

This document is important and requires your immediate attention.

If you are in any doubt as to the contents of this document or the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are taking advice in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

The distribution of this document in whole or in part, directly or indirectly in, into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves of, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Egdon Resources plc

Petrichor Partners, LP

To: Holders of warrants pursuant to the Warrant Instrument and relevant Warrant Certificate

8 June 2023

Dear Warrant Holder,

**RECOMMENDED ALL CASH ACQUISITION OF EGDON RESOURCES PLC
BY PETRICHOR PARTNERS, LP**

Introduction

As you will be aware, the board of directors of Egdon Resources plc (**Egdon**) announced on 17 May 2023 that they had reached agreement with Petrichor Partners, LP (**Petrichor**) with regard to the terms of a recommended all cash acquisition by Petrichor of the entire issued and to be issued ordinary share capital (other than those shares already owned by or on behalf of Petrichor) of Egdon (the **Acquisition**). It is intended that the Acquisition will be carried out through what is called a “scheme of arrangement” (the **Scheme**).

The purpose of this letter is to explain the consequences of the Acquisition on any Warrants you hold pursuant to the Warrant Instrument and the relevant Warrant Certificate

delivered to you by Egdon (the **Warrants**) and to explain to you the actions you must take in relation to your Warrants.

Under the terms of the Acquisition, which are set out in full in the Scheme Document, each Egdon Shareholder at the Scheme Record Time will be entitled to receive 4.5 pence in cash for each Egdon Share they own.

As noted above, the Acquisition will be implemented by way of the Scheme. The Scheme has to be approved by Egdon Shareholders at a Court Meeting and via a resolution to be proposed at a separate General Meeting. The Scheme will then become Effective subject to a number of Conditions as set out in the Scheme Document.

It is expected that the Scheme will become Effective in the third quarter of 2023 , subject to a number of conditions that have been detailed in the Scheme Document. Most fundamentally, approval from the NSTA (the NSTA Condition).

Further information on the Scheme is set out in the Scheme Document which is available on the Egdon website at www.egdon-resources.com/investors-2/disclaimer and on Petrichor's website at www.heycoenergy.com/petrichor-partners. This letter and its appendices, should be read together with the Scheme Document.

ACTION REQUIRED:

If you wish to exercise your Warrants, the steps you need to take are outlined in this letter and the Form of Election.

You will need to take action to realise value from your Warrants, as this will NOT happen automatically.

If you take no action, your Warrants will lapse and cease to have any value following the Effective Date.

Q&As and Tax summary

Appendix 1 to this letter contains a series of Q&As which explain in detail the impact of the Acquisition on your Warrants.

Appendix 2 to this letter sets out a summary of the potential tax consequences of the Acquisition in respect of your Warrants.

Appendix 3 to this letter sets out a list of the defined terms used in this letter. Terms that are not otherwise defined will have the same meaning as in the Scheme Document.

Form of Election

If you want to exercise your Warrants, you must complete and sign the enclosed Form of Election and send a copy to Egdon at info@egdon-resources.com as soon as possible and in any event to arrive no later than 5pm BST on 30 June 2023 or any earlier deadline notified to you. In doing so, you should read this letter and the appendices together with the Scheme Document and the Form of Election.

Egdon Directors' opinion

The Egdon Directors, who have been so advised by VSA Capital, consider the proposals described in this letter and the appendices to be fair and reasonable. In providing advice as to the financial terms of the proposals to the Egdon Directors, VSA Capital has taken into account the commercial assessments of the Egdon Directors. VSA Capital is providing independent financial advice to the Egdon Directors for the purposes of Rule 15 of the Takeover Code.

The Egdon Directors recommend that you accept the proposals in this letter and the appendices. You should consider your own personal circumstances, including your tax position, when deciding what action you wish to take.

Yours faithfully

Mark Abbott for and on behalf of Egdon
Resources plc

George Yates for and on behalf of HEYCO
International, Inc. as general partner of
Petrichor Partners, LP

APPENDIX 1- Q&A

1. What is happening?

As noted in the letter, Egdon and Petrichor have reached an agreement in relation to the Acquisition. The Acquisition is going to be effected by a process known as the scheme of arrangement (referred to in this letter as the Scheme).

If the Scheme becomes Effective, then each Egdon Shareholder will be entitled to receive 4.5 pence in cash for each Egdon Share they own.

