

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART TWO (EXPLANATORY STATEMENT) OF THIS DOCUMENT TOGETHER WITH THE REST OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 207 OF THE COMPANIES ACT. This document contains a proposal which, if implemented, will result in the cancellation of the admission of FOGL Shares to trading on AIM. If you are in doubt about the Merger, you should consult an independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom or another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

If you sell or have sold or otherwise transferred all of your FOGL Shares, please send this document and the accompanying documents at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, such documents must not be forwarded, distributed or transmitted in, into or from any jurisdiction in which such act would constitute a violation of the relevant laws or regulations of such jurisdiction. If you sell or have sold or transferred only part of your holding of FOGL Shares, please retain these documents and consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

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 and may not be offered, sold, or delivered, directly or indirectly, in, into or from the United States absent registration under the Securities Act or an exemption from registration. In the United States the Rockhopper Consideration Shares are expected to be issued in reliance upon the exemption from registration set forth in Section 3(a)(10) of the Securities Act on the basis of the approval of the Court. For the purposes of qualifying for this exemption from the registration requirements of the Securities Act, FOGL will advise the Court that FOGL and Rockhopper will rely upon Section 3(a)(10) of the Securities Act based on the Court’s approval of the Scheme following a hearing on its fairness at which all FOGL Shareholders are entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all such shareholders.

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.

Recommended Merger

of

Falkland Oil and Gas Limited

(Incorporated and registered in the Falkland Islands with registered number 12913)

with

Rockhopper Exploration plc

*(Incorporated and registered in England and Wales under the Companies Act 1985
with registered number 05250250)*

**(to be implemented by way of a scheme of arrangement
under Part IV of the Companies Act 1948)**

**Circular to shareholders and Explanatory Statement
under section 207 of the Companies Act 1948,
Notice of Court Meeting and
Notice of Extraordinary General Meeting**

This document (including any document incorporated into it by reference) should be read as a whole, together with the accompanying Forms of Proxy and Forms of Direction. Your attention is drawn in particular to Part One (Letter from the Chairman of FOGL) of this document, which contains the unanimous recommendation of the FOGL Directors that you vote in favour of the Scheme at the Court Meeting and the Resolution at the FOGL General Meeting. A letter from RBC Europe Limited explaining the Scheme is contained in Part Two (Explanatory Statement) of this document and constitutes an explanatory statement in compliance with section 207 of the Companies Act.

Notices of the Court Meeting and the FOGL General Meeting (being an extraordinary general meeting of the Company), each of which will be held on 5 January 2016 at FTI Consulting, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD, are set out in Parts Ten (*Notice of Court Meeting*) and Eleven (*Notice of FOGL General Meeting*) of this document. The Court Meeting is scheduled to start at 2.00 p.m. on that date and the FOGL General Meeting is scheduled to start at 2.30 p.m. (or as soon thereafter as the Court Meeting is concluded or adjourned).

Your attention is drawn to pages 10 to 12 of this document, which explain the actions you should take in relation to the Scheme. It is very important that FOGL Shareholders vote (whether in person or by proxy) so that the Court can be satisfied that there is a fair and reasonable representation of their views.

A Blue Form of Proxy and Blue Form of Direction for use at the Court Meeting are enclosed with this document. Whether or not you intend to attend the Court Meeting in person, FOGL Shareholders holding FOGL Shares in certificated form resident outside of the Falkland Islands are requested to complete the Blue Form of Proxy in accordance with the instructions printed on it and return it to be received by Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, United Kingdom no later than 2.00 p.m. on 31 December 2015, being 48 hours (excluding weekends and public holidays in England and Wales and/or the Falkland Islands) before the time of the holding of the Court Meeting (or, if the Court Meeting is adjourned, at least 48 hours (excluding weekends and public holidays in England and Wales and/or the Falkland Islands) before the time of the holding of the adjourned Court Meeting). FOGL Shareholders holding FOGL Shares in certificated form resident in the Falklands Islands are requested to complete the Blue Form of Proxy in accordance with the instructions printed on it and return it to be received at the Company’s registered office at 56 John Street, Stanley, Falkland Islands, FIQQ 1ZZ no later than 2.00 p.m. on 31 December 2015, being 48 hours (excluding weekends and public holidays in England and Wales and/or the Falkland Islands) before the time of the holding of the Court Meeting (or, if the Court Meeting is adjourned, at least 48 hours

(excluding weekends and public holidays in England and Wales and/or the Falkland Islands) before the time of the holding of the adjourned Court Meeting). Depository Interest Holders resident outside the Falkland Islands are requested to complete and return the enclosed Blue Form of Direction in accordance with the instructions printed on it and return it to be received by Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, United Kingdom no later than 2.00 p.m. on 30 December 2015, being 72 hours (excluding weekends and public holidays in England and Wales and/or the Falkland Islands) before the time of the holding of the Court Meeting (or, if the Court Meeting is adjourned, at least 72 hours (excluding weekends and public holidays in England and Wales and/or the Falkland Islands) before the time of the holding of the adjourned Court Meeting). Depository Interest Holders resident in the Falkland Islands are requested to complete the Blue Form of Direction in accordance with the instructions printed on it and return it to be received at the Company's registered office at 56 John Street, Stanley, Falkland Islands, FIQQ 1ZZ no later than 2.00 p.m. on 30 December 2015, being 72 hours (excluding weekends and public holidays in England and Wales and/or the Falkland Islands) before the time of the holding of the Court Meeting (or, if the Court Meeting is adjourned, at least 72 hours (excluding weekends and public holidays in England and Wales and/or the Falkland Islands) before the time of the holding of the adjourned Court Meeting). The completion and return of the Blue Form of Proxy will not preclude FOGL Shareholders from attending the Court Meeting and voting in person should they subsequently wish to do so and are so entitled. If you have completed and returned the Blue Form of Direction (or would be required to do so to vote) and would like to attend the Court Meeting, please contact the Depository, Capita IRG Trustees Limited at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom (alternatively, please email custodymgmt@capita.co.uk) to request a Letter of Representation. Requests must be received no later than 2.30 p.m. on 30 December. Completion and return of the Blue Form of Direction will not preclude FOGL Shareholders from attending the Court Meeting and voting in person provided he or she holds a valid Letter of Representation and is so entitled.

A White Form of Proxy and White Form of Direction for use at the FOGL General Meeting are enclosed with this document. Whether or not you intend to attend the FOGL General Meeting in person, FOGL Shareholders holding FOGL Shares in certificated form resident outside of the Falkland Islands are requested to complete the White Form of Proxy in accordance with the instructions printed on it and return it to be received by Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, United Kingdom no later than 2.30 p.m. on 31 December 2015, being 48 hours (excluding weekends and public holidays in England and Wales and/or the Falkland Islands) before the time of the holding of the FOGL General Meeting (or, if the FOGL General Meeting is adjourned, 48 hours (excluding weekends and public holidays in England and Wales and/or the Falkland Islands) before the time of the holding of the adjourned FOGL General Meeting). FOGL Shareholders holding FOGL Shares in certificated form resident in the Falklands Islands are requested to complete the White Form of Proxy in accordance with the instructions printed on it and return it to be received at the Company's registered office at 56 John Street, Stanley, Falkland Islands, FIQQ 1ZZ no later than 2.30 p.m. on 31 December 2015, being 48 hours (excluding weekends and public holidays in England and Wales and/or the Falkland Islands) before the time of the holding of the FOGL General Meeting (or, if the FOGL General Meeting is adjourned, 48 hours (excluding weekends and public holidays in England and Wales and/or the Falkland Islands) before the time of the holding of the adjourned FOGL General Meeting). Depository Interest Holders resident outside the Falkland Islands are requested to complete and return the enclosed White Form of Direction in accordance with the instructions printed on it and return it to be received by Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, United Kingdom no later than 2.30 p.m. on 30 December 2015, being 72 hours (excluding weekends and public holidays in England and Wales and/or the Falkland Islands) before the time of the holding of the FOGL General Meeting (or, if the FOGL General Meeting is adjourned, 72 hours (excluding weekends and public holidays in England and Wales and/or the Falkland Islands) before the time of the holding of the adjourned FOGL General Meeting). Depository Interest Holders resident in the Falkland Islands are requested to complete the White Form of Direction in accordance with the instructions printed on it and return it to be received at the Company's registered office at 56 John Street, Stanley, Falkland Islands, FIQQ 1ZZ no later than 2.30 p.m. on 30 December 2015, being 72 hours (excluding weekends and public holidays in England and Wales and/or the Falkland Islands) before the time of the holding of FOGL General Meeting (or, if the FOGL General Meeting is adjourned, 72 hours (excluding weekends and public holidays in England and Wales and/or the Falkland Islands) before the time of the holding of the adjourned FOGL General Meeting). The completion and return of the White Form of Proxy will not preclude FOGL Shareholders from attending the FOGL General Meeting and voting in person should they subsequently do so and be so entitled. If you have completed and returned the White Form of Direction (or would be required to do so to vote) and would like to attend the FOGL General Meeting please contact the Depository, Capita IRG Trustees Limited at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom (alternatively, please email custodymgmt@capita.co.uk) to request a Letter of Representation. Requests must be received no later than 2.30 p.m. on 30 December 2015. Completion and return of the White Form of Direction will not preclude FOGL Shareholders from attending the FOGL General Meeting and voting in person provided he or she holds a valid Letter of Representation and is so entitled.

If the Blue Form of Proxy relating to the Court Meeting is not returned or lodged by the specified time, it may be handed to the Company's Registrars (on behalf of the chairman of the Court Meeting) before the taking of the poll at the Court Meeting and will still be valid. However, in the case of the FOGL General Meeting, if the White Form of Proxy is not returned or lodged so as to be received by the time specified in the instructions printed on it, it will be invalid.

Blue Forms of Direction relating to the Court Meeting not returned or lodged by the specified time may also be handed to the Company's Registrars (on behalf of the chairman of the Court Meeting) before the taking of the poll at the Court Meeting and will still be valid. In the case of the FOGL General Meeting, White Forms of Direction not returned or lodged so as to be received by the time specified in the instructions printed on it will be invalid.

Application will be made by Rockhopper for the Rockhopper Consideration Shares to be admitted to trading on AIM. It is anticipated that Admission will become effective and dealings in the Rockhopper Consideration Shares will commence at 8.00 a.m. on 19 January 2016.

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 the contents of this document and will not be responsible to anyone other than FOGL for providing the protections afforded to clients of RBC nor for providing advice in connection with the Merger or any matter referred to herein.

Numis Securities Limited, which is authorised and regulated by the FCA, is acting exclusively for FOGL and no one else in connection with the Merger and the contents of this document and will not be responsible to anyone other than FOGL for providing the protections afforded to its clients nor for providing advice in connection with the Merger or any matter referred to herein.

Canaccord Genuity 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 the contents of this document 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 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 document 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 document or any matter referred to herein.

THIS DOCUMENT HAS NOT BEEN EXAMINED OR APPROVED BY AUTHORITIES IN THE FALKLAND ISLANDS, THE UNITED KINGDOM OR ANY OTHER JURISDICTION.

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TO VOTE ON THE MERGER

This page should be read in conjunction with the paragraph entitled "ACTION TO BE TAKEN", starting on page 10 of this document, the rest of this document and the accompanying Forms of Proxy and Forms of Direction.

If you hold your FOGL Shares in certificated form, whether or not you plan to attend the Meetings, please:

- 1 complete and return the BLUE Form of Proxy for the Court Meeting so as to be received by no later than 2.00 p.m. on 31 December 2015 (or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned Court Meeting (excluding weekends and public holidays in England and Wales and/or the Falkland Islands)); and**
- 2 complete and return the WHITE Form of Proxy for the FOGL General Meeting so as to be received by no later than 2.30 p.m. on 31 December 2015 (or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned FOGL General Meeting (excluding weekends and public holidays in England and Wales and/or the Falkland Islands)).**

If you are a Depository Interest Holder, whether or not you plan to attend the Meetings, please:

- 1 complete and return the BLUE Form of Direction for the Court Meeting so as to be received by no later than 2.00 p.m. on 30 December 2015 (or in the case of any adjournment, not later than 72 hours before the time fixed for the holding of the adjourned Court Meeting (excluding weekends and public holidays in England and Wales and/or the Falkland Islands)); and**
- 2 complete and return the WHITE Form of Direction for the FOGL General Meeting so as to be received by no later than 2.30 p.m. on 30 December 2015 (or in the case of any adjournment, not later than 72 hours before the time fixed for the holding of the adjourned FOGL General Meeting (excluding weekends and public holidays in England and Wales and/or the Falkland Islands)).**

Shareholders resident outside of the Falkland Islands should send their Forms of Direction and Forms of Proxy to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, United Kingdom. Shareholders resident in the Falkland Islands should send their Forms of Proxy or Forms of Direction to the Company's registered office at 56 John Street, Stanley, Falkland Islands, FIQQ 1ZZ.

Alternatively, the Blue Form of Proxy and the Blue Form of Direction may be handed to the Company's Registrars (on behalf of the chairman of the Court Meeting) before taking the poll at the Court Meeting and will still be valid. However, in the case of the FOGL General Meeting, the White Form of Proxy and the White Form of Direction will be valid only if it is returned by the time indicated above.

The completion and return of the Forms of Proxy will not prevent eligible FOGL Shareholders from attending and voting at the Court Meeting or the FOGL General Meeting, or any adjournment thereof, in person. If you have completed and returned the Forms of Direction (or are required to do so to vote) and would like to attend the FOGL General Meeting or the Court Meeting, please contact the Depository, Capita IRG Trustees Limited at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom (alternatively, please email custodymgt@capita.co.uk) to request a Letter of Representation. Requests must be received no later than 2.30 p.m. on 30 December 2015. Completion and return of a Form of Direction will not preclude FOGL Shareholders from attending the Court Meeting or the FOGL General Meeting and voting in person provided he or she holds a valid Letter of Representation and is so entitled.

IT IS IMPORTANT THAT, AT THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR AND REASONABLE REPRESENTATION OF SCHEME SHAREHOLDER OPINION. YOU ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN YOUR FORMS OF PROXY OR FORMS OF DIRECTION AS SOON AS POSSIBLE.

YOUR ATTENTION IS DRAWN TO THE INFORMATION RELATING TO THE APPOINTMENT OF PROXIES, IN PARTICULAR THE APPOINTMENT OF MORE THAN ONE PROXY, SET OUT IN THE NOTES TO THE FORMS OF PROXY.

YOUR ATTENTION IS DRAWN TO THE INFORMATION RELATING TO DIRECTING THE VOTES OF THE DEPOSITORY SET OUT IN THE NOTES TO THE FORMS OF DIRECTION.

FOR FURTHER INFORMATION please contact Capita Asset Services on the helpline below:

0371 664 0321 if calling from within the United Kingdom

or

+44 (0)371 664 0321 if calling from outside the United Kingdom

Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am–5.30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Merger nor give any financial, legal or tax advice.

IMPORTANT NOTICE

The release, publication or distribution of this document in or into certain jurisdictions may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom or the Falklands Islands should inform themselves about, and observe, such restrictions or applicable requirements. Any failure to comply with any such restrictions or applicable requirements may constitute a violation of the securities laws of such jurisdiction. This document is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction in which such offer or solicitation is unlawful, nor shall there be any sale, issuance or transfer of securities of FOGL in any jurisdiction in contravention of applicable law.

This document and, in particular, the letter from the Chairman of FOGL in Part One (*Letter from the Chairman of FOGL*) and the Explanatory Statement in Part Two (*Explanatory Statement*) of this document, have been prepared solely to assist FOGL Shareholders in deciding how to vote on the Scheme. The summary of the principal provisions of the Scheme contained in this document is qualified in its entirety by reference to the Scheme itself, the full text of which is set out in Part Four (*The Scheme of Arrangement*) of this document. FOGL Shareholders are urged to read and consider carefully the text of the Scheme itself.

No person has been authorised to make any representation(s) on behalf of Rockhopper or FOGL concerning the Merger, the Scheme or any related matter which are inconsistent with the statements contained in this document.

FOGL Shareholders holding FOGL Shares in certificated form and Depository Interest Holders should not construe anything in this document as legal, financial or tax advice and should consult their own professional advisers for such advice.

The statements contained herein are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

Copies of this document and formal documentation relating to the Merger will not be and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any jurisdiction where to do so would violate the laws of that jurisdiction.

Overseas Shareholders

The release, publication or distribution of this document 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 document 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 document has been prepared for the purposes of complying with Falkland Islands law, English 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 document 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.

If the issue of Rockhopper Consideration Shares to any Overseas Shareholder, would or may infringe the laws of a jurisdiction outside the United Kingdom or the Falkland Islands or would or may require any governmental or other consent or any registration, filing or other formality which cannot be complied with, or compliance with which would be unduly onerous, Rockhopper may, in its sole discretion,

determine that such Overseas Shareholder shall either not have allotted or issued to him Rockhopper Consideration Shares and that the Rockhopper Consideration Shares which would otherwise have been attributable to such Overseas Shareholder under the terms of the Scheme shall be sold in the market and the cash proceeds of such sale be forwarded to such Overseas Shareholder or that the Rockhopper Consideration Shares, shall be issued to such Overseas Shareholder but shall be sold in the market on his behalf and the cash proceeds of such sale forwarded to the relevant Overseas Shareholder (in each case after the deduction of broking fees and other sales, costs and expenses).

Further details in relation to Overseas Shareholders are contained in paragraph 18 of Part Two (*Explanatory Statement*) of this document.

Shareholders in the United States

In the United States, this document is being furnished to FOGL Shareholders holding FOGL Shares in certificated form and Depository Interest Holders solely to explain the Scheme and describe the action recommended to be taken by FOGL Shareholders holding FOGL Shares in certificated form and Depository Interest Holders in relation to the Court Meeting and the FOGL General Meeting. This document is personal to each FOGL Shareholder holding FOGL Shares in certificated form or Depository Interest Holder and does not constitute an offer to any person or to the public generally to subscribe for or otherwise acquire the FOGL Shares or the Rockhopper Consideration Shares. This document is not an offer of, or solicitation of an offer to purchase, securities in the United States and the Rockhopper Consideration Shares to be issued pursuant to the Merger as described in this document have not been and will not be registered under the Securities Act, or under the securities laws of any state, district or other jurisdiction of the United States.

The Rockhopper Consideration Shares to be issued pursuant to the Scheme have not been and will not be registered under the Securities Act or under the relevant securities laws of any state or territory or other jurisdiction of the United States and may not be offered, sold, or delivered, directly or indirectly, in, into or from the United States absent registration under the Securities Act or an exemption from registration. In the United States the Rockhopper Consideration Shares are expected to be issued in reliance upon the exemption from registration set forth in Section 3(a)(10) of the Securities Act on the basis of the approval of the Court. For the purposes of qualifying for this exemption from the registration requirements of the Securities Act, FOGL will advise the Court that FOGL and Rockhopper will rely upon Section 3(a)(10) of the Securities Act based on the Court's approval of the Scheme following a hearing on its fairness at which all FOGL Shareholders are entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all such shareholders. The Merger relates to the acquisition of shares of a Falkland Islands company and is proposed to be effected by means of a scheme of arrangement under the laws of the Falkland Islands. A transaction effected by means of a scheme of arrangement is not subject to proxy solicitation or tender offer rules under the US Exchange Act of 1934, as amended. 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 the Press Announcement) 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.

Under applicable US securities laws, persons (whether or not US persons) who are or will be "affiliates" (within the meaning of the Securities Act) of Rockhopper after the Effective Date will be subject to certain transfer restrictions relating to the Rockhopper Consideration Shares received in connection with the Scheme.

The Rockhopper Consideration Shares have not 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 the information contained in this document. Any representation to the contrary is a criminal offence in the United States.

The receipt of Rockhopper Consideration Shares pursuant to the Merger by a FOGL Shareholder in the United States may be a taxable transaction for US federal income tax purposes and under applicable state and local, as well as foreign and other, tax laws. Each FOGL Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of the Merger.

Rockhopper is incorporated under the laws of England and Wales and FOGL is incorporated under the laws of the Falkland Islands. Some or all of the officers and directors of Rockhopper and FOGL may be residents of countries other than the United States. It may not be possible to sue Rockhopper and FOGL in a non-US court for violations of US securities laws. It may be difficult to compel Rockhopper, FOGL and their respective affiliates to subject themselves to the jurisdiction and judgment of a US court.

Cautionary note regarding forward-looking statements

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of the FOGL Group and the Rockhopper 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 document 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 document. FOGL and Rockhopper assume no obligation to update or correct the information contained in this document, whether as a result of new information, future events or otherwise, except to the extent legally required.

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

Not a profit forecast

No statement in this document is intended as a profit forecast or profit estimate and no statement in this document 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 FOGL or Rockhopper.

Note regarding FOGL oil and gas disclosure

This document 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.

Note regarding Rockhopper oil and gas disclosure

This document 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.

Publication on website

A copy of this document will be made available, free of charge subject to certain restrictions relating to persons resident in Restricted Jurisdictions, at FOGL's website which can be accessed directly at the address www.fogl.com and at Rockhopper's website which can be accessed directly at the address www.rockhopperexploration.co.uk, as soon as possible and in any event by no later than 12 noon (London time) on the Business Day following the date of this document and will continue to be made available on these websites during the Merger Period.

FOGL Shareholders may request that all future documents, announcements and information to be sent to them in relation to the Merger should be in hard copy form.

