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OFFER FOR SUBSCRIPTION

ALLIED OIL & GAS PLC
(a public company incorporated with limited liability in England)

Offer for subscription of up to 11,000,000 ordinary shares of 0.001 par value each at 15p per share

Share capital immediately following completion of Offer (assuming full subscription):

| | <i>Authorised</i> | | <i>Issued and fully paid</i> | |
|-------------|-------------------|----------------|------------------------------|------------|
| Amount | | Number | Amount | Number |
| £10,000,000 | | 10,000,000,000 | £61,000 | 61,000,000 |

This document sets out the terms on which Allied oil & gas Plc (the "Company") proposes to offer up to 11,000,000 ordinary shares of 0.001 par value each in the capital of the Company (the "Shares") at an offer price of 15p per ordinary share for subscription (the "Offer").

The contents document, which is not a prospectus for the purposes of the Prospectus Regulations 2005, and which are the sole responsibility of the Directors of the Company, constitute a financial promotion communication under the Financial Services and Markets Act 2000 ("FSMA") and have been approved for the purposes of section 21 of FSMA by Ascension Securities Ltd. Ascension Securities Ltd is authorised and regulated by the Financial Services Authority.

The share capital of the Company is not presently listed or dealt in on any stock exchange. It is emphasised that no application is being made for admission of these securities to the Alternative Investment Market of the London Stock Exchange or the Official List of the UK Listing Authority ("AIM") or to Ofex. The Directors current intention is that an application will be made within 12 months or, if longer, when they consider it to be practicable, for the ordinary share capital of the Company to be admitted to trading on AIM or Ofex.

The Company's shares may go down as well as up, and an investor may not, on realisation, recover the amount originally invested. Prospective investors should only apply to invest in the Company if they are able and willing to accept the high degree of risk connected with an unquoted investment, which could result in the loss of some or all of their investment.

All the Company's advisers named in this document are acting exclusively for the Company and for no one else in connection with the matters described herein and will not be responsible to anyone other than the Company or providing the protections afforded to customers of such advisers or for advising any other person on the contents of this document or any matter referred to herein. No representation or warranty, express or implied, is made by any of such advisers as to the contents of this document (without limiting the statutory rights of any person to whom this document is issued).

An investment in the Company is only suitable for investors who understand the risks of investing in small companies. Investors who act upon this communication and engage in this investment activity may expose themselves to a significant risk of losing all property invested. Investors are accordingly advised to consult a qualified investment adviser who specialises in investments of this kind before making any decision to invest.

This document is not for distribution outside the United Kingdom and, in particular, it should not be distributed to persons with addresses in Canada, Australia, Japan, South Africa or the Republic of Ireland or to persons with addresses in the United States of America, its territories or possessions or to any citizen thereof or to any corporation, partnership or other entity created or organised under the laws thereof. Any such distribution could result in the violation of Canadian, Australian, Japanese, South African, Irish or United States of America law.

The subscription list will open at 9.00 am on 3rd May 2006, and will remain open until 5.00 pm on the 12th June 2006, unless extended by the Directors. The offer may be closed at any time in the discretion of the Directors. The application form for the Offer is included with this documentation.

DIRECTORS, SECRETARY AND ADVISERS

| | | |
|--------------------------|--|--|
| Directors | Adrian John Eyre Bruno Edouard Denantes | <i>Executive Director</i> <i>Executive Director</i> |
| Secretary | Temple Secretaries Ltd | |
| Registered Office | 10 Palace Avenue Maidstone, ME15 6NF | |

Corporate Finance Advisors

Ascension Securities Limited
120 Fenchurch Street
London EC3M 5BA

Solicitors

Kerman & Co LLP
7 Savoy Court
London WC2R 0ER

Competent Person for EP 416

ResourceInvest Pty Ltd
PO Box 141, Exeter
Tasmania 7275

Receiving Agent

Capita Registrars Corporate Actions
PO BOX 166, The Registry
34 Beckenham Road, Beckenham, Kent, BR3 4TH

Auditors

Horwath Clark Whitehill LLP
10 Palace Avenue
Maidstone, ME15 6NF

Competent Person for EP 426 and EP 432

Saitta Petroleum Consultants Pty Limited
Level 3, 47 Havelock Street
West Perth WA 6005

Registrars

Capita Registrars
The Registry
34 Beckenham Road, Beckenham, Kent, BR3 4TH

KEY DEFINITIONS

| | |
|---|--|
| Allied Oil & Gas or AOG or Company | Allied Oil & Gas PLC, a public limited company incorporated in England and Wales with registered number 05743869 |
| Ascension | Ascension Securities Limited, the corporate finance advisers to the Company, and sponsor of the Offer, and which is authorised and regulated by the Financial Services Authority |
| CPRs | technical reviews of the Permits prepared by the Competent Person in February 2006 on the instructions of, addressed to, the Company |
| Empire | Empire Oil Company (WA) Limited, the holder, and the grantor to the Company of the farm-in interests in respect of the Permits |
| Farm-In Agreements | the agreements pursuant to which the Company has the right to working interest in the Permits, as described in this document |
| Farm-In Interests | The working interests in the Permits which the Company has the entitlement to acquire pursuant to the Farm-In Agreements |
| Group | the Company and its subsidiary undertakings (as defined by section 736 of the Companies Act 1985) |
| Minimum Amount | £500,000 |
| OFEX | a market operated by OFEX plc, which is regulated by the Financial Services Authority, which allows trading in the shares of unquoted companies |
| Offer | the offer to subscribe for up to 11,000,000 Ordinary Shares at 15p per share made pursuant to this document |
| Offer Shares | the Ordinary Shares that are the subject of the Offer |
| Ordinary Shares | ordinary shares of 0.001 each in the capital of the Company |
| Permits | the exploration permits designated as EP 416, EP 426 and EP 432 |

TECHNICAL DEFINITIONS

| | |
|-------------------|---|
| graticular | cartographic term, for a regular framework of lines forming a grid superimposed over a given mapped area. |
| seismic | term for investigative methodologies utilising sound waves to penetrate the ground in order to obtain an image of subsurface geological strata and the interpretation thereof |

SUMMARY OF THE OFFER

| | |
|---|------------|
| Offer Price | 15p |
| Number existing issued Ordinary Shares | 50,000,000 |
| Number Offer Shares | 11,000,000 |
| Capitalisation Pre-Offer | £7,500,000 |
| Capitalisation Post-Offer | £9,150,000 |
| Offer Shares as percentage of enlarged share capital | 18.033% |

EXPECTED OFFER TIMETABLE

| | |
|--|-------------------------------|
| Date of this document | 3 rd May 2006 |
| Offer Closing Date (subject to prior full subscription) | 12 th June 2006 |
| Despatch of Share Certificates | within 30 days of share issue |

This information is derived from, and should be read in conjunction with, the full text of this document. In particular, your attention is drawn to the Risk Factors set out on pages 11 to 13.

