

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt about the contents of this document and/or the action you should take you are recommended to seek your own personal advice immediately from your stockbroker, solicitor, accountant, bank manager or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended), or if you are resident outside the United Kingdom, another appropriately qualified independent financial adviser.**

If you have sold or transferred all your Ordinary Shares in the Company, you should send this document at once, together with the accompanying Form of Proxy, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. If you have sold or transferred only part of your holding of Ordinary Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

Your attention is drawn to page 5 of this document which sets out and describes certain risks that Shareholders should consider carefully when deciding whether or not to vote in favour of the Resolutions at the General Meeting.

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## **Rockhopper Exploration plc**

**Proposed cancellation of the Company's Share Premium Account  
and authority for the Company to purchase its own shares**

**and**

**Notice of General Meeting**

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**Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 3 to 6 of this document containing the Board's recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.**

Notice of a General Meeting of Shareholders to be held on 4 June 2013 at 10.00 a.m. at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA is set out at the end of this document. A Form of Proxy for use in connection with the business of the General Meeting is enclosed.

Shareholders are requested to complete and return the enclosed Form of Proxy in accordance with the instructions printed thereon whether or not they intend to be present at the meeting. To be valid, the Form of Proxy must be completed and returned as soon as possible and in any event so as to be received by the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, no later than 10.00 a.m. on 2 June 2013. Completion and return of a Form of Proxy will not preclude a member from attending and voting at the meeting in person. Alternatively, shareholders may appoint a proxy on-line by following the instructions for the electronic appointment of a proxy at [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). To be a valid proxy appointment, the member's electronic message confirming the details of the appointment completed in accordance with those instructions, must be transmitted so as to be received by the same time. Alternatively, eligible shareholders may use the CREST Proxy Voting Service, details in respect of which are contained in the notice of General Meeting.

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Date circular posted	30 April 2013
Latest time and date for receipt of Forms of Proxy for the General Meeting	10.00 a.m. on 2 June 2013
General Meeting	10.00 a.m. on 4 June 2013
Court hearing to confirm cancellation of Share Premium Account	3 July 2013 <sup>1</sup>
Effective Date	on or around 4 July 2013 <sup>2</sup>

1 This date is subject to any changes which may be imposed by the Court.

2 This date will depend on, amongst other things, the date on which the Court confirms the cancellation of the Share Premium Account.

3 If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement to a Regulatory Information Service.

# LETTER FROM THE CHAIRMAN

## Rockhopper Exploration plc

*(Incorporated and registered in England and Wales under the Companies Act 1985  
with registered number 5250250)*

*Directors:*

Dr Pierre Jungels (*Chairman*)  
Sam Moody (*Chief Executive*)  
Peter Dixon-Clarke (*Finance Director*)  
Fiona MacAulay (*Technical Director*)  
John Crowle (*Non-Executive Director*)  
David McManus (*Non-Executive Director*)  
Robert Peters (*Non-Executive Director*)  
Christopher Walton (*Senior Independent Director*)

*Registered Office:*

Hilltop Park  
Devizes Road  
Salisbury  
Wiltshire  
SP3 4UF

30 April 2013

*To the holders of Ordinary Shares and, for information only, to the holders of options over Ordinary Shares*

Dear Shareholder

### **PROPOSED CANCELLATION OF THE SHARE PREMIUM ACCOUNT AND AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES**

#### **Introduction**

The purpose of this letter is to seek the approval of Shareholders at a General Meeting to be held on 4 June 2013, for the Company to cancel its Share Premium Account and for the Directors to be given the authority for the Company to purchase its own Ordinary Shares.

As outlined in the Company's announcement of 27 March 2013, the Directors believe it to be important that the Company has the flexibility to pay dividends to Shareholders and to make purchases of its own shares where to do so would benefit the Company. However, at the present time the Company has no distributable reserves and is therefore unable to pay dividends or purchase its own shares. The proposed cancellation of the Share Premium Account described below is expected to create distributable reserves if the cancellation is approved by the Court.

While the Directors have no immediate plans to make any purchase of the Company's own Ordinary Shares they would like to have the ability to act swiftly if circumstances arise where they consider that any such purchase would be desirable and appropriate. In addition, the Directors wish to avoid a situation where they feel able from a commercial standpoint to recommend the payment of or to declare a dividend but are precluded from doing so because the Company has insufficient distributable reserves. It is the Directors current intention that no decision for the Company to make dividend payments or to purchase its own shares would be made before the Company has completed an evaluation of its medium-term funding requirements. Concept Selection for the Sea Lion development, which is anticipated to take place in mid 2013 will be a key part of this evaluation as the choices made are expected to provide greater clarity on the expected cost and schedule of the project.

