

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser. Investment in the Company is speculative and involves a high degree of risk.**

If you have sold or otherwise transferred all of your Existing Ordinary Shares in Ascent Resources plc, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

However, such documents should not be forwarded, transmitted or distributed, taken, published, reproduced, sent or otherwise made available by any means, directly or indirectly, including electronic transmission, in, into or from the United States, Australia, Canada, South Africa, New Zealand, Japan or any other jurisdiction where to do so would be in breach of any other law and/or regulation.

The Directors, whose names and functions appear on page 6 of this document, and the Company accept responsibility, both collectively and individually, for the information contained in this document. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This document is not a prospectus for the purposes of the Prospectus Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom (“FCA”), pursuant to sections 85 and 87 of FSMA, the London Stock Exchange plc or any other authority or regulatory body.

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## **Ascent Resources plc**

*(Incorporated in England and Wales under the Companies Act 1985 with Registered No. 05239285)*

### **Increase in authority to allot shares Disapplication of pre-emption rights and Notice of General Meeting**

*Nominated Adviser & Broker*



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**This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Ascent Resources plc which is set out in Part I of this document.**

finnCap Ltd ("finnCap"), which is regulated in the United Kingdom by the FCA and is a member of the London Stock Exchange is acting as nominated adviser and broker to Ascent Resources plc and no one else in connection with the proposals described in this document and will not be responsible to anyone other than Ascent Resources plc for providing the protections afforded to clients of finnCap or for providing advice in relation to such proposals. No representation or warranty, express or implied, is made by finnCap as to the accuracy, completeness or fairness of any information in this document and finnCap accepts no responsibility or liability for this document and accordingly disclaims all and any liability, whether arising in tort, contract or otherwise, which it might otherwise be found to have in respect of this document.

**Notice convening a general meeting of the Company, to be held at the offices of finnCap, 60 New Broad Street, London EC2M 1JJ, at 3.30 p.m. on 3 September 2015 is set out at the end of this document. The accompanying Form of Proxy for use at the General Meeting should be completed and returned to Computershare Investor Services Plc, PO Box 82, The Pavillions, Bridgwater Road, Bristol, BS99 6ZY as soon as possible and to be valid must arrive by no later than 3.30 p.m. on 1 September 2015.**

**Copies of this document will be available free of charge during normal business hours on any weekday (except Saturdays, Sundays and public holidays) at the offices of finnCap at 60 New Broad Street, London, EC2M 1JJ, from the date of this document. This document will be available to download from the Company's website at [www.ascentresources.co.uk](http://www.ascentresources.co.uk)**

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## ENCLOSURES

Form of Proxy

Prepaid Reply Envelope – (for use within the UK only)

## DEFINITIONS

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

<b>"Act"</b>	the Companies Act 2006, as amended from time to time
<b>"Additional Authority"</b>	the authority to be granted to the Directors pursuant to the Resolutions to allot further equity securities up to an aggregate nominal amount of £1,500,000.00 pursuant to Section 570 of the Act to allot equity securities (as defined in Section 560 of the Act), for cash
<b>"AIM"</b>	the market of that name operated by the London Stock Exchange
<b>"AIM Rules"</b>	the AIM rules for Companies published by the London Stock Exchange from time to time
<b>"Articles"</b>	the articles of association of the Company (as amended from time to time)
<b>"Computershare"</b>	Computershare Investor Services PLC
<b>"certificated form" or "in certificated form"</b>	an ordinary share recorded on a company's share register as being held in certificated form (namely, not in CREST)
<b>"Circular"</b>	this document containing information about the Additional Authority and General Meeting
<b>"Company" or "Ascent"</b>	Ascent Resources plc
<b>"CREST"</b>	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which Euroclear is the operator (as defined in those regulations)
<b>"CREST Manual"</b>	the rules governing the operation of CREST, consisting of the CREST Reference Manual, Crest International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline rules, CREST Courier and Sorting Services Manual, Daily Timetable, CREST Application Procedures and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996, as amended) as published by Euroclear
<b>"Directors" or "Board"</b>	the directors of the Company as at the date of this document whose names and functions are set out on page 6 of this document, or any duly authorised committee thereof
<b>"Euroclear"</b>	Euroclear UK & Ireland Limited
<b>"EU"</b>	the European Union
<b>"Existing Ordinary Shares"</b>	the 1,734,363,851 Ordinary Shares in issue at the date of this document
<b>"FCA"</b>	the UK Financial Conduct Authority
<b>"finnCap"</b>	finnCap Ltd, the Company's nominated adviser and broker
<b>"Form of Proxy"</b>	the form or proxy for use in connection with the General Meeting which accompanies this

