

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN OR INTO OR FROM ANY JURISDICTION WHERE IT WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION

Date: 24 November 2015

RECOMMENDED ALL-SHARE MERGER
OF
ROCKHOPPER EXPLORATION PLC ("ROCKHOPPER")
AND
FALKLAND OIL AND GAS LIMITED ("FOGL")

(to be effected by means of a scheme of arrangement under Part IV of the Companies Act 1948)

- The boards of Rockhopper and FOGL are pleased to announce that they have reached agreement on the terms of a recommended all-share merger (the "**Merger**") to be effected by means of a Court-sanctioned scheme of arrangement under Part IV of the Companies Act 1948, being the legislation applicable in the Falkland Islands where FOGL is incorporated (the "**Scheme**").
- The boards of Rockhopper and FOGL believe that a combination of the Rockhopper and FOGL groups (together, the "**Combined Group**") represents a compelling opportunity for shareholders of both companies to benefit from the significant value opportunity arising from the combination of their highly complementary portfolios. Specifically, the Combined Group is expected to:
 - be the largest North Falkland Islands licence and discovered resource holder with a material working interest in all key licences;
 - have enhanced prospects of progressing the Sea Lion project through final investment decision;
 - have greater exposure to exploration and appraisal upside potential; and
 - benefit from enhanced scale and capabilities creating value in the current market environment.
- Pursuant to the Merger, which will be subject to the Conditions and further terms set out below and in Appendix 1 and to the full terms and conditions which will be set out in the Scheme Document, Scheme Shareholders will receive:

for each FOGL Share 0.2993 Rockhopper Consideration Shares

- On the date on which the Merger becomes effective (the "**Effective Date**"), the current shareholders of Rockhopper ("**Rockhopper Shareholders**") will own approximately 65 per cent of the Combined Group's issued share capital and FOGL Shareholders will own approximately 35 per cent.
- Based on the closing price of a Rockhopper Share on 23 November 2015 (being the last practicable date prior to the date of this announcement) of 35.75 pence, the Merger values

the entire issued and to be issued share capital of FOGL at approximately £57.1 million, and each FOGL Share at 10.70 pence.

- This represents an 11 per cent premium to FOGL's closing share price of 9.60 pence on 23 November 2015 (being the last practicable date prior to the date of this announcement).
- Following implementation of the Merger, the existing management team of Rockhopper will remain the same with Tim Bushell (Chief Executive Officer of FOGL) and John Martin (Chairman of FOGL) joining the board of Rockhopper as Non-Executive Directors. Colin More will be retained as an advisor to the Combined Group.
- The Merger requires approval by FOGL Shareholders in connection with the Scheme and approval by Rockhopper Shareholders in connection with the allotment of the Rockhopper Consideration Shares. Further details are contained in the full text of this announcement.
- The FOGL Directors, who have been advised by RBC Capital Markets as to the financial terms of the Merger, consider the terms of the Merger to be fair and reasonable. In providing its advice to the FOGL Directors, RBC Capital Markets has taken into account the commercial assessments of the FOGL Directors.
- Accordingly, the FOGL Directors intend unanimously to recommend that FOGL Shareholders vote in favour of the Scheme at the meeting of Scheme Shareholders for the purpose of approving the Scheme (the "**Court Meeting**") and other resolutions to be proposed at the extraordinary general meeting of FOGL Shareholders which is to be convened in connection with the Scheme (the "**FOGL General Meeting**").
- The FOGL Directors and certain FOGL Shareholders have undertaken irrevocably to approve the necessary resolutions in respect of their entire beneficial holdings in FOGL, which, in aggregate, amount to 50,390,798 FOGL Shares, representing approximately 9.44 per cent of the existing share capital of FOGL in issue on 23 November 2015 (being the last practicable date prior to this announcement). The irrevocable undertakings given by the FOGL Directors will cease to be binding only if the Scheme (or Merger Offer, if applicable) lapses or is withdrawn and remain binding if a higher competing offer for FOGL is made. The irrevocable undertakings given by the relevant FOGL Shareholders will cease to be binding only if the Scheme (or Merger Offer, if applicable) lapses or is withdrawn or if a competing offer for FOGL is made which represents, in the reasonable opinion of Canaccord, in excess of a 10 per cent improvement on the value of the consideration offered to FOGL Shareholders pursuant to the terms of the Merger.
- In connection with the consent required from the Rockhopper Shareholders to issue approximately 159,684,687 new Rockhopper Shares in connection with the Merger, the Rockhopper Directors intend to convene a general meeting of the Rockhopper Shareholders (the "**Rockhopper General Meeting**"). A notice convening the Rockhopper General Meeting is anticipated to be despatched to existing Rockhopper Shareholders on or around 27 November 2015 and the Rockhopper General Meeting is anticipated to be held on or around 14 December 2015.
- The Rockhopper Directors intend unanimously to recommend that Rockhopper Shareholders vote in favour of the resolution to be proposed at the Rockhopper General Meeting. The Rockhopper Directors have undertaken irrevocably to vote in favour of the resolution to be proposed at the Rockhopper General Meeting in respect of their entire beneficial holdings in Rockhopper, which, in aggregate, amount to 3,630,048 Rockhopper Shares, representing approximately 1.22 per cent of the existing share capital of Rockhopper in issue on 23 November 2015 (being the last practicable date prior to this announcement).

- Commenting on the Merger, Pierre Jungels, Chairman of Rockhopper said:

"This transaction enhances Rockhopper's position in the Falkland Islands, with the largest regional acreage position and most discovered resources, coupled with a strong balance sheet. By combining Rockhopper and FOGL, we shall create a more coherent licence ownership structure in the North Falkland Basin, driven by a technically accomplished organisation with a strong exploration and appraisal track record, well positioned to access the opportunities in this emerging hydrocarbon province. The Rockhopper Board believes this Merger will also add further momentum to the on-going work to progress the development of discovered resources in the area towards commerciality."
- Commenting on the Merger, John Martin, Chairman of FOGL said:

"FOGL has built a significant portfolio of discovered resources in the Falkland Islands region despite the challenging market conditions. The enhanced scale, capabilities and financial position of the merged FOGL and Rockhopper entity will provide FOGL Shareholders with a platform from which to bring these quality resources into development. As a result, the FOGL Board intends unanimously to recommend that FOGL Shareholders accept the proposed transaction."
- **As FOGL is incorporated in and has its registered office in the Falkland Islands, the Takeover Code does not apply to the Merger and FOGL Shareholders should note that the Takeover Panel does not have responsibility for ensuring that the Merger complies with the provisions of the Takeover Code.** Rockhopper and FOGL have entered into a Co-operation Agreement to ensure that key aspects of the Merger, relating to timing, process and transaction certainty for each party, are appropriately provided for. Further details are contained in the full text of this announcement.
- **This summary should be read in conjunction with the full text of this announcement (including all its appendices). Appendix 1 to this announcement contains the conditions to, and certain further terms of, the Merger. Appendix 2 to this announcement contains further details of the sources of information and bases of calculations set out in this announcement. Appendix 3 contains a summary of the irrevocable undertakings given by the FOGL Directors, certain FOGL Shareholders and the Rockhopper Directors. Appendix 4 contains definitions of certain expressions used in this summary and in this announcement.**
- A copy of this announcement will be made available, free of charge, on FOGL's website at www.fogl.com and Rockhopper's website at www.rockhopperexploration.co.uk as soon as reasonably practicable following the release of this announcement. Neither the content of any website referred to in this announcement nor the content of any website accessible from hyperlinks on FOGL or Rockhopper's website (or any other website) is incorporated into, or forms part of, this announcement.

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Further information

This announcement is for information only and is not intended to and does not constitute, or form part of any offer to sell or invitation to purchase or subscribe for any securities, or any solicitation of any vote or approval in any jurisdiction pursuant to the Merger or otherwise, nor shall there be any sale, issuance or transfer of securities of Rockhopper or FOGL in any jurisdiction in contravention of applicable law. This announcement does not constitute a prospectus or a prospectus equivalent document. The Merger will be made on the terms and subject to the conditions and further terms set out herein and in Appendix 1 to this announcement and the further terms and conditions to be set out in the Scheme Document, Forms of Proxy and Forms of Direction when issued. Any vote by FOGL Shareholders in respect of the Merger should be made only on the basis of the information contained in the Scheme Document, which will include details of how to vote in favour of the Scheme. FOGL Shareholders are advised to read the formal documentation in relation to the Merger which will be distributed to FOGL Shareholders in due course, as it will contain important information relating to the Merger.

Rockhopper reserves the right to elect to implement the Merger by way of a Merger Offer. In such event, the Merger Offer will be implemented on substantially the same terms, subject to appropriate amendments, as those which would apply to the Scheme.

Please be aware that addresses, electronic addresses and certain other information provided by FOGL Shareholders, persons with information rights and other relevant persons in connection with the receipt of communications from FOGL may be provided to Rockhopper during the Merger Period.

Canaccord Genuity Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Rockhopper and no one else in connection with the Merger and this announcement and will not be responsible to anyone other than Rockhopper for providing the protections afforded to clients of Canaccord Genuity Limited nor for providing advice in connection with the Merger or this announcement or any matter referred to herein.

Liberum Capital Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Rockhopper and no one else in connection with the Merger and this announcement and will not be responsible to anyone other than Rockhopper for providing the protections afforded to clients of Liberum Capital Limited nor for providing advice in connection with the Merger or this announcement or any matter referred to herein.

RBC, which is authorised by the PRA and regulated by the FCA and the PRA, is acting exclusively for FOGL and no one else in connection with the Merger and will not be responsible to anyone other than FOGL for providing the protections afforded to clients of RBC nor for providing advice in relation to the Merger or any other matters referred to in this announcement.

Numis Securities Limited, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for FOGL and for no one else in connection with the Merger and will not be responsible to anyone other than FOGL for providing the protections afforded to its clients or for providing advice in connection with the Merger or any other matter referred to herein.

Overseas shareholders

The release, publication or distribution of this announcement in or into, and the availability of the Rockhopper Consideration Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this announcement comes who are not resident in the United Kingdom or the Falkland Islands should inform themselves about, and observe, any applicable legal or regulatory restrictions in those jurisdictions. FOGL Shareholders who are in any doubt regarding such matters should consult an appropriate independent adviser in the relevant jurisdiction without delay. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies involved in the Merger disclaim any responsibility or liability for the violation of such restrictions by any person. This document does not constitute an offer to sell, or the solicitation of any offer to buy,

any Rockhopper Consideration Shares in any jurisdiction in which such an offer or solicitation would be unlawful.

This announcement has been prepared for the purposes of complying with Falkland Islands law, English law, the AIM Rules, the rules of the London Stock Exchange plc (the "**London Stock Exchange**") and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of any jurisdiction outside the United Kingdom and the Falkland Islands.

The availability of Rockhopper Consideration Shares to FOGL Shareholders who are not resident in the United Kingdom or the Falkland Islands may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom or the Falkland Islands should inform themselves of, and observe, any applicable requirements.

