
FINAL NOTICE

To: **Russel Gerrity**

Date of birth: **October 1968**

Date: **19 December 2025**

1. ACTION

- 1.1. For the reasons given in this Final Notice, the Authority hereby imposes on Mr Russel Gerrity a financial penalty of £309,843 pursuant to section 123 of the Act, for engaging in insider dealing, in contravention of Article 14 of UK MAR.
- 1.2. Mr Gerrity agreed to resolve this matter and qualified for a 30% (stage 1) discount under the Authority's executive settlement procedures. Were it not for this discount, the Authority would have imposed a financial penalty of £387,448 on Mr Gerrity.

2. SUMMARY OF REASONS

- 2.1. In the period from October 2018 to January 2022, Mr Gerrity, an experienced Petrophysical Consultant, dealt in the shares of Chariot Oil & Gas Limited ("Chariot") on two occasions, and dealt in the shares of Eco (Atlantic) Oil & Gas plc ("Eco") on two further occasions, while in possession of, and using, inside information.
- 2.2. On each of these occasions, the inside information concerned information relating to drilling results at oil wells in which either Chariot or Eco had an interest, and to which Mr Gerrity had access, as the results were being obtained or soon after, through his role as a consultant.

- 2.3. On 10 October 2018, Mr Gerrity, while based offshore and acting as a consultant in relation to a drilling operation led by Chariot, a company which had a 65% working interest in the well being drilled, sold his entire shareholding in Chariot, while in possession of, and using, inside information relating to the drilling results ("Occasion 1").
- 2.4. On 5 and 6 August 2019 ("Occasion 2"), and on 3, 5, 6, and 13 September 2019 ("Occasion 3"), Mr Gerrity, while based offshore and acting as a consultant in relation to drilling operations, bought shares in Eco, a company which had a 15% working interest in the wells being drilled, while he was in possession of, and using, inside information relating to the drilling results.
- 2.5. On 4 and 7 January 2022, Mr Gerrity, while in receipt of emails containing well data from a drilling operation led by Chariot, a company which had a 75% working interest in the well that was being drilled, bought shares in Chariot, while he was in possession of, and using, inside information relating to the drilling results ("Occasion 4").
- 2.6. Mr Gerrity's dealing in Chariot and Eco shares on these four occasions amounts to insider dealing as defined by Article 8(1) of UK MAR and in breach of Article 14(a) of UK MAR.
- 2.7. Mr Gerrity's conduct was serious because, he deliberately traded on the basis of inside information for his own financial gain, and trading using inside information undermines investor confidence in the integrity of financial markets.
- 2.8. The Authority hereby imposes on Mr Gerrity a financial penalty of £309,843, pursuant to section 123 of the Act, for engaging in insider dealing in breach of Article 14(a) of UK MAR.
- 2.9. For the avoidance of doubt the Authority makes no criticism of any party referred to in this Notice other than Mr Gerrity.

3. **DEFINITIONS**

- 3.1. The definitions below are used in this Notice:

"the Act" means the Financial Services and Markets Act 2000;

"Acreage" means an area covered by a lease granted for oil and gas exploration;

"the Authority" means the Financial Conduct Authority;

"Block" means a subdivision of sea area for the purpose of licensing to a company or companies for exploration/production rights;

"Chariot" means Chariot Oil & Gas Limited;

"Dry hole" means a well which does not find commercially producible quantities of oil or gas;

"DEPP" means the Decision Procedure and Penalties Manual part of the Handbook;

"Eco" means Eco (Atlantic) Oil & Gas plc;

"Gaia" means Gaia Earth Sciences Limited, a private limited company;

"Handbook" means the Authority's Handbook of Rules and Guidance;

"Hydrocarbon" means an organic compound containing hydrogen and carbon atoms in various combinations, forming the basis for petroleum and petroleum products;

"Joint venture" means an investment, contract or licence undertaken by a consortium of organisations with one party being the operator;

"Licence" means an exploration licence that permits that only geological and geophysical surveying and the drilling of shallow wells;

"LSE" means London Stock Exchange;

"Operator" means the member of a joint venture with contractual authority to run and operate activities on an E&P licence and to represent the joint venture to the statutory authorities, suppliers, contractors and other third parties;

"pay" means the rock formation or part formation, which contains petroleum. The term Net Pay refers just to that part of the formation that has producible petroleum;

"a Petrophysical Consultant" is a role that performs quality assurance and quality control services on wireline logging operations;

a "Rig" is a structure to drill wells. A drill ship is a type of rig;

"RDT" means Reservoir Description Tool;

"Recoverable oil and gas" means the proportion of oil and gas that can be recovered to the surface;

"Reserves" means the estimated volume of recoverable crude oil and gas in a reservoir, based on drilling and geophysical information;

"Reservoir" means a subsurface, porous, permeable rock formation in which oil and gas are found;

"RNS" means the news service of the LSE. RNS is approved by the Authority to act as a Primary Information Provider in the United Kingdom;

"the Relevant Period" means the period from October 2018 to January 2022;

"Sandstone" means a rock comprised of cemented quartz grains. A common oil and gas reservoir rock, because it is often porous and permeable;

"TD" means the Target Depth;

"the Trading Accounts" means the seven accounts controlled by Mr Gerrity;

"the Trading Period" means the period from February 2018 to January 2022;

"the Tribunal" means the Upper Tribunal (Tax and Chancery Chamber);

"Tullow" means Tullow Oil plc;

"UK MAR" means Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse as amended by the Market Abuse Exit Regulations 2019;

"Well" means a hole drilled in rock from the surface to the reservoir in order to explore for, or extract, oil or gas; and

"Wireline" means a wire or cable used for downhole operations. Usually either steel wire used to lower instruments into a well or electric for recording instruments.

4. FACTS AND MATTERS

Mr Gerrity

- 4.1. Throughout the Relevant Period, Mr Gerrity was an Operational Manager and Petrophysical consultant. At this time he had over 30 years of experience in the evaluation of rock formations.
- 4.2. On each of the occasions described in this Notice, Mr Gerrity provided services relating to the wireline operations for oil and gas exploration companies carrying out test drilling. These services were provided on a consultancy basis by Mr Gerrity to clients of Gaia Earth Sciences Limited ("Gaia").
- 4.3. Mr Gerrity had a private company called Dataqual Limited ("Dataqual"), of which he was a director. Dataqual was set up to provide support activities for petroleum and natural gas extraction.
- 4.4. References in this Notice to Mr Gerrity dealing in shares, include him doing so using seven trading accounts (together "the Trading Accounts"). The Trading Accounts were operated by Mr Gerrity and all the trades set out below were executed by him.

Gaia and its relationship with Mr Gerrity

- 4.5. Gaia is a private consulting firm, that provides services and technologies to companies involved in petroleum and natural gas exploration globally. One of the areas Gaia focused on is the provision of quality assurance and quality control services for wireline operations. Throughout the Relevant Period, Mr Gerrity had a minority holding of 10 ordinary shares in Gaia. Gaia entered into contracts with Dataqual where it was agreed that Mr Gerrity would provide services to Gaia's clients.
- 4.6. On the four occasions described in this Notice, Gaia contracted to provide its services for explorations being conducted by Tullow and Chariot.

Mr Gerrity's knowledge of insider dealing regulations

- 4.7. Mr Gerrity would have been aware of the laws and regulations around insider dealing as a result of his role at Gaia. Gaia's Code of Conduct (dated 28 January 2021) ("the Code"), stated that it applied to all: *"directors, consultants, officers, employees and sub-contractors"*. And noted that Gaia consultants: *"are often client representatives on location, either at the wellsite or in the client office. In addition, personnel shall comply with all such codes of conduct and business ethics of clients when working on projects."*
- 4.8. Under a section headed "Insider Trading" the Code explained that:

"It is unlawful to engage in transactions in the publicly traded shares or securities of any company when Personnel are in possession of material, non-public information (also known as "inside" information) regarding that company. Generally, information is material for these purposes if there is a substantial likelihood that a reasonable investor would consider the information important in determining whether to buy, sell or hold a share or security, or if the information, if made public, likely would affect the market price of the security. ..."

- 4.9. Mr Gerrity would have been particularly familiar with the Code, due to his role as Operations Manager of Gaia, whereby he was responsible for training new consultants and ensuring that they understood its policies.
- 4.10. Mr Gerrity would also have known that similar statements, warning against the unlawful use of inside information, which related to partner companies, were set out in the codes of conduct of some of Gaia's clients, such as in "Tullow's All Employee Share Dealing Code" (see paragraph 4.61 below).

Tullow Oil plc ("Tullow")

- 4.11. Tullow is a multinational oil and gas exploration company listed on the London Stock Exchange ("LSE"), a regulated market.

Eco (Atlantic) Oil & Gas plc ("Eco")

- 4.12. Eco is an international oil and gas exploration and development company listed on the Alternative Investment Market ("AIM"), a prescribed market. Prior to Occasion 2 its market capitalisation was c.£130 million (1 August 2019), and prior to Occasion 3 its market capitalisation was c.£289 million (1 September 2019).

Chariot Oil & Gas / Chariot Limited ("Chariot")

- 4.13. Chariot is a transitional energy company focusing on transitional energy projects across the continent of Africa, listed on AIM, a prescribed market. It changed its name from Chariot Oil and Gas Limited to Chariot Limited in June 2021. Prior to Occasion 1 its market capitalisation was c. £31 million (1 October 2018), and prior to Occasion 4 its market capitalisation was c.£53 million (31 December 2021).

Overview of oil and Gas exploration

- 4.14. The upstream oil and gas industry is involved with the exploration for and the production of oil and gas and has five phases: exploration, appraisal,

development, production, and decommissioning. The instances which are the subject of this Notice fall into the exploration and appraisal phases.

- 4.15. Governments seek investment from companies to explore for oil and gas through the granting of exploration licences. The licences will usually have a condition regarding a minimum work programme that must be undertaken. This work typically includes geological surveys and drilling. Companies may explore alone, or two or more companies may form joint ventures to explore together with one company being appointed as the operator.

Logging While Drilling ("LWD")

- 4.16. LWD is a technique or system for gathering "down-hole" data during the initial drilling of the well. On the drill bit there are various sensors that enable the characterisation of the rock being drilled through and of the fluids which are contained within the rock. From this data it is usually possible to interpret whether hydrocarbons have been encountered. LWD data typically contains data relating to neutron density, porosity and resistivity.
- 4.17. As the rock is drilled, cuttings are typically brought up to the surface onto the rig. The cuttings may contain oil staining if hydrocarbons have been encountered.

Well Logs

- 4.18. A well log sets out the information about the formation and properties of the rocks from the data collected during the LWD phase. Common measurements include electrical properties such as resistivity and nuclear properties such as gamma radiation and neutron density. The well log data is typically displayed as a series of curves on a graph, with depth on one axis and the measured property on the other. The well log data is used to assess the presence of water, oil and gas within the rock formation.

The Wireline Logging Process

- 4.19. Wireline logging occurs after the drilling operations have been completed. Once the drill has been removed, various logging tools are lowered down the well via a wireline cable system to acquire further measurements of the rock properties. The services that typically get run are resistivity, acoustic, density and porosity readings and results can be witnessed in "real time" in the wireline unit. The data is then passed on to the oil company.

