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LEKOIL Limited



(Incorporated and registered in the Cayman Islands with company number 248859)

PROPOSED SETTLEMENT OF DISPUTES WITH LEKOIL NIGERIA LIMITED AND DISPOSAL OF INTERESTS IN LEKOIL NIGERIA LIMITED

CHANGE OF NAME

DEFERRAL OF AGM

NOTICE OF EXTRAORDINARY GENERAL MEETING

Formal notice convening an Extraordinary General Meeting of the Company to be held at 10.00 a.m. (Greenwich Mean Time) on Thursday 29 December 2022 at the offices of White & Case LLP, 5 Old Broad Street, London EC2N 1DW, United Kingdom is set out at the end of this document. Shareholders will also find enclosed a Form of Proxy/Instruction.

The action to be taken by shareholders is set out on page 11. To be valid, the Form of Proxy must be completed, signed and returned in accordance with the instructions printed thereon so as to be received by the Company’s registrars, Computershare Investor Services (Cayman) Ltd., as soon as possible but in any event not later than 10.00 a.m. (Greenwich Mean Time) on 23 December 2022. To be valid, the Form of Instruction must be completed, signed and returned in accordance with the instructions printed thereon so as to be received by the Depository, Computershare Investor Services PLC as soon as possible but in any event not later than 10.00 a.m. (Greenwich Mean Time) on 22 December 2022. This deadline also applies to Depository Interest holders who choose to utilise the CREST voting service. The completion and return of a Form of Proxy/Instruction will not preclude shareholders from attending and voting in person at the Extraordinary General Meeting should they subsequently wish to do so subject to any restrictions applicable to attendance in person.

This document does not constitute an offer to buy, acquire or subscribe for, or the solicitation of an offer to buy, acquire or subscribe for, any securities or an invitation to buy, acquire or subscribe for any securities.

This document should be read in its entirety. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part 1 of this document and which recommends you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for completion or receipt of Forms of Instruction	10.00 a.m. on 22 December 2022
Latest time and date for completion or receipt of Forms of Proxy	10.00 a.m. on 23 December 2022
Extraordinary General Meeting	10.00 a.m. on 29 December 2022

Notes

The timetable assumes that the Extraordinary General Meeting will not be adjourned as a result of there being no quorum, or for any other reason. If there is an adjournment, all subsequent dates are likely to be later than those shown. Any changes will be notified to Shareholders by an announcement on the Regulatory News Service of the London Stock Exchange.

All references to time in this document are to London time.

GENERAL INFORMATION

Forward-Looking Statements

This document (and the information incorporated by reference into this document) may include certain forward-looking statements, beliefs or opinions, including statements with respect to the Group's business, financial condition and results of operations. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other various or comparable terminology or by discussions of strategy, plans, objectives, goals, future events or intentions. These statements are made by the Directors in good faith based on the information available to them at the date of this document and reflect the Directors' beliefs and expectations. No representation or warranty is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved. Forward-looking statements may, and often do, differ materially from actual results.

This document contains indications of future developments and other forward-looking statements that are subject to risk factors. These factors could adversely affect the Company's results, strategy and prospects. Forward-looking statements involve risks, uncertainties and assumptions. They relate to events and/or depend on circumstances in the future which could cause actual results and outcomes to differ materially from those currently anticipated. No obligation or duty is assumed (except as required by the AQSE Rules, the Disclosure Guidance and Transparency Rules, the UK Market Abuse Regulation, the rules of the London Stock Exchange and by law) to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Unless otherwise expressly stated, no statement in this document is or is intended to be a profit forecast or to imply that the earnings of the Company for the current or future financial years will necessarily match or exceed the historical or published earnings of the Company.

PART 1

LETTER FROM THE CHAIRMAN TO SHAREHOLDERS



(Incorporated and registered in the Cayman Islands with company number WK-248859)

Registered office:
Walkers Corporate Limited
190 Elgin Avenue
George Town
Grand Cayman KY1-9008
Cayman Islands

Directors:

Pade Durotoye	Non-Executive Chairman
Guy Oxnard	Executive Director
Dipo Sofola	Non-Executive Director
Thomas Richardson	Non-Executive Director
Marco D'Attanasio	Non-Executive Director
Dr. Adeoye Adefulu	Non-Executive Director

9 December 2022

Dear Shareholder

Proposed Settlement of Disputes with Lekoil Nigeria Limited and Disposal of Interests in Lekoil Nigeria Limited

Proposed Change of Name

Deferral of AGM

Notice of General Meeting

1. Introduction

On 7 December 2022 Lekoil Limited (the “**Company**”) announced that it had reached agreement with, among others, Lekoil Nigeria Limited and Olalekan Akinyanmi, the former CEO of the Company, to terminate all legal proceedings and settle all claims made by or between the relevant participants.

As previously announced, certain disputes have arisen between, among others, the Company, Lekoil Nigeria Limited (“**Lekoil Nigeria**”) and Mr Akinyanmi concerning the management of the Company, Lekoil Nigeria and related entities and the related proprietary interests, liabilities and contractual and non-contractual rights and obligations of the Company, Lekoil Nigeria and Mr Akinyanmi (as relevant). In order to resolve these differences, and with no admission of liability, the Company, Lekoil Nigeria and Mr Akinyanmi, among others, have entered into a settlement deed on 7 December 2022 (the “**Deed**”) to agree to, among other things, the release and discharge of all relevant claims, the withdrawal of legal proceedings, surrenders of certain shares and other transactions, a new framework for their future relationship and fully and finally to resolve their differences, dispose of ongoing litigation and agree certain ancillary matters (the “**LNL Arrangements**”).