The timing of the Acquisition will depend on a number of factors including satisfaction (or waiver) of the relevant Conditions. It is currently expected that the Effective Date of the Scheme will take place in the third quarter of 2023. From the Effective Date, Egdon will be fully owned by Petrichor.

2. How does the Scheme affect my Warrants?

Your Warrants are currently fully vested and exercisable.

You are able to exercise your Warrants immediately prior to the Court Sanction Date by completing the enclosed Form of Election.

In order to exercise your Warrants, you have to pay the exercise price and any associated tax liabilities. You will not have to come up with these funds in advance if you complete the Form of Election. Instead, the Form of Election includes your consent for the amount you owe on exercise of your Warrants and any tax liabilities to be deducted from the consideration you receive from the sale of the Egdon Shares pursuant to the exercise of your Warrants.

If you wish to exercise your Warrants at any time other than immediately prior to the Court Sanction Date, please contact Mark Abbott at info@egdon-resources.com.

3. What do I need to do?

You will need to take action to exercise your Warrants as this will **NOT** happen automatically.

If you wish to exercise your Warrants immediately prior to the Court Sanction Date, you must complete and sign the Form of Election enclosed in this schedule and send a copy to Egdon at info@egdon-resources.com as soon as possible and in any event to arrive no later than 5pm BST on 30 June 2023 or any earlier

deadline notified to you.

By completing the Form of Election, you will be agreeing to waive your right (to the extent that such a right exists) to receive a share certificate in respect of any Egdon Shares you acquire upon exercise of your Warrants.

4. How and when will I be paid in the Acquisition goes ahead?

The Egdon Shares to which you become entitled on the exercise of your Warrants will be acquired under the terms of the Scheme and you will be entitled to consideration of 4.5 pence in cash per share (your **Proceeds**) when the Scheme becomes Effective.

If you are an employee Warrant Holder, your Proceeds will be paid through your payroll as soon as is reasonably practicable.

Your Proceeds will be paid after the deduction of your exercise price and (if you are an employee Warrant Holder only) any applicable withholding for income tax and employee national insurance contributions.

Non-employee Warrant Holders are responsible for their own tax affairs including the payment of any tax liability arising in connection with the exercise of the Warrants.

If you do not complete the Form of Election and exercise your Warrants with effect from immediately prior to the Court Sanction Date, you will be required to pay your exercise price and any applicable tax liabilities out of your own existing resources in order to exercise your Warrants. You will not be able to take advantage of the cashless exercise facility available under the terms of the Form of Election.

5. What if I am a PDMR or an insider?

If you are a Person Discharging Managerial Responsibilities (**PDMR**) under the Egdon Share Dealing Policy (the **Dealing Policy**) and you have been notified by Egdon as such, or you have otherwise been told that the Dealing Policy applies to you, you must review and comply with the Dealing Policy before you submit your Form of Election and elect to exercise your Warrants immediately prior to the Court Sanction Date. You must seek any necessary permissions to deal in accordance with the Dealing Policy.

6. What is the tax treatment of the Warrants?

Please refer to Appendix 2 to this letter.

7. What will happen if the Acquisition does not go ahead?

The exercise of your Warrants pursuant to the Form of Election is conditional on the Acquisition going ahead. If the Acquisition does not go ahead, your Form of Election will be of no effect and your Warrants will be dealt with as normal under the terms of the Warrant Instrument and your Warrant Certificate (in each case, as amended from time to time).

8. Who should I ask any questions I have in relation to the content of the letter and this Appendix?

To the extent that you have any questions, please email Mark Abbott at info@egdon-resources.com.

Please note that neither Egdon nor Petrichor can provide any financial or tax advice. If you are in any doubt as to your financial or tax position, please consult an appropriate professional adviser without delay.

APPENDIX 2 - UK TAX SUMMARY

This tax summary is intended as a general guide to the UK tax implications of the realisation of value from Warrants if you are an **employee Warrant Holder** and at all material times have been resident and domiciled for tax purposes in the UK only.

This Appendix is not a full description of all the circumstances in which a tax liability may arise.

This information is understood to be correct as at 8 June 2023. Any future changes in legislation or changes to tax rates and prevailing practice, including with retrospective effect, may affect the information provided.

If you are in any doubt as to your tax position or if you are subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriate professional adviser without delay.

1. Exercise of your Warrants

If the Acquisition goes ahead, you will be able to exercise your Warrants with effect from immediately prior to the Court Sanction Date by completing the enclosed Form of Election.