- 4.20. The number of wireline runs (the number of times that tools are lowered down the hole) can vary. Some tools are incompatible, i.e. they would interfere with each other, so they cannot be used on the same wireline cable. The wireline programme will typically be more comprehensive and involve more runs if it is apparent that hydrocarbons have been encountered from the LWD data. In a scenario where no hydrocarbons are encountered the minimum number of wireline runs will be done. This is because wireline runs are expensive, and the oil company will want to reduce costs. In a success scenario, where material amounts of hydrocarbons are encountered during the LWD phase, there will likely be more wireline runs because the oil company needs to know more about the reservoir properties for the purpose of updating investors and booking reserves.

Key roles in relation to data collection

- 4.21. A Wellsite Geologist is situated offshore on the rig and is primarily in charge of data collection from the wellsite during the drilling operation. Their day-to-day function is to collect, correlate, and present the LWD data and send it back onshore to the Operations Geologist. The data is typically collected within a mudlogging unit that contains members of the LWD team.
- 4.22. An Operations Geologist works as the 'go-between' with the Wellsite Geologist and the oil company management. They are usually onshore, and their job is to collect data from the Wellsite Geologist and summarise it for senior management.
- 4.23. A Petrophysicist interprets different types of data collected from the wellsite. In addition, the Petrophysicist will typically help design the well logging programme.
- 4.24. The provision of Wireline Quality Assurance / Quality Control (QA/QC) services is performed by an individual situated on the rig. Their role is to ensure that the wireline team deliver high quality wireline data as efficiently as possible. They typically provide input to the design of wireline programmes and oversee the acquisition of wireline data. The individual performing the Wireline QA / QC role will be based in the wireline unit during the wireline runs.

RNS announcements

- 4.25. An RNS announcement is a method of getting key company news published to the market. The published contents of such announcements often contain information that is capable of increasing or decreasing the price of the exchange traded instruments in the said companies.

The abusive dealing

- 4.26. On each of Occasions 1 to 4, Mr Gerrity dealt, while in possession of, and using, inside information, which related to drilling results, shortly before that information was the subject of an RNS announcement.

Occasion 1 - background

Gaia's involvement in Prospect S and the purchase of Chariot shares by Mr Gerrity

- 4.27. On 21 February 2018, a Director of Gaia, sent an email to Mr Gerrity stating that Chariot had asked Gaia to provide a quotation for services related to its Prospect S well drilling project.
- 4.28. On 26 February 2018, Mr Gerrity purchased 32,614 Chariot shares at a price of 15.3p each for a total consideration of approx. £5,000. The Authority does not allege that this purchase of shares was abusive.
- 4.29. On 9 March 2018, Chariot and Gaia entered into a consultancy contract titled "Provision of Wireline Logging and LWD Audits and QA/QC". It stated that Chariot intended to drill a well licence in Namibia (estimated date between 1 Sept 2018 and 1 Oct 2018). Gaia agreed to supply personnel to perform services including the QC of Wireline Logging and LWD operations. Mr Gerrity was named under the schedule of Key Personnel.

Prospect S Well

- 4.30. Prospect S was a well located in Namibia within Chariot's Central Block's Licence. In an update to the market on 4 June 2018 Chariot stated, "*We are pleased to have secured the high-performance Ocean Rig Poseidon drillship for the Prospect S well in Namibia.*" It further stated that Chariot held a 65% stake in the licence. There were three other parties with interests of 20%, 10% and 5% respectively.
- 4.31. On 28 September 2018, Chariot released an RNS which stated that the Ocean Rig Poseidon drillship had commenced its mobilisation with an estimated arrival at the Prospect S well in the next 24 hours. The operation was expected to take approximately 40 days. Three days later, on 1 October 2018, Chariot stated that drilling had commenced on the Prospect S well. The drilling of the Prospect S well would be the last by Chariot for some time, so the well results had particular significance for the company.

The Poseidon Drill ship

- 4.32. On the drill ship the mudlogging and wireline units were enclosed units on deck about 40 to 50 feet apart. There was a company office inside the accommodation where the Wellsite Geologist had a desk, computer and printer. This is where he would receive LWD data from the mudlogging unit. Mr Gerrity had access to the mudlogging unit and the company office.

The Prospect S Drilling Programme

- 4.33. On 6 October 2018, Mr Gerrity received an email that attached a document titled, Prospect S Detailed Drilling Programme. The document set out that the planned exploration was designed to assess the economic potential of Prospect S. This would be done by testing three reservoirs at different depths. The reservoirs were named S94, S102 and S106. S94 was the shallowest reservoir (it would be reached first as the well was drilled).
- 4.34. The Drilling Programme also set out information regarding potential wireline runs. It stated that there would be one or two wireline runs if no oil or gas was encountered during the drilling phase. Alternatively, in a success scenario there would be likely five wireline runs.
- 4.35. The S94 reservoir was also known as the primary target of the well and was the interval where the largest potential oil and gas volumes could be discovered. A failure to find oil or gas in the S94 primary reservoir would imply two things: (1) the chance of a discovery in the deeper S102 and S106 sands would be significantly reduced because oil usually migrates upward from the source rock where it is generated into the reservoir where it is discovered; and (2) in the unlikely event of a discovery in the deeper sands the overall size of the discovery would likely be smaller which could make it uneconomic to produce.

Overview of data collection during the drilling of the Prospect S well

- 4.36. During the drilling of the Prospect S well, no hydrocarbons were encountered. The Wellsite Geologist received files and data regarding the LWD results every morning in addition to an afternoon update. When the drilling reached the targets, the flow of data became more frequent. The Wellsite Geologist collected the LWD data before sending it to the Operations Geologist who was based on-shore. Mr Gerrity was entitled to have the LWD results should he have wanted them.

Occasion 1 – Key events

- 4.37. On 8 October 2018, Mr Gerrity arrived on the Prospect S drillship. His role in relation to the drilling project was as the Wireline QA/QC Engineer. His key

responsibilities were to provide support, as required, during the wireline operations, and to ensure that all data acquisition requirements and required standards of log quality were met.

- 4.38. On 9 October 2018, at approximately 09:00 UTC, the drilling of the S94 primary reservoir commenced. It took between four and five hours to drill through this reservoir. During this drilling, LWD data began to be obtained that would show whether oil and gas was present in the S94 primary reservoir.
- 4.39. On 9 October 2018 at 09:21 UTC, Mr Gerrity sent the first of several electronic communications to the Operations Geologist in which he confirmed that he was present in the wireline unit.
- 4.40. On 9 October 2018 at 12:30 UTC, Chariot's London Team, discussed the preliminary indications from the data captured during the drilling of the S94 primary reservoir.
- 4.41. On 9 October 2018 at 14:38 UTC, an email was sent from the Exploration Manager to Chariot Executives titled, "STRICTLY CONFIDENTIAL – Operational Update". It contained the draft wording for an email he intended to send that afternoon to drilling partners. The draft wording stated:

"...we have completed drilling of the S94 objective. A gross thickness of approximately 90m sandstone is interpreted from the LWD logs. The resistivity profile, gas data and absence of oil shows suggest that this interval is water-bearing. Drilling now continues to test the deeper S102 and S106 objectives in the well. As [An] assessment of reservoir properties and confirmation of fluid content at the S94 will be possible once TD wireline logging is completed."

- 4.42. The information in the email was based on the LWD data collected on the drill ship as the primary S94 reservoir was being drilled. It confirmed that the well had failed to find oil in the primary S94 reservoir. The use of the term "water bearing" was significant as it communicated that the target reservoirs were not oil (or gas) bearing which would be the term used in the event of a discovery of hydrocarbons.
- 4.43. On 9 October 2018 at 14:46 UTC, a further email was sent between Chariot Executives stating:

"The well has now safely drilled through the shallowest S94 target in line with the pre-drill depth prognosis...Preliminary petrophysical analysis of

Logging Whilst Drilling ("LWD") data is that the reservoirs in this target are water-bearing. We are receiving real-time LWD data for resistivity and gamma ray but the sonic (porosity log) is not being received... In accordance with the pre-drill plan, we will continue to drill to the deeper S102 and S106 exploration targets. Do note that these deeper targets are in closer proximity to the interpreted mature source rock. A further operational update will be issued once these targets have been penetrated, or on any other significant events as appropriate."

4.44. On 9 October 2018 at 15:43 UTC, an email was sent from Chariot to the other drilling partners. It stated, "...The resistivity profile, gas data and absence of oil shows suggest that this interval [the S94 reservoir] is water-bearing."

4.45. On 9 October 2018 at 19:51 UTC, Mr Gerrity sent the following WhatsApp message:

"Should be finished drilling tonight. Probably 2 runs wireline [wireline]. Unless they hit lucky in next 3 or r [4] hours. Maybe off on Friday [12 October]. Will look st [at] flights"

4.46. The drilling programme had stated that one or two wireline runs would be completed in the event of a "dry hole" scenario, whilst five wireline runs would be completed in a "success case" scenario.

4.47. Between 23:00 UTC on 9 October 2018 and 12:30 UTC on 10 October 2018, the S102 and S106 deeper objectives were drilled. No hydrocarbons were encountered.

4.48. On 10 October 2018, between 07:12 UTC and 08:32 UTC, Mr Gerrity exchanged communications with the Operations Geologist. During these communications Mr Gerrity stated that he was going outside to take a look at the "Oilphase kit". During the communications, it was agreed that the "Oilphase kit" could be re-packed, either by the wireline crew on the rig or back on-shore, and the personnel connected to the oil phase were no longer required. The fact these discussions related to the demobilisation of the equipment and personnel required to test oil samples, evidences that at this time Mr Gerrity was aware no oil had been discovered.

4.49. On 10 October 2018 at 10:08 UTC, Mr Gerrity sold his entire holding of 32,614 Chariot shares at 7.88p for a total consideration of approx. £2,600. This was the

first time he had traded in Chariot shares since he had bought them on 26 February 2018.

- 4.50. On 10 October 2018, at 13:58 UTC, a senior executive at Chariot, sent the following confidential email to partners and permanent insiders:

"The well has now safely drilled through to TD and the deeper targets are also on pre-drill depth prognosis. The data we have from the LWD resistivity log indicates these to be water-bearing turbidite sands...We are now intending to run wireline logs specifically to record sonic, density and temperature data. These data will allow us to do a full failure analysis.

- 4.51. On 11 October 2018 at 06:00 UTC, Chariot released RNS announcement 6488D that stated:

"Prospect S well has been safely drilled to a total depth of 4,165m.

Well did not encounter a hydrocarbon accumulation".

- 4.52. On 11 October 2018, the Chariot share price closed 61.39% lower than the previous day's closing price. By selling his Chariot shares the day before the RNS announcement, Mr Gerrity thereby avoided a loss of approximately £1,600.
- 4.53. On 11 October 2018, the one and only wireline logging run was completed.
- 4.54. On 12 October 2018, Mr Gerrity left the rig.