The LNL Arrangements include:

- the Company agreeing to surrender all of its shares in Lekoil Nigeria and transfer those of its subsidiaries involved in the operations of the Lekoil Nigeria group to Lekoil Nigeria;

- Lekoil Nigeria agreeing to surrender all of its ordinary shares in the Company;
- the Company waiving all rights to repayment in respect of any and all existing indebtedness due from Lekoil Nigeria, its subsidiaries or from Mr Akinyanmi under various loans;
- the Company granting a new loan of approximately US\$51.9 million to Lekoil Oil and Gas Investments Limited (“**LOGI**”) (the “**LOGI Loan**”) in consideration for the transfer of certain loans granted to Lekoil Nigeria and its related entities to LOGI, the release of security related to such loans and the waiver of any repayment of amounts due under such loans;
- the stay and subsequent discontinuance and/or withdrawal of all claims and legal proceedings between the Company, Lekoil Nigeria and Mr Akinyanmi (and others); and
- an agreement that Lekoil Nigeria and its associates will not purchase shares in the Company while the LOGI Loan is outstanding.

In addition, the Company has agreed to change its name to Fenikso Ltd and to cease using the “Lekoil” name or brand in connection with its continuing business.

In connection with the LNL Arrangements and on the terms of the Deed, the Company has also agreed with Savannah Energy Investments Limited (“**Savannah Energy**”) to terminate the option agreement pursuant to which Savannah Energy has the option to take an assignment of a US\$135 million loan between the Company and Mayfair Assets & Trust Limited (“**Mayfair**”) (a subsidiary of Lekoil Nigeria) (the “**Mayfair Loan**”).

The Company and Savannah Energy have also separately entered into an agreement on 7 December 2022 (the “**SEIL Agreement**”) pursuant to which Savannah Energy will release its security interests over OPL 310 and Savannah Energy will surrender all of its shares in the Company, with the consideration for such share surrender, release of security and the termination of the Option Agreement being the payment of certain sums by the Company to Savannah Energy (including a portion of all amounts received by the Company pursuant to the LOGI Loan) (together, the “**SEIL Arrangements**” and with the LNL Arrangements, the “**Transactions**”).

In view of the surrender of the Company’s interests in shares in Lekoil Nigeria, the transfer of those of its subsidiaries involved in the operations of the Lekoil Nigeria group to Lekoil Nigeria and the transfer of certain loans granted to Lekoil Nigeria and its related entities to LOGI (such interests in the Lekoil Nigeria group being the “**LNL Interests**”) and the size of the LNL Interests relative to the Company, the LNL Arrangements will result in a fundamental change in the business of the Company for the purpose of Rule 3.7 of the AQSE Rules and they are therefore conditional upon the approval of Shareholders, amongst other matters. That approval will be sought at an Extraordinary General Meeting of the Company to be held at 10.00 a.m. (Greenwich Mean Time) on Thursday 29 December 2022 at the offices of White & Case LLP, 5 Old Broad Street, London EC2N 1DW, United Kingdom. The notice convening that Extraordinary General Meeting is set out at the end of this document. The actions that you should take to vote on the Resolutions and the recommendation of the Board are set out in paragraphs 11 and 12 respectively of this letter.

The purpose of this document is to provide you with the background to, reasons for and details of the Transactions and change of name and to explain why the Directors consider the Transactions to be in the best interests of the Shareholders as a whole.

2. Background to and reasons for the Transactions

Background

The Company holds a 40% legal interest and a 90% economic interest in Lekoil Nigeria. Via its subsidiaries, Lekoil Nigeria has, among other interests, a 40% participating interest in the Otakikpo producing oil field and a 17.14% participating interest in exploration licence OPL 310. Following

various equity capital raises since 2013, the Company has provided a number of inter-company loans to fund Lekoil Nigeria's operations.

The Company has been in dispute since early 2020 with Lekoil Nigeria in connection with a number of matters including the rights of the Company under the shareholders agreement in respect of Lekoil Nigeria and the various loans granted to Lekoil Nigeria and its related entities. As result of the disputes and the likelihood of recovery of the amounts due under such loans, the Company impaired its carrying value of such loans to approximately US\$103.3 million as at 30 June 2022.

On 2 September 2021, the Company announced that it had entered into a convertible facility agreement (the "**CFA1**") with Hadron Master Fund (whose principal is Marco D'Attanasio), TDR Enterprises Ltd (a company controlled by Tom Richardson) and a non-related third party (together the "**CFA1 Parties**") to allow it to access up to £200,000 for working capital purposes. On 28 February 2022, the Company announced that Savannah Energy had entered into a convertible facility agreement (the "**CFA2**") and option agreement (the "**Option Agreement**") with the Company, together with the grant of certain related security by the Company over the loans owed by the Lekoil Nigeria group, in order to support the Company's restructuring.

