



Acquisition

Released : 23 May 2014 07:00
RNS Number : 8999H
Rockhopper Exploration plc
23 May 2014

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

Date: 23 May 2014

RECOMMENDED CASH, SHARE AND CONTINGENT CONSIDERATION OFFER

by

ROCKHOPPER EXPLORATION PLC

for

MEDITERRANEAN OIL & GAS PLC

(to be effected by means of a scheme of arrangement under Part 26 of the Companies Act 2006)

- The boards of Rockhopper Exploration plc ("**Rockhopper**") and of Mediterranean Oil & Gas plc ("**MOG**") are pleased to announce that they have reached agreement on the terms of a recommended acquisition under which Rockhopper will acquire the entire issued and to be issued ordinary share capital of MOG (the "**Acquisition**"). The Acquisition is to be effected by means of a Court sanctioned scheme of arrangement under Part 26 of the Companies Act 2006.
- Under the terms of the Acquisition, shareholders of MOG ("**MOG Shareholders**") will receive 6.5 pence per share ("**MOG Share**") comprising 4.875 pence in cash and 0.0172 shares of Rockhopper per MOG share (together the "**Initial Consideration Offer**").
- In addition, under the terms of the Acquisition, MOG Shareholders will receive a contingent entitlement up to a maximum amount of 3.550 pence in cash for each MOG Share (the "**Contingent Consideration Offer**") assuming MOG's fully diluted ordinary share capital is 451,192,831.
- The Initial Consideration Offer:
 - values the entire issued and to be issued share capital of MOG at approximately £29.3 million;
 - represents a 15.6 per cent premium to MOG's closing share price of 5.625 pence on 22 May 2014 (being the last Business Day prior to the date of this announcement); and
 - represents a 31.1 per cent premium to MOG's average volume weighted share price of 4.957 pence for the three months ended 22 May 2014 (being the last Business Day prior to the date of this announcement).
- The shares of Rockhopper forming part of the Initial Consideration Offer and to be issued pursuant to the Acquisition (the "**Rockhopper Consideration Shares**") are expected to represent approximately 2.65 per cent of the issued share capital of Rockhopper as enlarged by the Acquisition. The Rockhopper Consideration Shares will rank equally in all respects with the existing Rockhopper Shares and will be entitled to all dividends and/or other distributions declared or paid by Rockhopper in respect of Rockhopper Shares by reference to a record date falling after the Effective Date.
- The availability of the Contingent Consideration Offer, and the amount of cash which may ultimately be payable in connection therewith (the "**Contingent Consideration**"), will be determined by the success of an exploration well targeting the Hagar Qim prospect in Offshore Malta Area 4, Block 7 (the "**HQ Prospect**"). The Contingent Consideration Offer is intended to afford MOG Shareholders an opportunity to benefit from the potential success of the HQ Prospect.

The Contingent Consideration Offer is a contractual, non-transferable, unsecured, interest-free obligation of Rockhopper to make (subject to certain conditions) an additional one-off cash payment of between £11.9 million and £16.0 million in total (the "**Total Contingent Consideration Amount**"). The Contingent Consideration will only be payable if the 2C Contingent Resources of Liquid Hydrocarbons estimated to be potentially recoverable from the HQ Prospect equal or exceed 80 mmbbl in total, which is a level that the Rockhopper Directors consider to be commercially viable.

The Total Contingent Consideration Amount shall be calculated on the basis of 25 per cent (being the

percentage interest which MOG holds in the HQ Prospect) multiplied by £0.59 multiplied by the 2C Contingent Resources of Liquid Hydrocarbons estimated to be potentially recoverable from the HQ Prospect. The Total Contingent Consideration Amount payable will be subject to a hurdle of 20 mmbbl 2C Contingent Resources of Liquid Hydrocarbons estimated to be potentially recoverable from the HQ Prospect (on a Net Basis) and will be capped at £16.0 million. The Contingent Consideration, if payable, will be equivalent to Rockhopper paying approximately US\$ 1 per barrel of 2C Contingent Resources of Liquid Hydrocarbons

If any Contingent Consideration is payable, Relevant Shareholders will receive, for every MOG Share held, an amount calculated by dividing the Total Contingent Consideration Amount by the aggregate number of MOG Shares in issue at the Reduction Record Time plus the number of MOG Shares issued after that date pursuant to the exercise of options and share awards under the MOG Share Plans.

The Contingent Consideration Offer is conditional and subject to the cap summarised above and therefore there is no certainty that all or any Contingent Consideration will become payable in connection with the Acquisition.

- The deferred shares issued by MOG as part of a reorganisation of its share capital in 2011 will be unaffected by and will not form part of the Acquisition and the Scheme.
- The cash consideration payable under the terms of the Acquisition, including any payments due under the Contingent Consideration Offer, will be financed from existing cash resources of Rockhopper.
- The MOG Directors, who have been so advised by RBC Europe Limited ("**RBC**"), as the independent financial adviser for the purposes of Rule 3 of the Takeover Code, consider the terms of the Acquisition to be fair and reasonable. In providing its advice to the MOG Directors, RBC has taken into account the commercial assessments of the MOG Directors.
- Accordingly, the MOG Directors intend to recommend unanimously that MOG Shareholders vote in favour of the resolutions to be proposed at the Court Meeting and the General Meeting which are to be convened to approve and implement the Acquisition.
- The MOG Directors have irrevocably undertaken to approve the necessary resolutions in respect of their entire beneficial holdings in MOG, which, in aggregate, amount to 2,588,171 MOG Shares, representing approximately 0.60 per cent of the existing issued ordinary share capital of MOG. These irrevocable undertakings will cease to be binding only if the Scheme lapses or is withdrawn and remain binding if a higher competing offer for MOG 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 General Meeting from certain MOG Shareholders in respect of 135,297,780 MOG Shares representing, in aggregate, approximately 31.36 per cent of the existing issued ordinary share capital of MOG. These irrevocable undertakings will cease to be binding only if the Scheme lapses or is withdrawn or if a competing offer for MOG is made which represents the increase to the Initial Consideration and the Contingent Consideration set out in Appendix 3 of this announcement.
- Therefore, as at the date of this announcement, Rockhopper has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and in favour of the resolution at the General Meeting in respect of a total of 137,885,951 MOG Shares, representing, in aggregate, approximately 31.96 per cent of MOG's existing issued ordinary share capital.
- Rockhopper is an AIM-quoted exploration and production company with its principal asset being 5,800km² of prospective oil and gas acreage in the North Falkland Basin, which contains up to 450 mmbbl of 2C Contingent Resources if a gas cap does not exist on the western flank of the Sea Lion field. Rockhopper has a robust balance sheet, with current cash of approximately US\$ 250 million (£147 million).
- MOG is an AIM-quoted exploration and production company with operations in Italy, Malta and France. MOG produces natural gas onshore and offshore in Italy and has a balanced portfolio of exploration, appraisal and development opportunities with reserves and contingent resources of 33 mmboe and total unrisks prospective resources of over 1,200 mmboe. Net production from the Guendalina field, MOG's principal production asset, was 35,650 scm per day as of 13 May 2014. Development activities are focused on MOG's 100 per cent operated interest in the offshore Italian Ombrina Mare discovery, which has 2C Contingent Resources of 26.5 mmboe. MOG is also undertaking high-impact exploration offshore Malta and will drill the HQ Prospect in 2014 targeting net mean unrisks resources of 27 mmboe. MOG also holds additional development and exploration opportunities in Italy, Malta and France.
- In order to become effective, the Scheme requires the sanction of the Court and must be approved by the requisite majority of MOG Shareholders. The Scheme is also conditional on, among other things, the Government of the Republic of Malta, either confirming that consent is not required for the indirect change of control of Melita Exploration Company Limited (a subsidiary of MOG) or, if it is required, giving such consent.
- It is currently expected that the Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and the General Meeting, together with the Forms of Proxy, will be posted not later than 20 June 2014 and that, subject to the satisfaction or, where relevant, waiver of all relevant Conditions, the Scheme is expected to become effective on or around 5 August 2014.
- Commenting on the Acquisition, Pierre Jungels, Chairman of Rockhopper said:

"This transaction represents an important milestone for the company as we add production to our portfolio and broaden our exploration and development opportunity set, by establishing ourselves in an area our team understands well. While the acquisition cost and capital exposure are modest in relation to our balance sheet, the upside potential is significant and we believe that the new acreage will create an attractive entry platform to one of the most exciting regions in the industry at this time."
- Commenting on the Acquisition, Keith Henry of MOG said:

"This is a good transaction for our shareholders, offering them the combination of both cash and shares in Rockhopper today, while also providing the opportunity to benefit from the potential upside of our Malta well. Sadly, a series of setbacks over the past year at the Guendalina Field, MOG's principal producing asset, and the continuing regulatory delays to Ombrina Mare, our key development project, have prevented us from implementing our strategy of growing our portfolio in the Mediterranean region. In the current market conditions, the MOG board strongly believes that this can only be achieved by a significantly more capitalised company. In addition to the cash element, Rockhopper's offer represents an opportunity for MOG shareholders to receive shares in Rockhopper, while still retaining a contingent

interest in the high risk exploration well offshore Malta that will spud in the next few days."

- **This summary should be read in conjunction with the full text of this announcement. Appendix 1 to this announcement contains the conditions to, and certain further terms of, the Acquisition. Appendix 2 to this announcement contains further details of the sources of information and bases of calculations set out in this announcement. Appendix 3 contains a summary of the irrevocable undertakings given by the MOG Directors and by certain MOG Shareholders. Appendix 4 contains definitions of certain expressions used in this summary and in this announcement.**
- In accordance with Rule 30.4 of the City Code on Takeovers and Mergers, a copy of this announcement will be made available, free of charge, on MOG's website at www.medoilgas.com by no later than 12 noon on the first Business Day following this announcement. A copy of this announcement will also be made available on Rockhopper's website at www.rockhopperexploration.co.uk. Neither the content of any website referred to in this announcement nor the content of any website accessible from hyperlinks on MOG or Rockhopper's website (or any other website) is incorporated into, or forms part of, this announcement.

Enquiries

Rockhopper Exploration plc

via Vigo Communications -
020 7016 9571

Sam Moody, Chief Executive

Stewart MacDonald, Chief Financial Officer

Canaccord Genuity Limited, NOMAD, broker and financial adviser to Rockhopper

020 7523 8000

Henry Fitzgerald-O'Connor

Neil Elliot

Vigo Communications, PR adviser to Rockhopper

020 7016 9571

Peter Reilly

Mediterranean Oil & Gas plc

020 7959 2322

Bill Higgs, Chief Executive

Chris Kelsall, Finance Director

RBC Europe Limited, Rule 3 adviser and joint broker to MOG

020 7653 4000

Jeremy Low

Matthew Coakes

Liberum Capital Limited, NOMAD, financial adviser and joint broker to MOG

020 3100 2222

Clayton Bush

Tim Graham

FTI Consulting, PR adviser to MOG

020 3727 1000

Ben Brewerton

Alex Beagley

Further information

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

Please be aware that addresses, electronic addresses and certain other information provided by MOG Shareholders, persons with information rights and other relevant persons in connection with the receipt of communications from MOG may be provided to Rockhopper during the Offer Period (as required under Section 4 of Appendix 4 to the Takeover

Code).

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

RBC Europe Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and is acting as financial adviser to MOG and no one else in connection with the contents of this announcement and will not be responsible to anyone other than MOG for providing the protections afforded to clients, or for providing advice in relation to any matters referred to herein.