Occasion 2 - background

Jethro-1 Well and Eco's involvement

- 4.55. In January 2016, Eco and Tullow signed a Petroleum Agreement with the Government of Guyana for the exploration of the Orinduik Block offshore Guyana. Tullow had a 60% working interest and was appointed as the operator of the Block (the "Operator"). In 2018, Eco sold 25% (out of its original 40% working interest) and retained a 15% working interest.
- 4.56. In 2019, the Joint Venture partners embarked on a two-well exploration campaign conducted entirely by Tullow as the Operator. Tullow was running the operations using its own staff as well as contracted service providers. Eco, as a non-operating partner, would participate in budget and planning meetings, and receive daily reports on the progress of the wells while drilling.

- 4.57. On 13 March 2019, Mr Gerrity bought a total of 11,106 shares at 89.95p, for a total consideration of approx. £10,000. The Authority does not allege that the purchase of these shares was abusive.
- 4.58. On 18 March 2019, Eco announced an increase in potential, but yet-to-be-discovered, oil and gas volumes in the Orinduik Block.
- 4.59. On 5 July 2019, Eco announced the “spudding” (a term meaning the commencement of drilling of a new well) of its first exploration well on the Jethro-Lobe prospect within the Orinduik Block. It stated that the Jethro Lobe was the first prospect to be drilled as part of a two-well programme and the drilling of a second exploration well on the Joe prospect would follow.
- 4.60. At the close of trading on 1 August 2019 Eco’s market capitalisation was approximately £130 million. During 2019, Eco held acreage in Guyana and Namibia. However, there were no planned drilling dates in Namibia, so the only significant exploration activities which could result in a discovery by Eco during 2019 were those relating to the Jethro-1 and Joe-1 wells in Guyana.

Tullow’s All Employee Share Dealing Code and trading in Eco shares

- 4.61. Tullow’s All Employee Share Dealing Code, dated 3 July 2016 (“the Tullow Code”), addressed trading in partner companies. It stated, *“From time to time, as a part of your employment or duties, you may come across information which is not inside information in relation to Tullow but which is inside information in relation to a different company (for example, a company that is a partner of or supplier to Tullow or its subsidiaries).”*
- 4.62. The Tullow Code set out, inter alia, that in these circumstances that you cannot deal in any securities of the partner companies.
- 4.63. The issue of trading in Eco shares was also addressed in two emails sent on 4 and 5 April 2019 (three months before the drilling commenced). On 4 April 2019, an email was sent by a senior executive of Tullow to other employees of Tullow titled, “Forthcoming Drilling Campaign and Tight information”. The email requested the recipients to cascade that the laws on insider dealing applied to trading in Eco shares in the same way they applied to Tullow.
- 4.64. The following day, on 5 April 2019, a Tullow well engineering manager sent an email to various engineers that would be on the rig stating:

"I have been asked to forward the note below. As you will see it makes it clear that trading in Eco Atlantic (our partner in Guyana) as well as Tullow or even Total shares during the period of time that commercially sensitive geological information is available to you as a team member (discovery of oil or not in Guyana), is prohibited and could lead to criminal charges, due to the "insider trading laws." Hence please do not put yourself or Tullow at risk."

- 4.65. The reference to the "note below" was the email dated 4 April 2019 referred to in paragraph 4.63 above.

Gaia's involvement in Jethro-1 and Mr Gerrity's role

- 4.66. Tullow Suriname BV and Gaia entered into an agreement for the provision of wireline logging QA/QC services with effect from 20 July 2017. The scope of the work included leading the pre-job planning process, checking equipment on the rig, briefing the wireline crew, witnessing the logging runs and quality control of the data.
- 4.67. On 9 May 2019, an Operations Geologist sent an email to Mr Gerrity with the final Jethro-1 Geological Well Plan attached. The plan stated that the Wellsite Geologist was responsible for providing a Daily Geological Report and an interpreted lithology log. The plan attached the wireline strategy and stated that the wireline services would be supervised by the Wellsite Geologist and the Gaia Logging Witness. Mr Gerrity was named as the Logging Witness in the contact list.
- 4.68. On 25 June 2019, a Drilling Supervisor sent an email to Mr Gerrity with the drilling Programme attached. The document explained the objective was to penetrate the prospect and establish hydrocarbon presence. The primary target was the Jethro Lobe target.

Occasion 2 – Key events

- 4.69. On 18 July 2019, Mr Gerrity arrived on the Stena forth Drillship. His role was as Wireline QA/QC.
- 4.70. On 4 August 2019 at approximately 03:00 UTC, the drilling of the primary reservoir began.
- 4.71. On 4 August 2019 at 06:04 UTC, an email titled, "Confidential; Jethro-1" was sent from an Operations Petrophysicist to a drilling contractor and copied to Mr Gerrity. It stated:

"...We have just encountered at least 57m of pay in Jethro-1 main lobe. Drilling now towards second target. Expect eline [wireline] to commence tomorrow night with MDT early Tuesday. Get ready!! We need high quality low contamination samples..."

- 4.72. This email confirmed the discovery of a 57 metre thick column of oil.
- 4.73. On 4 August 2019 at 08:39 UTC, an email was sent to Tullow's Disclosure Committee attaching a document containing resolutions of Tullow's Disclosure Committee. The email stated: *"...last night at approximately 4 a.m. BST [03:00 UTC] Jethro-1 reached primary target and preliminary positive results have come in. I have attached a draft decision record:..."*. The attached document stated:

"...The Committee notes that the Jethro-1 well, offshore Guyana, had reached primary target and that at 4 a.m. (BST) [03:00 UTC] on 4 August 2019 (the "Time"), the well team became aware of preliminary positive results (the "Information"). The Committee further notes that Tullow has made a number of public statements regarding the potential impact of Jethro-1, and that the results are now sufficiently precise and likely to have a significant effect on Tullow's share price and related financial instruments. Accordingly, the Committee determines that the Information constitutes "inside information" with effect from the Time, and instructs ... to convert the current confidential list relating to Jethro-1 into an insider list."

- 4.74. The fact that Tullow's Disclosure Committee deemed that this information was inside information in relation to Tullow shares, indicates that it would, in the circumstances, also have been inside information in relation to Eco, due to Eco being a much smaller company.
- 4.75. On 4 August 2019 at 09:48 UTC, Mr Gerrity received an email from Tullow with the title, "Jethro-1 well is now an Insider List". The email informed him that he had been added to the insiders list and stated:

"As the Jethro-1 well list now relates to price sensitive information you have been added to the insider list specifically for this well. This is because you have or will likely have access to privileged information that, if made publicly available, might affect Tullow's share price. As an insider, there are some additional rules you need to follow and be aware of. Please read Tullow's share dealing policy to understand these rules, or alternatively ask a

member of the Company Secretarial team. It's very important that you read and understand these rules and what they mean to you."

- 4.76. On 4 August 2019 at 10:50 UTC, Mr Gerrity and an Operations Petrophysicist received an email from a Cost Engineer that stated, *"Regarding the cost forecast for wireline; at this stage would it prudent to use the 'success case' number? The weekly cost report is sent every Sunday so would like to confirm this is the number I should use for now."* At 11:55 UTC, the Operations Petrophysicist replied copying in Mr Gerrity stating, *"Yes please. We are now in success case logging scenario"*. The use of the words, "success case" confirmed that the well had made a discovery and that hydrocarbons had been encountered.
- 4.77. On 4 August 2019 at 13:06 UTC, a chain of emails was forwarded to Mr Gerrity from an Operations Geologist with the text, *"Please see update to the wireline sequence below"*. The chain included an earlier email that had been sent from the Exploration Manager to senior executives with the title, "Jethro-1 - Update (Confidential)". It stated:
- "I am delighted to notify you that we have now drilled the Jethro Lobe (primary target) and based on our initial analysis, we have encountered hydrocarbons which trigger the Wireline logging associated with '>25m Hydrocarbon bearing scenario'. We intend to run the following logging sequence (incremental costs included for reference) [a sequence of five intended wireline runs was set out below the text]."*
- 4.78. The email clearly stated that the well had encountered a hydrocarbon column in excess of 25 metres thick.
- 4.79. On 4 August 2019 at 13:21 UTC, Mr Gerrity replied to the chain of emails forwarded to him at 13:06 UTC from an Operations Geologist. He replied, *"Thanks for the clarity.... That allows us to plan baskets, etc."* The email then set out various suggestions from Mr Gerrity relating to the intended wireline runs.
- 4.80. On 4 August 2019 at 15:44 UTC, a drilling contractor replied to the email from an Operations Petrophysicist titled, Confidential; Jethro-1 that he had received at 06:04 UTC (see paragraph 4.71 above). His reply and the original email were copied to Mr Gerrity. The response stated, *"...Excellent! That is good news for us, and Fantastic news for Tullow"*.
- 4.81. On 4 August 2019 at 22:49 UTC, a Wellsite Geologist sent an email to Mr Gerrity that stated *"Hi Russel, LWD Data and logs to 4400m"*. Mr Gerrity replied three minutes stating, *"Where...not attached...LOL"*.

- 4.82. On 4 August 2019 at 22:56 UTC, the Wellsite Geologist sent an email to Mr Gerrity stating, *"My bad...It is here"* with attachments of drilling data and logs. The logs attached clearly indicated an oil-bearing reservoir and therefore an oil discovery between the depths of 4,176 metres and 4,233 metres (a thickness of 57 metres).
- 4.83. On 5 August 2019 at 14:36 UTC, Mr Gerrity purchased 30,000 Eco shares at 68.29p, for a total consideration of approx. £20,500.
- 4.84. On 6 August 2019 at 15:18 UTC, Mr Gerrity purchased 37,187 Eco shares at 67.2p, for a total consideration of approx. £25,000.
- 4.85. On 12 August 2019 at 06:00 UTC, Eco released RNS announcement 6400I which stated that:

"a significant oil discovery [has been made] on the Orinduik Block, offshore Guyana. The Jethro-1 exploration well was drilled by the Stena Forth drillship to a final depth of 14,331 feet (4,400 meters) in approximately 1,350 meters of water...It encountered 180.5 feet (55 meters) of net high-quality oil pay in excellent lower Tertiary sandstone reservoirs which supports recoverable oil resources."

- 4.86. On the 12 August, the Eco share price closed 67.65% higher than previous day's closing price.
- 4.87. On 19 August 2019, Mr Gerrity left the Stena Forth drillship.

Trading in Eco by Mr Gerrity between Occasion 2 and Occasion 3

- 4.88. On 12 August 2019, Mr Gerrity purchased 17,538 and 14,280 Eco shares at 130p and 140p, respectively, for a total consideration of approx. £42,800. The shares were purchased after Eco's announcement of a significant oil discovery that day. The Authority does not allege that the purchase of these shares was abusive.
- 4.89. On 27 August 2019 at 13:29 UTC, Mr Gerrity sold the 37,187 Eco shares purchased on 6 August at 156.5p, for a total consideration of approx. £58,000.

Occasion 3 – Background

Joe-1 Well and Eco's involvement

- 4.90. On 12 August 2019, in addition to announcing the significant oil discovery, Eco stated, *"We have multiple drilling targets on the block with similar geophysical*

characteristics and we are moving the Stena Forth drill ship immediately to its next target, Joe-1. The Joe-1 location is just a short move to a shallower target, and is expected to spud mid-August”.