Notice of a General Meeting of the Company at which resolutions will be proposed by the Company to cancel the Share Premium Account and for the Directors to be given the authority for the Company to purchase its own Ordinary Shares is set out at the end of this document.

### **Cancellation of the Share Premium Account**

The Companies Act restricts the circumstances in which a company may pay dividends or return funds to its shareholders. In particular, it provides that a public company may only purchase its own shares out of distributable reserves or out of the proceeds of a fresh issue of shares. Furthermore, a public company may only pay a dividend on its shares out of its accumulated distributable reserves. It also imposes limitations on the use of a company's capital reserves including its share premium account.

As at 31 March 2013, the Company had, on the basis of its unaudited management accounts, retained losses of US\$29,370,466 and is therefore prohibited from paying dividends or purchasing its own shares.

The Directors believe it to be important that the Company be in a position to pay dividends to Shareholders and to make purchases of its own shares where to do so would benefit the Company. The amount standing to the credit of the Company's Share Premium Account as at 31 March 2013 was US\$578,754,134. In order to create distributable reserves, the Company is therefore proposing to cancel the whole of the Share Premium Account. On the basis of the figures shown on the Company's unaudited balance sheet as at 31 March 2013, this will create a reserve of US\$578,754,134 which will be used to eliminate the accumulated deficit on the Company's profit and loss account, creating distributable reserves of US\$549,383,668. These distributable reserves would then be available (subject to approval of the Court and the protection of the creditors of the Company as more particularly explained below), for any corporate purposes which the Directors may consider appropriate including the funding of dividends and to facilitate any buy-back of the Company's own Ordinary Shares pursuant to the Second Resolution to be proposed at the General Meeting.

It should not be assumed however, that the Company will necessarily use the distributable reserves created by the cancellation of the Company's Share Premium Account to make dividend payments or to facilitate the purchase of its own Ordinary Shares. Indeed the Directors have no immediate plans to make any purchase of the Company's own Ordinary Shares but would like to have the ability to act swiftly if circumstances arise in which they consider such purchase to be desirable and appropriate. In addition, the Directors wish to avoid a situation where they feel able from a commercial standpoint to recommend the payment of or to declare a dividend but are precluded from doing so because the Company has insufficient distributable reserves. It is the Directors current intention that no decision for the Company to make dividend payments or to purchase its own shares would be made before the Company has completed an evaluation of its medium-term funding requirements. Concept Selection for the Sea Lion development, which is anticipated to take place in mid 2013 will be a key part of this evaluation as the choices made are expected to provide greater clarity on the expected cost and schedule of the project.

The cancellation of the Share Premium Account requires the passing of the First Resolution as a special resolution of the Company at the General Meeting and the subsequent approval of the Court. The cancellation of the Share Premium Account will not be effective until the order of the Court confirming the cancellation has been registered with the registrar of companies. In order to approve the proposed cancellation, the Court will need to be satisfied that the interests of the Company's creditors will not be prejudiced as a result of the cancellation. The Company expects to seek to obtain the consent of certain of its creditors to the cancellation and to give an undertaking to the Court to treat the reserve arising on the cancellation of the Share Premium Account (after the elimination of the deficit on the Company's profit and loss account), as non-distributable until all creditors at the time of the cancellation have been discharged or have consented to the reserve becoming distributable or until the Company has set aside in a blocked trust account a sufficient sum to discharge claims of non-consenting creditors. However, the terms upon which the Court is willing to confirm the proposed cancellation are, ultimately, for the Court to determine and the Company will give to the Court such undertakings as it is advised are appropriate. For so long as the reserve remains undistributable pursuant to the undertaking referred to above, it will be unavailable for the purposes of paying dividends and financing repurchases of the Company's Ordinary Shares.

### **Authority for the Company to purchase its own Ordinary Shares**

In addition to the proposal set out above to cancel the Company's Share Premium Account, the Second Resolution to be proposed at the General Meeting (which will be proposed as a special resolution) will, if passed and provided that the Court approves the cancellation of the Company's Share Premium Account and

the distributable reserve arising is available to be distributed, allow the Company to make purchases of its own Ordinary Shares in the market on such terms and in such manner as the Directors may determine.

However, in accordance with IPC Guidelines the authority sought will be limited to 10 per cent. of the Company's issued Ordinary Shares and the minimum price that may be paid for each Ordinary Share is 1 pence and the maximum price that may be paid for each Ordinary Share is an amount equal to 105 per cent. of the average of the middle market quotations for the Ordinary Shares as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which such share is contracted to be purchased.

