

QUOTED COMPANIES ALLIANCE CORPORATE GOVERNANCE CODE 2018

Introduction:

The Board of directors of the Company fully endorses the importance of corporate governance and applies The Quoted Companies Alliance Corporate Governance Code (2018) (the “QCA Code”), which they believe is the most appropriate recognised governance code for a company of its size with shares admitted to trading on the AIM market of the London Stock Exchange. It is believed that the QCA Code provides the Company with the framework to help ensure that a strong level of governance is maintained, enabling the Company to embed the governance culture that exists within the organisation as part of building a successful and sustainable business for all its stakeholders.

The QCA Code has ten principles of corporate governance that the Company has committed to apply within the foundations of the business. These principles are:

1. Establish a strategy and business model which promote long-term value for shareholders;
2. Seek to understand and meet shareholder needs and expectations;
3. Take into account wider stakeholder and social responsibilities and their implications for long term success;
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation;
5. Maintain the board as a well-functioning balanced team led by the Chair;
6. Ensure that between them the directors have the necessary up to date experience, skills and capabilities;
7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement;
8. Promote a corporate culture that is based on ethical values and behaviours;
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board;
10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

Chairman’s Corporate Governance Statement:

Dear Shareholders

As Chairman of the Company, I firmly believe that strong corporate governance helps provide the building blocks that allow an organisation to be successful. The Board is committed to good governance across the business, at executive level and throughout its operations.

Following the revisions to the AIM Rules for Companies in March 2018 pursuant to which all AIM companies are required to comply with a recognised corporate governance code, the decision has been made by the Company that it will adopt the QCA Code which is believed to be the most appropriate recognised governance code for the Company.

The Company is at the early stages of its journey as a public listed company and the Board is supportive of embracing the highest levels of corporate governance possible. As the directors work together to grow and develop the business there is an overall commitment to ensure that good governance is ingrained within the organisation.

The Board not only sets expectations for the business but works towards ensuring that strong values are set and carried out by the directors across the business.

The importance of engaging with our shareholders underpins the essence of the business, ensuring that there are numerous opportunities for investors to engage with both the Board and executive team.

James Parsons

Non-Executive Chairman

The QCA Code requires us to apply the ten principles and publish certain disclosures on our website.

Principle One - Explain the company's business model and strategy, including key challenges in their execution (and how those will be addressed).

The Company's overall strategy is to establish a mid-tier South East Asian focused E&P player. The Company recognises its key strengths of Network, People and Platform.

Network – well connected in the South East Asian region.

People – proven track record of creating exceptional shareholder value.

Platform – Italian portfolio with reserves, production and cash flow and staff with strong technical experience.

The Board monitors overall performance of the Group by reference to key performance indicators.

The risks and uncertainties of the Group's activities are considered by the Board, including:

External risks – such as: macroeconomic risks, market perception, gas pricing, changes to law, regulation and government policy.

Operating risks – such as: exploration, development and production, oil and gas risks, estimation of reserves, health and safety, licences and title, dependence on key executives and personnel.

Other risks – such as: internal control risk, funding risks, foreign subsidiaries, tax and insurance risks.

Principle Two - Seek to understand and meet shareholder needs and expectations.

Copies of our annual report (which includes the notice of AGM) are available to all shareholders and can be downloaded from the investors section of our website.

We engage with shareholders through updates to the Market via regulatory news flow ("RNS") on matters of a material substance and regulatory nature.

Our first AGM in June 2018 was and shall continue to be an annual opportunity for shareholders to meet with the Company and a full update of the business was provided by James Menzies, the Chief Executive Officer ("CEO"). The first AGM was well attended, and all shareholders were provided with an opportunity to ask questions and raise issues during the formal business or more informally following the meeting.

At the AGM, separate resolutions are proposed on each substantial issue. For each proposed resolution, proxy forms are issued which provided voting shareholders with an option to vote in advance of the AGM if they were unable to vote in person. Our registrars, Link Asset Services count the proxy votes which are properly recorded, and the results of the AGM are announced through an RNS.

