

Watson, Farley & Williams LLP

AIM – the Alternative Investment Market

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Watson, Farley & Williams LLP

- International law firm

- AIM practice

- Energy practice

The Alternative Investment Market

- Background and history
- Recent growth and development
- Why attractive to oil and gas companies

AIM - Background

- Launched 1995 by LSE
- Secondary market
- Smaller, growing companies
- Access to capital markets
- Step towards main markets

Migration to AIM

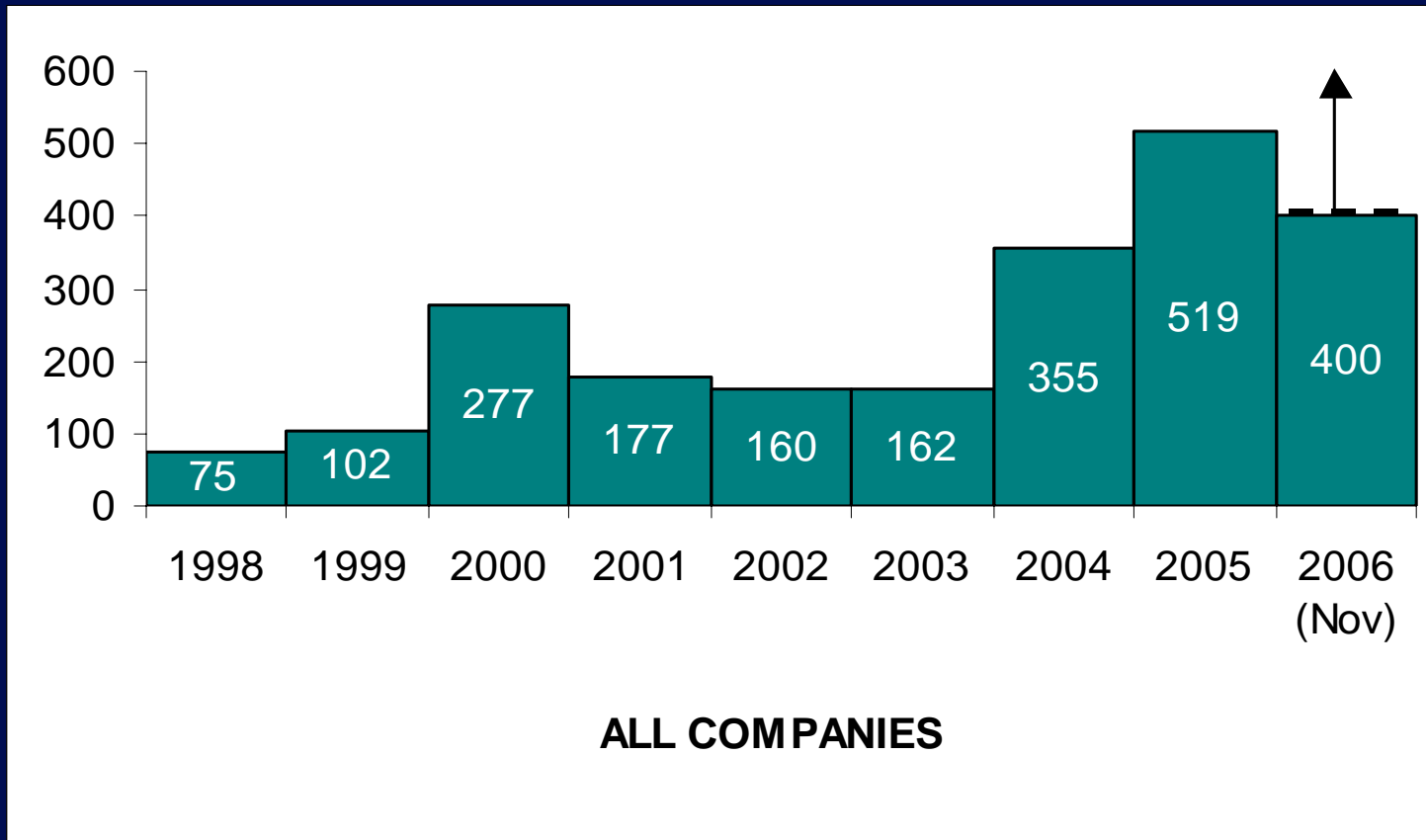
■ AIM to main market