Lekoil Nigeria brought legal proceedings against the Company seeking (among other remedies) orders to set aside CFA1, CFA2 and the Option Agreement with Savannah Energy and to set aside the issue of shares to the CFA1 Parties and Savannah Energy pursuant to those agreements. Additionally, the Company and Mr Akinyanmi have been in dispute regarding his termination as CEO of the Company and whether any amounts remain payable under a loan provided to him by the Company.

In order to resolve these differences, and with no admission of liability, the Company, Lekoil Nigeria, Mr Akinyanmi, Savannah Energy, the CFA1 Parties and the other shareholders of Lekoil Nigeria have entered into the Deed to agree to, among other things, the release and discharge of all relevant claims, the withdrawal of legal proceedings, surrenders of certain shares and other transactions, a new framework for their future relationship and fully and finally to resolve their differences, dispose of ongoing litigation and agree certain ancillary matters.

In connection with the resolution of such differences, the Company has also agreed with Savannah Energy to cancel the Option Agreement, whereby Savannah Energy had an option to take an assignment of the Mayfair Loan from the Company, and for Savannah Energy to surrender its entire shareholding in the Company (and release its security over certain assets of the Company), in consideration for the payment of approximately US\$16.3 million to Savannah Energy.

The directors of the Company (the "**Directors**") consider that the proposed Transactions will allow the Company to move forwards without the additional costs of further legal proceedings in a highly uncertain funding environment. In addition, it will allow the Company to repay over US\$2 million of liabilities that are due while allowing the Company to implement a new strategy for the benefit of shareholders. The Directors believe that the proposed terms of settlement are commercially advantageous, as they provide the Company with access to future cash-flow payments related to production from Otakikpo while also ending the costly disputes between the Company and Lekoil Nigeria. Additionally, the Company will be able to re-shape its shareholder base and reduce its expenses while it seeks to develop a new strategy in consultation with its remaining shareholders.

The implementation of these arrangements require the approval of Shareholders. In order to ensure approval of the relevant resolution, certain shareholders representing approximately 46.7% of the issued share capital of the Company have granted irrevocable undertakings to the Company to vote in favour of the resolutions to be put to Shareholders at the Extraordinary General Meeting. If the Settlement Resolution is not approved at the Extraordinary General Meeting and completion of the Transactions does not occur, the Deed and the SEIL Agreement will be terminated and each party shall be entitled to reinstate and/or continue all relevant legal proceedings, while the Company will continue to incur significant costs with very limited assurance of being able to fund such proceedings, the risk of future insolvency and the possibility even in the event of success to recover any payments under the various loans owed by the Lekoil Nigeria group. Accordingly, the Directors believe that the proposed

arrangements will provide greater certainty to the new direction of the Company and recommend that all Shareholders support the proposals.

Summary terms of the Transactions

Pursuant to the terms of the Deed, the Company has agreed to the following arrangements, subject to (among other matters) the passing of the Settlement Resolution at the Extraordinary General Meeting.

LNL Arrangements

At Completion:

- The Company shall surrender all of its shares in Lekoil Nigeria and transfer those of its subsidiaries involved in the operations of the Lekoil Nigeria group to Lekoil Nigeria;
- Lekoil Nigeria shall surrender all of its shares in the Company, comprising 107,658,847 Ordinary Shares (the “**LNL Settlement Shares**”), representing approximately 14.2% of the issued shares in the Company;
- LOGI shall enter into the LOGI Loan with the Company (in the amount of approximately US\$51.9 million payable to the Company) in consideration for the Company transferring in part certain loans granted to Lekoil Nigeria and its related entities to LOGI, releasing any related security in respect of such transferred loans and waiving repayment of all remaining amounts due under such transferred loans;
- Any and all amounts outstanding under any loan by the Company to Mr Akinyanmi shall be released in full;
- The Company, Lekoil Nigeria, Mr Akinyanmi and Savannah Energy shall take all steps as may be necessary to discontinue or withdraw the various disputes between the parties, release and discharge any claims arising out of the various disputes and undertake not to commence any new claims in respect of the underlying matters;
- The Company shall assign certain intellectual property rights to Lekoil Nigeria and shall cease to use the “Lekoil” name or brand (or any variation thereof) in its business or to hold out as having any interest in OPL 310, OPL 325, OPL 276 or Otakikpo following Completion; and
- The Lekoil Nigeria shareholders’ agreement shall be terminated.

The LNL Settlement Shares include certain shares held by those employees holding shares in the Company, including Mr Akinyanmi, which will be acquired by Lekoil Nigeria prior to Completion. Lekoil Nigeria and its associates, together with Mr Akinyanmi, have also undertaken not to purchase any shares in the Company from the date of the Deed until the LOGI Loan has been repaid in full.

The LOGI Loan shall be repaid by LOGI out of the proceeds of the liftings made under the offtake agreement with Shell Western (or any replacement offtake agreement), with the Company being entitled to receive approximately 8.65% of all such proceeds until the LOGI Loan has been repaid in full. Lekoil Nigeria and LOGI have agreed to grant certain security in respect of the repayment obligations under the LOGI Loan. The Company notes that current production at Otakikpo is approximately 7,000 barrels of oil per day, meaning that it would receive approximately 8.65% of the lifting proceeds of approximately one million barrels of oil per annum based on current production levels.