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

Overseas shareholders

The release, publication or distribution of this announcement in or into, jurisdictions other than the United Kingdom and the availability of the Rockhopper Consideration Shares may be restricted by law and therefore persons into whose possession this announcement comes who are not resident in the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory restrictions in those jurisdictions. MOG 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 Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This document does not constitute an offer to sell, or the solicitation of any offer to buy, any Rockhopper Consideration Shares in any jurisdiction in which such an offer or solicitation would be unlawful.

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

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

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

Disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the tenth business day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 pm (London time) on the tenth business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Cautionary note regarding forward-looking statements

This announcement contains certain forward-looking statements with respect to the financial condition, results of operations and business of the MOG Group and certain plans and objectives of the boards of directors of MOG 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 MOG and Rockhopper in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, and the factors described in the context of such forward-looking statements in this announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this announcement. MOG and Rockhopper assume no obligation to update or correct the information contained in this announcement, whether as a result of new information, future events or otherwise, except to the extent legally required.

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

No profit forecast

No statement in this announcement is intended as a profit forecast or a profit estimate, and no statement in this announcement should be interpreted to mean that the future earnings per MOG Share for current or future financial years will necessarily match or exceed the historical or published earnings per MOG Share.

BOE presentation

References herein to "boe" mean barrels of oil equivalent derived by converting gas to oil in the ratio of between 5,500 to 6,000 cubic feet (scf) of gas (dependent on the richness of the gas) to one barrel (bbl) of oil. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6,000 scf: 1 bbl is based on an energy conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Note regarding Rockhopper oil and gas disclosure

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

Note regarding MOG oil and gas disclosure

This announcement has been approved by MOG's geological staff who include Dr Bill Higgs (Chief Executive Officer), a geologist, explorationist and reservoir manager with over 25 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, MOG has used the definitions and guidelines as set forth in the 2007 Petroleum Resources Management System approved by the Society of Petroleum Engineers.

Rule 2.10 Disclosure

In accordance with Rule 2.10 of the Takeover Code, Rockhopper confirms that it has 284,722,509 ordinary shares of 1 pence each in issue and admitted to trading on AIM under ISIN GB00B0FVQX23.

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

Date: 23 May 2014

RECOMMENDED CASH, SHARE AND CONTINGENT CONSIDERATION OFFER

by

ROCKHOPPER EXPLORATION PLC

for

MEDITERRANEAN OIL & GAS PLC

(to be effected by means of a scheme of arrangement under Part 26 of the Companies Act 2006)

1. Introduction

The boards of MOG and Rockhopper are pleased to announce that they have reached agreement on the terms of a recommended acquisition under which Rockhopper will acquire the entire issued and to be issued ordinary share capital of MOG.

2. Summary of terms

- 2.1 It is intended that the Acquisition will be effected by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act. The Scheme requires approval by MOG Shareholders at the Court Meeting and the General Meeting which are to be convened in connection with the Scheme. Further details of the Court-sanctioned scheme of arrangement and the requisite level of MOG Shareholder approvals are contained in paragraph 13 below.
- 2.2 Under the terms of the Acquisition, Relevant Shareholders will receive 6.5 pence for each MOG Share held, comprising 4.875 pence in cash and 0.0172 Rockhopper Consideration Shares (the **"Initial Consideration**

Offer").

- 2.3 In addition, under the terms of the Acquisition, MOG Shareholders will receive a contingent entitlement up to a maximum amount of 3.550 pence in cash for each MOG Share held (the "**Contingent Consideration Offer**"), assuming MOG's fully diluted ordinary share capital is 451,192,831.
- 2.4 The Initial Consideration Offer:
- values the entire issued and to be issued share capital of MOG at approximately £29.3 million;
 - represents a 15.6 per cent premium to MOG's closing share price of 5.625 pence on 22 May 2014 (being the last Business Day prior to the date of this announcement); and
 - represents a 31.1 per cent premium to MOG's average volume weighted share price of 4.957 pence for the three months ended 22 May 2014 (being the last Business Day prior to the date of this announcement).
- 2.5 The Rockhopper Consideration Shares to be issued pursuant to the Acquisition are expected to represent approximately 2.65 per cent of the issued share capital of Rockhopper as enlarged by the Acquisition. The Rockhopper Consideration Shares will rank equally in all respects with the existing Rockhopper Shares and will be entitled to all dividends and/or other distributions declared or paid by Rockhopper in respect of Rockhopper Shares by reference to a record date falling after the Effective Date. Fractions of Rockhopper Consideration Shares will not be allotted to Relevant Shareholders pursuant to the Acquisition. However, the entitlements of Relevant 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.

The availability of the Contingent Consideration Offer, and the amount of cash which may ultimately be payable in connection therewith (the "**Contingent Consideration**"), will be determined by the success of an exploration well targeting the Hagar Qim prospect in Offshore Malta Area 4, Block 7 (the "**HQ Prospect**"). The Contingent Consideration Offer is intended to afford MOG Shareholders an opportunity to benefit from the potential success of the HQ Prospect.

The Contingent Consideration Offer is a contractual, non-transferable, unsecured, interest-free obligation of Rockhopper to make (subject to certain conditions) an additional one-off cash payment of between £11.9 million and £16.0 million in total (the "**Total Contingent Consideration Amount**"). The Contingent Consideration will only be payable if the 2C Contingent Resources of Liquid Hydrocarbons estimated to be potentially recoverable from the HQ Prospect equal or exceed 80 mmbbl in total, which is a level that the Rockhopper Directors consider to be commercially viable.

The Total Contingent Consideration Amount shall be calculated on the basis of 25 per cent (being the percentage interest which MOG holds in the HQ Prospect) multiplied by £0.59 multiplied by the 2C Contingent Resources of Liquid Hydrocarbons estimated to be potentially recoverable from the HQ Prospect. The Total Contingent Consideration Amount payable will be subject to a hurdle of 20 mmbbl 2C Contingent Resources of Liquid Hydrocarbons estimated to be potentially recoverable from the HQ Prospect (on a Net Basis) and will be capped at £16.0 million. The Contingent Consideration, if payable, will be equivalent to Rockhopper paying approximately US\$ 1 per barrel of 2C Contingent Resources of Liquid Hydrocarbons

If any Contingent Consideration is payable, Relevant Shareholders will receive, for every MOG Share held, an amount calculated by dividing the Total Contingent Consideration Amount by the aggregate number of MOG Shares in issue at the Reduction Record Time plus the number of MOG Shares issued after that date pursuant to the exercise of options and share awards under the MOG Share Plans.

The Contingent Consideration Offer is conditional and subject to the cap summarised above and therefore there is no certainty that all or any Contingent Consideration will become payable in connection with the Acquisition.

- 2.6 The Deferred Shares will not form part of, and will be unaffected by, the Acquisition or the Scheme. For further details, please see paragraph 8 below.

3. **The Contingent Consideration Offer**

3.1 **Summary of the Contingent Consideration Offer**

- (a) The Contingent Consideration Offer is designed to enable MOG Shareholders to benefit from the potential success of the HQ Exploration Well, subject to the Contingent Consideration Condition being met.
- (b) **The Contingent Consideration Offer is conditional and therefore there is no certainty that all or any Contingent Consideration will become payable in connection with the Acquisition.**
- (c) MOG, together with its partner Genel, intends to drill the HQ Exploration Well, which is expected to be Spudded on or around 25 May 2014. As the results of the HQ Exploration Well are not expected to be known before mid to late July 2014, the Contingent Consideration Offer is being made available to Relevant Shareholders.
- (d) The Contingent Consideration Offer is a contractual, non-transferable, unsecured, interest-free obligation of Rockhopper to make (subject to the Contingent Consideration Condition) an additional one-off cash payment of between £11.9 million and £16.0 million in total (the "**Total Contingent Consideration Amount**") to all Relevant Shareholders.
- (e) The actual amount of the Contingent Consideration due to each Relevant Shareholder will be determined by (i) the economic viability of the HQ Prospect, based on the amount of the Agreed Resources associated with the HQ Exploration Well, calculated as set out in paragraphs 3.3 and 3.4 below and (ii) the number of Relevant Shares (assumed in this announcement to be 451,192,831 shares).

3.2 **The Contingent Consideration Condition**

The Contingent Consideration will be payable to Relevant Shareholders only if:

- (a) the HQ Exploration Well is Spudded before the Effective Date or 17 July 2014, whichever is the earlier; and
- (b) the Agreed Resources are equal to or exceed 20 million barrels of Liquid Hydrocarbons (on a Net Basis); and
- (c) MOG's interest in the HQ Prospect is 25 per cent at the Effective Date,

(together, being the "**Contingent Consideration Condition**").

The Contingent Consideration Offer will lapse if the Contingent Consideration Condition is not fulfilled. In such circumstances Relevant Shareholders will receive the Initial Consideration only; no Contingent Consideration will be payable to Relevant Shareholders.

3.3 Determination of the Agreed Resources

- (a) Rockhopper will make an RNS announcement within two Business Days of the HQ Exploration Well Completion Date, confirming the HQ Exploration Well Completion Date.
- (b) As soon as reasonably practicable, and in any event no later than one month after the HQ Exploration Well Completion Date, Rockhopper shall instruct the Competent Person to produce the Competent Person's Report to determine the 2C Contingent Resources estimated to be potentially recoverable from the HQ Prospect (the "**HQ Prospect 2C Contingent Resources**").
- (c) The Competent Person shall be instructed to submit the Competent Person's Report to Rockhopper within 90 days of the instruction by Rockhopper. The Competent Person's Report will be final as to the level of HQ Prospect 2C Contingent Resources, which shall then constitute the Agreed Resources, save as set out in sub-paragraphs (d) and (e) below. Rockhopper will make an RNS announcement within two Business Days of the Competent Person's Report being submitted to Rockhopper, and that announcement shall identify the HQ Prospect 2C Contingent Resources as determined by the Competent Person.
- (d) If the Competent Person's Report determines that the HQ Prospect 2C Contingent Resources are of an amount:
 - (i) equal to or in excess of 20 million barrels of Liquid Hydrocarbons (on a Net Basis), the Contingent Consideration Condition will have been satisfied;
 - (ii) less than 18 million barrels of Liquid Hydrocarbons (on a Net Basis), the Contingent Consideration Condition will not have been satisfied and no Contingent Consideration will be payable;
 - (iii) equal to or in excess of 18 million barrels of Liquid Hydrocarbons (on a Net Basis) but less than 20 million barrels of Liquid Hydrocarbons (on a Net Basis), the provisions of sub-paragraph (e) below shall apply.
- (e) If sub-paragraph (d)(iii) above applies, Rockhopper shall appoint the Second Competent Person to produce the Second Competent Person's Report to determine the HQ Prospect 2C Contingent Resources. The Second Competent Person shall be instructed to submit the Second Competent Person's Report to Rockhopper within 90 days of its appointment. In preparing its report, the Second Competent Person shall use the same data as used by the Competent Person in the preparation of the Competent Person's Report.

If the Second Competent Person's Report determines that the HQ Prospect 2C Contingent Resources are less than 20 million barrels of Liquid Hydrocarbons (on a Net Basis), such amount of 2C Contingent Resources will constitute the Agreed Resources and accordingly the Contingent Consideration Condition will not have been met and no Contingent Consideration will be payable.