The Rockhopper Consideration Shares to be issued pursuant to the Scheme have not been and will not be registered under the US Securities Act of 1933 (as amended) (the "**Securities Act**") or under the relevant securities laws of any state or territory or other jurisdiction of the United States, but are expected to be offered in the United States in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10) thereof. The Scheme will be subject to the disclosure requirements and practices applicable in the Falkland Islands to schemes of arrangement, which differ from the disclosure requirements of the US proxy solicitation rules and tender offer rules. However, if Rockhopper were to elect (in accordance with the condition in paragraph (d) of Part B of Appendix 1) to implement the Merger by means of a Merger Offer, such offer will be made in compliance with the US tender offer rules, to the extent applicable, or an exemption therefrom.

None of the securities referred to in this document have been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

Cautionary note regarding forward-looking statements

This announcement contains certain forward-looking statements with respect to the financial condition, results of operations and business of the FOGL Group and certain plans and objectives of the boards of directors of FOGL and Rockhopper. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "will", "may", "should", "would", "could" or other words of similar meaning. These statements are based on assumptions and assessments made by the boards of directors of FOGL and Rockhopper in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, and the factors described in the context of such forward-looking statements in this announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this announcement. FOGL and Rockhopper assume no obligation to update or correct the information contained in this announcement, whether as a result of new information, future events or otherwise, except to the extent legally required.

The statements contained in this announcement are made as at the date of this announcement, unless some other time is specified in relation to them, and publication of this announcement shall not give rise to any implication that there has been no change in the facts set out in this announcement since such date. Nothing contained in this announcement shall be deemed to be a forecast, projection or estimate of the future financial performance of FOGL and Rockhopper except where expressly stated.

No profit forecast

No statement in this announcement is intended as a profit forecast or a profit estimate, and no statement in this announcement should be interpreted to mean that the future earnings per share of the Rockhopper Group (as enlarged by the Merger), Rockhopper and/ or FOGL for current or future financial years will necessarily match or exceed the historical or published earnings per share of Rockhopper or FOGL.

Note regarding Rockhopper oil and gas disclosure

This announcement has been approved by Rockhopper's geological staff who include Fiona MacAulay (Chief Operating Officer), who is a Fellow of the Geological Society of London and a Member of the Petroleum Exploration Society of Great Britain and American Association of Petroleum Geologists with over 25 years of experience in petroleum exploration and management, and who is the qualified person as defined in the Guidance Note for Mining, Oil and Gas Companies issued by the London Stock Exchange in respect of AIM companies. In compiling its resource estimates, Rockhopper has used the definitions and guidelines as set forth in the 2007 Petroleum Resources Management System approved by the Society of Petroleum Engineers.

Note regarding FOGL oil and gas disclosure

This announcement has been approved by FOGL's geological staff who include Colin More (Exploration Director), who is a member of the Geological Society of London, the American Association of Petroleum Geologists and the Society of Exploration Geologists with over 28 years of oil and gas industry experience, and who is the qualified person as defined in the Guidance Note for Mining, Oil and Gas Companies issued by the London Stock Exchange in respect of AIM companies. In compiling its resource estimates, FOGL has used the definitions and guidelines as set forth in the 2007 Petroleum Resources Management System approved by the Society of Petroleum Engineers.

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Date: 24 November 2015

RECOMMENDED ALL-SHARE MERGER

OF

ROCKHOPPER EXPLORATION PLC ("ROCKHOPPER")

AND

FALKLAND OIL AND GAS LIMITED ("FOGL")

(to be effected by means of a scheme of arrangement under Part IV of the Companies Act 1948)

1. Introduction

- 1.1 The boards of Rockhopper and FOGL are pleased to announce that they have reached agreement on the terms of a recommended all-share merger (the "**Merger**") to be effected by means of a Court-sanctioned scheme of arrangement under Part IV of the Companies Act 1948, being the legislation applicable in the Falkland Islands where FOGL is incorporated (the "**Scheme**").
- 1.2 Under the terms of the Merger, which will be subject to the conditions and further terms set out below and in Appendix 1 and to the full terms and conditions which will be set out in the Scheme Document (the "**Conditions**"), Scheme Shareholders will receive 0.2993 shares in Rockhopper (the "**Rockhopper Consideration Shares**") for each share in FOGL ("**FOGL Shares**").
- 1.3 The boards of Rockhopper and FOGL believe that a combination of the Rockhopper and FOGL groups (together, the "**Combined Group**") represents a compelling opportunity for shareholders of both companies to benefit from the significant value opportunity arising from the combination of their highly complementary portfolios.

2. Summary of terms

- 2.1 Pursuant to the Merger, which will be subject to the Conditions and further terms set out below and in Appendix 1 and to the full terms and conditions which will be set out in the Scheme Document, Scheme Shareholders will receive:

for each FOGL Share 0.2993 Rockhopper Consideration Shares

- 2.2 On the date on which the Merger becomes effective (the "**Effective Date**"), the current shareholders of Rockhopper ("**Rockhopper Shareholders**") will own approximately 65 per cent of the Combined Group's issued share capital and FOGL Shareholders will own approximately 35 per cent.
- 2.3 Based on the closing price of a Rockhopper Share on 23 November 2015 (being the last practicable date prior to the date of this announcement) of 35.75 pence, the Merger values the entire issued and to be issued share capital of FOGL at approximately £57.1 million, and each FOGL Share at 10.70 pence.

- 2.4 This represents an 11 per cent premium to FOGL's closing share price of 9.60 pence on 23 November 2015 (being the last practicable date prior to the date of this announcement).
- 2.5 The Rockhopper Consideration Shares will rank equally in all respects with the existing Rockhopper Shares and will be entitled to all dividends and/or other distributions declared or paid by Rockhopper in respect of Rockhopper Shares by reference to a record date falling after the Effective Date. Fractions of Rockhopper Consideration Shares will not be allotted to FOGL Shareholders pursuant to the Merger. However, the entitlements of FOGL Shareholders will be rounded up or down (with 0.5 of a Rockhopper Consideration Share being rounded up) to the nearest whole number of Rockhopper Consideration Shares.
- 2.6 The Scheme requires approval by FOGL Shareholders at a meeting convened by an order of the Court for the purpose of approving the Scheme (the "**Court Meeting**"). Approval is also required from FOGL Shareholders in respect of other resolutions necessary to implement the Scheme which shall be proposed at an extraordinary general meeting of FOGL Shareholders (the "**FOGL General Meeting**"). Further details of the Scheme and the requisite level of FOGL Shareholder approvals are contained in paragraph 15 below.

3. **The Takeover Code**

- 3.1 As FOGL is incorporated and has its registered office in the Falkland Islands, the Takeover Code does not apply to the Merger and FOGL Shareholders should note that the Takeover Panel does not have responsibility for ensuring that the Merger complies with the Takeover Code.
- 3.2 Rockhopper and FOGL have entered into a Co-operation Agreement to ensure that key aspects of the Merger, relating to timing, process and transaction certainty for each party, are appropriately provided for. Further information is contained paragraph 14 below.

4. **Information on Rockhopper**

- 4.1 Rockhopper is an AIM-quoted oil and gas exploration and production company based in the UK with interests in the Falkland Islands and the Mediterranean (Italy, Malta, France and Croatia). It was established in 2004 and floated on AIM in August 2005. Rockhopper's current market value is approximately £106 million. In August 2014, Rockhopper successfully completed the takeover of Mediterranean Oil and Gas plc.
- 4.2 Since 2004, Rockhopper has built a portfolio of licences in the North Falkland Basin, containing the Sea Lion oil field and satellite discoveries. In 2012, Rockhopper farmed down 60 per cent of its interest in Sea Lion to Premier Oil plc ("**Premier**"). Development planning for Sea Lion Phase 1a is maturing and pre-FEED work has recently been completed. Preferred contractors have been selected for the provision of both the FPSO and the subsea system facilities. During FEED, fabrication plans for the facilities will be finalised and contractors for drilling and well services will be selected. Rockhopper, Premier and the Falkland Islands Government are currently in discussions to decide upon the start date and duration of the FEED programme.
- 4.3 Through its 2015 exploration campaign focused on the acreage surrounding Sea Lion, Rockhopper has further strengthened its own resource base with significant oil discoveries at the Zebedee and Isobel Deep wells in the North Falkland Basin. Rockhopper management estimates that the discoveries at the Zebedee location, which is adjacent to Sea Lion, are likely to add at least 75 mmbbl of recoverable oil on a gross basis. The Isobel Deep discovery requires appraisal but significantly de-risks the entire Isobel/Elaine complex which, based on Rockhopper management estimates, has the potential to contain in excess of 500 mmbbl of recoverable oil on a gross basis. Rockhopper expects to participate in a further two exploration/appraisal wells in the North Falkland Basin during 2015 and early 2016. The Isobel re-drill well (Isobel-2) which spudded on 21 November 2015, with results expected during January 2016. The second well will both target the Chatham prospect and appraise

the presence or absence of a gas cap in the west of the Sea Lion field. These wells have the potential to add further significant resource.

- 4.4 Rockhopper is well funded with cash in hand of approximately US\$160 million (approximately £106 million) as at 30 June 2015 and, at its option, is fully funded by Premier for the first phase development of Sea Lion through a combination of development carry and standby finance arrangements.

5. **Background to and reasons for the Merger**

The boards of Rockhopper and FOGL believe the Combined Group represents a compelling opportunity for shareholders of both companies to benefit from the significant value opportunity arising from the combination of their highly complementary portfolios. Additionally, the board of Rockhopper and FOGL believe the Merger will allow the Combined Group to have significantly more strategic influence over the pace and direction of oil and gas development in the North Falkland Basin than they would have as two stand-alone entities.

- 5.1 *The Combined Group will be the largest North Falkland Islands licence and discovered resource holder with a material working interest in all key North Falkland Islands licences*

Rockhopper is already a leading player in the North Falkland Basin where it has led exploration activities resulting in the discovery and appraisal of the Sea Lion field and its adjacent satellite discoveries. The Merger will consolidate Rockhopper’s current North Falkland Basin portfolio of PL032/33 and PL004 with FOGL's additional interests in licences PL003, PL004 and PL005. Upon completion of the Merger, the Combined Group will be the largest North Falkland Basin licence holder (>2,697 km²) with a material Working Interest in the following key licences:

	Rockhopper	FOGL	Combined Group	Operator
PL032	40%	n/a	40%	Premier
PL003a	3%	92.5%	95.5%	Rockhopper / FOGL
PL003b	3%	57.5%	60.5%	Rockhopper / FOGL
PL004a, b, c	24%	40%	64%	Premier
PL005	n/a	100%	100%	Rockhopper / FOGL

Based on Rockhopper management estimates, the Merger will increase Rockhopper’s net 2C Contingent Resource base by in excess of 50 per cent to over 250 mmbbl, becoming the largest holder of discovered resources in the North Falkland Basin.

The Merger will bring operatorship of three licences (PL003a, PL003b and PL005), and significant influence over PL004 as the largest equity holder, into the Combined Group.

A full technical review of FOGL's Southern licences will be completed following the Merger with an expectation that the Southern portfolio will be rationalised. Rockhopper has attributed no value to the Southern licences as part of the Merger.