- 2004 – 4
- 2005 – 2
- 2006 – 3

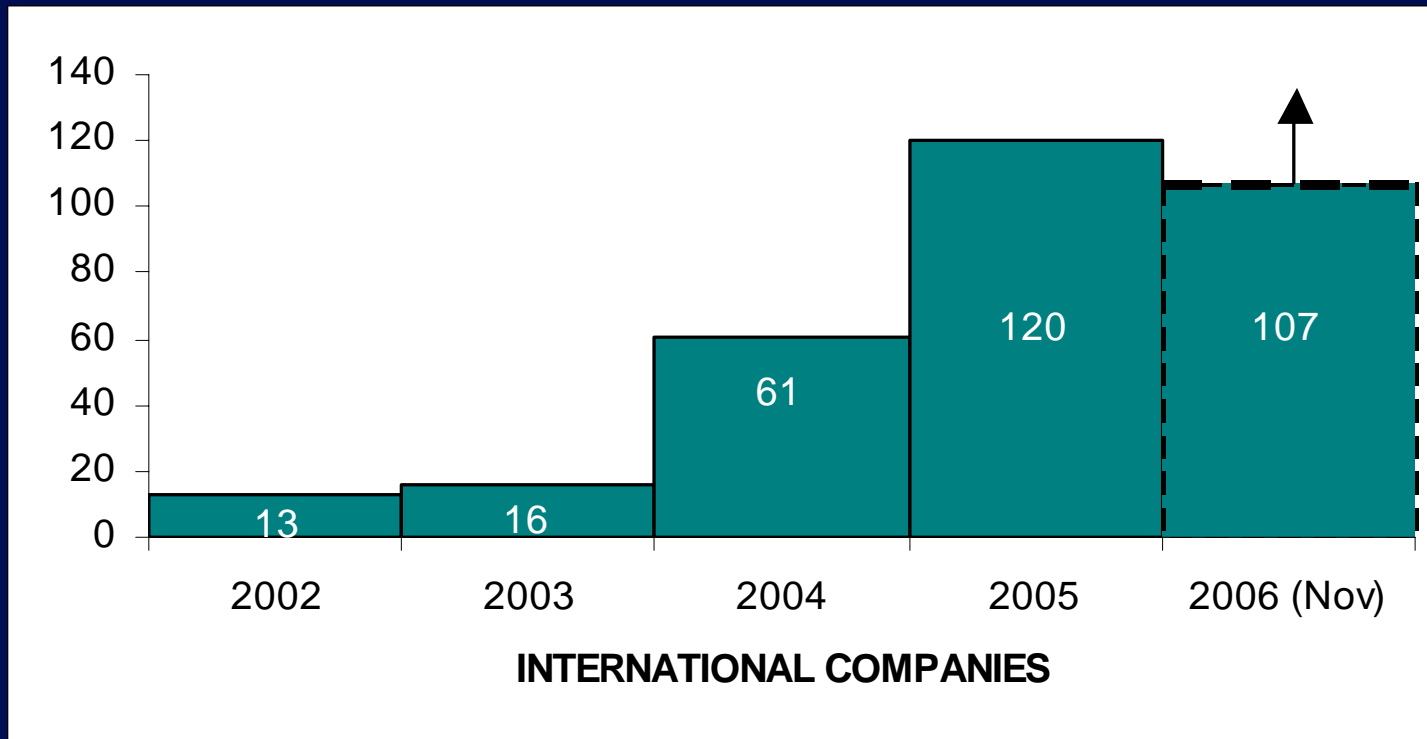
■ Main market to AIM

- 2004 – 22
- 2005 – 40
- 2006 - 25

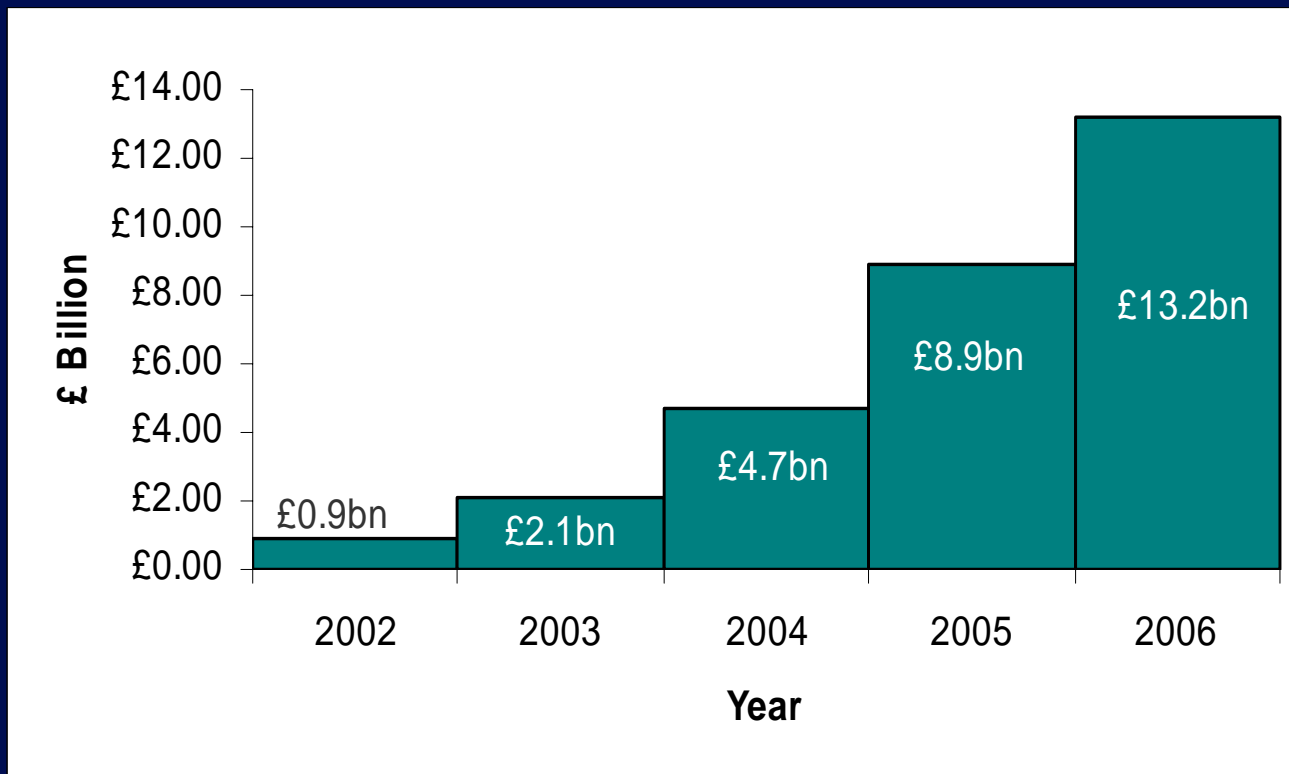
Admission Numbers



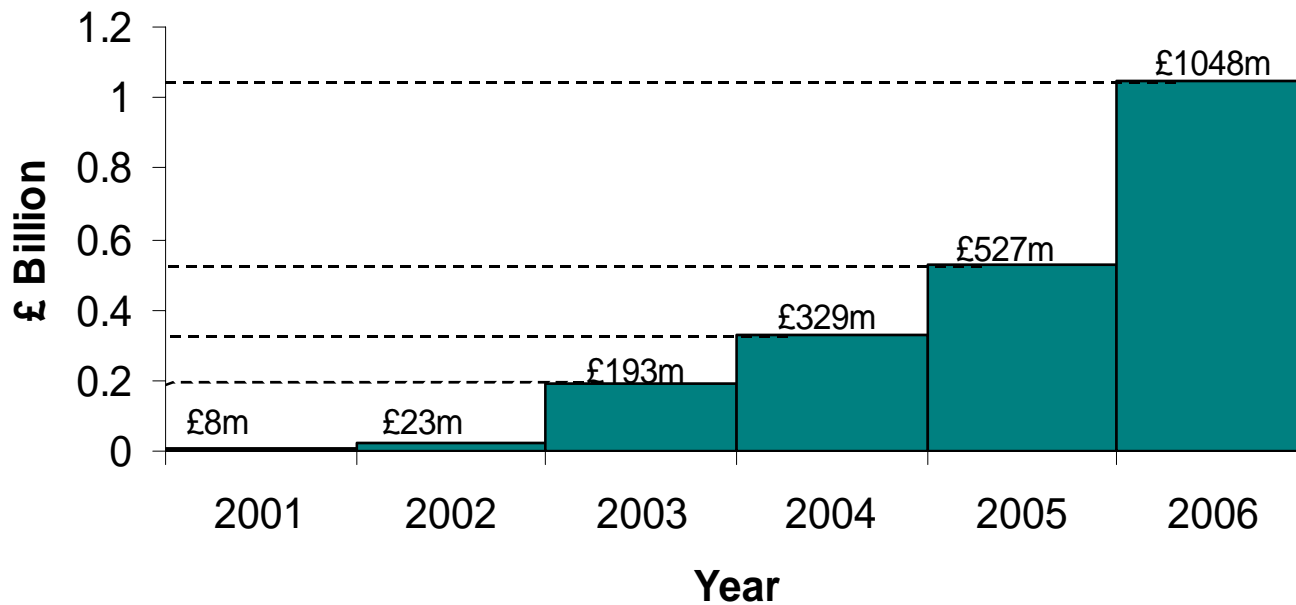
Admission Numbers – International Companies