If the Second Competent Person's Report determines that the HQ Prospect 2C Contingent Resources are more than 20 million barrels of Liquid Hydrocarbons (on a Net Basis), the Agreed Resources shall be determined by Rockhopper by calculating the average mean of (i) the HQ Prospect 2C Contingent Resources determined by the Competent Person and (ii) the HQ Prospect 2C Contingent Resources determined by the Second Competent Person (the "**Average Resources**"). The Contingent Consideration shall only be payable if the Average Resources equals or exceeds 20 million barrels of Liquid Hydrocarbons (on a Net Basis).

Rockhopper will make an RNS announcement within two Business Days of the Second Competent Person's Report being submitted to Rockhopper, which shall identify (i) the HQ Prospect 2C Contingent Resources as determined by the Second Competent Person and (ii) the Agreed Resources.

Rockhopper shall seek to obtain all relevant information reasonably required by the Competent Person (and, if applicable, the Second Competent Person) from the operator of the HQ Exploration Well in order for the Competent Person (and, if applicable, the Second Competent Person), to complete the Competent Person's Report (and, if applicable, the Second Competent Person's Report). Rockhopper shall provide, or procure the provision of, such information as is provided to it by the operator of the HQ Exploration Well to the Competent Person (and, if applicable, the Second Competent Person). All expenses associated with the Competent Person's Report (and, if applicable, the Second Competent Person's Report) will be paid by Rockhopper.

3.4 Contingent Consideration payable

- (a) The Total Contingent Consideration Amount shall be calculated as £0.59 multiplied by the Agreed Resources (and not just the excess over 20 million barrels of Liquid Hydrocarbons), subject always to the Contingent Consideration Cap.
- (b) Therefore, the Contingent Consideration payable per Relevant Share shall be equal to the Total Contingent Consideration Amount divided by the aggregate number of Relevant Shares.
- (c) **The total amount of the HQ Prospect 2C Contingent Resources (if any) is uncertain and therefore the amount of the Contingent Consideration (if any) which may become payable cannot be quantified at this time. There can be no guarantee that all or any Contingent Consideration will become payable in connection with the Acquisition.**
- (d) By way of example only, the amount payable in various circumstances pursuant to the Contingent Consideration Offer (assuming a fully diluted ordinary share capital of MOG of 451,192,831 ordinary shares) is set out below:

Agreed Resources on a Net Basis (Barrels)	Total Contingent Consideration Amount	Contingent Consideration payable per Relevant Share
12.5 million	£0 (Contingent Consideration Condition not satisfied)	0 pence (Contingent Consideration Condition not satisfied)

20 million	£11.9 million	2.63 pence
25 million	£14.8 million	3.29 pence
27 million	£16.0 million (Contingent Consideration Cap reached)	3.55 pence (Contingent Consideration Cap reached)
30 million	£16.0 million (Contingent Consideration Cap exceeded)	3.55 pence (Contingent Consideration Cap exceeded)

3.5 Payment of the Contingent Consideration

- (a) The Contingent Consideration, if payable, will be paid to the holders of Relevant Shares.
- (b) The obligation to pay the Contingent Consideration is and will remain a non-interest bearing and unsecured obligation of Rockhopper. Accordingly, if the Contingent Consideration becomes payable and there is a default in payment (on insolvency of Rockhopper or otherwise), Relevant Shareholders will rank as unsecured creditors only in respect of their entitlement to the Contingent Consideration.
- (c) The precise timing for the payment of the Contingent Consideration (if any) cannot be ascertained at the time of this announcement. However, it shall be paid within 14 days (or such other date as the Panel may allow) of the Competent Person's Report (or, if commissioned, the Second Competent Person's Report) being provided to Rockhopper by the Competent Person (or the Second Competent Person, as applicable), provided that in no circumstances will the Contingent Consideration be calculated or paid before the date falling three months from the Effective Date, in order to allow all options and awards under the MOG Share Plans to be exercised or to have lapsed.

4. Information on Rockhopper

Rockhopper was admitted to AIM in 2005 with its principal asset being 5,800 km² of prospective oil and gas acreage in the North Falkland Basin. Rockhopper has, as an operator, successfully evaluated, drilled and appraised this acreage culminating in up to approximately 450 mmbbl of 2C Contingent Resources being discovered in Sea Lion and its satellite fields, if a gas cap does not exist on the western flank of Sea Lion. Following the farm-out of 60 per cent of its principal acreage and relinquishment of operatorship to Premier Oil in 2012, Rockhopper is an active partner in the development of the Sea Lion field and sub-surface lead for further exploration in the North Falkland Basin for the joint venture with Premier Oil. The farm-out to Premier Oil has given Rockhopper a robust balance sheet, with current cash of approximately US\$ 250 million (£147 million). Premier Oil is currently seeking further industry partners to participate in the development of Sea Lion prior to its project sanction and Rockhopper is actively assisting in this process. Rockhopper is currently looking forward to participating in the next phase of exploration drilling in the Falklands which, is expected to commence in the first half of 2015. Rockhopper has already completed the planning for the four firm wells to be drilled on its acreage, targeting over 500 mmbbl of Pmean STOIIP net to Rockhopper.

5. Background to and reasons for the Acquisition

- 5.1 Following the completion of the farm-out of Sea Lion to Premier Oil and having conducted the preparation for the next exploration campaign in the North Falkland Basin, the Rockhopper Directors set about planning for the next phase of Rockhopper's growth, including a review of opportunities outside the North Falkland Basin. The Rockhopper Directors wish to harness the skills and experience that Rockhopper has acquired in the process of maturing the North Falkland Basin from an area of prospective acreage through to a major new oil development and have determined that any opportunity outside the North Falklands Basin must contain significant appraisal and exploration potential. The Rockhopper Directors are also mindful of establishing a balanced portfolio of assets and therefore any opportunity outside the North Falklands Basin should also give Rockhopper exposure to an element of production or near term production. Importantly, the Rockhopper Directors wish Rockhopper to operate or to have strong influence, where possible, over a significant proportion of the assets it is to acquire, in particular at the exploration and appraisal stage and which are part of a regional and geographically focused portfolio.
- 5.2 The Rockhopper Directors believe that Rockhopper's relative balance sheet strength could be efficiently used to unlock value accretive opportunities that have previously suffered from lack of access to financing. However, the Rockhopper Directors do not wish to see significant cash resources being expended or large work commitments being entered into until such time as there is further clarity around the Sea Lion development and Rockhopper's remaining funding requirements. The Rockhopper Directors remain cognisant that the North Falklands will remain Rockhopper's core focus for the foreseeable future and financial resources must remain available to assist in its development as necessary and to fund Rockhopper's share of the expected 2015 exploration drilling campaign in the North Falkland Basin.
- 5.3 The Rockhopper Directors believe the acquisition of MOG represents a compelling opportunity that fits well within its selected criteria, for the following reasons:
 - (a) as part of the Acquisition, Rockhopper will acquire a well understood production base which will generate immediate revenue to Rockhopper;
 - (b) as part of the Initial Consideration Offer value of £29.3 million, Rockhopper will be acquiring significant net cash, EUR 12.4 million (£10.0 million) as at 31 December 2013;
 - (c) it gives Rockhopper access to material low-risk appraisal and development opportunities on existing discoveries;
 - (d) it provides Rockhopper with a mixture of low, medium and high risk exploration opportunities;
 - (e) it provides Rockhopper with an entry into a region (Mediterranean / North Africa) where it sees significant potential for growth and where over time, it believes a substantial business can be built; and
 - (f) management believes the Acquisition represents a relatively low cost entry into a new region with limited commitments, limited cash impact and value supported by existing cash and existing producing assets.
- 5.4 Pursuant to the Initial Consideration Offer, which values MOG at £29.3 million, Rockhopper will be immediately acquiring significant net cash, which as at 31 December 2013 was EUR 12.4 million (£10.0 million) held by MOG on its balance sheet. Additionally, Rockhopper will be acquiring existing production that will provide the Enlarged Group with immediate revenue. Production from MOG's principal production asset, being the

Guendalina offshore field, was 35,650 scm per day net to MOG as of 13 May 2014, which is an increase of 23 per cent above average net production for December 2013, as announced by MOG on 13 May 2014.

- 5.5 Rockhopper sees significant potential in the 100 per cent owned and operated Ombrina Mare project, which already has 2C Contingent Resources of 26.5 mboe with the ability for this to be increased materially depending on the results of the next planned appraisal well. Rockhopper has spent time understanding the Ombrina Mare discovery and Rockhopper believes that with additional technical and engineering work, combined with some patience and funds available to support an appraisal of the discovery, its value can be significantly increased over time.
- 5.6 As a result of the Acquisition, Rockhopper will be acquiring in aggregate oil and gas reserves and contingent resources of approximately 33 mboe therefore materially increasing its current resource base. The net acquisition cost, based on the Initial Consideration only, of these additional reserves and resources to Rockhopper is equivalent to less than US\$ 1 (£0.59) per boe.
- 5.7 Rockhopper had identified a number of low to high risk exploration opportunities, with unrisksed prospective resources of over 150 mboe, from within the MOG portfolio. In its assessment of MOG, Rockhopper has ascribed no value to the HQ Exploration Well (which is soon to be drilled by Genel) as part of the Initial Consideration Offer. Instead it is offering an element of contingent consideration depending on the success of this well which is described in more detail in paragraph 3. Regardless of the outcome of the HQ Exploration Well, Rockhopper will have gained access to potential high-impact exploration assets elsewhere in the MOG portfolio including the Monte Grosso exploration prospect in the Southern Apennines region of Italy, which has a gross Pmean prospective resource of more than 200 mmstb and a geological chance of success of 23 per cent and Malta Area 3 on which technical work continues with MOG's partner Cairn and where 1714 km of 2D broadband seismic data has just been acquired.
- 5.8 Importantly, Rockhopper will be entering into a region where it sees significant potential for growth and where, over time, it believes a substantial business can be built. Rockhopper would seek to leverage the agreement to work together with Genel in the area of mutual interest covering the offshore basins of Libya, Malta and Tunisia. Following the Acquisition, Rockhopper will be well placed to take advantage of other opportunities that emerge in the region and, for example, will look carefully at participating in any new licensing rounds similar to the one recently announced by MOG for three blocks in offshore Montenegro. Additionally, Rockhopper will seek to build upon the strategic relationships, acquired as part of the Acquisition, with other high quality operators and partners in the region including ENI S.p.A., Total S.A., Cairn Energy plc and Genel.
- 5.9 The Rockhopper Directors and management already have significant experience of working in the Mediterranean and North Africa regions through previous roles in other oil companies which will combine well with the expertise of MOG's management. Most notably, Rockhopper's team had exposure to this region through involvement with a number of operating companies including Petrocanada, BG Group plc, Melrose Resources plc and Veba Oil & Gas GmbH along with extensive non-operated and new ventures experience across the region.
- 5.10 The Rockhopper Directors believe that the Cash Consideration payable, when taken together with the cash on MOG's balance sheet (which was approximately EUR 12.4 million (£10.0 million) as of 31 December 2013) and the issue of 7,758,606 Rockhopper Consideration Shares (which represents a dilution of less than 2.65 per cent) is a reasonable price to secure a portfolio of assets of this nature. Any work commitments associated with the MOG portfolio are relatively small and Rockhopper will continue to manage its cash resources prudently. The Contingent Consideration Offer is limited to a maximum of £16.0 million and will only become payable if a commercial discovery is made which is independently certified as exceeding 20 mmbbl of 2C Contingent Resources of Liquid Hydrocarbons on a Net Basis, which Rockhopper believes would be highly likely to represent a commercially viable project.
- 5.11 Whilst this acquisition will be material to Rockhopper, it is not expected to distract management from Rockhopper's core focus of the North Falklands Basin, where Rockhopper will continue to assist the operator in advancing the development of Sea Lion and eagerly awaits the expected 2015 exploration drilling campaign. The Rockhopper Directors have ambitions to grow Rockhopper into a leading international exploration and production company and would consider moving Rockhopper to the Main Market of the London Stock Exchange in due course. The Rockhopper Directors believe that the Acquisition will be likely to improve Rockhopper's eligibility for such a move to the Main Market.