5.2 *The Merger is of strategic importance as it enhances the prospects of progressing the Sea Lion project through Final Investment Decision*

The operator of Sea Lion has publicly stated its desire to farm-out an interest in Sea Lion through the introduction of an upstream partner. The Merger will enhance Rockhopper's strategic positioning in future farm-out discussions given its enhanced working interest in PL004. In addition, the Merger simplifies, or potentially avoids the need for, any possible future unitisation of the Sea Lion field by reducing the number of parties involved and accordingly Rockhopper believes the Merger will help reinvigorate industry interest in the North Falkland Basin.

5.3 *The Merger will provide greater exposure to exploration and appraisal upside potential*

Upon completion of the Merger, Rockhopper will become the largest equity holder (64 per cent) in the highly prospective PL004 licence, which contains the southern extension of the Sea Lion field as well as the Casper, Casper South, Beverley, Zebedee and Hector oil and gas discoveries.

The Merger materially increases Rockhopper's exposure to the Isobel/Elaine fan complex which will be partly explored in the forthcoming Isobel re-drill well (Isobel-2) which spudded on 21 November 2015, with results expected during January 2016. The Isobel/Elaine fan complex, based on Rockhopper management estimates, has multiple reservoir targets and the potential for gross mean un-risked resources in excess of 500 mmbbl of oil. Further exploration success at Isobel would represent material upside to the strategic benefits that could be leveraged as part of the Combined Group.

Material un-drilled prospects have been identified within PL005, including the Helen and Susan prospects, which contain significant prospective resources. The Susan prospect has been de-risked as a result of the Isobel Deep discovery.

5.4 *The Combined Group will benefit from enhanced scale and capabilities, creating value in the current market environment*

The current market for the oil and gas sector remains challenging, especially for smaller independent oil and gas companies. The Combined Group will have enhanced long-term prospects, a strong balance sheet (aggregate unaudited cash balance of approximately US\$130 million as at 31 October 2015, being approximately £85.9 million) and improved financing options to create value for its shareholders.

The Merger will create a stronger company which, with a combined balance sheet and funding position, is better placed to advance the development and further exploration of the North Falkland Basin licences.

The Rockhopper Directors have ambitions to grow Rockhopper into a leading international exploration and production company focused on the North Falkland Basin and the Greater Mediterranean regions and would consider moving Rockhopper to the Main Market of the London Stock Exchange in due course. The Rockhopper Directors believe that the Merger could improve Rockhopper's eligibility for such a move to the Main Market.

6. **Financial effects of the Merger**

6.1 The Combined Group will be well funded (as at 31 October 2015, the aggregate unaudited cash balances of Rockhopper and FOGL were approximately US\$130 million, being approximately £85.9 million). The Combined Group will assume FOGL's responsibilities with regard to certain security arrangements entered into with Noble Energy Inc. ("**Noble**") in connection with costs related to the drilling of the Humpback well. This security covers a debt currently carried by Noble and Edison S.p.A. ("**Edison**"), up to a limit of US\$15 million (approximately £10.4 million) (the "**Noble and Edison Debt**"). Rockhopper is also fully

funded for its share of the first phase development of Sea Lion through the exploration carry, development carry and standby financing arrangement with Premier.

- 6.2 As at close of business on 23 November 2015 (being the last practicable date prior to the date of this announcement) the Combined Group would have a combined market capitalisation of approximately £163 million based on the number of FOGL Shares and Rockhopper Shares in issue on that date, the number of Rockhopper Consideration Shares to be issued pursuant to the Merger and the closing share price of a Rockhopper Share on that date of 35.75 pence.
- 6.3 On an adjusted pro forma basis, assuming the Merger had occurred on 30 June 2015 (being the date of each of FOGL's and Rockhopper's 2015 Interim Reports), the Combined Group would have had the following net assets on an adjusted basis:

	US\$000	Note
Net assets of Rockhopper	294,385	(i)
. .		
Net assets of FOGL	348,374	(ii)
Adjusted pro forma net assets of the Combined Group	642,759	(iii)

Notes:

(i) The net assets of Rockhopper as stated in its unaudited 2015 Interim Report as at 30 June 2015 (being equivalent to approximately £194,493,000).

(ii) The net assets of FOGL as stated in its unaudited 2015 Interim Report as at 30 June 2015 (being equivalent to approximately £230,163,000).

(iii) The adjusted pro forma net assets of the Combined Group are the sum of the net assets of the Rockhopper Group and the net assets of the FOGL Group as at 30 June 2015 (being equivalent to approximately £424,656,000).

7. **Background to and reasons for the FOGL recommendation**

- 7.1 FOGL has built a significant portfolio of discovered resources in the Falkland Islands region. Following the successful Zebedee well drilled this year, FOGL estimates that PL004b contains 2C Contingent Resources of 256 mmbbls (102 mmbbls net to FOGL's 40 per cent working interest in the licence). In due course, the FOGL Directors believe these contingent resources are likely to be developed as part of the greater Sea Lion area development programme, currently operated by Premier. However, further investment is required to realise the value in FOGL's asset base, specifically the costs associated with the future development of FOGL's contingent resources. The FOGL Directors consider that FOGL's current financial position is not sufficiently strong to allow for this further investment, while the capital markets environment remains highly challenging for exploration and production companies.
- 7.2 The Merger allows FOGL Shareholders to maintain exposure to the development of discovered resources in the North Falkland Basin, some of which will be developed within the first phase of the Sea Lion development project as it is currently envisaged. This represents an attractive opportunity for FOGL Shareholders to participate in the creation of an enlarged, well-capitalised exploration and production company with significant interests in the Falkland Islands and with the necessary funding in place to continue investing in the combined portfolio and ultimately to develop the significant resources that have been discovered by FOGL and Rockhopper to date.
- 7.3 The FOGL Directors, who have been advised by RBC Capital Markets as to the financial terms of the Merger, consider the terms of the Merger to be fair and reasonable. In

providing its advice to the FOGL Directors, RBC Capital Markets has taken into account the commercial assessments of the FOGL Directors. Accordingly, the FOGL Directors intend unanimously to recommend that FOGL Shareholders vote in favour of the resolutions at the Court Meeting and the FOGL General Meeting to approve and implement the Scheme.

7.4 The FOGL Directors have irrevocably undertaken to approve the necessary resolutions in respect of their entire beneficial holdings in FOGL which, in aggregate, amount to 1,095,617 FOGL Shares representing approximately 0.20 per cent of the existing issued share capital of FOGL.

8. **Information on FOGL**

8.1 FOGL is an oil and gas exploration company incorporated in the Falkland Islands and whose shares are admitted to trading on AIM. FOGL currently holds oil and gas licences in the South, East and North Falkland Basins, offshore Falkland Islands. FOGL estimates that these licences hold 2C Contingent Resources of 102 mmbbls net to FOGL. In 2015, FOGL participated in a three well exploration drilling campaign. This drilling campaign led to the discovery of the Zebedee accumulation, within a southern extension of the Sea Lion field in the North Falkland Basin. FOGL (along with its partners Noble and Edison) also drilled the Humpback prospect in the South Falkland Basin, which identified a working hydrocarbon basin but non-commercial quantities of oil and gas.

8.2 FOGL is also participating in the Isobel-2 well on PL004b, to be re-drilled following completion of the Humpback well and mobilisation of the drilling rig. Isobel-2 spudded on 21 November 2015, with results expected during January 2016.

9. **FOGL current trading**

9.1 As announced on 16 October 2015, FOGL's overall share of the Humpback well costs have increased as a result of the various delays incurred during drilling. As a result, capital expenditure in H2 2015 is expected to be approximately US\$35 million (approximately £23.1 million). There is a further outstanding amount owed to Noble related to Humpback cost over-runs, which is under discussion as there remain a number of outstanding expense lines and audit claims which may reduce FOGL's remaining liability to the final total. As at 31 October 2015, FOGL had a cash balance of US\$8.6 million (approximately £5.7 million).

9.2 Under an amendment to the Jayne East farm-out agreement FOGL will receive US\$10 million (approximately £6.6 million) from Premier and Rockhopper, in total, in compensation for not drilling the Jayne East well, of which US\$5 million (approximately £3.3 million) has already been received. In addition, there is a significant on-going insurance claim with respect to the 14/20-1 Isobel Deep well and FOGL will be party to this claim.

9.3 As part of an amended farm-out agreement, FOGL has granted certain security, over all of FOGL's oil and gas licences, to Noble, who in return have agreed to defer part of FOGL's outstanding share of the Humpback well costs until later in 2016 in order to deal with the various outstanding claims and align insurance in-flows.

9.4 The FOGL Board continues to be confident that, taking into account the estimated amounts of outstanding contractual and insurance claims that have arisen as a result of the 2015 drilling programme that it will have sufficient funds to cover the Noble and Edison Debt, complete the current drilling programme and cover expected corporate costs to at least the end of 2016.

9.5 FOGL is fully carried on the Isobel/Elaine re-drill well (Isobel-2), which will be FOGL's final well in the current drilling programme.

10. **FOGL Irrevocable Undertakings**

- 10.1 The FOGL Directors have undertaken irrevocably to approve the necessary resolutions in respect of their entire beneficial holdings in FOGL, which, in aggregate, amount to 1,095,617 FOGL Shares, representing approximately 0.20 per cent of the issued share capital of FOGL on 23 November 2015 (being the last practicable date prior to this announcement). These irrevocable undertakings will cease to be binding only if the Scheme lapses or is withdrawn and remain binding if a higher competing offer for FOGL is made. Further details of these irrevocable undertakings are set out in Appendix 3 to this announcement.
- 10.2 In addition, Rockhopper has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and in favour of the resolution at the FOGL General Meeting from certain FOGL Shareholders representing, in aggregate, approximately 9.24 per cent of the existing issued share capital of FOGL, as follows:
- RAB Special Situations (Master) Fund Limited in respect of its entire holdings of FOGL Shares, representing approximately 5.24 per cent of the existing issued share capital of FOGL; and
 - Phipps & Company Limited in respect of its entire holdings of FOGL Shares, representing approximately 4.00 per cent of the existing issued share capital of FOGL.
- 10.3 The irrevocable undertakings will cease to be binding only if the Scheme lapses or is withdrawn or if a competing offer for FOGL is made which represents, in the reasonable opinion of Canaccord, in excess of a 10 per cent improvement on the value of the consideration offered to FOGL Shareholders pursuant to the terms of the Merger. Further details of these irrevocable undertakings are set out in Appendix 3 to this announcement.
- 10.4 Therefore, as at the date of this announcement, Rockhopper has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and in favour of the resolution at the FOGL General Meeting in respect of a total of 50,390,798 FOGL Shares, representing, in aggregate, approximately 9.44 per cent of FOGL's existing share capital in issue on 23 November 2015 (being the last practicable date prior to this announcement).

