subsequent discussions with the Major Shareholders, the Company’s medium-term strategy was deliberated, and the Major Shareholders requested that the Company consider whether the Company would be best served to deliver that medium-term strategy as an unlisted Plc rather than a listed company.

Following these discussions, the Company has now secured a further £4 million of funding through an extension of the Facility. This is anticipated to provide the Company with sufficient working capital until the middle of 2020 based upon the existing scope and status of activities within its portfolio. Details of the terms of the Facility have been announced separately through the RNS issued by the Company today.

In conjunction with the agreement to extend the Facility, the Major Shareholders have indicated their support for a progression of the Company's medium-term strategy whereby the Company will look beyond simply preserving, protecting and preparing for a return to Syria when sanctions permit, to include a focus on the potential acquisition of additional oil and gas assets, and other business development initiatives, within its area of regional focus, the Middle East. The Company's management are already in the process of evaluating a number of potential opportunities and the Board is of the opinion that further opportunities may arise within the region over the coming period. There can, however, be no guarantee, that any of these opportunities will materialise into meaningful projects for the Group.

In the event that the Company is successful in securing new business opportunities in accordance with the revised strategy, the Company may need to raise further finance in addition to the £4 million additional funding secured pursuant to the extension of the Facility. The structure of that additional fundraising would be considered by the Board at the relevant time.

As requested by the Major Shareholders, in light of this agreed medium-term strategy, the Board has considered the merits and risks of being a listed company versus a delisted company. The Board has concluded that at this time, it is in the best interests of the Company to proceed as a delisted entity, and therefore has resolved to seek a cancellation of the admission of its Ordinary Shares to trading on AIM.

In reaching this conclusion the Board has considered, inter alia:

- the impact on the Company's ability to access capital;
- the additional cost and management burden of retaining the listing, especially in the event of a sustained period of increased corporate activity and in the context of a small executive team and limited working capital;
- the ability of the Company to successfully implement its strategy, including its ability to manage the complexity of its business, to attract and retain staff, advisors and service providers, and to manage relations with key external stakeholders including its partners and potential counterparties;
- the impact of a Delisting on Shareholders and mitigations that can be put in place as more fully described in paragraph 5.2 of Part I of this document; and
- the costs and risks associated with the Delisting, including the potential impact on employees and service providers.

### **3. Rationale for the Potential Delisting**

The Directors have concluded that, given the progressive medium-term strategy of the Company, the benefits of being listed on AIM do not justify maintaining the listing and so a resolution should be put to shareholders to approve a Delisting. The reasons include the following:

#### ***The Company's Ability to Attract Capital***

Since the introduction of EU Sanctions in 2011, the Company has been unable to generate any revenue from its core assets in Syria. As a result, since then, the Company has been wholly reliant on first using its own cash resources, and subsequently externally raised capital, to fund its operations.

In recent years, the listing has not served a useful function for the Company in terms of providing it with significant access to funding from the broader capital markets. The only material capital raised over the last three years, including the recent £4 million extension of the Facility, has been from the three Major Shareholders who have all indicated their desire for the Company to Delist. These Major Shareholders now own approximately 83% of the Company's issued share capital.

This concentrated shareholder base, in turn, results in a limited free float and liquidity in the Ordinary Shares with the consequence that the listing does not, in itself, offer investors the opportunity to trade meaningful volumes with frequency in an active market.

This limited liquidity creates, at times, high volatility in the Company's share price, often driven not by fundamental changes to the Company's business but by speculation, often related to political developments in the areas in which we operate. This volatility can result in a share price that is out of line with the fundamental value of the Company's business, making it an inaccurate barometer from which to raise significant capital or to use as currency for acquisitions.

#### ***The Financial, Management and Administrative Cost of Maintaining the Listing***

Management has spent a significant amount of effort during the last two years to reduce the cost of running the business. In doing so it has increased efficiency and significantly reduced General & Administrative costs to less than \$3 million per year. The Company's return to a growth strategy, and an anticipated sustained period of increased corporate activity will require significant management focus. At this time, therefore, the Board believes that the costs and management burden of retaining the listing on AIM, especially in the context of a small executive team and limited working capital, has become disproportionate to the benefits to the Company.

As a result, the Directors have concluded that it is appropriate to complete the Delisting and remove these burdens to allow the Company to focus on implementing its revised medium-term strategy

The Board's intention will be to periodically reevaluate the merits of a re-admission of the Company to AIM, or another relevant stock exchange, as the strategy progresses however there can be no certainty whether the Company will return to the public markets.

