



KUWAIT ENERGY PLC

SCHEME OF ARRANGEMENT

FREQUENTLY ASKED QUESTIONS AND ANSWERS

On 24 September 2018, Kuwait Energy plc (**Kuwait Energy, us or we**) and United Energy Group Limited (**UEG**) announced that they had reached agreement on a proposed acquisition of Kuwait Energy (the **Acquisition**). Under the terms of the Acquisition, a company called Gold Cheers Corporation Limited, which is a wholly-owned subsidiary of UEG (the **Purchaser**), will acquire Kuwait Energy. The Acquisition will be carried out using a scheme of arrangement under Jersey law (the **Scheme**).

The Scheme will be presented to the shareholders of Kuwait Energy (the **Kuwait Energy Shareholders**) for their approval. If the shareholders approve, we will then apply to the Royal Court of Jersey (the **Court**) for its sanction of the Scheme.

A document setting out the details of the Scheme in full was published by Kuwait Energy on 15 November 2018 (the **Scheme Document**).

This document contains frequently asked questions and answers relating to the Scheme.

This document provides a summary only of certain aspects of the Scheme. You should not rely solely on this document but should read the whole of the Scheme Document and any other documents incorporated by reference. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, if you are resident in the United Kingdom, or from another appropriately authorised independent financial adviser in a territory outside the United Kingdom.

The contents of this document are not to be construed as legal, business, financial or tax advice. If you are in any doubt about the contents of this document, you should consult your own legal adviser, financial adviser or tax adviser for legal, business, financial or tax advice.

FREQUENTLY ASKED QUESTIONS AND ANSWERS

1. What is being proposed?

The Acquisition of Kuwait Energy by the Purchaser, a wholly-owned subsidiary of UEG. This means that, if the Acquisition completes, Kuwait Energy will become a wholly-owned subsidiary of the Purchaser.

2. Who are the Purchaser and UEG?

The Purchaser is a wholly owned subsidiary of UEG set up to acquire Kuwait Energy. UEG is a leading independent exploration and production company which is listed on the main board of the Hong Kong Stock Exchange. UEG focuses mainly on the upstream oil and gas business.

3. What will be the effect of the Acquisition on my shares?

If the Acquisition completes, your shares in Kuwait Energy will be transferred to the Purchaser, and in return you will receive cash for each of your shares. Please see Question 4 below for further information about the cash you will receive.

4. What consideration will I receive for my shares?

The consideration you will receive will depend on a number of factors, including the total number of issued shares in Kuwait Energy shortly before the Scheme becomes effective. Details of how the consideration will be calculated, and the items that could adjust the base consideration, are summarised on pages 14-15 at paragraph 4 of Part 1 of the Scheme Document. For an illustrative example of how the base consideration could be adjusted on the basis of certain specified assumptions, and the impact of such adjustments on the per share price, please see page 16 of the Scheme Document.

The consideration will be paid in cash, please see Questions 9 and 10 below for further information on payment of the consideration.

5. How is the Acquisition being effected, and what is a Scheme?

The Acquisition will be effected by means of a scheme of arrangement. A scheme of arrangement is a legal procedure which is commonly used to implement acquisitions.

In order for the Scheme to become effective:

- it must be approved by Kuwait Energy Shareholders at a meeting of Kuwait Energy convened on the order of the Court (the **Court Meeting**);
- a special resolution must be approved at an extraordinary general meeting of Kuwait Energy (the **EGM** and, together with the Court Meeting, the **Meetings**), which will be held just after the Court Meeting;
- following the Meetings referred to above, the Scheme needs to be sanctioned by the Court at a court hearing held in Jersey (the **Court Hearing**); and
- all the conditions of the Scheme and the Acquisition must be satisfied, or, if capable or waiver, waived. Please see Question 6 below for further information.

If the Scheme is approved and sanctioned as described above, you will be bound by the terms of the Acquisition regardless of whether (or how) you voted.

6. Are there any conditions to the Acquisition?

Yes, there are. As well as being subject to the approval of Kuwait Energy Shareholders at the Meetings, the Acquisition is subject to a number of other conditions (the **Conditions**). These are described in full in Part 2, beginning on page 29, of the Scheme Document.

In overview, these conditions include: (1) approval of the Acquisition by UEG's shareholders; (2) consents required for the Acquisition having been obtained; and (3) no material adverse change relating to Kuwait Energy's total assets and total liabilities having occurred.

7. When will the Acquisition complete?

Depending on the satisfaction of the Conditions, we expect that the Acquisition will complete during the first half of 2019.

An expected timetable of principal events during the course of the Acquisition is set out on page 9 of the Scheme Document.

