

**DATED**  
**17 JULY 2019**

**SHARE OPTION AGREEMENT**

Between

**MUSTANG ENERGY PLC**

and

**SIMON WILLIAM HOLDEN**

THIS DEED is dated 17<sup>th</sup> July 2019

## Parties

- (1) **MUSTANG ENERGY PLC** incorporated and registered in England and Wales with company number 11155663 whose registered office is at 48 Chancery Lane, c/o Keystone Law, London WC2A 1JF (the "**Company**"); and
- (2) **SIMON WILLIAM HOLDEN** of 96 Whitton Road, Twickenham, Middlesex TW1 1BS, United Kingdom (the "**Option Holder**").

## BACKGROUND

- (A) The Option Holder is a director of the Company.
- (B) The Company previously resolved to grant the Option Holder an option to acquire Shares (as defined below) (the "**Option**"), and wishes to memorialise the terms applicable to the Option in this agreement.
- (C) The Option Holder wishes to accept the Option.

## Agreed terms

### 1. Interpretation

- 1.1 Terms in this agreement such as "**you**" and "**your**" refer to and address the Option Holder.
- 1.2 The following definitions and rules of interpretation apply in this agreement:

"**Acting in Concert**" has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers.

"**Board**" means the board of directors of the Company or a committee appointed by it to carry out any of its functions under this agreement.

"**Business Day**" means a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

"**CA 2006**" means the Companies Act 2006.

"**Control**" has the meaning given in section 719 of ITEPA 2003.

"**Employer NICs**" mean any secondary class 1 (employer) NICs (or any similar liability for social security contribution in any jurisdiction) that the Company is liable to pay as a result of any Taxable Event (or which that person would be liable to pay in the absence of an election of the type referred to in clause 12.5) and that may be lawfully recovered from you.

"**Exercise Condition**" means a condition that must be satisfied before you may exercise your Option and that is specified in Schedule 1.

**"Exercise Period"** means the period of 30 days starting with: (a) the date on which the Company's auditors make their report on the Company's annual accounts; or (b) such date or dates as the Board determines from time to time at its absolute discretion.

**"Exercise Price"** means £0.10 per Share, the price payable by you to acquire Shares under the Option, as specified in clause 2.1, subject to any adjustment under clause 14.

**"Grant Date"** means 28 July 2019.

**"Group"** means the Company and its Subsidiaries; and references to **"Group Company"** shall be construed accordingly.

**"ITEPA 2003"** means the Income Tax (Earnings and Pensions) Act 2003.

**"Minimum Proportion"** means the proportion of an Option that may become exercisable due to an event under clause 6 or clause 8, and that shall be 100% except that if the Option becomes exercisable before any Exercise Condition has been achieved the Board (acting fairly and reasonably) shall adjust the Minimum Proportion to take account of the extent to which the Exercise Condition has been achieved at the date of the relevant event.

**"NICs"** mean National Insurance contributions.

**"Option"** means the right to acquire Shares set out in this agreement.

**"Rollover Period"** means the period determined by the Board under clause 9 during which the Option may be exchanged for an option over shares in another company.

**"Shares"** mean the ordinary shares of £0.01 each in the capital of the Company, subject to any adjustment under clause 14.

**"Subsidiary"** has the meaning given in section 1159 of the CA 2006.

**"Sufficient Shares"** mean the smallest number of Shares that, when sold, produce an amount at least equal to the relevant Tax Liability (after deduction of brokerage and any other charges or taxes on the sale).

**"Taxable Event"** means any event or circumstance that gives rise to a liability for you to pay income tax and NICs or either of them (or their equivalents in any jurisdiction):

- (a) in respect of the Option, including its exercise, its assignment or surrender for consideration, or the receipt of any benefit in connection with it;
- (b) in respect of any Shares (or other securities or assets):
  - (i) earmarked or held to satisfy the Option;
  - (ii) acquired on exercise of the Option;
  - (iii) acquired as a result of holding the Option; or
  - (iv) acquired in consideration of the Option's assignment or surrender;

- (c) in respect of any securities (or other assets) acquired or earmarked as a result of holding Shares (or other securities or assets) mentioned in (b); or
- (d) arising as a result of entering into an election under section 430 or 431 of ITEPA 2003; or
- (e) in respect of any amount due under PAYE in respect of assets within (a) to (d) above and not made good by you within the time limit specified in section 222 of ITEPA 2003.