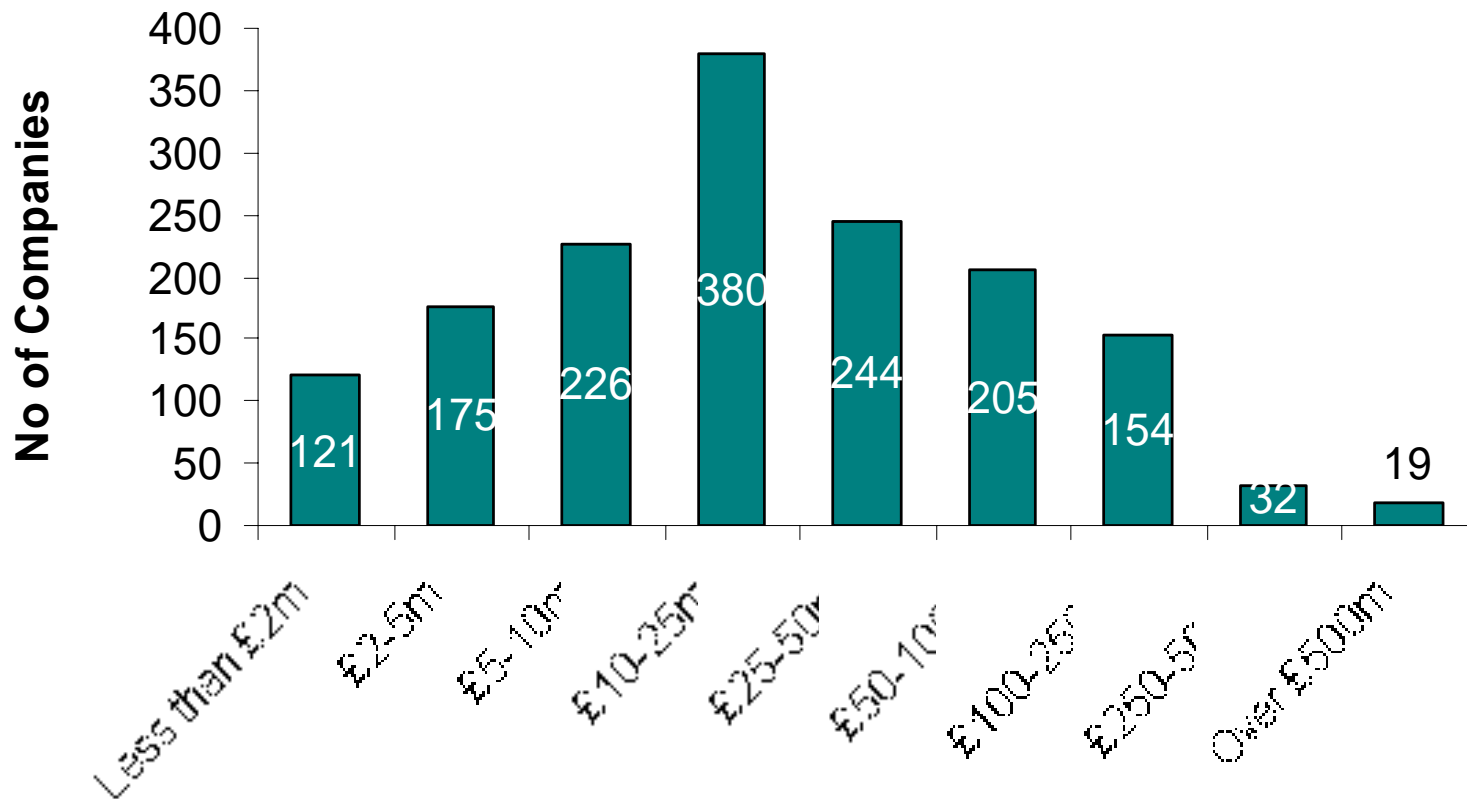
Fundraisings



Fundraisings - oil and gas



Market Cap Spread



NOVEMBER 2006

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AIM – Leading IPO Market

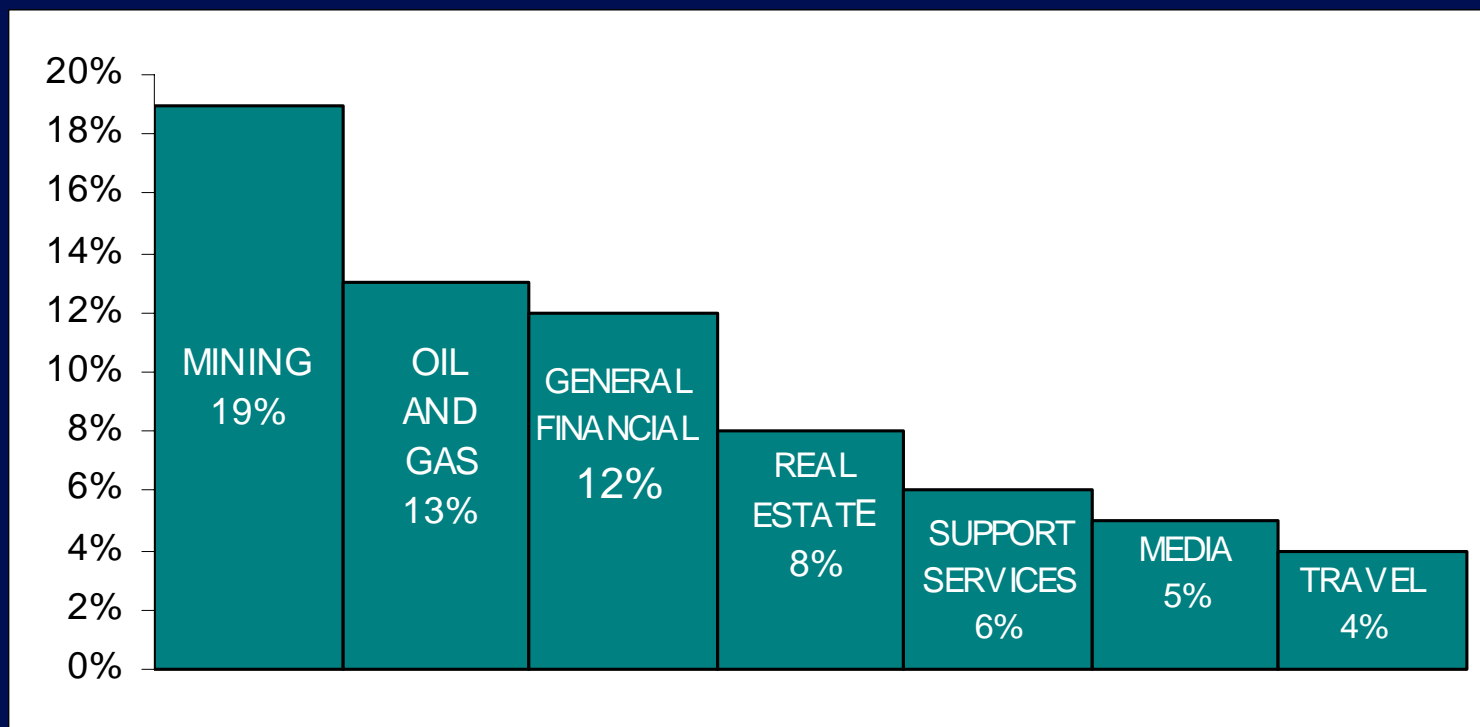
■ IPOs Worldwide 2005	–	1200
■ IPOs AIM 2005	–	355
■ London IPOs 2005	–	419
■ NYSE & Nasdaq IPOs 2005	–	260

■ AIM = fastest growing IPO market in the world

AIM – International IPO Market

- Leading IPO market
- Strong growth in capital raising
- Highly International
- Focus on small and mid-cap
- Natural resources – leading sector

Sectors by Market Cap



Why AIM?

- Ease of entry
- Appropriate level of regulation
- Cost
- Time

Why AIM for oil & gas companies?

- Industry expertise
- Access to capital
- Small and large fundraisings
- International market
- Visibility and profile

AIM Admission Process

1 – 2 Weeks

1 – 2 Weeks

6 - 10 Weeks

1 – 2 Weeks

SUITABILITY

DUE
DILIGENCE

TEST
MARKETING



BROKER
ROADSHOW

APPOINT
ADVISORS



TAX /
CORPORATE
STRUCTURE

DUE
DILIGENCE

COMPETENT
PERSONS
REPORT



INSTITUTIONS
ROADSHOW

PRICING AND
CLOSING

ADMISSION
FUNDS
RECEIVED

CONCLUDING REMARKS

- AIM now a major player
- Significant funding route for oil and gas Companies
- Drive towards quality – P (& E) rather than E&P
- Growth set to Continue
- More international
- Choice of advisers