6. Recommendation

- 6.1 The MOG Directors, who have been so advised by RBC, as the independent financial adviser for the purposes of Rule 3 of the Takeover Code, consider the terms of the Acquisition to be fair and reasonable. In providing its advice to the MOG Directors, RBC has taken into account the commercial assessments of the MOG Directors.
- 6.2 Accordingly, the MOG Directors intend to recommend unanimously that MOG Shareholders vote in favour of the resolutions to be proposed at the Court Meeting and the General Meeting which are to be convened to approve and implement the Acquisition. The MOG Directors have irrevocably undertaken to approve the necessary resolutions in respect of their entire beneficial holdings in MOG, which, in aggregate, amount to 2,588,171 MOG Shares, representing approximately 0.60 per cent of the existing issued ordinary share capital of MOG.

7. Background to and reasons for the recommendation

- 7.1 MOG has a proven track record of identifying, developing and monetising oil and gas assets in the Mediterranean region. MOG has brought together an experienced team from some of the world's leading energy companies to manage its operations and transactions to the highest industry standards. MOG's strategy is to balance investments across the value chain and to invest in strong partnerships within the region. As a result, MOG has built a valuable portfolio of exploration, appraisal and production opportunities in Italy, Malta and France, in partnership with some of the world's leading energy companies.
- 7.2 MOG is exploring frontier acreage offshore Malta. MOG holds a 25 per cent working interest in the Area 4 production sharing contract offshore Malta where the operator, a wholly owned subsidiary of Genel (75 per cent working interest, operator), is expected to soon start drilling operations on the HQ Exploration Well. This well is targeting 27 million barrels of certified mean prospective resources net to MOG and is expected to reach the target reservoir during Q3 2014. The Contingent Consideration component of the Acquisition is structured to reward a positive result from this well.
- 7.3 MOG's flagship project, Ombrina Mare (MOG 100 per cent working interest, operator), was certified by an independent competent person in 2013 as containing 25.1 million barrels of 2C Contingent Resources (oil) and 8.0 billion cubic feet of 2C Contingent Resources (gas). This project continues to await the award of environmental permits and the associated production concession that will enable the project to move ahead with the drilling of an appraisal well required to prove any resource upside and to optimise plans for the development of the asset.
- 7.4 In 2013, MOG's Guendalina offshore gas field (MOG 20 per cent working interest, ENI S.p.A. operator) experienced production challenges that resulted in two of the three producing strings being shut-in, resulting in a 42 per cent reduction in production for MOG compared to the prior year and an associated 48 per cent

reduction in revenue. Production has been restored in one of the two affected strings, and production from the field has increased 23 per cent since December 2013. Nonetheless, the MOG Directors believe a further increase in production, to restore the full economic value of the field, will require further capital investment.

7.5 While the MOG Directors believe in the future growth potential of MOG, having considered the Initial Consideration Offer in light of the business risks, particularly the timing and operational challenges of progressing key assets, combined with the funding risk inherent in the public markets and the timescale associated with realising value from MOG's assets, they consider that the Initial Consideration Offer provides MOG Shareholders with attractive and certain value. In addition, the Contingent Consideration gives MOG Shareholders the ability to benefit from a positive result from the HQ Exploration Well which the MOG Directors believe is important given the potential size and timing of this target.

7.6 Accordingly, the MOG Directors have concluded that the Acquisition is fair and reasonable and intend to recommend unanimously that MOG Shareholders vote in favour of the resolutions at the Court Meeting and the General Meeting to approve and implement the Scheme.

8. The Deferred Shares

8.1 MOG has in issue 38,912,736 deferred shares of 19 pence each (the "**Deferred Shares**"), which were created as part of a reorganisation of MOG's share capital in 2011. The Deferred Shares are not listed on any exchange and effectively have no rights, in particular they do not confer on their holders any right to any dividend or distribution nor the right to receive notice of, attend, speak or vote at general meetings of MOG.

8.2 The Deferred Shares will not form part of, and will be unaffected by, the Acquisition and the Scheme.

9. Information on MOG

9.1 MOG is an AIM-quoted exploration and production company with operations in Italy, Malta and France. MOG produces natural gas onshore and offshore in Italy and has a balanced portfolio of exploration, appraisal and development opportunities with reserves and contingent resources of 33 mmbob and total unrisks prospective resources of over 1,200 mmbob. Net production from the Guendalina field, MOG's principal production asset, was 35,650 scm per day as of 13 May 2014. Development activities are focused on MOG's 100 per cent operated interest in the offshore Italian Ombrina Mare discovery, which has 2C Contingent Resources of 26.5 mmbob. MOG is also undertaking high-impact exploration offshore Malta and will drill the HQ Prospect in 2014 targeting mean net unrisks resources of 27 mmbob. MOG also holds additional development and exploration opportunities in Italy, Malta and France.

9.2 In the year to 31 December 2013, MOG recorded a loss before tax from continuing operations of EUR 5.59 million and as at 31 December 2013 had net assets of EUR 50.49 million (£40.89 million).

10. Irrevocable Undertakings

10.1 The MOG Directors have irrevocably undertaken to approve the necessary resolutions in respect of their entire beneficial holdings in MOG, which, in aggregate, amount to 2,588,171 MOG Shares, representing approximately 0.60 per cent of the existing issued ordinary share capital of MOG. The MOG Directors have also irrevocably undertaken to approve the necessary resolutions in respect of their entire holdings of options and awards in the MOG Share Plans (totalling 18,955,000 MOG Shares), if such options and awards are exercised or vest prior to the Scheme Voting Record Time. These irrevocable undertakings will cease to be binding only if the Scheme lapses or is withdrawn and remain binding if a higher competing offer for MOG is made.

10.2 In addition, Rockhopper has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and in favour of the resolution at the General Meeting from certain MOG Shareholders representing, in aggregate, approximately 31.36 per cent of the existing issued ordinary share capital of MOG, as follows:

- OZ ELS Master Fund Limited in respect of its entire holdings of MOG Shares, representing approximately 0.42 per cent of the existing issued ordinary share capital of MOG;
- OZ Global Spec Invest Master Fund LP in respect of its entire holdings of MOG Shares, representing approximately 0.78 per cent of the existing issued ordinary share capital of MOG;
- OZ Europe Master Fund Limited in respect of its entire holdings of MOG Shares, representing approximately 8.30 per cent of the existing issued ordinary share capital of MOG;
- OZ Master Fund Limited in respect of its entire holdings of MOG Shares, representing approximately 18.68 per cent of the existing issued ordinary share capital of MOG;
- Miles Donnelly in respect of his entire holding of MOG Shares, representing approximately 0.04 per cent of the existing issued ordinary share capital of MOG; and
- Contessa Properties Limited (a company ultimately controlled by Miles Donnelly) in respect of its entire holding of MOG Shares, representing approximately 3.14 per cent of the existing issued ordinary share capital of MOG.

These irrevocable undertakings will cease to be binding only if the Scheme lapses, is withdrawn or if a competing offer for MOG is made which represents the increase to the Initial Consideration and the Contingent Consideration set out in Appendix 3 hereof.

10.3 Therefore, as at the date of this announcement, Rockhopper has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and in favour of the resolution at the General Meeting in respect of a total of 137,885,951 MOG Shares, representing, in aggregate, approximately 31.96 per cent of MOG's existing issued ordinary share capital.

10.4 Further details of the irrevocable undertakings are provided in Appendix 3.

11. Conditions

The Scheme will be subject to the conditions and further terms set out in Appendix 1 and the full terms and conditions which will be set out in the Scheme Document. In particular, the Scheme is conditional on the Government of the Republic of Malta (through its relevant department or agency), either confirming that consent is not required for the indirect change of control of Melita Exploration or, if it is required, giving such consent.

12. Management, employees and locations of business

12.1 Rockhopper attaches great importance to the active participation and continued commitment of MOG's employees. Accordingly, Rockhopper confirms that, following the Scheme becoming effective, the existing contractual and statutory employment rights, including in relation to pensions, of all MOG employees will be

honoured.

- 12.2 Following the Effective Date, Rockhopper intends to conduct a review of the business of the Enlarged Group to identify and achieve operational and administrative synergies although, in light of Rockhopper's lack of presence in the Mediterranean, the Rockhopper Directors anticipate that a significant proportion of MOG's employees in the region will be retained in the business.
- 12.3 It is Rockhopper's current intention to maintain the location of MOG's places of business, save for the London office of MOG which will be closed. Rockhopper currently expects that closure to result in a reduction of head count of the MOG Group's administrative functions in London in order to achieve efficiencies within the Enlarged Group. It is anticipated that the Rome office of MOG will become the administrative and operational centre for the Mediterranean business of the Enlarged Group.
- 12.4 The MOG Directors have confirmed that it is their intention to resign as directors of MOG following the Effective Date. It is anticipated that certain MOG Directors may become consultants for a transitional period following the Effective Date.

13. **Structure of the Acquisition**

- 13.1 It is intended that the Acquisition will be effected by means of a Court-sanctioned scheme of arrangement of MOG under Part 26 of the Companies Act (including the Capital Reduction under section 641 of the Companies Act).
- 13.2 The purpose of the Scheme is to provide for Rockhopper to become the owner of the entire issued and to be issued ordinary share capital of MOG. This is to be achieved by the cancellation of the Scheme Shares and the application of the reserve arising from such cancellation in paying up in full such number of new ordinary shares in MOG, which is equal to the number of Scheme Shares so cancelled, and issuing such new MOG ordinary shares to Rockhopper. In consideration for this, the Scheme Shareholders will receive cash consideration and Rockhopper Consideration Shares on the basis set out in paragraph 2 of this announcement, together with the right to receive the Contingent Consideration pursuant to the Contingent Consideration Offer. The cancellation of those Scheme Shares and the subsequent issue of new MOG Shares to Rockhopper will result in MOG becoming a wholly-owned subsidiary of Rockhopper.
- 13.3 To become effective, the Scheme must be approved by a majority in number of those Scheme Shareholders entitled to vote and present and voting at the Court Meeting (either in person or by proxy) representing at least 75 per cent in value of the Scheme Shares held by such Scheme Shareholders. In addition, the implementation of the Scheme requires approval by the passing of a special resolution by MOG Shareholders at the General Meeting to be held immediately after the Court Meeting.
- 13.4 The Scheme and the Capital Reduction must also be sanctioned by the Court. All Scheme Shareholders are entitled to attend the Court Hearings in person or through counsel to support or oppose the sanctioning of the Scheme. The Scheme and Capital Reduction will only become effective upon delivery to the Registrar of Companies of copies of the Court Orders and (in the case of the Capital Reduction), the statement of capital (and, if the Court so orders for the Capital Reduction to take effect, upon registration by him of the Reduction Court Order and the statement of capital).
- 13.5 The Scheme will also be subject to certain Conditions and further terms referred to in Appendix 1 to this announcement and to be set out in the Scheme Document.
- 13.6 Rockhopper reserves the right to switch from implementing the Acquisition by means of a scheme of arrangement under Part 26 of the Companies Act to a Takeover Offer, in accordance with paragraph 8 of Appendix 7 of the Takeover Code, with the consent of the Panel.
- 13.7 Subject to satisfaction of the Conditions, the Scheme is expected to become effective on or around 5 August 2014. The Acquisition will lapse if the Scheme does not become effective by 23 November 2014 (or such later date as may, with the consent of the Panel (if required), be agreed between Rockhopper and MOG) (the "**Long Stop Date**"), provided however that this deadline may be waived by Rockhopper.
- 13.8 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 General Meeting and, if they did vote, whether or not they voted in favour of or against the resolutions proposed at those meetings.
- 13.9 Further details of the Scheme will be set out in the Scheme Document, together with notices of the Court Meeting and the General Meeting and the accompanying Forms of Proxy, which are expected to be despatched to MOG Shareholders as soon as reasonably practicable and in any event by 20 June 2014, unless otherwise agreed with the Panel.