KEY INFORMATION

- the Company was formed in March 2006 in order to take advantage of opportunities to acquire working interests in the Permits through farm in arrangements. Farm-in arrangements, whereby the owner of a permit grants an interest in the permit to a third party in return for that party paying an agreed amount of exploration and/or development costs, are a common mechanism for the financing of exploration opportunities in the natural resources sector
- the Permits are exploration permits in respect of potential hydrocarbon (oil and gas) fields in the Perth area of Western Australia which have been granted to Empire, a company listed on the Australian Stock Exchange
- the Company can earn interests of between 20% and 25% in each of the three Permits by paying sums of between A\$500,000 and A\$900,000 towards the costs of acquiring seismic or the drilling of an exploration well. In the case of two of the Permits, EP 416 and EP 432, the Company may increase its interest to 80% and 50% respectively by paying additional sums, of A\$5,000,000 and A\$1,500,000 respectively, towards the costs of an exploration well on the Permit
- all of the Permits are in respect of properties in the Perth Basin. EP 416 is in the Southern Perth Basin, and EP 426 and EP 432 are both over areas in the Northern Basin
- the areas covered by the Permits have been confirmed by the CPRs as being prospective for hydrocarbons and as meriting further evaluation by the acquisition of seismic and/or the drilling of an exploration well
- there has been limited exploration in each of the Permit areas to date, and as with most hydrocarbons exploration, the proposed evaluation of the Permits, and the costs to be expended by the Company to acquire the Farm-In Interests, must be considered as high risk
- however, the potential rewards, should a commercial discovery or discoveries be made on one or more of the Permits, are regarded by the Directors of the Company as meriting the proposed expenditures
- the Company has an experienced oil and gas management team:
 - Mr Adrian Eyre (Managing Director) – highly experienced petroleum industry technologist with 28 years technical and managerial experience within the international oil and gas, exploration, project management and production sectors. He has worked for, or provided consultancy services, at middle and senior levels to companies including the Qatar Petroleum Corporation, Dupont Chemicals Corporation (Spain), the Bechtel Corporation (Qatar), Pertamina (Indonesia) and Shell Exploration (Scotland). He is the part-time Managing Director of Wharf Resources plc, a company with petroleum interests in Slovakia, as well as farm-in interests in the Northern Perth Basin secured from Empire.
 - Dr Bruno Denantes (Executive Director) – very experienced oil and gas executive having been the founder and managing director of Kappa International Company, an oil and gas consultancy whose clients include such major petroleum companies as Amoco, Total, and BP. Bruno is a part-time executive director of Dome Petroleum Resources plc, a petroleum exploration company which also has farm-in interests in Australia (in Queensland)
- the Offer, if fully subscribed, will raise gross proceeds of £1,650,000, which will be used to finance the cost of the acquisition by the Company of the Farm-In Interests, and as general working capital. The Minimum Amount of £500,000 will be used to acquire the Farm-In Interest on EP 426, as working capital for the Company for a period of 12 months and to pay the expenses of the Offer. In the event that the Offer does not raise the full amount sought, the Company is unlikely to be able to acquire Farm-In Interests in all of the Permits
- Investors will receive an aggregate interest of 18.033% (assuming full subscription) valuing the Company, post Offer, at £9,150,000
- The Company intends to make for admission of the Company to OFEX or AIM within 12 months.

INTRODUCTION

Allied Oil & Gas Plc ("Allied" or the "Company") was incorporated in March 2006 in order to carry out oil and gas exploration and production activities, through farming into the Permits, in the Perth Basin, Western Australia. These areas are considered by the CPRs to have potential for the discovery and recovery of oil and gas.

Members of the Board of the Company have relationships with certain listed and private oil and gas exploration and production companies which they have used to secure the Farm-In Agreements in relation to three exploration permits over properties in the Perth basin in Western Australia. The Directors believe that they will be able to source additional opportunities to acquire interests and farm-in opportunities in Australia.

The Company's proposed activities should be viewed in the context of the world-wide increase in oil and gas exploration which has arisen due to the demand for oil and gas and the substantial increase in prices. The Directors, based on opinions expressed by industry experts, expect the demand and current high prices to remain prevalent for the foreseeable future. If correct, this means firstly that potential rewards now balance exploration risk which generally must be regarded as high, and secondly that properties which might historically have been regarded as uneconomic are now economic, and should remain so for the foreseeable future.

The Company's current focus is on exploiting its existing interests, but it also has the objective of seeking, acquiring and exploiting additional oil and gas opportunities in Australia.

The Company's business is at present its proposed participation as a joint venture partner in the Permits. Allied has no material assets (other than its potential interests in the Permits), liabilities or contractual or other obligations.

THE PERTH BASIN

According to the Western Australia Department of Industry and Resources, Western Australia ("WA") ranks among the best areas in the world for petroleum exploration. Western Australia's sedimentary basins hold more than 80% of Australia's discovered natural gas resources, despite being one of the least explored territories in the world. Onshore there is only approximately one well per 2647 sq km. Compare this to Texas where there is approximately one well per 2 sq km. The Company believes there is continuing potential in the onshore Perth Basin, and has entered into the three Farm-In Agreements which gives it the right to earn interest in the onshore licences covering approximately 8,333 sq kms.

A series of oil discoveries, the first in October 2002, has renewed interest in exploring within the Perth Basin. New exploration theories are being tested, and success rates have increased significantly. Since 1964, 51 exploration wells have been drilled in the Perth Basin, resulting in 21 field discoveries (41.2% success rate). Twenty six of these wells have been drilled since 1998 accounting for 15 of these discoveries (57.7% success rate). These statistics demonstrate a high success rate over time, and an increasing rate as technology has improved. The increase in the success rate is primarily due to the use of 3D seismic technology.

The Perth Basin is a deep elongate trough which covers an area of some 45,000 sq kms onshore and 55,000 sq kms offshore. The basin contains up to 15,000 metres of Permian and Mesozoic marine and non-marine clastic sediments.

THE PERMITS

The Company was initially formed to acquire interests in the Permits. The Directors used their contacts in Australia to enter into Farm-In Agreements in respect of the Perth Basin EP416, EP426 and EP432 permits in March 2006. These are some of several farm-in opportunities that were offered to Mr Eyre, the Managing Director of the Company, by Empire. One of those opportunities was referred by Mr Eyre to Wharf Resources plc, a company of which Mr Eyre is an executive director. However, Wharf's main focus is on hydrocarbon opportunities in Slovakia, and Mr Eyre was instrumental in the formation of the Company in order to take advantage of certain of the other opportunities that he, based on the views expressed in the CPRs, considered to have particular merit.