11. **The Rockhopper Recommendation and Rockhopper General Meeting**

- 11.1 The Merger requires the approval of Rockhopper Shareholders for the issue of the Rockhopper Consideration Shares to Scheme Shareholders. The Rockhopper Directors therefore intend to convene a general meeting of the Rockhopper Shareholders (the "**Rockhopper General Meeting**") to approve a resolution authorising the Rockhopper Directors to allot approximately 159,684,687 Rockhopper Consideration Shares, subject to satisfaction, or where appropriate, waiver of the other conditions to the Merger. The resolution will be proposed as an ordinary resolution requiring, on a show of hands, a simple majority of Rockhopper Shareholders or, on a poll, Rockhopper Shareholders representing a simple majority of the total voting rights of such members, in each case who vote in person or by proxy.
- 11.2 A notice covering the Rockhopper General Meeting is anticipated to be despatched to existing Rockhopper Shareholders on or around 27 November 2015 and the Rockhopper General Meeting is anticipated to be held on or around 14 December 2015.
- 11.3 The Rockhopper Directors intend unanimously to recommend that Rockhopper Shareholders vote in favour of the resolution to be proposed at the Rockhopper General Meeting.
- 11.4 The Rockhopper Directors have undertaken irrevocably to vote in favour of the resolution to be proposed at the Rockhopper General Meeting in respect of their entire beneficial holdings in Rockhopper, which, in aggregate, amount to 3,630,048 Rockhopper Shares,

representing approximately 1.22 per cent of the existing share capital of Rockhopper in issue on 23 November 2015 (being the last practicable date prior to this announcement). Further details of these irrevocable undertakings are set out in Appendix 3 to this announcement.

- 11.5 An application, conditional on the Scheme becoming effective, will be made to the London Stock Exchange for the Rockhopper Consideration Shares to be admitted to trading on AIM. It is anticipated that Admission will become effective, and that dealings for normal settlement in the Rockhopper Consideration Shares will commence no later than 8 a.m. on the Business Day after the Effective Date.

12. **Additional Conditions**

The Scheme will be subject to the conditions and further terms set out in Appendix 1 and the full terms and conditions which will be set out in the Scheme Document. In particular, the Scheme is conditional on the Falkland Islands Government acting through its relevant department (i) not having revoked any exploration or production licence held by FOGL or by any subsidiary of FOGL and (ii) having provided confirmation in writing that it does not (A) intend to require a further change of control of FOGL or any subsidiary of FOGL as a result of the implementation of the Merger or (B) intend to revoke, or recommend the revocation of, any exploration or production licence held by FOGL or by any subsidiary of FOGL at the date of such confirmation.

13. **Management, employees and locations of business**

- 13.1 Following implementation of the Merger, the existing management team of Rockhopper will remain the same with Tim Bushell (Chief Executive Officer of FOGL) and John Martin (Chairman of FOGL) joining the board of Rockhopper as Non-Executive Directors. Colin More will be retained as an advisor to the Combined Group. It is proposed that the London office of FOGL will be closed.

- 13.2 Rockhopper expects that the other non-executive members of the FOGL Board will cease to have any involvement with the Combined Group from the Effective Date and that they will resign as directors of FOGL at such time. Rockhopper has given assurances to the FOGL Directors that the existing employment rights of all FOGL employees will be fully safeguarded following implementation of the Merger.

14. **Co-operation Agreement**

- 14.1 Rockhopper and FOGL have entered into a Co-operation Agreement in relation to the implementation of the Merger. Pursuant to the terms of the Co-operation Agreement, Rockhopper and FOGL have agreed, amongst other things, to work co-operatively and to use all reasonable endeavours to implement the Merger on a timely basis and in accordance with an agreed indicative timetable.

- 14.2 As FOGL is incorporated in and has its registered office in the Falkland Islands, the Takeover Code does not apply to FOGL. However, Rockhopper and FOGL have agreed to comply with the provisions of the Takeover Code, subject to certain exceptions set out in or agreed pursuant to, the Co-operation Agreement. Notwithstanding this agreement, the Takeover Panel does not have responsibility for ensuring that the Merger complies with the provisions of the Takeover Code.

- 14.3 FOGL has agreed that the FOGL Directors shall recommend that FOGL Shareholders vote in favour of the various resolutions required to effect the Merger, unless such a recommendation would give rise to a material risk of a breach of the FOGL Directors' fiduciary duties. Rockhopper has agreed that the Rockhopper Directors shall recommend that Rockhopper Shareholders vote in favour of the Rockhopper Resolution unless, pursuant

to clause 6.2.5 of the Co-operation Agreement, such a recommendation would give rise to a material risk of a breach of the Rockhopper Directors' fiduciary duties.

- 14.4 FOGL has agreed that it will not solicit any competing offer for FOGL and that it shall promptly notify Rockhopper of any approach that is made which is reasonably likely to result in a competing offer.
- 14.5 The Co-operation Agreement terminates in certain circumstances, including if Rockhopper and FOGL agree, if the recommendation given by either the Rockhopper Directors or the FOGL Directors is withdrawn, if the Merger lapses or is withdrawn or if the Effective Date has not occurred by the Long Stop Date.

15. **Structure of the Merger**

- 15.1 It is intended that the Merger will be effected by means of a Court-sanctioned scheme of arrangement between FOGL and the Scheme Shareholders under Part IV of the Companies Act 1948, being the legislation applicable in the Falkland Islands where FOGL is incorporated. However, Rockhopper reserves the right to implement the Merger by way of a Merger Offer.
- 15.2 The purpose of the Scheme is to provide for Rockhopper to become the owner of the entire issued and to be issued share capital of FOGL. This is to be achieved by the transfer of the Scheme Shares to Rockhopper, in consideration for which the Scheme Shareholders will receive Rockhopper Consideration Shares on the basis set out in paragraph 2 of this announcement. The transfer of the Scheme Shares to Rockhopper will result in FOGL becoming a wholly-owned subsidiary of Rockhopper.
- 15.3 To become effective, the Scheme must be approved by a majority in number of those Scheme Shareholders entitled to vote and present and voting at the Court Meeting (either in person or by proxy) representing at least three-fourths in value of the Scheme Shares voted by such Scheme Shareholders. In addition, the implementation of the Scheme requires approval by the passing of a special resolution by FOGL Shareholders (including any appropriate amendments to the articles of association of FOGL) at the FOGL General Meeting to be held immediately after the Court Meeting.
- 15.4 The Scheme must be sanctioned by the Court. All Scheme Shareholders are entitled to attend the Court hearing in connection with the Scheme (the "**Court Hearing**") in person or through counsel to support or oppose the sanctioning of the Scheme. The Scheme will only become effective upon delivery to the Registrar of Companies of an office copy of the Court Order for registration.
- 15.5 The Scheme will also be subject to certain Conditions and further terms referred to in Appendix 1 to this announcement and to be set out in the Scheme Document, which include any approvals required from the Falkland Islands Government and the approval of the resolution to be proposed at the Rockhopper General Meeting.
- 15.6 Subject to satisfaction of the Conditions, it is estimated that the Scheme will become effective during Q1 2016. The Merger will lapse if the Scheme does not become effective by 31 March 2016 (or such later date as may be agreed between Rockhopper and FOGL and, if appropriate, approved by the Court) (the "**Long Stop Date**").
- 15.7 Upon the Scheme becoming effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they were present or voted at the Court Meeting or the FOGL General Meeting and, if they did vote, whether or not they voted in favour of or against the resolutions proposed at those meetings.
- 15.8 Rockhopper reserves the right to elect to implement the Merger by way of a Merger Offer. Any such Merger Offer will be subject to an acceptance condition of Rockhopper having acquired (whether pursuant to the Merger or otherwise) such percentage (being more than

50 per cent) of the FOGL Shares, as Rockhopper may decide having consulted with FOGL. In such event, the Merger Offer will be implemented on substantially the same terms, subject to appropriate amendments, as those which would apply to the Scheme

- 15.9 Further details of the Scheme will be set out in the Scheme Document, together with notices of the Court Meeting and the FOGL General Meeting, the forms of proxy for the Court Meeting and FOGL General Meeting (the "**Forms of Proxy**") and the Forms of Direction, which are expected to be despatched to FOGL Shareholders as soon as reasonably practicable.

16. **FOGL Share Plans**

Participants in the FOGL Share Plans will be contacted regarding the effect of the Merger on their rights under the FOGL Share Plans in accordance with the terms of the relevant plan rules and appropriate proposals will be made to such participants in due course.

17. **FOGL Shares and FOGL Depository Interests**

Shares of non-UK companies (such as FOGL) cannot be held and transferred directly into the CREST system. Uncertificated FOGL Shares are held in CREST as depository interests representing FOGL Shares issued in the name of an intermediary which holds legal title to the underlying FOGL Shares (the "**FOGL Depository Interests**"). The FOGL Depository Interests can be held and transferred through the CREST system. Persons holding FOGL Depository Interests will receive the information provided to those holding FOGL Shares directly and will also receive information explaining how they may instruct the depository to vote the relevant FOGL Shares.

18. **Delisting of the FOGL Shares**

- 18.1 The last day of dealings in FOGL Shares on the London Stock Exchange's market for AIM quoted securities is expected to be the Business Day immediately prior to the Effective Date and no transfers of FOGL Shares will be registered after 6 p.m. on that date. Application will be made to the London Stock Exchange for the cancellation of the admission to trading of the FOGL Shares to AIM prior to the Effective Date to take effect from the Effective Date.

- 18.2 On the Effective Date, FOGL will become a wholly-own subsidiary of Rockhopper and the FOGL Shares will be cancelled. At that point, share certificates in respect of FOGL Shares will cease to be valid and entitlements to FOGL Depository Interests held within the CREST system will be cancelled.

- 18.3 It is proposed that, on or following the Effective Date, FOGL will be re-registered as a private limited company.

19. **Overseas shareholders**

- 19.1 The release, publication or distribution of this announcement in or into, and the availability of the Rockhopper Consideration Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this announcement comes who are not resident in the United Kingdom or the Falkland Islands should inform themselves about, and observe, any applicable legal or regulatory restrictions in those jurisdictions. FOGL Shareholders who are in any doubt regarding such matters should consult an appropriate independent adviser in the relevant jurisdiction without delay. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies involved in the Merger disclaim any responsibility or liability for the violation of such restrictions by any person. This document does not constitute an offer to sell, or the solicitation of any offer to buy, any Rockhopper Consideration Shares in any jurisdiction in which such an offer or solicitation would be unlawful.

19.2 FOGL Shareholders are advised to read carefully the Scheme Document once it has been dispatched.

20. **Expected timetable**

20.1 Further details of the Scheme will be contained in the Scheme Document which is currently expected to be posted to FOGL Shareholders on or around 11 December 2015.

20.2 Further details on the timetable for implementation of the Scheme will be set out in the Scheme Document, which will also include the notices of the Court Meeting and the FOGL General Meeting and specify the necessary actions to be taken by FOGL Shareholders. It is currently expected that the Court Meeting and FOGL General Meeting will be held during January 2016. The timing of events which relate to the implementation of the Merger is, however, subject to approval of the Court and is therefore subject to change.

20.3 It is currently expected that the Rockhopper Circular will be posted to existing Rockhopper Shareholders on or around 27 November 2015. The Rockhopper Circular will set out the ordinary resolution to be put to Rockhopper Shareholders at the Rockhopper General Meeting in order for them to approve the allotment of the Rockhopper Consideration Shares.

20.4 If the Scheme does not become effective (or, if it is implemented by means of a Merger Offer, if it is not declared unconditional in all respects) by the Long Stop Date, the Merger will lapse unless Rockhopper and FOGL agree otherwise (and, if appropriate, with the approval of the Court).