Following careful consideration, the Directors believe that it is in the best interests of the Company and Shareholders to seek the cancellation of the admission of the Company's shares to trading on AIM.

## **4. The Potential Delisting**

### ***4.1. The effects of the Delisting***

If the Delisting becomes effective following the General Meeting, Shareholders should be aware of the implications and principal effects of the Delisting, which include the following:

- **Public market** - there will be no public market or trading facility on any recognised investment exchange for the Ordinary Shares and, consequently, there can be no guarantee that a Shareholder will be able to purchase or sell any Ordinary Shares. Accordingly, while the intention is to implement an off-market trading facility, as more fully described below in paragraph 5.2.2, the opportunity for Shareholders to realise their investment in the Company will be much more limited and there will be no public valuation of Ordinary Shares held;
- **Liquidity** - while the Ordinary Shares will remain freely transferrable, it is probable that the liquidity and marketability of the Ordinary Shares may be significantly reduced by the Proposal for the Delisting and the value of such Ordinary Shares, even whilst the Company is still admitted to trading on AIM, may be adversely affected as a consequence;
- **CREST / Certification** - while the Company's CREST facility will remain in place post the Delisting, the Company's CREST facility may be cancelled in the future, in which case, although the Ordinary Shares would remain transferable, they would cease to be transferable through CREST. In this instance, Shareholders who hold Ordinary Shares in CREST would receive share certificates;
- **AIM Rules** - Shareholders will no longer be afforded the protections given by the AIM Rules, such as the requirement for the Company to retain a nominated adviser, to be notified of certain events, including substantial transactions, financing transactions, related party transactions and fundamental changes in the Company's business, including certain acquisitions and disposals. Notwithstanding this, the Company and the Major Shareholders have agreed to maintain a website for a period of at least 24 months from the date of delisting which will continue to contain certain information for Shareholders which the Board considers is prudent to disclose, although there is no assurance that this will include all information required under AIM Rule 26 or that it will be updated as required by the AIM rules;
- **Independent advisers** - the Company will cease to have an independent financial and nominated adviser and broker;
- **Regulatory, accounting and reporting requirements** - as an unlisted company, the Company will be subject to fewer regulatory restrictions than as a listed company. In addition, as an unlisted company, the Company may be subject to less stringent accounting and reporting requirements and will not, for example, be required to publish interim accounts;

- **Tax** - the Delisting may have either positive or negative taxation consequences for Shareholders. Shareholders who are in any doubt about their tax position should consult their own professional independent adviser immediately;
- **Dilution** - there will be reduced controls over the terms of capital raises and issuances of new Ordinary Shares, to related parties (such as the Major Shareholders) this could lead to substantial dilution for Minority Shareholders; and
- **MAR** – as an unlisted company there will no longer be a requirement for the Company to publicly disclose matters which constitute inside information which, as a listed company, it would be required to do pursuant to the provisions of the Market Abuse Regulation. Although the Company may in the future publicly disclose matters which the Directors consider prudent, the disclosure of information will not reflect the requirements of MAR.

**The above considerations are not exhaustive and Shareholders should seek their own independent advice when assessing the likely impact of the Delisting on them.**

#### **4.2. The Delisting Process**

Under the AIM Rules, it is a requirement that the Delisting be approved by not less than 75 per cent of votes cast by Shareholders at a General Meeting. Accordingly, the GM Notice set out in Part III of this document contains a special resolution to approve the Delisting.

Furthermore, Rule 41 of the AIM Rules requires any AIM company that wishes the London Stock Exchange to cancel the admission of its shares to trading on AIM to notify shareholders and to separately inform the London Stock Exchange of its preferred cancellation date at least 20 Business Days prior to such date. In accordance with AIM Rule 41, the Directors have notified the London Stock Exchange of the Company's intention, subject to the Resolution being passed at the General Meeting, to cancel the Company's admission of the Ordinary Shares to trading on AIM. Accordingly, if the Resolution is passed the Delisting will become effective at 7.00 a.m. on 23 April 2018. If the Delisting becomes effective, Cantor Fitzgerald Europe will cease to be nominated adviser of the Company and the Company will no longer be required to comply with the AIM Rules.