SEIL Arrangements

The Company entered into the Option Agreement with Savannah Energy granting it an option to be assigned the intercompany debt owed to the Company by Mayfair, its associated security related to OPL 310 and all rights and benefits of the Company with respect to the Mayfair Loan. A US\$1 million payment is payable by Savannah Energy to the Company upon such exercise and assignment (which

has not currently been exercised). Pursuant to the Option Agreement, the Company would be paid deferred consideration in the event that Savannah Energy obtains a working interest in OPL 310 (for example, upon enforcement of security for repayment of the Mayfair Loan) and OPL 310 is developed. Such deferred consideration (capped at US\$50 million) is structured as a royalty of 0.5% on crude oil sales attributable to Mayfair's actual participating interest in OPL 310 (being a 17.14% participating interest).

Pursuant to the Deed, the Company has agreed to terminate the Option Agreement (and the associated security related to OPL 310).

Under the terms of a separate agreement with Savannah Energy, which is conditional upon the Settlement Resolution being approved by Shareholders, Savannah Energy shall surrender all of its shares in the Company (the "**SEIL Shares**"). Savannah Energy currently holds 179,997,756 Ordinary Shares. Savannah Energy has elected to convert £100,000 of the outstanding amount due under the CFA2 into Ordinary Shares, resulting in the issue of a further 20,000,000 Ordinary Shares to Savannah Energy at or prior to Completion in respect of such repayment and conversion.

In consideration for the surrender of Savannah Energy's interests in the existing and to be issued Ordinary Shares (representing approximately 25% of the issued and to be issued shares in the Company immediately prior to Completion), the termination of the Option Agreement, the release by Savannah Energy of any security interests in favour of it in respect of the Mayfair Loan and the release of all remaining amounts due under the CFA2, the Company shall enter into a loan agreement at or prior to Completion with Savannah Energy pursuant to which the Company shall agree to pay Savannah Energy certain upfront payments together with 25% of all amounts received by the Company from LOGI pursuant to the LOGI Loan, subject to a maximum total payment of approximately US\$16.3 million. Savannah Energy has also undertaken not to exercise the Option Agreement prior to Completion (or the termination of the Deed, whichever is the earlier).

Other terms

It is expected that completion of the arrangements under the Deed will occur shortly following the receipt of the necessary approval of Shareholders at the Extraordinary General Meeting. The Deed is conditional upon (i) the Settlement Resolution being passed by Shareholders and (ii) the termination of the Option Agreement and release and discharge of certain security interests held by Savannah Energy over the Mayfair Loan (and certain other indebtedness), in each case by no later than 21 January 2023 (the "**Long Stop Date**") (or, at the discretion of Lekoil Nigeria, by no later than 30 Business Days after the Long Stop Date).

As noted in the announcement dated 7 December 2022, in accordance with the AQSE Rules the Company's shares are currently suspended from trading on AQSE until completion of the Transactions, which (subject to approval by Shareholders at the Extraordinary General Meeting) is expected to occur in late December 2022.

Issued Share Capital

In connection with the entry into the Deed and the SEIL Agreement and in satisfaction of certain outstanding directors' fees to Thomas Richardson and Marco D'Attanasio, the Company has agreed to issue a total of 10,616,438 Ordinary Shares prior to Completion to Thomas Richardson and Marco D'Attanasio. The Company has also agreed to issue a further 10,000,000 Ordinary Shares in satisfaction of other outstanding debts (including to one of the CFA1 Parties). Following the issue of such shares and the 20,000,000 Ordinary Shares to Savannah Energy noted above, the issued share capital of the Company shall comprise 799,394,177 Ordinary Shares immediately prior to Completion.

Following Completion and the surrender of the SEIL Shares and the LNL Settlement Shares, the issued share capital of the Company is expected to comprise 491,737,574 Ordinary Shares.

Based on the disclosures provided to the Company as at 7 December 2022 (the latest practicable date prior to the date of this document), the interests of the existing significant shareholders of the Company immediately following Completion are expected to be as follows:

Shareholder	Existing Ordinary Shares	Holding of Existing Ordinary Shares	Ordinary Shares following Completion	Holding of Ordinary Shares following Completion
Savannah Energy Investments Limited ⁽¹⁾	179,997,756	23.72%	0	0%
Lekoil Nigeria Limited ⁽²⁾	107,658,847	14.19%	0	0%
Zion SPC – Access Fund SP	74,377,015	9.80%	74,377,015	15.16%
Allan Gray Investment Management	48,947,756	6.45%	48,947,756	9.98%
Hadron Master Fund	46,025,000	6.06%	46,025,000	9.38%
IFM Independent Fund Management	26,987,000	3.56%	26,987,000	5.50%

⁽¹⁾ Excluding 20,000,000 Ordinary Shares to be issued to Savannah Energy prior to Completion.

⁽²⁾ Including 41,078,111 Ordinary Shares acquired from Olalekan Akinyanmi and others.