21. **Documents on display**

A copy of this announcement will be made available, free of charge, on FOGL's website at www.fogl.com and Rockhopper's website at www.rockhopperexploration.co.uk as soon as reasonably practicable following this announcement. Neither the content of any website referred to in this announcement nor the content of any website accessible from hyperlinks on FOGL or Rockhopper's website (or any other website) is incorporated into, or forms part of, this announcement.

22. **General**

The Merger will be made subject to the Conditions and on the terms set out in Appendix 1 to this announcement and on the further terms and conditions to be set out in the Scheme Document. The Scheme will be governed by Falkland Islands law and subject to the applicable rules and regulations of the London Stock Exchange and the FCA.

Appendix 1 to this announcement contains the conditions to, and certain further terms of, the Merger. Appendix 2 to this announcement contains further details of the sources of information and bases of calculations set out in this announcement. Appendix 3 contains a summary of the irrevocable undertakings given by the FOGL Directors and by certain FOGL Shareholders and the Rockhopper Directors. Appendix 4 contains definitions of certain expressions used in this announcement.

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Further information

This announcement is for information only and is not intended to and does not constitute, or form part of any offer to sell or invitation to purchase or subscribe for any securities, or any solicitation of any vote or approval in any jurisdiction pursuant to the Merger or otherwise, nor shall there be any sale, issuance or transfer of securities of Rockhopper or FOGL in any jurisdiction in contravention of applicable law. This announcement does not constitute a prospectus or a prospectus equivalent document. The Merger will be made on the terms and subject to the conditions and further terms set out herein and in Appendix 1 to this announcement and the further terms and conditions to be set out in the Scheme Document, Forms of Proxy and Forms of Directions when issued. Any vote by FOGL Shareholders in respect of the Merger should be made only on the basis of the information contained in the Scheme Document, which will include details of how to vote in favour of the Scheme. FOGL Shareholders are advised to read the formal documentation in relation to the Merger which will be distributed to FOGL Shareholders in due course, as it will contain important information relating to the Merger.

Rockhopper reserves the right to elect, to implement the Merger by way of a Merger Offer. In such event, the Merger Offer will be implemented on substantially the same terms, subject to appropriate amendments, as those which would apply to the Scheme.

Please be aware that addresses, electronic addresses and certain other information provided by FOGL Shareholders, persons with information rights and other relevant persons in connection with the receipt of communications from FOGL may be provided to Rockhopper during the Merger Period.

Canaccord Genuity Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Rockhopper and no one else in connection with the Merger and this announcement and will not be responsible to anyone other than Rockhopper for providing the protections afforded to clients of Canaccord Genuity Limited nor for providing advice in connection with the Merger or this announcement or any matter referred to herein.

Liberum Capital Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Rockhopper and no one else in connection with the Merger and this announcement and will not be responsible to anyone other than Rockhopper for providing the protections afforded to clients of Liberum Capital Limited nor for providing advice in connection with the Merger or this announcement or any matter referred to herein.

RBC, which is authorised by the PRA and regulated by the FCA and the PRA, is acting exclusively for FOGL and no one else in connection with the Merger and will not be responsible to anyone other than FOGL for providing the protections afforded to clients of RBC nor for providing advice in relation to the Merger or any other matters referred to in this announcement.

Numis Securities Limited, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for FOGL and for no one else in connection with the Merger and will not be responsible to anyone other than FOGL for providing the protections afforded to its clients or for providing advice in connection with the Merger or any other matter referred to herein.

Overseas shareholders

The release, publication or distribution of this announcement in or into, and the availability of the Rockhopper Consideration Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this announcement comes who are not resident in the United Kingdom or the Falkland Islands should inform themselves about, and observe, any applicable legal or regulatory restrictions in those jurisdictions. FOGL Shareholders who are in any doubt regarding such matters should consult an appropriate independent adviser in the relevant jurisdiction without delay. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies involved in the Merger disclaim any responsibility or liability for the violation of such restrictions by any person. This document does not constitute an offer to sell, or the solicitation of any offer to buy, any Rockhopper Consideration Shares in any jurisdiction in which such an offer or solicitation would be unlawful.

This announcement has been prepared for the purposes of complying with English law, Falkland Islands law, the AIM Rules, the rules of the London Stock Exchange and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of any jurisdiction outside the United Kingdom and the Falkland Islands.

The availability of the Rockhopper Consideration Shares to FOGL Shareholders who are not resident in the United Kingdom or the Falkland Islands may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom or the Falkland Islands should inform themselves of, and observe, any applicable requirements.

The Rockhopper Consideration Shares to be issued pursuant to the Scheme have not been and will not be registered under the US Securities Act of 1933 (as amended) (the "**Securities Act**") or under the relevant securities laws of any state or territory or other jurisdiction of the United States, but are expected to be offered in the United States in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10) thereof. The Scheme will be subject to the disclosure requirements and practices applicable in the Falkland Islands to schemes of arrangement, which differ from the disclosure requirements of the US proxy solicitation rules and tender offer rules. However, if Rockhopper were to elect (in accordance with the condition in paragraph (d) of Part B of Appendix 1) to implement the Merger by means of a Merger Offer, such offer will be made in compliance with the US tender offer rules, to the extent applicable, or an exemption therefrom.

None of the securities referred to in this document have been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

Cautionary note regarding forward-looking statements

This announcement contains certain forward-looking statements with respect to the financial condition, results of operations and business of the FOGL Group and certain plans and objectives of the boards of directors of FOGL and Rockhopper. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "will", "may", "should", "would", "could" or other words of similar meaning. These statements are based on assumptions and assessments made by the boards of directors of FOGL and Rockhopper in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, and the factors described in the context of such forward-looking statements in this announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking

statements. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this announcement. FOGL and Rockhopper assume no obligation to update or correct the information contained in this announcement, whether as a result of new information, future events or otherwise, except to the extent legally required.

The statements contained in this announcement are made as at the date of this announcement, unless some other time is specified in relation to them, and publication of this announcement shall not give rise to any implication that there has been no change in the facts set out in this announcement since such date. Nothing contained in this announcement shall be deemed to be a forecast, projection or estimate of the future financial performance of FOGL and Rockhopper except where expressly stated.

No profit forecast

No statement in this announcement is intended as a profit forecast or a profit estimate, and no statement in this announcement should be interpreted to mean that the future earnings per share of the Rockhopper group (as enlarged by the Merger), Rockhopper and/ or FOGL for current or future financial years will necessarily match or exceed the historical or published earnings per share of Rockhopper or FOGL.

Note regarding Rockhopper oil and gas disclosure

This announcement has been approved by Rockhopper's geological staff who include Fiona MacAulay (Chief Operating Officer), who is a Fellow of the Geological Society of London and a Member of the Petroleum Exploration Society of Great Britain and American Association of Petroleum Geologists with over 25 years of experience in petroleum exploration and management, and who is the qualified person as defined in the Guidance Note for Mining, Oil and Gas Companies issued by the London Stock Exchange in respect of AIM companies. In compiling its resource estimates, Rockhopper has used the definitions and guidelines as set forth in the 2007 Petroleum Resources Management System approved by the Society of Petroleum Engineers.

Note regarding FOGL oil and gas disclosure

This announcement has been approved by FOGL's geological staff who include Colin More (Exploration Director), who is a member of the Geological Society of London, the American Association of Petroleum Geologists and the Society of Exploration Geologists with over 28 years of oil and gas industry experience, and who is the qualified person as defined in the Guidance Note for Mining, Oil and Gas Companies issued by the London Stock Exchange in respect of AIM companies. In compiling its resource estimates, FOGL has used the definitions and guidelines as set forth in the 2007 Petroleum Resources Management System approved by the Society of Petroleum Engineers.

**APPENDIX 1
TERMS AND CONDITIONS**

CONDITIONS AND FURTHER TERMS OF THE SCHEME AND THE MERGER

Part A

Conditions of the Merger

- 1.1 The Merger will, if it is implemented by way of the Scheme, be conditional upon the Scheme becoming unconditional and becoming effective (and if it is implemented by way of the Merger Offer be conditional upon the Merger Offer being declared unconditional in all respects) by not later than 31 March 2016 or such later date (if any) as Rockhopper and FOGL may agree and, if required, the Court may approve.
- 1.2 The Scheme will be conditional upon:
- (a) the approval of the Scheme by a majority in number of the Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting (or at any adjournment thereof), representing three-fourths or more in value of the Scheme Shares voted by those Scheme Shareholders;
 - (b) the Court Meeting being held on or before the date that is the twenty second day after the expected date of the Court Meeting to be set out in the Scheme Document (or such later date as may be agreed by Rockhopper and FOGL and, if required, the Court may approve);
 - (c) the resolution in connection with and required to implement the Scheme, set out in the notice of the FOGL General Meeting, being duly passed by the requisite majority at the FOGL General Meeting (or at any adjournment thereof);
 - (d) the FOGL General Meeting being held on or before the date that is the twenty second day after the expected date of the FOGL General Meeting to be set out in the Scheme Document (or such later date as may be agreed by Rockhopper and FOGL and, if required, the Court may approve);
 - (e) the sanction of the Scheme by the Court (with or without modification, any such modification being on terms agreed by Rockhopper and FOGL) and an office copy of the Court Order being delivered to the Registrar of Companies for registration;
 - (f) the Rockhopper Shareholders approving the issue and allotment of the Rockhopper Consideration Shares at the Rockhopper General Meeting; and
 - (g) the Rockhopper General Meeting being held on or before 14 December 2015 (or such later date as may be agreed by Rockhopper and FOGL and, if required, the Court may approve, but subject always to the terms of clause 6.2.5 of the Co-operation Agreement).
- 1.3 In addition, FOGL and Rockhopper state that, subject as stated in Part B below, the Scheme will be conditional upon the following matters and, accordingly, the necessary actions to make the Scheme effective will not be taken unless the following Conditions (as amended, if appropriate) have been satisfied (where capable of satisfaction) or where permitted, waived, prior to the Scheme being sanctioned by the Court in accordance with Condition 1.2(e) above:
- (a) the London Stock Exchange having acknowledged to Rockhopper or its agent (and such acknowledgement not having been withdrawn) that the Rockhopper Consideration Shares will be admitted to trading on AIM, subject only to the

allotment of such Rockhopper Consideration Shares and/ or the Scheme becoming effective;