Rounding

Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different forms may vary slightly and figures shown in certain tables may not be an arithmetic aggregation of the figures that precede them.

Definitions

Capitalised terms used in this document shall have the meaning given to them in Part Nine (*Definitions*) of this document.

The date of publication of this document: 11 December 2015

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable sets out the expected dates for implementation of the Merger.

<u>Event</u>	<u>Expected time/date⁽¹⁾</u>
Rockhopper General Meeting	10:30 a.m. on 14 December 2015
Latest time for lodging Forms of Direction for the:	
• Court Meeting (blue form)	2.00 p.m. on 30 December 2015 ⁽²⁾
• FOGL General Meeting (white form)	2.30 p.m. on 30 December 2015 ⁽³⁾
Latest time for lodging Forms of Proxy for the:	
• Court Meeting (blue form)	2.00 p.m. on 31 December 2015 ⁽⁴⁾
• FOGL General Meeting (white form)	2.30 p.m. on 31 December 2015 ⁽⁵⁾
Voting Record Time	6.00 p.m. on 31 December 2015 ⁽⁶⁾
Court Meeting	2.00 p.m. on 5 January 2016
FOGL General Meeting	2.00 p.m. on 5 January 2016 ⁽⁷⁾
Court Hearing	1.00 p.m. on 15 January 2016 ⁽⁸⁾
Last day of dealings in FOGL Shares	15 January 2016 ⁽⁸⁾
Scheme Record Time	6.00 p.m. on 15 January 2016 ⁽⁸⁾
Suspension of dealings in FOGL Shares	By 8.00 a.m. on 18 January 2016 ⁽⁸⁾
Effective Date of the Scheme	18 January 2016 ⁽⁸⁾
Rockhopper Consideration Shares admitted to trading on AIM and credited to CREST accounts of FOGL Shareholders	By 8.00 a.m. on 19 January 2016 ⁽⁸⁾
Expected cancellation of admission of FOGL Shares to trading on AIM	By 8.00 a.m. on 19 January 2016 ⁽⁸⁾
Expected despatch of definitive share certificates for Rockhopper Consideration Shares to FOGL Shareholders who hold their FOGL Shares in certificated form	1 February 2016 ⁽⁸⁾
Long Stop Date, being the latest date by which the Scheme can become Effective	31 March 2016 ⁽⁹⁾

Notes:

- (1) All references in this document to times are to London time, unless otherwise stated.
- (2) It is requested that Blue Forms of Direction for the Court Meeting be lodged by 2.00 p.m. on 30 December 2015 or, if the Court Meeting is adjourned, not later than 72 hours prior to the time appointed for the Court Meeting (excluding weekends and public holidays in England and Wales and/or the Falkland Islands). Blue Forms of Direction not so lodged may be handed to the Company's Registrars (on behalf of the chairman of the Court Meeting) before the taking of the poll at the Court Meeting and will still be valid.
- (3) White Forms of Direction for the FOGL General Meeting must be lodged by 2.30 p.m. on 30 December 2015 or, if the FOGL General Meeting is adjourned, not later than 72 hours prior to the time appointed for the FOGL General Meeting (excluding weekends and public holidays in England and Wales and/or the Falkland Islands). The White Forms of Direction cannot be handed to the Company's Registrars (on behalf of the chairman of the FOGL General Meeting) at the FOGL General Meeting.
- (4) It is requested that Blue Forms of Proxy for the Court Meeting be lodged by 2.00 p.m. on 31 December 2015 or, if the Court Meeting is adjourned, not later than 48 hours prior to the time appointed for the Court Meeting (excluding weekends and public holidays in England and Wales and/or the Falkland Islands). Blue Forms of Proxy not so lodged may be handed to the Company's Registrars (on behalf of the chairman of the Court Meeting) before the taking of the poll at the Court Meeting and will still be valid.
- (5) White Forms of Proxy for the FOGL General Meeting must be lodged by 2.30 p.m. on 31 December 2015 or, if the FOGL General Meeting is adjourned, not later than 48 hours prior to the time appointed for the FOGL General Meeting (excluding

weekends and public holidays in England and Wales and/or the Falkland Islands). The White Forms of Proxy cannot be handed to the Company's Registrars (on behalf of the chairman of the FOGL General Meeting) at the FOGL General Meeting.

- (6) If either the Court Meeting or the FOGL General Meeting is adjourned, the Voting Record Time for the relevant adjourned meeting will be 6.00 p.m. on the day falling two Business Days before the date of the adjourned meeting.
- (7) Or as soon thereafter as the Court Meeting shall have concluded or been adjourned.
- (8) These dates are indicative only and will depend, among other things, on the date upon which the Court sanctions the Scheme and whether the Conditions are satisfied or waived.
- (9) Or such later date as may be agreed between Rockhopper and FOGL and, if appropriate, approved by the Court.

To the extent any of the above expected dates or times change, FOGL will give notice of any such changes and details of the revised dates and/or times to FOGL Shareholders by issuing an announcement through a Regulatory Information Service.

ACTION TO BE TAKEN

Detailed instructions on the action to be taken are set out in paragraph 19 of Part Two (*Explanatory Statement*) of this document and are summarised below.

The Scheme will require approval at the Court Meeting. The purpose of the Court Meeting is to allow FOGL Shareholders to consider and, if thought fit, approve the Scheme. The Scheme needs to be approved by a majority in number representing at least three-fourths in value of the Scheme Shareholders who vote either in person or by proxy at the Court Meeting. If the Scheme is approved by Scheme Shareholders, the Court will then need to sanction the Scheme for it to become Effective.

In addition, the implementation of the Scheme requires approval by the passing of a special resolution by FOGL Shareholders (including approving certain amendments to FOGL's articles of association in connection with the Scheme) at the FOGL General Meeting to be held immediately after the Court Meeting.

The Court Meeting will be held at FTI Consulting, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD at 2.00 p.m. (London time) on 5 January 2016. The FOGL General Meeting will be held on the same day and at the same place at 2.30 p.m. (or as soon thereafter as the Court Meeting is concluded or adjourned).

FOGL Shareholders holding FOGL Shares in certificated form—please check that you have received the following with this document:

- a Blue Form of Proxy for use in respect of the Court Meeting; and
- a White Form of Proxy for use in respect of the FOGL General Meeting.

If you have not received these documents, please contact the relevant helpline telephone number indicated on page 12.

Depository Interest Holders—please check that you have received the following with this document:

- a Blue Form of Direction for use in respect of the Court Meeting; and
- a White Form of Direction for use in respect of the FOGL General Meeting.

If you have not received these documents, please contact the relevant helpline telephone number indicated on page 12.

VOTING AT THE COURT MEETING AND FOGL GENERAL MEETING

IT IS IMPORTANT THAT, AT THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR AND REASONABLE REPRESENTATION OF SCHEME SHAREHOLDER OPINION. YOU ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN YOUR FORMS OF PROXY OR FORMS OF DIRECTION AS SOON AS POSSIBLE.

YOUR ATTENTION IS DRAWN TO THE INFORMATION RELATING TO THE APPOINTMENT OF PROXIES, IN PARTICULAR THE APPOINTMENT OF MORE THAN ONE PROXY, SET OUT IN THE NOTES TO THE FORMS OF PROXY.

YOUR ATTENTION IS DRAWN TO THE INFORMATION RELATING TO DIRECTING THE VOTES OF THE DEPOSITORY SET OUT IN THE NOTES TO THE FORMS OF DIRECTION.

To vote at the Meetings using the Forms of Proxy (FOGL Shareholders holding FOGL Shares in certificated form only):

FOGL Shareholders holding their FOGL Shares in certificated form will find enclosed with this document a Blue Form of Proxy and a White Form of Proxy. The Blue Form of Proxy is to be used in connection with the Court Meeting and the White Form of Proxy is to be used in connection with the FOGL General Meeting. Whether or not you intend to attend either or both of the Meetings, please complete and sign both Forms of Proxy and return them in accordance with the instructions thereon by post or (during normal business hours only) by hand to the Company's Registrars at Capita Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, United Kingdom (if you are resident outside the Falkland Islands) or to the Company's registered office at 56 John Street, Stanley, Falkland Islands, FIQQ 1ZZ (if you are resident in the Falkland Islands), so as to arrive as soon as possible but in any event

by no later than 48 hours (excluding weekends and public holidays in England and Wales and/or the Falkland Islands) before the time and date fixed for the relevant Meeting (or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned Meeting (excluding weekends and public holidays in England and Wales and/or the Falkland Islands)).

If the Blue Form of Proxy relating to the Court Meeting is not returned by or lodged by such time, it may be handed to the Company's Registrars (on behalf of the chairman of the Court Meeting) before the taking of the poll at the Court Meeting and will still be valid. However, in the case of the FOGL General Meeting, if the White Form of Proxy is not lodged so as to be received by the Company's Registrars by such time and in accordance with the instructions on that Form of Proxy, it will be invalid.

Whether or not you plan to attend either or both of the Meetings, please appoint a proxy by completing the Forms of Proxy. This will enable your votes to be counted at the Meetings in the event of your absence. The completion and return of a Form of Proxy will not prevent you from attending and voting at the Court Meeting and the FOGL General Meeting, or any adjournment thereof, in person should you so wish to do so and are so entitled.

To vote at the Meetings using the Forms of Direction (Depository Interest Holders only):

Depository Interest Holders will find enclosed with this document a Blue Form of Direction and a White Form of Direction. The Blue Form of Direction is to be used in connection with the Court Meeting and the White Form of Direction is to be used in connection with the FOGL General Meeting. Whether or not you intend to attend either or both of the Meetings, please complete and sign both Forms of Direction and return them in accordance with the instructions thereon by post or (during normal business hours only) by hand to the Company's Registrars at Capita Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, United Kingdom (if you are resident outside the Falkland Islands) or to the Company's registered office at 56 John Street, Stanley, Falkland Islands, FIQQ 1ZZ (if you are resident in the Falkland Islands), so as to arrive as soon as possible but in any event by no later than 72 hours before the time and date fixed for the relevant Meeting (or in the case of any adjournment, not later than 72 hours before the time fixed for the holding of the adjourned Meeting (excluding weekends and public holidays in England and Wales and/or the Falkland Islands)).

If the Blue Form of Direction relating to the Court Meeting is not returned by or lodged by such time, it may be handed to the Company's Registrars (on behalf of the chairman of the Court Meeting) before the taking of the poll at the Court Meeting and will still be valid. However, in the case of the FOGL General Meeting, if the White Form of Direction is not lodged so as to be received by the Company's Registrars by such time and in accordance with the instructions on that Form of Direction, it will be invalid.

If you hold your shares via the Depository Interest arrangement and would like to attend the FOGL General Meeting or the Court Meeting, please contact the Depository, Capita IRG Trustees Limited at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom (alternatively, please email custodymgt@capita.co.uk) to request a Letter of Representation. Requests must be received no later than 2.30 p.m. on 30 December 2015. Please note that the Depository will require an original copy of the letter of request before issuing the Letter of Representation. Completion and return of a Form of Direction will not prevent FOGL Shareholders from attending the Court Meeting or the FOGL General Meeting and voting in person provided he or she holds a valid Letter of Representation and is so entitled.

To vote at the Meetings through CREST (Depository Interest Holders only):

Depository Interest Holders may instruct the Depository how to vote utilising the CREST electronic voting service. To instruct the Depository how to vote or amend an instruction to vote via the CREST system, the CREST message must be received by the issuer's agent RA10 by 2.00 p.m. on 30 December 2015 in respect of the Court Meeting and by 2.30 p.m. on 30 December 2015 in respect of the FOGL General Meeting (or in the case of any adjournment by not later than 72 hours before the time fixed for the holding of the adjourned Meeting (excluding weekends and public holidays in England and Wales and/or the Falkland Islands)). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of voting instructions through CREST should be communicated to issuer's agent by other means. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service providers) for assistance. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual.

Assistance

Please contact Capita Asset Services on the helpline below:

0371 664 0321 if calling from within the United Kingdom
or
+44 (0)371 664 0321 if calling from outside the United Kingdom

Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am–5.30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Merger nor give any financial, legal or tax advice.

PART ONE
LETTER FROM THE CHAIRMAN OF FALKLAND OIL AND GAS LIMITED



FALKLAND OIL AND GAS LIMITED

(incorporated and registered in the Falkland Islands with registered number 12913)

Directors:		Registered Office:
John Martin	(Non-Executive Chairman)	56 John Street
Tim Bushell	(Chief Executive Officer)	Stanley
Colin More	(Exploration Director)	Falkland Islands
David Hudd	(Non-Executive Director)	FIQQ 1ZZ
Timothy Jones	(Non-Executive Director) (Finance Director)	
Robert Lyons	(Non-Executive Director)	

11 December 2015

To the holders of FOGL Shares in certificated form and Depository Interests and, for information only, to the holders of options over FOGL Shares

**Recommended Merger of Falkland Oil and Gas Limited with Rockhopper
Exploration plc**

1 Introduction

On 24 November 2015, the boards of Rockhopper and FOGL announced that they had reached agreement on the terms of a recommended all-share merger to be effected by means of a Court-sanctioned scheme of arrangement under Part IV of the Companies Act.

I am writing to you on behalf of the FOGL Board to explain the background to, and terms of, the Merger, to encourage you to vote in favour of the Scheme and the resolutions to be proposed at the Meetings required to implement the Scheme, as the FOGL Directors have irrevocably undertaken to do in respect of their entire beneficial holdings of FOGL Shares. I will also explain why the Board of FOGL is unanimously recommending that FOGL Shareholders vote at those Meetings in favour of the resolutions to be put to those Meetings.

Details of the actions you should take are set out in paragraph 19 of Part Two (*Explanatory Statement*) of this document, and the recommendation of the Directors of FOGL is set out in paragraph 15 of this Part One (*Letter from the Chairman of FOGL*) of this document.

2 Summary of the terms of the Merger

Under the terms of the Merger, which is subject to the satisfaction (or, where applicable, the waiver) of the Conditions and to the further terms set out in Part Three (*Conditions to the Scheme and to the Merger*) of this document, Scheme Shareholders will receive:

for each FOGL Share

0.2993 Rockhopper Consideration Shares

On the date on which the Merger becomes Effective, FOGL Shareholders will hold approximately 35 per cent of the Combined Group's issued share capital with current Rockhopper Shareholders holding the remaining approximately 65 per cent. Further details of the Rockhopper Consideration Shares are set out in paragraph 3 of Part Two (*Explanatory Statement*) of this document.

Based on the closing price of 35.75 pence per Rockhopper Share on 23 November 2015 (being the last practicable date before the Announcement Date), 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 before the Announcement Date).

The Scheme requires the approval of Scheme Shareholders at the Court Meeting and the passing of the Resolution to implement the Scheme by FOGL Shareholders at the FOGL General Meeting. You are strongly encouraged to vote at both of these Meetings in person or by proxy.

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 approving certain amendments to FOGL's articles of association in connection with the Scheme) at the FOGL General Meeting to be held immediately after the Court Meeting.

It is expected that (subject to satisfaction or waiver of the Conditions) the Court Hearing to sanction the Scheme will be held on or about 15 January 2016 and that the Scheme will become Effective upon delivery to the Registrar of Companies of an office copy of the Court Order for registration and this is expected to take place on or around 18 January 2016.

The Merger is conditional on Rockhopper Shareholders passing an ordinary resolution, at the Rockhopper General Meeting, authorising the Rockhopper Directors to allot the Rockhopper Consideration Shares pursuant to the Scheme. The Rockhopper General Meeting is scheduled to take place on 14 December 2015.

Further details of the Rockhopper Shareholder approval, and the Rockhopper Directors' unanimous recommendation to Rockhopper Shareholders to vote in favour of the Rockhopper Resolution, are set out in paragraph 14 of Part Two (*Explanatory Statement*) of this document.

The Merger is also subject to the Falkland Islands Government not having revoked and provided confirmation that it does not intend to revoke any exploration or production licence held by FOGL. Such confirmation may not be forthcoming until after the Meetings have taken place and may have conditions attaching to it.

3 The Takeover Code

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.

FOGL and Rockhopper 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 in paragraph 8 of this Part One (*Letter from the Chairman of FOGL*) and paragraph 10.1 of Part Eight (*Additional Information*) of this document.

4 Background to and reasons for the FOGL recommendation

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.

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.

Further detail on the background to the Merger is set out in paragraph 5 of Part Two (*Explanatory Statement*) of this document.

5 FOGL current trading

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).

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.

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.

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.

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.

6 Irrevocable undertakings

The FOGL Directors have undertaken irrevocably to (or to use all reasonable endeavours to procure that their relevant connected persons) 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 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 10 December 2015 (being the last practicable date prior to publication of this document). The FOGL Directors have also irrevocably undertaken 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 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 becoming Effective. These 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.

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 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.

The irrevocable undertakings given by the above 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.

Therefore, as at the date of this document, 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 10 December 2015 (being the last practicable date prior to the publication of this document).

Further details of these irrevocable undertakings (including the circumstances in which they will fall away) are set out in paragraph 9 of Part Eight (*Additional Information*) of this document.

7 Management, employees and locations of business

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.

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.

FOGL does not operate a pension plan for FOGL Directors or employees but does, at the FOGL Directors' and employees' option, contribute to the personal pension plans of each FOGL Director and employee, up to a specified percentage of salary.

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.

Rockhopper may re-deploy the fixed assets of FOGL but no decision will be made until Rockhopper undertakes a business, operational and administrative review following implementation of the Merger

8 Co-operation Agreement

Rockhopper and FOGL have entered into a Co-operation Agreement dated 24 November 2015 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.

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.

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 at the Rockhopper General Meeting 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.

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.

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 (or such later date as may be agreed between Rockhopper and FOGL and, if appropriate, approved by the Court).

It has been agreed that the FOGL Executive Directors, Tim Bushell and Colin More shall resign as directors of FOGL on the Effective Date and will each enter into settlement agreements with FOGL. Tim Bushell will join the board of Rockhopper as a non-executive director and Colin More will be retained as an adviser to the Combined Group. Tim Bushell and Colin More will enter into consultancy agreements with Rockhopper, for a six month period from the Effective Date, in connection with their assistance with the integration of the FOGL and Rockhopper businesses. During this six month period, Tim Bushell will not receive any fees for his role as a non-executive director of Rockhopper.

The appointments of all of the FOGL Non-Executive Directors, David Hudd, Robert Lyons, John Martin and Timothy Jones, will be terminated with effect from the Effective Date. The separate agreement with FOGL pursuant to which Timothy Jones acts as the Finance Director of FOGL will also be terminated with effect from the Effective Date.

John Martin, FOGL's chairman, will be appointed as a non-executive director of Rockhopper on terms commensurate with those in place for the other non-executive directors of Rockhopper.

The total sum payable to the FOGL Directors pursuant to the arrangements referred to above, including the consultancy fees for Tim Bushell and Colin More, is approximately £1.45 million.

Further details of the Co-operation Agreement are set out in paragraph 10.1 of Part Eight (*Additional Information*) of this document.

9 FOGL Share Plans

FOGL Share Plan Participants are being contacted separately regarding the effect of the Merger on their rights under the FOGL Share Plans.

All FOGL Shares issued on the exercise of options or vesting of awards granted under the FOGL Share Plans and on or before the Scheme Record Time will be considered Scheme Shares subject to the terms of the Scheme.

The Scheme will not extend to FOGL Shares issued after the Scheme Record Time and the proposed form of the Amended FOGL Articles provides that, if the Scheme becomes Effective, any FOGL Shares issued after the Scheme Record Time will be automatically transferred to Rockhopper in consideration of the holder receiving the Scheme consideration as it would have received under the Scheme if it had held Scheme Shares.

10 Meetings and action to be taken by FOGL Shareholders holding FOGL Shares in certificated form and Depository Interest Holders

Notices convening the Court Meeting and the FOGL General Meeting are set out in Parts Ten (*Notice of Court Meeting*) and Eleven (*Notice of FOGL General Meeting*) of this document.

Please see paragraph 19 of Part Two (*Explanatory Statement*) of this document for details of the actions to be taken by FOGL Shareholders holding FOGL Shares in certificated form and Depository Interest Holders in relation to voting at the Meetings.

It is important that, at the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholder opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy or Forms of Direction (as appropriate) in accordance with the instructions printed thereon, as soon as possible.

11 Cancellation of Listing of FOGL Shares and re-registration

Your attention is drawn to paragraph 13 of Part Two (*Explanatory Statement*) of this document in relation to Rockhopper's intentions regarding the cancellation of admission of FOGL Shares to trading on AIM following the Effective Date and following that the re-registration of FOGL as a private limited company.

12 Overseas Shareholders

Overseas Shareholders should refer to paragraph 18 of Part Two (*Explanatory Statement*) of this document.

13 Action to be taken

Your attention is drawn to pages 10 to 12 and paragraph 19 of Part Two (*Explanatory Statement*) of this document, which explain the actions you should take in respect of voting on the Merger.

14 Further information

I draw your attention to the letter from RBC Capital Markets set out in Part Two (*Explanatory Statement*) of this document, which gives further details about the Merger and the Scheme. You should, however, read

the whole of this document and not just rely on the information contained in this letter or in Part Two (*Explanatory Statement*) of this document.

Your attention is also drawn to the information which is incorporated by reference into this document, details of which can be found in Parts Six (*Financial Information Relating to FOGL*) and Seven (*Financial Information Relating to Rockhopper*) of this document.