- 4.91. On 27 August 2019, Eco announced that Joe-1 had been spudded on 25 August using the Stena Forth drill ship. The CEO commented, *“if a further discovery is made, it will further enhance the value of the block with this shallower play.”* The announcement confirmed that Eco had a 15% working interest in the well.

Mr Gerrity’s role

- 4.92. On 14 June 2019, an Operations Geologist copied an email to Mr Gerrity attaching the Joe-1 Geological Well Plan. The plan stated that the Wellsite Geologist was responsible for providing a Daily Geological Report and an interpreted lithology log. The plan also attached the wireline strategy and stated that the Wireline services would be supervised by the Wellsite Geologist and the Gaia Logging Witness. Mr Gerrity was named as the Logging Witness in the contact list.
- 4.93. On 3 July 2019, an Operations Petrophysicist forwarded an email to Mr Gerrity attaching the drilling plan for Joe-1. The document explained the objective was to penetrate the prospect and establish hydrocarbon presence. The primary target was the Joe Pliocene Turbidite.
- 4.94. Between 30 August 2019 and 27 September 2019, Mr Gerrity worked as a wireline logging QA/QC services provider for Tullow on the Joe-1 project.

Occasion 3 – Key Events

- 4.95. On 1 September 2019, Mr Gerrity arrived on the Stena Forth drill ship.
- 4.96. On 1 September 2019, during an email exchange that began at 22:59 UTC, Mr Gerrity stated that the drilling of the primary target had not yet begun and suggested it was 300 metres away.
- 4.97. The drilling of the primary target began during the evening of 2 September 2019 and was completed at approximately 00:15 UTC on 3 September 2019.
- 4.98. On 3 September 2019 at 05:36 UTC, a Senior Executive at Tullow was provided with an update of the drilling results by an Exploration Manager. It stated, *“...Hydrocarbons encountered – wet gas to light oil, still undetermined. Possible high saturations so not residual. Assis encouraged by resistivity’s in lower most section -not too high for gas / heavy oil”.* The Senior Executive forwarded this

email to other Tullow Executives at 09:42 UTC stating, *"...We will be recommending success case logging... but it looks like an another exciting result in Guyana."* The email clearly stated that hydrocarbons had been encountered and referred to a success case. The attached LWD data was also indicative of hydrocarbon bearing sand.

- 4.99. On 3 September 2019 at 12:48 UTC, the Company Secretary of Tullow sent an email to Mr Gerrity and various recipients titled, "Strictly Confidential – Joe well" with an importance of high. It stated:

"You are receiving this email because you are on the confidential list for the Joe well results. Results are starting to be received and so please ensure that you treat any well results information as strictly confidential and potentially market sensitive. Only discuss information relating to results within Tullow with those on the list..."

- 4.100. On 3 September 2019 at 13:58 UTC, Mr Gerrity purchased 19,132 Eco shares at 156.75p, for a total consideration of approx. £30,000.
- 4.101. On 3 September 2019 at 14:20 UTC, a Director of the drilling contractor sent Mr Gerrity an email that embedded extracts of LWD logs up to 2125m. The log embedded in the email showed responses indicative of hydrocarbons being present.
- 4.102. On 3 September 2019 at 17:43 UTC, Tullow emailed its other partners stating, *"I am delighted to notify you that we have now drilled the Joe-1 Primary target and based on our initial analysis; we have encountered hydrocarbons, hence proving the Upper Tertiary Turbidite Play."* The email went on to state that it was prudent to trigger a comprehensive Wireline logging programme. This illustrates that there was enough confidence in the results to incur the costs of a comprehensive wireline logging programme.
- 4.103. On 3 September 2019 at 18:51 UTC, an email was forwarded from a Wellsite Geologist to Mr Gerrity. It contained attachments of logs containing results and data from the drilling of the well. Two of the attachments were Real Time Sonic Scope logs. Both logs showed responses associated with a hydrocarbon discovery.
- 4.104. On 3 September 2019 at 18:59 UTC, a Wellsite Geologist sent emails to Mr Gerrity attaching a Composite Well Log. The attached log showed a decrease in gamma ray and an increase in resistivity associated with hydrocarbon bearing sand.

- 4.105. On 4 September 2019, the first wireline run of the Joe-1 well commenced.
- 4.106. On 5 September 2019 at 04:51 UTC, a Director of the drilling contractor sent an email copied to Mr Gerrity with a composite display of wireline logs embedded and two logs attached. The logs contained responses indicating a hydrocarbon discovery.
- 4.107. On 5 September 2019 at 12:31 UTC, an email was sent to Tullow Executive's attaching a preliminary Petrophysical interpretation. The email stated, "*...The logs, prior to sampling, confirm hydrocarbons in the main zone and the wet gas indicates potential above and below this...Net pay is looking like >20m, pre drill mean was 17m so ahead of expectation.*" This is a clear reference to having discovered over 20 metres of net pay.
- 4.108. On 5 September 2019 at 15:29 UTC, Mr Gerrity bought 12,034 shares at 166.1p for a total consideration of approx. £20,000.
- 4.109. On 6 September at 04:21 UTC an initial draft press release was circulated to Tullow executives. It stated, "*...Evaluation of logging data confirms that Joe-1 has made an oil discovery and comprises high quality oil bearing sandstone reservoirs of Upper Tertiary age.*"
- 4.110. On 6 September 2019, at 11:55 UTC, Mr Gerrity purchased 18,957 Eco shares at 158.25p, for a total consideration of approx. £30,000.
- 4.111. On 6 September 2019, at 12:02 UTC, Mr Gerrity purchased 18,957 Eco shares at 158.25p, for a total consideration of approx. £30,000.
- 4.112. On 11 September 2019 at 11:21 UTC, Tullow provided executives with a logging update that suggested that the oil quality within the Joe-1 well was of better quality than the oil in Jethro-1.
- 4.113. On 12 September 2019 at 21:21 UTC, Mr Gerrity sent an email to an Operations Geologist containing a summary table of the results of a sampling programme including the volumes of oil and water recovered at various points. This was significant as it demonstrated that oil had flowed from the reservoir into the sample chamber and therefore was capable of being produced.
- 4.114. On 13 September 2019 at 10:19 UTC, Mr Gerrity purchased 17,285 Eco shares at 173.5p, for a total consideration of approx. £30,000.

- 4.115. On 13 September 2019 at 10:25 UTC, Mr Gerrity purchased 11,507 Eco shares at 173.8p, for a total consideration of approx. £20,000.
- 4.116. On 13 September 2019 at 10:52 UTC, Mr Gerrity purchased 8,714 Eco shares at 175p, for a total consideration of approx. £15,250.
- 4.117. On 13 September 2019 at 11:12 UTC, Mr Gerrity purchased 17,059 Eco shares at 175.85p, for a total consideration of approx. £30,000.
- 4.118. On 15 September 2019, Mr Gerrity left the Joe-1 drill ship.
- 4.119. On 16 September 2019 at 06:01 UTC, Eco made RNS announcement 3636M with the following highlights:
- *Further discovery on Joe-1, the second well on the Orinduik Block*
 - *High quality of oil-bearing sandstone reservoir with a high porosity of Upper Tertiary age*
 - *52 feet (16 meters) of continuous thick sandstone which proves the presence of recoverable oil resources.*
- 4.120. On 16 September, the Eco share price opened at £2.05 (a 17.14% rise on the previous close price) and traded as high as £2.10 (an all-time high for Eco shares). The shares fell back to £1.77 at the close. The closing price was a rise of 1.14% compared to the previous days close.

Subsequent sales of Eco shares by Mr Gerrity

- 4.121. On 16 September 2019, at 07:44 UTC and 07:46 UTC, Mr Gerrity sold 18,957 and 17,059 Eco shares at 191.75p, a combined consideration of approx. £69,100.
- 4.122. On 16 September 2019 at 07:52 UTC, Mr Gerrity sold 30,000 Eco shares at 192p, for a total consideration of £57,600.
- 4.123. On 17 September 2019 at 13:46 UTC, Mr Gerrity sold 17,538 Eco shares at 162.81p, for a total consideration of approx. £28,500.
- 4.124. On 17 September 2019 at 14:12 UTC, Mr Gerrity sold 18,957 Eco shares at 162.30p, for a total consideration of approx. £30,700.
- 4.125. On 18 September 2019, at 11:24 UTC, Mr Gerrity sold 19,132 Eco shares at 158.25p, for a total consideration of approx. £30,300.

- 4.126. On 18 September 2019 at 14:48 UTC, Mr Gerrity sold 11,507 Eco shares at 157.01p, for a total consideration of approx. £18,100.
- 4.127. On 19 September 2019 at 11:42 UTC, Mr Gerrity sold 14,280 Eco shares at 153.65p, for a total consideration of approx. £21,900.
- 4.128. On 19 September 2019 at 11:56 UTC and 11:58 UTC, Mr Gerrity sold 17,285 and 7,266 Eco shares at 153.15p and 153p, for a total consideration of approx. £26,500 and £11,100 respectively.
- 4.129. On 5 March 2021, Mr Gerrity sold 15,874 Eco shares at 23.1p, for a total consideration of approx. £3,700.
- 4.130. On 23 March 2021, Mr Gerrity sold 8,714 Eco shares at 24p, for a total consideration of approx. £2,100.

Occasion 4 - Background

Chariot and the Anchois – 2 well

- 4.131. As of the close of trading on 31 December 2021, Chariot's market capitalisation stood at approximately £53.25 million. In late 2021, Chariot only held oil and gas acreage in Morocco.
- 4.132. The Anchois-2 Well was located offshore Morocco. Chariot had a 75% interest.
- 4.133. On 15 December 2021, Chariot announced that the Stena Don drillship had arrived on location offshore Morocco to drill the Anchois-2 gas well and re-enter the previously drilled Anchois-1 gas well. Chariot anticipated updating the market separately after the completion of each operation.

Gaia and Mr Gerrity's involvement in Anchois-2

- 4.134. On 13 October 2021, Chariot entered a consultancy agreement with Gaia for provision of wireline logging and LWD audits and QA/QC services for the Anchois-2 well offshore Morocco. Mr Gerrity was listed as one of two named individuals to perform the contracted services.
- 4.135. Mr Gerrity's title for this project was Operations Manager & Petrophysical Consultant. Mr Gerrity was involved in the project planning and used Gaia's software to model the planned Anchois-2 trajectory and evaluate the risks to the wireline logging. It was intended that Mr Gerrity would perform the wireline QA/QC

engineer role on board the Stena Don rig. However, due to his work on another project overrunning, two alternative Gaia employees performed the wireline QA/QC services on board the Stena Don rig for this project.