The CPRs note that, in order for an area within a permit, known as a prospect, to be considered as having hydrocarbon potential, the following factors must be present:

- existence of a source of hydrocarbons
- a reservoir which is porous to retain the hydrocarbons
- a conduit through which the hydrocarbons can migrate from the source to the reservoir
- an overlying impervious seal
- a trap to prevent the escape of the hydrocarbons

and the timing of these factors must be correct.

In general the areas under consideration consist of different geological layers, such as the Eneabba Formation and the Cattamara Coal Measures, deposited at different depths at different geological periods.

The CPRs review the geological formations within the permit areas, and the exploration that has been carried out in the past, including on adjacent or nearby properties, and assess the existence of these factors. The reviews, set out below, of the Permits summarise the conclusions of the CPRs.

EP 426 is the first Permit that will be funded by the proceeds of the Offer.

EP 426

Overview

Exploration permit EP 426 is favourably located on the eastern flank of the Dandaragan Trough in the northern part of the onshore Perth Basin. It was awarded to a wholly owned subsidiary of Empire on 16 July 2004 for an initial six year period. It consists of 32 graticular blocks covering an area of 2,390 sq kms.

EP 426 is situated 300 kilometres north of the city of Perth. The Midland Highway, an all weather sealed road, runs north-south through the permit. The all weather sealed road between Dongara and Mingenew runs east-west through the permit. The Dampier-Perth and Dongara-Perth natural gas pipelines transverses north-south some 25 kms west of the permit providing distribution channel for EP 426 discoveries.

Farm-In Terms

Allied will earn a 25% working interest in EP 426 by providing initial financing of A\$750,000 towards the costs of preparing and drilling an exploration well (the 'farmin well').

The payment of the A\$750,000 must be made by 1 August 2006. In the event that the payment is not made by this date, the Company will lose its right to acquire all of the Farm-In Interests (i.e. the Farm-In Agreements in respect of EP 416 and EP 432 will also terminate).

If the farmin well is a dry hole, then there will be no further obligation for Allied in relation to the costs of the well.

If the farmin well is to be cased, because Empire after consultation with the Company, has concluded that it has sufficient potential for commercial exploitation, then, the Company will, in general, have to meet its pro rata share (25%) of all further expenditure in relation to the finalisation of the well, and all further costs in relation to the operation of EP 426, such as operational costs, and the drilling of additional wells.

CPR Conclusions

The CPR on EP 426 concludes:

General

- the Northern Perth Basin is a proven producer of oil and gas most of which has been produced from reservoirs of PermoTriassic age. Nearly all prospective areas for that play are currently under licence (i.e not available for acquisition). However, the deeper areas are still very prospective by utilising the potential for hydrocarbons at the Jurassic levels
- The Jurassic play has produced oil at Mt Horner and gas at Walyering and Gingin, and the existence of numerous other oil and gas shows bear testament to its hydrocarbon potential
- Simple 4-way-dip structures are the best trapping mechanism in this play due to perceived thin seals. Few of these have been discovered in the Basin. Mt Horner is an example of a producing 4-way-dip closure, but the Cataby, Walyering and Gingin anticlines to the south are extensively faulted leading to breaching and compartmentalisation of the reservoir
- Generally speaking source and migration is considered to be low risk, but timing of migration and integrity of mapped structures are key issues which need careful consideration. That is, structures may not have been present during migration, or may be subsequently breached by faulting or tilting following charging

Specific

- Nearby oil in the Eneabba Formation and deeper suggest source and migration
- The Jurassic section has not been buried deeply therefore reservoir quality is likely to be good
- Seals are thin making crestal faulting or fault traps unlikely to work
- The prospect known as the Moriary prospect, although relatively small, has an element of a 4-way dip increasing the chance of seal. However faulting may breach the lower reservoirs
- Additional seismic is required to confirm the Moriary structure
- Drilling costs to the Jurassic targets will be relatively low
- The prospect known as the Irwin Terrace is virtually unexplored and will require an intensive exploration programme to properly evaluate its prospectivity

EP 432

Overview

Exploration permit EP 432 straddles the Beagle Ridge and Cadda Shelf and is favourably located to the west of and updip from the Walyering Gasfield in the Dandaragan Trough, onshore Perth Basin. It was awarded 100% to a wholly owned subsidiary of Empire on 11 October 2004 for an initial six year period. It consists of 27 graticular blocks covering an area of 1,998 sq kms.

EP432 is situated some 100 kilometres north of the city of Perth. The Brand Highway, an all weather sealed road, runs north-south along the eastern margin of the permit. The Dampier-Perth and Dongara-Perth natural gas pipelines transverses north-south along the eastern margin of the permit providing access to a distribution channel for EP432 discoveries..

Farm-In Terms

Allied will earn a 25% working interest in EP432 by providing initial financing of A\$900,000 towards the acquisition of 3D seismic in the permit. The Company will then have the option to earn up to an additional 25% or part of by providing up to an additional A\$1.5 million towards funding the drilling of the first well. The decision to earn an additional 25% will depend on the results of the new 3D seismic.

The payment of the A\$900,000 must be made by 1 October 2006. In the event that the payment is not made by this date, the Company will also lose its farm-in interest in EP416. The Farm-In Agreement provides for the A\$1.5m payment for the additional interest to be made by 30 June 2007.

Following the acquisition of the proposed seismic, the Company will, in general, have to meet its pro rata share (either 25% or 50% depending on whether it acquires the additional interest) of all further expenditure.

CPR Conclusions

General

The same general conclusions apply to EP 432 as have been noted in relation to EP 426. Both permits overlay the same geological structures.

Specific

- the Cataby anticline has produced a small quantity of oil and therefore source and migration are low risk. Timing may be a moderate risk – the Cataby anticline may have formed after main migration or may have been breached after charging
- sandstones within the formation known as the K-unit, and above, are excellent quality. The L sand below the main seal is of fair quality becoming poor quality in the Eneabba Formation. Nearby inversion is thought to be the main reason for this
- seal is low risk since a gross interval of more than 500m of claystone (even though not homogeneous) was encountered in a previous exploration well (Cataby-1). This should be sufficient to provide a seal for fault traps and crestal faults on anticlinal traps. Seal is therefore low risk
- the structure may be compartmentalised making commercial hydrocarbons difficult and expensive to produce
- the structure is complex and will require further seismic (almost certainly 3D seismic) to elucidate the fault pattern. 3D seismic will be costly to acquire
- initial mapping suggests that although complex; many structures may be present and potential reserves could be substantial
- the northern part of the Permit is greatly affected by inversion and therefore less prospective

EP 416

Overview

Exploration Permit EP 416 is located in the Bunbury Trough, which forms the southern part of the onshore Perth Basin. It was awarded on 26 August, 1999 for a six year period and consists of 54 graticular blocks covering an area of 3,945 sq kms. Empire Oil Company (WA) Limited, a wholly owned subsidiary of Empire, a company listed on the Australian Stock Exchange, is the permit holder with a 98% working interest, and is the operator. Empire intends to apply for EP 416 to be extended for a further 2 years on the basis that in Year 1 of the extension it will expend A\$400,000 in acquiring 50km of 2D seismic, and in Year 2 it will drill an exploration well. The purpose of the farm-in arrangements with the Company is to enable Empire to fulfil the proposed Year 1 obligation.