A liability to income tax and employee national insurance contributions (**Tax Liability**) will arise on the difference between (i) the market value of your Egdon Shares on the date of exercise and (ii) the exercise price applicable to your Warrants.

The Tax Liability arising from the exercise of your Warrants will be withheld from your Proceeds and paid directly to His Majesty's Revenue & Customs (**HMRC**).

2. Disposal of your Egdon Shares received on the exercise of your Warrants

The Egdon Shares received on the exercise of your Warrants will be sold for 4.5 pence per Egdon Share in cash when the Scheme becomes Effective.

When your Egdon Shares are sold to Petrichor, a capital gains tax (**CGT**) charge may arise depending on your personal circumstances. You are required to account for any CGT liabilities arising through your tax return under the self-assessment system.

APPENDIX 3 – DEFINED TERMS

Acquisition means the recommended cash acquisition of the entire issued, and to be issued, ordinary share capital of Egdon (other than those shares already held by or on behalf of Petrichor) by Petrichor to be implemented by way of the Scheme or, should Petrichor so elect (with the consent of the Panel) by way of the Takeover Offer, and, where the context admits, any subsequent revision, variation, extension or renewal thereof;

Companies Act means the Companies Act 2006, as amended from time to time;

Conditions means the conditions to the Acquisition and to the implementation of the Scheme set out the Scheme Document;

Court means the High Court of Justice in England and Wales;

Court Meeting means the meeting of Scheme Shareholders (and any adjournment thereof) convened pursuant to an order of the Court pursuant to section 896 of the Companies Act for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme;

Court Order means the order of the Court sanctioning the Scheme under section 899 of the Companies Act;

Court Sanction Date means the date on which the Court grants the Court Order;

Effective means: (i) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective in accordance with its terms; or (ii) if the Acquisition is implemented by way of an Offer, the Offer having been declared or become wholly unconditional in accordance with the requirements of the Takeover Code;

Effective Date means the date on which the Acquisition becomes Effective;

Egdon means Egdon Resources plc, a public limited company registered in England and Wales with registration number 06409716 whose registered office is at Blackstable House Longridge, Sheepscombe, Stroud, Gloucestershire, England, GL6 7QX;

Egdon Directors means the directors of Egdon from time to time;

Egdon Share(s) means the existing unconditionally allotted or issued and fully paid ordinary shares of 1 pence each in the capital of Egdon and any further such ordinary shares which are unconditionally allotted or issued before the Scheme becomes Effective but excluding in both cases any such shares held or which become held in treasury;

Egdon Shareholders means the registered holders of Egdon Shares from time to time;

Excluded Shares means any Egdon Shares: (a) registered in the name of, or beneficially owned by Petrichor or any other member of the HEYCO Group or their respective nominees; or (b) held by Egdon in treasury (within the meaning of the Companies Act);

General Meeting means the general meeting of Egdon convened by the notice set out in the Scheme Document, including any adjournment thereof;

HEYCO Group means each of (i) Petrichor (ii) HEYCO International, Inc. and (iii) HEYCO Energy Group, Inc., and in respect of (ii) and (iii), each of their subsidiaries and subsidiary undertakings from time to time, as the case may be (and where the context permits, each of them);

NSTA Condition means the receipt of written confirmation from the North Sea Transition Authority (the NSTA), informing Petrichor that it does not intend, as a consequence of the Acquisition, to revoke any of the relevant licences or to require a further change of control of Egdon under any of the relevant licences;

Offer means, if the Acquisition is implemented by way of a takeover offer (as that term is defined in section 974 of the Companies Act), the offer to be made by or on behalf of Petrichor, or an associated undertaking thereof, to acquire the entire issued and to be issued ordinary share capital of Egdon including, where the context admits, any subsequent revision, variation, extension or renewal of such offer;

Panel means the UK Panel on Takeovers and Mergers;

Petrichor means Petrichor Partners, LP, registered in Delaware, USA with registered address at InCorp Services, Inc., 919 North Market Street, Suite 950, Wilmington, Delaware 19801, United States of America;

Petrichor Responsible Persons means George Yates, Lauren Yates, Abby Yates, Lindsey Madison and Mauri Hinterlong;

Sanction Hearing means the hearing of the Court to sanction the Scheme under section 899 of the Companies Act, including any adjournment thereof;