15 Recommendation

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 unanimously recommend that FOGL Shareholders holding FOGL Shares in certificated form and Depository Interest Holders vote in favour of the Scheme at the Court Meeting and the Resolution at the FOGL General Meeting (or in the event that the Merger is implemented by means of a Merger Offer, to accept or procure acceptance of the Merger Offer) as the FOGL Directors have, in respect of their entire beneficial holdings in FOGL, irrevocably undertaken to do (or to use all reasonable endeavours to procure that their relevant connected persons so do). Such shares represent, in aggregate, 1,095,617 FOGL Shares, representing approximately 0.20 per cent of the issued ordinary share capital of FOGL on 10 December 2015 (being the last practicable date prior to publication of this document).

Yours faithfully,

A handwritten signature in black ink, appearing to read 'John Martin', with a horizontal line extending to the right.

John Martin
Chairman
Falkland Oil and Gas Limited

**PART TWO
EXPLANATORY STATEMENT**

(In compliance with section 207 of the Companies Act)



RBC Capital Markets®

RBC Europe Limited

Riverbank House
2 Swan Lane
London
EC4R 3BF
United Kingdom

11 December 2015

To the holders of FOGL Shares in certificated form and Depository Interests and, for information only, to the holders of options over FOGL Shares

Dear FOGL Shareholder

**Recommended Merger of Falkland Oil and Gas Limited with Rockhopper
Exploration plc**

1 Introduction

On 24 November 2015, the boards of Rockhopper and FOGL announced that they had reached agreement on the terms of a recommended all-share merger to be effected by means of a Court-sanctioned scheme of arrangement under Part IV of the Companies Act.

Your attention is drawn to Part One (*Letter from the Chairman of FOGL*) of this document, which forms part of this Explanatory Statement. The letter contains, among other things, the unanimous recommendation by the FOGL Directors to FOGL Shareholders holding FOGL Shares in certificated form and Depository Interest Holders to vote in favour of the Scheme at the Court Meeting and the Resolution at the FOGL General Meeting. That letter also states that 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.

We have been authorised by the FOGL Directors to write to you to explain the terms of the Merger and the Scheme and to provide you with other relevant information. Statements made in paragraph 5 of this Part Two (*Explanatory Statement*) of this document which refer to the background to, and reasons for, the Merger reflect the views of the Rockhopper Directors and the FOGL Directors.

The terms of the Scheme are set out in full in Part Four (*The Scheme of Arrangement*) of this document. Your attention is also drawn to the other parts of this document, including the information in Parts Five (*Taxation*) and Eight (*Additional Information*) of this document.

2 Summary of the terms of the Merger

Under the terms of the Merger, which is subject to the satisfaction (or, where applicable, the waiver) of the Conditions and to the further terms set out in Part Three (*Conditions to the Scheme and to the Merger*) of this document, Scheme Shareholders will be entitled to receive:

for each FOGL Share

0.2993 Rockhopper Consideration Shares

On the date on which the Merger becomes Effective, FOGL Shareholders will hold approximately 35 per cent of the Combined Group's issued share capital with current Rockhopper Shareholders holding the remaining approximately 65 per cent. Further details of the Rockhopper Consideration Shares are set out in paragraph 3 of this Part Two (*Explanatory Statement*) of this document.

Based on the closing price of 35.75 pence per Rockhopper Share on 23 November 2015 (being the last practicable date before the Announcement Date), 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 before the Announcement Date).

The Scheme requires the approval of Scheme Shareholders at the Court Meeting and the passing of the Resolution to implement the Scheme by FOGL Shareholders at the FOGL General Meeting. You are strongly encouraged to vote at both of these Meetings in person or by proxy.

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 approving certain amendments to FOGL's articles of association in connection with the Scheme) at the FOGL General Meeting to be held immediately after the Court Meeting.

It is expected that (subject to satisfaction or waiver of the Conditions) the Court Hearing to sanction the Scheme will be held on or about 15 January 2016 and that the Scheme will become Effective upon delivery to the Registrar of Companies of an office copy of the Court Order for registration and this is to take place on or around 18 January 2016.

The Merger is conditional on Rockhopper Shareholders passing an ordinary resolution, at the Rockhopper General Meeting, authorising the Rockhopper Directors to allot the Rockhopper Consideration Shares pursuant to the Scheme. The Rockhopper General Meeting is scheduled to take place on 14 December 2015.

Further details of the Rockhopper Shareholder approval, and the Rockhopper Directors' unanimous recommendation to Rockhopper Shareholders to vote in favour of the Rockhopper Resolution, are set out in paragraph 14 of this Part Two (*Explanatory Statement*) of this document.

The Merger is also subject to the Falkland Islands Government not having revoked and provided confirmation that it does not intend to revoke any exploration or production licence held by FOGL. Such confirmation may not be forthcoming until after the Meetings have taken place and may have conditions attaching to it.

3 Rockhopper Consideration Shares

The Rockhopper Consideration Shares will be ordinary shares of 1 pence each in the capital of Rockhopper.

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.

Existing Rockhopper Shares are admitted to trading on AIM under the symbol "RKH". Once the Scheme has become Effective, Rockhopper Consideration Shares will be allotted to Scheme Shareholders and it is intended that an application will be made to the London Stock Exchange for the Rockhopper Consideration Shares to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Rockhopper Consideration Shares will commence at 8.00 a.m. on 19 January 2016.

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.

4 Irrevocable undertakings

The FOGL Directors have irrevocably undertaken to (or to use all reasonable endeavours to procure that their relevant connected persons), 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 beneficial holdings in FOGL.

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.

Further details of these irrevocable undertakings (including the circumstances in which they will fall away) are set out in Part Eight (*Additional Information*) of this document.

5 Background to and reasons for the Merger

The boards of FOGL and Rockhopper 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 boards of FOGL and Rockhopper 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.

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 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:

	<u>Rockhopper</u>	<u>FOGL</u>	<u>Combined Group</u>	<u>Operator</u>
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.

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.

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

Upon completion of the Merger, the Combined Group 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.

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 Management, employees and locations of business

Information regarding the intentions of Rockhopper for the management and employees of FOGL and the views of the FOGL Directors on these are set out in paragraph 7 of Part One (*Letter from the Chairman of FOGL*) of this document.

7 Information relating to FOGL

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.

FOGL is also participating in the Isobel-2 well which spudded on 21 November 2015. Results are expected during January 2016.

8 Information relating to Rockhopper

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 (as at 23 November 2015). In August 2014, Rockhopper successfully completed the takeover of Mediterranean Oil and Gas plc.

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. 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.

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.

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.

9 Financial effects of the Merger

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 in connection with costs related to the drilling of the Humpback well. This security covers a debt currently carried by Noble and 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.

As at close of business on 23 November 2015 (being the last practicable date before the Announcement Date) 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 (being the last practicable date before the Announcement Date).

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 Interim Reports for the six months ended 30 June 2015), the Combined Group would have had the following net assets on an adjusted basis:

	<u>US\$000</u>	<u>Note</u>
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).

This comparison has been provided on a pro forma basis and for illustrative purposes only.

Under International Financial Reporting Standards the fair value of FOGL's assets and liabilities, at the date of the completion of the Merger, will have to be determined and consolidated into the Rockhopper Group's balance sheet.

On the basis that neither FOGL nor Rockhopper have paid any dividends to shareholders in the 12 months preceding the date of this document, the Merger is not expected to have any financial effect on income for a holder of one FOGL Share.

This statement should not be construed as a profit forecast or be interpreted to mean that the future earnings per share, profits or margins of Rockhopper after the Effective Date will necessarily be greater or less than the historic published earnings per share, profits or margins of Rockhopper.

10 The FOGL Directors and the effect of the Scheme on their interests

Details of the interests of the FOGL Directors in the share capital of FOGL are set out in paragraph 4 of Part Eight (*Additional Information*) of this document. FOGL Shares held by the FOGL Directors will be subject to the Scheme.

Each FOGL Director who is a FOGL Shareholder has undertaken to vote his FOGL Shares (or, where appropriate, to use all reasonable endeavours to procure the voting of relevant FOGL Shares) in favour of the Scheme at the Court Meeting and the Resolution at the FOGL General Meeting. Further details of these irrevocable undertakings are set out in paragraph 9 of Part Eight (*Additional Information*) of this document.

Particulars of the service contracts and letters of appointment of the FOGL Directors and the arrangements agreed with FOGL in relation to the termination of their service contracts and letters of appointment are set out in paragraph 7 of Part Eight (*Additional Information*) of this document.

As more particularly described in paragraph 7 of Part One (*Letter from the Chairman of FOGL*), Tim Bushell (CEO of FOGL) and John Martin (Chairman of FOGL) will join the board of Rockhopper as Non-Executive Directors from the Effective Date and Colin More will be retained as an advisor to the Combined Group.

It is expected that the other non-executive members of the FOGL Board (being David Hudd, Timothy Jones and Robert Lyons) 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.

Save as set out above and disclosed in this document, the effect of the Scheme on the interests of the FOGL Directors does not differ from its effect on the like interests of any other person.

11 Structure of the Merger

Introduction

It is intended that the Merger will be effected by way of a Court-sanctioned scheme of arrangement under Part IV of the Companies Act, 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.

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 Part Two (*Explanatory Statement*) of this document. The transfer of the Scheme Shares to Rockhopper will result in FOGL becoming a wholly-owned subsidiary of Rockhopper.

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 approving certain amendments to FOGL's articles of association in connection with the Scheme) at the FOGL General Meeting to be held immediately after the Court Meeting.

The Scheme must be sanctioned by the Court. All Scheme Shareholders are entitled to attend the Court Hearing in connection with the Scheme 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.

The Scheme will also be subject to the satisfaction (or, where applicable, the waiver) of the Conditions and to the further terms set out in Part Three (*Conditions to the Scheme and to the Merger*) of this 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.

Subject to satisfaction of the Conditions, it is estimated that the Scheme will become Effective on 18 January 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).

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 the Meetings.

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.

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 declared if, any, made or paid by reference to a record date falling after the Effective Date.

The Meetings

The Court Meeting and the FOGL General Meeting are scheduled to be held at 2.00 p.m. and 2.30 p.m., respectively, on 5 January 2016 at FTI Consulting, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD.

Notice of the Court Meeting is set out in Part Ten (*Notice of Court Meeting*) and notice of the FOGL General Meeting is set out in Part Eleven (*Notice of FOGL General Meeting*) of this document. Entitlement to attend and vote at these Meetings and the number of votes which may be cast thereat will be determined by reference to the register of members of FOGL at 6.00 p.m. on the date which is two Business Days before the Meeting or any adjourned meeting (as the case may be).

If the Scheme becomes Effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the FOGL General Meeting.

Any FOGL Shares held or beneficially owned by Rockhopper or any other member of the Rockhopper Group will not qualify to be Scheme Shares.

Any member of the Rockhopper Group which holds or beneficially owns FOGL Shares will not be entitled to vote at the Court Meeting in respect of the FOGL Shares held or acquired by or for it. All FOGL Shareholders will be entitled to vote at the FOGL General Meeting.

(a) Court Meeting

The Court Meeting is being held with the permission of the Court to seek the approval of Scheme Shareholders for the Scheme. At the Court Meeting, voting will be by way of poll and each Scheme Shareholder present in person or by proxy will be entitled to one vote for each Scheme Share held. The approval required at the Court Meeting is a majority in number of the Scheme Shareholders present and voting, either in person or by proxy, representing three-fourths or more in value of the Scheme Shares voted by such holders.

The instructions of Depository Interest Holders will be counted in determining whether or not Scheme Shareholders representing three-fourths or more in value of the Scheme Shares voted at the Court Meeting approve the Scheme. However, because Depository Interest Holders are not the legal owners of the underlying FOGL Shares, which are legally owned by the Depository, Depository Interest Holders will not each be counted as a separate Scheme Shareholder for the purposes of determining whether or not a majority in number of the Scheme Shareholders present and voting at the Court Meeting approve the Scheme. Instead, for the purposes of determining whether or not a majority in number of the Scheme

Shareholders present and voting at the Court Meeting approve the Scheme, the Depository will be treated as one Scheme Shareholder.

In order that the Court can be satisfied that the votes cast constitute a fair representation of the views of the FOGL Shareholders, it is important that as many votes as possible are cast at the Court Meeting. You are therefore strongly urged to complete, sign and return your Forms of Proxy or Forms of Direction, as soon as possible.

(b) FOGL General Meeting

The FOGL General Meeting has been convened as an extraordinary general meeting for the same date as the Court Meeting at 2.30 p.m. (or as soon thereafter as the Court Meeting has concluded or been adjourned) to consider and, if thought fit, pass the Resolution (which requires votes in favour representing at least 75 per cent of the votes cast in person or by proxy) to approve:

- (i) the authorisation of the Directors of FOGL to take all actions as they may consider necessary or appropriate for carrying the Scheme into effect; and
- (ii) certain amendments to the articles of association of FOGL as described below.

Amendments to FOGL's articles of association

It is proposed to amend FOGL's articles of association to ensure that any FOGL Shares issued after the time of amendment of FOGL's articles of association and on or before the Scheme Record Time will be subject to the Scheme. It is also proposed to amend FOGL's articles of association so that provided the Scheme becomes Effective any FOGL Shares issued to any person other than Rockhopper or its nominee(s) after the Scheme Record Time will be automatically acquired by Rockhopper on the same terms as under the Scheme. This will avoid any person (other than Rockhopper or its nominee(s)) being left with FOGL Shares after completion of the Merger. Part (B) of the Resolution set out in Part Eleven (*Notice of FOGL General Meeting*) of this document seeks the approval of FOGL Shareholders for such amendment.

The Court Hearings

The Scheme also requires the sanction of the Court. The Court Hearing to sanction the Scheme is expected to be held on 15 January 2016. Rockhopper has confirmed that it will be represented by counsel at the Court Hearings so as to consent to the Scheme and to undertake to the Court to be bound thereby.

The Scheme will become Effective only upon an office copy of the Court Order being delivered to the Registrar of Companies for registration. It is intended that the Scheme will become Effective on 18 January 2016.

Modifications to the Scheme

The Scheme contains a provision for FOGL and Rockhopper jointly to consent on behalf of all persons concerned to any modification of, or addition to, the Scheme or to any condition approved or imposed by the Court. The Court would be unlikely to approve any modification of, or addition to, or impose a condition to the Scheme which might be material to the interests of the Scheme Shareholders, unless Scheme Shareholders were informed of such modification, addition or condition. It would be a matter for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in these circumstances.

Alternative means of implementing the Merger

Rockhopper reserves the right to elect to implement the Merger by way of a Merger Offer as an alternative to the Scheme. 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, and will otherwise be implemented on the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme, and in compliance with applicable laws and regulations. If sufficient acceptances of such offer are received and/or sufficient FOGL Shares are otherwise acquired, it is the intention of Rockhopper to apply the provisions of section 209 of the Companies Act to acquire compulsorily any outstanding FOGL Shares to which such offer relates.

12 Regulatory Conditions

The Merger will be subject to the satisfaction (or, where applicable, the waiver) of the Conditions and to the further terms set out in Part Three (*Conditions to the Scheme and to the Merger*) of this document, including the Falkland Islands Government not having revoked and provided confirmation that it does not intend to revoke any exploration or production licence held by FOGL.

13 Suspension, delisting and re-registration

Prior to the Effective Date, application will be made to the London Stock Exchange for the cancellation of the admission to trading of the FOGL Shares to AIM to take effect from the Business Day after the Effective Date.

On the Effective Date, FOGL will become a wholly-owned subsidiary of Rockhopper. 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.

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

14 Rockhopper Shareholder approval

As stated above, the Merger is also conditional on the Rockhopper Shareholders passing an ordinary resolution, at the Rockhopper General Meeting, authorising the Rockhopper Directors to allot the Rockhopper Consideration Shares pursuant to the Scheme. The Rockhopper General Meeting has been convened for 10:30 a.m. on 14 December 2015.

As announced on 24 November 2015, the Rockhopper Directors have confirmed to Rockhopper Shareholders that they believe the Merger to be in the best interests of Rockhopper and Rockhopper Shareholders as a whole and, accordingly, that they unanimously recommend that Rockhopper Shareholders approve the Rockhopper Resolution to be proposed at the Rockhopper General Meeting as they have irrevocably undertaken to do in respect of their entire beneficial holdings in Rockhopper, which, in aggregate, amount to 3,634,017 Rockhopper Shares, representing approximately 1.225 per cent of Rockhopper's existing issued share capital in issue on 10 December 2015 (being the last practicable date prior to the publication of this document).

15 Settlement

Subject to the Scheme becoming Effective, settlement of the consideration to which any holder of Scheme Shares is entitled will be effected as soon as practicable and in any event not later than 14 days after the Effective Date in the manner set out below.

(a) Depository Interest Holders

Under the present arrangements, the Depository holds the relevant FOGL Shares on bare trust for Depository Interest Holders. The Depository issues Depository Interests to the Depository Interest Holders, which represent the relevant FOGL Shares. The Depository Interests are settled and transferred through CREST in a process facilitated by the Depository. The relevant FOGL Shares themselves are at no time admitted to CREST and the Depository is recorded in the register of members of FOGL as the legal owner of those shares.

The Depository Interest Holders hold their interests in FOGL Shares pursuant to the terms of the Depository Interest Deed, which governs the relationship between the Depository and the Depository Interest Holders.

The Depository Interests are independent securities constituted under English law. The Depository records the interests of each Depository Interest on the Depository Interest Register.

A Depository Interest Holder will participate in the Scheme in the following manner:

- (i) prior to the close of the register of members of FOGL at the Scheme Record Time each person entered in the Depository Interest Register will have their Depository Interests cancelled by the Depository in accordance with clause 14.1 of the Depository Interest Deed, notice of which is given by the Depository to such holders of Depository Interests along with this document;
- (ii) the FOGL Shares deposited with the Depository on behalf of the Depository Interest Holders under the terms of the Depository Interest Deed will be re-materialised, meaning that each person

registered in the Depository Interest Register as a Depository Interest Holder immediately prior to the re-materialisation is then recorded in the register of members of FOGL as the holder of the relevant underlying FOGL Shares;

- (iii) the Company's Registrar will record the Depository Interest Holders' details as FOGL Shareholders on the register of members of FOGL based on the CREST instructions previously provided by the Depository Interest Holders. No share certificates in respect of FOGL Shares will be issued by the Company's Registrar to former Depository Interest Holders because of the short space of time between the cancellation of the Depository Interests and the Effective Date;
- (iv) each former Depository Interest Holder will consequently be a FOGL Shareholder at the Scheme Record Time. As such, on the Effective Date, they will be issued Rockhopper Consideration Shares on the same basis as other FOGL Shareholders;
- (v) unless instructed otherwise by the former holder of Depository Interests (for further details, please refer to the notice from the Depository sent to Depository Interest Holders along with this document), Rockhopper's registrar (Computershare Investor Services PLC) will record their details as a Rockhopper Shareholder in respect of their Rockhopper Consideration Shares based on the CREST instructions previously provided by the Depository Interest, Holder allowing the Rockhopper Consideration Shares to be issued to them in uncertificated form; and
- (vi) at 8:00 a.m. on the Business Day following the Effective Date, the CREST accounts of each of the former Depository Interest Holders will be credited with the number of Rockhopper Consideration Shares to be issued to them in accordance with the terms of the Scheme.

All Depository Interest Holders will be able to view the corporate action details within CREST.

Notwithstanding the above, Rockhopper reserves the right to settle all or part of such consideration in the manner set out in paragraph 15(b) below if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this paragraph 15(a).

(b) FOGL Shareholders holding shares in certificated form

Where, on the Effective Date, a FOGL Shareholder holds FOGL Shares in certificated form, the Rockhopper Consideration Shares to which the FOGL Shareholder is entitled will be issued in certificated form.

Definitive certificates for the Rockhopper Consideration Shares will be despatched by first class post within 14 days after the Effective Date.

On the Effective Date, share certificates in respect of FOGL Shares will cease to be valid and should be destroyed.

(c) General

Settlement of the consideration to which any FOGL Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms set out in this Part Two (*Explanatory Statement*) of this document without regard to any lien, right of set off, counterclaim or analogous right to which Rockhopper may otherwise be, or claim to be, entitled against any FOGL Shareholder.

(d) Overseas Shareholders

If the issue of Rockhopper Consideration Shares to any Overseas Shareholder, would or may infringe the laws of a jurisdiction outside the United Kingdom or the Falkland Islands or would or may require any governmental or other consent or any registration, filing or other formality which cannot be complied with, or compliance with which would be unduly overseas, Rockhopper may, in its sole discretion, determine that such Overseas Shareholder shall either not have allotted or issued to him Rockhopper Consideration Shares and that the Rockhopper Consideration Shares which would otherwise have been attributable to such Overseas Shareholder under the terms of the Scheme shall be sold in the market and the cash proceeds of such sale (to the extent that they exceed £3.00) be forwarded to such Overseas Shareholder or that the Rockhopper Consideration Shares, shall be issued to such Overseas Shareholder but shall be sold in the market on his behalf and the cash proceeds of such sale (to the extent that they exceed £3.00) shall be forwarded to the relevant Overseas Shareholder (in each case after the deduction of broking fees and other sales, costs and expenses).