Irrevocable Undertakings

The Company has received irrevocable undertakings from the following shareholders confirming their agreement to vote in favour of the Resolutions detailed below:

- Savannah Energy in respect of 179,997,756 Ordinary Shares (representing approximately 23.72% of the Existing Ordinary Shares) to vote in favour of all of the Resolutions;
- Lekoil Nigeria in respect of 107,658,847 Ordinary Shares (representing approximately 14.19% of the Existing Ordinary Shares) to vote in favour of all of the Resolutions;
- Hadron Master Fund in respect of 46,025,000 Ordinary Shares (representing approximately 6.07% of the Existing Ordinary Shares) to vote in favour of all of the Resolutions;
- TDR Enterprises Limited in respect of 10,200,000 Ordinary Shares (representing approximately 1.34% of the Existing Ordinary Shares) to vote in favour of all of the Resolutions; and
- Amala Management Limited in respect of 10,200,000 Ordinary Shares (representing approximately 1.34% of the Existing Ordinary Shares) to vote in favour of all of the Resolutions.

Accordingly, the Company has received undertakings to vote in favour of the Settlement Resolution in respect of 354,081,603 Ordinary Shares representing approximately 46.66% of the Company's issued share capital as at 7 December 2022.

Strategy in respect of the remaining Company in the event of the disposal of the LNL Interests

In the event that the disposal of the LNL Interests completes, the Company will comprise only of non-operating assets and will, under the AQSE Rules, be considered an enterprise company. The board of Directors (the “**Board**”) expects to announce its revised strategy following Completion and having consulted with shareholders.

Use of Proceeds

The cash proceeds from the LOGI Loan will be used to pay certain creditors of the Company and the Company's payment obligations under the SEIL Arrangements. The balance will be used to pursue any future business opportunities to be determined by the Board or failing which the remaining funds shall be returned to Shareholders.

3. Change of Name

In connection with the LNL Arrangements, the Company has agreed to change its name and has agreed with Lekoil Nigeria that the Company's name will be changed to Fenikso Ltd (Ticker: FNK), conditional on Shareholders' approval at the Extraordinary General Meeting (the "**Change of Name**").

Under the Company's Articles, a change of name requires the passing of a special resolution of Shareholders at a general meeting. Shareholders' approval is being sought for this change of name by way of the Settlement Resolution.

The Change of Name will be effective on the approval by Shareholders of the Settlement Resolution. Upon the filing of such resolution with the Registrar of Exempted Limited Companies in the Cayman Islands, a certificate of Change of Name will be issued.

If approved the Company's TIDM will change to "FNK" with effect from Completion.

4. Composition of the Board

To reflect the reduced operations of the Company following Completion, the Directors have determined to reduce the size of the Board while it considers the new strategy for the Company. The Directors expect that, following Completion, Guy Oxnard, Dipo Sofola and Adeoye Adefulu will resign from office as directors. It is also expected that Thomas Richardson will be appointed as interim Chairman with Pade Durotoye remaining as a non-executive director.

Further announcements regarding the proposed Board changes will be made as appropriate.

5. AQSE Rule 3.7

In accordance with AQSE Rule 3.7, the Transactions constitute a fundamental change of business of the Company. Following Completion, the Company would cease to own, control or conduct all or substantially all, of its existing business and will hold an interest in a loan due from LOGI.

Following completion of the Transactions the Company will become an enterprise company (for the purposes of the AQSE Rules) and as such will be required to make an acquisition or acquisitions which constitutes a reverse takeover under AQSE Rule 3.6 on or before the date falling two years from completion of the Transactions, failing which the Company's Ordinary Shares would then be suspended from trading on AQSE pursuant to AQSE Rule 5.1. Admission to trading on AQSE would be cancelled six months from the date of suspension should the reason for the suspension not have been rectified.

6. AQSE Rule 4.6

In accordance with AQSE Rule 4.6, the LNL Arrangements constitute a related party transaction with Lekoil Nigeria. In addition, in accordance with AQSE Rule 4.6, the SEIL Arrangements constitute a related party transaction with Savannah Energy.

As noted in the Company's announcement issued on 7 December 2022:

- The Directors consider that, having exercised reasonable care, skill and diligence, the LNL Arrangements are fair and reasonable as far as the shareholders of the Company are concerned; and

- The Directors consider that, having exercised reasonable care, skill and diligence, the SEIL Arrangements are fair and reasonable as far as the shareholders of the Company are concerned.

In accordance with AQSE Rule 4.6, the issue of 5,607,151 Ordinary Shares to Thomas Richardson in settlement of outstanding director's fees constitutes a related party transaction with such Director. In addition, in accordance with AQSE Rule 4.6, the issue of 5,009,287 Ordinary Shares to Marco D'Attanasio in settlement of outstanding director's fees constitutes a related party transaction with such Director.

As noted in the Company's announcement issued on 7 December 2022:

- The Directors (excluding Thomas Richardson) consider that, having exercised reasonable care, skill and diligence, the issue of Ordinary Shares to Thomas Richardson is fair and reasonable as far as the shareholders of the Company are concerned; and
- The Directors (excluding Marco D'Attanasio) consider that, having exercised reasonable care, skill and diligence, the issue of Ordinary Shares to Marco D'Attanasio is fair and reasonable as far as the shareholders of the Company are concerned.

7. Deferral of 2022 Annual General Meeting and Re-election of Directors

Given the proposed date for holding the EGM, the Directors are recommending that the Company's 2022 Annual General Meeting is postponed until early 2023.

Under Article 107 of the Company's articles of association (the "**Articles**"), the Company is required to hold in each year a general meeting as its annual general meeting. Further, not more than 15 months must elapse between the date of one annual general meeting and that of the next. The Company's last annual general meeting was held on 22 December 2021. Accordingly, the Company is required under Article 107 to hold its 2022 annual general meeting by no later than 31 December 2022.

