

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 if you are in the UK or, if not, from another appropriately authorised stockbroker or adviser. If you have sold or transferred all of your ordinary shares in Longboat Energy plc, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

Longboat Energy plc

(Incorporated and registered in England and Wales with registered number 12020297)

Directors:

Graham Duncan Stewart (Non-Executive Chairman)
Helge Ansgar Hammer (Chief Executive Officer)
Jonathan Robert Cooper (Chief Financial Officer)
Nicholas Andrew Ingrassia (Corporate Development Director)
Brent Cheshire (Senior Independent Non-Executive Director)
Jorunn Johanne Saetre (Independent Non-Executive Director)
Katherine Louise Margiad Roe (Independent Non-Executive Director)

Registered Office:

5th Floor, One New Change
London
EC4M 9AF

1 June 2021

Dear Shareholder,

**Longboat Energy plc (the “Company”)
Notice of Annual General Meeting**

I am writing to inform you that the Annual General Meeting (“AGM”) of the Company will be held on Wednesday 30 June 2021 at 11.00 a.m. and which due to the COVID-19 pandemic will be available on the Investor Meet Company platform. A physical meeting to satisfy quorum requirements will be held at the offices of Stifel Nicolaus Europe Limited, 150 Cheapside, London EC2V 6ET. The formal notice of AGM attached to this letter sets out the business to be considered at the AGM. This letter and schedules give further details on some of the matters to be considered at the AGM. **Please note in particular the following section relating to the COVID-19 measures regarding your attendance in person at the AGM.**

COVID-19 Measures & Meeting Arrangements

At the time of writing the Government’s measures to restrict public gatherings remain in force which mean that, unfortunately, your attendance in person at the AGM will not be possible and shareholders should follow proceedings of the AGM via the Investor Meet Company platform. In compliance with the COVID Restrictions, but in any event from a practical perspective with people unwilling to travel and venues unwilling to host meetings, it will not be possible to run the AGM in the normal manner and so unfortunately, we have decided that the meeting will be run as a closed meeting. The only physical attendees will be certain directors of which one will be the chairperson of the AGM (the “Chairperson”) and the Company Secretary in order to form a quorum and facilitate the administration of the AGM. No other members of the Board, any professional advisers or others will attend the AGM in person in light of the COVID Restrictions.

We regret that these measures are necessary, but we are committed to conducting the business of the Company in the safest and most practical way possible in these circumstances and we hope that you will understand our position.

The AGM will be restricted to its formal business only. However, the Board recognises that the AGM normally represents an opportunity to engage with shareholders and provides a forum that enables shareholders to ask questions of the Board. In light of this shareholders will be able to follow the proceedings of the AGM and the Company will provide access to an online audio and presentation link on the platform provided by <https://www.investormeetcompany.com>.

Following the formal business of the AGM, there will be a presentation to shareholders by the Board. Questions can be submitted pre-event via your Investor Meet Company dashboard up until 9 a.m. the day before the meeting or at any time during the live presentation.

PLEASE NOTE THAT ATTENDANCE THROUGH THE INVESTOR MEET COMPANY PLATFORM DOES NOT MAKE YOU LEGALLY PRESENT AT THE AGM OR FORM PART OF THE QUORUM AND ACCORDINGLY YOU ARE STRONGLY ENCOURAGED TO APPOINT A PROXY. GIVEN THE CLOSED NATURE OF THE MEETING WE WOULD STRONGLY ENCOURAGE YOU TO APPOINT THE CHAIRMAN OF THE MEETING AS YOUR PROXY IN ONE OF THE MANNERS DESCRIBED UNDER "ACTION TO BE TAKEN" BELOW. IT WILL NOT BE POSSIBLE FOR YOU TO CAST ANY VOTE VIA THE INVESTOR MEET COMPANY PLATFORM.

Shareholders that wish to follow proceedings at the AGM should register for the event in advance via the following link: <https://www.investormeetcompany.com/longboat-energy-plc/register-investor>.

This situation is constantly evolving, and the UK Government may change current restrictions or implement further measures relating to the holding of general meetings during the affected period. Given that there are still some weeks to pass before the AGM, we will continue to monitor the Government guidance, the practical situation we face as a Company and any changes to the regulatory or legal landscape and provide any appropriate updates or changes to the above proposals (including, without limitation, as to proxy appointments, attendance, venue, format, the business to be considered or timing, as the case may be) via the Regulatory News Service and our website www.longboatenergy.com.

We do not presently expect that the above restrictions on attendance will be relaxed in the period prior to the AGM but the Company will keep this under review. For completeness, I wish to mention that the Chairperson has the power to secure the safety of the people attending the AGM and that the Company considers this of paramount importance. Therefore, any shareholder (or their appointed proxy other than the Chairperson) who seeks to attend the AGM may be refused entry.

Resolutions to be put to the AGM and voting procedure

At the AGM, shareholders will be asked to approve 15 resolutions. Resolutions 1 to 12 are proposed as ordinary resolutions. This means that, for each of those resolutions to be passed, a majority of the votes cast must be in favour of the resolution. Resolutions 13 to 15 are proposed as special resolutions which means that, for each of those resolutions to be passed, at least three quarters of the votes cast must be in favour of the resolution.

The majority of the resolutions to be put to the meeting are normal course but I would comment on the following matters to be put to the meeting:

Director re-election: Nick Ingrassia was co-opted to the board effective today 1 June 2021 and in accordance with the Company's articles of association retires from office but being eligible, puts himself forward for re-appointment by shareholders. In addition as Directors are subject to re-election by shareholders by rotation at least once every three years Graham Stewart, Helge Hammer and Jorunn Saetre also retire from office and put themselves forward for re-appointment by shareholders. The Board is satisfied that each Director standing for re-election continues to have the skills, experience and commitment necessary to contribute effectively to the deliberations of the Board. The Board therefore unanimously recommends the re-election of the Directors set out in the resolutions to be proposed at the AGM. Biographical details of the Directors appear in Schedule 1 attached to this notice.

Co-Investment Plan: The Company intends to adopt a new long-term incentive plan, being the Longboat Energy plc Co-Investment Plan. The Co-Investment Plan will allow eligible employees to be granted matching share awards with a value equal to the market value of shares purchased by the employee using their personal funds (grossed up to reflect the pre-tax salary that the employee would have had to be paid to acquire the shares using their net income). Employees can purchase shares up to a maximum of 50% of their pre-tax base salary. The Company believes that awards under the Co-Investment Plan will strengthen alignment between employees and shareholders through increased employee share ownership. Schedule 2 provides a summary of the main terms of the Co-Investment Plan and background to Resolution 10 which relates to the approval of the Co-Investment Plan.

Approval of investing policy – It is a requirement of the AIM Rules for Companies that where an investing company (within the meaning of the AIM Rules for Companies) has not substantially implemented its investing policy (within the meaning of the AIM Rules for Companies) within eighteen months of the date on which the investing company's shares were admitted to AIM, the investing company should seek the consent of its shareholders for its investing policy at its next annual general meeting and on an annual basis thereafter, until such time that its investing policy has been substantially implemented.

The Company is an investing company (within the meaning of the AIM Rules for Companies). The Company's investing policy is set out in the Company's admission document dated 26 November 2019, available on the Company's website ([https://longboatenergy.com/AIM Rule 26 Information/](https://longboatenergy.com/AIM%20Rule%2026%20Information/)).

As announced today, the Company has reached agreement on a bilateral basis with three separate counterparties to acquire a significant, near-term, low-risk exploration drilling programme on the Norwegian Continental Shelf structured as three farm-in transactions. Longboat further announced its intention to carry out a proposed equity financing, to be conducted by means of a placing and subscription for new ordinary shares in the Company, and to enter into an exploration finance facility agreement.

The acquisitions, if entered into and completed, will be a reverse takeover for the purposes of the AIM Rules for Companies and the Company has requested a temporary suspension of trading in its ordinary shares pending either the publication of the admission document following entry into definitive legal agreements in respect of the acquisitions or the announcement of the termination of discussions.

These acquisitions would be the Company's first acquisitions as it seeks to deliver on its investment policy. However, as at the date of this notice, the Company has not substantially implemented its investing policy (within the meaning of the AIM Rules for Companies) within eighteen months of the date on which the Company's ordinary shares were admitted to trading on AIM, being 26 November 2019, and it is therefore necessary for the Company to seek the approval of its shareholders to continue with its investing policy at the AGM.

It is expected that prior to the AGM full details of the proposed acquisitions will have been announced and a general meeting called to approve the same and associated raising of equity.

By the date of the AGM the proposed acquisitions will not have completed and therefore either (a) if Resolution 9 is passed, the Directors will continue to run the Company as an investing company until such time as the acquisitions complete and a reverse takeover is completed or (b) if Resolution 9 is not passed, the Directors will formulate a proposal for shareholders to vote for either an amendment to the investment policy or to return funds to shareholders.

All resolutions will be subject to a poll and will not be carried or rejected by a show of hands.

Your Directors believe that each of the proposed resolutions to be proposed at the AGM is likely to promote the success of the Company for the benefit of its shareholders as a whole and unanimously recommend that you vote in favour of them, as they intend to do in respect of their own beneficial holdings, which amount in aggregate to 600,000 ordinary shares of 10p each (representing 6.00 per cent. of the current issued share capital of the Company).

Concluding words

The Board would like to take this opportunity to thank all shareholders for their continued support and understanding in these exceptional circumstances and wish them well during this time as we all navigate the implications of COVID-19. For future general meetings, we look forward to returning to the usual full shareholder engagement.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'G Stewart', written in a cursive style.

Graham Stewart
Chairman

SCHEDULE 1 – DIRECTORS’ BIOGRAPHIES

Resolution no 5 Graham Duncan Stewart – Non-Executive Chairman (Age: 60)

Graham holds an honours degree in Offshore Engineering from Heriot-Watt University and an MBA from Edinburgh University and has over 25 years’ experience in oil and gas technical commercial affairs. He founded Faroe Petroleum in 1998, where he was Non-Executive Chairman until December 2002 when he became Chief Executive Officer until January 2019 and before that he was with Dana Petroleum plc, the Petroleum Science and Technology Institute and Schlumberger.

Resolution no 6 Helge Ansgar Hammer – *Chief Executive Officer (Age: 59)*

Helge has over 30 years’ technical and business experience and served as Chief Operating Officer of Faroe Petroleum from 2006 until 2019. Prior to joining Faroe Petroleum, he was Asset Manager and Deputy Managing Director at Paladin Resources. He holds a degree in Petroleum Engineering from NTH University in Trondheim and in Economics from the Institut Français du Pétrole in Paris. In addition, he worked for Shell for 13 years as a Reservoir Engineer, Team Leader and Business Manager in Norway, Oman, Australia and the Netherlands.

Resolution no 7 Jorunn Johanne Saetre – *Independent Non-Executive Director (Age: 64)*

Jorunn is a chemical engineer, who worked in senior positions with Halliburton, in Norway, Europe and the US, over a 30 year period. Her roles included serving as director of Halliburton’s European Research Centre, Head of Halliburton’s overall Scandinavian operations and responsibility for Global Product Enhancement activities. In 2008, she was awarded the title of “Oil Woman of the Year” by Stavanger Society of Petroleum Engineers. Jorunn held a management and business development role with the engineering support group AGR. She is currently project manager with the energy cluster Norwegian Energy Solutions and was an Independent Non-Executive Director of Faroe Petroleum from 2014 until 2019.

Resolution no 8 Nicholas Andrew Ingrassia – *Corporate Development Director (Age: 41)*

Nick has over 20 years’ experience across a wide range of corporate roles in-and-around the oil & gas industry. Nick started his career in banking with roles at Morgan Stanley (energy investment banking) and RBS (structured energy lending & debt advisory) before joining the industry, working in business development roles with Valiant Petroleum plc (sold to Ithaca Energy inc in 2013), Salamander Energy plc (sold to Ophir Energy plc in 2015) and Faroe Petroleum plc (sold to DNO ASA in 2019). Most recently, he acted as UK Country Manager for DNO ASA. Nick has an MA Hons degree from St Andrews University.

SCHEDULE 2 – CO INVESTMENT PLAN – SUMMARY OF TERMS

Following approval by shareholders, the Company will adopt a new long-term incentive plan, being the Longboat Energy plc Co-Investment Plan (**'Co-Investment Plan'**), the principal terms of which are summarised below.

1 Eligibility

Any individual who is an employee of the Group (**'Participant'**) is eligible to participate in the Co-Investment Plan and be granted Options at the discretion of the Board.

2 Grant of Options

Subject to any dealing restrictions matching Share awards in the form of options (**'Options'**) over ordinary shares of 10p each (**'Shares'**) may be granted to an eligible employee at any time. No Options may be granted more than 10 years from the date when the Co-Investment Plan is adopted.

Options will be granted over Shares, with such Shares having a value equal to the value of the Shares acquired by each Participant using their personal funds (**'Investment Shares'**) grossed up to reflect the pre-tax salary that each such eligible employee would have had to be paid to acquire such Investment Shares using their net income. Participants may acquire Investment Shares with a market value up to an amount equal to 50% of their pre-tax base salary in each financial year

3 Vesting and exercise

The Options will have an exercise price of an amount equal to the nominal value of the Shares. The Options will vest and become exercisable on the third anniversary (**'Vesting Date'**) of the date that the Participant acquires the Investment Shares (**'Investment Date'**) subject to: (a) the Participant retaining the Investment Shares until the Vesting Date; and (b) the Participant remaining in employment with the Group until the Vesting Date; and (c) the performance condition having been met on the Vesting Date. Following vesting the Options will normally remain exercisable up to five years from the date of vesting.

4 Performance conditions

The Options will only vest and become exercisable provided that the price of the Shares has increased by an amount equal to or greater than 30% between the Investment Date and the Vesting Date. If the performance condition is not met on the Vesting Date the Option will lapse in full on that date.

5 Cessation of employment

Ordinarily, all Options held by a Participant will lapse with immediate effect upon such Participant's cessation of employment unless their employment is terminated by reason of death, ill health, injury, disability, redundancy, retirement, certain corporate events or such other reason as the Committee may determine. Unvested awards will vest on the usual vesting date but will be pro-rated for time served and the achievement of the performance conditions. The Committee has discretion to accelerate the vesting date and not take into account time served.

Options are not transferable other than to a Participant's personal representatives in the event of death.

6 Corporate events

In the event of a takeover of the Company, scheme of arrangement, or winding-up of the Company, the Options will vest at the time of such corporate event. The proportion of each Option which shall Vest will be determined by the Board in its absolute discretion taking into account such factors as the Board may consider relevant including, but not limited to, the proportion of the vesting period that has elapsed at the time of the relevant event and the performance condition.

7 Malus and clawback

The Committee may, at the time of vesting or at any time before, reduce the vesting level of awards in special circumstances and general malus principles will be applicable upon the discovery of deficient performance. Claw-back will apply on share awards in the event of a material financial

misstatement, gross misconduct, a material failure in risk management where the risk had not been fairly disclosed or any insolvency within the Company or its subsidiaries.

8 Limits

As stated in the Company's 2019 admission document (Part 1 paragraph 9) the Company may issue 15% of its share capital within a ten-year period to satisfy awards to participants under the various share plans operated by the Company. Options may be satisfied by way of new issue Shares, treasury Shares or Shares purchased in the market. Under the rules of the Co-Investment Plan, no Options may be made if it would result in the aggregate number of Shares issued (or committed to be issued) under the Co-Investment Plan (together with those issued, or committed to be issued, under any other employee Share plan or scheme) in the preceding 10 year period to exceed 15 per cent. of the issued ordinary Share capital of the Company at that time.

9 Variation of capital

If there is a variation of Share capital of the Company or in the event of a demerger or other distribution, special dividend or distribution, the Board may make such adjustments to the Options granted under the Co-Investment Plan, including to the number of Shares subject to Options and the option exercise price (if any), as it considers to be fair and reasonable.

10 Amendments

The Board may, at any time, subject to the Company's remuneration policy, amend the provisions of the Co-Investment Plan in any respect. However, amendments may not be made which adversely affect the rights of Participants except where the Participants affected by the change are notified of such amendment and the majority of Participants approve such amendment or such amendments are to take account of any matter or circumstance which the Board reasonably considers is a legal or regulatory requirement.

Note: This Schedule 2 summarises the main features of the rules of the Co-Investment Plan, but does not form part of them, and should not be taken as affecting the interpretation of the detailed terms and conditions constituting the rules. The rules governing the Co-Investment Plan are available for inspection at the Company's web site www.longboatenergy.com from the date of despatch of the Chairman's letter up to and including the date of the Annual General Meeting of the Company, and at the meeting itself. The directors reserve the right, up to the time of the meeting, to make such amendments and additions to the rules of the Co-Investment Plan as they consider necessary or desirable, provided that such amendments and additions do not conflict in any material respect with the summary set out in this Schedule 2.