Scheme or **Scheme of Arrangement** means the proposed scheme of arrangement under Part 26 of the Companies Act between Egdon and Scheme Shareholders, as set out in the Scheme Document, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Petrichor and Egdon;

Scheme Document means the document to be dispatched to Egdon Shareholders including the particulars required by section 897 of the Companies Act;

Scheme Record Time means 6.00 p.m. on the Business Day immediately after the Sanction Hearing;

Scheme Shareholders means holders of Scheme Shares;

Scheme Shares means the Egdon shares: (a) in issue at the date of this document and which remain in issue at the Scheme Record Time; (b) (if any) issued after the date of this document but before the Voting Record Time and which remain in issue at the Scheme Record Time; and (c) any) issued at or after the Voting Record Time but at or before the Scheme Record Time on terms that the holder thereof shall be bound by the Scheme or in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by this Scheme which remain in issue at the Scheme Record Time; and in each case other than the Excluded Shares;

Takeover Code means the City Code on Takeovers and Mergers issued by the Panel, as amended from time to time;

Voting Record Time means 6.30 p.m. on the day which is two Business Days prior to the date of the Court Meeting and the General Meeting or, if the Court Meeting and/or the General Meeting is adjourned, 6.30 p.m. on the day which is two Business Days before the date of such adjourned Meeting;

VSA Capital means VSA Capital, being the trading name of VSA Capital Limited;

Warrant means the warrants for the issue of Egdon Shares at 2.5 pence per Egdon Share as issued pursuant to a Warrant Instrument entered into by Egdon dated 19 August 2021 and amended on 29 May 2023 and the relevant Warrant Certificate;

Warrant Certificate means the warrant certificates executed by Egdon and issued to the Warrant Holder pursuant to the Warrant Instrument;

Warrant Instrument means the deed executed by Egdon governing the issue of Warrants as amended from time to time; and

Warrant Holder means the warrant holders who have been issued Warrants pursuant to the Warrant Instrument and Warrant Certificate.

Notes

- (i) Receipt of documents will not be acknowledged. Documents will be despatched at your risk by first-class post.
- (ii) The Form of Election, including the instructions and notes thereon, shall be deemed an integral part of this letter and the proposal.
- (iii) The proposal and acceptances in respect thereof shall be governed by and construed in accordance with English law.
- (iv) A copy of the Warrant Instrument and your Warrant Certificate is available for inspection upon request to Egdon's Company Secretary.
- (v) Unless the context otherwise requires, words and expressions defined in the Scheme Document have the same meaning in this letter.
- (vi) The Egdon Directors accept responsibility for the information contained in this document (including expressions of opinion), other than information for which responsibility is taken by the Petrichor Responsible Persons pursuant to paragraph (vii) below. To the best of the knowledge and belief of the Egdon Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (vii) The Petrichor Responsible Persons accept responsibility for the information (including expressions of opinion) contained in this document relating to Petrichor, the Petrichor Responsible Persons and their respective members of their immediate families, related trusts and persons connected with the Petrichor Directors, and persons acting in concert (as such term is defined in the Code) with Petrichor. To the best of the knowledge and belief of the Petrichor Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information. The Petrichor Responsible Persons do not accept responsibility for any other information, including the information relating to Egdon, the Egdon Directors and their connected persons or for the recommendation of the Eggon Directors set out in this document, for which only the Egdon Directors accept responsibility.
- (viii) VSA Capital is authorised and regulated by the Financial Conduct Authority. VSA Capital is acting exclusively as financial adviser to Egdon and no one else

in connection with the Scheme and will not be responsible to anyone other than Egdon for providing the protections afforded to clients of VSA Capital nor for providing advice in relation to the Scheme or any other matters referred to in this document. Neither VSA Capital nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of VSA Capital in connection with this document, any statement contained herein or otherwise.

- (ix) VSA Capital has given and not withdrawn its written consent to the issue of this letter with the inclusion of the references to its name in the form and context in which it appears.
- (x) Accidental omission to despatch this letter to, or any failure to receive the same by, any person to whom the proposals are made or should be made, shall not invalidate the proposals in any way.
- (xi) A copy of this letter in respect to the Warrant Instrument and relevant Warrant Certificates, which comprises a Rule 15 proposal for the purpose of the Takeover Code, is available on the Egdon website at www.egdon-resources.com/investors-2/disclaimer and Petrichor website at www.heycoenergy.com/petrichor-partners.