EP 416 extends from 70 kms south of Perth south past the city of Bunbury to the Great Australian Bight. The Bunbury Highway, an all weather sealed road; and the Perth - Bunbury Natural Gas Pipeline, transverses north-south through the northern half of the permit providing an easily accessible distribution channel for EP 416 discoveries.

There are two remaining obligations under EP416 which are the 50km 2D seismic survey referred to above, and the drilling of an exploration well in year 6 at an estimated cost of A\$1 million.

Farm-In Terms

Allied will earn a 20% working interest in EP416 by providing initial financing of A\$500,000 towards the acquisition of seismic in the permit. Although the permit obligation is to acquire 2D seismic, the parties have agreed that these monies will be used to acquire 3D seismic which, although more expensive, is expected to provide better results than 2D seismic. The Company will then have the option to earn up to an additional 60% by providing an additional A\$5 million towards funding the drilling of a first well. The decision to earn an additional 60% interest depend on the results of the new 3D seismic.

The payment of the A\$500,000 must be made by 1 December 2006. The Farm-In Agreement provides for the A\$5m payment for the additional interest to be made by 30 November 2007.

Following the acquisition of the proposed seismic, the Company will, in general, have to meet its pro rata share (either 20% or 80% depending on whether it acquires the additional interest) of all further expenditure.

CPR Conclusions

- The Bunbury Trough in the southern Perth Basin contains thick Permian, Triassic, Jurassic and Cretaceous sediments that offer hydrocarbon source, reservoir and structural characteristics that could potentially trap commercial hydrocarbons.
- Source and trapping characteristics are demonstrated at the large Whicher Range gas field, which is non commercial because of its limited permeability characteristics. This field is at least 1,000 metres deeper than the proposed Wellesley structure that is the focus of Allied's farm-in to EP416. Other gas shows have been reported from previous exploration drilling in the area.
- The Wellesley structure offers a potentially improved reservoir in terms of both porosity compared to its nearest wells and permeability compared to Whicher Range. The Wellesley structure has the potential to provide recoverable reserves of 150 billion cubic feet. This prospect is close to a potential market at the Kemarton industrial estate, near Bunbury that includes smelting and chemical works.
- It is the opinion of the Competent Person that the exploration programme proposed by Allied in EP416 is both technically and financially justified.

STRATEGIC OBJECTIVES

The following strategic objectives have been identified by the Directors:

| | |
|--------------------|---|
| Immediate | <ul style="list-style-type: none">• Pre-IPO fundraising via the Offer |
| 2-8 mths | <ul style="list-style-type: none">• Acquisition of initial interests in EP416 (20%), EP426 (25%) and EP432 (25%) |
| 6-12 mths | <ul style="list-style-type: none">• Admission to Ofex or AIM and secondary fundraising |
| 12- 24 mths | <ul style="list-style-type: none">• Potential acquisition of additional equity interests in EP416 (up to a further 60%) and EP432 (up to a further 25%), dependent on results of 3D seismic surveys• Flow test wells• Internal calculation of flow rates• Independent down hole survey to determine characteristics of reservoir• Certification of recoverable reserves |

Once the recoverable reserves have been certified by independent specialists, the Directors anticipate that Allied's interests in the Permits will increase substantially in value. It is at this point that a corporate decision will need to be made to determine the optimum use of the asset. There are a number of options which the Directors consider to be available to Allied as follows:

1. **Further development of the Permits** via equity fundraising once recoverable reserves has been certified. Fundraising proceeds used to finance Allied's obligations towards the drilling of additional production wells.
2. **Introduce an additional farm-in company** to take a percentage interest along with Allied and Empire.
3. **Outright sale of Allied's interest (or of the entire Permit interest by both Empire and Allied)** to a third party.

In addition to the above options Allied is able to undertake a combination of the options on a sliding scale, giving the Company a significant amount of flexibility to utilise each asset to its full potential, thereby maximising returns.

The decision will be made by the Board once the realisable value of each option has been established to ensure that the most beneficial outcome is selected for the Company and its investors. This decision will be made with consideration to the cash requirements of the Company at the time, which may be affected by a number of factors, including:

- Development potential of other existing licences owned by the Company;
- Availability of additional licence investment opportunities;
- Existing capital commitments entered into by the Company.

MARKETS

The Australian oil and gas markets, which are currently a net importer of oil and gas, are expected to absorb the potential reserves contained in the Permits.

It is the intention of Allied to build its asset base by re-investing proceeds from existing licences in the acquisition of other licences and concessions. Allied wishes to concentrate on Australia and New Zealand primarily due to the security of the stable economies which have numerous similarities to that of the UK. However, Allied also recognises the mineral potential within other geographical areas, not only in oil and gas but also other minerals and precious metals.

COMPETITION

The management team acknowledges the large number of competitors in the exploration and production field. However, once the permit or concession over an area have been secured by Allied there are no competitors within that area as all permits are on an exclusive basis. Therefore the Company has no competitors in respect of the Permits.

MANAGEMENT

The Board of the Company are:

- Mr Adrian Eyre (aged 51) (Managing Director) – Adrian is a petroleum industry technologist with 28 years technical and managerial experience within the international oil and gas, exploration, project management and production sectors. His experience includes entrepreneurial involvements, and providing consulting engineering services within the technology and natural resource sectors. Since 1977 he has worked for, or provided consultancy services, at middle and senior levels to companies including the Qatar Petroleum Corporation, Dupont Chemicals Corporation (Spain), the Bechtel Corporation (Qatar), Pertamina (Indonesia) and Shell Exploration (Scotland). Adrian is the part-time Managing Director of Wharf Petroleum Resources plc, a company with petroleum interests in Slovakia and Australia.
- Dr Bruno Denantes (aged 56) (Executive Director) – very experienced oil and gas executive having been the founder and managing director of Kappa International Company, an oil and gas consultancy whose clients include Amoco, Agip, Total, Perenco, Exxon, Burlington, BP, BHP, EDF, GDF, Sonatrach and Sincor. Bruno was the international development program director of Gaz de France for 10 years and has several years' field experience for Total Expro in Cameroon and Indonesia. Bruno brings international knowledge, contacts and experience to the Company. Bruno is a part-time executive director of Dome Petroleum Resources plc, a company with petroleum interests in Australia.

