

*Claimants*  
*H Shinnors*  
*First*  
*27 April 2023*

Claim No. BL-2020-001343

**IN THE HIGH COURT OF JUSTICE**  
**BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES**  
**BUSINESS LIST (ChD) AND INSOLVENCY AND COMPANIES LIST (ChD)**

**B E T W E E N:**

- (1) LONDON CAPITAL & FINANCE PLC (IN ADMINISTRATION)
- (2) FINBARR O'CONNELL, ADAM STEPHENS, HENRY SHINNORS,  
COLIN HARDMAN AND GEOFFREY ROWLEY (JOINT  
ADMINISTRATORS OF LONDON CAPITAL & FINANCE PLC (IN  
ADMINISTRATION))
- (3) LONDON OIL & GAS LIMITED (IN ADMINISTRATION)
- (4) FINBARR O'CONNELL, ADAM STEPHENS, COLIN HARDMAN  
AND LANE BEDNASH (JOINT ADMINISTRATORS OF LONDON OIL  
& GAS LIMITED (IN ADMINISTRATION))

Claimants

and

- (1) MICHAEL ANDREW THOMSON
- (2) SIMON HUME-KENDALL
- (3) ELTEN BARKER
- (4) SPENCER GOLDING
- (5) PAUL CARELESS
- (6) SURGE FINANCIAL LIMITED
- (7) JOHN RUSSELL-MURPHY
- (8) ROBERT SEDGWICK
- (9) GROSVENOR PARK INTELLIGENT INVESTMENT LIMITED
- (10) HELEN HUME-KENDALL
- (11) FRANCIS MICHAEL WILLIAM STARKIE
- (12) MARTIN STEPHEN RUSCOE
- (13) ERIC BOSSHARD
- (14) ROGER STEPHEN FILTNESS (REPRESENTATIVE OF THE  
ESTATE OF ROBIN HUDSON)
- (15) CHARLES HENDRY

Defendants

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**WITNESS STATEMENT OF HENRY SHINNORS**

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**I, HENRY SHINNERS**, of EVELYN PARTNERS LLP, 45 GRESHAM STREET, LONDON EC2V 7BG, **WILL STATE as follows:**

1. I am one of the joint administrators of London Capital & Finance plc (**LCF**), alongside Finbarr O'Connell, Adam Stephens, Colin Hardman and Geoffrey Rowley. I make this statement in my capacity as a joint administrator of LCF and lead administrator for managing the shareholding in Independent Oil & Gas plc (**IOG**) held by London Oil & Gas Limited (**LOG**) and in support of the Claimants' claim against the Defendants. I am duly authorised to make this witness statement on behalf of the administrators of LCF and on behalf of LCF and LOG.
2. This statement has been prepared following two discussions with my solicitors, Mishcon de Reya LLP (**Mishcon**), over two video calls. I have not been referred to any documents during the course of that call or preparing this witness statement. Unless specified otherwise below, I have a good recollection of the facts addressed in this witness statement as I have been continually involved in managing the shareholding in IOG to date.
3. The facts and matters set out in this statement are within my own knowledge and they are true to the best of my knowledge and belief.

**My background**

4. I am the head of the Restructuring and Recovery Services team at the London office of Evelyn Partners LLP (formerly known as Smith & Williamson LLP) (**Evelyn**). I have held this role for 7 years. I am a licensed insolvency practitioner, I qualified in 2002 and gained my license from the Institute of Chartered Accountants in England and Wales in 2003. I am a fellow of the Association of Business Recovery Professionals and a fellow of the Chartered Institute of Certified Accountants, having qualified in 1997. I have been working in restructuring and insolvency since 1988 and have held a partner or equivalent role since 2011.

**My role as joint administrator of LCF**

5. I have been a joint administrator of LCF since it went into administration. The lead administrator is Finbarr O'Connell. I have assisted Finbarr by being a sounding board for him and the other Joint Administrators on certain elements of the LCF administration including strategic matters.

6. I have taken particular responsibility for managing LOG's shareholding in IOG. I have been responsible for this asset from a short time after LOG entered into administration. Since then, I have led the Joint Administrators' strategy and day-to-day dealings in respect of the IOG shareholding.
7. I came into this role as Finbarr wanted someone with significant and senior experience at partner level to deal with the IOG shareholding, which seemed to be one of the best avenues of recovery for LCF at the time. I have primarily worked with Thomas Walls (Tom), an Assistant Manager in the team. Tom and I have carried out the day-to-day work in terms of monitoring the IOG share price and announcements by IOG. I also managed the IOG farm-out transaction with CalEnergy Resources (**CalEnergy**) in July 2019 in conjunction with solicitors from Mishcon.