8. When must I be on the Kuwait Energy share register to be eligible to receive the cash consideration?

To be eligible to receive cash consideration, you must be registered on the Kuwait Energy register of members at the "Scheme Record Time" (which is expected to be 6.00 p.m. (Jersey time) on the date of the Court Hearing, which we currently anticipate to be held on or around 7 January 2019). We will give adequate notice of the date of the Court Hearing by displaying a notice on our website (www.kuwaitenergy.co/acquisition/) and notifying by email all shareholders for whom we hold an email address.

9. When and how will I receive my cash consideration?

Payment will be made within 14 days following completion of the Acquisition. **Payment will be made by US Dollar cheque unless you complete a currency election form providing your bank account details for payment by electronic wire transfer. You may also choose to receive your consideration in Sterling or Kuwaiti Dinar by completing a currency election form.**

Further details are summarised on pages 25-26 at paragraph 14 of Part 1 of the Scheme Document.

10. When will I know how much cash consideration I will receive?

The final consideration will not be known until shortly before the date of the Court Hearing. Please see Question 4 above for further information on how the consideration will be calculated.

11. May I buy and sell Kuwait Energy shares between now and the completion of the Acquisition?

Yes, you can. Please see Question 8 above in relation to eligibility to receive the cash consideration.

12. Can Kuwait Energy help me buy or sell Kuwait Energy shares between now and the completion of the Acquisition?

No. You should seek the services of a reputable and regulated financial adviser like a broker to assist you.

13. What is the hurdle of votes required at each Meeting to approve the Acquisition?

The approval required at the Court Meeting is a majority in number representing three-quarters of the voting rights of Kuwait Energy Shareholders present and voting (either in person or by proxy) at the Court Meeting. This test has two parts. The first is a 'headcount' test, based on the number of people who vote. The second test is based on the number of shares that are voted.

The approval required at the EGM is a vote in favour representing at least two-thirds of the votes cast on a poll (either in person or by proxy) at the EGM.

The quorum for each Meeting is Kuwait Energy Shareholders present (either in person or by proxy) representing not less than 30% of the total issued share capital of Kuwait Energy. It is therefore important that as many votes as possible are cast (either in person or by proxy) at each Meeting. Please see Question 16 below in relation to how to vote at the Meetings.

14. Who will count the votes?

At the Meetings, votes cast (either in person at the relevant Meeting or by proxy) for and against each resolution will be counted by Computershare (the **Registrar**).

15. Do I need to vote at the Meetings?

Your vote is very important. You do not have to vote, but the Court will want to see that there is a fair and reasonable representation of shareholder opinion. **You are therefore strongly urged to complete, sign and return your Forms of Proxy as soon as possible as described in Question 16 below.**

16. How do I vote at the Meetings?

Detailed instructions of the action that you should take are set out on pages 10 and 11 of the Scheme Document.

Whether or not you plan to attend the Meetings, if you are a registered Kuwait Energy Shareholder PLEASE COMPLETE AND SIGN BOTH the BLUE and PINK Forms of Proxy and return them as soon as possible, but in any event so as to be received by no later than 6.00 p.m. (Kuwait time) on 17 December 2018 (or, in the case of any adjournment, not later than 48 hours (excluding Jersey non-working days) before the time fixed for the holding of the adjourned meeting). This will enable your votes to be counted at the Meetings in the event of your absence.

17. When and where will the Meetings be held?

The Court Meeting will be held on 19 December 2018 at Symphony Style Hotel Kuwait, Symphony Complex, Gulf Road, Salmiya, Kuwait. The Court Meeting will start at 10.00 a.m. (Kuwait time) but we suggest shareholders arrive before then so that the Court Meeting starts promptly. The EGM will be held immediately after the Court Meeting at the same venue.

18. Why are there two Forms of Proxy?

There are two separate meetings, so a different Form of Proxy is needed in respect of each meeting. The BLUE Form of Proxy is for use in respect of the Court Meeting, and the PINK Form of Proxy is for use in respect of the EGM.

19. What happens if I do not return my Forms of Proxy in time?

If the BLUE Form of Proxy is not returned by the deadline referred to in Question 16 above, it may be handed to a representative of the Registrar at the venue of the Court Meeting or the Chairman of the Court Meeting before the Court Meeting starts and will still be valid.

However, in the case of the EGM, the PINK Form of Proxy will be valid only if it is returned by the deadline referred to in Question 16 above.

If you do not return your Forms of Proxy in time, you are still entitled to attend and vote at either or both of the Meetings instead.

20. What if I return my Form of Proxy but do not mark it to show how I wish to vote?

If on the BLUE Form of Proxy you do not mark either of the “For” or “Against” boxes in respect of the Court Meeting, the proxy will be invalid and your vote will not count.

If on the PINK Form of Proxy you do not mark any of the “For”, “Against” or “Vote Withheld” boxes in respect of the EGM, your proxy will decide if and how to vote for you.

21. Can I change my vote after I submit a signed Form of Proxy?

To change your proxy instructions, simply submit a new proxy appointment using the methods set out in the explanatory notes on each Form of Proxy. Note that the cut-off times for receipt of proxy appointments (see Questions 16 and 19 above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

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.