Since its initial public offering in 2017, the Board has sought authority from shareholders to allot 30% of the Company's issued share capital on a non-pre-emptive basis. The directors are aware that this is not in line with the Pre-Emption Group's Statement of Principles however, given the stage of development of the Company and importance of flexibility required to enable the directors to take opportunities for further growth, this level of authority affords the Company with the ability to move quickly on transactions. The Board would not consider progressing any significant transactions without obtaining required shareholder approval. To date the 30% authority has been supported by shareholders.

The Board is keen to ensure that the voting decisions of shareholders are reviewed and monitored and that approvals sought at the Company's AGM are as much as possible within the recommended guidelines of the QCA Code.

The CEO, where appropriate, responds to shareholder queries directly (whilst maintaining diligence on the Market Abuse Regulations restrictions on inside information and within the requirements of the AIM Rules for Companies). Investor events are also arranged with shareholders throughout the year which presents an opportunity for shareholders to speak with the executive directors in a formal environment and a more informal one to one. In addition, the CEO hosts a forum 'join the chorus' at regular intervals which presents a further opportunity for shareholders or interested parties to ask questions or raise any issues.

Shareholders with queries should email s.dees@coroenergyplc.com

Principle Three: Take into account wider stakeholder and social responsibilities and their implications for long term success

Explain how the business model identifies the key resources and relationships on which the business relies. Explain how the company obtains feedback from stakeholders.

Our business model and strategy are clear and is set out in our annual report. Building upon the expertise and connectivity of our new team, the Company has initiated its international growth strategy with the aim to become a mid-tiered South East Asian focussed E&P company.

We value the feedback we receive from our stakeholders and we take every opportunity to ensure that where possible the wishes of stakeholders are considered. There is an open-door policy from the executive team down where employees are able to voice their opinions and make suggestions. The executive management team meet regularly and this line of communication filters down through the Company.

Principle Four: Describe how the board has embedded effective risk management in order to execute and deliver strategy. This should include a description of what the board does to identify, assess and manage risk and how it gets assurance that the risk management and related control systems in place are effective.

The main functions of the Audit Committee include reviewing and monitoring internal financial control systems and risk management systems on which the Company is reliant.

The audit committee meets three times a year.

Principle Five:

Identify those directors who are considered to be independent; where there are grounds to question the independence of a director, through length of service or otherwise, this must be explained.

Fiona MacAulay, Non-Executive Director, a Chartered Geologist, was appointed to the Board in November 2017.

Following the resignation of Ilham Akbar Habibbi, on 01 March 2018 the Board recognises that it needs to appoint a further independent non-executive director to the Board to ensure that it complies with the requirements of the Code and general good governance by having at least two independent non-executive directors.

Describe the time commitment required from directors (including non-executive directors as well as part-time executive directors).

The executive directors are expected to devote substantially the whole of their time to their duties with the Company. The Chief Executive Officer and the Chief Financial Officer have non-executive directorships, which are not deemed to conflict with the business of the Company. The non-executives have a lesser time commitment. It is anticipated that each of the non-executive, including the chairman, will dedicate approximately twelve days a year to the Company.

Include the number of meetings of the board (and any committees) during the year, together with the attendance record of each director.