**"Tax Liability"** means (to the extent applicable) the total of:

- (a) any income tax and primary class 1 (employee) NICs (or their equivalents in any jurisdiction) that the Company is liable to account for (or reasonably believes it is liable to account for) as a result of any Taxable Event; and
- (b) any Employer NICs (or the equivalent in any jurisdiction) that the Company is liable to pay (or reasonably believes it is liable to pay) as a result of any Taxable Event and that can be recovered lawfully from you.

**"Vesting Date"** means the date specified in clause 5.1.

- 1.3 Clause and Schedule headings shall not affect the interpretation of this agreement.
- 1.4 The background and the Schedule forms part of this agreement and shall have effect as if set out in full in the body of this agreement and any reference to this agreement includes the background and the Schedule.
- 1.5 Unless the context otherwise requires, references to you shall include your personal representatives.
- 1.6 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.7 Any obligation in this agreement not to do something includes an obligation not to allow that thing to be done.
- 1.8 A reference to **"this agreement"** or to any other agreement or document referred to in this agreement is a reference to this agreement or such other agreement or document as varied or novated (in each case, other than in breach of the provisions of this agreement) from time to time.
- 1.9 References to clauses and the Schedule are to the clauses and the Schedule of this agreement.
- 1.10 Any words following the terms **"including"**, **"include"** or any similar expression shall be construed as illustrative and shall not limit the sense of the description, definition, phrase or term that comes before the relevant term.

## **2. Grant of Option and Exercise Price**

- 2.1 The Company granted to you, as at the Grant Date, the right to acquire up to 90,000 Shares for £0.10 per Share (the **"Exercise Price"**), on the terms of this agreement, but subject to your signature of this agreement as a deed.

2.2 The Option does not entitle you to acquire any percentage of the share capital of the Company, other than the percentage that Shares actually acquired under the Option represent at any time. The grant and existence of the Option shall not restrict the Company's freedom to issue any shares, rights to subscribe for shares, or any other securities, at any time after the Grant Date and on such terms as the Company may decide.

### **3. Option Holder's agreement**

By signing this agreement, you accept the Option and agree to be bound by its terms.

### **4. Exercise Condition**

4.1 You may not exercise your Option before the Exercise Condition set out in Schedule 1 has been satisfied.

4.2 The Board may vary or waive any Exercise Condition, provided that any varied Exercise Condition shall be (in the reasonable opinion of the Board):

(a) a fairer measure of performance than the original Exercise Condition, as judged at the time of the variation, if the original Exercise Condition relates to a measure of performance; and

(b) no more difficult to satisfy than the original Exercise Condition was at the Grant Date.

4.3 The Board shall determine whether, and to what extent, the Exercise Condition has been satisfied.

4.4 The Board shall notify you within a reasonable time after the Board becomes aware of the relevant information:

(a) whether (and, if relevant, to what extent) an Exercise Condition has been satisfied;

(b) of any subsequent change in whether, or the extent to which, an Exercise Condition has been satisfied;

(c) when an Exercise Condition has become incapable of being satisfied, in whole or in part; and

(d) of any waiver or variation of an Exercise Condition under clause 4.2.

### **5. Exercise of Option**

5.1 Unless an earlier event occurs to cause it to become exercisable, you may not exercise your Option before the Exercise Condition set out in Schedule 1 has been satisfied. This date is referred to as the "**Vesting Date**".

5.2 Subject to clauses 6 and 8, you may exercise your Option only during an Exercise Period.

5.3 You may not exercise your Option at a time when its exercise is prohibited by, or would be a breach of, any law or regulation with the force of law or other rule, code or set of guidelines (such as share dealing code adopted by the Company).