(e) *Instructions to FOGL*

Each FOGL Shareholder will agree that all binding instructions or notifications between them and FOGL relating to FOGL Shares or to their status as a FOGL Shareholder (including, without limitation, any instructions relating to communications from FOGL and whether distributions are to be paid by cheque or into a specified bank account) will, to the extent permitted, from the Effective Date be deemed, by reason of the Scheme, to be similarly binding instructions or notifications to, and accepted by, Rockhopper in respect of Rockhopper Consideration Shares that are issued to them under the Scheme until those instructions or notifications are, in each case, revoked or amended in writing addressed to Rockhopper (at its registered address from time to time).

16 Taxation

Your attention is drawn to Part Five (*Taxation*) of this document which contains a summary of certain UK tax consequences of the implementation of the Merger.

FOGL Shareholders who are in any doubt about their taxation position, or who are subject to taxation in a jurisdiction outside the United Kingdom, are strongly advised to contact an appropriate professional independent financial adviser immediately.

17 FOGL Share Plans

FOGL Share Plan Participants are being contacted separately regarding the effect of the Merger on their rights under the FOGL Share Plans.

All FOGL Shares issued on the exercise of options or vesting of awards granted under the FOGL Share Plans and on or before the Scheme Record Time will be considered Scheme Shares subject to the terms of the Scheme.

The Scheme will not extend to FOGL Shares issued after the Scheme Record Time and the proposed form of the Amended FOGL Articles provides that, if the Scheme becomes Effective, any FOGL Shares issued after the Scheme Record Time will be automatically transferred to Rockhopper in consideration of the holder receiving the Scheme consideration as it would have received under the Scheme if it had held Scheme Shares.

18 Overseas Shareholders

The release, publication or distribution of this document 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 document 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 document has been prepared for the purposes of complying with Falkland Islands law, English 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 document 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.

If the issue of Rockhopper Consideration Shares to any Overseas Shareholder, would or may infringe the laws of a jurisdiction outside the United Kingdom or the Falkland Islands or would or may require any governmental or other consent or any registration, filing or other formality which cannot be complied with, or compliance with which would be unduly overseas, Rockhopper may, in its sole discretion, determine that such Overseas Shareholder shall either not have allotted or issued to him Rockhopper Consideration Shares and that the Rockhopper Consideration Shares which would otherwise have been

attributable to such Overseas Shareholder under the terms of the Scheme shall be sold in the market and the cash proceeds of such sale be forwarded to such Overseas Shareholder or that the Rockhopper Consideration Shares, shall be issued to such Overseas Shareholder but shall be sold in the market on his behalf and the cash proceeds of such sale forwarded to the relevant Overseas Shareholder (in each case after the deduction of broking fees and other sales, costs and expenses).

In the United States, this document is being furnished to FOGL Shareholders holding FOGL Shares in certificated form and Depository Interest Holders solely to explain the Scheme and describe the action recommended to be taken by FOGL Shareholders holding FOGL Shares in certificated form and Depository Interest Holders in relation to the Court Meeting and the FOGL General Meeting. This document is personal to each FOGL Shareholder holding FOGL Shares in certificated form or Depository Interest Holder and does not constitute an offer to any person or to the public generally to subscribe for or otherwise acquire the FOGL Shares or the Rockhopper Consideration Shares. This document is not an offer of, or solicitation of an offer to purchase, securities in the United States and the Rockhopper Consideration Shares to be issued pursuant to the Merger as described in this document have not been and will not be registered under the Securities Act, or under the securities laws of any state, district or other jurisdiction of the United States.

The Rockhopper Consideration Shares to be issued pursuant to the Scheme have not been and will not be registered under the Securities Act or under the relevant securities laws of any state or territory or other jurisdiction of the United States and may not be offered, sold, or delivered, directly or indirectly, in, into or from the United States absent registration under the Securities Act or an exemption from registration. In the United States the Rockhopper Consideration Shares are expected to be issued in reliance upon the exemption from registration set forth in Section 3(a)(10) of the Securities Act on the basis of the approval of the Court. For the purposes of qualifying for this exemption from the registration requirements of the Securities Act, FOGL will advise the Court that FOGL and Rockhopper will rely upon Section 3(a)(10) of the Securities Act based on the Court's approval of the Scheme following a hearing on its fairness at which all FOGL Shareholders are entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all such shareholders. The Merger relates to the acquisition of shares of a Falkland Islands company and is proposed to be effected by means of a scheme of arrangement under the laws of the Falkland Islands. A transaction effected by means of a scheme of arrangement is not subject to proxy solicitation or tender offer rules under the US Exchange Act of 1934, as amended. 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 the Press Announcement) 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.

Under applicable US securities laws, persons (whether or not US persons) who are or will be "affiliates" (within the meaning of the Securities Act) of Rockhopper after the Effective Date will be subject to certain transfer restrictions relating to the Rockhopper Consideration Shares received in connection with the Scheme.

The Rockhopper Consideration Shares have not 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 the information contained in this document. Any representation to the contrary is a criminal offence in the United States.

The receipt of Rockhopper Consideration Shares pursuant to the Merger by a FOGL Shareholder in the United States may be a taxable transaction for US federal income tax purposes and under applicable state and local, as well as foreign and other, tax laws. Each FOGL Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of the Merger.

Rockhopper is incorporated under the laws of England and Wales and FOGL is incorporated under the laws of the Falkland Islands. Some or all of the officers and directors of Rockhopper and FOGL may be residents of countries other than the United States. It may not be possible to sue Rockhopper and FOGL in a non-US court for violations of US securities laws. It may be difficult to compel Rockhopper, FOGL and their respective affiliates to subject themselves to the jurisdiction and judgment of a US court.

Overseas FOGL Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme.

19 Action to be taken

To become Effective, the Scheme requires, among other things, the approval by a majority in number of the Scheme Shareholders who vote, representing at least three-fourths in value of the Scheme Shares voted, either in person or by proxy, at the Court Meeting. The Scheme also requires the sanction of the Court and the passing of the Resolution which requires the approval of at least 75 per cent of the votes cast, either in person or by proxy, at the FOGL General Meeting.

To vote at the Meetings using the Forms of Proxy: FOGL Shareholders holding their shares in certificated form only

FOGL Shareholders holding their FOGL Shares in certificated form will find enclosed with this document a Blue Form of Proxy and a White Form of Proxy. The Blue Form of Proxy is to be used in connection with the Court Meeting and the White Form of Proxy is to be used in connection with the FOGL General Meeting. Whether or not you intend to attend both or either of the Meetings, please complete and sign both Forms of Proxy and return them in accordance with the instructions thereon by post or (during normal business hours only) by hand to the Company's Registrars at Capita Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, United Kingdom (if you are resident outside the Falkland Islands) or to the Company's registered office at 56 John Street, Stanley, Falkland Islands, FIQQ 1ZZ (if you are resident in the Falkland Islands), so as to arrive as soon as possible but in any event by no later than 48 hours before the time and date fixed for the relevant Meeting (excluding weekends and public holidays in England and Wales and/or the Falkland Islands), or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned Meeting (excluding weekends and public holidays in England and Wales and/or the Falkland Islands).

If the Blue Form of Proxy relating to the Court Meeting is not returned by or lodged by such time, it may be handed to the Company's Registrars (on behalf of the chairman of the Court Meeting) before the taking of the poll at the Court Meeting and will still be valid. However, in the case of the FOGL General Meeting, if the White Form of Proxy is not lodged so as to be received by the Company's Registrars by 2.30 p.m. on 31 December 2015 and in accordance with the instructions on that Form of Proxy, it will be invalid.

Whether or not you plan to attend both or either of the Meetings, please appoint a proxy by completing the Forms of Proxy. This will enable your votes to be counted at the Meetings in the event of your absence. The completion and return of a Form of Proxy will not prevent you from attending and voting at the Court Meeting and the FOGL General Meeting, or any adjournment thereof, in person should you so wish to do so and are so entitled.

To vote at the Meetings using the Forms of Proxy: Depository Interest Holders only

Depository Interest Holders will find enclosed with this document a Blue Form of Direction and a White Form of Direction. The Blue Form of Direction is to be used in connection with the Court Meeting and the White Form of Direction is to be used in connection with the FOGL General Meeting. Whether or not you intend to attend both or either of the Meetings, please complete and sign both Forms of Direction and return them in accordance with the instructions thereon by post or (during normal business hours only) by hand to the Company's Registrars at Capita Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, United Kingdom (if you are resident outside the Falkland Islands) or to the Company's registered office at 56 John Street, Stanley, Falkland Islands, FIQQ 1ZZ (if you are resident in the Falkland Islands), so as to arrive as soon as possible but in any event by no later than 72 hours before the time and date fixed for the relevant Meeting (excluding weekends and public holidays in England and Wales and/or the Falkland Islands), or in the case of any adjournment, not later than 72 hours before the time fixed for the holding of the adjourned Meeting (excluding weekends and public holidays in England and Wales and/or the Falkland Islands).

If the Blue Form of Direction relating to the Court Meeting is not returned by or lodged by such time, it may be handed to the Company's Registrars (on behalf of the chairman of the Court Meeting) before the taking of the poll at the Court Meeting and will still be valid. However, in the case of the FOGL General Meeting, if the White Form of Direction is not lodged so as to be received by the Company's Registrars

by 2.30 p.m. on 30 December 2015 and in accordance with the instructions on that Form of Direction, it will be invalid.

If you hold your shares via the Depository Interest arrangement and would like to attend the FOGL General Meeting or the Court Meeting, please contact the Depository, Capita IRG Trustees Limited at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom (alternatively, please email custodymgt@capita.co.uk) to request a Letter of Representation. Requests must be received no later than 2.30 p.m. on 30 December 2015. Please note that the Depository will require an original copy of the letter of request before issuing the Letter of Representation. Completion and return of a Form of Direction will not preclude FOGL Shareholders from attending the Court Meeting and the FOGL General Meeting and voting in person provided he or she holds a valid Letter of Representation and is so entitled.

To vote at the Meetings through CREST (Depository Interest Holders only)

Depository Interest Holders may instruct the Depository how to vote utilising the CREST electronic voting service. To instruct the Depository how to vote or amend an instruction to vote via the CREST system, the CREST message must be received by the issuer's agent RA10 by 2.00 p.m. on 30 December 2015 in respect of the Court Meeting and by 2.30 p.m. on 30 December 2015 in respect of the General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of voting instructions through CREST should be communicated to issuer's agent by other means. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service providers) for assistance. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual.

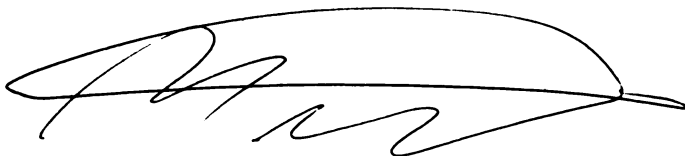
20 Further information

Apart from completing, signing and returning the Forms of Proxy or Forms of Direction, you need take no further action at this stage.

A helpline is available for FOGL Shareholders on 0371 664 0321 if calling from within the United Kingdom or +44 (0)371 664 0321 if calling from outside the United Kingdom. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am–5.30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline is available to answer questions regarding this document, the Meetings or the completion and return of the Forms of Proxy or Forms of Direction. The helpline cannot provide advice on the merits of the Merger nor give any financial, legal or tax advice.

The terms of the Scheme are set out in full in Part Four (*The Scheme of Arrangement*) of this document. Your attention is also drawn to the further information contained (or incorporated by reference) in this document which forms part of this Explanatory Statement for the purposes of section 207 of the Companies Act and, in particular Parts Six (*Financial Information Relating to FOGL*) and Eight (*Additional Information*) of this document. Financial information relating to Rockhopper is included in Part Seven (*Financial Information Relating to Rockhopper*).

Yours faithfully,



Matthew Coakes

Managing Director
for and on behalf of
RBC Europe Limited

PART THREE
CONDITIONS TO THE SCHEME AND TO THE MERGER

Part A: Conditions of the Merger

1

- 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 27 January 2016, being the date that is the twenty second day after the expected date of the Court Meeting set out in this 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 27 January 2016, being the date that is the twenty second day after the expected date of the FOGL General Meeting set out in this 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 FOGL Annual Report 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) above 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 set out in this 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 a 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.

**PART FOUR
THE SCHEME OF ARRANGEMENT**

**IN THE SUPREME COURT OF
THE FALKLAND ISLANDS**

IN THE MATTER OF FALKLAND OIL AND GAS LIMITED

and

IN THE MATTER OF THE COMPANIES ACT 1948

SCHEME OF ARRANGEMENT

(under section 206 of the Companies Act 1948)

between

FALKLAND OIL AND GAS LIMITED

AND

THE HOLDERS OF SCHEME SHARES

(as hereinafter defined)

PRELIMINARY

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

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
certificated form or in certificated form	a share or other security which is not in uncertificated form (that is, not in CREST nor a Depository Interest)
Companies Act	the Companies Act 1948 (being the legislation applicable to companies incorporated in the Falkland Islands) as it applies in the Falkland Islands
the Company or FOGL	Falkland Oil and Gas Limited, a company incorporated in the Falkland Islands with registered number 12913 and whose registered office is at 56 John Street, Stanley, Falkland Islands, FIQQ 1ZZ
Court	the Supreme Court of the Falkland Islands
Court Hearing	the hearing at which the Court Order will be sought
Court Meeting	the meeting (including any adjournment thereof) of the Scheme Shareholders convened pursuant to an order of the Court under section 206 of the Companies Act to consider and, if thought fit, approve this Scheme (with or without modification), notice of which is set out in Part Ten (<i>Notice of Court Meeting</i>) of the Scheme Document
Court Order	the order of the Court sanctioning the Scheme under section 206 of the Companies Act
CREST	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) of the United Kingdom, as amended from time to time

Depository Interests	depository interests representing FOGL Shares issued to Capita IRG Trustees Limited which holds legal title to the underlying FOGL Shares
Depository Interest Holders	the holder of Depository Interests
Effective	the Scheme having become effective pursuant to its terms
Effective Date	the date on which this Scheme becomes Effective in accordance with its terms
Euroclear	Euroclear UK & Ireland Limited
Excluded Shares	any FOGL Shares registered in the name of or beneficially owned by any member of the Rockhopper Group
FOGL Shares	the ordinary shares of 0.002 pence each in the capital of FOGL
holder	a registered holder and includes any person(s) entitled by transmission
Overseas Shareholder	a Scheme Shareholder who is resident in, or a citizen or national of, or who has a registered address in any jurisdiction other than the United Kingdom or the Falkland Islands
Registrar of Companies	the Registrar of Companies of the Falkland Islands
Rockhopper	Rockhopper Exploration plc, a company incorporated in England and Wales with registered number 05250250 and whose registered office is at Hilltop Park, Devizes Road, Salisbury, SP3 4UF, United Kingdom
Rockhopper Consideration Shares	the new Rockhopper Shares to be allotted and issued to FOGL Shareholders pursuant to the terms and conditions of this Scheme should the Scheme become Effective and any and all of them as the context requires
Rockhopper Group	Rockhopper and its subsidiary undertakings
Rockhopper Shares	the ordinary shares of 1 pence each in the capital of Rockhopper
Scheme	this scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Rockhopper and FOGL
Scheme Document	the circular dated 11 December 2015 sent by the Company to Scheme Shareholders comprising the particulars required by Part IV of the Companies Act, of which this Scheme forms part
Scheme Record Time	6.00 p.m. (London time) on the Business Day immediately prior to the Effective Date
Scheme Shares	FOGL Shares: <ul style="list-style-type: none"> (i) in issue at the date of the Scheme Document; (ii) (if any) issued after the date of the Scheme Document and on or prior to the Voting Record Time; and (iii) (if any) issued after the Voting Record Time 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, but excluding (A) in the case of reference to the “Scheme Shares” or “Scheme Shareholders” in relation to the Court Meeting any Excluded Shares in issue at the Voting Record Time and (B) in the case of other references in the Scheme Document to “Scheme Shares” or “Scheme Shareholders” any Excluded Shares in issue at the Scheme Record Time

Scheme Shareholder	a holder of Scheme Shares
uncertificated form or in uncertificated form	a share or other security recorded on the relevant register as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
Voting Record Time	6.00 p.m. on the day which is two Business Days before the date of the Court Meeting or if the Court Meeting is adjourned, 6.00 p.m. on the date which is two Business Days before the date of such adjourned meeting.

- (B) References to clauses are to clauses of this Scheme.
- (C) The issued share capital of the Company as at the close of business on 10 December 2015 (being the last practicable date prior to this Scheme) was 533,527,186 FOGL Shares, all of which were issued and credited as fully paid.
- (D) As at 10 December 2015 (being the latest practicable date prior to the publication of the Scheme Document) no member of the Rockhopper Group is the registered owner of or beneficially owns any FOGL Shares.
- (E) Rockhopper has agreed to appear by Counsel and/or its legal practitioners at the Court Hearing and to undertake to the Court to be bound by the provisions of this Scheme and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it or on its behalf for the purpose of giving effect to this Scheme.

1 Transfer of Scheme Shares

- 1.1 On the Effective Date, Rockhopper shall acquire all of the Scheme Shares, fully paid, free from all liens, equities, charges, encumbrances and other interests and together with all rights at the date of the Scheme or thereafter attached thereto, including (without limitation) the right to receive and retain, in full, all dividends and other distributions (if any) declared, made payable or paid, or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made on or after the Effective Date.
- 1.2 For such purposes, the Scheme Shares shall be transferred to Rockhopper (or its nominee(s)) and, to give effect to such transfers, any person may be appointed by Rockhopper (or its nominee(s)) as attorney and shall be authorised as such attorney on behalf of the relevant holder of Scheme Shares to execute as transferor a form of transfer or other instrument or instruction of transfer of such Scheme Shares and every form, instrument or instruction of transfer so executed shall be as effective as if it had been executed by the holder or holders of the Scheme Shares thereby transferred.

2 Consideration for the transfer of Scheme Shares

- 2.1 In consideration for the transfer of the Scheme Shares to Rockhopper as provided in clause 1, Rockhopper shall allot and issue to each holder of Scheme Shares whose name appears in the register of members of FOGL at the Scheme Record Time, in accordance with the provisions of clause 4:

for each FOGL Share	0.2993 Rockhopper Consideration Shares
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- 2.2 Fractions of Rockhopper Consideration Shares will not be allotted to FOGL Shareholders pursuant to the Scheme. Entitlements of holders of Scheme Shares 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.
- 2.3 The Rockhopper Consideration Shares to be issued pursuant to clause 2.1 shall be credited as fully paid, shall rank equally in all respects with the existing Rockhopper Shares and shall be entitled to receive any dividends or other distributions declared or paid by Rockhopper in respect of ordinary shares of Rockhopper with a record date on after the Effective Date.
- 2.4 The provisions of clause 2 shall be subject to any prohibition or condition imposed by law.

3 Overseas Shareholders

- 3.1 Without prejudice to the generality of clause 2, if a Scheme Shareholder is (or Rockhopper reasonably believes a Scheme Shareholder to be) an Overseas Shareholder and the Company or Rockhopper reasonably believes or is advised that the allotment and/or issue of Rockhopper Consideration Shares pursuant to clause 2 would or might infringe the laws of any jurisdiction outside the United Kingdom or the Falkland Islands or would or might require the Company or Rockhopper to comply with any governmental or other consent, or any registration, filing or other formality with which the Company or Rockhopper is unable to comply or compliance with which the Company or Rockhopper regards as unduly onerous, then Rockhopper may in its sole discretion either:
- (a) determine that no Rockhopper Consideration Shares shall be allotted and/or issued to such holder under clause 2, but shall instead be allotted and issued to a nominee appointed by Rockhopper, as trustee for such holder, on terms that the nominee shall, as soon as is practicable following the Effective Date, sell the Rockhopper Consideration Shares so allotted and issued and shall account to such holder for the net proceeds of such sale to the extent they exceed £3.00; or
 - (b) determine that such Rockhopper Consideration Shares shall be sold, in which case the Rockhopper Consideration Shares shall be issued to such holder and Rockhopper shall appoint a person to act pursuant to this clause 3.1(b) of this Scheme and such person shall be authorised on behalf of such holder to procure that any shares in respect of which Rockhopper has made such determination shall, as soon as is practicable following the Effective Date be sold.
- 3.2 Any sale under clauses 3.1(a) or 3.1(b) of this Scheme shall be carried out as soon as reasonably practicable following the Effective Date at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale (after the deduction of all expenses and commissions incurred in connection with such sale including any amount in respect of value added tax thereon), to the extent they exceed £3.00, shall within seven days after any such sale be paid to the persons entitled thereto in accordance with their entitlement and the provisions of clause 4 of this Scheme. To give effect to any sale under clause 3.1(a) or 3.1(b) of this Scheme, the nominee referred to in clause 3.1(a) and/or the person appointed by Rockhopper in accordance with clause 3.1(b) of this Scheme (as the case may be) shall be authorised as an attorney on behalf of the person concerned to execute and deliver as transferor an instrument or instruction of transfer and to give such instructions and do all other things which he may consider necessary or expedient in connection with such sale.
- 3.3 The proceeds of such sale, to the extent they exceed £3.00, shall be paid to such holder by sending a cheque or creating an assured payment obligation in accordance with the provisions of clause 4.1.
- 3.4 In the absence of bad faith or wilful default, none of the Company, Rockhopper, the nominee or the person appointed by Rockhopper to sell the relevant shares shall have any liability for any loss or damage arising as a result of the timing or terms of such sale.