Occasion 4 – Key facts

- 4.136. On 30 December 2021 at 02:15 UTC, drilling of the final section of the well began.
- 4.137. On 31 December 2021 at 09:48 UTC, Chariot sent an email to its partner in the drilling project. It included the Daily Geological Report which contained references to gas shows of greater than 10%.
- 4.138. On 2 January 2022 at 09:53 UTC, Chariot's Exploration Manager sent a Daily Report email to its Partner. The email attached the Daily Drilling Reports, the Geological Reports and Wellsite Logs. The Geological Report contained references to gas shows and the Wellsite Log showed gas bearing intervals.
- 4.139. On 3 January 2022 at 10:37 UTC, a Gaia consultant sent an email to two Wireline QA/QC Engineers copying Mr Gerrity. At this time Mr Gerrity, was working on a different drilling project and was based in Guyana. The subject title was: "RE: Anchois-2 Final Data for Wire-Pro Simulation". Embedded within the text of the email in pictorial form was a section of an Anchois-2 Wellsite Log for the depths between 2,028 and 2,170 metres. This log contained reservoir intervals, the resistivity log and gas readings. The embedded picture of the wellsite log showed increased resistivity and higher gas readings indicating a gas discovery.
- 4.140. On 3 January 2022 at 14:40 UTC, a Wireline QA/QC Engineer replied to the email sent at 10:37 UTC copying Mr Gerrity. The email stated, "*...There is no final RDT plan or sampling depths but attached is a draft ... that could help drafting a deployment plan. They might decide running standoffs based on mud case seen around 1690m—1725m*". The email contained an attachment titled, "Anchois-2-RDT programme placeholder". The attachment detailed potential depths where gas samples should be taken during the wireline run. It also contained a well log showing five gas bearing intervals between 2,025 and 2,430m.
- 4.141. Further emails with the subject title, "RE: Anchois-2 Final Data for Wire-Pro Simulation", were copied to Mr Gerrity at 16:12 UTC and 18:10 UTC on 3 January 2022. Each email contained the previous emails in the chain including the embedded picture of the well log indicating a gas discovery.

- 4.142. On 4 January 2022 at 11:09 UTC, Mr Gerrity purchased 268,670 Chariot shares at 7.44p, total consideration approx. £20,000.
- 4.143. On 6 January 2022 at 17:07 UTC, a Petrophysicist sent an email to the Wireline QA/QC Engineers and Mr Gerrity relating to Anchois-2 well which thanked them for their efforts before adding, *"and also ... Russel [Gerrity] for the remote support."*
- 4.144. On 7 January 2022 at 08:02 UTC, Mr Gerrity purchased 203,089 Chariot shares at 7.38p, total consideration of approx. £15,000.
- 4.145. On 7 January 2022 at 08:02 UTC, Mr Gerrity purchased 134,549 Chariot shares at 7.42p, total consideration of approx. £10,000.
- 4.146. On 7 January 2022 at 08:38 UTC, Mr Gerrity purchased 261,767 Chariot shares at 7.64p, total consideration approx. £20,000.
- 4.147. On 7 January 2022 at 09:12 UTC, Mr Gerrity purchased 200,000 Chariot shares at 7.41p, total consideration of approx. £14,800.
- 4.148. On 10 January 2022 at 07:00 UTC, Chariot released RNS announcement 8860X which stated that the drilling of Anchois-2 well had been completed and confirmed the presence of significant gas accumulations. It stated the following:
- *Preliminary interpretation of the data confirms the presence of significant gas accumulations in the appraisal and exploration objectives of the Anchois-2 well with a calculated net gas pay totalling more than 100m, compared to 55m in the original Anchois-1 discovery well.*
- 4.149. On 10 January 2022, the share price closed at 10.7p which represented a 44.01% increase compared with the previous day's close.
- 4.150. On 17 January 2022 at 09:58 UTC, Mr Gerrity sold 250,821 Chariot shares at 11.97p, total consideration of approx. £30,000.
- 4.151. On 17 January 2022 at 10:10 UTC, Mr Gerrity sold 200,000 Chariot shares at 11.90p, total consideration of approx. £23,800.
- 4.152. On 17 January 2022 at 11:10 UTC, Mr Gerrity sold 261,767 Chariot shares at 11.78p, total consideration of approx. £30,800.

- 4.153. On 17 January 2022 at 11:29 UTC, Mr Gerrity sold 134,549 Chariot shares at 11.84p, total consideration of approx. £15,900.
- 4.154. On 17 January 2022 at 14:02 UTC, Mr Gerrity sold 220,938 Chariot shares at 11.80p, total consideration of approx. £26,000.

Price sensitivity

Chariot

- 4.155. RNS announcement 6488D on 11 October 2018 (Occasion 1) had a significant effect on Chariot's share price. As noted above (see paragraph 4.52), by market close Chariot's share price had recorded a decrease of approximately 61% from the previous day's close.
- 4.156. During the previous 12 months of trading, Chariot's shares changed by more than 10% (up or down) on only 8 days out of 252 days of trading. The decrease that followed RNS announcement 6488D was far outside of the range of Chariot's normal share price movements over the previous 12 months.
- 4.157. The Authority is satisfied that, if the market had known the information that Mr Gerrity knew on 10 October 2018 (as set out at paragraph 5.12 below), this information would have been likely to have caused a significant decrease in Chariot's share price.
- 4.158. RNS announcement 8860X on 10 January 2022 (Occasion 4) had a significant effect on Chariot's share price. As noted above (see paragraph 4.149), by market close Chariot's share price had recorded an increase of approximately 44% from the previous day's close.
- 4.159. During the previous 12 months of trading, Chariot's shares increased by more than 10% (up or down) on only 14 days out of 252 days of trading. The increase that followed RNS announcement 8860X was far outside of the range of Chariot's normal share price movements over the previous 12 months.
- 4.160. The Authority is satisfied that, if the market had known the information that Mr Gerrity knew on 4 and 7 January 2022, (as set out at paragraph 5.27 below), this information would have been likely to have caused a significant increase in Chariot's share price.

Eco

- 4.161. RNS announcement 6400I on 12 August 2019 (Occasion 2), had a significant effect on Eco's share price. As noted above (see paragraph 4.86), by market close Eco's share price had recorded an increase of approximately 67% from the previous day's close.
- 4.162. During the 12 months of trading prior to August 2019, Eco's shares increased by more than 10% (up or down) on only 9 days out of 252 days of trading. The increase that followed RNS announcement 6400I was far outside of the range of Eco's normal share price movements over the previous 12 months.
- 4.163. The Authority is satisfied that, if the market had known the information that Mr Gerrity knew on 5 and 6 August 2019 (as set out at paragraph 5.17), this information would have been likely to have caused a significant increase in Eco's share price.
- 4.164. RNS announcement 3636M on 16 September 2019 (Occasion 3) had a less significant effect on Eco's share price. Eco's share price opened up by 17% at £2.05 and traded as high as £2.10 or 20% above the previous night's close. This represented an all-time high for Eco shares. Eco's share price fell back to end the day at £1.77, up by £0.02 or 1.14% from the previous day's close.
- 4.165. When compared to all other trading days in 2019, there were only 5 out of 253 trading days where the maximum intraday share price movement (up or down) from the previous close was greater than on 16 September 2019, and of these days, one was on the day of RNS announcement 6400I, and three others were either on the day of Chariot's RNS announcement on 13 November 2019 (announcing that oil samples from the Jethro-1 and Joe-1 wells were mobile heavy crude oil) or on the next two trading days.
- 4.166. The Authority is, therefore, satisfied that if the market had known the information that Mr Gerrity knew on 3, 5, 6 and 13 September 2019, (as set out at paragraph 5.22 below), this information would have been likely to have caused a significant increase in Eco's share price.

Mr Gerrity's trading in the Trading Accounts

- 4.167. In addition to the trades set out above in the Notice, during the period from February 2018 to January 2022 ("the Trading Period"), Mr Gerrity traded shares in 62 other companies using the Trading Accounts. These companies were split across nine sectors; Energy, Basic Materials, Financial, Consumer Communications, Utilities, Consumer, Technology and Industrial.

- 4.168. In total there were 225 share trades placed across all sectors during the Trading Period. 26 were in Eco and 13 were in Chariot (the second and third most traded stocks in the period). Of the remaining 186 trades the largest proportion (41%) were in the energy sector.
- 4.169. For the 225 equity trades the average size ranged from £26,320 (Energy) down to £15,767 (Financial). Looking at when the 225 trades in the Trading Period took place, 40 trades occurred in 2018, 35 in 2019, 41 in 2020, 82 in 2021 and 27 in 2022.
- 4.170. Of the 62 companies whose shares were traded during the Trading Period the company traded most often was APA Corporation (33 times). This was followed by Eco (26 times) and Chariot (13 times). Shell plc was traded 12 times. The remaining 58 stocks were traded nine times or less.

Publicly Available Information

- 4.171. There was no public information relating to the drilling results in relation to the four instances above.

5. FAILINGS

- 5.1. The regulatory provisions relevant to this Notice are referred to in Annex A.

Article 14 of UK MAR (Prohibition of insider dealing)

- 5.2. Article 14 of UK MAR provides that a person shall not:

(a) engage or attempt to engage in insider dealing; [...]

- 5.3. The Authority is satisfied that Mr Gerrity breached Article 14(a) of UK MAR by engaging in insider dealing, namely by dealing in Chariot shares on Occasions 1 and 4 and in Eco shares on Occasions 2 and 3, while in possession of, and using, inside information.

Article 2 of UK MAR (Scope)

Financial instruments admitted to trading on a UK regulated market or on a UK multilateral trading facility ("MTF")

- 5.4. Article 2(1) of UK MAR provides that UK MAR applies, inter alia, to:

(a) [...];

- (b) financial instruments traded on a UK MTF, [...], admitted to trading on a UK MTF, [...] or for which a request for admission to trading on a UK MTF, [...] has been made;

5.5. UK MAR applies to Chariot and Eco shares which are and were (at the relevant time) financial instruments admitted to trading on AIM. AIM is a UK MTF.

Article 7 of UK MAR (Inside Information)

5.6. Article 7(1) of UK MAR provides that for the purposes of UK MAR inside information shall comprise the following types of information:

- (a) information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments; ..."

5.7. Article 7(2) of UK MAR provides that information shall be deemed to be of a precise nature if:

"it indicates a set of circumstances which exists or which may reasonably be expected to come into existence, or an event which has occurred or which may reasonably be expected to occur, where it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of the financial instruments..."

5.8. Article 7(4) of UK MAR provides that for the purposes of Article 7(1) of UK MAR:

"information, which, if it were made public, would be likely to have a significant effect on the prices of financial instruments ... shall mean information a reasonable investor would be likely to use as part of the basis of his or her investment decisions."

5.9. The Article 7 requirements for information to be inside information can be summarised as follows:

- 1) The information has not been made public;
- 2) The information relates to one or more issuers or financial instruments;

- 3) The information was of a precise nature; and
- 4) If made public, the information would have been likely to have a significant effect on the price of those financial instruments.

5.10. These requirements must be considered, with regard to each of Occasions 1-4, on an *ex-ante* basis (meaning from the dates on which Mr Gerrity first received the inside information up to the date on which he placed the final order to deal in the relevant shares).

5.11. The statutory and regulatory provisions relevant to this Notice are referred to in Annex A.

Occasion 1

The inside information in Mr Gerrity's possession

5.12. When Mr Gerrity sold his entire holding of Chariot shares at 10:08 UTC on 10 October 2018 ("the October Chariot shares"), he knew that the data produced during the drilling of the primary S94 reservoir indicated that the well had failed to find oil in the primary target.

