

The Directors  
**Petrel Resources PLC**  
162 Clontarf Road  
Dublin  
Republic of Ireland  
D03 F6Y0  
(the **Company**)

Dear Sirs,

6 February 2020

#### **Disclosure obligations under the Irish Companies Act, 2014**

Mr Roger Tamraz, Mr Michel Fayad and Mr Said Mehraik (the **Shareholders**) are shareholders of the Company. As at the date of this letter the Shareholders are directly interested in 37,336,538 ordinary shares in the capital of the Company and Mr Michel Fayad and Mr Said Mehraik are beneficially interested in a further 64,035,976 ordinary shares in the capital of the Company through their shareholding in Netoil Inc Ltd.

On or about 19 November 2019 the Shareholders entered into a margin lending agreement with EYCP LLC as lender (the **Lender**) and SRT Capital SPC Ltd as agent (as amended on 9 December 2019 by a term sheet and together with an amendment agreement) (the **MLA**) pursuant to which the Lender agreed to advance up to £3,150,000 to the Shareholders (the **Loan**). The Shareholders granted the Lender security over 37,336,538 ordinary shares held by them in the capital of the Company (**Pledged Shares**).

The Shareholders understood the Pledged Shares would be held in custody as security for the Loan and would not be at risk until monies were advanced under the MLA and therefore on this basis transferred the Pledged Shares to the Lender's nominated CREST account. The Lender, in breach of its obligations under the MLA, failed to advance to the Shareholders the Loan in full or in part. On 3 January 2020 the Lender served notice of default on the Shareholders claiming breach of the MLA by the Shareholders and asserting ownership of the Pledged Shares. The Shareholders understand that the Lender has since this date disposed of some of the Pledged Shares. At no point in time did the Shareholders instruct the Lender to dispose of the Pledged Shares on the Shareholders' behalf.

In light of the above, assuming the Lender has disposed of some or all of the Pledged Shares, the Shareholders understand from the Company the disposal of those Pledged Shares by the Lender may be a notifiable disclosure under sections 1048 to 1053 of the Irish Companies Act, 2014 (the **Act**). On this basis the Shareholders hereby notify the Company under sections 1049 to 1053 of the Act. However, the Shareholders maintain they are still the beneficial owners of the Pledged Shares and the nature of the transaction with the Lender is subject to a dispute between the Shareholders and the Lender. When the Shareholders granted security over the Pledged Shares in favour of the Lender they did not believe they were entering into a transaction that will be notifiable under the Act. As the understanding was the Pledged Shares would be held in custody and would not be at risk until monies were advanced under the MLA. Although all the Pledged Shares were delivered to the custodian on 23rd December 2019 the Lender never confirmed that they were tradable in accordance with the requirements of the "Collateral Delivery" clause under the MLA. Therefore, in the Shareholders view, the Pledged Shares never became collateral as they were not delivered and the Lender had no right to sell any of the Pledged Shares they sold.

Yours faithfully,

Signed:



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**Mr Roger Tamraz**

Date: February 6, 2020

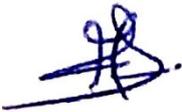
Signed:



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**Mr Michel Fayad**

Date: February 6, 2020

Signed:



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**Mr Said Mehraik**

Date: February 6, 2020