14. **MOG Share Plans**

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

Participants in the MOG Share Plans who exercise their options will be entitled to participate in the Initial Consideration Offer and the Contingent Consideration Offer.

15. **Financing the Acquisition**

- 15.1 The cash consideration element of the Initial Consideration Offer and the Total Contingent Consideration Amount will be financed from existing cash resources of Rockhopper.
- 15.2 Canaccord, as financial adviser to Rockhopper, is satisfied that sufficient resources are available to satisfy in full (i) the cash consideration payable under the Initial Consideration Offer and (ii) the maximum amount of the cash consideration payable under the Contingent Consideration Offer under the terms of the Acquisition.

16. **Admission, dealings and settlement of the Rockhopper Consideration Shares**

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

17. **Delisting of the MOG Shares**

- 17.1 It is intended that dealings in MOG Shares will be suspended at the Reduction Record Time and that no transfers of MOG Shares will be registered after that time. Application will be made to the London Stock

Exchange for the cancellation of the admission to trading of the MOG Shares to AIM upon or shortly after the Effective Date.

- 17.2 When the Scheme becomes effective in accordance with its terms, the MOG Shares will be cancelled. At that point, share certificates in respect of MOG Shares will cease to be valid and entitlements to MOG Shares held within the CREST system will be cancelled.

18. **Offer-related arrangements**

MOG and Rockhopper entered into a confidentiality agreement on 11 February 2014. Pursuant to this agreement, the parties undertook to keep confidential information relating to Rockhopper, MOG and their respective subsidiaries and businesses and not to disclose it to third parties (other than certain permitted recipients), unless required by law or regulation. These obligations will remain in force until the Scheme becomes Effective or until 11 February 2016, save in respect of certain limited information which shall remain confidential indefinitely. The agreement includes a 12 month mutual non-solicitation undertaking in respect of Rockhopper and MOG senior employees and officers.

19. **Opening position disclosures and interests**

- 19.1 Rockhopper will make, on the date hereof, an Opening Position Disclosure, setting out the details required to be disclosed by it under Rule 8.1(a) of the Takeover Code.

- 19.2 MOG will make, on the date hereof, an Opening Position Disclosure, setting out details required to be disclosed by it under Rule 8.2(a) of the Takeover Code.

20. **Overseas shareholders**

- 20.1 The availability of the Rockhopper Consideration Shares under the terms of the Acquisition to persons not resident in the United Kingdom may be prohibited or affected by the laws and regulations of the relevant jurisdictions. Such persons should inform themselves about and observe any applicable requirements. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

- 20.2 This announcement does not constitute an offer or invitation to purchase any securities.

- 20.3 MOG Shareholders are advised to read carefully the Scheme Document once it has been dispatched.

21. **Expected timetable**

- 21.1 Further details of the Scheme will be contained in the Scheme Document which is currently expected to be posted to MOG Shareholders before 20 June 2014, unless otherwise agreed with the Panel.

- 21.2 Further details on the timetable for implementation of the Scheme will be set out in the Scheme Document, which will also include the notices of the Court Meeting and the General Meeting and specify the necessary actions to be taken by MOG Shareholders. It is currently expected that the Court Meeting and General Meeting will be held on or around 14 July 2014.

- 21.3 If the Scheme does not become effective by the Long Stop Date, the Acquisition will lapse except where the approval of MOG Shareholders at the Court Meeting and General Meeting is obtained before this date, in which case the long stop date for the Acquisition may be extended to such later date as Rockhopper and MOG may agree and, if appropriate, the Court may approve.

22. **Documents on display**

Copies of the following documents will be available on the websites of Rockhopper and MOG at, respectively, www.rockhopperexploration.co.uk and www.medoilgas.com by not later than 12 noon on 27 May 2014 (being the Business Day following the date of this announcement):

- this announcement;
- the irrevocable undertakings referred to at paragraph 10 above and summarised in Appendix 3 to this announcement; and
- the confidentiality agreement referred to at paragraph 18 above.

23. **General**

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

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

Enquiries

Rockhopper Exploration plc

via Vigo Communications -
020 7016 9571

Sam Moody, Chief Executive

Stewart MacDonald, Chief Financial Officer

Canaccord Genuity Limited, NOMAD and financial adviser to Rockhopper

020 7523 8000

Henry Fitzgerald-O'Connor

Neil Elliot

Vigo Communications, PR adviser to Rockhopper 020 7016 9571

Peter Reilly

Mediterranean Oil & Gas plc 020 7959 2322

Bill Higgs, Chief Executive

Chris Kelsall, Finance Director

RBC Europe Limited, Rule 3 adviser and joint broker to MOG 020 7653 4000

Jeremy Low

Matthew Coakes

Liberum Capital Limited, NOMAD, financial advisor and joint broker to MOG 020 3100 2222

Clayton Bush

Tim Graham

FTI Consulting, PR adviser to MOG 020 3727 1000

Ben Brewerton

Alex Beagley

Further information

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

Please be aware that addresses, electronic addresses and certain other information provided by MOG Shareholders, persons with information rights and other relevant persons in connection with the receipt of communications from MOG may be provided to Rockhopper during the Offer Period (as required under Section 4 of Appendix 4 to the Takeover Code).

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

RBC Europe Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and is acting as financial adviser to MOG and no one else in connection with the contents of this announcement and will not be responsible to anyone other than MOG for providing the protections afforded to clients, or for providing advice in relation to any matters referred to herein.

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

Overseas shareholders

The release, publication or distribution of this announcement in or into, jurisdictions other than the United Kingdom and the availability of the Rockhopper Consideration Shares may be restricted by law and therefore persons into whose possession this announcement comes who are not resident in the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory restrictions in those jurisdictions. MOG 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 Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This document does not constitute an offer to sell, or the solicitation of any offer to buy, any Rockhopper Consideration Shares in any jurisdiction in which such an offer or solicitation would be unlawful.

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

The Rockhopper Consideration Shares to be issued pursuant to the Scheme have not been and will not be registered under the US Securities Act of 1933 (as amended) (the "**Securities Act**") or under the relevant securities laws of any state or territory or other jurisdiction of the United States, but are expected to be offered in the United States in

reliance upon the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10) thereof. The Scheme will be subject to the disclosure requirements and practices applicable in the UK 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 (a) of Part (B) of Appendix 1) to implement the Acquisition by means of a Takeover Offer, such offer will be made in compliance with the US tender offer rules, to the extent applicable, or an exemption therefrom.

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

Disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the tenth business day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 pm (London time) on the tenth business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Cautionary note regarding forward-looking statements

This announcement contains certain forward-looking statements with respect to the financial condition, results of operations and business of the MOG Group and certain plans and objectives of the boards of directors of MOG 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 MOG and Rockhopper in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, and the factors described in the context of such forward-looking statements in this announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this announcement. MOG and Rockhopper assume no obligation to update or correct the information contained in this announcement, whether as a result of new information, future events or otherwise, except to the extent legally required.

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

No profit forecast

No statement in this announcement is intended as a profit forecast or a profit estimate, and no statement in this announcement should be interpreted to mean that the future earnings per MOG Share for current or future financial years will necessarily match or exceed the historical or published earnings per MOG Share.

BOE presentation

References herein to "boe" mean barrels of oil equivalent derived by converting gas to oil in the ratio of between 5,500 to 6,000 cubic feet (scf) of gas (dependent on the richness of the gas) to one barrel (bbl) of oil. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6,000 scf: 1 bbl is based on an energy conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Note regarding Rockhopper oil and gas disclosure

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

Note regarding MOG oil and gas disclosure

This announcement has been approved by MOG's geological staff who include Dr Bill Higgs (Chief Executive Officer), a geologist, explorationist and reservoir manager with over 25 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, MOG has used the definitions and guidelines as set forth in the 2007 Petroleum Resources Management System approved by the Society of Petroleum Engineers.

Rule 2.10 Disclosure

In accordance with Rule 2.10 of the Takeover Code, Rockhopper confirms that it has 284,722, 509 ordinary shares of 1 pence each in issue and admitted to trading on AIM under ISIN GB00B0FVQX23.

APPENDIX 1 TERMS AND CONDITIONS

CONDITIONS AND FURTHER TERMS OF THE SCHEME AND THE ACQUISITION

Part A

Conditions of the Acquisition

1. The Acquisition will be conditional upon the Scheme becoming unconditional and becoming Effective by not later than 23 November 2014, or such later date (if any) as Rockhopper and MOG may, with the consent of the Panel (if required), agree and (if required) the Court may allow.
2. The Scheme will be conditional upon:
 - (a) (i) its approval by a majority in number, representing 75 per cent or more in value, of Scheme Shareholders present, entitled to vote and voting, either in person or by proxy, at the Court Meeting (or at any adjournment of such meeting); and
 - (ii) such Court Meeting being held on or before the date that is the twenty-second day after the expected date of the Court Meeting to be set out in the Scheme Document (or such later date as may be agreed by Rockhopper and MOG);
 - (b) (i) the special resolution required to approve and implement the Scheme (including, without limitation, to amend MOG's articles of association) being duly passed by the requisite majority of MOG Shareholders at the General Meeting (or at any adjournment of such meeting); and
 - (ii) such General Meeting being held on or before the date that is the twenty-second day after the expected date of the General Meeting to be set out in the Scheme Document (or such later date as may be agreed by Rockhopper and MOG);
 - (c) the sanction of the Scheme and the confirmation of the Capital Reduction by the Court being obtained (in both cases with or without modification, any such modification being on terms acceptable to MOG and Rockhopper); and
 - (d) the delivery of copies of the Court Orders and the requisite statement of capital to the Registrar of Companies and, if so ordered by the Court, the registration of the Reduction Court Order and such statement of capital by the Registrar of Companies.
3. In addition, Rockhopper and MOG have agreed that the Acquisition is also conditional on the following conditions having been satisfied or, where applicable, waived and accordingly the necessary actions to make the Scheme Effective will not be taken unless such conditions have been so satisfied or waived:
 - (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;
 - (b) the Government of the Republic of Malta, acting through its relevant department or agency, either confirming, on terms reasonably satisfactory to Rockhopper, that no regulatory consents are required for the indirect change of control of Melita Exploration, or, if any such consents are required, the Government of the Republic of Malta, acting through its relevant department or agency, giving the relevant consents, on terms reasonably satisfactory to Rockhopper;
 - (c) no government or governmental, quasi-governmental, supranational, statutory, administrative or regulatory body, authority, court, trade agency, association, institution, environmental body or any other person or body in any jurisdiction (each a "**Relevant Authority**") having decided to take, instituted, implemented or threatened any action, proceedings, suit, investigation, enquiry or reference, or made, proposed or enacted any statute, regulation, order or decision or taken any other steps and there not continuing to be outstanding any statute, regulation, order or decision, which would or might:
 - (i) make the Acquisition or the acquisition of any MOG Shares, or control of MOG or any member of the MOG Group, by Rockhopper or any member of the Rockhopper Group void, illegal and/or unenforceable under the laws of any jurisdiction or otherwise materially restrict, restrain, prohibit, delay or interfere with the implementation thereof, or impose material additional conditions or obligations with respect thereto, or require material amendment thereof or otherwise challenge or interfere therewith in any such case in a manner which is material in the context of the Acquisition;
 - (ii) require or prevent the divestiture by any member of the MOG Group or any company of which 20 per cent or more of the voting capital is held by any member of the MOG Group or any partnership, joint venture, firm or company in which any member of the MOG Group may be interested (the "**Wider MOG Group**") or by any member of the Rockhopper Group or any company of which 20 per cent or more of the voting capital is held by any member of the Rockhopper Group or any partnership, joint venture, firm or company in which any member of the Rockhopper Group may be interested (the "**Wider Rockhopper Group**") of all or a material portion of their respective businesses, assets or property or impose any material limitation on the ability of any of them to conduct their respective businesses or own any of their material assets or property in any such case in a manner which is material in the context of the Acquisition;