5.13. The Authority is satisfied that Mr Gerrity was in possession of the information set out in paragraph 5.12 above on the basis of all the facts and matters set out in section 4 of this Notice, in particular:

- (a) By virtue of his role as Wireline QA/QC Engineer, Mr Gerrity was entitled to receive data and/or updates regarding the drilling of the primary S94 reservoir, including the fact that the well had failed to find oil in the primary target;
- (b) Mr Gerrity was located on the Poseidon oil rig and had access to areas where individuals who had inside information regarding the drilling results of the primary S94 reservoir were working;
- (c) Mr Gerrity sent a communication at 19:51 UTC on 9 October 2018, which stated that there would probably be two wireline runs. This number was consistent with the wireline logging that was planned to occur in a dry hole scenario. He then added, "*unless they hit lucky in the next 3 or 4 hours...*". The communication shows that Mr Gerrity was aware that the well had failed to find oil in the primary target, at

this point in time, which was approximately six hours after the drilling of the primary S94 reservoir had been completed.

- (d) Mr Gerrity and an Operations Geologist exchanged communications between 07:12 UTC and 08:32 UTC on 10 October 2018 that illustrate that he was aware that the well had failed to find oil at this time. The conversations, that occurred less than two hours before Mr Gerrity sold his shares, concerned the cancellation of oil phase personnel and how to remove the oil phase kit from the rig. These conversations would only have taken place in a scenario where it was apparent oil had not been discovered during the drilling of the primary S94 reservoir.
- (e) The timing, direction and nature of Mr Gerrity's trading is consistent with him using his knowledge that the drilling of the primary S94 reservoir had indicated that the well had failed to find oil in the primary target. Mr Gerrity sold the October Chariot Shares within hours of it becoming clear that the drilling of the S94 primary reservoir had failed to find oil in the primary target, having not traded in Chariot shares for a period of over seven months, and his sale comprised of his entire holding in Chariot.

5.14. When Mr Gerrity sold the October Chariot Shares, the information set out in paragraph 5.12 above, met the Article 7 requirements for inside information:

- 1) The information was not made public at any point prior to, or after, Mr Gerrity received it, until Chariot's RNS announcement 6488D at 06:00 UTC on 11 October 2018.
- 2) The information related directly to Chariot (the issuer).
- 3) The information was of a precise nature because it indicated:
 - A set of circumstances which existed, namely that the data produced during the drilling of the primary S94 reservoir indicated that the well had failed to find oil in the primary target ("the S94 Data"); and
 - An event which may reasonably be expected to occur (namely that Chariot would make an announcement to the market, in the near future, that the Prospect S well had not encountered a hydrocarbon accumulation).

- 5.15. This information was specific enough to enable a conclusion to be drawn as to the possible effect on the price of Chariot shares (namely that if the market had known this information, this would have caused a significant fall in the Chariot share price).
- 5.16. The information, if made public, would have been likely to have a significant effect on the price of Chariot shares on the basis that it was information that a reasonable investor would have been likely to use as part of the basis of an investment decision to sell Chariot shares because:
- Chariot was the lead partner and held a 65% working interest in the Prospect S well in Namibia.
 - With no drilling expected in the near term in Chariot's other areas of operation, and with the Prospect S well having been described in Chariot's most recent Annual Report (2018) as having "*the potential to be transformational for the Company in the success case*", the drilling results from Prospect S would therefore have been closely looked out for by investors; and
 - When the S94 primary reservoir data was publicly announced, which would be in the near future, this would likely result in a significant fall in Chariot's share price.

Occasion 2

The inside information in Mr Gerrity's possession

- 5.17. When Mr Gerrity bought Eco shares on 5 and 6 August 2019 ("the August Eco Shares"), he knew that the drilling data from the Jethro-1 well indicated the presence of a significant oil discovery ("the Jethro-1 Data").
- 5.18. The Authority is satisfied that Mr Gerrity was in possession of the information set out in paragraph 5.17 above on the basis of all the facts and matters set out in section 4 of this Notice, in particular:
- (a) Mr Gerrity was located on the Stena Forth the drillship and by virtue of his role as Wireline QA/QC, he was entitled to receive data and/or updates regarding the drilling of the Jethro-1 well, including the fact that oil had been discovered during the drilling of the primary target;

- (b) Prior to purchasing the August Eco Shares, Mr Gerrity was copied into an email at 06:04 UTC on 4 August 2019 that stated there had been a discovery of a 57-metre-thick column of oil within the well;
- (c) Prior to purchasing the August Eco Shares, Mr Gerrity received an email communication at 11:55 UTC on 4 August 2019 that stated the Jethro-1 wireline operation was proceeding on a "*success case*" scenario;
- (d) Prior to purchasing the August Eco Shares, Mr Gerrity was sent an email at 22:56 UTC on 4 August 2019 with attachments of data and logs produced during the drilling of the well that contained evidenced of an oil-bearing reservoir;
- (e) Prior to purchasing the August Eco Shares, Mr Gerrity received an email at 09:48 UTC on 4 August 2019 stating that an insiders list had been created relating to the Jethro-1 well and that he had been added to this list;
- (f) The timing, direction and volume of Mr Gerrity's trading is consistent with him using his knowledge that the drilling data from the Jethro-1 well indicated the presence of a significant oil discovery. Mr Gerrity added to an existing position of Eco shares after he was added to an insiders list related to the Jethro-1 drilling results. Both his purchases of August Eco Shares were made shortly after he had received emails confirming an oil discovery. Prior to buying the August Eco Shares, Mr Gerrity had not traded in Eco shares for over four months. The Authority has not identified any public information that might otherwise have prompted to buy Eco shares. The number of the August Eco Shares bought by Mr Gerrity (67,187 shares) was significantly larger than his previous purchase of 11,106 Eco shares.

5.19. When Mr Gerrity bought the August Eco Shares, the information set out in paragraph 5.17 above, met the Article 7 requirements for inside information:

- 1) The information was not made public at any point prior to, or after, Mr Gerrity received it, until Eco's RNS announcement 6400I at 06:00 UTC on 12 August 2019.
- 2) The information related directly to Eco (the issuer).

3) The information was of a precise nature because it indicated:

- A set of circumstances which existed, namely that the drilling data from the Jethro-1 well indicated a significant oil discovery; and
- An event which may reasonably be expected to occur (namely that Eco would make an announcement to the market, in the near future, that drilling data from the Jethro-1 indicated a significant oil discovery).

5.20. This information was specific enough to enable a conclusion to be drawn as to the possible effect on the price of Eco shares (namely that if the market had known this information, this would have caused a significant rise in the Eco share price).

5.21. The information, if made public, would have been likely to have a significant effect on the price of Eco shares on the basis that it was information that a reasonable investor would have been likely to use as part of the basis of an investment decision to buy Eco shares because:

- It was publicly known that Eco had a 15% working interest in the Jethro-1 well.
- The only significant exploration activity for Eco at this time was on the Orinduik Block offshore Guyana. Therefore, the drilling results of the Jethro-1 well were of particular interest to investors, and
- When the Jethro-1 Data was publicly announced, which would be in the near future, this would likely result in a significant increase in Eco's share price.

Occasion 3

The inside information in Mr Gerrity's possession

5.22. When Mr Gerrity bought Eco shares on 3, 5, 6 and 13 September 2019 ("the September Eco Shares"), he knew that the drilling data from the Joe-1 well indicated that hydrocarbons had been encountered ("the Joe-1 Data").

5.23. The Authority is satisfied that Mr Gerrity was in possession of the information set out in paragraph 5.22 above on the basis of all the facts and matters set out in section 4 of this Notice, in particular:

- (a) By virtue of his role as the Wireline QA/QC located on the Stena Forth drill ship, Mr Gerrity was entitled to receive data and/or updates regarding the drilling results of the Joe-1 well, including the fact that hydrocarbons had been encountered during the drilling of the primary target. In addition, he was a witness to the results from the Wireline Operations;
- (b) Prior to Mr Gerrity purchasing the September Eco Shares, the initial drilling of the reservoir had been completed and the data indicated hydrocarbons had been encountered. This was confirmed in an email to Tullow Executives sent at 05:36 UTC on 3 September 2019;
- (c) Prior to Mr Gerrity purchasing the September Eco Shares, he had been sent an email, on 3 September 2019 at 12:48 UTC, informing him that he was on a confidential list for the Joe-1 well because results were starting to be received;
- (d) Mr Gerrity continued to purchase the September Eco Shares after he had received emails, on 3 September 2019 at 14:20, 18:51 and 18:59 UTC, containing well site logs that contained data associated with a hydrocarbon discovery;
- (e) Mr Gerrity continued to purchase the September Eco Shares after he had sent an email at 21:21 UTC on 12 September 2019, containing results of a sampling programme which illustrated that oil was capable of being produced, and
- (f) The timing, direction and size of Mr Gerrity's purchases of the September Eco Shares is consistent with him using his knowledge that the drilling data from the Joe-1 well indicated that hydrocarbons had been encountered. Mr Gerrity first bought the September Eco Shares an hour after he was added to a confidential list regarding the Joe-1 drilling results. He continued to purchase the September Eco Shares after receiving data regarding the content of the well through his role as a witness to the wireline results. The total amount of shares in Eco that Mr Gerrity purchased in the period 3 September to 13 September was larger than any previous holding he accumulated in Eco.

5.24. When Mr Gerrity bought the September Eco Shares, the information set out in paragraph 5.22 above, met the Article 7 requirements for inside information:

- 1) The information was not made public at any point prior to, or after, Mr Gerrity received it, until Eco's RNS announcement 3636M at 06:01 UTC on 16 September 2019.
- 2) The information related directly to Eco (the issuer).
- 3) The information was of a precise nature because it indicated:
 - A set of circumstances which existed, namely that the drilling data from the Joe-1 well indicated that hydrocarbons had been encountered; and
 - An event which may reasonably be expected to occur (namely that Eco would make an announcement to the market, in the near future, that drilling data from the Joe-1 well indicated an oil discovery).

5.25. This information was specific enough to enable a conclusion to be drawn as to the possible effect on the price of Eco shares (namely that if the market had known this information, this would have caused a significant rise in the Eco share price).

5.26. The information, if made public, would have been likely to have a significant effect on the price of Eco shares on the basis that it was information that a reasonable investor would have been likely to use as part of the basis of an investment decision to buy Eco shares because:

- It was publicly known that Eco had a 15% working interest in the Joe-1 well.
- The only significant exploration activity for Eco at this time was on the Orinduik Block offshore Guyana. Therefore, the drilling results of the Joe-1 well were of particular interest to investors, and
- When the Joe-1 Data was publicly announced, which would be in the near future, this would likely result in a significant increase in Eco's share price.

