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Prospex Oil and Gas PLC
28 March 2017

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Prospex Oil and Gas Plc

('Prospex' or the 'Company')

Proposed Amendment to Investing Policy

Prospex Oil and Gas Plc, the AIM quoted investment company, announces that it intends to ask shareholders to approve an amendment to the Company's investing policy, either by convening a General Meeting of the Company ('GM') or by including the proposed resolution at Prospex's forthcoming Annual General Meeting ("AGM").

At the GM held on 11 May 2016, shareholders agreed to re-approve the investing policy of the Company, with an amendment, namely the addition of a new paragraph stating that the Company will undertake an acquisition or acquisitions within the natural resources and/or energy sector, which would likely constitute a reverse takeover under AIM Rule 14 of the AIM Rules for Companies, within 12 months of the date of that 11 May 2016 GM ('the 2016 Amendment').

The directors of the Company ("Directors") are currently evaluating a number of projects that would add to the Company's investment portfolio. As presently perceived those most advanced would not constitute a reverse takeover under AIM Rule 14 and as such, a transaction cannot be completed by 11 May 2017. Therefore to provide clarity a resolution will be put to shareholders at a GM proposing the removal of the 2016 Amendment and therefore reverting, if the resolution is passed, to the policy adopted on 14 April 2015. The Company had been deemed to have fulfilled its investment policy in April 2016 and the amendments have not or will not alter that.

If practically possible the Company would like to put the proposed resolution to shareholders at the next AGM. Historically the AGMs have been in July. However the 2016 Financial Year Audit process is ahead of previous years and therefore the AGM is likely to be earlier. If it becomes apparent that the AGM cannot be held by the beginning of June, the board of the Company will put together a separate circular to convene a GM.

The only substantial change to the text of the Investing Policy to be proposed will be the removal of the last paragraph. The full text of the present policy can be found on the Company's website at: <http://www.prospexoilandgas.com/pdf/pxog-investment-policy-may-2016.pdf>.

The Board and management team continue to move a number of exciting opportunities forward and it is the Company's expectation that it will participate in drilling again this year."

Bill Smith, Non-executive Chairman, commented: *"We are pleased to be putting the proposal to shareholders, it provides clarity for existing shareholders and the market as a whole. The team is committed to making quality investments and this update allows the Company freedom to structure their investments in a natural way. The change will not preclude an investment that would constitute a reverse takeover but the opportunity, like all we review, has to be right and in the best interests of shareholders."*

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR").

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Notes

Prospex Oil and Gas Plc is an AIM quoted investment company focussed on high impact onshore and shallow offshore European opportunities with short timelines to production. The Company's management is looking to acquire undervalued projects with multiple, tangible value trigger points that can be realised within 12 months of acquisition and then applying low cost re-evaluation techniques to identify and de-risk prospects.

This information is provided by RNS
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