- (iii) impose any limitation on or result in a delay in the ability of any member of the Wider MOG Group or the Wider Rockhopper Group to acquire or to hold or to exercise effectively any rights of ownership of shares or loans or securities convertible into shares in any member of the Wider MOG Group or of the Wider Rockhopper Group held or owned by it, or to exercise management control over any member of the Wider MOG Group or of the Wider Rockhopper Group to an extent which is material in the context of the MOG Group taken as a whole or, as the case may be, the Rockhopper Group taken as a whole;
 - (iv) impose any limitation on the ability of any member of the Wider Rockhopper Group or any member of the Wider MOG Group to conduct, integrate or co-ordinate all or any part of their respective businesses with all or any part of the business of any other member of the Wider Rockhopper Group and/or the Wider MOG Group in a manner which is material in the context of the Acquisition;
 - (v) prevent any member of the Wider Rockhopper Group or the Wider MOG Group from operating all or any part of their businesses in any jurisdiction in which it currently does so to an extent which is material in the context of the Acquisition;
 - (vi) require any member of the Wider Rockhopper Group or the Wider MOG Group to acquire or offer to acquire any shares or other securities (or the equivalent) in any member of the Wider MOG Group or any asset owned by any third party where such acquisition would be material in the context of the Acquisition; or
 - (vii) otherwise adversely affect the assets, business, profits, financial or trading position or prospects of any member of the Wider Rockhopper Group or of any member of the Wider MOG Group in a manner which is material in the context of the Acquisition;
- and all applicable waiting and other time periods (including any extensions thereof) during which any such Relevant Authority could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Acquisition or the acquisition of any MOG Shares or otherwise intervene having expired, lapsed or been terminated;
- (d) all notifications, filings and applications which are reasonably necessary having been made, all applicable waiting periods (including any extensions thereof) under any applicable legislation or regulations of any jurisdiction having expired, lapsed or been terminated, in each case in respect of the Acquisition and the acquisition of any MOG Shares, or of control of MOG, by Rockhopper, and all authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals ("**Authorisations**") which are reasonably necessary or appropriate in any jurisdiction for, or in respect of, the Acquisition and the proposed acquisition of any MOG Shares, or of control of MOG, by Rockhopper and to carry on the business of any member of the Wider Rockhopper Group or of the Wider MOG Group having been obtained, in terms and in a form satisfactory to Rockhopper, from all appropriate Relevant Authorities or (without prejudice to the generality of the foregoing) from any persons or bodies with whom any member of the Wider Rockhopper Group or the Wider MOG Group has entered into contractual arrangements and all such Authorisations remaining in full force and effect as at the Effective Date and there being no intention or proposal to revoke, suspend or modify or not to renew any of the same and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;
 - (e) no temporary restraining order, preliminary or permanent injunction, preliminary or permanent enjoinder, or other order threatened or issued and being in effect by a Relevant Authority which has the effect of making the Acquisition or any acquisition or proposed acquisition of any MOG Shares or control or management of, any member of the Wider MOG Group by any member of the Wider Rockhopper Group, or the implementation of either of them, void, voidable, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prohibiting, preventing, restraining, restricting, delaying or otherwise interfering with the consummation or the approval of the Acquisition or any matter arising from the proposed acquisition of any MOG Shares, or control or management of, any member of the Wider MOG Group by any member of the Wider Rockhopper Group, in a manner which is material in the context of the Acquisition;
 - (f) except as publicly announced by MOG prior to the date of this announcement (by the delivery of an announcement to a Regulatory Information Service), there being no provision of any arrangement, agreement, licence, permit, franchise, lease, or other instrument to which any member of the Wider MOG Group is a party or by or to which any such member or any of their assets is or may be bound, entitled or be subject to and which, in consequence of the Acquisition or the acquisition or proposed acquisition of any MOG Shares, or because of a change in the control of MOG by Rockhopper or otherwise would or might, to an extent which is material in the context of the Acquisition, result in:
 - (i) any monies borrowed by, or other indebtedness (actual or contingent) of, or grant available to, any member of the Wider MOG Group being or becoming repayable or being capable of being declared immediately repayable or prior to its or their stated maturity or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or becoming capable of being withdrawn or inhibited;
 - (ii) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider MOG Group or any such security (whenever arising or having arisen) being enforced or becoming enforceable;
 - (iii) any such arrangement, agreement, licence, permit or instrument of any member of the Wider MOG Group being terminated or adversely modified or any obligation or liability arising or any action being taken of an adverse nature thereunder;
 - (iv) any assets of any member of the Wider MOG Group being disposed of or charged, or any right arising under which any such asset could be required to be disposed of or charged, other than in the ordinary course of business;
 - (v) the rights, liabilities, obligations, interests or business of any member of the Wider MOG Group in or with any firm or body or person, or any agreements or arrangements relating to such interest or business, being terminated or adversely modified or affected;
 - (vi) any member of the Wider MOG Group ceasing to be able to carry on business under any name under which it presently does so;
 - (vii) the creation or acceleration of any liabilities (actual or contingent) by any member of the Wider MOG Group;
 - (viii) except as agreed between Rockhopper and MOG, any liability of any member of the Wider MOG Group to make any severance, termination, bonus or other payment to any of its directors or

officers; or

- (ix) the business, assets, profits, financial or trading position of any member of the Wider MOG Group being prejudiced or adversely affected;
- (g) except as publicly announced by MOG prior to the date of this announcement (by the delivery of an announcement to a Regulatory Information Service), no member of the Wider MOG Group having, since 31 December 2013:
- (i) issued, or agreed to issue or proposed the issue of additional shares or securities of any class, or securities convertible into, or exchangeable for or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities (save as between MOG and wholly-owned subsidiaries of MOG and save for options granted, and for any MOG Shares allotted upon exercise of options granted under the MOG Share Schemes before the date of this announcement in the ordinary course of business or as agreed between Rockhopper and MOG), or redeemed, purchased or reduced any part of its share capital;
 - (ii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than to MOG or a wholly-owned subsidiary of MOG;
 - (iii) agreed, authorised, proposed or announced its intention to propose any material change in its share or loan capital or merger or demerger or acquisition or disposal of assets (other than in the ordinary course of trading) or shares;
 - (iv) issued, authorised or proposed the issue of any debentures, or incurred any indebtedness or contingent liability which is material in the context of the Acquisition;
 - (v) acquired or disposed of or transferred, mortgaged, charged or encumbered any asset or any right, title or interest in any asset (other than in the ordinary course of trading) in a manner which is material in the context of the Acquisition;
 - (vi) entered into or varied or announced its intention to enter into or vary any contract, arrangement or commitment (whether in respect of capital expenditure or otherwise) which is of a long-term or unusual nature or involves or could involve an obligation of a nature or magnitude, which in any such case is material in the context of the Acquisition;
 - (vii) entered into or proposed or announced its intention to enter into any reconstruction, amalgamation, scheme, transaction or arrangement (otherwise than in the ordinary course of business) which is material in the context of the Acquisition;
 - (viii) made any amendment to its articles of association or other constitutional documents, except as required in the context of the Scheme;
 - (ix) entered into any licence or other disposal of intellectual property rights of any such member which are material in the context of the Acquisition;
 - (x) taken any action nor having had any steps taken or legal proceedings started or threatened against it for its winding-up (voluntarily or otherwise) or dissolution or striking-off or for it to enter into any arrangement or composition for the benefit of its creditors, or for the appointment of a receiver, administrator, trustee or similar officer of all or any of its assets or revenues (or any analogous proceedings or appointment in any overseas jurisdiction);
 - (xi) been unable, or admitted in writing 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;
 - (xii) entered into or varied or made any offer to enter into or vary the terms of any service agreement or arrangement with any of the directors of MOG;
 - (xiii) proposed, agreed to provide or modified the terms of any share option scheme, incentive agreement, pension scheme obligations or other benefit relating to employment or termination of employment of any employee of the Wider MOG Group;
 - (xiv) waived, compromised or settled any claim which is material in the context of the Acquisition; or
 - (xv) entered into or made an offer (which remains open for acceptance) to enter into any agreement, arrangement or commitment or passed any resolution with respect to any of the transactions or events referred to in this Condition 3(f);
- (h) since 31 December 2013, except as publicly announced by MOG prior to the date of this announcement (by the delivery of an announcement to a Regulatory Information Service):
- (i) there having been no adverse change in the business, assets, financial or trading position or profits or prospects of any member of the Wider MOG Group which in any such case is material in the context of the Acquisition;
 - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings having been instituted, announced or threatened by or against or remaining outstanding in respect of any member of the Wider MOG Group (whether as claimant, defendant or otherwise) which in any such case is material in the context of the Acquisition;
 - (iii) no enquiry, review or investigation by or complaint or reference to any Relevant Authority against or in respect of any member of the Wider MOG Group having been threatened, announced or instituted or remaining outstanding which in any such case is material in the context of the Acquisition;
 - (iv) no steps having been taken and no omissions having been made which would or might result in the withdrawal, cancellation, termination or adverse modification of any licence or insurance policy held by any member of the Wider MOG Group which is necessary for the proper carrying on of its business which in any such case is material in the context of the Acquisition;
 - (v) no contingent or other liability having arisen, increased or been incurred which might reasonably be expected to adversely affect any member of the MOG Group in a manner which is material in the context of the Acquisition; and