- 5.4 Subject to clause 5.5, you may not exercise your Option at any time:
- (a) while disciplinary proceedings by any Group Company are underway against you; or
  - (b) while any Group Company is investigating your conduct and may as a result begin disciplinary proceedings; or
  - (c) while there is a breach of your director's contract that is a potentially fair reason for your dismissal or termination; or
  - (d) while you are in breach of a fiduciary duty owed to any Group Company; or
  - (e) after you have ceased to be a director, if there was a breach of your director's contract or fiduciary duties that (in the reasonable opinion of the Board) would have prevented the exercise of the Option had the Company been aware (or fully aware) of that breach, and of which the Company was not aware (or not fully aware) until after both:
    - (i) your ceasing to be a director; and
    - (ii) the time (if any) when the Board decided to permit you to exercise your Option.
- 5.5 The Company shall not unfairly frustrate a valid exercise of the Option by the inappropriate application of any provision of clause 5.4.
- 5.6 You may not exercise an Option unless you have made any arrangements, or entered into any agreements, that may be required and are referred to in clause 12.
- 5.7 The Option shall normally lapse if you cease to be a director, subject to clause 6.
- 6. Termination of director appointment**
- 6.1 If you give or receive notice of termination of your directorship (whether or not lawful) before the Vesting Date, you may not exercise your Option at any time while the notice remains effective.
- 6.2 You may not exercise your Option at any time after you cease to be a director, except where:
- (a) clause 6.3 applies;
  - (b) the Board permits the exercise under clause 6.5;
  - (c) your appointment as a director terminates for one of the reasons set out in clause 6.4; or
  - (d) clause 6.8 applies.
- 6.3 If you die, the Board may permit your personal representatives to exercise such proportion of your Option as the Board may specify (not being less than the Minimum Proportion measured at the date of your death) during a period specified by the Board and ending no later than 12 months after your death.
- 6.4 If you cease to be an Employee because of any of the following reasons:

- (a) injury;
- (b) ill health; or
- (c) disability; or
- (d) retirement,

you may exercise such proportion of your Option as the Board may specify (not being less than the Minimum Proportion measured at the cessation date) during the next Exercise Period, and it shall lapse at the end of that Exercise Period

6.5 If you:

- (a) cease to be a director before the Vesting Date for any reason other than death and the reasons set out in clause 6.4; or
- (b) are summarily dismissed on or after the Vesting Date,

the Board may permit you to exercise all or any part of your Option during the next Exercise Period. If the Board does not make such a decision within 90 days after the termination of your directorship, your Option will lapse.

6.6 You may exercise an Option to which clause 6.5 applies in accordance with the terms of the decision of the Board to permit its exercise and it shall lapse according to clauses 10.2(f) and 10.3.

6.7 The Board shall notify you of any decision made under clause 6.5, including any decision not to permit the exercise of your Option, within a reasonable time after making it.

6.8 If you give or receive notice of termination of your directorship or you cease to be a director on or after the Vesting Date for any reason other than summary termination, you may exercise your Option during the next Exercise Period. Your Option shall lapse, to the extent not exercised, on the expiry of the Exercise Period.

## **7. Manner of exercise of Option**

7.1 You shall exercise your Option by giving a written exercise notice to the Company, as follows:

- (a) setting out the number of Shares over which you wish to exercise the Option. If that number exceeds the number over which the Option may be validly exercised at the time, the Company shall:
  - (i) treat you as having exercised the Option only in respect of that lesser number; and
  - (ii) refund any excess amount you have paid to exercise the Option or meet any Tax Liability; and
- (b) using a form that the Board will approve.

- 7.2 When you give your exercise notice you must also provide all of the following:
- (a) payment of an amount equal to the Exercise Price multiplied by the number of Shares specified in the notice (or evidence that you have made arrangements acceptable to the Board to pay that amount);
  - (b) any payment required under clause 12; and
  - (c) any documents relating to arrangements or agreements required under clause 12.