Year ended 31.12.2018:

Board meetings

Eleven Meetings (Scheduled and ad hoc)

Attendance:

James Parsons – 11
Sara Edmonson – 8 (resigned on 22 October 2018)
Marco Fumagalli – 9
David Garland – 1 (resigned from Board on 9 April 2018)
Fiona MacAulay – 9
James Menzies – 7 (appointed to the Board on 1 May 2018)
Ilham Habibie – 6 (resigned on 01 March 2019)

Audit Committee:

Two meetings
Marco Fumagalli - 2
Fiona MacAulay -2

Remuneration Committee:

One meeting
James Parsons - 1
Marco Fumagalli - 1
Fiona MacAulay -1

HSE Committee:

Two meetings

Fiona MacAulay - 2

Sara Edmonson – 2 (resigned on 22 October 2018)

Principle Six:

Identify the directors: Can be found under: ['The Team'](#)

Ensure that between them the directors have the necessary up to date experience, skills and capabilities

The Board comprises of the non-executive Chairman, Chief Executive Officer, Chief Financial Officer and two non-executive directors. The Board has significant industry, financial, public markets and governance experience, possessing the necessary mix of experience, skills, personal qualities and capabilities to deliver the strategy of the Company for the benefit of the shareholders over the medium to long-term.

The role of the Chairman and Chief Executive Officer are split in accordance with best practice. The Chairman has the responsibility of ensuring that the Board discharges its responsibilities and is also responsible for facilitating full and constructive contributions from each member of the Board in determination of the Group's strategy and overall commercial objectives. The Chief Executive Officer leads the business and the executive team ensuring that strategic and commercial objectives are met. They are accountable to the Board for the operational and financial performance of the business.

The Company embraces diversity and is dedicated to encouraging inclusion without compromising professionalism, experience and expertise. The Company has one female director.

The Board as a whole is kept abreast with developments of governance and AIM regulations. The Company's NOMAD provides annual board room training as well as the initial training as part of a directors onboarding.

The directors have access to the Company's NOMAD, company secretary, lawyers and auditors and are able to obtain advice from other external bodies as and when required.

James Parsons, Non-Executive Chairman, was appointed to the Board in December 2017. James is a qualified accountant and has a BA Hons in Business Administration. James is also the CEO of Sound Energy Plc and Non-Executive Chairman of Echo Energy Plc. James, brings a wealth of knowledge and expertise. He is a specialist in restructuring, funding and transforming companies and has strong public markets experience.

James Menzies, Chief Executive Officer, was appointed to the Board in May 2018. James is a qualified Geologist and has held a number of senior technical and commercial roles. James was the co-founder and CEO of Salamander Energy Plc and brings with him 30 years of industry experience to lead the business forward. James has had many years of experience in developing an oil and gas business in South East Asia which will enable the Company to expand into the South East Asian region where the Company sees strong macroeconomics and a rich opportunity set. James background and experience ensures that the Company is effectively led to achieve the Company's long-term strategic goals.

Fiona MacAulay, Independent Non-Executive Director, a Chartered Geologist, was appointed to the Board in November 2017. Fiona has over 30 years of experience in the oil and gas industry and is currently the CEO of Echo Energy Plc. Fiona's industry background, together with her corporate experience provides the Board with the necessary expertise to review and challenge decisions and opportunities presented both within the formal arena of the boardroom and as called upon when needed by the executives.

Marco Fumagalli, Non-Executive Director, was appointed to the Board in December 2017. Marco is a qualified accountant and holds a degree in Business Administration. Marco, with his financial background provides the experience required as chairman of the audit committee to challenge the business internally and also the Group auditors.

Andrew Dennan, Chief Financial Officer was appointed to the Board on 22 March 2019. Andrew has many years' experience unlocking growth across AIM listed companies as a corporate financier and investment manager. Throughout his career he has been involved in stockbroking and asset management in prominent roles, leading proprietary investment decisions, capital raising, risk oversight and portfolio management. Andrew brings a wealth of capital markets and corporate transaction experience to the team.

The Board as a whole has significant experience both within the industry and as public markets experience. The Board receives annual training from its Nomad on AIM requirements and additional training is carried out as and when required.

Further details of the director's careers and experience can be found on the website under '[The Team](#)'.

No external advice on a matter of significance has been sought by the Board to date.

Details of the Company's advisors can be found on the website: '[Our advisors](#)'.

The directors have access to the Company's NOMAD, company secretary, lawyers and auditors and are able to obtain advice from other external bodies as and when required.