The appointment of a proxy (or proxies) for either Meeting will not prevent you from subsequently attending and voting at the Court Meeting or EGM. If you appoint a proxy (or proxies) and decide to attend the Court Meeting and/or EGM in person and vote using your poll card, the vote you cast in person will override the proxy vote(s) where this is cast in respect of your entire shareholding. If the vote in person is cast in respect of less than your entire shareholding, but you do not indicate on the poll card that all proxies are to be disregarded, then the earlier proxies will be disregarded only to the extent that counting them would exceed your voting entitlement.

22. What happens if I do nothing?

If the Scheme becomes effective, it will be binding on all the Kuwait Energy Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the EGM (and, if they attended and voted, whether or not they voted in favour).

23. Do I need to send in or destroy my share certificate(s) in respect of my Scheme Shares?

You will be contacted separately if this will be required.

24. Should I send my share certificate(s) now?

No. You should only send in your Kuwait Energy share certificate(s) if requested to do so by Kuwait Energy.

25. What happens if I have lost or cannot find my share certificate?

If the Scheme becomes effective, your share certificate will cease to have effect, so it does not matter if you have lost it. We might contact shareholders to ask them to return or destroy their share certificates and, if we do, you can let us know at that time that the certificate is lost.

26. What if I am not happy with the Scheme even though it receives shareholder approval?

Kuwait Energy shareholders are entitled to attend the Court Hearing and be heard either in person or through their Jersey-qualified advocate to support or oppose the Scheme. We currently anticipate that the Court Hearing will be held on or around 7 January 2019 at the Royal Court of Jersey, Royal Court Building, Royal Square, St Helier, Jersey JE1 1BA, Channel Islands. We will give adequate notice of the date of the Court Hearing by displaying a notice on our website (www.kuwaitenergy.co/acquisition/) and notifying by email shareholders for whom we hold an email address.

27. What if I have further questions?

If you have any questions relating to the Scheme Document or the completion and return of the Forms of Proxy, please call the Shareholder Helpline between 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (except UK public holidays) on:

0370 707 4040 (if calling from within the United Kingdom)

or

+44 370 707 4040 (if calling from outside the United Kingdom)

Calls may be recorded and randomly monitored for security and training purposes. Please note that the Shareholder Helpline cannot provide advice on the merits of the Scheme or the Acquisition, or give financial, tax, investment or legal advice.

If you would prefer to discuss your questions with an Arabic speaker, then you are more than welcome to call Kuwait Energy directly on +965 2576 7700 and request to be put through to a member of the Investor Relations team. Please note that this number is manned from 8.00 a.m. to 4.00 p.m. (Kuwait time) Sunday to Thursday. We hope to be able to answer your question, but please note that we cannot provide advice on the merits of the Scheme or the Acquisition, or give financial, tax, investment or legal advice

28. Can we complete an Arabic version of the Proxy Forms or currency election form?

No. Unfortunately only English versions of these forms can be completed.

Questions and answers added on 12 December 2018
NOT INCLUDED IN THE ARABIC TRANSLATION

29. If we are a corporation holding shares in Kuwait Energy, how do we appoint a corporate representative to attend the Meetings?

If you are a corporation holding shares in Kuwait Energy you may appoint one or more representatives (each a **Corporate Representative**) to attend the Meetings on your behalf. If you wish to appoint a Corporate Representative, please send us a duly signed and/or sealed letter on headed paper referring to the Meetings and stating the name of your Corporate Representative(s) and the number of shares each Corporate Representative is entitled to vote on your behalf (an **Appointment Letter**). If you do not submit an Appointment Letter in advance, one or more Corporate Representatives may still attend the Meetings on your behalf but they should bring an Appointment Letter with them. Our directors are entitled to require evidence of a Corporate Representative's authority, so we encourage you to submit an Appointment Letter in advance so that we can ensure it is adequate. Appointment Letters may be sent to us (i) by post or (during normal business hours only) by hand marked for the attention of Lawrence Hafez, Senior Investor Relations Officer at 5th Floor, Symphony Tower 2, Salem Al Mubarak Street, Block 2, Salmiya – 22067, Kuwait, or (ii) as an attachment to an email delivered to ir@kec.com.kw.

30. Why are Kuwait Energy's articles of association being amended at the EGM?

If the resolution proposed at the EGM is passed, our articles of association will be amended to ensure that any shares in Kuwait Energy that are issued or transferred to any person (other than the Purchaser or its nominee(s)) after the Scheme Record Time (being 6.00 p.m. on the business day before the Scheme becomes effective) will be automatically acquired by the Purchaser in exchange for the same consideration per share as will be paid to Kuwait Energy Shareholders under the Scheme. Our articles are being amended in this manner to avoid any person other than the Purchaser holding shares in Kuwait Energy after the Scheme becomes effective.