The Company has no other staff. It is likely that the Company will remain thinly staffed, using consultants and contractors on as needed basis.

The terms of the Directors' appointments include that they will not receive any remuneration until the Offer has been fully subscribed, following which they will receive director's fees of £3,000 per month. Their appointments may be terminated on 3 months' notice.

THE COMPANY

The Company was incorporated as a public limited company in England on 15 March 2006 with an authorised share capital of £10,000,000 divided into 1,000,000,000 Ordinary Shares of £1 each of which 2 were issued as subscribers' shares. Since then the par value of the shares has been subdivided into 0.001 shares and at the date of this Document the issued share capital of the Company consists of 50,000,000 Ordinary Shares of 0.001 each, all issued at par value, which are to be paid up as to one-quarter prior to commencement of trading by the Company, with the balance payable thereafter on call by the Company.

The Company's Memorandum of Association has a main objects clause which empowers the Company to carry on any commercial activity. Its Articles of Association permit free transferability of shares.

The Company has no borrowings or other indebtedness, other than in relation to the expenses of the Offer all of which are conditional on the Offer raising its Minimum Amount, and has entered into no contractual commitments other than as referred to in this document or in relation to the Offer.

THE OFFER

The gross proceeds of the Offer, if fully subscribed, will be £1,650,000.

The proceeds of the Offer are anticipated will be used as followed:

| | |
|---|----------|
| Financing of farm-in obligations under EP 426 | £315,000 |
| Financing of farm-in obligations under EP 432 | £380,000 |
| Financing of farm-in obligations under EP 416 | £210,000 |
| Offer Costs (exclusive of VAT) | £495,000 |
| Working Capital | £250,000 |

If fully subscribed the Offer Shares will be approx 18.033% of the enlarged share capital of the Company.

The minimum amount that must be raised pursuant to the Offer is £500,000 which will be used as follows:

| | |
|---|----------|
| Financing of farm-in obligations under EP 426 | £315,000 |
| Offer Costs (exclusive of VAT) | £135,000 |
| Working Capital | £50,000 |

MARKETING OF SHARES, AND OFEX OR AIM

FUTURE LISTING OF SHARES

It is further intended that, within 12 months of completion of the Offer, an application will be made for the Company's issued ordinary shares to be traded on either on the OFEX market or on AIM. However, the Offer is not conditional upon the grant of permission to trade the ordinary shares on OFEX or AIM being obtained.

OFEX

OFEX is a market operated by OFEX plc and is not part of the London Stock Exchange. OFEX also has a comprehensive company information and announcement system called Newstrack, which is presently distributed by Bloomberg, Thomson Financial, Reuters, Telekurs, ADVFN, AFX News and FT Interactive Data (the latter incorporating Comstock). Newstrack is an electronic news and information service for professional intermediaries, which carries information on OFEX companies, announcements by such companies, and other information on OFEX including bid and offer prices and trade information. Newstrack is available to Private Investors through the Internet at (www.ofex.com) and via other licensed Internet vendors.

Any individual wishing to buy or sell securities which are traded on the OFEX market, must trade through a stockbroker (being a member of the OFEX market and regulated by the Financial Services Authority) as the market's facilities are not available directly to the public.

AIM

AIM is a recognised stock exchange owned and operated by the London Stock Exchange plc.

RISK FACTORS

AN INVESTMENT IN THE COMPANY IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. The investment offered in this document may not be suitable for all its recipients.

In addition to the other relevant information in this document, the Directors consider the following risk factors to be of particular relevance to the Group's activities and to any investment in the Company. It should be noted that this list is not exhaustive and that other risk factors may apply. Any one or more of these risks could have a material adverse effect on the value of the Group and should be taken into account in assessing the Group. The risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any order of priority.

If events in connection with any of the risks outlined below occur, the Group's business, financial condition, results or future operations may be adversely affected. In such a case, the price of the Company's Ordinary Shares could decline and investors may lose all or part of their investment. Additional risks, as yet unknown to the Directors, may also have an adverse effect on the Group.

The following matters may affect the trading position of the Group:

Risks specific to Company and its business

Operating history. Although the management is highly experienced, the Company has no history in this marketplace upon which an evaluation of the Company and its prospects can be based. The Company's business must also be considered in light of the risks, expenses and problems frequently encountered by companies at an early stage of development.

Exploration Risk. There is no certainty that the proposed exploration on the Permits will find oil or gas. Oil and gas exploration involves significant risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that oil and gas will be discovered or, even if they are, that commercial quantities of oil and/or gas can be recovered from the Permits. No assurances can be given that if oil and gas are discovered the Company will be able to exploit such reserves as intended.

Drilling and Operating Risks. Oil and gas drilling activities are subject to numerous risks, many of which are beyond the Company's control. Operations in respect of the Permits may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortage or delays in the delivery of rigs and/or other equipment and compliance with governmental requirements. Drilling may involve unprofitable efforts, not only with respect to dry wells, but also with respect to wells which, though yielding some oil or gas, are not sufficiently productive to justify commercial development or cover operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. Hazards incident to the exploration and development of oil and gas properties such as unusual or unexpected formations, pressures, oceanographic conditions or other factors are inherent in drilling and operating wells. Industry operating risks include the risk of fire, explosions, blow-outs, pipe failure, abnormally pressured formations and environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures or discharges or toxic gases, the occurrence of any of which could result in substantial losses to the Company due to injury or loss of life, severe damage to or destruction of property, natural resources and equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation and penalties and suspension of operations. Damages occurring as a result of such risks may give rise to claims against the Company which may not be covered, in whole or part, by insurance (see below).

Operator Risk. In relation to the Permits, the Company will not be managing the day-to day operation of the drilling. Such drilling will be carried out by independent contractors working under the auspices of Empire. As such, the Company will be reliant on the efficiency of a third party for the day to day running of the operations.

Market Risk. The marketability of any oil and gas discovered will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, proximity and capacity of oil and gas pipelines and processing equipment and government regulations including regulations relating to taxation, royalties, allowable production, importing and exporting of oil and gas, and environmental protection.

Insurance Risks. The insurance of the assets of the Company will be the responsibility of Empire as operator. It is planned that insurance of the operations will be in accordance with industry practice. Insurance cover will not be available for every risk faced by the Company. Although the Company believes that it or the operator should carry adequate insurance with respect to its operations in accordance with industry practice, in certain circumstances the Company's or the operator's insurance may not cover or be adequate to cover the consequences of such events. In addition the Company may be subject to liability for pollution, blow-outs or other hazards against which the Company or the operator may elect not to insure because of high premium costs or other reasons. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of operations of the Company. There is a risk that insurance premiums may increase to a level where the Company considers it is unreasonable or not in its interests to maintain insurance cover or not to a level of coverage which is in accordance with industry practice. In addition, the Company may, following a cost-benefit analysis, elect to not insure certain risks on the ground that the amount of premium payable for that risk is excessive when compared to the potential benefit to the Company of the insurance cover.