7.3 Your exercise notice shall be invalid:

- (a) to the extent that it is inconsistent with your rights under this agreement;
- (b) if any of the requirements of clause 7.1 or clause 7.2 are not met; or
- (c) if any payment referred to in clause 7.2 is made by a cheque that is not honoured on first presentation or that fails in any other manner to transfer the expected value to the Company.

The Company may permit you to correct any defect referred to in clause 7.3(b) or clause 7.3(c) (but shall not be obliged to do so). The date of any corrected exercise notice shall be the date of the correction rather than the original notice date for all purposes of this agreement.

7.4 The Company shall allot and issue Shares (or, as appropriate, procure their transfer) within 30 days after a valid Option exercise, subject to the other provisions of this agreement.

7.5 Shares allotted and issued in satisfaction of the exercise of your Option shall rank equally in all respects with the other shares of the same class in issue at the date of allotment, except for any restriction or any rights determined by reference to a date before the date of allotment.

7.6 Shares transferred in satisfaction of the exercise of your Option shall be transferred free of any lien, charge or other security interest, and with all rights attaching to them, other than any restriction or rights determined by reference to a date before the date of transfer.

7.7 If the Shares are listed or traded on any stock exchange, the Company shall apply to the appropriate body for any newly issued Shares allotted on exercise of your Option to be listed or admitted to trading on that exchange.

## **8. Takeovers and liquidations**

8.1 If a person (in this rule, the "**Acquiror**"):

- (a) makes an offer to acquire the whole of the issued share capital of the Company, which is made on a condition such that, if it is satisfied, the Acquiror will have Control of the Company; or
- (b) makes an offer to acquire all the shares in the Company which are of the same class as the Shares; or
- (c) negotiates a share sale and purchase agreement with the shareholders of the Company which contemplates that the Acquiror will obtain Control of the Company on completion,



the Board may in its absolute discretion direct that you may exercise the Minimum Proportion (measured at the date of the Board's decision) or such higher proportion as the Board may in its absolute discretion determine, within a reasonable period to be specified by the Board for that purpose and ending immediately before the change of Control. Unless clause 8.4 applies, if your Option is exercisable under this clause 8.1, it shall lapse if you do not exercise it by at the end of the period specified by the Board.

8.2 If a person (in this clause 8.2, the "**Controller**") obtains Control of the Company as a result of:

- (a) making an offer to acquire the whole of the issued share capital of the Company;
- (b) making an offer to acquire all the shares in the Company which are of the same class as the Shares; or
- (c) entering into a sale and purchase agreement with the shareholders of the Company,

you may exercise the Minimum Proportion (measured at the date of the change of Control) of your Option (or such higher proportion as the Board may, in its absolute discretion, determine) within 90 days after the time when the Controller has obtained Control of the Company. Unless clause 8.4 applies, your Option shall lapse at the end of the 90 day period.

8.3 You may exercise the Minimum Proportion of any Option during any period when any person is bound or entitled to acquire Shares under sections 979 to 982 or 983 to 985 of the CA 2006. Any Option to which this clause 8.3 applies shall lapse at the later of:

- (a) the end of the period during which that person is bound or entitled; or
- (b) the time specified for the lapse of Options under clause 8.4, if it applies.

8.4 If a change of Control occurs, and both the following conditions are met:

- (a) the Acquiror is a company;
- (b) the Acquiror offers (at any time up to ten days following the date of the change of Control) to grant a replacement option to you in consideration for the release of your Option under clause 9;

your Option shall continue to exist until the earlier of the following:

- (c) the time when you release the Option under that exchange of options; and
- (d) the latest date on which the Rollover Period expires,

when it shall lapse.

8.5 If clause 8.4 applies you shall not be able to exercise your Option under any provision of this agreement after you cease to be able to exercise it under clause 8.2.