	document
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended from time to time)
<b>“General Meeting”</b>	the general meeting of the Company convened for 3.30 p.m. on 3 September 2015
<b>“Henderson”</b>	Henderson Global Investors Limited in its capacity as discretionary investment manager of The Strathclyde Pension Fund and Henderson UK and Irish Smaller Companies Fund; and Henderson Alternative Investment Advisor Limited in its capacity as discretionary investment manager of The Alphagen Volantis Fund Limited, Henderson UK Small Cap Best Ideas Fund and The Citigroup Pension Plan Investment Committee, both of 201 Bishopsgate, London EC2M 3AE, or either of them as the context shall require
<b>“Henderson Facility”</b>	the 7.5 per cent. £7million loan provided by Henderson to the Company, details of which were announced by the Company through RIS on 12 May 2015
<b>“IPPC”</b>	Integrated Pollution Prevention and Control Permit
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Notice of General Meeting” or “Notice”</b>	the notice of General Meeting set out at the end of this document
<b>“Ordinary Shares”</b>	ordinary shares of 0.1 pence each in the capital of the Company
<b>“Prospectus Rules”</b>	the Prospectus Rules published by the FCA
<b>“Resolutions”</b>	the resolutions set out in the Notice
<b>“RIS” or “Regulatory Information Service”</b>	a regulatory information service approved by the London Stock Exchange for the purposes of the AIM Rules
<b>“Shareholders”</b>	holders of Ordinary Shares from time to time
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“uncertificated” or “in uncertificated form”</b>	an ordinary share recorded on a company’s share register as being held in uncertificated form in CREST and title to which, by virtue of the Uncertificated Securities Regulations 2001, may be transferred by means of CREST

A reference to £ is to pounds sterling, being the lawful currency of the UK.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement	17 August 2015
Dispatch of this document	18 August 2015
Latest time and date for receipt of Forms of Proxy for the General Meeting	3.30 p.m. on 1 September 2015
General Meeting	3.30 p.m. on 3 September 2015

Save for the date of dispatch of this document, each of the times and dates above are subject to change. Any such change will be notified to Shareholders by an announcement on a Regulatory Information Service.

**PART I**  
**LETTER FROM THE CHAIRMAN OF THE COMPANY**

**Ascent Resources plc**

*(Incorporated and registered in England and Wales with registered number 05239285)*

*Directors:*

Clive Carver *(Non-executive Chairman)*  
Colin Hutchinson *(Finance Director)*  
Cameron Davies *(Non-executive Director)*  
Nigel Moore *(Non-executive Director)*

*Registered Office:*

5 New Street Square  
London  
EC4A 3TW

18 August 2015

Dear Shareholder

**Operational Update & Notice of General Meeting**

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**1. Introduction**

The Company is seeking to increase the authorities granted at the 2015 Annual General Meeting to allot equity securities of the Company up to an aggregate nominal value of £1,500,000 for cash, without being required to offer those equity securities on a pre-emptive basis pursuant to the Act.

The Directors are in negotiations with several potential sources of additional financing, although no terms have yet been agreed. Whilst the Company has the Henderson Facility to support its working capital requirements, draw down of the facility is at the sole discretion of Henderson and therefore this should not be relied upon as a sole source of financing. Accordingly the Directors believe that it is prudent to have the ability to procure additional funds through the issue of new Ordinary Shares on a non-pre-emptive basis.

The purpose of this document is to give to Shareholders notice of the General Meeting to consider and, if thought fit, approve and pass the Resolutions. The General Meeting is to be held at the offices of finnCap Ltd, 60 New Broad Street, London, EC2M 1JJ at 3:30 p.m. on Thursday 3 September 2015. The formal notice of the General Meeting is set out at the end of this document.

This document provides Shareholders with information about the reasons why the Board considers it appropriate to increase the Directors' ability to raise funds through the issue of Ordinary Shares, and explains why the Directors consider it to be in the best interests of the Company and its Shareholders as a whole, and the reasons for recommending that you vote in favour of the Resolutions to be proposed at the General Meeting.

**2. Petišovci Project**

**Background**

Ascent, with its partner Geoenergo, continues to work to develop the Petišovci field in Slovenia. To date some €42 million has been spent on the project, which it is hoped will supply a significant proportion of Slovenia's gas requirement for well over a decade. In recognition of the key strategic importance of the project, earlier this year the Slovenian government designated Nafta Lendava, the state owned oil and gas company, which holds an interest in the Petišovci project through its shareholding in Geoenergo, as one of 21 important national assets.