Ability to Exploit Successful Discoveries. It may not always be possible for the Company to participate in the exploitation of any successful discoveries which may be made in any areas in which the Company has an interest. Such exploitation will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. In addition, the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as the Company. As described above, such further work may require the Company to meet or commit to financing obligations for which it may not have planned.

Commercial Risks. Even if the Permits or other interests of the Company recover quantities of oil or gas, there is a risk the Company will not achieve a commercial return. The Company may not be able to transport the oil or gas to commercially viable markets at a reasonable cost or may not be able to sell the oil or gas to customers at a price and quantity which would cover its operating and other costs.

Joint Venture Parties and Contractors. The Directors are unable to predict the risk of:

- financial failure or non compliance with respective obligations or default by a participant in any joint venture to which the Company is, or may become, a party;
- insolvency or other managerial failure by any of the contractors used by the Company or operator (as appropriate) in its exploration and production activities; or
- insolvency or other managerial failure by any of the other service providers used by the Company or the operator of the licence for any activity.

Environmental Risks. The Company's operations are subject to the environmental risks inherent in the exploration industry. The activities in which the Company has interests are subject to environmental laws and regulations. Although the Company intends to be in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other circumstances that could subject the Company to extensive liability. Further, the Company or the operator (as appropriate) may require approval from the relevant authorities before it can undertake activities which are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

The Need To Raise Additional Capital in the Future. The Company will need to raise additional funding to undertake work beyond that being funded by the Offer. There is no certainty that this will be possible at all or on acceptable terms. In some cases, the Company may finance development by farming out or otherwise reducing its level of participation in interests which it holds. This could substantially dilute the Company's interest in the Permits.

Payment Obligations. Under the Permits and certain other contractual agreements to which the Company is, or may in the future become, a party, including the Farm-In Agreements, the licence holder or the Company (as the case may be) is, or may become, subject to payment and other obligations. If such obligations in the Permits are not complied with, the Permits may be subject to suspension or termination or other sanctions. If such obligations of the Company in contractual agreements are not complied with when due, in addition to any other remedies which may be available to other parties, this could result in dilution or forfeiture of interests held by the Company. The Company may not have, or be able to obtain, financing for all such obligations as they arise.

Governmental Regulations. Governmental approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental offices. The holders of the Permits must comply with known standards, existing laws and regulations that may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and the interpretation of the laws and regulations implemented by the permitting authority. New laws and regulations, amendments to existing laws and regulations, or more stringent enforcement of existing laws and regulations, could have a material adverse impact on the results of operations in respect of the Permits and accordingly on the financial condition of the Company. The exploration, mining and processing activities in respect of the Permits are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. There can also be no assurance that they will be renewed or if so, on what terms. In particular, a Petroleum Lease will be required in respect of the Permits for oil and gas production to commence.

Volatility of Prices of Oil and Natural Gas. The demand for, and price of, oil and natural gas is highly dependent on a variety of factors including international supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, and global economic and political developments. International oil prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future. Fluctuations in oil and natural gas prices and, in particular, a material decline in the price of oil or natural gas may have a material adverse effect on the Company's business, financial condition and results of operations assuming production is achieved from the Licences. Oil and gas prices could affect the viability of exploring and/or developing the Company's interests.

Currency Risk. The Company will report its financial results in Sterling, while most of the potential cash flow from operations will be in Australian Dollars, and many contracts in the oil and gas industry are principally denominated in United States Dollars.

Dependence on Key Personnel. In common with other services and businesses in this industry sector, the Company's business is dependent on retaining the services of a small number of key personnel of the appropriate calibre as the business develops. The success of the Company is, and will continue to be to a significant extent, dependent on the expertise and experience of the Directors and senior management and the loss of one or more could have a materially adverse effect on the Company.

Economic, Political, Judicial, Administrative, Taxation or Other Regulatory Factors. The Company may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors, in the areas in which the Company will operate and holds its major assets.

General risks

May not realise amount invested. The price which investors may realise for their holding of Ordinary Shares, if and when they are able to do so, may be influenced by a large number of factors, some of which are specific to the Company and others which are extraneous.

Liquidity. The ability of an investor to sell Ordinary Shares will depend on there being a willing buyer for them at an acceptable price. The Ordinary Shares are not listed or dealt on any stock exchange. In the event that the Ordinary Shares are listed on OFEX or AIM, this should not be taken as implying that there will be a "liquid" market in the Ordinary Shares. In addition, there is no guarantee that an application to OFEX or AIM for its Ordinary Shares to be traded will be made, or if made, will be successful. Acceptance of any application by the Company to, and continued admission to trading on OFEX or AIM are entirely at the discretion of OFEX plc or, as the case may be, the London Stock Exchange plc.

Volatility. The value of the Ordinary shares may go down as well as up. Investors may therefore realise less than their original investment.

Forward-looking statements. Certain statements in this document may constitute forward-looking statements relating to such matters as projected financial performance, business prospects, new products, services and similar matters. A variety of factors could cause the Company's actual results and experience to differ materially from the anticipated results or other expectations expressed in the Company's forward-looking statements.

Offer Proceeds. Investors should note that if the Offer is not fully subscribed, the Company may be unable to carry out its business plan in full.

Prospective investors should be aware that the value of the Ordinary Shares could go down as well as up, and investors may therefore not recover their original investment especially as the market in the Ordinary Shares may have limited liquidity.

The investment described in this document may not be suitable for all those who receive it. Before making a final decision, investors in any doubt are advised to consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

TERMS AND CONDITIONS OF THE OFFER

1 Completion of Application Form. Any prospective investor wishing to apply for Offer Shares must complete an Application Form in accordance with the instructions accompanying that form.

2 Allocation of Shares. The Company in its absolute discretion will determine the basis of allocation. The right is reserved to reject in whole or in part and/or scale down any application or any part thereof. The right is also reserved to treat as valid any application not in all respects completed in accordance with the instructions relating to the Application Form including if the accompanying cheque or banker's draft is for the wrong amount.

3 Expected dispatch of definitive share certificate. The expected date for dispatch of definitive share certificates in respect of the issue of any Shares is thirty days after such issue.