8.6 The Board, in its discretion, may determine that any event which would trigger the exercise of your Option (and, if relevant, the lapse of your Option) under clause 8.1, clause 8.2 or clause 8.3, shall not do so if:

- (a) that event takes place in the course of any corporate reconstruction or reorganisation under which the ultimate beneficial ownership of the business of the Group Companies will remain substantially the same; and
  - (b) appropriate provisions are made for either the replacement of your Option under clause 9, or other compensation for the loss of your Option that the Board, in its reasonable opinion, considers to be fair.
- 8.7 Unless the relevant compromise or arrangement includes appropriate provisions that the Board considers to be fair in its reasonable opinion for:
  - (a) the replacement of your Option; or
  - (b) other compensation for you for the loss of your Option,

you may exercise a proportion of your Option within six weeks after any person (in this clause 8.7, the "**Controller**") obtains Control of the Company as a result of the court sanctioning a compromise or arrangement under section 899 of the CA 2006. The Board shall have discretion to determine what proportion (if any) of your Option shall be exercisable taking account of these matters as they think fit, provided that the proportion shall not be less than the Minimum Proportion measured at the date of the court sanction.
- 8.8 If clause 8.7 applies to your Option and the Acquiring Company offers an exchange of options falling within clause 9, your Option shall continue to exist until the earlier of the following:
  - (a) the time when you release your Option under that exchange; or
  - (b) the date on which the Rollover Period expires,

when your Option shall lapse.
- 8.9 If clause 8.8 applies to your Option, you may not exercise it under any other provision of the agreement after it ceases to be capable of exercise under clause 8.7.
- 8.10 If clause 8.7 applies to your Option and the Acquiror does not offer an exchange, your Option shall lapse at the end of the exercise period specified in clause 8.7.
- 8.11 If a person, or group of persons Acting in Concert together, acquire Control of the Company by subscribing for new shares in the Company, the Board may in its absolute discretion decide to treat this as a change of Control.
- 8.12 In clauses 8 and 9, a person shall be deemed to have obtained Control of a company if that person, and others Acting in Concert with that person, have obtained Control of it together.
- 8.13 If the shareholders of the Company receive notice of a resolution for the voluntary winding up of the Company, you may exercise the Minimum Proportion of your Option at any time before that resolution is passed, conditional upon the passing of that resolution, and if you do not exercise the Option, it shall lapse when the winding up begins.
- 8.14 The Board shall notify you of any event that is relevant to your Option under this clause 8 within a reasonable period after the Board becomes aware of it.

## 9. Exchange of Option

If a company obtains Control of the Company (the "**Acquiring Company**") you may, by agreement with the Acquiring Company within a period specified by the Board (the "**Rollover Period**"), release your Option ("**Old Option**") in exchange for a replacement option ("**New Option**").

## 10. Lapse of Option

10.1 You may not transfer or assign or have any charge or other security interest created over your Option (or any right arising under it). The Option shall lapse if you attempt to do any of those things. Transmission of the Option to your personal representatives on your death will not cause the Option to lapse.

10.2 After your Option lapses it cannot be exercised, become exercisable, be released for consideration or be of use or benefit to you in any other way (except in respect of your rights before the time of lapse). Your Option shall lapse on the earliest of the following:

- (a) 28 July 2024 at 5.00pm (GMT);
- (b) any attempted action by you falling within clause 10.1;
- (c) the end of the period specified in clause 6.3;
- (d) except where you exchange your Option under clause 9, the end of the period specified in clause 8.2;
- (e) if clause 6.4 applies, the end of the next Exercise Period;
- (f) if clause 6.5 applies, and the Board permits you to exercise your Option, the end of the next Exercise Period;
- (g) if clause 6.2 applies, and the Board decides under clause 6.5 that it will not permit you to exercise the Option, the date the Board so decides;
- (h) if clause 6.2 applies, and the Board makes no decision under clause 6.5, 90 days after you cease to be an Employee;
- (i) if any part of clause 8 applies, the time specified for the lapse of the Option under that part of clause 8; or
- (j) when you become bankrupt under Part IX of the Insolvency Act 1986, apply for an interim order under Part VIII of the Insolvency Act 1986, propose or make a voluntary arrangement under Part VIII of the Insolvency Act 1986, take similar steps, or are similarly affected, under laws of any jurisdiction that correspond to those provisions of the Insolvency Act 1986.