#### **Disposal strategy of IOG shareholding**

8. I have kept a proactive approach on this matter by continually assessing the IOG share price, together with advisers, in order to maximise the recovery for LOG (and therefore LCF and its bondholders).
9. I have taken advice from Cenkos Securities plc (**Cenkos**) as the Joint Administrators' main professional advisers on the management of the IOG shareholding. Cenkos were engaged by the Joint Administrators following a recommendation from the corporate finance team of Evelyn (then known as Smith & Williamson LLP) as an adviser with specialist knowledge in the oil and gas sector. The Joint Administrators have not formally engaged any other adviser to advise on the IOG shareholding.
10. Cenkos worked closely with the Joint Administrators in the lead up to and throughout the farm-out transaction alongside the solicitor team from Mishcon. The purpose of the farm-out transaction was to raise funding for IOG so it could finance the drilling and exploration that was necessary to optimise its licenses in the North Sea. IOG agreed to share these assets with CalEnergy in return for the funding needed to optimize the outcome of those assets. I recall that IOG agreed to provide CalEnergy with a 50/50 split of the benefits of those assets. A farm-out transaction is reasonably common in the oil and gas industry. The transaction was driven by the board of IOG. The Joint Administrators did not have any direct contact with CalEnergy. However, it was necessary for us to provide agreement to facilitate the transaction and, in that sense, we were an essential part of the transaction.

11. Aside from that transaction, I have tended to approach Cenkos for advice on the disposal strategy of the IOG shareholding from time to time.
12. Relatively early on in the administration of LOG, the Joint Administrators were approached by RockRose Energy (**RockRose**) who enquired about purchasing all of LOG's interest in IOG. The Joint Administrators engaged in conversations with RockRose for several weeks but ultimately, based on advice from Cenkos at the time, decided not to proceed with the transaction at that time.
13. The position in respect of LOG's interest in IOG is not straightforward, because LOG is a large shareholder in a small AIM-listed company, as well as holding unsecured convertible loan notes. The Joint Administrators have been advised by Cenkos that the prospect of LOG achieving a one-hit sale for anything close to the expected value was not achievable. Further, selling large numbers of shares in a short period of time would be likely to cause the share price to fall. Accordingly, formulating a disposal strategy in respect of the interest in IOG has not been straightforward. The Joint Administrators have sought to react to the share price and appetite of the market to buy shares in IOG. Following the advice of Cenkos, we have tended to sell shares when the share price is rising and to avoid selling shares when the share price is falling.
14. The Joint Administrators have taken advice from Cenkos on a good price to sell at the time. The share price is updated constantly in terms of what the market is doing. Cenkos provide us with advice on the minimum price for which they think we should sell the shares. As set out in the Joint Administrators' progress reports for LCF and LOG, I have relied on that advice. Ultimately, it has been my responsibility for deciding on the sale of the IOG shares. Following the advice from Cenkos, I would instruct individuals internally in the investment management team at Evelyn to instruct the brokers for IOG to test the market to see what can be sold at an appropriate price point.

#### **IOG share price**

15. As with all publicly listed shares, the IOG share price is affected by the market's view of IOG's prospects. I recall that the share price was initially around 20 pence/share when I first started dealing with the IOG shareholding. Following the farm-out transaction in 2019, there was a lot of optimism in the markets due to the farm-out partner (CalEnergy). As a result of that transaction, IOG became a fully funded

business able to meet its business plan and the share price increased to around 40 pence/share. However, there have recently been a series of disappointing announcements by IOG in terms of drilling activities and assets. As a consequence, the share price has dropped to around 5 pence/share in the last few months.

- 16. The IOG share price has (and will continue to have) a significant impact on the financial outcome for the creditors of LCF and LOG.
- 17. In light of the decline in the value of the IOG shareholding, the Joint Administrators are currently adopting a "wait and see" strategy, to see whether news and announcements from IOG might improve so as to increase the share price.

STATEMENT OF TRUTH

I believe that the facts stated in this witness statement are true. I understand that proceedings for contempt of court may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth.

Signed:



Henry Shidders

Name: .....

27 April 2023

Date: .....

WITNESS CONFIRMATION OF COMPLIANCE

I understand that the purpose of this witness statement is to set out matters of fact of which I have personal knowledge.

I understand that it is not my function to argue the case, either generally or on particular points, or to take the court through the documents in the case.

This witness statement sets out only my personal knowledge and recollection, in my own words.

On points that I understand to be important in the case, I have stated honestly (a) how well I recall matters and (b) whether my memory has been refreshed by considering documents, if so how and when.

I have not been asked or encouraged by anyone to include in this statement anything that is not my own account, to the best of my ability and recollection, of events I witnessed or matters of which I have personal knowledge.

Signed:  .....

Henry Shinnars  
Name: .....

27 April 2023  
Date: .....

LEGAL REPRESENTATIVE CERTIFICATE OF COMPLIANCE

I hereby certify that:

1. I am the relevant legal representative within the meaning of Practice Direction 57AC.
2. I am satisfied that the purpose and proper content of trial witness statements, and proper practice in relation to their preparation, including the witness confirmation required by paragraph 4.1 of Practice Direction 57AC, have been discussed with and explained to Henry Shinnars.
3. I believe this trial witness statement complies with Practice Direction 57AC and paragraphs 18.1 and 18.2 of Practice Direction 32, and that it has been prepared in accordance with the Statement of Best Practice contained in the Appendix to Practice Direction 57AC.

Signed:  .....

Barry Coffey  
Name: .....

Partner  
Position: .....

27 April 2023  
Date: .....

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**Defendants**

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**WITNESS STATEMENT OF HENRY SHINNERS**

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**Solicitors for the Claimants**