- (b) the Falkland Islands Government acting through its relevant department (i) not having revoked any exploration or production licence held by FOGL or by any subsidiary of FOGL and (ii) having provided confirmation in writing that it does not (A) intend to require a further change of control of FOGL or any subsidiary of FOGL as a result of the implementation of the Merger or (B) intend to revoke, or recommend the revocation of, any exploration or production licence held by FOGL or by any subsidiary of FOGL at the date of such confirmation;
- (c) no government or governmental, quasi-governmental, supranational, statutory or regulatory body, or any court, institution, investigative body, association, trade agency or professional or environmental body or (without prejudice to the generality of the foregoing) any other person or body in any jurisdiction (each, a "**Relevant Authority**") having decided to take, instituted, implement or threaten any action, proceeding, suit, investigation or enquiry or enacted any statute, regulation or order or otherwise taken any other step or done any thing, and there not being outstanding any statute, legislation or order, that would or might reasonably be expected to (to an extent which is material in the context of the Wider Rockhopper Group or Wider FOGL Group, as the case may be, in either case, taken as a whole):
 - (i) make the Merger, or its implementation, or acquisition of any FOGL Shares, or any other shares or securities in, or wider control of, FOGL by Rockhopper or any member of the Wider Rockhopper Group or the subscription by, or allotment to, any member of the Wider Rockhopper Group of FOGL Shares or any matter arising therefrom or relating thereto, void, illegal or unenforceable under the laws of any relevant jurisdiction or otherwise restrict, restrain, prohibit, delay, impose additional material conditions or obligations with respect to, or otherwise interfere in any material respect with the implementation of, the Merger or any matters arising therefrom, in each case in a manner which is material in the context of the Merger;
 - (ii) require, prevent, materially delay or materially affect the divestiture by Rockhopper or any member of the Wider Rockhopper Group or FOGL or any member of the Wider FOGL Group of all or any material portion of their respective businesses, assets or property or of any FOGL Shares or impose any material limitation on the ability of any of them to conduct their respective businesses or own their respective assets or properties or any part thereof which is material in the context of the Merger;
 - (iii) impose any limitation on the ability of any member of the Wider Rockhopper Group to acquire or hold or exercise effectively, directly or indirectly, all rights of all or any of the FOGL Shares (whether acquired pursuant to the Merger or otherwise) which is material in the context of the Merger;
 - (iv) save if Rockhopper elects to implement the Merger by way of a Merger Offer, require any member of the Wider Rockhopper Group or the Wider FOGL Group to offer to acquire any shares or other securities or rights thereover in any member of the Wider FOGL Group owned by any third party where such acquisition would be material in the context of the Merger;
 - (v) make the Merger or its implementation illegal, void or unenforceable in or under the laws of any relevant jurisdiction in a manner which is material in the context of the Merger;
 - (vi) impose any limitation on the ability of any member of the Wider Rockhopper Group or the Wider FOGL Group to co-ordinate its business, or any part of it,

with the business of any other member of the Wider Rockhopper Group or the Wider FOGL Group in a manner which is material in the context of the Merger;

- (vii) result in any member of the Wider Rockhopper Group or Wider FOGL Group ceasing to be able to carry on business in a manner in which it presently does so in a manner which is material in the context of the Merger; or
- (viii) otherwise adversely affect the businesses, assets, prospects or profits of any member of the Wider Rockhopper Group or the Wider FOGL Group or the exercise of rights of shares of any company in the FOGL Group in a manner which is material in the context of the Merger,

and all applicable waiting periods during which such Relevant Authority could institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or otherwise intervene having expired, lapsed or been terminated;

- (d) all necessary filings or applications which are necessary or reasonably considered appropriate having been made in connection with the Merger and all statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Merger or the acquisition of any shares or securities in, or control of, FOGL or any member of the Wider FOGL Group by any member of the Wider Rockhopper Group and all authorisations, orders, grants, consents, clearances, licences, permissions and approvals (collectively "**Consents**"), in any jurisdiction, deemed necessary or reasonably considered appropriate by Rockhopper for or in respect of the Merger, the proposed acquisition of any shares in, or control of, FOGL or any member of the Wider FOGL Group by any member of the Wider Rockhopper Group or the carrying on of the business of any member of the Wider FOGL Group or the Wider Rockhopper Group or any matters arising therefrom being obtained in terms satisfactory to Rockhopper (acting reasonably) from all appropriate Relevant Authorities or (without prejudice to the generality of the foregoing) from any persons or bodies with whom any members of the Wider FOGL Group or the Wider Rockhopper Group has entered into contractual arrangements and such Consents remaining in full force and effect as at the Effective Date and there being no intimation of any intention to revoke or not to renew the same and all necessary filings having been made, all appropriate waiting and other time periods (including extensions thereto) under any applicable legislation and regulations in any jurisdiction having expired, lapsed or been terminated and all necessary statutory or regulatory obligations in any jurisdiction in respect of the Merger or of any FOGL Shares or any matters arising therefrom having been complied with, in each case where the absence of such Consent would be material in the context of the Merger;
- (e) no notice or indication having been received from any party with whom any member of the Wider FOGL Group has any contractual or other relationship that the interests held by any member of the Wider FOGL Group under licences, leases, consents, permits, contracts and other rights will be terminated, revoked or amended as a consequence of the Merger which is in any such case material in the context of the Merger;
- (f) save as Disclosed, there being no provision of any material agreement, instrument, permit, licence or other arrangement to which any member of the Wider FOGL Group is a party or by or to which it or any of its assets is bound or subject which, as a consequence of the Merger or because of a change in the control or management of FOGL or any member of the FOGL Group or any matters arising therefrom or otherwise, would or is reasonably expected to, in each case to an extent which is material in the context of the Wider FOGL Group (taken as a whole), result in:

- (i) any monies borrowed by, or other indebtedness, actual or contingent, of, or grant available to, any member of the Wider FOGL Group becomes or is capable of being declared repayable immediately or earlier than the repayment date stated in such agreement, instrument or other arrangement or the ability of any member of the Wider FOGL Group to borrow moneys or incur indebtedness is withdrawn, inhibited;
- (ii) any mortgage, charge or other security interest is created over the whole or any part of the business, property or assets of any member of the Wider FOGL Group or any such security (whenever arising) becomes enforceable;
- (iii) any such agreement, instrument, permit, licence or other arrangement, or any right, interest, liability or obligation of any member of the Wider FOGL Group therein, is terminated or materially adversely modified or affected or any material action is taken or onerous obligation arises thereunder;
- (iv) the rights, liabilities, obligations or interests or business of any member of the Wider FOGL Group in or with any other person, firm or company (or any arrangement relating to such interest or business) is terminated or adversely modified or affected;
- (v) any asset or interest of any member of the Wider FOGL Group being disposed of or ceasing to be available to any member of the Wider FOGL Group or any right arising under which any such asset or interest could be required to be disposed of or could cease to be available to any member of the Wider FOGL Group;
- (vi) any member of the Wider FOGL Group ceases to be able to carry on business under any name under which it currently does so;
- (vii) any requirement on any such member to acquire, subscribe, pay up or repay any shares or other securities; or
- (viii) the creation or acceleration of any liability (actual or contingent) by a member of the Wider FOGL Group other than trade creditors or other liabilities incurred in the ordinary course of business,

and no event having occurred which, under any provision of any material agreement, arrangement, licence, permit or other instrument to which any member of the Wider FOGL Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, would result in any of the events or circumstances as are referred to in sub paragraphs (i) to (viii) of this condition which would be material in the context of the Merger.

- (g) since 31 December 2014 (being the date to which the latest published audited report and accounts of FOGL were made up) or save as Disclosed, no member of the Wider FOGL Group having:
 - (i) save as between FOGL and wholly owned subsidiaries of FOGL, for FOGL Shares issued pursuant to FOGL Share Plans or as agreed between Rockhopper and FOGL, issued or agreed to issue or authorised or proposed the issue of additional shares of any class or issued or authorised or proposed the issue of or granted securities convertible into or rights, warrants or options to subscribe for or acquire such shares or convertible securities or redeemed, purchased or reduced any part of its share capital;
 - (ii) sold or transferred or agreed to sell or transfer any treasury shares;

- (iii) other than to another member of the FOGL Group, recommended, declared, paid or made or proposed to recommend, declare, pay or make any dividend, bonus or other distribution whether payable in cash or otherwise;
- (iv) issued or authorised or proposed the issue of any debentures or save for any intra FOGL Group transactions incurred or increased any indebtedness or contingent liability which is material in the context of the Wider FOGL Group taken as a whole;
- (v) save for any intra FOGL Group transaction, made or authorised or announced an intention to propose any material change in its loan capital;
- (vi) other than to an extent which is not material to the Wider FOGL Group taken as a whole, disposed of or transferred, mortgaged or encumbered any asset or any right, title or interest in any asset or entered into or varied to a material extent any contract, commitment or arrangement (whether in respect of capital expenditure or otherwise) which is of a long term or unusual nature or which involves or could involve an obligation of a nature or magnitude which is material in the context of the Wider FOGL Group taken as a whole or announced any intention to do so;
- (vii) entered into or varied to a material extent or proposed to enter into or vary any contract, reconstruction, amalgamation, arrangement or other transaction which is of a long term or unusual or onerous nature, otherwise than in the ordinary course of business which is material in the context of the Wider FOGL Group taken as whole or announced any intention to do so;
- (viii) save as agreed between Rockhopper and FOGL, entered into, or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary the terms of, any agreement, arrangement, instrument, commitment or obligation with or for the benefit of any of the directors or, except for salary increases, bonuses or variations of terms in the ordinary course, senior executives; including any retirement, death or disability benefit or any share option or bonus scheme;
- (ix) other than in respect of any intra FOGL Group transactions, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) (except in the ordinary course of business) or other than pursuant to this Merger authorised or announced any intention to propose any merger, demerger, acquisition or disposal, transfer, mortgage, charge or security interest and in each case to an extent which is material in the context of the Wider FOGL Group taken as a whole;
- (x) other than in respect of a member which is dormant and was solvent at the relevant time taken or proposed any corporate action or had any legal proceedings started or threatened against it for its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any of its assets and revenues or any analogous proceedings in any jurisdiction or had any such person appointed;
- (xi) waived or compromised any claim which is material in the context of the Wider FOGL Group taken as a whole;
- (xii) made any amendment to its articles of association or other incorporation documents, other than an alteration in connection with the Scheme;

- (xiii) (except in relation to changes made or agreed as a result of, or arising from, changes to legislation or as agreed between Rockhopper and FOGL) proposed, agreed to provide or modified terms of any FOGL Share Plans incentive scheme or other benefit relation to the employment or termination of employment of any person employed by the Wider FOGL Group which are material in the context of the Wider FOGL Group taken as a whole;
- (xiv) made or agreed or consented to:
 - (A) any significant change to:
 1. the terms of the trust deeds constituting the pension scheme(s) established for its directors, employees or their dependants; or
 2. the benefits which accrue or to the pensions which are payable thereunder; or
 3. the basis on which qualification for, or accrual or entitlement to such benefits or pensions are calculated or determined; or
 4. the basis upon which the liabilities (including pensions) or such pension schemes are funded or made; or
 - (B) any change to the trustees including the appointment of a trust corporation,

to an extent which is in any case material in the context of the Wider FOGL Group;
- (xv) entered into any contract, transaction or arrangement which is or is likely to be restrictive on the business of any member of the Wider FOGL Group or the Wider Rockhopper Group;
- (xvi) entered into any contract, commitment or agreement with respect to, or announced any intention to effect any of the transactions or events referred to in this condition (g);
- (xvii) been unable or admitted that it is unable to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business which is material in the context of the Merger; and
- (xviii) having taken (or agreed or proposed to take) any action which requires, or would require, the approval of FOGL Shareholders in a general meeting, other than in relation to the Merger.
- (h) since 31 December 2014 (being the date to which the latest published audited report and accounts of FOGL were made up) and save as Disclosed:
 - (i) no litigation, arbitration, prosecution or other legal proceedings having been instituted, announced or threatened or remained outstanding by or against any member of the Wider FOGL Group (whether as plaintiff, defendant or otherwise) which in any such case might be reasonably expected to have a material adverse affect on the Wider FOGL Group taken as a whole;
 - (ii) no adverse change having occurred in the business, assets, financial or trading position, profits or prospects of any member of the Wider FOGL Group which is material in the context of the Wider FOGL Group taken as a whole;