4 Settlement of consideration

- 4.1 As soon as practicable after the Effective Date and in any event not later than 14 days after the Effective Date, Rockhopper shall allot and issue the Rockhopper Consideration Shares which it is required to allot and issue to holders of Scheme Shares pursuant to this Scheme and:
- (a) in the case of Scheme Shares which at the Scheme Record Time are in certificated form, procure the despatch of certificates for such Rockhopper Consideration Shares;
 - (b) notwithstanding clause 4.1(a) above, in respect of Scheme Shares which were formerly held in uncertificated form as Depository Interests, in the event that no notice has been received from the relevant former Depository Interest Holder to the contrary, Rockhopper will procure that the CREST account of such former Depository Interest Holder is credited with the number of Rockhopper Consideration Shares which it is required to allot and issue to such former Depository Interest Holder pursuant to this Scheme (rather than issuing a certificate in respect of such Rockhopper Consideration Shares) provided that Rockhopper reserves the right to

settle all or any part of the entitlement to Rockhopper Consideration Shares due under clause 2 of this Scheme to former Depository Interest Holders in the manner referred to in clause 4.1(a) if, for any reason, it wishes to do so;

(c) in the case of Rockhopper Consideration Shares sold pursuant to clauses 3.1(a) or 3.1(b) on behalf of holders of Scheme Shares which at the Scheme Record Time are in certificated form, procure the despatch to the persons entitled thereto in accordance with clause 4.2 of cheques for the sums payable to them respectively in accordance with clause 3; and

(d) notwithstanding 4.1(c) above, in the case of Rockhopper Consideration Shares sold pursuant to clauses 3.1(a) or 3.1(b) on behalf of holders of Scheme Shares which were formerly held in uncertificated form as Depository Interests, in the event that no notice has been received from the relevant former Depository Interest Holder to the contrary, procure that Euroclear is instructed to create an assured payment obligation in favour of the payment bank of the persons entitled thereto in accordance with the CREST assured payment arrangements for the sums payable to them respectively in accordance with clause 3, provided that Rockhopper reserves the right to make payment of such sums by cheque as set out in clause 4.1(c) if, for any reason it wishes to do so.

4.2 All deliveries of cheques and share certificates required to be made pursuant to this Scheme shall be effected by sending the same by first class post addressed to the persons entitled thereto at their respective addresses, as appearing in the register of members of FOGL as at the Scheme Record Time or, in the case of joint holders, at the registered address of the joint holder whose name stands first in such register at such time (except in either case as otherwise directed in writing by the relevant holder or joint holders), and neither Rockhopper nor the Company nor their respective agents shall be responsible for any loss or delay in the transmission or delivery of any share certificates or cheques sent in accordance with this clause 4.2 which shall be sent at the risk of the persons entitled thereto.

4.3 All cheques shall be in pounds sterling drawn on a UK clearing bank and shall be made payable to the person to whom, in accordance with the foregoing provisions of this clause 4, the envelope containing the same is addressed. The encashment of any such cheque shall be a complete discharge of Rockhopper's obligation under this Scheme to pay the monies represented thereby. The creation of an appropriate assured payment obligation as set out in clause 4.1(d) shall be a complete discharge of Rockhopper's obligations under the Scheme with reference to payments through the CREST system.

4.4 None of FOGL, Rockhopper, or their respective agents and/or nominee(s) shall be responsible for any loss or delay in the posting or transmission of any documents, remittance, cheques or share certificates sent or transmitted in accordance with this Scheme which shall be sent at the risk of the persons entitled thereto.

4.5 The provisions of this clause 4 shall be subject to any condition or prohibition imposed by law.

5 Share certificates

With effect from and including the Effective Date, all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and every holder of Scheme Shares shall be bound at the request of the Company to deliver up the same for cancellation to the Company, or, as it may direct, to destroy the same.

6 Mandates and other instructions

All mandates and other instructions to the Company in force at the Scheme Record Time relating to Scheme Shares shall, unless and until revoked or amended, be deemed as from the Effective Date to be valid and effective mandates and instructions to Rockhopper in relation to the Rockhopper Consideration Shares issued in respect thereof.

7 Effective Date

7.1 This Scheme shall become Effective in accordance with its terms immediately following the delivery to the Registrar of Companies of an office copy of the order of the Court sanctioning the Scheme under section 206 of the Companies Act.

7.2 Unless this Scheme shall become Effective on or before 31 March 2016, or such later date (if any) as the Company and Rockhopper may agree and the Court may allow, this Scheme shall never become Effective.

8 Modification

The Company and Rockhopper may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Court may approve or impose.

9 Governing Law

This Scheme is governed by the law of the Falkland Islands and is subject to the jurisdiction of the courts of the Falkland Islands.

Dated 11 December 2015

PART FIVE TAXATION

The comments set out below are based on current United Kingdom tax law as applied in England and Wales and HM Revenue & Customs practice (which may not be binding on HM Revenue & Customs) as at the date of this document, both of which are subject to change, possibly with retrospective effect. They are intended as a general guide and apply only to FOGL Shareholders who have been issued shares pursuant to the Scheme, who are resident and in the case of an individual, domiciled, for tax purposes in the United Kingdom (except insofar as express reference is made to the treatment of non-United Kingdom residents), who hold FOGL Shares and Rockhopper Consideration Shares as an investment and who are the absolute beneficial owners thereof. The discussion does not address all possible tax consequences relating to an investment in the shares. Certain categories of shareholders, such as traders, brokers, dealers, banks, financial institutions, insurance companies, investment companies, collective investment schemes, tax-exempt organisations, persons connected with FOGL, Rockhopper or members of the Rockhopper Group, persons holding shares as part of hedging or conversion transactions, shareholders who are not domiciled or resident in the United Kingdom, shareholders who have (or are deemed to have) acquired their shares by virtue of an office or employment, and shareholders who are, are to become or have been officers or employees of FOGL, Rockhopper or members of the Rockhopper Group, may be subject to special rules and this summary does not apply to such shareholders. In addition, the summary below does not apply to any shareholders who, either alone or together with one or more associated persons, control, directly or indirectly, at least 10 per cent of the voting rights of any class of share capital in FOGL or Rockhopper.

Shareholders who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, should consult their own professional advisers immediately.

United Kingdom tax consequences of the Scheme

UK tax consequences of the transfer of the FOGL Shares and issue of the Rockhopper Consideration Shares

To the extent that a Scheme Shareholder receives Rockhopper Consideration Shares in exchange for his Scheme Shares under the Scheme and does not hold (either alone or together with persons connected with him) more than 5 per cent of, or of any class of, shares in or debentures of FOGL, he should not be treated as having made a disposal of his Scheme Shares. Instead, the Rockhopper Consideration Shares should be treated as the same asset as the Scheme Shares in respect of which they are issued and treated as acquired at the same time and for the same consideration as those Scheme Shares. For Depository Interest Holders who hold their FOGL Shares as Depository Interests, this treatment is also dependent on HM Revenue & Customs treating the Depository Interests as giving the holder beneficial ownership of the underlying FOGL Shares which they represent.

If a FOGL Shareholder receives cash in respect of the sale of any fractional entitlement or otherwise to Rockhopper Consideration Shares, this should, except to the extent referred to in the next paragraph, be treated as a disposal, or part disposal, of his FOGL Shares which may, depending on the shareholder's individual circumstances (including the availability of exemptions or allowable losses), give rise to a liability to UK tax on capital gains.

If the amount of cash received is small in comparison with the value of his FOGL Shares the FOGL Shareholder should not generally be treated by HMRC as having made a part disposal of his FOGL Shares. Instead the cash should generally be treated as a deduction from the base cost of his FOGL Shares rather than as the proceeds of disposal. Under current HMRC practice, any cash payment of £3,000 or less or which is 5 per cent or less of the market value of a FOGL Shareholder's holding of FOGL Shares should generally be treated as small for these purposes.

Any chargeable gain on a part disposal of a holding of FOGL Shares should be computed on the basis of an apportionment of the allowable cost of the holding by reference to the market value of the holding at the time of disposal.

UK stamp duty and stamp duty reserve tax (SDRT) consequences of the Scheme

No UK stamp duty or SDRT will be payable by the FOGL Shareholders as a result of the transfer of the FOGL Shares and the issue of the Rockhopper Consideration Shares

United Kingdom tax consequences in respect of Rockhopper Consideration Shares

Under current tax law in the United Kingdom, Rockhopper will not be required to withhold amounts on account of United Kingdom tax at source when paying a dividend on Rockhopper Consideration Shares.

UK taxation of dividends on Rockhopper Consideration Shares pre 6 April 2016

A United Kingdom resident individual Rockhopper Shareholder who receives a dividend from Rockhopper in respect of Rockhopper Consideration Shares will be entitled to a tax credit which may be set off against the shareholder's total income tax liability. The tax credit will be equal to 10 per cent of the aggregate of the dividend and the tax credit (the **gross dividend**), which is also equal to one-ninth of the cash dividend received. Such an individual shareholder who is liable to income tax at the basic rate will be subject to tax on the dividend at the rate of 10 per cent of the gross dividend, so that the tax credit will satisfy in full such shareholder's liability to income tax on the dividend. In the case of such an individual shareholder who is liable to income tax at the higher rate, the tax credit will be set against but not fully match the shareholder's tax liability on the gross dividend and such shareholder will have to account for additional income tax equal to 22.5 per cent of the gross dividend (which is also equal to 25 per cent of the cash dividend received) to the extent that the gross dividend, when treated as the top slice of the shareholder's income, falls above the threshold for higher rate income tax. In the case of such an individual shareholder who is subject to income tax at the additional rate, the tax credit will also be set against, but not fully match, the shareholder's liability on the gross dividend and such shareholder will have to account for additional income tax 27.5 per cent of the gross dividend (which is also equal to approximately 30.6 per cent of the cash dividend received) to the extent that the gross dividend, when treated as the top slice of the shareholder's income, falls above the threshold for additional rate income tax.

A United Kingdom resident individual Rockhopper Shareholder who is not liable to income tax in respect of the gross dividend and other United Kingdom resident taxpayers who are not liable to United Kingdom tax on dividends, including pension funds and charities, will not be entitled to claim repayment of the tax credit attaching to dividends paid by Rockhopper.

Rockhopper Shareholders who are within the charge to corporation tax will be subject to corporation tax on dividends paid by Rockhopper, unless (subject to special rules for such shareholders that are small companies) the dividends fall within an exempt class and certain other conditions are met. Each shareholder's position will depend on its own individual circumstances, although it would normally be expected that the dividends paid by Rockhopper would fall within an exempt class. Such shareholders will not be able to claim repayment of tax credits attaching to dividends.

Non-United Kingdom resident Rockhopper Shareholders will not generally be able to claim repayment from HM Revenue & Customs of any part of the tax credit attaching to dividends paid by Rockhopper. A shareholder resident outside the United Kingdom may also be subject to foreign taxation on dividend income under local law. Rockhopper Shareholders who are not resident for tax purposes in the United Kingdom should obtain their own tax advice concerning tax liabilities on dividends received from Rockhopper.

UK taxation of dividends on Rockhopper Consideration Shares post 6 April 2016

The UK's Chancellor of the Exchequer announced in his July Budget 2015 that the dividend tax credit system will be abolished from 6 April 2016. This will be replaced by a £5,000 annual exemption for dividend income. In addition, the tax rates on dividend income outside the £5,000 allowance for UK resident individuals will change to 7.5 per cent for basic rate taxpayers, 32.5 per cent for higher rate taxpayers and 38.1 per cent for additional rate taxpayers.

Taxation of Capital Gains on Rockhopper Consideration Shares

Rockhopper Shareholders who are resident or in the case of individuals who cease to be resident in the United Kingdom for a period of less than five years of assessment or who carries on a trade, profession or vocation in the UK through a branch of agency (or, in the case of a non-resident corporate

Rockhopper Shareholder a permanent establishment) to which the Rockhopper Shares are attributable, may depending on their circumstances (including the availability of exemptions or reliefs), be liable to United Kingdom taxation on chargeable gains in respect of gains arising from a sale or other disposal of the Rockhopper Consideration Shares and shareholders should take tax advice with regard to the calculation of any taxation payable on such gain.

Stamp Duty and SDRT in respect of Rockhopper Consideration Shares

The statements in this section are intended as a general guide to the current United Kingdom stamp duty and SDRT position in respect of Rockhopper Consideration Shares. Investors should note that certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate or may, although not primarily liable for tax, be required to notify and account for SDRT under the Stamp Duty Reserve Tax Regulations 1986.

Under current law, no stamp duty or SDRT will be payable on the issue of Rockhopper Consideration Shares pursuant to the Merger.

Since 28 April 2014, neither stamp duty nor SDRT will apply to trades in Rockhopper Shares made on a recognised growth market, such as AIM.

**PART SIX
FINANCIAL INFORMATION RELATING TO FOGL**

Your attention is drawn to the following documents (or parts thereof) that are incorporated by reference into this document:

Please enter the web address stated below in your web browser to be brought to the relevant document.

<u>Information incorporated by reference</u>	<u>Document reference</u>	<u>Page numbers</u>
FOGL interim financial statements relating to the FOGL Group for the six months ended 30 June 2015	FOGL Interim Report for the six months ended 30 June 2015	6–12 (inc.)
FOGL audited consolidated financial statements relating to the FOGL Group for the financial year ended 31 December 2014	FOGL Annual Report for the financial year ended 31 December 2014	15–52 (inc.)
FOGL audited consolidated financial statements relating to the FOGL Group for the financial year ended 31 December 2013	FOGL Annual Report for the financial year ended 31 December 2013	26–64 (inc.)

The information above is available free of charge in a read-only, printable format from the web address:
www.fogl.com

Ratings information

There are no current ratings and outlooks publicly accorded to FOGL by ratings agencies.

Availability of hard copies

Please see paragraph 15 of Part Eight (*Additional Information*) of this document for details of obtaining hard copies of documents incorporated by reference into this document.

No incorporation of website information

Save as set out above, neither the content of FOGL's website, nor the content of any website accessible from hyperlinks on FOGL's website, is incorporated into, or forms part of, this document.

**PART SEVEN
FINANCIAL INFORMATION RELATING TO ROCKHOPPER**

Your attention is drawn to the following documents (or parts thereof) that are incorporated by reference into this document:

Please enter the web address stated below in your web browser to be brought to the relevant document.

<u>Information incorporated by reference</u>	<u>Document reference</u>	<u>Page numbers</u>
Rockhopper interim financial statements relating to the Rockhopper Group for the six months ended 30 June 2015	Rockhopper Interim Report for the six months ended 30 June 2015	9–18 (inc.)
Rockhopper audited consolidated financial statements relating to the Rockhopper Group for the nine months ended 31 December 2014	Rockhopper Report and Accounts for the period ended 31 December 2014	46–79 (inc.)
Rockhopper audited consolidated financial statements relating to the Rockhopper Group for the financial year ended 31 March 2014	Rockhopper Annual Report for the financial year ended 31 March 2014	38–68 (inc.)

The information above is available free of charge in a read-only, printable format from the web address:
www.rockhopperexploration.co.uk

Ratings information

There are no current ratings and outlooks publicly accorded to Rockhopper by ratings agencies.

Availability of hard copies

Please see paragraph 15 of Part Eight (*Additional Information*) of this document for details of obtaining hard copies of documents incorporated by reference into this document.

No incorporation of website information

Save as set out above, neither the content of Rockhopper's website, nor the content of any website accessible from hyperlinks on Rockhopper's website, is incorporated into, or forms part of, this document.

**PART EIGHT
ADDITIONAL INFORMATION**

1 Responsibility

- 1.1 The FOGL Directors, whose names are set out in paragraph 2.1 below, each accept responsibility for the information contained in this document other than the information for which responsibility is taken by others pursuant to paragraph 1.2 below. To the best of the knowledge and belief of the FOGL Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Rockhopper Directors, whose names are set out in paragraph 2.3 below, each accept responsibility for the information contained in this document in so far as it relates to the Rockhopper Group, the Rockhopper Directors and their respective immediate families and the related trusts of and connected persons of the Rockhopper Directors. To the best of the knowledge and belief of the Rockhopper Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 Directors of FOGL and Rockhopper

- 2.1 The FOGL Directors and their respective positions are:

<u>Name</u>	<u>Position</u>
John Martin	<i>Non-Executive Chairman</i>
Tim Bushell	<i>Chief Executive Officer</i>
Colin More	<i>Exploration Director</i>
David Hudd	<i>Non-Executive Director</i>
Timothy Jones	<i>Non-Executive Director (Finance Director)</i>
Robert Lyons	<i>Non-Executive Director</i>

- 2.2 FOGL is a company incorporated in the Falkland Islands with registered number 12913. FOGL's registered office and the business address of each of the FOGL Directors is at 56 John Street, Stanley, Falkland Islands, FIQQ 1ZZ. FOGL's administrative office is 8th Floor, 101 Wigmore Street, London, W1U 1QU, United Kingdom.

- 2.3 Rockhopper's Directors and their respective positions are:

<u>Name</u>	<u>Position</u>
Dr Pierre Jungels	<i>Non-Executive Chairman</i>
Samuel Moody	<i>Chief Executive Officer</i>
Fiona MacAulay	<i>Chief Operating Officer</i>
Stewart MacDonald	<i>Chief Financial Officer</i>
Robert Peters	<i>Non-Executive Director and Senior Independent Director</i>
David McManus	<i>Non-Executive Director</i>
Keith Lough	<i>Non-Executive Director</i>
John Summers	<i>Non-Executive Director</i>

- 2.4 Rockhopper is a public limited company incorporated in England and Wales with registered number 05250250. Rockhopper's registered office and the business address of each of the Rockhopper Directors is at Hilltop Park, Devizes Road, Salisbury, SP3 4UF, United Kingdom.

3 Interests and dealings

- 3.1 For the purposes of this paragraph 3 and paragraphs 4, 5 and 6 below:

“**acting in concert**” has the meaning given to it in the Takeover Code;

“**arrangement**” includes any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing but excludes irrevocable commitments;

“**connected adviser**” has the meaning given to it in the Takeover Code;

“**dealing**” has the meaning given to it in the Takeover Code and **dealt** has the corresponding meaning;

“**derivative**” has the meaning given to it in the Takeover Code;

“**disclosure date**” means the close of business on 10 December 2015, being the latest practicable date prior to the publication of this document;

“**disclosure period**” means the period beginning on 24 November 2014 and ending on the disclosure date;

“**interest**” or “**interests**” in relevant securities shall have the meaning given to it in the Takeover Code and references to interests of the Rockhopper Directors or interests of the FOGL Directors in relevant securities shall include all interests of any other person whose interests in shares the Rockhopper Directors, or, as the case may be, the FOGL Directors, are taken to be interested in pursuant to Part IV of the Companies Act;

“**relevant FOGL securities**” means relevant securities (such term having the meaning given to it in the Takeover Code in relation to an offeree) of FOGL including equity share capital of FOGL (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;

“**relevant Rockhopper securities**” mean relevant securities (such term having the meaning given to it in the Takeover Code in relation to an offeror) of Rockhopper, including equity share capital in Rockhopper (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;

“**short position**” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery; and

“**Takeover Code**” means the Takeover Code on Takeovers and Mergers, as amended from time to time as such applies to the Merger by virtue of the Co-operation Agreement.

4 Interests and dealings in relevant FOGL securities and in relevant Rockhopper securities

Interests in relevant FOGL securities

4.1 As at the disclosure date, excluding the interests set out in paragraph 4.2 below, the FOGL Directors held the following interests in relevant FOGL securities (all of which are beneficial interests unless otherwise stated):

<u>Name</u>	<u>Number of FOGL Shares*</u>	<u>Approximate % of issued share capital of FOGL</u>
John Martin	Nil	Nil
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

* These numbers include FOGL Shares held by connected persons of the FOGL Directors and in which the relevant Director has an interest.

** Includes 90,000 FOGL Shares registered in the name of TD Direct Investing Nominees (Europe) Limited, 15,000 FOGL Shares registered in the name of and beneficially held by Louise Bushell, 5,000 FOGL Shares beneficially held by Lewis Bushell, and 5,000 FOGL Shares beneficially held by Aimee Bushell.

*** Includes 220,000 FOGL Shares registered in the name of Fitel Nominees Limited, and 25,000 FOGL Shares beneficially held by Toby Hudd.

**** Includes 185,370 FOGL Shares registered in the name of Platform Securities Nominees Limited, and 16,950 FOGL Shares registered in the name of and beneficially held by Lindsay Mischler.