The Company's NOMAD provides annual board room training as well as the initial training as part of a directors onboarding.

The Company Secretary helps keep the Board up to date on areas of new governance and liaises with the Nomad on areas of AIM requirements. The Company Secretary has frequent communication with both the Chairman and CEO and is available to other members of the Board if required.

Principle Seven: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The directors consider seriously the effectiveness of the Board, Committees and individual performance.

The Board meets formally five times a year with ad hoc Board meetings as the business demands. There is a strong flow of communication between the directors, in particular the relationship between the CEO and Chairman. The Agenda is set with the consultation of both the CEO and Chairman, with consideration being given to both standing Agenda items and the strategic and operational needs of

the business. Papers are circulated well in advance of the meetings, giving directors ample time to review the documentation and enabling an effective meeting. Resulting actions are tracked for appropriate delivery and follow up.

The directors have a wide knowledge of the business and requirements of director's fiduciary duties and understand their responsibilities as directors of a company quoted on AIM. Given the early stages of the Board's formation there has not to date been any formal training, but this is something that will be considered in the future. The directors have access to the Company's Nomad, auditors and lawyers as and when required. These advisors are able and willing to provide guidance to the Board from time to time as required. The directors are also able, at the Company's expense to obtain advice from other external advisors if required.

It has been a transformational year for the Company, with admission to trading on the AIM market in early 2018, a new Board and a new strategy and direction for the business. The Board are continuously developing appropriate corporate governance procedures and have entered 2019 looking forward to building further on the governance structure already in place. On-going review of the functioning of the Board and ensuring that the highest level of governance is maintained whilst being mindful of the size and stage of development of the Company.

As a relatively recently formed Board, it is too early to consider reviewing Board effectiveness, yet it is recognised that in order to meet the requirements of the QCA Code, a formal process needs to be considered. The effectiveness of the Board, individual directors and senior management will be evaluated on an on-going basis as the Board forms a united forum for building the business.

Principle Eight: Promote a corporate culture that is based on ethical values and behaviours

How the Board ensures that the Company has the means to determine ethical values and behaviours

The Company is committed to ethical values and behaviours across the Board and the Company as a whole. The Board is mindful of the industry that the business operates in and takes all issues of ethical behaviours seriously. These behaviours are instilled throughout the organisation. The importance of delivering success in a safe environment is not undermined.

The Board takes the issues of bribery and corruption seriously, The Company has a zero-tolerance approach to bribery and corruption and has an anti-bribery policy in place to protect the Company, its employees and those third parties to which the business engages with. The policy is provided to staff upon joining the business and training is provided to ensure that all employees within the business are aware of the importance of preventing bribery and corruption. Each employee is required to sign agreement to confirm that they will comply with the policies. Annually staff will be provided with refresher courses to ensure that the issues of bribery and corruption remain at the forefront of people's mind. There are strong financial controls across the business to ensure on going monitoring and early detection.

Principle Nine – Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

Roles and responsibilities of the chair, CEO and other directors with commitments. Describe the roles of the Committees

The Board retains ultimate accountability for good governance and is responsible for monitoring the activities of the executive team. The Chairman has the responsibility of ensuring that the Board

discharges its responsibilities. No one individual has unfettered powers of decision. The roles of Chairman and CEO are split in accordance with best practice.

The Chairman is also responsible for facilitating full and constructive contributions from each member of the Board in determination of the Group's strategy and overall commercial objectives. As Chairman, James Parsons engages with shareholders and other stakeholder groups to ensure a strong relationship between them and the Company. James Parsons, as well as being chairman of the Company, is chairman of the Remuneration Committee.

Marco Fumagalli is chairman of the Audit Committee. Marco is also a member of the Remuneration Committee.

Fiona MacAulay is chairman of the HSE/Technical Committee. Fiona is also a member of the Audit Committee and Remuneration Committee.