4 Application monies. The right is reserved by the Company to present all cheques and banker's drafts for payment on receipt and to retain share certificates and surplus application monies pending clearance of successful applicants' cheques and banker's drafts. If any application is not accepted (either in whole or in part) or if any contract created by acceptance does not become fully unconditional, the application monies or, as the case may be, the balance thereof will be returned (without interest) within 7 days of the closing date of the Offer by returning each relevant applicant's cheque or banker's draft by crossed cheque in favour of the first-named applicant, through the post at the risk of the person(s) entitled thereto.

5 Money Laundering Regulations. It is a term of the Offer that, to ensure compliance with the Money Laundering Regulations 2003, the Company is entitled to require, at its absolute discretion, verification of identity from any applicant. Pending the provision of evidence satisfactory to the Company as to the identity of the applicant and/or the cheque or other remittance relating thereto and the Company reserves the right not to enter the applicant on the register of members or issue any certificate in respect of Shares allotted to the applicant.

If verification of identity is required, this may result in a delay in dealing with an application and in rejection of the application. The Company reserves the right, in its absolute discretion, for it to reject any application in respect of which the Company considers that, having requested verification of identity, it has not received evidence of such identity satisfactory to it by such time as may be specified in the request for verification of identity or in any event within a reasonable period. In the event of an application being rejected in any such circumstances, the Company reserves the right in its absolute discretion, but shall have no obligation, to terminate any contract of allotment in relation to or constituted by the Application Form (in which event the money payable or paid in respect of the application will be returned (without interest) to the account of the bank from which such sums were originally debited) and/or to endeavour to procure other subscribers for the Shares in question (but in each case without prejudice to any rights the Company may have to take proceedings to recover in respect of loss or damage suffered or incurred by it as a result of the failure to produce satisfactory evidence as aforesaid). The submission of an Application Form will constitute a warranty and undertaking by the applicant to provide promptly to the Company such information as may be specified by it as being required for the purpose of Money Laundering Regulations 2003.

The Company will not be responsible or have any liability for loss or damage (whether actual or alleged) arising from the election by the Company to treat an application in respect of Shares lodged by any applicant as invalid or to terminate the contract of allotment as a result of the Company not having received evidence as to the identity of the applicant reasonably satisfactory to it within a reasonable time of having requested such information.

6 General Terms. By completing and delivering an Application Form, prospective investors:

6.1 offer to subscribe for the number of Offer Shares specified in the Application Form (or such lesser number for which the application is accepted) at the Offer Price on the terms of and subject to this document;

6.2 warrant that their cheque or banker's draft will be honoured on first presentation and agree that if it is not so honoured they will not be entitled to receive a share certificate in respect of the Shares applied for or to enjoy or receive any rights or distributions in respect of such Shares unless and until they make payment in cleared funds for such Shares and such payment is accepted by the Company in its absolute discretion (which acceptance shall be on the basis that they indemnify the Company against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of their remittance to be honoured on first presentation) and prospective investors agree that, at any time prior to the unconditional acceptance by the Company of such later payment, the Company may (without prejudice to its other rights) avoid the agreement to subscribe such Shares and may allot such Shares to some other person, in which case prospective investors will not be entitled to any payment in respect of such Shares other than the refund to them at their risk of any proceeds of the cheque or banker's draft accompanying their application, without interest;

6.3 agree that, in respect of those Offer Shares for which prospective investors applications have been received and are not rejected, acceptance of their application shall be constituted by notification of acceptance thereof by the Registrars to the Company;

6.4 agree that any monies returnable to them may be retained by the Company pending clearance of their remittance and that such monies will not bear interest;

6.5 authorise the Company to send certificate(s) in respect of the Offer Shares for which their application is accepted and/or a crossed cheque for any monies returnable, by post, without interest, at the risk of the person(s) entitled thereto, to the address of the person (or in the case of joint holders the first-named person) named as an applicant in the Application Form and to procure that their name is placed on the register of members of the Company in respect of such Offer Shares;

6.6 warrant that, if they sign the Application form on behalf of somebody else or on behalf of a corporation, they have due authority to do so on behalf of that person or corporation, and such person or corporation will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained herein and undertake to enclose their power of attorney or a copy thereof duly certified by a solicitor with the Application Form;

6.7 agree that all applications, acceptances of applications and contracts resulting there from under the Offer shall be governed by and construed in accordance with English law, and that they submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;

6.8 confirm that, in making such application, neither they nor any person on whose behalf they are applying are relying on any information or representation in relation to the Company other than the information contained in this document;

6.9 authorise the Company or any person authorised by it, as their agent, to do all things necessary to effect registration of any Offer Shares subscribed for by them into their name(s) or into the name(s) of any person(s) in whose favour the entitlement to any such Offer Shares has been transferred and authorise any director of the Company to execute any document required therefore;

6.10 agree that, having had the opportunity to read this document, they shall be deemed to have had notice of all information and representations concerning the Company and the Offer Shares contained therein;

6.11 confirm and warrant that they have read and complied with paragraph 7 below;

6.12 confirm that they have reviewed and understood the warnings and other matters contained in paragraph 9 below ;

6.13 confirm that they are not under the age of 18;

6.14 agree that all documents and cheques sent by post to, by or on behalf of the Company will be sent at the risk of the person(s) entitled thereto;

6.15 agree, on request by the Company or at its discretion on behalf of the Company, to disclose promptly in writing to it, any connection with their application and authorise it to disclose any information relating to their application as it considers appropriate;

6.16 warrant that no other application has been made by them for their own account or by another person on their behalf or for their benefit and with their knowledge for such purpose or, if they are applying as agent or nominee of another person, that no other application is being made by them (not being an application as aforesaid) as an agent or nominee for another person and that such other person is not, to their knowledge, acting in concert with any other person or persons as aforesaid.

6.17 agree that if they include an email in the application form, the Company may communicate by email including the delivery of Annual and interims accounts provided such communications are sent to such email address or such other email address as maybe notified in writing to the Company from time to time.

7 Non-UK applicants. No person receiving a copy of this Offer Document or an Application Form in any territory other than the UK may treat the same as constituting an invitation or offer to him, nor should he in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person outside the UK wishing to make an application hereunder to satisfy himself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consent, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

8 Definitions. Save where the context otherwise requires, words and expressions defined in the Offer Document have the same meanings when used in the Application Form and any other explanatory notes in relation thereto.

9 General. The information presented herein was prepared by the Company and is being furnished by the Company solely for use by prospective investors in connection with this Offer. The Company is not making any representation as to its future performance. This document (together with any supplementary offer document that may be issued) contains or may contain certain statements, estimates and forward looking projections of the Company with respect to the anticipated future financial performance of the Company. Such statements, estimates and forward looking projections are based on various assumptions of management about future events and circumstances, many of which will not be within the control of the Company and its management and may or may not prove to be correct. The Company believes that such estimates and other assumptions are reasonable under the circumstances, but no representation, warranty or other assurance is given that such statements, estimates and projections will be realised. There will be variances between such projections and actual events and results and such variations will likely be material. Each prospective investor must rely on his or her own examination of the Company and the terms of the Offer, including the merits and risks involved in making an investment decision with respect to the shares. Prospective investors are not to construe the contents of this document as legal or tax advice. Each investor should consult his or her personal counsel, accountant and other advisor(s) as to legal, tax, economic and related aspects of the investment described herein and its suitability for such investor.