The Directors therefore propose that a special resolution is proposed at the EGM to disapply Article 107 in respect of the Company's 2022 annual general meeting only. The proposed disapplication would mean that the Company is not required to hold an annual general meeting during the 2022 calendar year but this would be subject to (i) the Company holding its annual general meeting in respect of 2022 by no later than 28 February 2023 and (ii) the Company holding its annual general meeting in respect of 2023 by no later than 31 December 2023.

In light of the proposal to defer the holding of the 2022 annual general meeting until 2023, the Directors are also proposing that the resolutions to re-elect certain of the directors of the Company, which would ordinarily be put to shareholders at the annual general meeting, are included within the business to be considered at the EGM. Accordingly, the Directors propose that ordinary resolutions are put to Shareholders at the Extraordinary General Meeting to re-elect each of Thomas Richardson and Marco D'Attanasio.

Further details are set out in paragraph 10 below.

8. Non-United Kingdom Shareholders

The distribution of this document in certain jurisdictions may be restricted by law. Persons into whose possession this document comes should inform themselves about and observe any such restrictions.

Shareholders who are not resident in the United Kingdom should note that they should satisfy themselves that they have fully observed any applicable legal requirements under the laws of their relevant jurisdiction in relation to the Transactions.

9. Taxation

Any person who is in any doubt as to his tax position or who is subject to tax in a jurisdiction other than the United Kingdom is strongly recommended to consult his professional tax adviser immediately.

10. Extraordinary General Meeting

The LNL Arrangements and the Change of Name are conditional upon, amongst other things, Shareholder approval being obtained at the Extraordinary General Meeting. The LNL Arrangements and the Change of Name are inter-conditional.

Under the AQSE Rules, a fundamental change of business requires the approval of Shareholders by way of an ordinary resolution; under the Articles, the Change of Name requires the approval of Shareholders by way of a special resolution. In addition, the Company is seeking approval to allot Ordinary Shares to settle certain outstanding debts, including as part of the SEIL Arrangements.

Accordingly the Directors are seeking approval of a single special resolution to authorise the LNL Arrangements, the Change of Name and allotment of Ordinary Shares (together, the “**Settlement Resolution**”).

In addition, the Directors propose that the following resolutions are put to Shareholders at the EGM:

To be approved as ordinary resolutions

- To re-elect Thomas Richardson as a director of the Company; and
- To re-elect Marco D’Attanasio as a director of the Company.

To be approved as a special resolution:

- To disapply the provisions of Article 107 of the Articles so that the Company is required to hold its annual general meeting in respect of 2022 by no later than 28 February 2023.

At the end of this document is a notice convening the Extraordinary General Meeting to be held at the offices of White & Case LLP, 5 Old Broad Street, London EC2N 1DW, United Kingdom, at 10.00 a.m. on 29 December 2022, at which the Resolutions will be proposed.

If the Settlement Resolution is approved, it is anticipated that Completion will occur shortly following the completion of the Extraordinary General Meeting (subject to satisfaction of any other conditions to Completion).

11. Action to be taken

Shareholders will find enclosed with this document a Form of Proxy/Instruction for use in connection with the Extraordinary General Meeting. You are requested to complete, sign and return the Form of Proxy/Instruction in accordance with the instructions printed thereon. To be valid, completed Forms of Proxy must be received by the Company’s registrars, Computershare Investor Services (Cayman) Ltd, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, by post or by email as soon as possible but in any event not later than 10.00 a.m. (Greenwich Mean Time) on 23 December 2022 or 48 hours prior to any adjourned meeting. To be valid, completed Forms of Instruction must be received by the Depository, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible but in any event not later than 10.00 a.m. (GMT) on 22 December 2022 or 72 hours prior to any adjourned meeting. If your shares are held in uncertificated form through depositary interests, you will also be able to appoint a proxy using CREST.

If you complete and return a Form of Proxy/Instruction, you may still attend and vote at the Extraordinary General Meeting in person should you subsequently decide to do so subject to any restrictions applicable to attendance in person.

Please read the notes to the notice of Extraordinary General Meeting and the accompanying Form of Proxy/Instruction for detailed instructions. The attention of shareholders is also drawn to the voting intentions of the Directors set out below.

12. Recommendation

The Directors consider that the terms of the Transactions are in the best interests of the Company and its shareholders as a whole.

The Directors consider that the Resolutions to be put to the Extraordinary General Meeting, including the Settlement Resolution, are in the best interests of the Company and its shareholders as a whole and unanimously recommend shareholders to vote in favour of the Resolutions, as they do in respect of their own beneficial holdings amounting in aggregate to 10,616,438 Ordinary Shares representing approximately 1.33% of the Company's issued share capital as at 7 December 2022, being the latest practicable date prior to the publication of this document.

