



2012 ANNUAL GENERAL MEETING

CHAIRMAN'S INTRODUCTION BY DR PIERRE JUNGELS CBE

Good morning ladies and gentlemen. Welcome to all of you.

It is now 11.00 a.m., a quorum is present and I shall therefore open the meeting.

This is an Annual General Meeting of Rockhopper Exploration plc to consider and, if thought fit, pass the resolutions set out in the notice of the meeting which you will have received. I will chair the meeting.

I would like to introduce the directors present today: Sam Moody, the Chief Executive, Peter Dixon-Clarke, the Finance Director, Dave Bodecott, the Exploration Director, Chris Walton, Senior Independent Director, John Crowle, David McManus and Bob Peters, non-executive directors and our Company Secretary, Jan Davies. We all welcome you to the meeting.

Adrian Wilcox is representing KPMG, the Company's auditors. Computershare Registrars, the Company's Registrars, are represented here today by Penny Kapp.

Now on to the business of the day.

Before the formal part of the proceedings and the question and answer period, let me make some comments on what has been a



transformational period for your company.

I believe that Rockhopper has taken strategic, commercial and operational steps this year that have positioned it perfectly to move to the next stage of its maturation as an E&P company of real scale, and that in the coming years we will look back on 2012 as a definitive time for Rockhopper.

The last twelve months have seen the completion of the latest phase of the company's exploration and appraisal drilling programme, with further success in late 2011 through the discoveries of Casper and Beverley as well as additional delineation of the Sea Lion field's extent.

Our presence on the Beverley well was of course a function of our farm in to Desire's acreage on Licence PL004, and the active management of our portfolio has been a key feature of our activity over the last year. I will come to the farm out to Premier Oil in a moment, but the Beverley well demonstrated both the value of our technical understanding of the regional geology and our ability to leverage that to access opportunities to create further value for our shareholders.

So let me now make a few points about the farm out agreement we have signed with Premier Oil Plc and how this positions Rockhopper for the future.

I will also describe what alternatives we considered as a board and why we feel that the agreement we announced was the best outcome for all



shareholders in the current circumstances.

I think it is important to reinforce the benefits of the transaction to the company and our investors.

First and foremost, in Premier Oil we have secured a competent operator with expertise in both FPSO developments and the handling of waxy crude, and also the financial resources and the need to develop and produce Sea Lion as efficiently and expeditiously as we would have done, had we had the financial and human resources available in-house. Premier Oil and Rockhopper are like-minded companies with complementary skills and the common goal of bringing first oil production at Sea Lion as soon as possible. In addition, both firms are fully committed to exploring further the outstanding remaining potential of the North Falkland Basin.

So, what does the farm-in mean for Rockhopper?

First, we get \$231 million as up-front reimbursement of past costs, which, combined with our remaining cash, gives us the financial strength to explore further potential targets in the North Falklands and also other areas of the world where our outstanding - and lucky! - exploration team can deploy their competitive skills.

Second, we are carried for three exploration wells in our present acreage. The targets will be defined by our team, using their undoubted proven knowledge of the basin, and agreed with Premier. Both parties



are convinced that there are significant hydrocarbons still to be found in these licences, and the two exploration teams share that view.

Third, we are fully funded to first oil for the Sea Lion development.

In summary, this deal allows Rockhopper to plan for further exploration, secure future production on a fast track timetable and it brings in a partner with complementary skills.

Analysis of the value created by the farm out has been shown in our presentation to the market available on the Rockhopper website.

It shows an NPV10 with little risk remaining of between 2.4 and 2.6 billion \$ and bear in mind that this is not including the exploration upside of which we believe there remains plenty.

You hardly need me to tell you that these values are not reflected in our present share price, and I can understand your frustration at that fact – we share it. Remember that the Board collectively is exposed to more than 10 million shares and is therefore fully aligned with the shareholders.

Many within the oil and gas industry, as represented by the number of senior executives from around the world who have complimented us on the farm out, do not understand the market reaction any more than we do. We continue to work very hard to communicate the value we see in this deal to the market and hope very much that in due course some of this effort will see reward with a share price more reflective of the



transaction's strengths.

So what were the alternatives facing your Board? Let me go through them one by one.

1. We could have sold the company.

This required a willing buyer. As conversations progressed with more than 50 international prospective farm-inees it became obvious that candidates preferred a risk sharing partnership approach to progressing Sea Lion which also enabled them to benefit from Rockhopper's standalone subsurface expertise, rather than seeking to buy us outright at this point.

2. We could have developed Sea Lion on our own.

Aside from the huge in-house resource we would have needed to develop such a large field, we would have required to secure between \$2 and 3 billion or more of funding in this difficult financial environment. Discussions with the banks showed that in excess of \$500 million could have been made available – meaning that the remaining capital would have had to come from equity.

Even assuming that would have been possible - and the advice was that it was not – it would have required a deeply discounted offering leading to a massive dilution of our equity and our present shareholders. I am sure you can see that for all investors this did not seem an attractive option.



3. We could have waited for better times.

That indeed was an option. We had the funds to carry on with the FEED process but without any clarity on funding in the future, that option would have been seen as a huge negative by the market and the various authorities in the Falklands and the United Kingdom who were keen to see progress on the development of Sea Lion.

4. Could we have kept more than 40% of our assets?

The process as carried out was competitive and exhaustive. Of the many companies contacted, a significant number went through our extensive data room and the final negotiation was a real competition between the last two interested parties where your management team was able to get several significant improvements to their initial offers.

The Premier farm in represented the best deal for Rockhopper, not only in financial terms, but also in securing an operator with a very good fit to the project. I can confirm that we received no offer outside the farm out process.

Your Board believes that, given all the circumstances facing the company, the farm out agreement with Premier Oil is good for Rockhopper and for its shareholders and is the best deal that could be achieved in 2012.

This full financing of our share of the Sea Lion field may allow us to reclassify our 2c reserves to 2p and seek a full quote of your Company on the Main Market of the London stock exchange which we hope will



result in a more stable share price and enable us to access a broader spectrum of potential investors.

In short, your Board believes these are very exciting times for your company. Twelve months ago we were discussing how to take Sea Lion forward and how best to explore further exploration upside – now I stand before you with Sea Lion fully financed to first oil, further discoveries made on our acreage and a strong partnership for both development and exploration activity established with a leading international operator.

With that I would like to hand over to Sam Moody who will provide further details on other developments over the last twelve months and our proposed forward strategy. After that we will take questions and then proceed to the formal business of the day. Thank you.