### **5. The Company After Delisting**

#### **5.1. The Medium-Term Strategy and Prospects**

The Company's long-term strategy remains to be a major oil and gas producer in the Middle East. The Company is committed to Syria and continues to view its world class Block 26 asset as core to its strategy. The Company has a long history and experience in the Middle East region, in particular the Levant, and despite the reported increase in hostilities in recent weeks, the Board remains cautiously optimistic in the medium-term regarding the improving environment in the region. Consequently, the Board has decided to pursue a more progressive medium-term strategy beyond merely preserving and protecting its existing core assets.

Post Delisting, the Board will pursue this progressive strategy, which will include the potential acquisition of additional oil and gas assets, and other business development initiatives in the region, while also working with the international community, in accordance with all applicable sanctions, to return to Syria as soon as is allowed. With the expanded Facility in place, the Company's General & Administrative costs are now expected to be funded through to the middle of 2020. While the Company pursues this more progressive strategy, there can be no guarantee that any of these initiatives will materialise into meaningful new projects for the Group.

**The Board and the Company remain committed to complying with EU Sanctions in all its business dealings. Nothing relating to the Delisting will affect this commitment.**

The Company will also continue to manage down its non-core assets including its exits from Tunisia and Morocco and continues to seek the farm-out or divestment of its assets in Colombia.

#### **5.2. Minority Shareholder protections after Delisting**

Notwithstanding the effects of Delisting outlined in Section 4.1, certain facilities, services and governance arrangements for Shareholders that currently apply while the Company is AIM listed will remain in place. Some of these arise pursuant to statute and others pursuant to policies that have been agreed by the Board, with the support and agreement of the Major Shareholders.

Shareholders should note that the City Code will continue to apply to the Company for a period of 10 years from the date of Delisting. Together with the Companies Act, the City Code will continue to provide certain protections to Minority Shareholders and in particular with regard to compulsory acquisitions of Shares in the context of offers from Major Shareholders or third party offerors.

The Company will also continue to be bound by the Articles of Association after the Delisting. The Company currently has no intention to amend the Articles of Association as result of the Delisting.

### **5.2.1 Delisting Undertakings from the Company and Major Shareholders**

The Company has received certain undertakings from each of the Major Shareholders which are designed to protect the interests of Minority Shareholders (the "**Minority Protections**") and these undertakings also cover the irrevocable undertaking to vote in favour of the Resolution at the GM. The Company considers that these Minority Protections provide important mitigation for the Shareholders in terms of the risks arising in connection with the Delisting as set out in paragraph 4.1 of Part I of this document. These Minority Protections are summarised as follows and will subsist, unless amendments are approved by a majority of the holders of the Ordinary Shares excluding the Major Shareholders, for a period of at least two (2) years from the date of Delisting:

#### **5.2.1.1. The Company as a Public Limited Company**

The Company will remain registered as a public limited company ("PLC") pursuant to the Companies Act in the United Kingdom, notwithstanding the Delisting, and will not re-register as a private limited company.

#### **5.2.1.2. Information Rights**

The Company will:

- communicate information about the Company (including annual accounts) to its Shareholders, as required by the Companies Act;
- hold Annual General Meetings, in the UK; and
- maintain its website and post periodic updates, although Shareholders should be aware that there will be no obligation on the Company to include all information required under the Market Abuse Regulation ("**MAR**") or AIM Rule 26 or to update the website as required by the AIM rules or MAR. Prior to providing any updates to the Shareholders, the Board will consider whether it is commercial and appropriate to do so and whether such disclosure is in the best interests of the Company and will only publish updates if these criteria are satisfied.

#### **5.2.1.3. Corporate Governance**

- The current balance of the Board and any Board Committees will be maintained such that there will at all times be a majority of the Board who are independent of the Executive Directors and a majority of the Board who are independent of the Major Shareholders;
- The Company shall be managed in accordance with such provisions of the QCA Code as the Board considers practicable and appropriate for the size, stage of development and operations of the Group at the relevant time and/or such other UK corporate governance regime as may be adopted by the Board from time to time;
- The approval of Independent Directors shall be required in respect of terms of any transactions with a Major Shareholder (a "**Related Party Transaction**") and approval of any Related Party Transaction may be subject, at the discretion of the Independent Directors, to receipt of an written opinion that the terms of such Related Party Transaction are fair and reasonable in so far as all Shareholders are concerned; and
- Furthermore, the Independent Directors shall be able to decide on the inclusion of and subsequent form of any pre-emptive component of an equity fundraising to be undertaken by the Company, provided that Independent Directors have first confirmed in writing to the Board that they consider the pre-emptive component to be reasonable in the circumstances.