APPLICATION FORM

You must send your completed Application Form by post, or post it or deliver it by hand to CAPITA REGISTRARS, CORPORATE ACTIONS, PO BOX 166, THE REGISTRY, 34 BECKENHAM ROAD, BECKENHAM, KENT, BR3 4TH. The subscription list will open at 9.00 am on 21st April 2006 and may be closed any time thereafter or when the Offer is fully subscribed, but in any event not later than 5.00pm on 12th June 2006, unless previously extended by the Directors, pursuant to the terms of the Offer.

Offer by Allied Oil & Gas PLC by way of a public offer of securities for 11,000,000 Ordinary Shares of 0.001 each in the Company at 15p per Ordinary Share. Before making any application you are recommended to consult an independent financial adviser authorised under the Financial Services and Markets Act 2000

You may only apply for Ordinary Shares in the multiples stated in note 1 of the Guide to the Application Form.

1. I/We offer to acquire _____ shares in respect of which this application may be accepted at 15p per Ordinary Share on the terms and subject to the conditions of the document dated 3rd May 2006 and subject to the memorandum and articles of association of the Company.
2. I/We attach a cheque or banker's draft for the amount payable of £ _____ (15p multiplied by the number of Ordinary Shares inserted above) made payable to Capita IRG plc – Allied Oil & Gas PLC A/C
3. I/We request that you send me/us a share certificate for the number of Ordinary Shares in respect of which this application may be accepted together with a cheque for any surplus application money (without interest) by post at my/our risk, to the address given below. I/We understand that the completion and delivery of the Application Form accompanied by a cheque constitutes an undertaking that the cheque will be honoured on first presentation. I/We understand that no application will be accepted unless and until payment in full for the Ordinary Shares has been made.
4. I/We confirm that I am/we are applying on my/our behalf, that I/we have read, accepted and understood the terms and conditions set out in the memorandum, that I/we have taken appropriate professional advice before submitting this Application Form and that I am/we are aware of the risks involved in investing in the Ordinary Shares subject to the Offer. I/We further confirm that I am/we are investing in the Company on the basis only of the information contained in the memorandum which supersedes all other information (whether written or oral) concerning the Company and the Ordinary Shares or otherwise prior to the date of the memorandum and any such other information or representations must not be relied upon in subscribing for Ordinary Shares.
5. Please register any Ordinary Shares allotted to me/us in my/our name(s).

| | |
|--|---|
| Please complete using BLOCK CAPITALS: | (Name of joint applicant if necessary) |
| Name (in full – no initials): | Name (in full – no initials): |
| Address: | Address: |
| | |
| Postcode: | Postcode: |
| | |
| Home Telephone: | Home Telephone: |
| | |
| Email: | Email: |
| | |
| Mobile: | Mobile: |
| | |

6. Signature Requirements:

| | |
|-------------------|-------------------|
| Signature: | Signature: |
| | |
| Date: | Date: |
| | |

7. We authorise the Directors of the Company to contact me/us by telephone in connection with queries arising on my/our behalf.

GUIDANCE NOTES TO THE APPLICATION FORM

The following should be read in conjunction with the Application Form.

1. Insert in the first space provided in paragraph 1 (in figures) the number of Offer Shares for which you would like to apply at 15p per share. Applications must be for a minimum of £1,500 (10,000 Offer Shares and thereafter in multiples of £750 (5,000 Offer Shares).
2. Insert in the space provided in paragraph 2 (in figures) the amount of your cheque or banker's draft. The amount of your cheque or banker's draft should be the Issue Price of 15p per Share multiplied by the number of Shares inserted in the first space in paragraph 1.
3. Insert your full name and address in BLOCK CAPITALS in the space provided in paragraph 5.
4. Date and sign the Application Form in the space provided in paragraph 6. The Application Form may be signed by someone else on your behalf (and/or on behalf of any joint applicant(s)) if duly authorised to do so, but the power(s) of attorney or a duly certified copy of them must be enclosed for inspection. A corporation should sign under the hand of a duly authorised official whose representative capacity must be stated. Applications may not be made by anyone aged under 18.
5. Attach a single cheque or banker's draft to your completed Application Form. Your cheque or banker's draft must be payable to: **Capita IRG plc - Allied Oil & Gas Plc A/C** for the amount payable on application as inserted in paragraph 2, and should be crossed "A/C Payee".
6. Acknowledgements of acceptance of investors' applications will be dispatched as soon as reasonably practicable.
7. In each case the cheque must be drawn in pounds sterling and bear a UK bank sort code number in the top right hand corner. Applications may be accompanied by a cheque drawn by someone other than the applicant(s), but any monies to be returned will be done so by returning the cheque to the applicant or by sending a cheque crossed "Account Payee" in favour of the person named in paragraph 5. An application will be accepted by the Company (either in whole or in part) immediately upon the board of Directors of the Company (or a committee of it) passing a resolution allotting the Ordinary Shares to the applicant(s). If any application is not accepted the amount paid will be returned by cheque sent by post at the risk of the applicant(s). The Company reserves the right:
 - 7.1. to present all cheques for payment and to retain share certificates and surplus application monies pending clearance of applicants' cheques;
 - 7.2. to reject any application or to accept any application in part only on any basis it sees fit; and
 - 7.3. to accept an application not complying with the requirements specified herein or in the Application Form.
8. All cheques, certificates and other Documents will be dispatched by post at the risk of the person(s) entitled thereto.
9. You may apply jointly with other persons. You must then arrange for the Application Form to be completed by or on behalf of each other joint applicant (up to a maximum of one other person). Their full names should be inserted in BLOCK CAPITALS in the space provided in paragraph 5. and signatures in paragraph 6. If anyone is signing on behalf of any joint applicant(s), the power(s) of attorney or a duly certified copy thereof must be enclosed for inspection.
10. You must send your completed Application Form by post, or deliver it by hand, to:

**CORPORATE ACTIONS CAPITA REGISTRARS
PO BOX 166, THE REGISTRY
34 BECKENHAM ROAD BECKENHAM
KENT BR3 4TH**

so as to be received not later than 5.00pm on the 12th June 2006 (unless extended by the Directors)

If you post your Application Form, you are recommended to use first-class post and allow at least two days for delivery. Photocopies of your Application Form are not acceptable.