Yours sincerely

Pade Durotoye
Non-Executive Chairman

PART 2

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

“AQSE Rules”	the AQSE Growth Market Access Rulebook (as amended from time to time);
“AQSE”	the access segment of the AQSE Growth Market, being a market of that name and operated by Aquis Stock Exchange Limited;
“Articles”	the Company’s articles of association;
“Board” or “Directors”	the board of directors of the Company;
“CFA1 Parties”	the parties to the CFA1 other than the Company;
“CFA1”	a convertible facility agreement dated on or around 2 September 2021 between the Company, Hadron Master Fund, TDR Enterprises Ltd and a non-related third party;
“CFA2”	a convertible facility agreement dated on or around 28 February 2022 between the Company and Savannah Energy;
“Change of Name”	the proposed change of name of the Company to Fenikso Limited;
“Circular”	this document, containing (among other items) details of the LNL Arrangements and the SEIL Arrangements and the Notice;
“Company”	Lekoil Limited;
“Completion”	completion of (among other items) the LNL Arrangements on the terms of the Deed;
“Deed”	a settlement deed dated 7 December 2022 between the Company, Lekoil Nigeria and Mr Akinyanmi, among others;
“Existing Ordinary Shares”	the issued Ordinary Share capital of the Company as at the date of this Circular, being 758,777,739 Ordinary Shares;
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company to be held at 10.00 a.m. (Greenwich Mean Time) on Thursday 29 December 2022 at the offices of White & Case LLP, 5 Old Broad Street, London EC2N 1DW, United Kingdom;
“Form of Instruction”	the form of instruction accompanying this document in respect of the EGM;
“Form of Proxy”	the form of proxy accompanying this document in respect of the EGM;
“LNL Arrangements”	the terms of the proposed settlement with Lekoil Nigeria and Olalekan Akinyanmi (among others) as detailed in this Circular;
“LNL Interests”	the Company’s shares in Lekoil Nigeria and the Company’s interests in its subsidiaries involved in the operations of the Lekoil Nigeria group, together with rights in respect of certain loans owed by Lekoil Nigeria and related entities;

“Lekoil Nigeria”	Lekoil Nigeria Limited, a company incorporated in the Federal Republic of Nigeria;
“LOGI”	Lekoil Oil and Gas Investments Limited (a subsidiary of Lekoil Nigeria);
“LOGI Loan”	a new loan of approximately US\$51.9 million from LOGI to the Company;
“LNL Settlement Shares”	105,658,847 Ordinary Shares held by Lekoil Nigeria;
“Long Stop Date”	21 January 2023;
“Mayfair”	Mayfair Assets & Trust Limited (a subsidiary of Lekoil Nigeria)
“Mayfair Loan”	a US\$135 million loan between the Company and Mayfair;
“Notice”	the notice set out at the end of this document convening the Extraordinary General Meeting;
“Option Agreement”	an option agreement dated on or around 28 February 2022 between the Company and Savannah Energy granting (among other items) an option to Savannah Energy to be assigned the Mayfair Loan;
“Ordinary Shares”	ordinary shares of US\$0.00005 each in the capital of the Company;
“Resolutions”	the resolutions to be proposed at the EGM;
“Savannah Energy”	Savannah Energy Investments Limited, a company incorporated in England & Wales;
“SEIL Agreement”	a framework agreement dated 7 December 2022 between the Company and Savannah Energy;
“SEIL Arrangements”	the terms of the proposed transactions with Savannah Energy as detailed in this Circular;
“SEIL Shares”	all Ordinary Shares held by Savannah Energy at or prior to Completion;
“Settlement Resolution”	the resolution to be proposed at the EGM in respect of the approval of (among other items) the LNL Arrangements and the Change of Name;
“Shareholders”	holders of Ordinary Shares;
“Transactions”	the LNL Arrangements and the SEIL Arrangements; and
“Transaction Documents”	the Deed and related transaction documents in respect of the implementation of the LNL Arrangements, the SEIL Arrangements and the Fees Settlement.

All times referred to are London times unless otherwise stated.

All references to legislation in this document are to the legislation of England and Wales unless otherwise stated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.



(Incorporated and registered in the Cayman Islands with company number 248859)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company (the “**Meeting**”) will be held at the offices of White & Case LLP, 5 Old Broad Street, London EC2N 1DW, United Kingdom at 10.00 a.m. (Greenwich Mean Time) on 29 December 2022 to consider and, if thought fit, passing the following ordinary and special resolutions (the “**Resolutions**”).

This Notice of Meeting concerns matters described in a circular to shareholders of the Company dated 9 December 2022 (the “**Circular**”). Words and expressions defined in the Circular have the same meaning when used in this Notice of Meeting.

Approval of the Transactions and settlement of fees (as a special resolution)