- (iii) no steps having been taken which would or are reasonably likely to result in the withdrawal, cancellation, termination or modification of any material licence held by any member of the Wider FOGL Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which might reasonably be expected to have a material adverse effect on the Wider FOGL Group taken as a whole;
 - (iv) no enquiry or investigation by any Relevant Authority having been threatened, announced, implemented or instituted or remaining outstanding which in any such case is material in the context of the Merger; or
 - (v) otherwise than as a result of the Merger, no material liability (actual, contingent or otherwise) having arisen or increased to an extent which is material in the context of the Wider FOGL Group taken as a whole.
- (i) except as Disclosed, Rockhopper not having discovered that:
- (i) any business, financial or other information concerning any member of the FOGL Group disclosed, publicly or otherwise at any time to Rockhopper, by or on behalf of any member of the FOGL Group, either contains a misrepresentation of fact or omits to state a fact necessary to make the information contained therein not misleading, in each case in a manner which is material in the context of the Wider FOGL Group taken as a whole; or
 - (ii) any member of the Wider FOGL Group is subject to any liability, actual or contingent, which is not disclosed in the annual report and accounts of FOGL for the financial year ended 31 December 2014 which is material in the context of the Wider FOGL Group taken as a whole; and
- (j) excepts as Disclosed, Rockhopper not having discovered that:
- (i) any past or present member of the Wider FOGL Group has not complied with all applicable legislation or regulations of any jurisdiction with regard to the storage, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or to harm human health or otherwise relating to environmental matters (which non-compliance might give rise to any liability (whether actual or contingent) on the part of any member of the Wider FOGL Group) or that there has otherwise been any such disposal, discharge, spillage, leak or emission (whether or not the same constituted a non-compliance by any person with any such legislation or regulations and wherever the same may have taken place) which in any such case is likely to give rise to any liability (whether actual or contingent) on the part of any member of the Wider FOGL Group which, in any case, is material in the context of the Wider FOGL Group taken as a whole;
 - (ii) there is or is likely to be any liability (whether actual or contingent) to make good, repair, reinstate or clean up any property now or previously owned, occupied or made use of by any past or present member of the Wider FOGL Group or any controlled waters under any environmental legislation, regulation, notice, circular or order of any Relevant Authority or third party or otherwise which, in any case, is or is likely to be expected to be material in the context of the Wider FOGL Group taken as a whole.
 - (iii) there are no adequate procedures in place to prevent any member of the Wider FOGL Group or persons associated with the Wider FOGL Group from engaging in any activity, practice or conduct which would constitute an offence

under the Bribery Act 2010 or any other applicable anti-corruption legislation;
or

- (iv) any asset of any member of the Wider FOGL Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition) to an extent which is material in the context of the Merger.

Part B

Certain further terms of the Merger

- (a) Conditions 1.3(a) to 1.3(j) (inclusive) must each be fulfilled, determined by Rockhopper to be or to remain satisfied or (if capable of waiver) be waived by no later than 11.59 p.m. on the date immediately preceding the date of the Court Hearing, failing which the Scheme will lapse, unless Rockhopper and FOGL otherwise agree.
- (b) Notwithstanding the paragraph above, Rockhopper reserves the right in its sole discretion to waive all or any of Conditions 1.3(a) to 1.3(j) (inclusive), in whole or in part and to proceed with the Court Hearing prior to the fulfilment, satisfaction or waiver of any of the Conditions 1.3(a) to 1.3(j) inclusive.
- (c) Rockhopper shall be under no obligation to waive (if capable of waiver) or to determine to be satisfied, or to treat as fulfilled, any of the Conditions 1.3(a) to 1.3(j) (inclusive) by a date earlier than that date specified in Condition 1.1 for the fulfilment thereof notwithstanding that some of the other Conditions 1.3(a) to 1.3(j) (inclusive) may at some earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
- (d) Rockhopper reserves the right to elect to implement the Merger by way of a Merger Offer. In such event, such Merger Offer will be implemented on the same terms and conditions (subject to appropriate amendments, including (without limitation) an acceptance condition set at 90 per cent (or such lower percentage (being more than 50 per cent) as Rockhopper may decide) of the shares to which such Merger Offer (if any) relates, so far as applicable, as those which would apply to the Scheme).
- (e) The Merger will be on the terms and will be subject to, inter alia, the conditions which will be set out in the Scheme Document and such further terms (if any) as may be required to comply with the AIM Rules.
- (f) The FOGL Shares will be acquired by Rockhopper fully paid and free from all liens, equitable interests, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights attaching to them.
- (g) The Merger and the Scheme will be governed by Falkland Islands law and will be subject to the jurisdiction of the Falkland Islands courts.
- (h) The Rockhopper Consideration Shares to be issued under the Scheme will be issued credited as fully paid and will rank equally in all respects with the existing Rockhopper Shares, including the right to receive in full all dividends and other distributions, if any, declared, made or paid by reference to a record date falling after the Effective Date.
- (i) Fractions of Rockhopper Consideration Shares will not be allotted to FOGL Shareholders pursuant to the Merger. However, the entitlements of FOGL Shareholders will be rounded up or down (with 0.5 of an Rockhopper Consideration Share being rounded up) to the nearest whole number of Rockhopper Consideration Shares.
- (j) The availability of the Rockhopper Consideration Shares to persons not resident in the United Kingdom or the Falkland Islands may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom or the Falkland Islands should inform themselves about and observe any applicable requirements.

- (k) Each of Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

APPENDIX 2
SOURCES OF INFORMATION AND BASES OF CALCULATIONS

1. As at the close of business on 23 November 2015, being the last practicable date prior to the date of this announcement:
 - (a) FOGL had in issue 533,527,186 FOGL Shares; and
 - (b) Rockhopper had in issue 296,539,742 Rockhopper Shares.
2. The ISIN for FOGL Shares is FK00B030JM18 and for Rockhopper Shares is GB00B0FVQX23.
3. The closing share price (sourced from Bloomberg) on 23 November 2015, being the last practicable date prior to the date of this announcement, of Rockhopper Shares was 35.75 pence and of FOGL Shares was 9.60 pence.
4. Unless otherwise stated, the financial information and other information included in this announcement has been extracted or derived, without material adjustment, from:
 - (a) in the case of FOGL, the audited consolidated financial statements for the FOGL Group for the year ended 31 December 2014 and the interim report of the FOGL Group for the six months ending June 2015; and
 - (b) in the case of Rockhopper, the audited consolidated financial statements for the Rockhopper Group for the year ended 31 December 2014 and the interim report of the Rockhopper Group for the six months ended June 2015.
5. An exchange rate of US dollars to pounds sterling of 1.5136 has been used, being the US\$/£ exchange rate as at 4.00 p.m. (London time) on 23 November 2015, being the last practicable date prior to the date of this announcement, sourced from Bloomberg.

APPENDIX 3

Part A

FOGL Irrevocable Undertakings

1. Summary

Rockhopper has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and in favour of the resolution at the FOGL General Meeting in respect of a total of 50,390,798 FOGL Shares, representing, in aggregate, approximately 9.44 per cent of FOGL's existing issued share capital.

2. Irrevocable undertakings from the FOGL Directors

The FOGL Directors have undertaken irrevocably to vote in favour of the Scheme at the Court Meeting and in favour of the resolution at the FOGL General Meeting (or accept the Merger Offer, if applicable) in respect of their entire shareholding in FOGL, being a total of 1,095,617 FOGL Shares and representing, in aggregate, approximately 0.20 per cent of FOGL's existing issued share capital. The FOGL Directors have also irrevocably undertaken to approve the necessary resolutions (or accept the Merger Offer) in respect of their entire holdings of options and awards in the FOGL Share Plans (totalling 17,394,894 FOGL Shares), however the parties have agreed in the Co-operation Agreement that none of these options and awards will be exercised or vest prior to the Scheme Voting Record Time. These irrevocable undertakings will cease to be binding only if the Scheme (or Merger Offer, if applicable) lapses or is withdrawn and remain binding if a higher competing offer for FOGL is made.

3. Irrevocable undertakings from certain FOGL Shareholders

In addition, Rockhopper has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and in favour of the resolution at the FOGL General Meeting (or accept the Merger Offer, if applicable) from certain FOGL Shareholders. These undertakings are in respect of a total of 49,295,181 FOGL Shares representing, in aggregate, approximately 9.24 per cent of the existing issued share capital of FOGL and will cease to be binding only if the Scheme (or Merger Offer, if applicable) lapses or is withdrawn or if a competing offer for FOGL is made which represents, in the reasonable opinion of Canaccord, in excess of a 10 per cent improvement on the value of the consideration offered to FOGL Shareholders pursuant to the terms of the Merger.

4. Details of the irrevocable undertakings provided

The irrevocable undertakings received are comprised as follows:

FOGL Directors

Name	Number of FOGL Shares	% of FOGL Shares in issue
Tim Bushell	346,154	0.06
Colin More	166,538	0.03
David Hudd	270,623	0.05
Timothy Jones	265,555	0.05
Robert Lyons	46,747	0.01
Total	1,095,617	0.20

Name	Number of FOGL Shares under option	FOGL Share Plan
Tim Bushell	1,540,188	Falkland Oil & Gas Long Term Incentive Plan
Tim Bushell	7,561,346	Falkland Oil & Gas Share Option Plan
Colin More	1,391,527	Falkland Oil & Gas Long Term Incentive Plan
Colin More	6,661,833	Falkland Oil & Gas Share Option Plan
David Hudd	120,000	Falkland Oil & Gas Share Option Plan
Timothy Jones	120,000	Falkland Oil & Gas Share Option Plan
Total	17,394,894	

Other FOGL Shareholders

Name	Number of FOGL Shares	% of FOGL Shares in issue
RAB Special Situations (Master) Fund Limited	27,950,000	5.24
Phipps & Company Limited	21,345,181	4.00
Total	49,295,181	9.24

All percentages in this Part A of Appendix 3 have been calculated based on the issued share capital of FOGL on 23 November 2015 (being the last practicable date prior to this announcement).

Part B

Rockhopper Irrevocable Undertakings

1. Irrevocable undertakings from the Rockhopper Directors

Rockhopper has provided to FOGL irrevocable undertakings to vote in favour of the resolution to be proposed at the Rockhopper General Meeting in respect of a total of 3,630,048 Rockhopper Shares, representing, in aggregate, approximately 1.22 per cent of Rockhopper's existing issued share capital. These irrevocable undertakings will cease to be binding only if the Scheme (or Merger Offer, if applicable) lapses or is withdrawn.

2. Details of the irrevocable undertakings provided

The irrevocable undertakings received are comprised as follows:

Rockhopper Directors

Name	Number Shares	Rockhopper	% of Rockhopper Shares in issue
Pierre Jungels	1,394,817		0.470
Samuel Moody	2,019,517		0.681
Fiona MacAulay	47,814		0.016
Stewart MacDonald	20,810		0.007
Robert Peters	14,287		0.005
David McManus	132,803		0.045
Total	3,630,048		1.224

The percentages in this Part B of Appendix 3 have been calculated based on the issued share capital of FOGL on 23 November 2015 (being the last practicable date prior to this announcement).