- (i) save as publicly announced by MOG prior to the date of this announcement (by the delivery of an announcement to a Regulatory Information Service), Rockhopper not having discovered that:
- (i) the financial, business or other information concerning the Wider MOG Group which has been disclosed at any time by or on behalf of any member of the Wider MOG Group whether publicly (by the delivery of an announcement to a Regulatory Information Service) or to Rockhopper or its professional advisers, either contains a material misrepresentation of fact or omits to state a fact necessary to make the information contained therein not materially misleading in any such case in a manner which is material in the context of the Acquisition;
 - (ii) any member of the Wider MOG Group is subject to any liability, contingent or otherwise, which is not disclosed in the annual report and accounts of MOG for the financial year ended 31 December 2013 and which is material in the context of the Acquisition;
 - (iii) any past or present member of the Wider MOG Group has not complied with all applicable legislation or regulations of any jurisdiction or any notice or requirement of any Relevant Authority 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 harm human health which non-compliance would be likely to give rise to any liability (whether actual or contingent) on the part of any member of the Wider MOG Group which is material in the context of the Acquisition;
 - (iv) there has been a disposal, spillage, emission, discharge or leak of waste or hazardous substance or any substance likely to impair the environment or harm human health on, or from, any land or other asset now or previously owned, occupied or made use of by any past or present member of the Wider MOG Group, or in which any such member may now or previously have had an interest, which would be likely to give rise to any liability (whether actual or contingent) on the part of any member of the Wider MOG Group in any such case in a manner which is material in the context of the Acquisition;
 - (v) there is or is likely to be any material obligation or liability (whether actual or contingent) to make good, remediate, repair, reinstate or clean up any property or asset now or previously owned, occupied or made use of by any past or present member of the Wider MOG Group or in which any such member may now or previously have had an interest under any environmental legislation or regulation or notice, circular or order of any Relevant Authority in any jurisdiction in any such case in a manner which is material in the context of the Acquisition, other than any obligation or liability which is not disclosed in the annual report and accounts of MOG for the financial year ended 31 December 2013 for an asset owned or formerly owned by the Wider MOG Group;
 - (vi) circumstances exist (whether as a result of the Acquisition or otherwise) which would be reasonably likely to lead to any Relevant Authority instituting, or whereby any member of the Wider Rockhopper Group or any present or past member of the Wider MOG Group would be likely to be required to institute, an environmental audit or take any other steps which would in any such case be reasonably likely to result in any liability (whether actual or contingent) to improve, modify existing or install new plant, machinery or equipment or carry out changes in the processes currently carried out or make good, remediate, repair, re-instate, decommission or clean up any land or other asset currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider MOG Group (or on its behalf) or by any person for which a member of the Wider MOG Group is or has been responsible, or in which any such member may have or previously has had or is deemed to have had an interest, in any such case which is material in the context of the Acquisition;
 - (vii) circumstances exist whereby a person or class of persons would be likely to have any claim or claims in respect of any product or process of manufacture or materials used therein now or previously manufactured, sold or carried out by any past or present member of the Wider MOG Group, which claim or claims would be likely to affect adversely any member of the Wider MOG Group to an extent which is material in the context of the Acquisition;
 - (viii) there are no adequate procedures in place to prevent persons associated with MOG 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; and
 - (ix) any asset of any member of the Wider MOG Group constitutes criminal property as defined in 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 Acquisition.

Conditions 3(b) to (i) inclusive must be fulfilled, be determined by Rockhopper to be or remain satisfied or (if capable of waiver) be waived by Rockhopper by 11.59 p.m. on the date immediately preceding the Scheme Court Hearing, failing which the Scheme shall lapse, unless Rockhopper and MOG otherwise agree.

To the extent permitted by law and subject to the requirements of the Panel, Rockhopper reserves the right to waive all or any of Conditions 3(b) to (i), in whole or in part. Rockhopper shall be under no obligation to waive or treat as fulfilled any of Conditions 3(b) to (i) by earlier than 11.59 p.m. on the date immediately preceding the Scheme Court Hearing, notwithstanding that the other Conditions of the Acquisition may at such 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.

Save with the consent of the Panel, the Scheme will not proceed if either the European Commission initiates proceedings under Article 6(1)(c) of Council Regulation (EEC) 4064/89 or the Competition and Markets Authority makes a Phase 2 merger reference before the date of the Court Meeting. In such event, neither MOG, Rockhopper nor any MOG Shareholder will be bound by any term of the Scheme.

Part B

Certain further terms of the Acquisition

- (a) Rockhopper reserves the right to elect to implement the Acquisition by way of a Takeover Offer. In such event, such offer will (unless otherwise determined by Rockhopper and subject to the consent of the Panel) be effected on the same terms and conditions subject to appropriate amendments to reflect the change in method of effecting the Acquisition.
- (b) If Rockhopper is required by the Panel to make an offer for MOG Shares under the provisions of Rule 9 of the Takeover Code, Rockhopper may make such alterations to any of the above conditions as are necessary to comply with the provisions of that Rule.

- (c) The Acquisition and the Scheme and any dispute or claim arising out of, or in connection with, them (whether contractual or non-contractual in nature) will be governed by English law and will be subject to the exclusive jurisdiction of the Courts of England.
- (d) Save to the extent cancelled pursuant to the Scheme, the MOG Shares will be acquired under the Acquisition fully paid and free from all liens, charges and encumbrances, rights of pre-emption and any other third party rights of any nature whatsoever and together with all rights attaching thereto, including the right to receive and retain all dividends and other distributions declared, paid or made after the date of this announcement. If any dividend or other distribution or return of capital is proposed, declared, made, paid or becomes payable by MOG in respect of a MOG Share on or after the date of this announcement and prior to the Scheme becoming Effective, Rockhopper reserves the right to reduce the value of the consideration payable for each MOG Share under the Acquisition by up to the amount per MOG Share of such dividend, distribution or return of capital except where the MOG Share is or will be acquired pursuant to the Acquisition on a basis which entitled Rockhopper to receive the dividend and/or distribution and/or return of capital and to retain it.
- (e) The availability of the Rockhopper Consideration Shares to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
- (f) 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.
- (g) Fractions of Rockhopper Consideration Shares will not be allotted to MOG Shareholders pursuant to the Acquisition. However, the entitlements of MOG Shareholders will be rounded up or down (with 0.5 of an Rockhopper Consideration Share being rounded up) to the nearest whole number of Rockhopper Consideration Shares.

APPENDIX 2 SOURCES OF INFORMATION AND BASES OF CALCULATIONS

1. As at the close of business on 22 May 2014, being the last Business Day prior to the date of this announcement:
 - (a) MOG had in issue 431,359,913 MOG Shares and 38,912,736 Deferred Shares; and
 - (b) Rockhopper had in issue 284,722,509 Rockhopper Shares.
2. The ISIN for MOG Shares is GB00B0MZGF99 and for Rockhopper Shares is GB00B0FVQX23.
3. The value placed on the issued and to be issued share capital of MOG of £29.3 million is based on: (a) 431,359,913 MOG Shares in issue on 22 May 2014, being the last Business Day prior to the date of this announcement; (b) 18,231,487 options being exercised; and (c) 1,601,431 new MOG Shares to be issued in respect of the MOG LTIP.
4. The closing share price (sourced from Bloomberg) on 22 May 2014, being the last Business Day prior to the date of this announcement, of Rockhopper Shares was 94.50 pence and of MOG Shares was 5.625 pence.
5. Unless otherwise stated, the financial information and other information included in this announcement has been extracted or derived, without material adjustment, from:
 - (a) in the case of MOG, the audited consolidated financial statements for the MOG Group for the year ended 31 December 2013; and
 - (b) in the case of Rockhopper, the audited consolidated financial statements for the Rockhopper Group for the year ended 31 March 2013, the interim report of the Rockhopper Group for the six months ended September 2013 and the year end update published on 4 April 2014.
6. An exchange rate of US dollars to pounds sterling of 0.5932 has been used, being the US\$/£ exchange rate as at 5.00 p.m. (London time) on 22 May 2014, sourced from Bloomberg.
7. An exchange rate of euros to pounds sterling of 0.8098 has been used, being the EUR/£ exchange rate as at 5.00 p.m. (London time) on 22 May 2014, sourced from Bloomberg.

APPENDIX 3 IRREVOCABLE UNDERTAKINGS

Rockhopper has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and in favour of the resolution to be proposed at the General Meeting in respect of a total of 137,885,951 MOG Shares, representing, in aggregate, approximately 31.96 per cent of MOG's existing issued ordinary share capital.

The MOG Directors have irrevocably undertaken to approve the necessary resolutions in respect of their entire beneficial holdings in MOG, which, in aggregate, amount to 2,588,171 MOG Shares, representing approximately 0.60 per cent of the existing issued ordinary share capital of MOG. The MOG Directors have also irrevocably undertaken to approve the necessary resolutions in respect of their entire holdings of options and awards in the MOG Share Plans (totalling 18,955,000 MOG Shares), if such options and awards are exercised or vest prior to the Scheme Voting Record Time. These irrevocable undertakings will cease to be binding only if the Scheme lapses or is withdrawn and remain binding if a higher competing offer for MOG 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 General Meeting from certain MOG Shareholders. These undertakings are in respect of a total of 135,297,780 MOG Shares representing, in aggregate, approximately 31.36 per cent of the existing issued ordinary share capital of MOG and will cease to be binding only if:

- (a) the Scheme lapses or is withdrawn; or
- (b) a competing offer for MOG is made which represents, in the reasonable opinion of RBC, an offer in excess of a 10 per cent improvement on the sum of (i) the value of the Initial Consideration and (ii) the Contingent Consideration, having regard to the cash and non-cash elements and other terms and conditions of the Acquisition where:
- (i) the Contingent Consideration is to be valued (for these purposes only) at £1,921,936 (being the Contingent Consideration Cap, reduced by the application of a 12 per cent probability of success (the "**Certified POS**")); and
- (ii) for the purposes of this sub-paragraph (b):
- (A) where MOG shareholders are required to vote in relation to such a competing offer which includes in its terms a contingent payment linked to the results of the HQ Exploration Well and MOG shareholders are required to vote in relation to that competing offer before the result of the HQ Exploration Well has been announced to the market, the contingent element of the competing offer shall also be reduced by applying the Certified POS; and
- (B) where the competing offer involves securities already admitted to trading on a recognised investment exchange, the value ascribed to those securities shall be the middle market quotations (or equivalent) of such securities at the close of business immediately following the date of the announcement of the competing offer.

The irrevocable undertakings received are comprised as follows:

MOG Directors

Name	Number of MOG Shares	% of MOG Shares in issue
Keith Nicholas Henry	1,400,000	0.32
William George Higgs	454,838	0.11
Peter McIntosh Jackson	400,000	0.09
Christopher David Kelsall	333,333	0.08
Total	2,588,171	0.60

Name	Number of options/awards	MOG Share Plan
Keith Nicholas Henry	2,000,000	MOG Long Term Option Scheme 2012 award
	675,000	MOG Long Term Option Scheme 2013 award
William George Higgs	6,000,000	Global Share Option Plan (19 March 2012)
	2,000,000	Global Share Option Plan (23 January 2013)
Peter McIntosh Jackson	1,000,000	Global Share Option Plan (23 January 2013)
Christopher David Kelsall	90,000	Global Share Option Plan (March 2010)
	2,000,000	Global Share Option Plan (19 January 2012)
	675,000	Global Share Option Plan (23 January 2013)
Sergio Morandi	165,000	Global Share Option Plan (March 2010)
	2,500,000	Global Share Option Plan (19 January 2012)
Enrico Testa	850,000	Global Share Option Plan (23 January 2013)
	1,000,000	Global Share Option Plan (23 January 2013)
Total	18,955,000	

Other MOG Shareholders

Name	Number of MOG Shares	% of MOG Shares in issue
OZ ELS Master Fund Limited	1,824,657	0.42

Name	Number of MOG Shares	% of MOG Shares in issue
OZ Global Spec Invest Master Fund LP	3,374,963	0.78
OZ Europe Master Fund Limited	35,809,535	8.30
OZ Master Fund Limited	80,563,625	18.68
Miles Donnelly	190,000	0.04
Contessa Properties Limited	13,535,000	3.14
Total	135,297,780	31.36