The preferred field development plan consists of the installation of a gas gathering and separation station ("GGSS") for dew point control and to reduce the CO<sub>2</sub> content of the gas to meet national pipeline specifications; the upgrade of a measuring station at the entry point to the national grid and the construction of pipelines and flow lines to connect the wells to the GGSS and the GGSS to the measuring station.

### ***IPPC permit***

Under EU Directives adopted by the Slovenian Government the installation of the GGSS requires an IPPC permit. In July 2014 the application was completed and submitted to the Environmental Agency (“ARSO”) for approval. In December 2014 ARSO announced that the IPPC permit was approved subject to a public consultation.

### ***Current position***

In June 2015 ARSO announced that following the public consultation the Permit had been provisionally awarded subject to a period for appeals. In August 2015 the Company received formal notification that two parties had lodged appeals.

The response to the appeal has already been submitted. The appeals will be heard in the first instance by the Environment Ministry with potentially a further appeal to the courts. Until the appeal process has been exhausted, the Company and its partners are not able to finalise bank funding to start construction work.

Although there can be no guarantee that the IPPC permit will be issued, based on legal advice received to date the Board of Ascent remains firmly of the view that the required IPPC permit will be issued in final form. What is less certain is the time that the appeal process will take; guidelines suggest that the first appeal should take a maximum of two months and the second a maximum of three months, however in practice these guidelines are sometimes exceeded. Should the process be referred to the Slovenian courts it is likely that the final permit would not be awarded until 2016.

It is therefore the priority of the Company to minimise expenditure until the IPPC permit award is unconditional. In the meantime work continues to explore alternative routes to market for the gas.

### **3. Current Funding**

In May 2015 the Company agreed a £7 million facility with Henderson Global Investors. Whilst the facility was not intended to be used to cover delays in permitting, the Company has recently agreed the drawdown of the first £250,000 of this facility to fund its immediate working capital requirements.

Without the Additional Authority, the Company is currently reliant on Henderson permitting drawdown of the facility to fund its working capital. The Company is conscious that using a short term overdraft to bridge this funding gap is not an ideal solution to meeting its funding needs, but is constrained on raising fresh equity capital by the need to convene shareholder meetings to grant the Directors the authority required to issue shares for cash to investors, who might not agree to be committed during the notice period required for a general meeting seeking those authorities.

The Board therefore wishes to give the Company the option to bring such new investors and new investment into the Company through the issue of new equity. To that end we are proposing to put the Resolutions to Shareholders, which if passed would allow the Company to issue 1,500,000,000 shares for cash without further recourse to Shareholders.

### **4. Other funding discussions**

As previously announced, the Company has held discussions with a range of parties interested in participating in a farm out. Discussions are well advanced with several parties. Discussions are expected to continue until the end of Q3 2015 and there is no certainty that any transaction will result.

The Company also continues to have positive discussions with banks who, following lengthy due diligence, have expressed firm interest in providing up to €20 million of debt funding to the project. These funds would only be available once the IPPC permit has been declared valid and additional equity investment has been secured.

### **5. Board Changes**

In recognition of the Company's current funding position, management changes are being implemented with a view to conserving the Company's funding, in particular until the IPPC permit is awarded in final form. The principal change is that Len Reece, Ascent's CEO over the past 3 years, resigned as a Director of the Company on 14<sup>th</sup> August 2015 and the Company has commenced a

redundancy process in relation to his role as CEO.

## **6. General Meeting**

Set out at the end of this document is a notice convening a General Meeting of the Company to be held at 3.30 p.m. on Thursday 3 September 2015 at the offices of finnCap, 60 New Broad Street, London, EC2M 1JJ, at which the Resolutions will be proposed.

The Company is proposing that Shareholders pass the Resolutions in order to:

- (a) grant authority to the Directors under section 551 of the Act, to allot relevant securities in the Company; and
- (b) empower the Directors, pursuant to section 570 of the Act, to disapply statutory pre-emption rights in relation to the allotment of equity securities.

## **7. Action to be taken in respect of the General Meeting**

Please check that you have received the following with this document:

- a Form of Proxy for use in respect of the General Meeting; and
- a reply-paid envelope for use in connection with the return of the Form of Proxy (in the UK only).