1 THAT:

- (a) the terms of the LNL Arrangements and the disposal by the Company of the LNL Interests, pursuant to the Transaction Documents and related documentation, be and hereby is approved with such amendments as the Directors may approve, and the Directors, or any duly authorised committee thereof, be and are hereby authorised to take all necessary steps and to execute all other documents and deeds as they may consider to be necessary or desirable to conclude the disposal of the LNL Interests;
- (b) the name of the Company be changed to Fenikso Limited;
- (c) the Directors be and they are hereby generally and unconditionally authorised pursuant to and for the purposes of Article 18 of the Company’s articles of association (the “Articles”) to exercise all the powers of the Company to allot ordinary shares of US\$0.00005 each (“Ordinary Shares”) up to an aggregate number of 40,616,438 Ordinary Shares (i) to settle accrued but unpaid fees to creditors who agree to take part or all of their fees in Ordinary Shares and (ii) to enable the Company, if required pursuant to the terms of the Convertible Facility Agreement dated 28 February 2022, to issue Ordinary Shares to Savannah Energy Investments Limited in respect of any outstanding amounts under such Convertible Facility Agreement, which shall, unless previously revoked or varied by the Company in general meeting, expire at the conclusion of the Company’s next annual general meeting save that the Company may make an offer or enter into an agreement before the expiry of this authority which would or might require Ordinary Shares to be allotted after such expiry and the Directors may allot Ordinary Shares pursuant thereto as if the authority conferred hereby had not expired; and
- (d) pursuant to Article 30 of the Articles, the Directors be given the general power to allot securities wholly for cash, pursuant to the authority conferred by paragraph (c) above granting authority to allot Ordinary Shares, as if Article 27 of the Articles did not apply to such allotment, provided that this power shall be limited to the allotment of securities up to an aggregate number of 40,616,438 Ordinary Shares, which power shall, unless previously revoked or varied by the Company in general meeting, expire at the conclusion of the Company’s next annual general meeting save that the Company may make an offer or enter into an agreement before the expiry of this authority which would or might require Ordinary Shares to be allotted after such expiry and the Directors may allot Ordinary Shares pursuant thereto as if the authority conferred hereby had not expired.

Re-election of Directors (as ordinary resolutions)

2 THAT Thomas Richardson be re-elected as a director of the Company.

3 THAT Marco D'Attanasio be re-elected as a director of the Company.

Disapplication of Article 107 for 2022 only (as a special resolution)

4 THAT the provisions of Article 107 of the Articles be disapplied so that the Company is not required to hold an annual general meeting during the 2022 calendar year but subject to (i) the Company holding its annual general meeting in respect of 2022 by no later than 28 February 2022 and (ii) the Company holding its annual general meeting in respect of 2023 by no later than 31 December 2023 (notwithstanding that an annual general meeting was previously held in the same calendar year).

By order of the Board

Pade Durotoye

Non-Executive Chairman
9 December 2022

Registered office:
Walkers Corporate Limited
190 Elgin Avenue
George Town
Grand Cayman KY1-9008
Cayman Islands

Notes:

Entitlement to attend, speak and vote

1. The Company has specified that only those members entered on the register of members at 6.00 p.m. (Greenwich Mean Time) on 23 December 2022 (or in the event that this meeting is adjourned, on the register of members 48 hours before the time of any adjourned meeting) shall be entitled to attend, speak and vote at the Meeting in respect of the number of ordinary shares in the capital of the Company held in their name at that time. Changes to the register after 6.00 p.m. (Greenwich Mean Time) on 23 December 2022 shall be disregarded in determining the rights of any person to attend, speak and vote at the Meeting.

Appointment of proxies

2. Members are entitled to appoint a proxy or proxies to exercise all or any of their rights to attend and vote at the Meeting. A proxy need not be a shareholder of the Company. A shareholder holding two or more shares may appoint more than one proxy in relation to the Meeting. Please contact the Registrar if you wish to appoint multiple proxies.
3. A Form of Proxy is enclosed for use by shareholders holding shares in certificated form. A Form of Instruction is enclosed for use by holders of Depository Interests. The completion and return of a Form of Proxy/Instruction whether in hard copy form or in CREST will not preclude a member from attending in person at the meeting and voting should he or she wish to do so.
4. To be valid, the Form of Proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority must be lodged at the offices of the Company's registrars, Computershare Investor Services (Cayman) Ltd, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, by post as to be received not less than 48 hours before the time fixed for the holding of the meeting or any adjournment thereof (as the case may be). To be valid, the Form of Instruction and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority must be lodged at the offices of the Depository, Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, by hand, or sent by post, so as to be received not less than 72 hours before the time fixed for the holding of the meeting or any adjournment thereof (as the case may be).

CREST Voting Instructions for Depository Interest Holders

5. Holders of Depository Interests in CREST may transmit voting instructions by utilising the CREST voting service in accordance with the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take appropriate action on their behalf. In order for instructions made using the CREST voting service to be valid, the appropriate CREST message (a "CREST Voting Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via www.euroclear.com/CREST).
6. To be effective, the CREST Voting Instruction must be transmitted so as to be received by the Company's agent (3RA50) no later than 10.00 a.m. (Greenwich Mean Time) on 22 December 2022. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Voting Instruction by the CREST applications host) from which the Company's agent is able to retrieve the CREST Voting Instruction by enquiry to CREST in the manner prescribed by CREST. Holders of Depository Interests in CREST and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the transmission of CREST Voting Instructions. It is the responsibility of the Depository Interest holder concerned to take (or, if the Depository Interest holder is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that the CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a CREST Voting Instruction is transmitted by means of the CREST voting service by any particular time. In this connection, Depository Interest holders and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Issued shares and total voting rights

7. As at 6.00 p.m. (Greenwich Mean Time) on 7 December 2022 (being the latest practicable date prior to the publication of this Notice), the Company's issued share capital comprised 758,777,739 ordinary shares of US\$0.00005 each fully paid. Each ordinary share carries the right to one vote on a poll at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00 p.m. (Greenwich Mean Time) on 7 December 2022 are 758,777,739. The Company does not hold any shares in treasury.

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