



93-95 Gloucester Place  
London • W1U 6JQ  
Registered in England & Wales No 02933545

13 February 2020

Dear Shareholder,

I am writing to update you on the loan we have arranged for the Company's wholly owned subsidiary, Cabot Energy Inc.

You may recall, we announced last year (initially in September 2019), Cabot Energy Inc, had received a non-binding term sheet for an asset-level loan facility of up to C\$5.0 million from a Calgary-based private energy lender. We also informed all shareholders that under the terms offered by the private energy lender that we would only be allowed to draw down this amount in two tranches. We are pleased to inform you that Cabot Energy Inc has now received an alternative proposal from Mr Robert Martin Friedland, Chairman of I-Pulse Inc.

The key differences between the two offers are:

1. The proposal from Mr Friedland is for C\$9m in tranches of C\$7m and \$C2m; and
2. The proposal from Mr Friedland does not include the onerous 2% participatory interest in gross revenue growth achieved in excess of pre-agreed base revenue over the term of the loan asked for by the private energy lender.

Consequently, more funds are available to be deployed for use in Winter and Summer Work Programmes. But most importantly, we will be able to proceed with eight new development wells instead of only four we would have been able to manage with the loan from the private energy lender.

As a result, in the opinion of the directors, the terms offered by Mr Friedland are more favourable and the directors recommend that this offer is accepted by shareholders. As Mr Friedland is considered to be a related party, we are seeking your approval, as specified in our Articles of Association, to proceed with this arrangement. Please see attached the consent form that you need to sign and return to us, either electronically to [info@cabot-energy.com](mailto:info@cabot-energy.com), or to the Company's Gloucester Place address above.

If you have any questions, then please do not hesitate to get in touch with me.

Yours faithfully,

**Scott Aitken**  
Chief Executive Officer