In the event that Ordinary Shares are purchased, they would either be cancelled (and the number of Ordinary Shares in issue would be reduced accordingly) or, in accordance with the Companies Act 2006, be retained as treasury shares. Holding treasury shares would give the Company the ability to re-allot shares quickly and cost effectively and would provide the Company with additional flexibility in the management of its capital base.

As at 29 April 2013, the total number of options and SAR's over Ordinary Shares that were outstanding under the Company's share option plans was 8,162,806, which if all became fully vested and were exercised and were satisfied through the issue of New Ordinary Shares would represent 2.79 per cent. of the Company's enlarged issued ordinary share capital at that date. If the Company were to purchase its own Ordinary Shares to the fullest possible extent of the authority from Shareholders being sought at the General Meeting, the number of outstanding options and SAR's could potentially represent 3.09 per cent. of the enlarged issued ordinary share capital of the Company.

### **Risk Factors**

Set out below are certain risk factors relating to the Company in connection with the capital reduction and the possible purchase by the Company of its own Ordinary Shares and/or the payment of a dividend by the Company. Additional risks together with uncertainties in connection with the capital reduction and the possible purchase by the Company of its own Ordinary Shares and/or the payment of a dividend by the Company not presently known to the Directors, or that the Directors currently consider to be immaterial, may also have an adverse effect on the business, results or financial condition of the Company in connection with the Resolutions. Investors should carefully consider these risk factors, together with the other information contained in this document, before making any decision in relation to how they should vote on the Resolutions.

#### *Liquidity*

The Company's equity base and/or cash reserves will be reduced if, following the cancellation of the Share Premium Account, the Company makes a purchase of its own Ordinary Shares or pays a dividend.

#### *Creditworthiness*

As a result of a purchase of the Company's own Ordinary Shares or the payment of a dividend, the Company will have lower net assets than would otherwise have been the case. This may adversely affect the Company's creditworthiness.

#### *Losses*

The reduction in the Company's cash balances, as a result of a purchase of the Company's own Ordinary Shares or the payment of a dividend, would reduce the interest earned on such balances which may increase the losses/decrease the profits generated by the Company.

### **General Meeting**

Shareholders will find on page 8 a notice convening a General Meeting of the Company to be held on 4 June 2013 at 10.00 a.m., at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA.

The First Resolution, which will be proposed as a special resolution, is to approve the cancellation of the Company's Share Premium Account, as described above.

The Second Resolution, which will also be proposed as a special resolution, is to give authority for the Company to purchase its own Ordinary Shares in such manner as the Directors may from time to time determine, as described above.

### **Taxation**

The cancellation of the Share Premium Account will not result in any tax liabilities for Shareholders or the Company.

Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the United Kingdom should consult their professional advisers.

### **Action to be taken**

You will find enclosed a Form of Proxy for use at the General Meeting. Whether or not you propose to attend the meeting, you are requested to complete and return the Form of Proxy as soon as possible in accordance with the instructions printed thereon. To be valid, the Form of Proxy must be lodged with the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, so as to be received by 10.00 a.m. on 2 June 2013. The completion and return of the Form of Proxy will not prevent you from attending and voting in person should you so wish. Alternatively, a Shareholder may appoint a proxy on-line by following the instructions for the electronic appointment of a proxy at [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). To be a valid proxy appointment, the member's electronic message confirming the details of the appointment, completed in accordance with those instructions, must be transmitted so as to be received by the same time. CREST members who wish to appoint one or more proxies through the CREST system may do so by using the procedures described in "the CREST voting service" section of the CREST manual.

### **Recommendation**

**The Directors consider the cancellation of the Share Premium Account and the proposal to give the Company the authority to purchase its Ordinary Shares in such manner as the Directors may from time to time determine to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend all Shareholders to vote in favour of the Resolutions as they intend to do so in respect of their own beneficial holdings, amounting in aggregate to 2,650,334 Ordinary Shares (representing 0.9 per cent. of the issued ordinary share capital).**