Occasion 4

The inside information in Mr Gerrity's possession

- 5.27. When Mr Gerrity bought the Chariot shares on 4 and 7 January 2022 (“the January Chariot Shares”), he knew that the drilling data from the Anchois-2 well indicated a gas discovery (“the Anchois-2 Data”).
- 5.28. The Authority is satisfied that Mr Gerrity was in possession of the information set out in paragraph 5.27 above on the basis of all the facts and matters set out in section 4 of this Notice, in particular:
- (a) Prior to purchasing the January Chariot Shares, Mr Gerrity was copied into emails that contained an extract from a well log which indicated a gas discovery. This email was first sent at 10:37 UTC on 3 January 2022;
 - (b) Prior to purchasing the January Chariot Shares, Mr Gerrity was copied into an email at 14:40 on 3 January 2022. This email had an attachment relating to future gas sampling that contained details of gas bearing intervals in the well, and
 - (c) The timing and direction of Mr Gerrity’s trading is consistent with him using his knowledge that the drilling data from the Anchois-2 well indicated the presence of a gas discovery. Mr Gerrity began to purchase the January Chariot Shares a day after he received the emails referencing the presence of gas discoveries. Prior to these trades, Mr Gerrity had not traded in Chariot shares for over three years.
- 5.29. When Mr Gerrity bought the January Chariot Shares, the information set out in paragraph 5.27 above, met the Article 7 requirements for inside information:
- 1) The information was not made public at any point prior to, or after, Mr Gerrity received it, until Chariot’s RNS announcement 8860X at 06:00 UTC on 10 January 2022.
 - 2) The information related directly to Chariot (the issuer).
 - 3) The information was of a precise nature because it indicated:
 - A set of circumstances which existed, namely that: the drilling data from the Anchois-2 well indicated a gas discovery.

- An event which may reasonably be expected to occur (namely that Chariot would make an announcement to the market, in the near future, that drilling data from the Anchois-2 well indicated the presence of a significant gas accumulation).
- 5.30. This information was specific enough to enable a conclusion to be drawn as to the possible effect on the price of Chariot shares (namely that if the market had known this information, this would have caused a significant rise in the Eco share price).
- 5.31. The information, if made public, would have been likely to have a significant effect on the price of Chariot shares on the basis that it was information that a reasonable investor would have been likely to use as part of the basis of an investment decision to buy Chariot shares because:
- It was publicly known that Chariot had a 75% interest in the well.
 - It was publicly known that in late 2021 Chariot only held oil and gas acreage in Morocco.
 - With no other planned drilling the only significant news flow from Chariot for some time was the result of the Anchois-2 well. As a company with no proven commercial oil or gas reserves a success with Anchois-2 would demonstrate the original Anchois-1 discovery to be commercially viable, and
 - When the Anchois-2 Data was publicly announced, which would be in the near future, this would likely result in a significant increase in Chariot's share price.

Article 8 of UK MAR (Insider dealing)

5.32. Article 8 of UK MAR provides, so far as is relevant to this Notice, that:

1. For the purposes of this Regulation, insider dealing arises where a person possesses inside information and uses that information by acquiring or disposing of, for its own account or for the account of a third party, directly or indirectly, financial instruments to which that information relates."
2. [...]
3. [...]

4. This Article applies to any person who possesses inside information as a result of:

(a) [...];

(b) [...];

(c) having access to the information through the exercise of an employment, profession or duties; [...]

5.33. The Authority is satisfied that Mr Gerrity was in possession of, and used, the inside information set out in paragraphs: 5.12 above when he sold the October Chariot Shares; 5.17 above when he bought the August Eco Shares; 5.22 above when he bought the September Eco Shares, and 5.27 above when he bought the January Chariot Shares, thereby satisfying Article 8(4)(c) of UK MAR.

5.34. The Authority relies on the presumption contained in Recital 24 of UK MAR, which is supported by the Authority's findings regarding the likely significant effect of that information on Chariot's share price, the relationship between the prospect of publication of the information to the market and the timing of Mr Gerrity's decision to place the orders to buy the Chariot shares, and the absence of any alternative explanation from Mr Gerrity for the timing of that decision.

5.35. The Authority is satisfied that Mr Gerrity possessed inside information on Occasions 1 to 4 and used that information on each of those occasions in breach of Article 8(1) of UK MAR.

Article 14 of UK MAR (Prohibition of insider dealing)

5.36. Article 14 of UK MAR provides that a person shall not:

(a) engage or attempt to engage in insider dealing; [...]

5.37. Mr Gerrity's conduct amounts to a breach of Article 14 of UK MAR, in that, on Occasions 1 to 4 above, he engaged in insider dealing in breach of Article 14(a) of UK MAR.

6. SANCTION

Financial penalty

Power to impose a financial penalty in respect of Mr Gerrity's conduct

- 6.1. Section 123(2) of the Act provides that if the Authority is satisfied that a person has contravened Article 14 of UK MAR it may impose a penalty of such amount as it considers appropriate on the person.
- 6.2. Article 14(a) of UK MAR prohibits a person from engaging in or attempting to engage in insider dealing. The Authority is therefore satisfied that Mr Gerrity has contravened Article 14 of UK MAR.

The Authority's penalty policy

- 6.3. The Authority's policy for imposing a financial penalty is set out in Chapter 6 of DEPP. The principal purpose of imposing a financial penalty is to promote high standards of regulatory and/or market conduct by deterring persons who have committed breaches from committing further breaches, helping to deter other persons from committing similar breaches and demonstrating generally the benefits of compliant behaviour.
- 6.4. In determining whether a financial penalty is appropriate the Authority is required to consider all the relevant circumstances of a case. Applying the criteria set out in DEPP 6.2.1G (regarding whether or not to take action for a financial penalty or public censure), DEPP 6.2.2G (regarding whether to take action for market abuse) and DEPP 6.4.2G (regarding whether to impose a financial penalty or public censure), the Authority considers that Mr Gerrity's conduct was sufficiently serious that the imposition of a financial penalty is an appropriate sanction.
- 6.5. The Authority applies a five-step framework to determine the appropriate level of financial penalty. DEPP 6.5C sets out the details of the five-step framework that applies in respect of financial penalties imposed on individuals in market abuse cases.

Step 1: disgorgement

- 6.6. Pursuant to DEPP 6.5C.1G, at Step 1 the Authority seeks to deprive an individual of the financial benefit derived directly from the market abuse where it is practicable to quantify this.
- 6.7. Mr Gerrity derived a direct financial benefit of £128,765 from the market abuse that he committed. This figure includes secondary benefit gained by Mr Gerrity.
- 6.8. The Step 1 figure is therefore £128,765.

Step 2: the seriousness of the breach

- 6.9. Pursuant to DEPP 6.5C.2G, at Step 2 the Authority determines a figure that reflects the seriousness of the market abuse. That figure is dependent on whether or not the market abuse was referable to the individual's employment.
- 6.10. The market abuse committed by Mr Gerrity was referable to his employment. In cases where the market abuse was referable to the individual's employment, the Step 2 figure will be the greater of:
- (a) a figure based on the percentage of the individual's relevant income;
 - (b) a multiple of the profit made or loss avoided by the individual for their own benefit, or for the benefit of other individuals where the individual has been instrumental in achieving that benefit, as a direct result of the market abuse (the "profit multiple"); and
 - (c) for market abuse cases which the Authority assesses to be seriousness level 4 or 5, £100,000. The Authority usually expects to assess market abuse committed deliberately as seriousness level 4 or 5.
- 6.11. An individual's relevant income is the gross amount of all benefits they received from the employment in connection with which the market abuse occurred for the period of the market abuse.
- 6.12. In cases where the market abuse was referable to the individual's employment:
- (a) the Authority determines the percentage of relevant income which applies by considering the seriousness of the market abuse and choosing a percentage between 0% and 40%; and
 - (b) the Authority determines the profit multiple which applies by considering the seriousness of the market abuse and choosing a multiple between 0 and 4.
- 6.13. The percentage range and profit multiple range are divided into five fixed levels which reflect, on a sliding scale, the seriousness of the market abuse; the more serious the market abuse, the higher the level. For penalties imposed on individuals for market abuse there are the following five levels:
- Level 1 – 0% of relevant income; profit multiple of 0
- Level 2 – 10% of relevant income; profit multiple of 1
- Level 3 – 20% of relevant income; profit multiple of 2

Level 4 – 30% of relevant income; profit multiple of 3

Level 5 – 40% of relevant income; profit multiple of 4

- 6.14. In assessing the seriousness level, the Authority takes into account various factors which reflect the impact and nature of the market abuse, and whether it was committed deliberately or recklessly.
- 6.15. DEPP 6.5C.2G(11) lists factors relating to the impact of the market abuse, which include:
- (a) the level of benefit gained or loss avoided, or intended to be gained or avoided, by the individual from the market abuse, either directly or indirectly;
 - (b) whether the market abuse had an adverse effect on markets and, if so, how serious that effect was. This may include having regard to whether the orderliness of, or confidence in, the markets in question has been damaged or put at risk; and
 - (c) whether the market abuse had a significant impact on the price of shares or other investments.
- 6.16. The Authority considers that Mr Gerrity directly gained a significant benefit from the market abuse, as represented by the disgorgement figure at Step 1 above. Whilst the market abuse did not have significant impact on the price of Eco or Chariot shares, the Authority considers this type of market abuse to be damaging to market confidence.
- 6.17. DEPP 6.5C.2G(12) lists factors relating to the nature of the market abuse; of these the Authority considers that the following factors are relevant:
- The frequency of the market abuse (DEPP 6.5C.2G(12)(a)): Mr Gerrity committed market abuse ahead of four separate announcements; and
 - Whether the individual abused a position of trust ((DEPP 6.5C.2G(12)(b))): Mr Gerrity's role placed him in a position of trust in relation to his ready access to inside information relating to the progress of drilling operations.
- 6.18. DEPP 6.5C.2G(13) lists factors tending to show the market abuse was deliberate, of these the Authority considers that the following factors are relevant:

- The market abuse was intentional, in that the individual intended or foresaw that the likely or actual consequences of his actions would result in market abuse (DEPP 6.5C.2G(13)(a)): Mr Gerrity was aware of the regulations relating to the use of inside information as a result of his familiarity with Gaia's Code of Conduct and would have recognised that he was in possession of inside information on each of Occasions 1 to 4;
- The individual intended to benefit financially from the market abuse, either directly or indirectly (DEPP 6.5C.2G(13)(b)): Mr Gerrity intended to directly benefit from the market abuse;
- The individual knew that his actions were not in accordance with exchange rules, share dealing rules and/or the firm's internal procedures (DEPP 6.5C.2G(13)(c)): Mr Gerrity knew that his actions contravened Gaia's Code of Conduct;
- The individual's actions were repeated (DEPP 6.5C.2G(13)(g)): Mr Gerrity's actions were repeated on four occasions; and
- With regard to insider dealing falling within Article 14(a) of UK MAR, the individual knew or recognised that the information on which the dealing was based was inside information (DEPP 6.5C.2G(13)(h)): Mr Gerrity knew or recognised that the information on which his dealing on Occasions 1 to 4 was based, was inside information.

6.19. DEPP 6.5C.2G(15) lists factors likely to be considered 'level 4 or 5 factors'. Of these the Authority considers that the following factors are relevant:

- The level of benefit gained or loss avoided, or intended to be gained or avoided, directly by the individual from the market abuse was significant (DEPP 6.5C.2G(15)(a));
- The market abuse was committed on multiple occasions (DEPP 6.5C.2G(15)(c));
- The individual breached a position of trust (DEPP 6.5C.2G(15)(d)); and
- The market abuse was committed deliberately (DEPP 6.5C.2G(15)(f)).