10.3 Part of an Option shall lapse where clause 6.5 applies and the Board has determined that the Option may be exercised, but only in part.

## **11. Relationship with director's contract**

- 11.1 Your rights and obligations under the terms of your office shall not be affected by this agreement.
- 11.2 The value of any benefit you realise through the Option shall not be taken into account in determining any pension or similar entitlements.
- 11.3 You have no right to compensation or damages on account of any loss in respect of your Option where this loss arises (or is claimed to arise), in whole or in part, from:

- (a) termination of office with; or
- (b) notice to terminate office given by or to,

any Group Company. This exclusion of liability shall apply however termination of office, or the giving of notice, is caused, and however compensation or damages are claimed.

- 11.4 You have no right to compensation or damages from any Group Company on account of any loss in respect of your Option where this loss arises (or is claimed to arise), in whole or in part, from any company ceasing to be a Group Company or the transfer of any business from a Group Company to any person that is not a Group Company. This exclusion of liability shall apply however the change of status of the relevant Group Company, or the transfer of the relevant business, is caused, and however compensation or damages are claimed.
- 11.5 You have no right to receive more Options.

## **12. Tax liabilities**

- 12.1 You indemnify the Company in respect of any Tax Liability.
- 12.2 You irrevocably agree to:
- (a) pay to the Company the amount of any Tax Liability; or
  - (b) enter into arrangements to the satisfaction of the Company for payment of any Tax Liability.
- 12.3 If you do not pay the Tax Liability within seven days of any Taxable Event, the Company may:
- (a) if the relevant Taxable Event is the exercise of the Option, and the Shares are readily saleable at the time, retain and sell Sufficient Shares on your behalf to meet the Tax Liability, and any costs of sale; or
  - (b) deduct the amount of any Tax Liability from any payments of remuneration made to you on or after the date on which the Tax Liability arose. However, in the case of NICs, the Employer Company may only withhold such amount as is permitted by the Social Security Contributions Regulations 2001 (SI 2001/1004).

Your obligations under clause 12.1 shall not be affected by any failure of the Company to withhold shares or deduct from payments of remuneration under this clause 12.3.

- 12.4 From the net proceeds of sale of those withheld Shares, the Company shall:
- (a) retain an amount equal to the Tax Liability and shall pay any balance to you (if the Company is to account for or pay the relevant Tax Liability); or
  - (b) retain (if that person is liable to account for or pay the relevant Tax Liability) an amount equal to the Tax Liability and shall pay any balance to you.
- 12.5 You irrevocably agree to enter into a joint election, under section 431(1) or 431(2) of ITEPA 2003, in respect of the Shares to be acquired on exercise of your Option, if required to do so by the Company, before, on or within 14 days after any date of exercise of the Option.

### **13. Power of attorney**

You hereby appoint the Company (acting by any of its directors from time to time) as your attorney to:

- (a) sell Sufficient Shares as specified in clause 12.3 and deal with the proceeds of that sale in accordance with clause 12.4; and
- (b) execute any joint election required to be entered into under clause 12.5, in your name and on your behalf.

The Company may appoint one or more persons to act as substitute attorney(s) for you and to exercise one or more of the powers conferred on the Company by the power of attorney set out in this clause 13, other than the power to appoint a substitute attorney. The Company may subsequently revoke any such appointment.

The power of attorney set out in this clause 13 shall be irrevocable, save with the consent of the Company, and is given by way of security to secure the interest of the Company (for itself and as trustee under this agreement on behalf of any employer or former employer of you) as a person liable to account for or pay any relevant Tax Liability.

