

TRANSFER OF LISTING STATUS – FREQUENTLY ASKED QUESTIONS

1. What is a Standard Listing?

Standard Listings cover issuance of shares, Global Depositary Receipts (GDRs), debt and securitised derivatives that are required to comply with EU minimum requirements. The EU minimum provisions concern incorporation, company validity, transferability of relevant securities and market capitalisation. The key EU directives that apply to issuers with a Standard Listing of securities are the Prospectus, Transparency and Market Abuse Directives. The Listing Rules embody the EU requirements that need to be satisfied if a company is to have its securities admitted to the Official List as Standard listed securities. Sometimes these include requirements that go beyond the EU directive minimum and include:

- complying with certain eligibility requirements (e.g. an acceptable three year trading record); providing pre-emption rights (although this may be provided in the company articles);
- complying or explaining against the UK Combined Code;
- appointing a sponsor; and
- complying with the Listing Rule provisions on significant and related party transactions.

2. What is the difference between a Standard Listing and a Premium Listing?

A Standard Listing allows issuers to access the Main Market by meeting reduced EU harmonised standards only rather than the UK 'super-equivalent' requirements. Also, the administrative requirements for securities with a Standard Listing are less demanding and stringent than those applicable to securities with a Premium Listing. For example, companies with securities admitted to a Standard Listing will not normally be required to seek prior shareholder approval in connection with the acquisition or disposal of assets which exceed certain size criteria and/or involve a transaction with a related party.

3. What is a Premium Listing?

A Premium Listing is only available to equity shares issued by trading companies and closed and open-ended investment entities. Issuers with a Premium Listing are required to meet the UK's super-equivalent rules which are higher than the EU minimum requirements. A Premium Listing means the company is expected to meet the UK's highest standards of regulation and corporate governance – and as a consequence may enjoy a lower cost of capital through greater transparency and through building investor confidence.

The following Listing Rules chapters outline the 'super equivalent' requirements that must be met by issuers that are commercial companies seeking a Premium Listing for their equity shares:

- Chapter 6 (three-year revenue earning record, control of an independent business, unqualified working capital statement);
- Chapter 7 (The Listing Principles);
- Chapter 8 (Sponsors);
- Chapter 9 (Providing pre-emption rights to shareholders, Combined Code disclosure, Model Code, certain rules regarding employee share schemes and long term incentive plans, certain rules regarding the conduct of rights issues; open offers and placings and certain disclosures in annual financial reports);
- Chapter 10 & 11 (Significant transaction and Related party rules; the super-equivalent provisions provide shareholders with rights to vote on certain corporate actions, including significant and related party transactions);
- Chapter 12 (Repurchases of securities); and
- Chapter 13 (Contents of circulars).

Issuers that are closed-ended investment funds and open-ended investment companies that have premium listed equity shares must comply with chapters 15 and 16 of the Listing Rules respectively, as well as complying with many requirements in chapters 6 to 13 of the Listing Rules.

4. Will the transfer of Cadogan Petroleum plc's (the "Company") listing category on the Official List from Premium to Standard affect the way in which shareholders buy or sell ordinary shares?

No. The transfer to Standard Listing will not affect the way in which shareholders buy or sell ordinary shares and existing share certificates in issue in respect of the ordinary shares will remain valid.

5. Will the ordinary shares continue to be eligible to be held in ISAs and/or SIPPs?

Yes. They will continue to be eligible to be held in ISAs and SIPPs.

6. Why do you want to change from a Standard Listing to a Premium Listing?

After careful consideration, the Company concluded that in order to ensure liquidity in the ordinary shares through a public listing whilst maintaining an appropriate degree of flexibility for a company of this size and type, it is appropriate to transfer the listing of the ordinary shares from the category of Premium Listing to Standard Listing. The transfer will facilitate more cost efficient administration generally and potential future disposal and acquisition opportunities. The Company's board wishes to align its regulatory responsibilities and the associated cost consequences with the Company's size. The transfer will mean that the Company will not be required to comply with super-equivalent provisions of the Listing Rules which apply to companies with a Premium Listing – this will have a direct cost saving for the Company.

7. Will the Company still be eligible for inclusion in the FTSE UK Index Series?

No; unlike Premium Listed companies which are potentially eligible for the FTSE UK Index Series, including the FTSE 100 Index, Standard Listed companies are not eligible for inclusion in the FTSE UK Index Series.

8. Do you still have to comply with the UK Corporate Governance code?

The UK Corporate Governance Code does not apply directly to companies with a Standard Listing. However, pursuant to paragraph 7.2 of the Disclosure and Transparency Rules, companies with a Standard Listing are still required to make a statement in the directors' report covering the governance code to which the issuer is subject in relation to the financial reporting process and certain details of its share capital. The directors of companies with a Standard Listing are also required to include a description of the internal control and risk management systems and the composition of committees. However, the Company does not intend to make any changes to its current corporate governance regime once the transfer to the Standard Listing has become effective.

The Company intends to maintain appropriate standards of reporting and corporate governance for a company with a Standard Listing and, to the extent it considers appropriate in light of the Company's size and future developments, will observe the requirements of the UK Corporate Governance Code.

9. Is the Company still required to publish annual accounts?

In the same way that companies with a Premium Listing are required to do, the Company will need to prepare annual audited financial reports, half yearly financial reports and interim management statements.

10. Does the Company have a duty to disclose inside information?

The Company will be required to disclose inside information to the market and comply with the provisions of the Disclosure and Transparency Rules including to make notifications of dealings in shares.

11. What is a special resolution?

A special resolution requires (on a poll) at least 75% of votes cast to be in favour of the resolution. A special resolution is required to effect a transfer of listing category to a Standard Listing. The special resolution to transfer the Company's listing category to a Standard Listing will be sought at the general meeting scheduled for 22 November 2011.

12. How many ordinary shares are in issue?

There are 231,091,734 ordinary shares of 3 pence each in issue.

13. When will the Company's listing of ordinary shares be transferred from Premium Listing to Standard Listing?

It is currently intended that the transfer will take place on 20 December 2011 following approval by shareholders in the general meeting on 22 November 2011.