6.20. DEPP 6.5C.2G(16) lists factors likely to be considered 'level 1, 2 or 3 factors'. Of these the Authority considers that the only factor relevant to Mr Gerrity's conduct

is that there was no, or limited, actual or potential effect on the orderliness of, or confidence in, markets as a result of the market abuse (DEPP 6.5C.2G(16)(b)). The Authority does however consider this type of market abuse to be inherently damaging to market confidence.

6.21. Taking all these factors into account, and in particular noting that Mr Gerrity committed the market abuse deliberately, the Authority considers the seriousness of the market abuse to be Level 4.

6.22. This means the Step 2 figure is the higher of:

- a. 30% of relevant income
- b. a profit multiple of 3 and
- c. £100,000

In this case the highest figure is a profit multiple of 3. The profit figure is £86,227.62. Applying a multiple of 3 to this figure we get a Step 2 figure of £258,682.86.

Step 3: Mitigating and aggravating factors

6.23. Pursuant to DEPP 6.5C.3G, at Step 3 the Authority may increase or decrease the amount of the financial penalty arrived at after Step 2 (not including any amount to be disgorged as set out in Step 1) to take into account factors that aggravate or mitigate the market abuse.

6.24. Having considered the aggravating and mitigating factors mentioned at DEPP 6.5C.3G, the Authority concludes that there are no aggravating or mitigating factors that are applicable in this case.

6.25. The Step 3 figure is therefore £258,682.86.

Step 4: Adjustment for deterrence

6.26. Pursuant to DEPP 6.5C.4G, if the Authority considers the figure arrived at after Step 3 is insufficient to deter the individual who committed the market abuse, or others, from committing further or similar market abuse then the Authority may increase the penalty.

6.27. The Authority considers that the Step 3 figure of £258,682.86 represents a sufficient deterrent to Mr Gerrity and others and so has not increased the penalty at Step 4.

6.28. The Step 4 figure is therefore £258,682.86.

Step 5: Settlement discount

6.29. Pursuant to DEPP 6.5C.5G, if the Authority and the individual on whom a penalty is to be imposed agree the amount of the financial penalty and other terms, DEPP 6.7 provides that the amount of the financial penalty which might otherwise have been payable will be reduced to reflect the stage at which the Authority and the individual reached agreement. The settlement discount does not apply to the disgorgement of any benefit calculated at Step 1.

6.30. The Authority and Mr Gerrity reached agreement at Stage 1 and so a 30% discount applies to the Step 4 figure.

6.31. Step 5 is therefore £181,078 plus disgorgement of £128,765.

Penalty

6.32. The Authority therefore imposes a total financial penalty of £309,843 on Mr Gerrity for market abuse.

7. PROCEDURAL MATTERS

7.1. This Notice is given to Mr Gerrity under and in accordance with section 390 of the Act. The following statutory rights are important.

Decision maker

7.2. The decision which gave rise to the obligation to give this Notice was made by the Settlement Decision Makers.

Manner and time for payment

7.3. The financial penalty must be paid in full by Mr Gerrity to the Authority no later than 2 January 2026.

If the financial penalty is not paid

7.4. If all or any of the financial penalty is outstanding on 3 January 2026, the Authority may recover all of the outstanding amount as debt owed by Mr Gerrity and due to the Authority.

Publicity

- 7.5. Sections 391(4), 391(6) and 391(7) of the Act apply to the publication of information about the matter to which this notice relates. Under those provisions, the Authority must publish such information about the matter to which this notice relates as the Authority considers appropriate. The information may be published in such manner as the Authority considers appropriate. However, the Authority may not publish information if such publication would, in the opinion of the Authority, be unfair to you or prejudicial to the interests of consumers or detrimental to the stability of the UK financial system.
- 7.6. The Authority intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

Authority contacts

- 7.7. For more information concerning this matter generally, contact Samantha Carruthers at the Authority (direct line: 020 7066 3574 / email: samantha.carruthers@fca.org.uk).

Ross Murdoch

Head of Department

Financial Conduct Authority, Enforcement and Market Oversight Division

ANNEX A

RELEVANT STATUTORY AND REGULATORY PROVISIONS

The Financial Services and Markets Act 2000 ("the Act")

The Authority's statutory objectives

1. The Authority's statutory objectives, set out in section 1B(3) of the Act, include the integrity objective, which is protecting and enhancing the integrity of the UK financial system and includes (amongst other matters) its not being affected by contraventions by persons of Article 14 (prohibition of insider dealing and of unlawful disclosure of inside information) of UK MAR.

Section 123 of the Act

2. The Authority has the power under section 123(1)(a) and 123(2) of the Act to impose a penalty of such amount as it considers appropriate on a person if it is satisfied that the person has contravened Article 14 (prohibition of insider dealing and of unlawful disclosure of inside information) [...] of UK MAR.

Regulation (EU) No 596/2014 ("UK MAR")

3. Article 1 of UK MAR provides that:

This Regulation establishes a regulatory framework on insider dealing, the unlawful disclosure of inside information and market manipulation (market abuse) as well as measures to prevent market abuse to ensure the integrity of financial markets in the United Kingdom and to enhance investor protection and confidence in those markets.

4. Article 2(1)(a) of UK MAR provides that UK MAR applies to:

financial instruments admitted to trading on a UK regulated market, Gibraltar regulated market or an EU regulated market or for which a request for admission to trading on a UK regulated market, Gibraltar regulated market or an EU regulated market has been made;

5. Article 2(1)(b) of UK MAR provides that UK MAR applies to:

financial instruments traded on a UK MTF, Gibraltar MTF or an EU MTF, admitted to trading on a UK MTF, Gibraltar MTF or an EU MTF or for which a request for admission to trading on a UK MTF, Gibraltar MTF or an EU MTF has been made;

6. Article 7(1)(a) of UK MAR provides that for the purposes of MAR inside information will comprise of:

information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments

7. Article 7(2) of UK MAR provides that information shall be deemed to be of a precise nature if:

it indicates a set of circumstances which exists or which may reasonably be expected to come into existence, or an event which has occurred or which may reasonably be expected to occur, where it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of the financial instruments [...]

8. Article 7(4) of UK MAR provides that for the purposes of Article 7(1) of UK MAR:

information, which, if it were made public, would be likely to have a significant effect on the prices of financial instruments ... shall mean information a reasonable investor would be likely to use as part of the basis of his or her investment decisions.

9. Article 8(4) of UK MAR provides that:

This Article applies to any person who possesses inside information as a result of:

- (a) being a member of the administrative, management or supervisory bodies of the issuer or emission allowance market participant;
- (b) having a holding in the capital of the issuer or emission allowance market participant;
- (c) having access to the information through the exercise of an employment, profession or duties; or
- (d) being involved in criminal activities.

This Article also applies to any person who possesses inside information under circumstances other than those referred to in the first subparagraph where that person knows or ought to know that it is inside information."

10. Article 14 of UK MAR provides that:

A person shall not:

- (a) engage or attempt to engage in insider dealing; [...]

11. Recital 14 to UK MAR states, as to the behaviour of reasonable investors, that:

Reasonable investors base their investment decisions on information already available to them, that is to say, on *ex ante* available information. Therefore, the question whether, in making an investment decision, a reasonable investor would be likely to take into account a particular piece of information should be appraised on the basis of the *ex ante* available information. Such an assessment has to take into consideration the anticipated impact of the information in light of the totality of the related issuer's activity, the reliability of the source of information and any other market variables likely to affect the financial instruments, the related spot commodity contracts, or the auctioned products based on the emission allowances in the given circumstances.

12. Recital 15 to UK MAR states that:

Ex post information can be used to check the presumption that the *ex ante* information was price sensitive, but should not be used to take action against persons who drew reasonable conclusions from *ex ante* information available to them.

13. Recital 16 to UK MAR states that:

Where inside information concerns a process which occurs in stages, each stage of the process as well as the overall process could constitute inside information. An intermediate step in a protracted process may in itself constitute a set of circumstances or an event which exists or where there is a realistic prospect that they will come into existence or occur, on the basis of an overall assessment of the factors existing at the relevant time. [...]

14. Recital 23 to UK MAR states that:

The essential characteristic of insider dealing consists in an unfair advantage being obtained from inside information to the detriment of third parties who are unaware of such information and, consequently, the undermining of the integrity of financial markets and investor confidence. Consequently, the prohibition against insider dealing should apply where a person who is in possession of inside information takes unfair advantage of the benefit gained from that information by entering into market transactions in accordance with that information by acquiring or disposing of, by attempting to acquire or dispose of, by cancelling or amending, or by attempting to cancel or amend, an order to acquire or dispose of, for his own account or for the account of a third party, directly or indirectly, financial instruments to which that information relates. Use of inside information can also consist of trading in emission allowances and derivatives thereof and of bidding in the auctions of emission allowances or other auctioned products based thereon that are held pursuant to Commission Regulation (EU) No 1031/2010 (1).

15. Recital 24 to UK MAR states that:

[... The question whether a person has infringed the prohibition on insider dealing or has attempted to commit insider dealing should be analysed in the light of the purpose of this Regulation, which is to protect the integrity of the financial market and to enhance investor confidence, which is based, in turn, on the assurance that investors will be placed on an equal footing and protected from the misuse of inside information.

The Authority's Handbook of Rules and Guidance

Market Conduct

16. Following the coming into force of UK MAR, section 124 of the Act required the Authority to issue a statement of policy with respect to the type and level of administrative sanctions it may impose on a person who had contravened Article 14 of UK MAR.
17. The part of the Authority's Handbook of rules and guidance entitled "Market Conduct" ("MAR") provides guidance on UK MAR (see MAR 1.1.2G).
18. Chapter 1.2 of MAR is headed "Market Abuse: general".
19. MAR 1.2.3G states that [UK MAR] does not require the person engaging in the behaviour in question to have intended to commit market abuse.
20. MAR 1.2.9G states that for the purposes of being categorised as an insider in article 8(4) of [UK MAR], the person concerned does not need to know that the information concerned is inside information.

21. MAR 1.2.12G states that the following factors may be taken into account in determining whether or not information has been made public, and are indications that it has (and therefore is not inside information):
- (1) whether the information has been disclosed to a prescribed market or a prescribed auction platform through a regulatory information service or RIS or otherwise in accordance with the rules of that market;
 - (2) whether the information is contained in records which are open to inspection by the public;
 - (3) whether the information is otherwise generally available, including through the Internet, or some other publication (including if it is only available on payment of a fee), or is derived from information which has been made public; and
 - (4) whether the information can be obtained by observation by members of the public without infringing rights or obligations of privacy, property or confidentiality.
22. MAR can be accessed here: [https://www.handbook.fca.org.uk/handbook/MAR/Decisions Procedures and penalties manual \("DEPP"\)](https://www.handbook.fca.org.uk/handbook/MAR/Decisions%20Procedures%20and%20penalties%20manual%20%28DEPP%29)
23. Chapter 6 of DEPP sets out the Authority's statement of policy with respect to the imposition and amount of financial penalties under the Act and can be accessed here: <https://www.handbook.fca.org.uk/handbook/DEPP/6/?view=chapter>