**Whether or not you propose to attend the General Meeting in person, you are strongly encouraged to complete, sign and return your Form of Proxy in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by post at Computershare Investor Services Plc, Corporate Actions Project, Bridgwater Road, Bristol, BS99 6ZY or, during normal business hours only, by hand, at Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol, BS13 8AE by no later than 3.30 p.m. on 1 September 2015 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting).**

This will enable your vote to be counted at the General Meeting in the event of your absence. The completion and return of the Form of Proxy or the use of the CREST Proxy Voting service will not prevent you from attending and voting at the General Meeting, or any adjournment thereof.

Yours faithfully,

**Clive Carver**  
*Chairman*



## PART II

# NOTICE OF GENERAL MEETING

### Ascent Resources plc

*(Incorporated in England and Wales under the Companies Act 1985 with registered number 3416346)*

NOTICE IS HEREBY GIVEN that a General Meeting of Ascent Resources plc (the “**Company**”) will be held at the offices of finnCap Ltd, 60 New Broad Street, London EC2M 1JJ on 3 September 2015 at 3.30 p.m. to consider and, if thought fit, pass the following resolutions of which Resolution 1 will be proposed as an ordinary resolution and Resolution 2 as a special resolution.

Unless the context requires otherwise, words and expressions defined in the circular dated 18 August 2015, of which this notice forms part, have the same meanings when used in this Notice.

### ORDINARY RESOLUTION

- 1 THAT the Directors be and they are hereby generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (‘the Act’), to exercise all the powers of the Company to allot and make offers to allot shares in the Company up to an aggregate nominal amount of £1,500,000.00. This authority shall, unless previously revoked or varied by the Company in general meeting, expire at the conclusion of the Annual General Meeting of the Company to be held in 2016 provided that the Company may, at any time before such expiry, make an offer or enter into an agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to any such offer or agreement as if the authority conferred hereby had not expired.

### SPECIAL RESOLUTION

- 2 THAT the Directors be and they are hereby empowered pursuant to Section 570 of the Act to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the authority conferred by Resolution 1 above as if Section 561(1) of the Act did not apply to any such allotment. This power shall, unless previously revoked or varied by special resolution of the Company in general meeting, expire at the conclusion of the Annual General Meeting of the Company to be held in 2016 provided that the Company may, at any time before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors are hereby empowered to allot equity securities in pursuant to any such offer or agreement as if the power conferred hereby had not expired.

*Registered Office:*  
5 New Street Square  
London EC4A 3TW

By Order of the Board  
**C Hutchinson**  
*Company Secretary*

Dated 18 August 2015

## Notes to the Notice of General Meeting

### 1. Entitlement to attend and vote

Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at 6 p.m. on 1 September 2015 shall be entitled to attend and vote at the Meeting. Changes to entries on the register of members after this time will be disregarded in determining the right of any person to attend or vote at the General Meeting.

### 2. Appointment of proxies

If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the General Meeting and you should have received a proxy form with this notice of General Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

A proxy does not need to be a member of the Company but must attend the Meeting in order to represent you. Details of how to appoint the Chairman of the General Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the registrars of the Company, Computershare Investor Services PLC on 0870 889 3201.

A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.

### 3. Appointment of proxy using hard copy proxy form

The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent by post to Computershare Investor Services PLC, The Pavilions, Bristol BS99 6ZY or delivered by hand during normal business hours only to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE; and
- received by Computershare Investor Services PLC no later than 48 hours (excluding non-business days) prior to the Meeting.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

### 4. Appointment of proxy by joint members

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

### 5. Changing proxy instructions

To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Computershare Investor Services PLC on 0870 889 3201.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

### 6. Termination of proxy appointments

In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Computershare, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or by facsimile transmission to 0870 703 6322. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

In either case, the revocation notice must be received by Computershare Investor Services PLC no later than 48 hours (excluding non-business days) prior to the General Meeting.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the General Meeting and voting in person. If you have appointed a proxy and attend the General Meeting in person, your proxy appointment will automatically be terminated.

### 7. Corporate representatives

A member that is a company or other organisation not having a physical presence cannot attend the General Meeting in person but can appoint someone to represent it. This can be done in one of two ways: either by the appointment of a proxy (described above) or of a corporate representative. Members considering the appointment of a corporate representative should check their own legal position, the Company's Articles and the relevant provision of the Act.

### 8. Communications with the Company

Except as provided above, members who have general queries about the General Meeting should telephone Computershare Investor Services PLC on 0870 889 3201 (no other methods of communication will be accepted). You may not use any electronic address provided either in this Notice of General Meeting; or any related documents (including the Chairman's Letter and Form of Proxy), to communicate with the Company for any purposes other than those expressly stated.