The Audit Committee meets at least three a year and consists of two members, both non-executive directors. The Committee assists with the Board's oversight of the integrity of the financial reporting and the independence and performance of the Company's Auditor.

The Remuneration Committee meets twice a year and consists of three members, all non-executive directors. The Committee is responsible for making recommendations to the Board, on senior executives Remuneration.

The HSE/Technical Committee reviews health and safety in the workplace to ensure that the highest levels of standards are achieved.

All Board Committees report back to the Board following a Committee meeting.

The Board retains full and effective control over the Company and holds regular Board meetings at which financial, operational and other reports are considered and where appropriate voted upon. The Board is responsible for the Group's strategy and key financial and compliance issues.

There are certain matters that are reserved for the Board which are reviewed on an annual basis, they include but are not limited to:

- **Strategy and Management** (approval of strategic aims and objectives; approval of the Group's annual operating and capital expenditure budgets and changes; decision to cease to operate all or any material part of the Group's business);
- **Structure and Capital** (major changes to the Group's corporate structure; any change to the Company's listing);
- **Financial Reporting and Controls** (approval of: financial results; annual reports and accounts; dividend policy and declaration of any dividend; significant changes in accounting policies/practice; treasury policies);
- **Internal Controls** (ensuring maintenance of a sound system of internal control and management);
- **Contracts** (major capital contracts; contracts which are material or strategic; major investments or any acquisitions/disposals);
- **Communications** (approval or resolutions and documentation put forward to shareholders);
- **Board membership and other appointments;**
- **Remuneration:** (determining the remuneration policy for directors, senior execs and non-executive directors, introduction of new share incentive plans, changes to existing plans);
- **Corporate Governance Matters** (review of the Group's overall corporate governance arrangements);
- **Policies** (approval of Group policies, including the share dealing code);

- **Other** (litigation involving £5m and over or otherwise material to the Group; approval of the appointment of professional advisors; and approval of overall levels of insurance for the Group).

As the Company grows, the directors will ensure that the governance framework remains in place to support the development of the business.

Principle Ten

Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Describe the work of any board committees undertaken during the year:

The Audit Committee has met twice during the year, to approve the full year and half year results. Meeting with the external auditors on both occasions.

The Remuneration Committee met in early September to consider the remuneration structure of the company.

HSE Committee has met twice during year 2018 and commencing 2019, the Committee will meet at least five times a year, prior to each scheduled Board Meeting.

The Audit Committee comprises of Marco Fumagalli (who holds the position of chairman of the Audit Committee) and Fiona MacAulay. Generally, the Audit Committee will meet three times a year; to review the audit plan received from the auditor prior to their year-end audit, and then meetings to review the half year and full year results prior to Board approval. The main functions include:

- Monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance and reviewing significant financial reporting judgements contained in them;
- Reviewing and monitoring internal financial control systems and risk management systems on which the Company is reliant,
- Considering annual and interim accounts and audit reports,
- Making recommendations to the Board in relation to the appointment and remuneration of the Company's auditors and monitoring and reviewing annually their independence, objectivity, effectiveness and qualifications.

The Remuneration Committee comprises of the non-Executive Directors, James Parsons (Chairman), Fiona MacAulay and Marco Fumagalli. The Committee generally meets twice a year and is responsible for making recommendations to the Board of Directors, on senior Executives' remuneration. Non-Executives Directors' remuneration and conditions of engagement were considered and agreed by the Board. Financial packages for Executive Directors are established by reference to prevailing market conditions.

Outcomes of votes cast by shareholders to be disclosed in a clear and transparent manner. If a significant number of votes were cast against a resolution put to a general meeting (20%) explain the reasons behind the votes cast.

If a significant proportion of votes was ever cast against a resolution, the Company would provide, on a timely basis, an explanation of what actions it intends to take to understand the reasons behind that vote result, and, where appropriate, any different action it has taken, or will take, as a result of the vote.

Last updated: 26 March 2019