Yours faithfully

Dr Pierre Jungels  
*Chairman*  
Rockhopper Exploration plc

## DEFINITIONS

“Company”	Rockhopper Exploration plc
“Companies Act”	the Companies Act 2006, as amended
“Court”	the High Court of Justice of England and Wales
“Directors” or “Board”	the board of directors of the Company
“Effective Date”	the date on which the proposed cancellation of the Share Premium Account will become effective
“First Resolution”	the special resolution in the notice of General Meeting to approve the cancellation of the Share Premium Account
“Form of Proxy”	the form of proxy enclosed with this document
“General Meeting”	the General Meeting of the Company to be held at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA on 4 June 2013 at 10.00 a.m.
“IPC Guidelines”	guidelines issued by organisations such as the Association of British Insurers and the National Association of Pension Funds representing the interests of their members consisting of large institutional shareholders
“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company
“Resolutions”	the First Resolution and the Second Resolution
“SAR’s”	the Company’s outstanding share appreciation rights
“Second Resolution”	the special resolution in the notice of General Meeting to give authority for the Company to purchase its own Ordinary Shares
“Share Premium Account”	the share premium account of the Company
“Shareholder”	a holder of Ordinary Shares

## NOTICE OF GENERAL MEETING

# Rockhopper Exploration plc (“Company”)

(Registered in England and Wales No. 5250250)

Notice is hereby given that a General Meeting of the Company will be held at 10.00 a.m. on 4 June 2013 at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as special resolutions:

### SPECIAL RESOLUTIONS

1. That the Share Premium Account of the Company be and is hereby cancelled.
2. That the Company is generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (the “Act”) to make market purchases (within the meaning of section 693(4) of the Act) of any of its ordinary shares of 1p each in the capital of the Company on such terms and in such manner as the directors may from time to time determine:
  - (a) the maximum number of ordinary shares which may be purchased is 28,422,551 representing approximately ten per cent. of the issued ordinary share capital at 29 April 2013;
  - (b) the minimum price that may be paid for each ordinary share is 1 pence which amount shall be exclusive of expenses, if any;
  - (c) the maximum price (exclusive of expenses) that may be paid for each ordinary share is an amount equal to 105 per cent. of the average of the middle market quotations for the ordinary shares of the Company as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which such share is contracted to be purchased;
  - (d) unless previously renewed, revoked or varied, this authority shall expire at the conclusion of the Annual General Meeting in 2013 or on 31 December 2013, whichever is the earlier; and
  - (e) the Company may, before this authority expires, make a contract to purchase ordinary shares that would or might be executed wholly or partly after the expiry of this authority, and may make purchases of ordinary shares pursuant to it as if this authority had not expired.

*Registered office:*  
Hilltop Park  
Devizes Road  
Salisbury  
Wiltshire SP3 4UF

By order of the Board  
Jan Davies  
*Company Secretary*

30 April 2013



## NOTES

1. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that in order to have the right to attend and vote at the General Meeting (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company at close of business on the day which is two days before the day of the meeting or, if the meeting is adjourned, at close of business on the day which is two days before the time fixed for the adjourned meeting. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

2. Only holders of Ordinary Shares are entitled to attend and vote at this meeting.

A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, to speak and to vote at the General Meeting. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. A proxy need not be a member of the Company. A Form of Proxy for the meeting is enclosed.

To be valid any Form of Proxy or other instrument appointing a proxy must be received by post or by hand (during normal business hours only) by the Company's registrar, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY, no later than 48 hours before the time for the holding of the meeting or any adjournment of it. Alternatively, a member may appoint a proxy online by following the instructions for the electronic appointment of a proxy at [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). To be a valid proxy appointment, the member's electronic message confirming the details of the appointment completed in accordance with those instructions must be transmitted so as to be received by the same time. If you are a CREST member, see note 3 below.

Completion of a Form of Proxy, or other instrument appointing a proxy or any CREST Proxy Instruction will not preclude a member attending and voting in person at the meeting if he/she wishes to do so.

3. If you are a member of CREST, you may register the appointment of a proxy by using the CREST electronic proxy appointment service. Further details are contained below.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by using the procedures, and to the address, described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)) subject to the provisions of the Company's articles of association. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK and Ireland Limited's ("**Euroclear**") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (CREST ID 3RA50) by the latest time(s) for receipt of proxy appointments specified in the notice of the General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages.

Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

4. A corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
5. Any member attending the General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
6. A copy of the articles of association are available for inspection at the Company's registered office during normal business hours from the date of this notice until the close of the General Meeting (Saturdays, Sundays and public holidays excepted) and will be available for inspection at the place of the meeting for at least 15 minutes prior to and during the meeting. A copy of this notice can be found at [www.rockhopperexploration.co.uk](http://www.rockhopperexploration.co.uk).
7. As at 29 April 2013 (being the last practicable date prior to the publication of this notice) the Company's issued share capital consists of 284,225,515 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at that date are 284,225,515.
8. You may not use any electronic address (within the meaning of section 333(4) of the Companies Act 2006) provided in this Notice of Meeting (or in any related documents including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.