### **5.2.2. Liquidity and Trading of Ordinary Shares Following Delisting**

In addition to the Minority Protections outlined above, the Board is also aware that the proposed Delisting, if approved at the General Meeting, would make it more difficult for Shareholders to buy and sell Ordinary Shares should they wish to do so.

Therefore, the Company intends to make arrangements for a secondary market trading facility, to facilitate Shareholders to trade in the Ordinary Shares, to be put in place from the date of Delisting if the Resolution is passed. The details of this trading facility will be announced prior to the date of Delisting.

## **6. Irrevocable Undertakings for the General Meeting**

The Company has received irrevocable undertakings from the Major Shareholders to vote, or procure a vote, in favour of the Resolution in respect of all Ordinary Shares held by each of them (or in which they are currently interested) on the date of the General Meeting. They have further committed that they will not sell any Ordinary Shares between the date of this document and the date of the General Meeting. As at 19 March 2018 (being the last practicable date before publication of this document) the Major Shareholders collectively held 430,323,215 Ordinary shares in aggregate, representing approximately 83 per cent of the issued share capital of the Company.

## **7. Current Trading**

The Company released its interim results for the six months ended 30 June 2017 on 28 September 2017 and has since provided numerous RNS announcements including ones relating to the reset of its Putumayo Licence, initiation of the Morocco country exit and the draw down on the remaining tranches under the existing Facility. Further operational and financing updates are being published via RNS today.

## **8. Taxation**

Shareholders are strongly advised to consult their professional advisers about their own personal tax position arising in connection with the Delisting.

## **9. Expected Timetable of Events**

The timetable of the events relating to the Delisting is set out on page 4 of this document. Details regarding the time, date and location of the General Meeting in particular are set out in paragraph 10 of this Part I.

## **10. General Meeting**

The General Meeting will be held at 11.00 a.m. (London time) on 10 April 2018 at the offices of Shakespeare Martineau LLP, 60 Gracechurch Street, London EC3V 0HR. at which the Resolution will be proposed. Please note that the summary and explanation set out below is not the full text of the Resolution and Shareholders should review the full text of the Resolution before returning their Forms of Proxy.

A summary of the Resolution which will be proposed at the General Meeting, is as follows:

**Resolution 1**, which will be proposed as a special resolution, seeks approval for the Delisting.

## **11. Action to be taken**

You will find enclosed with this document a Form of Proxy for use at the General Meeting or any adjournment thereof. Whether or not you propose to attend the General Meeting in person, you are requested to complete and return the Form of Proxy to the Company's registrars Link Asset Services, in accordance with the instructions printed thereon as soon as possible but, in any event, to be received no later than 11.00 a.m. on 8 April 2018. Completion and return of a Form of Proxy will not preclude you from attending and voting at the General Meeting in person if you so wish.

As an alternative to returning the Form of Proxy, certain Shareholders can appoint a proxy electronically as follows. If you hold your Ordinary Shares in uncertificated form (i.e. in CREST) you may appoint a proxy by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by Link Asset Services (under CREST participant ID RA10) by no later than 11.00 a.m. on 8 April 2018.

Unless the Form of Proxy or CREST Proxy Instruction is received by the relevant date and time specified above, it will be invalid. Completion and posting of the Form of Proxy or completing and transmitting a CREST Proxy Instruction will not preclude you from attending and voting in person at the General Meeting if you wish to do so.

## 12. Recommendation

**The Board, including the Non-Shareholder Directors, consider that the Proposal is in the best interests of the Company and its Shareholders as a whole and therefore unanimously recommend that you vote in favour of the Resolution.**

Yours faithfully

Joseph Darby  
Senior Independent Non-Executive Director

## PART II

### ADDITIONAL INFORMATION

#### 1. Responsibility statement

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

The Directors of the Company are:

James Ede-Golightly	(Non-Executive Chairman)
John Bell	(Managing Director)
Andrew James Morris	(Finance Director)
Joseph Darby	(Senior Independent Non-Executive Director)
Michael Kroupeev	(Non-Executive Director)
Richard Milne	(Non-Executive Director)

#### 2. Directors

As at 19 March 2018 (the latest practicable date prior to the publication of this document), the interests of the Directors (including persons connected with them within the meaning of Section 252 of the UK Companies Act 2006) in the issued share capital of the Company, the existence of which is known or could with reasonable diligence be ascertained by that Directors, were as:

<i>Director</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Ordinary Shares</i>
Joseph Darby	100,250	0.025
James Ede-Golightly	80,200	0.015
Andrew James Morris	320,800	0.06
Michael Kroupeev	194,042,618*	37.32
<b>Total</b>	<b>194,543,868</b>	<b>37.42</b>

\*These Ordinary Shares are held by Waterford Finance & Investments Limited which is a connected person to Michael Kroupeev within the meaning of section 252 of the UK Companies Act.