APPENDIX 4

DEFINITIONS

The following definitions apply throughout this announcement unless the context requires otherwise:

"2C Contingent Resources"	those quantities of petroleum in the 2C contingent resources category (such category being a best estimate scenario and as defined in the 2007 Petroleum Resources Management System (as amended from time to time by any of its formal updates) sponsored by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council and the Society of Petroleum Evaluation Engineers) estimated, as of a given date, to be potentially recoverable, from known bodies of naturally occurring petroleum in reservoirs, by application of development projects but which are not currently considered to be commercially recoverable due to one or more contingencies
"Admission"	the admission of the Rockhopper Consideration Shares to trading on AIM
"AIM"	AIM, a market operated by the London Stock Exchange
"AIM Rules"	the rules and guidance for companies the shares of which are admitted to trading on AIM entitled "AIM Rules for Companies" published by the London Stock Exchange, as amended from time to time
"barrel"	quantity or unit of Crude Oil equal to 42 US gallons at Standard Conditions
"Business Day"	any day (excluding any day which is a Saturday, Sunday or public holiday in England and Wales and/or the Falkland Islands) on which banks in the City of London and the Falkland Islands are open for general banking business
"Canaccord"	Canaccord Genuity Limited, the nominated adviser to Rockhopper for the purposes of the AIM Rules and the financial adviser in relation to the Merger
"Combined Group"	the Rockhopper Group including, following the Effective Date, the FOGL Group
"Companies Act 1948"	the Companies Act 1948 (being the legislation applicable to companies incorporated in the Falkland Islands)
"Conditions"	the conditions to the implementation of the Scheme as set out in Appendix 1 to this announcement and to be set out in the Scheme Document
"contingent resources"	those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known bodies of naturally occurring petroleum in reservoirs by application of development projects but which are not currently considered to be commercially recoverable due to one or more contingencies

"Co-operation Agreement"	the agreement entered into by Rockhopper and FOGL on the date of this announcement, the key terms of which are summarised in paragraph 14 of this announcement
"Court"	the Supreme Court of the Falkland Islands
"Court Hearing"	the hearing at which the Court Order will be sought
"Court Meeting"	the meeting of Scheme Shareholders to be convened pursuant to an order of the Court under Part IV of the Companies Act 1948 for the purpose of approving the Scheme (with or without amendment) including any adjournment thereof
"Court Order"	the order of the Court sanctioning the Scheme under section 206 of the Companies Act 1948
"CREST"	the relevant system, as defined in the Uncertificated Securities Regulations 2001 (SI 2011/3755, as amended), for paperless settlement of share transfers and the holding of shares in uncertificated form (in respect of which Euroclear UK & Ireland Limited is the operator)
"Crude Oil"	petroleum that exists in the liquid phase in natural underground reservoirs and remains liquid at Standard Conditions, which may include small amounts of non-hydrocarbons produced with the liquids but does not include liquids obtained from the processing of natural gas
"Disclosed"	(i) publicly announced via a Regulatory Information Service by or on behalf of FOGL prior to the date of this announcement; (ii) disclosed in the Annual Report and Accounts of FOGL for the financial year ended 31 December 2014; (iii) disclosed in the Interim Report of FOGL for the six months ended 30 June 2015; or (iv) as fairly disclosed in writing by or on behalf of FOGL to Rockhopper, or its advisers engaged in connection with the Merger, prior to the date of this announcement
"Edison"	Edison S.p.A.
"Effective"	the Scheme having become effective pursuant to its terms
"Effective Date"	the date on which the Scheme becomes Effective or, if applicable, the Merger Offer has been declared unconditional in all respects
"Excluded Shares"	any FOGL Shares registered in the name of or beneficially owned by any member of the Rockhopper Group
"FOGL"	Falkland Oil and Gas Limited
"FOGL Depository Interests"	the depository interests representing FOGL Shares issued to Capita IRG Trustees Limited which holds legal title to the underlying FOGL Shares
"FOGL Directors" or "FOGL Board"	the directors of FOGL at the date of this announcement

"FOGL General Meeting"	the extraordinary general meeting (including any adjournment thereof) of FOGL Shareholders to be convened in connection with the Scheme
"FOGL Group"	FOGL and its subsidiary undertakings
"FOGL Shareholders"	the holders of FOGL Shares
"FOGL Share Plans"	the Falkland Oil & Gas Long Term Incentive Plan and the Falkland Oil & Gas Share Option Plan
"FOGL Shares"	the shares of 0.002 pence each in the share capital of FOGL
"FCA"	the United Kingdom Financial Conduct Authority and shall include any body or authority which succeeds to any of the duties, powers and discretions vested in the Financial Conduct Authority
"FEED"	front end engineering design
"FPSO"	floating production storage and offloading vessel
"Forms of Direction"	the forms of direction for use by the holders of FOGL Depository Interests in connection with the Court Meeting and the FOGL General Meeting
"Forms of Proxy"	the forms of proxy for the Court Meeting and the FOGL General Meeting
"London Stock Exchange"	London Stock Exchange plc
"Long Stop Date"	31 March 2016 (or such later date as may be agreed by Rockhopper and FOGL and, if appropriate, approved by the Court)
"Main Market"	the Main Market of the London Stock Exchange
"Merger"	the recommended all-share merger to be effected by means of the Scheme (or, if Rockhopper validly elects in accordance with the condition in paragraph (d) of Part B of Appendix 1, by means of a Merger Offer), subject to the Conditions
"Merger Offer"	the offer which may be made by or on behalf of Rockhopper to acquire the entire issued and to be issued share capital of FOGL, the full terms of which, if made, will be contained in an offer document, and where the context permits or requires, any subsequent revision, variation or extension of such offer
"Merger Period"	the period of time commencing on the date of the announcement and ending on the earlier of the Effective Date and the date on which the Scheme or the Merger Offer (as applicable) is withdrawn or lapses in accordance with its terms
"mmbbl"	million barrels
"Noble"	Noble Energy Inc.
"Noble and Edison Debt"	has the meaning given in paragraph 6.1 of this announcement

"PRA"	the Prudential Regulation Authority
"Premier"	Premier Oil plc
"prospective resources"	those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from oil and gas deposits identified on the basis of indirect evidence but which have not yet been drilled
"RBC" or "RBC Capital Markets"	RBC Europe Limited (trading as RBC Capital Markets), the financial adviser to FOGL
"Registrar of Companies"	the Registrar of Companies of the Falkland Islands
"Regulatory Information Service"	any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements
"Rockhopper"	Rockhopper Exploration plc
"Rockhopper Circular"	the document to be sent to Rockhopper Shareholders which will, among other things, contain the notice convening the Rockhopper General Meeting
"Rockhopper Consideration Shares"	the Rockhopper Shares to be issued pursuant to the Merger and any and all of them as the context requires
"Rockhopper Directors" or "Rockhopper Board"	the directors of Rockhopper at the date of this announcement
"Rockhopper General Meeting"	the general meeting (or any adjournment thereof) of the Rockhopper Shareholders to be convened in connection with the Rockhopper Resolution, notice of which will be set out in the Rockhopper Circular
"Rockhopper Group"	Rockhopper and its subsidiary undertakings
"Rockhopper Resolution"	the ordinary resolution to be proposed at the Rockhopper General Meeting for the purpose of authorising the Rockhopper Directors to issue and allot the Rockhopper Consideration Shares
"Rockhopper Shareholders"	the holders of Rockhopper Shares
"Rockhopper Shares"	the shares of 1 pence each in the share capital of Rockhopper
"Sea Lion"	the Sea Lion field and satellite fields discovered in the North Falkland Basin
"Scheme"	the scheme of arrangement proposed to be made under section 206 of the Companies Act 1948 between FOGL and the Scheme Shareholders in connection with the Merger, the full terms of which will be set out in the Scheme Document, with, or subject to, any amendment, modification or condition which FOGL and Rockhopper agree, and if required, the Court may approve or impose

"Scheme Document"	the formal document to be sent to FOGL Shareholders containing, amongst other things, the Scheme, the terms and conditions of the Merger and the notices convening the Court Meeting and the FOGL General Meeting
"Scheme Shareholders"	holders of Scheme Shares
"Scheme Record Time"	6.00 p.m. on the Business Day immediately preceding the date of the Effective Date
"Scheme Shares"	<p>FOGL Shares:</p> <p>(a) in issue as at the date of the Scheme Document;</p> <p>(b) (if any) issued after the date of the Scheme Document and on or prior to the Scheme Voting Record Time in respect of the Court Meeting; or</p> <p>(c) (if any) issued after the Scheme Voting Record Time in respect of the Court Meeting but on or prior to the Scheme Record Time either on terms that the original or any subsequent holders thereof shall be bound by the Scheme and/or in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by the Scheme,</p> <p>but excluding (A) in the case of references to the "Scheme Shares" or "Scheme Shareholders" in relation to the Court Meeting any Excluded Shares in issue at the Scheme Voting Record Time and (B) in the case of all other references to "Scheme Shares" and "Scheme Shareholders" any Excluded Shares in issue at the Scheme Record Time</p>
"Scheme Voting Record Time"	6.00 p.m. on the day which is two days before the date of the Court Meeting and the FOGL General Meeting, or if the Court Meeting or, if the FOGL General Meeting is adjourned, 6.00 p.m. on the day which is two days before the date of such adjourned meeting
"Securities Act"	the United States Securities Act of 1933 (as amended)
"Significant Interest"	a direct or indirect interest of 20 per cent or more of the equity share capital in a company or undertaking or equivalent
"Standard Conditions"	60°F and 14.7 pounds per square inch (1 atmosphere)
"Takeover Code" or "Code"	the City Code on Takeovers and Mergers
"Takeover Panel"	the Panel on Takeovers and Mergers
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"United States" or "US"	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia

"Working Interest" or "working interest"	with respect to a person refers to the total production of oil or gas multiplied by the percentage interest held by that person in the license, production sharing agreement, concession, or the like without regard for any amounts attributable to the host-government or other entity related to a royalty or division of production
"Wider Rockhopper Group"	Rockhopper and the subsidiaries and subsidiary undertakings of Rockhopper and associated undertakings (including any corporate joint venture, partnership, firm or company) and any other undertakings in which Rockhopper and such undertakings (aggregating their interests) have a Significant Interest
"Wider FOGL Group"	FOGL and the subsidiaries and subsidiary undertakings of FOGL and associated undertakings (including any corporate joint venture, partnership, firm or company) and any other undertakings in which FOGL and such undertakings (aggregating their interests) have a Significant Interest.

For the purposes of this announcement, "subsidiary", "subsidiary undertaking", "undertaking" and "associated undertaking" have the respective meanings given thereto by the Companies Act 1948.

All references to "pounds", "pounds sterling", "Sterling", "£", "pence", "penny" and "p" are to the lawful currency of the United Kingdom and the Falkland Islands.

All references to "US\$" and "US Dollars" are to the lawful currency of the United States.

Unless otherwise stated, all times referred to in this announcement are references to the time in London.

Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

Where the context requires, reference to the singular shall include the plural and vice versa.

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