***** All 46,747 FOGL Shares are registered in the name of Fitel Nominees Limited.

4.2 As at the disclosure date, the following options and awards over relevant FOGL securities had been granted to the FOGL Directors and remained outstanding:

FOGL Share Option Plan

Name	Number of FOGL Shares under option	Date of grant	Exercise price (p)*	Exercise period
Tim Bushell	742,857	31/12/2012	28	31/12/2015 to 30/12/2022
Tim Bushell	2,947,200	29/01/2014	25	29/01/2017 to 28/01/2024
Tim Bushell	982,400	29/01/2014	25	29/01/2017 to 28/01/2024
Tim Bushell	962,963	10/02/2015	27	10/02/2018 to 09/02/2025
Tim Bushell	1,925,926	10/02/2015	27	10/02/2018 to 09/02/2025
David Hudd	120,000	30/12/2011	70	30/12/2014 to 29/12/2021
Tim Jones	120,000	30/12/2011	70	30/12/2014 to 29/12/2021
Colin More	668,571	31/12/2012	28	31/12/2015 to 30/12/2022
Colin More	2,480,240	29/01/2014	25	29/01/2017 to 28/01/2024
Colin More	885,800	29/01/2014	25	29/01/2017 to 28/01/2024
Colin More	875,741	10/02/2015	27	10/02/2018 to 09/02/2025
Colin More	1,751,481	10/02/2015	27	10/02/2018 to 09/02/2025
Total	14,463,179			

FOGL Long Term Incentive Plan

Name	Number of FOGL Shares under option	Date of grant	Exercise price (p)*	Exercise period
Tim Bushell	196,078	30/12/2011	0.002	30/12/2014 to 29/12/2021
Tim Bushell	371,429	31/12/2012	0.002	31/12/2015 to 30/12/2022
Tim Bushell	491,200	29/01/2014	0.002	29/01/2017 to 28/01/2024
Tim Bushell	481,481	10/02/2015	0.002	10/02/2018 to 09/02/2025
Colin More	176,471	30/12/2011	0.002	30/12/2014 to 29/12/2021
Colin More	334,286	31/12/2012	0.002	31/12/2015 to 30/12/2022
Colin More	442,900	29/01/2014	0.002	29/01/2017 to 28/01/2024
Colin More	437,870	10/02/2015	0.002	10/02/2018 to 09/02/2025
Total	2,931,715			

* The parties have agreed in the Co-operation Agreement that none of the options and awards in the FOGL Share Option Plans will be exercised or vest prior to the Scheme becoming Effective.

4.3 As at the disclosure date, neither Rockhopper nor any persons acting in concert with Rockhopper have an interest in relevant FOGL securities.

Interests in relevant Rockhopper securities

4.4 As at the disclosure date, excluding the interests set out in paragraph 4.5 below, the Rockhopper Directors held the following interests in relevant Rockhopper securities (all of which are beneficial interests unless otherwise stated):

Name	Number of Rockhopper Shares*	Approximate % of issued share capital of Rockhopper
Dr Pierre Jungels	1,394,817	0.470
Samuel Moody	2,020,840	0.681
Fiona MacAulay	49,137	0.017
Stewart MacDonald	22,133	0.007
Robert Peters	14,287	0.005
David McManus	132,803	0.045
Keith Lough	Nil	Nil
John Summers	Nil	Nil
Total	3,634,017	1.225

* These numbers include Rockhopper Shares held by connected persons of the Rockhopper Directors and in which the relevant Director has an interest.

4.5 As at the disclosure date, the following options and awards over relevant Rockhopper securities had been granted to the Rockhopper Directors and remained outstanding:

Rockhopper Share Appreciation Rights

<u>Name</u>	<u>Number of options/ awards*</u>	<u>Date of grant</u>	<u>Exercise price (p)</u>	<u>Exercise period</u>
Samuel Moody	76,056	11/01/2011	372.75	From date of vesting (having already vested) to 11/01/2021
Samuel Moody	77,777	17/01/2012	303.75	From date of vesting (having already vested) to 17/01/2022
Samuel Moody	91,077	30/01/2013	159	From date of vesting (having already vested) to 30/01/2023
Fiona MacAulay	15,929	11/01/2011	372.75	From date of vesting (having already vested) to 11/01/2021
Fiona MacAulay	22,505	17/01/2012	303.75	From date of vesting (having already vested) to 17/01/2022
Fiona MacAulay	49,086	30/01/2013	159	From date of vesting (having already vested) to 30/01/2023
Total	332,430			

* The share appreciation rights granted under the Rockhopper Share Appreciation Rights Scheme can be settled in cash or shares at the discretion of the Rockhopper remuneration committee.

Rockhopper Long Term Incentive Plan

<u>Name</u>	<u>Number of options/ awards</u>	<u>Date of grant</u>	<u>Exercise price (p)</u>	<u>Exercise period</u>
Samuel Moody	508,007	08/10/2013	1	31/03/2016 to 08/10/2023*
Samuel Moody	665,625	13/10/2014	1	30/09/2017 to 13/10/2024
Samuel Moody	855,354	13/04/2015	1	31/03/2018 to 13/04/2025
Stewart MacDonald	201,117	10/03/2014	1	31/03/2016 to 10/03/2024*
Stewart MacDonald	506,250	13/10/2014	1	30/09/2017 to 13/10/2024
Stewart MacDonald	701,575	13/04/2015	1	31/03/2018 to 13/04/2025
Fiona MacAulay	312,849	08/10/2013	1	31/03/2016 to 08/10/2023*
Fiona MacAulay	775,000	13/10/2014	1	30/09/2017 to 13/10/2024
Fiona MacAulay	750,591	13/04/2015	1	31/03/2018 to 13/04/2025
Total	5,276,368			

* Subject to satisfaction of an underpin condition of the options in the Rockhopper Long Term Incentive Plan.

4.6 The following dealings in relevant Rockhopper securities by Rockhopper Directors, their connected persons and persons acting in concert with Rockhopper have taken place during the disclosure period:

Name	Transaction	Dealing date	Number of Rockhopper Shares	Price per Rockhopper Share (p)
Dr Pierre Jungels	Sale of shares	13/04/2015	1,222,827	63.25
Dr Pierre Jungels	Exercise of options	10/04/2015	1,500,000	42
Samuel Moody	Share Incentive Plan	26/11/2014	543	82.50
Samuel Moody	Exercise of options	16/12/2014	425,000	10
Samuel Moody	Sale of shares	16/12/2014	237,136	60.25
Samuel Moody	Share Incentive Plan	29/12/2014	705	64
Samuel Moody	Share Incentive Plan	23/01/2015	807	55.75
Samuel Moody	Share Incentive Plan	27/01/2015	5,581	53.75
Samuel Moody	Share Incentive Plan	26/02/2015	654	69
Samuel Moody	Share Incentive Plan	26/03/2015	723	62
Samuel Moody	Exercise of options	10/04/2015	1,500,000	42
Samuel Moody	Sale of shares	13/04/2015	1,236,472	63.25
Samuel Moody	Share Incentive Plan	27/04/2015	717	62.75
Samuel Moody	Share Incentive Plan	26/05/2015	720	62.50
Samuel Moody	Share Incentive Plan	26/06/2015	600	75
Samuel Moody	Share Incentive Plan	27/07/2015	711	63.50
Samuel Moody	Share Incentive Plan	26/08/2015	999	45
Samuel Moody	Share Incentive Plan	28/09/2015	1,125	40
Samuel Moody	Share Incentive Plan	26/10/2015	1,092	41.25
Samuel Moody	Share Incentive Plan	26/11/2015	1,323	34
Fiona MacAulay	Share Incentive Plan	26/11/2014	543	82.50
Fiona MacAulay	Share Incentive Plan	29/12/2014	705	64
Fiona MacAulay	Share Incentive Plan	23/01/2015	807	55.75
Fiona MacAulay	Share Incentive Plan	27/01/2015	5,581	53.75
Fiona MacAulay	Share Incentive Plan	26/02/2015	654	69
Fiona MacAulay	Share Incentive Plan	26/03/2015	723	62
Fiona MacAulay	Share Incentive Plan	27/04/2015	717	62.75
Fiona MacAulay	Share Incentive Plan	26/05/2015	720	62.50
Fiona MacAulay	Share Incentive Plan	26/06/2015	600	75
Fiona MacAulay	Share Incentive Plan	27/07/2015	711	63.50
Fiona MacAulay	Share Incentive Plan	26/08/2015	999	45
Fiona MacAulay	Share Incentive Plan	28/09/2015	1,125	40
Fiona MacAulay	Share Incentive Plan	26/10/2015	1,092	41.25
Fiona MacAulay	Share Incentive Plan	26/11/2015	1,323	34
Stewart MacDonald	Share Incentive Plan	26/11/2014	654	82.50
Stewart MacDonald	Share Incentive Plan	29/12/2014	846	64
Stewart MacDonald	Share Incentive Plan	23/01/2015	969	55.75
Stewart MacDonald	Share Incentive Plan	27/01/2015	5,581	53.75
Stewart MacDonald	Share Incentive Plan	26/02/2015	783	69
Stewart MacDonald	Share Incentive Plan	26/03/2015	870	62
Stewart MacDonald	Share Incentive Plan	27/04/2015	717	62.75
Stewart MacDonald	Share Incentive Plan	26/05/2015	720	62.50
Stewart MacDonald	Share Incentive Plan	26/06/2015	600	75
Stewart MacDonald	Share Incentive Plan	27/07/2015	708	63.50
Stewart MacDonald	Share Incentive Plan	26/08/2015	1,002	45
Stewart MacDonald	Share Incentive Plan	28/09/2015	1,125	40
Stewart MacDonald	Share Incentive Plan	26/10/2015	1,092	41.25
Stewart MacDonald	Share Incentive Plan	26/11/2015	1,323	34

4.7 As at the disclosure date, the interest of FOGL and persons acting in concert with FOGL in relevant Rockhopper securities were as follows:

<u>Name</u>	<u>Position</u>	<u>Number of Rockhopper Shares</u>
Timothy Jones	Director of FOGL	2,000
David Hudd	Director of FOGL	1,000
Total		3,000

5 Interests and dealings—General

5.1 Save as disclosed in paragraph 4 above, as at the disclosure date:

- (a) neither (i) Rockhopper, (ii) any of the Rockhopper Directors, nor any member of their respective immediate families or related trusts or companies, nor (iii) any person acting in concert with Rockhopper had an arrangement, had any interest in, right to subscribe in respect of, or any short position in relation to relevant FOGL securities or relevant Rockhopper securities, nor has any such person dealt in any relevant FOGL securities or relevant Rockhopper securities, during the disclosure period;
- (b) neither of (i) FOGL, (ii) any of the FOGL Directors, nor any member of their respective immediate families or related trusts or companies, nor (iii) any person acting in concert with FOGL had an arrangement, had any interest in, right to subscribe in respect of or any short position in relation to relevant FOGL securities or relevant Rockhopper securities, nor has any such person dealt in any relevant FOGL securities or relevant Rockhopper securities during the disclosure period;
- (c) neither Rockhopper nor any person acting in concert with Rockhopper had borrowed or lent any relevant FOGL securities or relevant Rockhopper securities (including any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code in respect thereof) during the disclosure period, save for any borrowed shares which have been either on-lent or sold;
- (d) neither FOGL nor any person acting in concert with FOGL had borrowed or lent any relevant FOGL securities or relevant Rockhopper securities (including any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code in respect thereof) during the disclosure period, save for any borrowed shares which have been either on-lent or sold;
- (e) neither Rockhopper nor any person acting in concert with Rockhopper has any arrangements of the kind referred to in Note 11 of the definition of acting in concert contained in the Takeover Code with any other person;
- (f) neither FOGL nor any person acting in concert with FOGL has any arrangements of the kind referred to in Note 11 of the definition of acting in concert contained in the Takeover Code with any other person;
- (g) as at 10 December 2015 (being the last practicable date prior to the publication of this document), FOGL has not redeemed or purchased any relevant FOGL securities since 24 November 2014; and
- (h) as at 10 December 2015 (being the last practicable date prior to the publication of this document), Rockhopper has not redeemed or purchased any relevant Rockhopper securities since 24 November 2014.

6 Persons acting in concert

- 6.1 In addition to the FOGL Directors, for the purposes of the Takeover Code, RBC Capital Markets and Numis (as connected advisers to FOGL) are acting in concert with FOGL in respect of the Merger.
- 6.2 In addition to the Rockhopper Directors, for the purposes of the Takeover Code, Canaccord and Liberum (as connected advisers to Rockhopper) are acting in concert with Rockhopper in respect of the Merger.

7 Directors' service contracts and emoluments

7.1 Details of the current FOGL Directors' contracts and (in the case of the FOGL Non-Executive Directors) letters of appointment (or in the case of Timothy Jones, a consultancy agreement) (together, referred to as "service contracts" below) are summarised (as amended) below:

<u>Director</u>	<u>Contract date</u>	<u>Unexpired term</u>	<u>Notice period</u>
<i>Executive Directors</i>			
Colin More	1 March 2009	Indefinite	12 months
Tim Bushell	4 January 2006	Indefinite	12 months
<i>Non-Executive Directors</i>			
David Hudd	12 July 2011	Indefinite	6 months
Robert Lyons	3 December 2013	Indefinite	6 months
John Martin	21 April 2015	2 years 4 months	3 months
Timothy Jones	12 July 2011	Indefinite	12 months or at any time by paying 20 days' fees in lieu of notice

7.2 The FOGL Executive Directors are entitled to a payment in lieu of notice which includes any benefits which they would have received during any notice period to which they were entitled under their service agreements in addition to their basic salary for that period.

7.3 The FOGL Executive Directors are entitled to an enhanced redundancy payment of one month's salary for each year they have been employed by FOGL

7.4 The FOGL Executive Directors are entitled to private healthcare for themselves, their spouses and their dependents under the age of 21, together with sickness and death in service benefits provided by FOGL's insurers. In each case, FOGL Directors' life assurance benefits represent an amount equal to four times salary.

7.5 All FOGL Directors are entitled, under their service contracts, to reimbursement of all reasonable and properly documented expenses they incur in the performance of their duties including travelling expenses.

7.6 Save as disclosed above, the FOGL Directors' service contracts and/or letters of appointment (as the case may be) do not contain any provisions relating to early termination.

7.7 Save as disclosed above, there are:

- (a) no service contracts between any FOGL Director and FOGL; and
- (b) no such contract has been entered into or amended or any FOGL Director's remuneration increase within the six months immediately prior to the date of this document.

FOGL Directors' emoluments

7.8 The remuneration, pension and other benefits for FOGL Directors for the year ended 31 December 2014 was as follows:

<u>Name</u>	<u>Salary/fees £</u>	<u>Pension £</u>	<u>Taxable benefits £</u>	<u>Share based payments £</u>	<u>Total £</u>
<i>Executive Directors</i>					
Tim Bushell	285,600	12,496	46,188	316,395	660,679
Colin More	261,450	17,490	13,079	281,112	573,131
<i>Non-Executive Directors</i>					
Richard Liddell*	80,000	—	—	25,507	105,507
David Hudd	40,000	—	—	12,753	52,753
Timothy Jones	59,200	—	—	12,753	71,953
Ian Duncan*	40,000	—	—	—	40,000
Robert Lyons	40,000	—	—	—	40,000
Stephen Phipps*	40,000	—	—	—	40,000
Total	846,250	29,986	59,267	648,520	1,584,023

* Richard Liddell, Ian Duncan and Stephen Phipps are no longer FOGL Directors. John Martin became a FOGL Director during the financial year ending 31 December 2015 and therefore does not appear in the table above.

- 7.9 The FOGL Directors' remuneration for the year to 31 December 2015 will be in accordance with existing contractual arrangements.
- 7.10 As more particularly described in paragraphs 7 and 8 of Part One (*Letter from the Chairman of FOGL*), the FOGL Directors' employment (or appointments, in the case of the Non-Executive Directors) with FOGL will terminate by mutual consent upon completion of the Merger.
- 7.11 It has been agreed that the FOGL Executive Directors (Tim Bushell and Colin More) shall resign as directors of FOGL on the Effective Date and will each enter into settlement agreements with FOGL. Tim Bushell will join the board of Rockhopper as a non-executive director and Colin More will be retained as an adviser to the Combined Group. Tim Bushell and Colin More will enter into consultancy agreements with Rockhopper, for a six month period from the Effective Date, in connection with their assistance with the integration of the FOGL and Rockhopper businesses. During this six month period, Tim Bushell will not receive any fees for his role as a non-executive director of Rockhopper.
- 7.12 The appointments of all of the FOGL Non-Executive Directors (David Hudd, Robert Lyons, John Martin and Timothy Jones) will be terminated with effect from the Effective Date. The separate agreement with FOGL pursuant to which Timothy Jones acts as the Finance Director of FOGL will also be terminated with effect from the Effective Date.
- 7.13 John Martin will be appointed as a non-executive director of Rockhopper on terms commensurate with those in place with the other non-executive directors of Rockhopper.
- 7.14 The total sum payable to the FOGL Directors pursuant to the arrangements referred to above, including the consultancy fees for Tim Bushell and Colin More, is approximately £1.45 million.
- 7.15 Other than statutory compensation and payment in lieu of notice and as disclosed above, no compensation is payable by FOGL to any FOGL Director upon early termination of their appointment.
- 7.16 Save as disclosed above, the Merger will have no effect on the emoluments of the FOGL Directors and no FOGL Director is entitled to commission or profit sharing arrangements.

8 Market quotations

- 8.1 The following table shows the closing middle market prices for (i) FOGL Shares as derived from the AIM Appendix to the Daily Official List and (ii) Rockhopper Shares, as derived from the AIM Appendix to the Daily Official List for the first dealing day of each of the six months immediately prior to the date of this document, for 23 November 2015 (being the last dealing day prior to the commencement of the Merger Period) and the disclosure date:

<u>Date</u>	<u>FOGL Share price (p)</u>	<u>Rockhopper Share price (p)</u>
10 December 2015	7.05	26.5
1 December 2015	8.1	29.75
23 November 2015	9.6	35.75
2 November 2015	12	39.5
1 October 2015	23.75	41.5
1 September 2015	21.25	52.5
3 August 2015	23	57.75
1 July 2015	27.25	63.25
1 June 2015	30.5	79.50

9 Irrevocable undertakings and other confirmations

- 9.1 The FOGL Directors have given irrevocable undertakings to vote (or to use all reasonable endeavours to procure the voting of the relevant FOGL Shares), 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 relation to the following FOGL Shares:

<u>Name</u>	<u>Number of FOGL Shares in respect of which undertaking is given</u>	<u>Approximate % of issued share capital of FOGL</u>
Tim Bushell	346,154	0.06
Colin More	166,538	0.03
David Hudd	270,623	0.04
Timothy Jones	265,555	0.05
Robert Lyons	46,747	0.01
Total	1,095,617	0.20

9.2 The FOGL Directors have also irrevocably undertaken 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 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 becoming Effective.

9.3 These 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.

9.4 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 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.

9.5 The irrevocable undertakings given by the above 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.

9.6 Therefore, as at the date of this document, 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 10 December 2015 (being the last practicable date prior to the publication of this document).

10 Material contracts

FOGL

10.1 The following contracts have been entered into by FOGL or its subsidiaries otherwise than in the ordinary course of business since 24 November 2013 (being the date two years prior to the commencement of the Merger Period) until the disclosure date and are or may be material:

(a) *Confidentiality Agreement*

On 10 November 2015, FOGL and Rockhopper entered into a Confidentiality Agreement in a customary form in relation to the Merger, pursuant to which they each undertook, subject to certain exceptions, to keep information relating to FOGL and Rockhopper confidential and not to disclose it to third parties. Unless terminated earlier, the confidentiality obligations will remain in force for two years from the date of the agreement. The Confidentiality Agreement includes a 12 month mutual non-solicitation undertaking in

respect of directors, officers and employees of any member of either party's group. The undertaking also prohibits any contact with customers, contractors, suppliers or lenders of the other party, other than in the ordinary course of business, for the same period.

(b) *Co-operation Agreement*

Rockhopper and FOGL have entered into a Co-operation Agreement dated 24 November 2015 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.

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.

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 at the Rockhopper General Meeting 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.

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.

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 (or such later date as may be agreed between Rockhopper and FOGL and, if appropriate, approved by the Court).

It has been agreed that the FOGL Executive Directors, Tim Bushell and Colin More shall resign as directors of FOGL on the Effective Date and will each enter into settlement agreements with FOGL. Tim Bushell will join the board of Rockhopper as a non-executive director and Colin More will be retained as an adviser to the Combined Group. Tim Bushell and Colin More will enter into consultancy agreements with Rockhopper, for a six month period from the Effective Date, in connection with their assistance with the integration of the FOGL and Rockhopper businesses. During this six month period, Tim Bushell will not receive any fees for his role as a non-executive director of Rockhopper.

The appointments of all of the FOGL Non-Executive Directors, David Hudd, Robert Lyons, John Martin and Timothy Jones, will be terminated with effect from the Effective Date. The separate agreement with FOGL pursuant to which Timothy Jones acts as the Finance Director of FOGL will also be terminated with effect from the Effective Date.

John Martin, FOGL's chairman, will be appointed as a non-executive director of Rockhopper on terms commensurate with those in place for the other non-executive directors of Rockhopper.

The total sum payable to the FOGL Directors pursuant to the arrangements referred to above, including the consultancy fees for Tim Bushell and Colin More, is approximately £1.45 million.

(c) *RBC Capital Markets Engagement Letter*

On 19 November 2015, FOGL entered into an engagement letter with RBC Capital Markets in terms of which RBC Capital Markets is engaged as FOGL's lead financial adviser in

relation to the Merger. The engagement letter will terminate on 19 November 2016, unless terminated earlier, and can be terminated by either party giving 30 days' written notice. FOGL has agreed to pay a transaction fee (plus VAT and expenses) to RBC Capital Markets on completion of the Merger.

(d) *Numis Engagement Letter*

On 23 November 2015, FOGL entered into an engagement letter with Numis in terms of which Numis is engaged as FOGL's joint broker in relation to the Merger. FOGL has agreed to pay Numis a success fee (plus VAT) in the event that the Scheme becomes Effective and will also pay the costs and expenses of Numis. The engagement letter may be terminated by either party with immediate effect at any time but in any event will expire on 23 November 2016.

(e) *Well Cost Agreement with NEFL and Edison International*

On 19 November 2015, Noble Energy Falklands Limited ("**NEFL**"), Edison International and FOGL entered into a well cost agreement (the "**Well Cost Agreement**").

The Well Cost Agreement (together with the debentures referred to in paragraph 10.1(j) below) supersedes the letter agreements between NEFL and FOGL dated 29 September 2015 and 15 October 2015 and between NEFL, FOGL and Edison International dated 3 November 2015 to record the terms upon which the deadline for FOGL to pay its share of certain costs relating to drilling the Humpback 1 Well is extended.

FOGL is required to repay costs relating to drilling of the Humpback 1 Well to a stratigraphic marker to NEFL by 5pm on 1 July 2016 and costs of plugging and abandoning the Humpback 1 Well above the stratigraphic marker by the earlier of 31 December 2016 or the date on which FOGL raises any additional funds through the issuance of shares or the disposal of its assets.

NEFL and Edison International agree to bear FOGL's share of the costs of deepening the Humpback 1 Well below the stratigraphic marker in return for FOGL assigning to NEFL a 27.5% participating interest and to Edison International a 5% participating interest in Production Licences PL010, PL011, PL012 and PL016 below the stratigraphic marker.

Until the amounts due from FOGL under the Well Cost Agreement are repaid, FOGL and Desire are required to immediately pay any sums received under the Settlement Agreement dated 21 September 2015 (referred to at paragraph (l) below) to NEFL.

(f) *Termination Agreement*

On 13 April 2015, NEFL, FOGL and Edison International entered into a termination agreement (the "**Termination Agreement**").

Under the Termination Agreement, FOGL pays \$13,300,000 to NEFL by way of a one off payment in full and final settlement of all claims between FOGL and/or NEFL and Edison International in respect of: (a) the costs of construction of the temporary dock facility; (b) the costs of site surveys; and (c) certain costs/items allocated to the Humpback 1 Well.

The Termination Agreement also settles certain claims made by NEFL with respect to the audit of the 2012 drilling campaign, by way of a payment of \$300,000 from FOGL to NEFL.

(g) *September Letter Agreements with NEFL*

On 3 September 2015, NEFL and FOGL entered into a letter agreement whereby the deadline for payment by FOGL of certain costs relating to drilling the Humpback 1 Well was extended in return for FOGL making a payment of \$5,000,000 to NEFL by 5pm on 4 October 2015. This letter agreement was superseded and replaced by a further letter agreement dated 29 September 2015 which extends the deadline for FOGL to pay certain costs relating to drilling of the Humpback 1 Well.

FOGL agreed to pay \$5,000,000 to NEFL by 5pm on 8 October (this amount has been paid) and NEFL and FOGL agreed to negotiate "Definitive Agreements" to formally record

the terms on which the deadline for FOGL to pay its share of costs relating to the Humpback 1 Well would be extended.

(h) *October Letter Agreement with NEFL*

On 15 October 2015, NEFL and FOGL entered into a further letter agreement relating to the extension of the deadline for payment by FOGL of costs relating to drilling the Humpback 1 Well.

In return for NEFL bearing FOGL's share of the costs of deepening the Humpback 1 Well below the stratigraphic marker, FOGL agreed to assign to NEFL a 32.5% participating interest out of its 52.5% participating interest across all of production licences PL010, PL011, PL012 and PL016 below the stratigraphic marker. The letter agreement further extends the deadline for negotiation of "Definitive Agreements" to formally record the terms of the extension for payment to 20 November 2015.

The letter agreement also amends the Farmout Agreement between FOGL and NEFL dated 6 December 2013 to remove the 10% carry owed to FOGL by NEFL thereunder, in return for NEFL bearing FOGL's share of the costs of deepening the Humpback 1 Well.

(i) *November Letter Agreement with NEFL and Edison International*

On 3 November 2015, FOGL, NEFL and Edison International entered into a further letter agreement to vary the 15 October letter agreement so that Edison International would acquire a 5% participating interest in Production Licences PL010, PL011, PL012 and PL016 below the stratigraphic marker out of the 32.5% participating interest FOGL agreed to assign to NEFL pursuant to the 15 October letter agreement and to bear its proportionate share of the costs of deepening the Humpback 1 Well.

The November Letter Agreement confirms that NEFL and Edison International will be responsible for 79.423% and 20.577% respectively of the costs of deepening the Humpback 1 Well.

(j) *Debentures in favour of NEFL*

Further to the Well Cost Agreement (referred to at paragraph 10.1(e) above) entered into between NEFL, Edison International, FOGL and Desire on 19 November 2015, two debentures were also granted, the first by FOGL in favour of NEFL and the second by Desire in favour of NEFL. Both debentures secure FOGL's obligation to pay its entire participating interest share of the costs incurred in relation to the Humpback 1 Well as described within the Well Cost Agreement. The maximum amount recoverable by NEFL under both debentures is US\$15,000,000.

(k) *Farm-out Agreement between Desire, Premier and Rockhopper*

Under the Farm-out Agreement between Desire, Premier and Rockhopper dated 6 December 2013 (the "**Farm-out Agreement**"), Rockhopper acquired a 21% percentage interest in production licence PL004a and a 14% percentage interest in production licence PL004c and Premier acquired a 31.5% percentage interest in production licence PL004a and a 21% percentage interest in production licence PL004c. In return, Premier and Rockhopper agreed to bear Desire's entire percentage interest share of the costs of drilling the Isobel/Elaine Well and the Jayne East Well.

Completion occurred under the Farm-out Agreement and the relevant interests were transferred to Premier and Rockhopper in February 2014.

The Farm-out Agreement contains certain warranties and indemnities between the parties. Certain limitations apply to claims made under such provisions.

The Farm-out Agreement is governed by English law.

- (l) *Settlement Agreement in relation to the Farm-out Agreement between Desire, Premier and Rockhopper*

The Settlement Agreement settles various claims under the Farm-out Agreement relating to Premier's inability to drill the Isobel/Elaine Well to the target depth specified therein.

Under the Settlement Agreement, Premier, Rockhopper and Desire amend the Farm-out Agreement to allow for an alternative well, referred to as the "Isobel (Elaine) well" to be drilled in place of the Jayne East Well and Premier and Rockhopper are obliged to pay Desire \$3,000,000 and \$2,000,000 respectively.

Depending on the outcome of Premier's insurance claim in respect of the Isobel/Elaine Well, further payments may be due from Premier and Rockhopper to Desire.

- (m) *Deed of Guarantee in favour of Premier Oil Exploration and Production Limited*

On 3 June 2014, FOGL granted a deed of guarantee in favour of Premier Oil Exploration and Production Limited ("**POEPL**") in terms of which FOGL guarantees the obligations of Desire to make payments to POEPL (as operator) under the joint operating agreements in relation to licences PL004a, PL004b and PL004c to the extent that such payments relate to sums due by POEPL under various related rig contracts.

Rockhopper

10.2 The following contracts have been entered into by Rockhopper or its subsidiaries otherwise than in the ordinary course of business since 24 November 2013 (being the date two years prior to the commencement of the Merger Period) until the disclosure date and are or may be material:

- (a) *Confidentiality Agreement*

As summarised at paragraph 10.1(a) above.

- (b) *Co-operation Agreement*

As summarised at paragraph 10.1(b) above.

- (c) *Farm-out Agreement between Desire, Premier and Rockhopper*

As summarised at paragraph 10.1(k) above.

- (d) *Settlement Agreement in relation to the Farm-out Agreement between Desire, Premier and Rockhopper*

As summarised at paragraph 10.1(l) above.

- (e) *Beach Share Sale Agreement*

On 10 August 2015, Beach and Rockhopper entered into an agreement (the "**Beach Share Sale Agreement**") in relation to the sale and purchase of Beach's wholly-owned subsidiary Beach Egypt, which owns non-operated, minority stakes in petroleum concessions in Egypt.

Under the Beach Share Sale Agreement, Beach agreed to transfer 100 per cent of the of the issued share capital in Beach Egypt to Rockhopper for consideration of US\$22 million payable in cash and Rockhopper Shares. The number of Rockhopper Shares payable will be based on the volume weighted average price of Rockhopper Shares during the 30 days prior to completion subject to maximum of approximately 14.8 million new Rockhopper Shares (adjusted for new shares issued prior to completion), representing up to 5 per cent of Rockhopper's issued share capital. The actual completion sum will be adjusted on a net cash flow basis from the effective date of 1 July 2015.

The Beach Share Sale Agreement is conditional on divestment by Beach Egypt of certain non-core assets, consent from joint venture partners and Egyptian regulatory approvals.

11 Significant change

- 11.1 Save as disclosed in this document, the FOGL Directors are not aware of any significant change in the financial or trading position of the FOGL Group which has occurred since 30 June 2015 (being the date to which the last interim financial information of FOGL was prepared).
- 11.2 Save as disclosed in this document, the Rockhopper Directors are not aware of any significant change in the financial or trading position of the Rockhopper Group which has occurred since 30 June 2015 (being the date to which the last interim financial information of Rockhopper was prepared).

12 Other information

- 12.1 No dividends will be paid or declared by FOGL between the date of this document and the Effective Date.
- 12.2 RBC Capital Markets has given and has not withdrawn its written consent to the issue of this document and the inclusion herein of the references to its name in the form and context in which they are included.
- 12.3 Numis Securities has given and has not withdrawn its written consent to the issue of this document and the inclusion herein of the references to its name in the form and context in which they are included.
- 12.4 Canaccord has given and has not withdrawn its written consent to the issue of this document and the inclusion herein of the references to its name in the form and context in which they are included.
- 12.5 Liberum has given and has not withdrawn its written consent to the issue of this document and the inclusion herein of the references to its name in the form and context in which they are included.
- 12.6 Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between Rockhopper or any person acting in concert with it for the purposes of the Merger, and any of the FOGL Directors, recent directors of FOGL, FOGL Shareholders or recent shareholders of FOGL, or any person interested or recently interested in FOGL Shares, having any connection with, or dependence upon, the Merger.
- 12.7 No agreement, arrangement or understanding exists whereby the beneficial ownership of any of the FOGL Shares to be acquired by Rockhopper pursuant to the Merger will be transferred to any other person, save that Rockhopper reserves the right to transfer any such shares to any other member of the Rockhopper Group.
- 12.8 Settlement of the consideration under the Merger to which each Scheme Shareholder is entitled will be implemented in full in accordance with the terms of the Merger without regard to any right of lien, right of set-off, counterclaim or other analogous right to which Rockhopper may otherwise be, or claim to be, entitled against such FOGL Shareholder.
- 12.9 Save as disclosed in this document, the emoluments of FOGL Directors will not be affected by the Merger or any other associated transaction.
- 12.10 Save as disclosed in this document, there is no agreement or arrangement to which Rockhopper is a party which relates to the circumstances in which it may or may not invoke a condition to the Merger.

13 Bases of calculations and sources of information

- 13.1 Unless otherwise stated, financial information relating to the FOGL Group has been extracted or derived (without any adjustment) from the FOGL audited consolidated financial statements relating to the FOGL Group for the financial year ended 31 December 2014 and the FOGL interim financial statements relating to the FOGL Group for the six months ended 30 June 2015.
- 13.2 Unless otherwise stated financial information relating to the Rockhopper Group has been extracted or derived (without any adjustment) from the Rockhopper audited consolidated financial statements relating to the Rockhopper Group for the nine months ended 31 December 2014 and the Rockhopper interim financial statements relating to the Rockhopper Group for the six months ended 30 June 2015.

- 13.3 As at the close of business on 23 November 2015 (being the last Business Day prior to the commencement of the Merger Period), FOGL had in issue 533,527,186 FOGL Shares and Rockhopper had in issue 296,539,742 Rockhopper Shares.
- 13.4 The International Securities Identification Number (ISIN) for FOGL Shares is FK00B030JM18 and the ISIN for Rockhopper Shares is GB00B0FVQX23.
- 13.5 The value placed on the issued share capital of FOGL (approximately £57.1 million) is based on 533,527,186 FOGL Shares in issue on 23 November 2015, being the last dealing day prior to the date of the Press Announcement, at the closing share price for that date of 10.7 pence (sourced from Bloomberg).
- 13.6 The value placed on the issued share capital of Rockhopper (approximately £106 million) is based on 296,539,742 Rockhopper Shares in issue on 23 November 2015, being the last dealing day prior to the date of the Press Announcement, at the closing share price for that date of 35.75 pence (sourced from Bloomberg).
- 13.7 Unless otherwise specified, the closing mid-market share prices of FOGL Shares referred to in this document are sourced from Bloomberg for the relevant dates.
- 13.8 Unless otherwise specified, the closing mid-market share prices of Rockhopper Shares referred to in this document are sourced from Bloomberg for the relevant dates.
- 13.9 The percentage of Rockhopper Shares, as enlarged by the Merger, that the Rockhopper Consideration Shares to be issued pursuant to the Merger are expected to represent (being 35 per cent) is calculated on the basis of 296,557,205 Rockhopper Shares in issue at 10 December 2015 (being the latest practicable date prior to the publication of this document) and 533,527,186 FOGL Shares in issue at 10 December 2015 (being the last practicable date prior to the publication of this document).
- 13.10 Certain figures included in this document have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.
- 13.11 An exchange rate of US dollars to pounds sterling of 1.5136 has been used, being the US\$/£ exchange rate as at 4 p.m. (London time) on 23 November 2015, sourced from Bloomberg.

14 Documents available for inspection

- 14.1 Up to and including the Effective Date (or the date that the Scheme lapses or is withdrawn, whichever is earlier), copies of the documents referred to in this paragraph 14.1 will be available for inspection during usual business hours on Monday to Friday of each week (public holidays excepted) at FOGL's registered office address. Certain other documents can also be viewed on FOGL's website which can be accessed directly at the address www.fogl.com and on Rockhopper's website which can be accessed directly at the address www.rockhopperexploration.co.uk.
- (a) the articles of association of each of FOGL and Rockhopper;
 - (b) a draft of the Amended FOGL Articles;
 - (c) copies of the FOGL 2015 Interim Report for the six months ended 30 June 2015, the FOGL Annual Report for the financial year ended 31 December 2014 and the FOGL Annual Report for the financial year ended 31 December 2013;
 - (d) copies of the Rockhopper Interim Report for the six months ended 30 June 2015, the Rockhopper Report and Accounts for the period ended 31 December 2014 and the Rockhopper Annual Report for the financial year ended 31 March 2014;
 - (e) the written consents referred to in paragraph 12 above; and
 - (f) this document (incorporating the Notice of Court Meeting and the Notice of General Meeting), the Forms of Proxy and the Forms of Direction.

Copies of the documents referred to in this paragraph 14.1, with the exception of document (d), can be viewed on FOGL's website (www.fogl.com) and copies of the

documents referred to in this paragraph 14.1, with the exception of documents (a), (b) and (c) can be viewed on Rockhopper's website (www.rockhopperexploration.co.uk).

15 Documents incorporated by reference

- 15.1 Parts of other documents are incorporated by reference in, and form part of, this document.
- 15.2 Parts Six (*Financial Information Relating to FOGL*) and Seven (*Financial Information Relating to Rockhopper*) of this document sets out which sections of such documents are incorporated into this document and the location of references to such documents within this document.

A person who has received this document may request a copy of any documents or information incorporated by reference into this document. A copy of any such documents or information incorporated by reference into this document will not be provided unless requested from the Company's Registrars at Capita Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, United Kingdom or by telephone to the helpline on 0371 664 0321 if calling from within the United Kingdom or +44 (0)371 664 0321 if calling from outside the United Kingdom. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am–5.30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Merger nor give any financial, legal or tax advice.

16 Date of despatch and publication

This document was despatched and published on 11 December 2015.

**PART NINE
DEFINITIONS**

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
Amended FOGL Articles	the articles of association of FOGL as at the date of this document, as amended to include provisions in terms approved by Rockhopper that avoid any person (other than Rockhopper or its nominees(s)) remaining as a holder of FOGL Shares after the Effective Date, such proposed amendments are set out in full in the notice of the FOGL General Meeting in Part Eleven (<i>Notice of FOGL General Meeting</i>) of this document.
Announcement Date	24 November 2015, being the date of the Press Announcement
barrel	quantity or unit of Crude Oil equal to 42 US gallons at Standard Conditions
Beach	Beach Energy Limited
Beach Egypt	Beach Petroleum (Egypt) Pty Ltd
Beach Share Sale Agreement	the agreement entered into by Rockhopper and Beach on 10 August 2015, the key terms of which are summarised in paragraph 10.2(e) of Part Eight (<i>Additional Information</i>) of this document
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
certificated form or in certificated form	a share or other security which is not in uncertificated form (that is, not in CREST nor a Depository Interest)
Combined Group	the Rockhopper Group including, following the Effective Date, the FOGL Group

Companies Act	the Companies Act 1948 (being the legislation applicable to companies incorporated in the Falkland Islands) as it applies in the Falkland Islands
the Company or FOGL	Falkland Oil and Gas Limited, a company incorporated in the Falkland Islands with registered number 12913 and whose registered office is at 56 John Street, Stanley, Falkland Islands, FIQQ 1ZZ
Company’s Registrars	Capita Registrars Limited, trading as “Capita Asset Services”
Conditions	the conditions to the implementation of the Scheme as set out in set out in Part Three (<i>Conditions to the Scheme and to the Merger</i>) of this document and a Condition shall mean any one of them
Confidentiality Agreement	the agreement entered into by FOGL and Rockhopper on 10 November 2015, the key terms of which are summarised in paragraph 10.1(a) of Part Eight (<i>Additional Information</i>) of this 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 FOGL and Rockhopper on 24 November 2015, the key terms of which are summarised in paragraph 8 of Part One (<i>Letter from the Chairman of FOGL</i>) and paragraph 10.1(b) of Part Eight (<i>Additional Information</i>) of this document
Court	the Supreme Court of the Falkland Islands
Court Hearing	the hearing at which the Court Order will be sought
Court Meeting	the meeting (including any adjournment thereof) of the Scheme Shareholders convened pursuant to an order of the Court under section 206 of the Companies Act to consider and, if thought fit, approve this Scheme (with or without modification), notice of which is set out in Part Ten (<i>Notice of Court Meeting</i>) of this document
Court Order	the order of the Court sanctioning the Scheme under section 206 of the Companies Act
CREST	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the CREST Regulations)
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time
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
Daily Official List	the Daily Official List published by the London Stock Exchange
Depository	Capita IRG Trustees Limited

Depository Interests	depository interests representing FOGL Shares issued to the Depository which holds legal title to the underlying FOGL Shares
Depository Interest Deed	the trust deed poll by the Depository in respect of FOGL dated 8 October 2004 (as amended from time to time)
Depository Interest Holders	the holders of Depository Interests
Depository Interest Register	the register of Depository Interest Holders and their underlying entitlement to FOGL Shares maintained by the Depository
Desire	Desire Petroleum Limited, a company incorporated in England and Wales with registered number 03168611 and whose registered office is at 8th Floor, 101 Wigmore Street, London, W1U 1QU
Disclosed	(i) publicly announced via a Regulatory Information Service by or on behalf of FOGL prior to the Announcement Date; (ii) disclosed in the FOGL Annual Report for the financial year ended 31 December 2014; (iii) disclosed in the FOGL Interim Report 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 Announcement Date
Edison	Edison S.p.A.
Edison International	Edison International S.p.A.
Effective	the Scheme having become effective pursuant to its terms
Effective Date	the date on which the Scheme becomes effective in accordance with its terms
Excluded Shares	any FOGL Shares registered in the name of or beneficially owned by any member of the Rockhopper Group
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
FOGL Directors or FOGL Board	the directors of FOGL as at the date of this document
FOGL General Meeting	the extraordinary general meeting (or any adjournment thereof) of the FOGL Shareholders to be convened in connection with the Scheme, expected to be held as soon as the preceding Court Meeting shall have been concluded or adjourned, notice of which is set out in Part Eleven (<i>Notice of FOGL General Meeting</i>) of this document
FOGL Group	FOGL and its subsidiary undertakings
FOGL Shareholders	the registered holders of FOGL Shares from time to time
FOGL Shares	the ordinary shares of 0.002 pence each in the capital of FOGL
FOGL Share Plan Participants	participants in the FOGL Share Plans
FOGL Share Plans	the Falkland Oil & Gas Long Term Incentive Plan and the Falkland Oil & Gas Share Option Plan
Forms of Direction	the Blue form of direction and the White form of direction enclosed with this document for use by the Depository Interest Holders to instruct the voting of the Depository at the Court Meeting and FOGL General Meeting