#### 3. Significant Interests in Ordinary Shares

As at 19 March 2018 (the latest practicable date prior to the publication of this document), the Company is aware of the following beneficial holdings of persons other than Directors who were interested, directly or indirectly, in three per cent or more of the issued share capital of the Company:

<i>Director</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Ordinary Shares</i>
ME Investments Ltd	72,623,428	13.97
Richard Griffiths	163,657,169	31.47
Waterford Finance & Investment Limited	194,042,618	37.32
<b>Total</b>	<b>430,323,215</b>	<b>82.76</b>

#### **4. General**

Cantor Fitzgerald Europe, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, has given and not withdrawn its written consent to the issue of this document with the inclusion of its name in the form and context in which it appears.

PART III

**GULFSANDS PETROLEUM PLC**

*(Incorporated and registered in England and Wales with registered number 05302880)*

**NOTICE OF GENERAL MEETING**

**Notice is hereby given that a General Meeting of Gulfsands Petroleum plc (the "Company") will be held at the offices of Shakespeare Martineau LLP at 60 Gracechurch Street, London EC3V 0HR on 10 April 2018 at 11.00 a.m. to consider, and if thought fit, to pass the following Resolution as a special resolution:**

- 1 **THAT** the admission of the ordinary shares of £0.01 each in the capital of the Company to trading on AIM, a market operated by London Stock Exchange plc, be cancelled (the "**Delisting**") and that the directors of the Company be authorised to take all steps which they consider to be necessary or desirable in order to effect such Delisting.

BY ORDER OF THE BOARD

**Ben Harber**  
Company Secretary  
21 March 2018

**Notes:**

1. Every holder has the right to appoint some other person(s) of their choice, who need not be a shareholder as his proxy to exercise all or any of his rights, to attend, speak and vote on their behalf at the meeting. If you wish to appoint a person other than the Chairman, please insert the name of your chosen proxy holder in the space provided (see over). If the proxy is being appointed in relation to less than your full voting entitlement, please enter, in the box next to the proxy holder's name (see over), the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account).
2. To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate, by marking the box provided, if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
3. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communication from the Company in accordance with Section 146 of the Companies Act 2006 ("nominated persons"). Nominated persons may have a right under an agreement with the registered shareholder who holds shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.
4. In the case of joint holders such persons shall not have the right to vote individually in respect of a share but shall elect one person to represent them and vote in person or by proxy. In default of such an election, the vote of the person first named in the register of members of the Company tendering a vote will be accepted to the exclusion of the votes of the other joint holders.
5. The 'Vote Withheld' option overleaf is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
6. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at 11am on 8 April 2018. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
7. Shares held in uncertificated form (i.e. in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual. Shareholders wishing to vote online should visit [www.signalshares.com](http://www.signalshares.com) and follow the instructions.
8. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the insurer's agent RA10, 48 hours before the time fixed for the meeting or adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST manual. We may treat as invalid a proxy appointment sent by CREST, in the circumstances set out in Regulation 35 (5) (a) of the Uncertificated Securities Regulations 2001. In any case your proxy form must be received by the company's registrars no later than 48 hours before the time fixed for the meeting or adjourned meeting.
9. The completion and return of this form will not preclude a member from attending the meeting and voting in person. If you attend the meeting in person, your proxy appointment will automatically be terminated.
10. The Form of Proxy over must arrive at Link Asset Services, 34 Beckenham Road, Beckenham BR3 4TU accompanied by any Power of attorney under which it is executed (if applicable) no later than 48 hours before the time fixed for holding of the meeting or any adjournment thereof (as the case may be).
11. If you prefer, you may return the proxy form to the Registrar in an envelope addressed to FREEPOST PXS, 34 Beckenham Road, BR3 9ZA no later than 48 hours before the appointed time of the meeting. A postage stamp will not be required when mailing from the UK. Please note that the Freepost address must be completed in block capitals and that delivery using this service can take up to 5 business days. Alternatively the Form of Proxy can be posted to the following address but a stamp will be required: Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU.