

THE COMPANIES ACTS 1985 TO 1989

PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

of

PLECTRUM OIL & GAS LIMITED

FRIDAY



- 1 The Company's name is PLECTRUM OIL & GAS LIMITED
- 2 The Company's registered office is to be situated in England and Wales
- 3 The Company's objects are -
 - (A)
 - (i) To carry on the business of a holding and investment company and to do all lawful acts and things whatever, that are necessary or convenient in carrying on the business of a holding company or the business of an investment company
 - (ii) To carry on the business of a management and servicing company and to act as managers or to direct the management of other companies or of the business, property and estates of corporations, private persons or companies and to undertake and carry out all such services in connection therewith as may be deemed expedient and to exercise its powers as a controlling shareholder of other companies
 - (iii) To acquire by purchase, lease, concession, grant, licence or otherwise such lands, buildings, leases, underleases, rights, privileges, stocks, shares and debentures in public or private companies, corporate or unincorporate, policies of insurance and other such property, real or personal and rights and interest in property as the Company shall deem fit
 - (B) To carry on any other trade or business which can, in the opinion of the Board of Directors, be advantageously carried on by the Company
 - (C) To acquire by purchase, lease, exchange, hire or otherwise, or to hold for any estate or interest, any land, buildings, easements, rights, privileges, concessions, patents,

patent rights, licences, secret processes, machinery, plant, stock-in-trade and any real or personal property of any kind necessary or convenient for the purposes of or in connection with the Company's business

- (D) To erect, alter or maintain any buildings, plant and machinery necessary or convenient for the Company's business and to contribute to or subsidise the erection, construction and maintenance of any of the above
- (E) To acquire by subscription or otherwise and hold, sell, deal with, make a market in or dispose of any shares, stocks, debentures, debenture stock, or other securities of any kind whatsoever, guaranteed by any company constituted or carrying on business in any part of the world and debentures, debenture stock and other securities of any kind guaranteed by any Government or Authority, Municipal, Local or otherwise, whether at home or abroad, and to subscribe for the same either conditionally or otherwise and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by the ownership thereof
- (F) To receive money on deposit or otherwise either without security or secured by debentures, debenture stock (perpetual or terminable), mortgage or other security charged on the undertaking or on all or any of the assets of the Company including uncalled capital, and generally to act as bankers
- (G) To borrow and raise money in any manner and to secure with or without consideration the repayment of any money borrowed, raised, or owing by mortgage, charge, debenture, debenture stock, bond, standard security, lien or any other security of whatsoever nature upon the whole or any part of the Company's property or assets (whether present or future) including its uncalled capital, and also by a similar mortgage, charge, debenture, debenture stock, bond, standard security, indemnity, lien or security of whatsoever nature to secure and guarantee the performance by the Company or any other company or person (including, but without prejudice to the generality of the foregoing) the holding company of the Company or any company which is a subsidiary of such holding company within, in each case, the meaning of Section 736 and Section 736(A) of the Companies Act 1985 (the "Act"), as amended by the Companies Act 1989, of any obligation or liability it or such person or company may undertake or which may become binding upon it or such person or company, and to secure any securities of the Company by

a Trust Deed or other assurance and to enter into partnership or any joint purse arrangement with any person, persons, firm or company

- (H) To lend money with or without security, and to invest money of the Company upon such terms as the Company may approve, and to guarantee the dividends, interest and capital of the shares, stocks or securities of any company of or in which the Company is a member or is otherwise interested, and generally as the Directors think fit
- (I) To apply for, purchase or otherwise acquire and hold or use any patents, licences, concessions, copyrights and the like, conferring any right to use or publish any secret or other information and to use, exercise, develop or grant licences in respect of the property, rights or information so acquired
- (J) To take part in the formation, management, supervision or control of the business or operation of any company or undertaking and for that purpose to appoint and remunerate any directors, accountants, consultants, experts or agents
- (K) To employ experts, consultants and valuers to investigate and examine the condition, prospects, value, character and circumstances of any business concerns and undertakings and generally of any assets, property or rights
- (L) To establish or promote or concur in establishing or promoting any other company whose objects shall include the acquisition or taking over of all or any of the assets or liabilities of the Company or the promotion of which shall be in any manner calculated to advance directly or indirectly the objects or the interests of the Company and to acquire, hold or dispose of shares, stocks or securities issued by or any other obligations of any such other company
- (M) To draw, accept, make, endorse, discount, execute, issue and negotiate promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable instruments
- (N) To invest and deal with the monies of the Company not immediately required for the purposes of the business of the Company in or upon such investments and in such manner as the Company may approve
- (O) To pay for any property or rights acquired by the Company either in cash or by the issue of fully or partly paid up shares, with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise,

or by any securities which the Company has power to issue, or partly in one mode and partly in another, and generally on such terms as the Company may determine

- (P) To accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company, either in cash, by instalments or otherwise, or in fully or partly paid-up shares or stock of any company or corporation, with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or in debentures or mortgages or other securities of any company or corporation or partly in one mode and partly in another, and generally on such terms as the Company may determine, and to hold, dispose of or otherwise deal with any shares, stocks or securities so acquired
- (Q) To enter into arrangements for joint working in business or amalgamate with or enter into any partnership or arrangement for sharing profits, union of interests, reciprocal concession or co-operation with any company, firm or person carrying on or proposing to carry on any business within the objects of the Company or which is capable of being carried on so as directly or indirectly to benefit the Company
- (R) To purchase or otherwise acquire, take over and undertake all or any part of the business, property, liabilities and transactions of any person, or company carrying on any business the carrying on of which is calculated to benefit the Company or to advance its interests, or possessed of property suitable for the purposes of the Company
- (S) To sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise, grant licences, easements and other rights in or over, and in any other manner deal with or dispose of the undertaking and all or any of the property and assets for the time being of the Company for such consideration as the Company may think fit
- (T) To provide for the welfare of persons employed or formerly employed by the Company and to grant pensions, allowances, gratuities and bonuses to officers or ex-officers, employees or ex-employees of the Company or its predecessors in business or of any associated company of the Company or its predecessors in business or the dependants of such persons and to establish and maintain or concur in establishing and maintaining trusts, funds or schemes (whether contributory or non-contributory), with a view to providing pensions or other funds for any such persons as aforesaid or their dependants

- (U) To subscribe to or otherwise aid the establishment and support of, any schools and any educational, scientific, literary, religious or charitable institutions or trade societies, whether such institutions or societies be solely connected with the business carried on by the Company or its predecessors in business or not, and to institute and maintain any club or other establishment
- (V) To distribute *in specie* assets of the Company properly distributable amongst the members, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law
- (W) To purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers, employees or auditors of the Company against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and or discharge of their duties and or in the exercise of their powers and or otherwise in relation to their duties, powers or offices in relation to the Company, and to such extent as may be permitted by law or otherwise to indemnify or to exempt any such person against or from any such liability
- (X) To do all or any of the things hereinbefore authorised, either alone or in conjunction with others, or as factors, trustees or agents for others, or by or through factors, trustees or agents
- (Y) Subject to, and always in compliance with, the provisions of the Act to give, whether directly or indirectly, any kind of financial assistance (as defined in Section 152(1)(a) of the Act) for any such purpose as is specified in Section 151(1) and/or Section 151(2) of the Act
- (Z) To do all such other things (whether similar to any of the foregoing or not) as are incidental to or which the Company may think conducive to the above objects or any of them

The objects set forth in any sub-clause of this clause shall not be restrictively construed but the widest interpretation shall be given thereto, and they shall not, except when the context expressly so requires, be in any way limited to or restricted by reference to or inference from any other object or objects set forth in such sub-clause or from the terms of any other sub-clause or by the name of the Company. None of such sub-clauses or the object or objects therein specified or the powers thereby conferred shall be deemed subsidiary or ancillary to the objects or powers mentioned in any other sub-clause, but the Company shall

have full power to exercise all or any of the powers and to achieve or to endeavour to achieve all or any of the objects conferred by and provided in any one or more of the said sub-clauses

4 The liability of the Members is limited

5 The Company's share capital is £50,000 divided into 5,000,000 Ordinary shares of 1p each ¹

¹ On 14 February 2005 an ordinary resolution was passed consolidating the share capital into 1,000,000 ordinary shares of 5p each

On 14 February 2005 an ordinary resolution was passed increasing the authorised share capital to £250,000 by the creation of 4,000,000 ordinary shares of 5p each, ranking *pari passu* with the existing share capital

WE, the subscribers to this Memorandum of Association wish to be formed into a Company pursuant to this Memorandum, and we agree to take the number of shares shown opposite our respective names

Names and Addresses of Subscribers	Number of Shares Taken by each Subscriber
MICHAEL HOWARD EVANS 22 Stanley Street Aberdeen AB10 6UR	One Ordinary
MICHAEL WHYATT Alma House 12 William Street Torphins Kincardineshire AB31 4FR	One Ordinary

Dated 1 December 2004

ARTICLES OF ASSOCIATION

of

PLECTRUM OIL & GAS LIMITED

Company number 05303276

Incorporated on 02 December 2004

Adopted by special resolution on: 27 February 2008

THE COMPANIES ACTS 1985, 1989 AND 2006 (AS AMENDED)

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

PLECTRUM OIL & GAS LIMITED

PRELIMINARY

- 1 The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended by SI 2007/2541 and SI 2007/2826) (which Table is hereinafter referred to as "Table A") shall, save insofar as they are excluded by or inconsistent with the following provisions, apply to the Company. References herein to Regulations are to Regulations in the said Table A unless otherwise stated.
- 2 In these Articles, references to the "Act" are references to the Companies Act 1985, but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force and any provisions of the Companies Act 2006 for the time being in force.

ALLOTMENT OF SHARES

- 3 **Regulation 2** of Table A does not apply to the Company. All unissued shares in the share capital of the Company are under the control of the directors who may (subject to section 80 of the Act, **Article 4** below and/or any direction to the contrary that may be given by ordinary resolution of the Company) allot, grant options or rights over or otherwise dispose of the same to such persons, at such times, and on such terms as they think fit.
- 4 During the period of five years from the date of incorporation of the Company, the directors are generally and unconditionally authorised for the purposes of section 80 of the Act to exercise all powers of the Company to allot and grant rights to subscribe for or convert securities into the shares which form part of the Company's authorised share capital upon incorporation. After that five year period, the directors may allot shares or grant any rights under this authority under any offer or agreement made by the Company within that period. This authority may at any time (subject to the said section 80) be renewed, revoked or varied by ordinary resolution of the Company.
- 5 In accordance with section 91 of the Act, sections 89(1) and 90(1) to (6) of the Act do not apply to the Company.

SHARE CERTIFICATES

- 6 In the second sentence of **Regulation 6** of Table A the words "shall be sealed with the seal and" are deleted. Share certificates must be signed by one director and the company secretary or two directors or two authorised signatories of the Company.

LIEN

- 7 The Company has a first and paramount lien on all shares standing registered in the name of a single person or in the name of any person jointly with another or others for all monies presently payable by him or any of them or his estate or the estate of any of them to the Company
Regulation 8 of Table A is modified accordingly

CALLS ON SHARES

- 8 The liability of any member in default in respect of a call includes liability for all expenses incurred by the Company by reason of such default and any notice given in accordance with **Regulation 18** of Table A may also require payment of such expenses

TRANSFER OF SHARES

- 9 **Regulation 24** of Table A does not apply to the Company The directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any share, whether or not it is a fully paid share

PROCEEDINGS AT GENERAL MEETINGS

- 10 **Regulations 40 and 41** of Table A do not apply to the Company
- 11 No business will be transacted at any general meeting unless a quorum is present Except as otherwise stated in the Articles, two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, will constitute a quorum
- 12 If, and for so long as, the Company has only one member, that member present in person or by proxy, or, if that member is a corporation, by a duly authorised representative, will constitute a quorum
- 13 If a meeting is convened and a quorum is not present within half an hour of the time the meeting is due to commence, the meeting, on the requisition of members, will be dissolved In any other case the meeting will be adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the directors may determine If a quorum is not present within half an hour of the time the adjourned meeting is due to commence, the member or members present, whether in person or by proxy or, in the case of a corporation, by its duly authorised representative, will constitute a quorum
- 14 If, and for so long as, the Company has only one member and that member takes any decision which is required to be taken in general meeting or by means of a written resolution, then, subject to compliance with sections the Act (if applicable), that decision will be as valid and effective as if it had been agreed by the Company in general meeting Any decision taken by a sole member pursuant to this **Article 14** will be recorded in writing and delivered by that member to the Company for entry in the Company's minute book
- 15 In the case of a corporation a resolution in writing may be signed on its behalf by a director or company secretary or by its duly appointed attorney or duly authorised representative
- 16 A resolution will not be moved by any member other than a director at a meeting unless a copy of that resolution (with the name and address of the member intending to move the same) has been deposited at the registered office of the Company at least three clear days prior to that meeting
- 17 In **Regulation 59** of Table A the word "not" is inserted before the word "appoint"
- 18 **Regulation 62** of Table A does not apply to the Company
- 19 An instrument appointing a proxy and any authority under which it is executed or a duly certified copy of such authority must be delivered -

- 19 1 in the case of a meeting or an adjourned meeting, (a) to such person(s) before such time and at such place (if any) as specified for that purpose in or by way of note to the notice convening the meeting or (b) if such person(s), place or time are not specified, to the secretary (or the chairman of the meeting) on the day and at the place of the meeting or the adjourned meeting, but in any event prior to the time at which the meeting is due to commence, or
- 19 2 in the case of a poll taken otherwise than at or on the same day as the meeting or the adjourned meeting, to the secretary (or the chairman of the meeting) on the day and at the place where the poll is to be taken, but in any event prior to the time at which the poll is to be taken
- 20 The instrument appointing a proxy may be in the form of a facsimile or other machine made copy and, unless the contrary is stated, will be valid for any adjournment of the meeting to which it relates. An instrument of proxy relating to more than one meeting (including any adjournment) which has been delivered to the Company for the purposes of any meeting will not require to be delivered again for the purposes of any subsequent meeting to which it relates

NUMBER OF DIRECTORS

- 21 **Regulation 64** of Table A does not apply to the Company. The maximum and minimum number of directors may be determined from time to time by ordinary resolution of the Company. If no such determination is made, the number of directors will not be subject to any maximum but will be not less than one

ALTERNATE DIRECTORS

- 22 **Regulations 66 and 69** of Table A do not apply to the Company
- 23 An alternate director is entitled to contract and be interested in and benefit from contracts or arrangements and to be repaid and to be indemnified to the same extent as if he were a director. He is not entitled to receive any remuneration from the Company, unless his appointor instructs the Company by notice in writing to pay him such part (if any) of the remuneration otherwise payable to his appointor
- 24 An alternate director is entitled to receive notices of meetings of the directors and of any committee of the directors of which his appointor is a member. He is entitled to attend and vote as a director and be counted in the quorum at any such meeting at which his appointor is not personally present and generally at such meeting to perform all functions of his appointor as a director and, for the purposes of the proceedings at such meeting, the provisions of these Articles apply as if he were a director. If the alternate director is also a director or attends any meeting as an alternate for more than one director, his voting rights are cumulative but he cannot be counted more than once for the purposes of the quorum. If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill health or disability, the alternate director's signature to any resolution in writing of the directors is as effective as the signature of his appointor. An alternate director does not (except as aforesaid) have power to act as a director, nor is he deemed to be a director for the purposes of these Articles, nor is he deemed to be the agent of his appointor
- 25 An alternate director will cease to be an alternate director:
- 25 1 if his appointor ceases to be a director, or
- 25 2 if his appointor revokes his appointment pursuant to **Regulation 65** of Table A by notice to the Company, or
- 25 3 on the happening of any event which, if he were a director, would cause him to vacate his office as a director (other than non-attendance at meetings of the directors at which his appointor is present), or

25 4 if he resigns his office by notice to the Company

APPOINTMENT AND RETIREMENT OF DIRECTORS

- 26 Where as a result of the death of a sole member of the Company, the Company has no members and no directors the personal representatives of such deceased members have the right by notice in writing to appoint a person to be a director of the Company and such appointment is as effective as if made by the Company in general meeting
- 27 References in Table A to retirement of directors by rotation do not apply to the Company The directors are not required to retire by rotation
- 28 In addition to the circumstances in which the office of a director is vacated under **Regulation 81** of Table A, the office will be vacated if notice is given to the director by all the other directors to vacate his office
- 29 A director is not required to hold shares of the Company in order to qualify for office as a director, but he is entitled to receive notice of and attend and speak at all general meetings of the Company or of any class of members of the Company

BORROWING POWERS

- 30 The directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit and to grant any mortgage, charge or standard security over the undertaking, property and uncalled capital of the Company or any part thereof and, where relevant, subject to section 80 of the Act, to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party, and similarly to give any guarantee or indemnity in respect of any obligation of a third party which the Company is empowered to give

PROCEEDINGS OF DIRECTORS

- 31 **Regulations 89 and 94 to 97** (inclusive) of Table A do not apply to the Company
- 32 If, and for so long as, the Company has only one director, the quorum for the transaction of the business of the directors is one but the quorum will, at all other times, be fixed at two unless otherwise determined by the directors
- 33 Any business transacted by a sole director pursuant to **Article 32** will be recorded in writing for entry in the Company's minute book and such business will be valid and effective and binding on the Company
- 34 A director may vote, at any meeting of the directors or of any committee of the directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, provided that the director has declared such interest to the directors and (where applicable) has complied with the Act
- 35 If a director votes on any resolution in which he has an interest (in terms of **Article 34**) his vote will count and he will (whether or not he votes on the resolution) be taken into account in calculating the quorum present at the meeting
- 36 Subject to compliance with the Act and **Articles 34 and 35** above, a director may, unless otherwise resolved in advance by the directors, retain for his own absolute use and benefit all profits and advantages directly or indirectly accruing to him from any matters
- 37 Subject to the provisions of the Act

- 37 1 a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested is deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified, and
- 37 2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge will not be treated as an interest of his
- 38 A resolution in writing signed by all the directors for the time being in the United Kingdom is as effective as a resolution passed at a meeting of the directors duly convened and held and it may consist of several documents, each signed by one or more of the directors
- 39 A meeting of the directors, or of a committee of the directors, may consist of a conference, telephone call or other means of telecommunication between directors as long as each director is able to speak to each of the others and can be heard by each of the others simultaneously. Alternatively, such a meeting may take place by a telephone call or series of telephone calls from the chairman of the directors or of the relevant committee to all other directors or to all other members of the relevant committee (as the case may be). A director taking part in such a conference or telephone call will be considered present in person at that meeting (whether or not two or more persons are present in one place) and will be entitled to vote and be counted in the quorum. Such a meeting will be recorded as taking place where the largest group of those participating in the conference is assembled, or, if there is no such group or if the meeting takes place by a telephone call or series of telephone calls from the chairman of the directors or of the relevant committee, where the chairman of the directors or of the relevant committee is present. In these Articles, the word "meeting" when referring to a meeting of the directors, or of a committee of the Directors will be construed accordingly
- 40 Directors who are absent from the United Kingdom are entitled to the same notice of all meetings of the directors as directors not so absent and the third sentence of **Regulation 88** does not apply to the Company. If a director who is absent from the United Kingdom does not advise the Company in writing of his overseas address, notice to his usual address in the United Kingdom will be considered sufficient notice for the purposes of this Article

COMMON SEAL

- 41 **Regulation 101** of Table A does not apply to the Company. The Company does not need to have a company seal. If the directors decide that the Company should have a seal, it must only be used with the approval of the directors or of a committee of the directors. Unless the directors determine otherwise, a document to which the seal is attached may be signed by a director and the company secretary or two directors or two authorised signatories of the Company

NOTICES

- 42 A member whose registered address is not within the United Kingdom is entitled to have notices sent to him at that address and the last sentence of **Regulation 112** of Table A does not apply to the Company

INDEMNITY

- 43 **Regulation 118** of Table A does not apply to the Company
- 44 Every director or other officer or auditor of the Company will be indemnified, to the extent permitted by law, out of the assets of the Company against and/or exempted by the Company from all costs, charges, expenses, losses and liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto

- 45 Without prejudice to **Article 44**, the directors have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees of any Relevant Company (as defined in **Article 46**) or who are or were at any time trustees of any pension fund or employees' share scheme in which employees of any Relevant Company are interested, including but not limited to insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to any Relevant Company, or any such pension fund or employees' share scheme
- 46 For the purposes of **Article 45** "Relevant Company" means the Company, any holding company of the Company or any other body, whether or not incorporated, in which the Company or such holding company or any of the predecessors of the Company or of such holding company has or had any interest, whether direct or indirect, or which is in any way allied to or associated with the Company, or any subsidiary undertaking of the Company or of such other body