APPENDIX 4

DEFINITIONS

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

"2C Contingent Resources"	those quantities of petroleum in the 2C contingent resources category (such category being a best estimate scenario and as defined in the 2007 Petroleum Resources Management System (as amended from time to time by any of its formal updates) sponsored by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council and the Society of Petroleum Evaluation Engineers) estimated, as of a given date, to be potentially recoverable, from known bodies of naturally occurring petroleum in reservoirs, by application of development projects but which are not currently considered to be commercially recoverable due to one or more contingencies
"Acquisition"	the recommended acquisition by Rockhopper of the entire issued and to be issued ordinary share capital of MOG, to be effected by means of the Scheme (or, if Rockhopper validly elects in accordance with the condition in paragraph (a) of Part B of Appendix 1, by means of a Takeover Offer), subject to the Conditions
"Additional MOG Shares"	MOG Shares issued after the Reduction Record Time pursuant to the exercise of options and awards under the MOG Share Plans
"Additional MOG Shareholders"	holders of Additional MOG Shares
"Admission"	the admission of the Rockhopper Consideration Shares to trading on AIM
"Agreed Resources"	the HQ Prospect 2C Contingent Resources as determined in accordance with paragraph 3.3(b) of this announcement
"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
"Average Resources"	has the meaning given in paragraph 3.3(e) of this announcement
"barrel"	quantity or unit of Crude Oil equal to 42 US gallons at Standard Conditions
"Business Day"	any day (excluding any day which is a Saturday, Sunday or public holiday in England and Wales) on which banks in the City of London are open for general banking business
"Cairn"	Cairn Energy plc
"Canaccord"	Canaccord Genuity Limited, the nominated adviser to Rockhopper for the purposes of the AIM Rules and the financial adviser in relation to the Acquisition
"Capital Reduction"	the proposed reduction of the ordinary share capital of MOG provided for in the Scheme under section 641 of the Companies Act
"Companies Act"	the Companies Act 2006

"Competent Person"	ERC Equipoise Limited or, if such company is unable or unwilling to act, Gaffney, Cline & Associates, for the purposes of preparing the Competent Person's Report each of whom is an entity with the relevant and appropriate qualifications, experience and technical knowledge to professionally and independently appraise the HQ Prospect 2C Contingent Resources
"Competent Person's Report"	the report to be prepared by the Competent Person which shall determine the number of barrels of Liquid Hydrocarbons on a Net Basis in the 2C Contingent Resources category associated with the HQ Prospect prepared to the standard determined by the Society of Petroleum Engineers
"Conditions"	the conditions to the implementation of the Scheme as set out in Appendix 1 to this announcement and to be set out in the Scheme Document
"Contingent Consideration"	the consideration offered pursuant to, and subject to the terms of, the Contingent Consideration Offer
"Contingent Consideration Cap"	£16.0 million
"Contingent Consideration Condition"	has the meaning given in paragraph 3.2 of this announcement
"Contingent Consideration Offer"	the contingent entitlement to a one-off cash payment of between £11.9 million and the Contingent Consideration Cap, made subject to the Contingent Consideration Condition having been met
"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
"Court"	the High Court of Justice in England and Wales
"Court Hearings"	the Scheme Court Hearing and the Reduction Court Hearing
"Court Meeting"	the meeting of Scheme Shareholders to be convened pursuant to an order of the Court under Part 26 of the Companies Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment) including any adjournment thereof
"Court Orders"	the Scheme Court Order and the Reduction Court Order
"CREST"	the relevant system, as defined in the Uncertificated Securities Regulations 2001 (SI 2011/3755, as amended), for paperless settlement of share transfers and the holding of shares in uncertificated form (in respect of which Euroclear UK & Ireland Limited is the operator)
"Crude Oil"	petroleum that exists in the liquid phase in natural underground reservoirs and remains liquid at Standard Conditions, which may include small amounts of non-hydrocarbons produced with the liquids but does not include liquids obtained from the processing of natural gas
"Dealing Disclosure"	has the same meaning as in Rule 8 of the Takeover Code
"Deferred Shares"	the deferred shares of 19 pence each in the share capital of MOG
"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
"Enlarged Group"	the Rockhopper Group and the MOG Group following the Effective Date and completion of the Acquisition
"Excluded Shares"	any MOG 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
"Forms of Proxy"	the forms of proxy for the Court Meeting and the General Meeting
"Genel"	Genel Energy plc
"General Meeting"	the general meeting (including any adjournment thereof) of MOG Shareholders to be convened in connection with the Scheme
"HQ Exploration Well"	the exploration well targeting the HQ Prospect

"HQ Exploration Well Completion Date"	the date on which the oil rig used to drill the HQ Exploration Well goes Off Hire in respect of the HQ Exploration Well having completed the drilling of the HQ Exploration Well
"HQ Prospect"	the Hagar Qim prospect in Offshore Malta Area 4, Block 7
"HQ Prospect 2C Contingent Resources"	the 2C Contingent Resources of Liquid Hydrocarbons estimated to be potentially recoverable from the HQ Prospect on a Net Basis
"Initial Consideration"	the consideration offered pursuant to, and subject to the terms of, the Initial Consideration Offer
"Initial Consideration Offer"	4.875 pence in cash and 0.0172 Rockhopper Consideration Shares for each Scheme Share held at the Reduction Record Time and each Additional MOG Share
"Liberum"	Liberum Capital Limited, the nominated adviser to MOG for the purposes of the AIM Rules
"Liquid Hydrocarbons"	all Crude Oil and condensates that occur at Standard Conditions together with natural gas liquids where the natural gas liquids form no more than 5 per cent of the liquid hydrocarbon mix by total volume
"London Stock Exchange"	London Stock Exchange plc
"Long Stop Date"	23 November 2014 (or such later date as may, with the consent of the Panel (if required), be agreed between Rockhopper and MOG)
"Main Market"	the Main Market of the London Stock Exchange
"Malta Oil"	Malta Oil Pty Limited, a wholly owned subsidiary of MOG
"Melita Exploration"	Melita Exploration Company Limited, a wholly owned subsidiary of MOG
"mmbbl"	million barrels
"mmboe"	million barrels of oil equivalent
"mmstb"	million stock tank barrels
"MOG"	Mediterranean Oil & Gas plc
"MOG Directors"	the directors of MOG
"MOG Group"	MOG and its subsidiary undertakings
"MOG Shareholders"	the holders of MOG Shares
"MOG Share Plans"	the Mediterranean Oil & Gas plc Global Share Option Plan and the Mediterranean Oil & Gas plc Long Term Incentive Plan
"MOG Shares"	the ordinary shares of 1 pence each in the share capital of MOG
"Net Basis"	the percentage interest MOG holds in the HQ Prospect, being 25 per cent
"Offer Period"	the offer period (as defined by the Takeover Code) relating to MOG, which commenced on the date of this announcement and which will end on the earlier of the Effective Date and the date which the Scheme lapses or is withdrawn in accordance with its terms
"Opening Position Disclosure"	has the same meaning as in Rule 8 of the Takeover Code
"Off Hire"	the time when the drilling rig moves away from the HQ Exploration Well having completed operations on the HQ Exploration Well
"Panel"	the Panel on Takeovers and Mergers
"Pmean"	percentile mean
"Premier Oil"	Premier Oil plc
"prospective resources"	those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations
"Rockhopper"	Rockhopper Exploration plc
"Rockhopper Consideration Shares"	the Rockhopper Shares to be issued pursuant to the Acquisition and any and all of them as the context requires
"Rockhopper Directors"	the directors of Rockhopper
"Rockhopper Group"	Rockhopper and its subsidiary undertakings

"Rockhopper Shares"	the ordinary shares of 1 pence each in the share capital of Rockhopper
"RBC"	RBC Europe Limited, the adviser to MOG for the purposes of Rule 3 of the Takeover Code
"Reduction Court Hearing"	the hearing at which the Reduction Court order will be sought
"Reduction Court Order"	the order of the Court confirming the Capital Reduction
"Reduction Record Time"	6 p.m., on the Business Day immediately preceding the date of the Reduction Court Hearing
"Registrar of Companies"	the Registrar of Companies in England and Wales
"Regulatory Information Service"	any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements
"Relevant Shares"	the Scheme Shares and the Additional MOG Shares
"Relevant Shareholders"	the Scheme Shareholders at the Reduction Record Time and the Additional MOG Shareholders
"Restricted Jurisdictions"	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to MOG Shareholders in that jurisdiction
"Sea Lion"	the Sea Lion field and satellite fields discovered in the North Falkland Basin
"Scheme"	the scheme of arrangement proposed to be made under Part 26 of the Companies Act between MOG and the Scheme Shareholders in connection with the Acquisition, the full terms of which will be set out in the Scheme Document, with, or subject to, any amendment, modification or condition which MOG and Rockhopper agree, and if required, the Court may approve or impose
"Scheme Court Hearing"	the hearing at which the Scheme Court Order will be sought
"Scheme Court Order"	the order of the Court sanctioning the Scheme under section 899 of the Companies Act
"Scheme Document"	the formal document to be sent to MOG Shareholders containing, amongst other things, the Scheme, the terms and conditions of the Acquisition and the notices convening the Court Meeting and the General Meeting
"Scheme Shareholders"	holders of Scheme Shares
"Scheme Shares"	MOG Shares: <ul style="list-style-type: none"> (a) in issue as at the date of the Scheme Document; (b) (if any) issued after the date of the Scheme Document and on or prior to the Scheme Voting Record Time in respect of the Court Meeting; or (c) (if any) issued after the Scheme Voting Record Time in respect of the Court Meeting but on or prior to the Reduction 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, <ul style="list-style-type: none"> but excluding (A) in the case of references to the "Scheme Shares" or "Scheme Shareholders" in relation to the Court Meeting any Excluded Shares in issue at the Scheme Voting Record Time and (B) in the case of all other references to "Scheme Shares" and "Scheme Shareholders" any Excluded Shares in issue at the Reduction Record Time
"Scheme Voting Record Time"	6.00 p.m. on the day which is two days before the date of the Court Meeting and the General Meeting, or if the Court Meeting or, if the General Meeting is adjourned, 6.00 p.m. on the day which is two days before the date of such adjourned meeting
"scm"	standard cubic meter
"Second Competent Person"	Gaffney, Cline & Associates or ERC Equipoise Limited (if either such company has not acted as the Competent Person) or (if the relevant company is unable or unwilling to act) RPS Group plc, for the purposes of preparing the Second Competent Person's Report and is an entity with the relevant and appropriate qualifications, experience and technical knowledge to professionally and independently appraise the 2C Contingent Resources associated with the HQ Exploration Well

"Second Competent Person's Report"	the report prepared by the Second Competent Person which shall determine the number of barrels of Liquid Hydrocarbons on a Net Basis in the 2C Contingent Resources category associated with the HQ Prospect prepared to the standard determined by the Society of Petroleum Engineers
"Spudded"	the moment when the drilling bit of a drilling rig capable of drilling a well to the authorised depth penetrates the surface of the sea bed, as confirmed by the rig operator
"Standard Conditions"	60° F and 14.7 pounds per square inch (1 atmosphere)
"STOIIIP"	stock-tank oil initially in place, being the volume of oil in a reservoir prior to production
"Takeover Code"	the City Code on Takeovers and Mergers
"Takeover Offer"	has the meaning given to it in Part 28 of the Companies Act
"Total Contingent Consideration Amount"	the total amount which may be payable, in aggregate, under the Contingent Consideration Offer
"United Kingdom"	the United Kingdom of Great Britain and Northern Ireland

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

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 references to "EUR" and "euro" are to the official currency of the European Union's member states.

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

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

Reference to the singular shall include the plural and vice versa.

- ENDS -

This information is provided by RNS
The company news service from the London Stock Exchange

END

ACQEAASDASFLEEF