You declare that a person who deals in good faith with the Company or any substitute attorney as your attorney appointed under this clause 13 may accept a written statement signed by the Company or substitute attorney to the effect that this power of attorney has not been revoked as conclusive evidence of that fact.

### **14. Variation of share capital**

If there is any variation of the share capital of the Company (whether that variation is a capitalisation issue (other than a scrip dividend), rights issue, consolidation, subdivision or reduction of capital or otherwise) that affects (or may affect) the value of your Option, the Board shall adjust the number and description of Shares subject to your Option or the Exercise Price of your Option in a manner that the Board, in its reasonable opinion, considers to be fair and appropriate.

## **15. Notices**

15.1 Except as maintained in clause 15.3, any notice or other communication given under or in connection with the Option shall be in writing and shall be:

- (a) sent by fax to the fax number notified in writing by the recipient to the sender; or
- (b) sent by email to the "**Appropriate Email Address**".

For the purposes of this clause 15, Appropriate Email Address means:

- (i) in the case of the Company, dg@mustangplc.com; and
- (ii) in your case, your work email address if you are permitted to access personal emails at work.

15.2 Any notice or other communication given under this clause 15 shall be deemed to have been received:

- (a) if delivered by hand, on signature of a delivery receipt, or at the time the notice is left at the appropriate address;
- (b) if sent by fax, at 9.00 am on the next Business Day after transmission; and
- (c) if sent by email, at 9.00 am on the next Business Day after sending.

15.3 This does not apply to the service of any notice of exercise under clause 7.1 and the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

## **16. Administration and amendment**

16.1 Any decision under clause 6.3 or clause 6.5, and whether to consider making such a decision, shall be entirely at the discretion of the Board.

16.2 The Board shall determine any question of interpretation and settle any dispute arising under the Option. In these matters, the Board's decision shall be final.

16.3 The Company shall not be obliged to notify you if an Option is due to lapse.

16.4 The Company shall not be obliged to provide you with copies of any materials sent to the holders of Shares.

## **17. Third party rights**

17.1 A person who is not a party to the Option shall not have any rights under or in connection with it as a result of the Contracts (Rights of Third Parties) Act 1999 except where such rights arise under any provision of this agreement except where such rights arise for any employer or former employer of you which is not a party. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

17.2 The rights of the parties to the Option to surrender, terminate or rescind it, or agree any variation, waiver or settlement of it, are not subject to the consent of any person that is not a party to the Option as a result of the Contracts (Rights of Third Parties) Act 1999.

**18. Entire agreement**

18.1 This agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

18.2 Each party agrees that it shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this agreement. Each party agrees that it shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this agreement.

**19. Counterparts**

19.1 This agreement may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.

19.2 Transmission of the executed signature page of a counterpart of this agreement] by (a) fax or (b) email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this agreement.

19.3 No counterpart shall be effective until each party has executed at least one counterpart.

**20. Electronic signature**

If a party signs this agreement by electronic signature (whatever form the electronic signature takes) all parties agree that this method of signature is as conclusive of our intention to be bound by this agreement as if signed by each party's manuscript signature.

**21. Governing law**

This agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

**22. Jurisdiction**

22.1 Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims).

22.2 Each party irrevocably consents to any process in any legal action or proceedings under clause 22.1 above being served on it in accordance with the provisions of this agreement relating to service of notices. Nothing contained in this agreement shall affect the right to serve process in any other manner permitted by law.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

**Schedule 1    Exercise conditions**

The Options shall vest when the price per Share reaches £0.15.



Executed as a deed by  
**Mustang Energy PLC**  
acting by two duly authorised directors



Dean Gallegos - Director

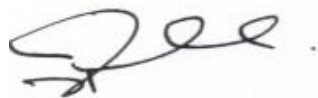


Alan Broome, AM - Director

Signed as a deed by  
**Simon William Holden**  
in the presence of:



.....



*Witness's signature*

*Witness's name:* Dean Gallegos

*Witness's address:* 103 Federal Drive, Eureka NSW 2480  
Australia