Forms of Proxy	the Blue form of proxy and the White form of proxy enclosed with this document for use at the Court Meeting and FOGL General Meeting
FPSO	floating production storage and offloading vessel
holder	a registered holder and includes any person(s) entitled by transmission
HMRC	HM Revenue and Customs
Letter of Representation	a letter of representation issued by the Depository to a Depository Interest Holder in respect of the Court Meeting and/or FOGL General Meeting
Liberum	Liberum Capital Limited
London Stock Exchange	London Stock Exchange plc
Long Stop Date	31 March 2016 (or such later date as may be agreed between Rockhopper and FOGL and, if appropriate, approved by the Court)
Main Market	the Main Market of the London Stock Exchange
Meetings	together, the Court Meeting and the FOGL General Meeting
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 the Conditions, 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 Press 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 9 of Part Two (<i>Explanatory Statement</i>) of this document
Numis	Numis Securities Limited, a private limited company incorporated in England and Wales with number 02285918, whose registered office is at 10 Paternoster Square, London, EC4M 7LT, United Kingdom
Offer Document	in the event Rockhopper elects to implement the Merger by means of a Merger Offer, the document containing the Merger Offer to be sent to FOGL Shareholders
Official List	the Official List of the UK Listing Authority
Overseas Shareholder	a Scheme Shareholder who is resident in, or a citizen or national of, or who has a registered address in any jurisdiction other than the United Kingdom or the Falkland Islands
PRA	Prudential Regulation Authority
Premier	Premier Oil plc

Press Announcement	the announcement in respect of the Merger issued on 24 November 2015
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), a private limited company incorporated in England and Wales with number 00995939, whose registered office is at Riverbank House, 2 Swan Lane, London, EC4R 3BF, United Kingdom and 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
Resolution	the special resolution necessary to implement the Scheme (including approving appropriate amendments to the articles of association of FOGL) to be proposed at the FOGL General Meeting
Restricted Jurisdiction	any such jurisdiction where local laws or regulations may result in significant risk of civil, regulatory or criminal exposure if information concerning the Merger is sent or made available to FOGL Shareholders in that jurisdiction
Rockhopper	Rockhopper Exploration plc, a company incorporated in England and Wales with registered number 05250250 and whose registered office is at Hilltop Park, Devizes Road, Salisbury, SP3 4UF, United Kingdom
Rockhopper Circular	the document sent to Rockhopper Shareholders dated 27 November 2015 containing the notice convening the Rockhopper General Meeting
Rockhopper Consideration Shares	the new Rockhopper Shares to be allotted and issued to FOGL Shareholders pursuant to the terms and conditions of the Scheme should the Scheme become Effective and any and all of them as the context requires
Rockhopper Directors	the directors of Rockhopper as at the date of this document
Rockhopper General Meeting	the general meeting (or any adjournment thereof) of the Rockhopper Shareholders convened in connection with the Rockhopper Resolution, notice of which is 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 allot the Rockhopper Consideration Shares pursuant to the Scheme
Rockhopper Shareholders	the holders of Rockhopper Shares, from time to time
Rockhopper Shares	the ordinary shares of 1 pence each in the capital of Rockhopper

Scheme or Scheme of Arrangement	the proposed scheme of arrangement made under Part IV of the Companies Act between FOGL and the Scheme Shareholders in the form set out in Part Four (<i>The Scheme of Arrangement</i>) of this document, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Rockhopper and FOGL
Scheme Document	this document dated 11 December 2015 sent by FOGL to FOGL Shareholders containing, amongst other things, the Scheme and the notices convening the Court Meeting and the FOGL General Meeting
Scheme Record Time	6.00 p.m. (London time) on the Business Day immediately prior to the Effective Date
Scheme Shareholder	a holder of Scheme Shares
Scheme Shares	FOGL Shares: (a) in issue at the date of this document; (b) (if any) issued after the date of this document and on or prior to the Voting Record Time in respect of the Court Meeting; or (c) (if any) issued after the 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, but excluding (A) in the case of reference to the “Scheme Shares” or “Scheme Shareholders” in relation to the Court Meeting any Excluded Shares in issue at the Voting Record Time and (B) in the case of other references in this document to “Scheme Shares” or “Scheme Shareholders” any Excluded Shares in issue at the Scheme Record Time
Sea Lion	the Sea Lion field and satellite fields discovered in the North Falkland Basin
Securities Act	the US 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	the Takeover Code on Takeovers and Mergers, as amended from time to time
Takeover Panel	the Panel on Takeovers and Mergers
uncertificated form or in uncertificated form	a share or other security recorded on the relevant register as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
US or United States	the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia

Voting Record Time	6.00 p.m. on the day which is two Business 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 date which is two Business Days before the date of such adjourned meeting
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
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
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

For the purposes of this document, “**subsidiary**”, “**subsidiary undertaking**”, “**undertaking**” and “**associated undertaking**” have the respective meanings given thereto by the UK Companies Act 2006.

All references to “**pounds**”, “**Pounds Sterling**”, “**Sterling**”, “**£**”, “**pence**”, “**penny**” and “**p**” are to the lawful currency of the United Kingdom.

All references to “**US\$**”, “**\$**” and “**US Dollars**” are to the lawful currency of the United States.

All the times referred to in this document are London times unless otherwise stated.

References to the singular include the plural and vice versa.

**PART TEN
NOTICE OF COURT MEETING**

**IN THE SUPREME COURT OF
THE FALKLAND ISLANDS**

IN THE MATTER OF FALKLAND OIL AND GAS LIMITED

- and -

IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that by an order dated 9 December 2015 made in the above matter, the Court has directed a meeting (“**Court Meeting**”) to be convened of the holders of the Scheme Shares (as defined in the Scheme of Arrangement referred to below) for the purpose of considering and, if thought fit, approving (with or without modification) the scheme or arrangement pursuant to sections 206 to 207 of the Companies Act 1948 (the “**Scheme**”) proposed to be made between Falkland Oil and Gas Limited (the “**Company**”) and Scheme Shareholders (as defined in the Scheme) and that such meeting will be held at 2.00 p.m. (London time) on 5 January 2016 at FTI Consulting, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD, at which place and time all holders of the Scheme Shares are requested to attend in person or by proxy.

A copy of the Scheme Document and a copy of the explanatory statement required to be furnished pursuant to section 207 of the Companies Act 1948 are incorporated in the document of which this notice forms part. Terms defined in the Scheme of Arrangement have the same meanings in this notice.

FOGL Shareholders entitled to vote at the Court Meeting may vote thereat in person or they may appoint another person, whether a member of the Company or not, as their proxy to attend and to vote in their stead. A proxy need not be a member of the Company but must attend the meeting to represent the Shareholder.

A blue Form of Proxy is enclosed herewith for use by FOGL Shareholders holding FOGL Shares in certificated form. Completion and submission of such a Form of Proxy will not prevent a FOGL Shareholder holding FOGL Shares in certificated form from attending the Court Meeting and voting in person. A blue Form of Direction is enclosed herewith for use by Depository Interest Holders, to instruct the Depository how to vote on their behalf.

FOGL Shareholders holding FOGL Shares in certificated form are requested to complete, sign and return by post (together with any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority) to the Company’s Registrars (Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, United Kingdom) the blue Form of Proxy for use at the Court Meeting to arrive no later than 48 hours (excluding weekends and public holidays in England and Wales and/or the Falkland Islands) before the time appointed for holding of the meeting (or any adjournment thereof). FOGL Shareholders residing in the Falkland Islands are requested to return their Forms of Proxy to the Company’s registered office (56 John Street, Stanley, Falkland Islands) within the same timescale. If the blue Form of Proxy is not returned or lodged by such time, it may be handed to the Company’s Registrars (on behalf of the chairman of the Court Meeting) before the taking of the poll at the Court Meeting and shall still be valid. A FOGL Shareholder holding FOGL Shares in certificated form who is entitled to attend and vote at the Court Meeting may appoint one or more proxies to attend and vote in his or her place.

Depository Interest Holders are requested to complete, sign and return by post (together with any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority) to the Company’s Registrars (Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, United Kingdom) the blue Form of Direction for use at the Court Meeting to arrive no later than 72 hours before the time appointed for holding of the meeting (or any adjournment thereof) (excluding weekends and public holidays in England and Wales and/or the Falkland Islands). Depository Interest Holders residing in the Falkland Islands are requested to return their Forms of Direction to the Company’s registered office (56 John Street, Stanley, Falkland Islands) within the same timescale. If the blue Form of Direction is not returned or lodged by such time, it may be handed to the Company’s Registrars (on behalf of the chairman of the Court Meeting) before the taking of the poll at the Court Meeting and shall still be valid.

If you are a Depository Interest Holder and would like to attend the Court Meeting please note that you will need to obtain a Letter of Representation from the Depository. This can be obtained by contacting The Depository, Capita IRG Trustees Limited, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, United Kingdom or by emailing custodymgt@capita.co.uk. Requests must be received no later than 2.30 p.m. on 30 December 2015. Please note that the Depository will require an original copy of the letter of request before issuing a Letter of Representation.

In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names appear in the register of members of the Company in respect of the joint holding. Entitlement to attend and vote at the Court Meeting and the number of votes which may be cast at that meeting will be determined by reference to the register of members of the Company as at 6.00 p.m. (London time) on 31 December 2015, being the date which is two Business Days before the date of the Court Meeting, or if the Court Meeting is adjourned, 6.00 p.m. (London time) on the date which is two Business Days before the date of such adjourned meeting. In each case changes to entries in the relevant register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the Court Meeting.

Voting at the Court Meeting will be conducted on a poll rather than a show of hands.

By the said order, the Court has appointed John Martin or failing him David Hudd to act as chairman of the Court Meeting and has directed the chairman to report the result thereof to the Court.

The said scheme of arrangement will be subject to the subsequent sanction of the Court.

Dated: 11 December 2015

Pinsent Masons LLP
56 John Street
Stanley
Falkland Islands

and

Pinsent Masons LLP
30 Crown Place
Earl Street
London
EC2A 4ES
United Kingdom

PART ELEVEN
NOTICE OF FOGL GENERAL MEETING
NOTICE OF EXTRAORDINARY GENERAL MEETING
of

FALKLAND OIL AND GAS LIMITED (the "Company")
(Registered in the Falkland Islands under company number 12913)

Dated 11 December 2015

Notice is hereby given that an extraordinary general meeting of Falkland Oil and Gas Limited (the "**Company**") will be held at FTI Consulting, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD on 5 January 2016 at 2.30 p.m. (London Time) (or as soon thereafter as the Court Meeting (as defined in the document of which this notice forms part, being the "**Scheme Document**") convened for 2.00 p.m. (London time)) on the same day and at the same places, shall have concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution:

SPECIAL RESOLUTION

THAT, for the purpose of giving effect to the scheme of arrangement dated 11 December 2015 between the Company and the holders of Scheme Shares (as defined in the scheme of arrangement), a print of which has been produced to this meeting and for the purposes of identification signed by the Chairman hereof, in its original form or subject to such modification, addition or condition as may be agreed between the Company and Rockhopper Exploration plc ("**Rockhopper**") and approved or imposed by the Court (the "**Scheme**"):

- (A) the directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into full effect;
- (B) with effect from the passing of this resolution, the articles of association of the Company be and are hereby amended by the adoption and inclusion of the following new article 171 after article 170:

"171 Scheme of Arrangement

- (A) In this Article 171, the Scheme means the scheme of arrangement dated 11 December 2015 between the Company and the holders of its Scheme Shares (as defined in the Scheme) under Part IV of the Companies Act 1948 in its original form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Company and Rockhopper Exploration plc ("**Rockhopper**") and (save as defined in this Article) expressions defined in the Scheme shall have the same meanings in this Article.
- (B) Notwithstanding any other provision of these Articles or the terms of any resolution, whether ordinary or special, passed by the Company in general meeting, if the Company issues any Ordinary Shares (other than to Rockhopper or its nominee(s)) on or after the adoption of this Article and on or prior to the Scheme Record Time (as defined in the Scheme), such Ordinary Shares shall be issued subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the original or any subsequent holder or holders of such ordinary shares shall be bound by the Scheme accordingly.
- (C) Notwithstanding any other provision of these Articles, if any Ordinary Shares are issued to any person (other than Rockhopper or its nominee(s)) (the "**New Member**") after the Scheme Record Time, such New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) will, provided the Scheme shall have become Effective, be obliged to transfer all the Ordinary Shares held by the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) (the "**Disposal Shares**") to Rockhopper (or as Rockhopper may otherwise direct) who shall be obliged to acquire all of the Disposal Shares in consideration of and conditional on the allotment and issue or transfer by Rockhopper to the New Member of such number of Rockhopper Shares (the "**Rockhopper Consideration Shares**") as that New Member would have been entitled to had each Disposal Share been a Scheme Share.

- (D) The Rockhopper Consideration Shares allotted and issued or transferred to a New Member pursuant to paragraph (C) of this Article shall be credited as fully paid and shall rank *pari passu* in all respects with all other Rockhopper Shares in issue at that time (other than as regards any dividend or other distribution payable by reference to a record date preceding the date of allotment) and shall be subject to the Articles of Association of Rockhopper.
- (E) If any New Member is (or Rockhopper reasonably believes a New Member to be) an Overseas Shareholder and the Company or Rockhopper reasonably believes or is advised that the allotment and/or issue of Rockhopper Consideration Shares pursuant to Article 171(C) would or might infringe the laws of any jurisdiction outside the United Kingdom or the Falkland Islands or would or might require the Company or Rockhopper to comply with any governmental or other consent, or any registration, filing or other formality with which the Company or Rockhopper is unable to comply or compliance with which the Company or Rockhopper regards as unduly onerous, then Rockhopper may in its sole discretion either:
- (a) determine that no Rockhopper Consideration Shares shall be allotted and/or issued to such New Member, but shall instead be allotted and issued to a nominee appointed by Rockhopper, as trustee for such New Member, on terms that the nominee shall, as soon as is practicable following the Effective Date, sell the Rockhopper Consideration Shares so allotted and issued and shall account to such New Member for the net proceeds of such sale to the extent they exceed £3.00; or
 - (b) determine that such Rockhopper Consideration Shares shall be sold, in which case the Rockhopper Consideration Shares shall be issued to such New Member and Rockhopper shall appoint a person to act pursuant to this Article 171(E)(b) and such person shall be authorised on behalf of such New Member to procure that any shares in respect of which Rockhopper has made such determination shall, as soon as is practicable be sold.
- (F) Any sale under Article 171(E) shall be at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale (after the deduction of all expenses and commissions incurred in connection with such sale including any amount in respect of value added tax thereon) to the extent they exceed £3.00 shall within seven days after any such sale be paid to the New Members entitled thereto in accordance with the terms of the Scheme (as it may be modified in accordance with its terms) as if the New Member had been a Scheme Shareholder. To give effect to any sale under Article 171(E) of this Scheme, the nominee referred to in Article 171(E)(a) and/or the person appointed by Rockhopper in accordance with Article 171(E)(b) (as the case may be) shall be authorised as an attorney on behalf of the person concerned to execute and deliver as transferor an instrument or instruction of transfer and to give such instructions and do all other things which he may consider necessary or expedient in connection with such sale. In the absence of bad faith or wilful default, none of the Company, Rockhopper, the nominee or the person so appointed shall have any liability for any loss or damage arising as a result of the timing or terms of such sale.
- (G) On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation), the number of Rockhopper Consideration Shares to be allotted and issued or transferred to a New Member under Article 171 (C) above shall be adjusted by the directors of Rockhopper, in such manner as the auditors of the Company or an independent investment bank selected by Rockhopper may determine to be fair and reasonable to the New Member to reflect such reorganisation or alteration. References in this Article to ordinary shares shall, following such adjustment, be construed accordingly.
- (H) Any New Member may, prior to the issue or transfer of any Disposal Shares to him or her under one of the Company's employee share schemes, give no less than two Business Days' written notice to the Company of his or her intention to transfer some or all of such Disposal Shares to his or her spouse or civil partner and may, if such notice has been validly given, on such Disposal Shares being issued to him or her immediately transfer to his or her spouse or civil partner any such Disposal Shares, provided that such Disposal Shares will then be immediately transferred from that spouse or civil partner to Rockhopper pursuant to paragraph (C) above as if the spouse or civil partner were the relevant New Member. If notice has been validly given pursuant to this paragraph (H) but the New Member does not immediately transfer to his or her

spouse or civil partner the Disposal Shares in respect of which notice was given, such shares will be transferred to Rockhopper or its nominee(s) pursuant to paragraph (C) above.

- (I) In order to give effect to any transfer required by this Article 171, the Company may appoint any person as attorney for the New Member to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) in favour of Rockhopper and do all such other things and execute and deliver all such documents as may in the opinion of the attorney be necessary or desirable to vest the Disposal Shares in Rockhopper and pending such vesting to exercise all such rights to the Disposal Shares as Rockhopper may direct. If an attorney is so appointed, the New Member shall not thereafter (except to the extent that the attorney fails to act in accordance with the directions of Rockhopper) be entitled to exercise any rights attaching to the Disposal Shares unless so agreed by Rockhopper. The Company may give good receipt for the purchase price of the Disposal Shares and may register Rockhopper as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member for any Disposal Shares.
- (J) Rockhopper Consideration Shares allotted to any New Member pursuant to paragraph (C) above shall not be allotted as fractions of shares but any fraction of a share to which the New Member would otherwise have been entitled shall be rounded up or down (with 0.5 of a Rockhopper Share being rounded up) to the nearest whole number of shares (which may be zero).
- (K) If the Scheme shall not have become Effective by the date referred to in clause 7.2 of the Scheme, (or such later date, if any, as Rockhopper and the Company may agree and the Court may allow) this Article shall be of no effect.
- (L) Notwithstanding any other provision of these articles, both the Company and the Directors may refuse to register the transfer of any Scheme Shares effected between the Scheme Record Time and the Effective Date.
- (M) Notwithstanding any other provision of these articles, both the Company and the Directors may refuse to register the transfer of any ordinary shares other than as provided by this Article 171."

By Order of the Board

Company Secretary

Registered office of the Company:
56 John Street
Stanley
Falkland Islands
FIQQ 1ZZ

Notes:

1. A Form of Proxy is provided with this notice for use by shareholders holding shares in certificated form. A shareholder entitled to attend and vote at the extraordinary general meeting ("EGM") may appoint one or more proxies to attend and (on a poll) vote instead of him/her. A proxy need not be a shareholder of the Company. Completion and return of such a Form of Proxy will not prevent a shareholder from attending the EGM and voting in person.
2. A Form of Direction is provided with this notice for use by holders of Depository Interests. If you hold your shares via the Depository Interest arrangement and would like to attend the EGM, please contact the Depository, Capita IRG Trustees Limited at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (alternatively, please email custodymgmt@capita.co.uk) to request a Letter of Representation. Requests must be received no later than 2.30 p.m. on 30 December 2015. Please note that the Depository will require an original copy of the letter of request before issuing the Letter of Representation. Completion and return of a Form of Direction will not preclude FOGL Shareholders from attending the EGM and voting in person provided he or she holds a valid Letter of Representation and is so entitled.
3. To be effective, the Form of Proxy and any power of attorney or other authority under which it is signed (or a notarially certified copy of such authority) must be returned to Capita Asset Services, 34 Beckenham Road, Beckenham, BR3 4TU or at the Company's registered office at 56 John Street, Stanley, Falkland Islands, FICQ 1ZZ, not less than 48 hours (excluding weekends and public holidays in England and Wales and/or the Falkland Islands) before the time of the holding of the FOGL EGM or any adjournment thereof.
4. To be effective, the Form of Direction and any power of attorney or other authority under which it is signed (or a notarially certified copy of such authority) must be returned to Capita Asset Services, 34 Beckenham Road, Beckenham, BR3 4TU or at the Company's registered office at 56 John Street, Stanley, Falkland Islands, FICQ 1ZZ, by not less than 72 hours (excluding

weekends and public holidays in England and Wales and/or the Falkland Islands) before the time of the holding of the FOGL EGM or any adjournment thereof.

5. Depository interest holders may instruct the Depository how to vote utilising the CREST electronic voting service. To instruct the Depository how to vote or amend an instruction to vote via the CREST system, the CREST message must be received by the issuer's agent RA10 by 2.30 p.m. on 30 December 2015. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of voting instructions through CREST should be communicated to issuer's agent by other means. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service providers) for assistance. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual.
6. Shareholders registered on the register of members of the Company at 6.00 p.m. on 31 December 2015 or, if the Meeting is adjourned, at 6.00 p.m. on the day two Business Days prior to the adjourned meeting, shall be entitled to attend and vote at the EGM in respect of the number of shares registered in their name at that time.
7. Pursuant to regulation 41(1) of the Uncertificated Securities Regulations 2001 (2001 No. 3755) only those Depository Interest Holders registered on the Depository Interest Register maintained by Capita Asset Services at 6.00 p.m. on 31 December 2015 or if the Meeting is adjourned, at 6.00 p.m. on the day two Business Days prior to the adjourned meeting, shall be entitled to attend and vote at the EGM in respect of the number of Depository Interests registered in their name at that time. Changes to the register of members or the Depository Interest register after 6.00 p.m. on 31 December 2015 or if the Meeting is adjourned, at 6.00 p.m. on the day two Business Days prior to the adjourned meeting, shall be disregarded in determining the rights of any person to attend and vote at the EGM.
8. The Register of Directors' interests in the shares of the Company and copies of the service agreements between the Company and its directors will be available for inspection at the registered office of the Company during usual business hours on any weekday (weekends and public holidays in England and Wales and/or the Falkland Islands excluded) until the date of the EGM and also on the date and at the place of the EGM from 15 minutes prior to the commencement of the EGM until the conclusion thereof.
9. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names appear in the register of members of the Company in respect of the joint holding.

