

**THIS CIRCULAR AND ITS ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, fund manager, solicitor, accountant or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 ("FSMA") if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you sell or have sold or otherwise transferred all of your Ordinary Shares, please send this Circular and the Form of Proxy as soon as possible to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you sell or have sold or otherwise transferred part only of your holding of Ordinary Shares, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected. However, neither this Circular nor the Form of Proxy should be forwarded to or sent in or into any jurisdiction in which to do so would constitute a breach of the relevant laws of such jurisdiction.

The distribution of this Circular and any accompanying documents into jurisdictions other than the United Kingdom may be restricted by law. Any person not in the United Kingdom into whose possession this Circular and any accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdiction.

---



**ROCKROSE**  
ENERGY

**Rockrose Energy plc**

*(Incorporated and registered in England and Wales under number 09665181)*

**Proposed return of capital to Shareholders of 150 pence per  
Ordinary Share by way of a B Share Scheme**

**Circular to Shareholders and  
Notice of General Meeting**

---

This Circular should be read as a whole. Your attention is drawn to the letter from your Chairman which is set out in Part I of this Circular and which contains the recommendation of the Board that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

You should note that the B Share Scheme is conditional upon, among other things, the approval by Shareholders of the Resolutions at the General Meeting.

This Circular contains notice of a General Meeting of the Company to be held at the offices of Cooley (UK) LLP, Dashwood, 69 Old Broad Street, London EC2M 1QS, United Kingdom at 10.30 a.m. on 14 February 2018. A Form of Proxy for use in connection with the Resolutions to be proposed at the General Meeting is enclosed.

Whether or not you intend to attend the General Meeting in person, holders of Ordinary Shares are requested to complete the Form of Proxy in accordance with the instructions printed on it and return it so as to be received by the Company's registrar, Link Asset Services, as soon as possible but, in any event, so as to arrive no later than 10.30 a.m. on 12 February 2018. Alternatively, holders of Ordinary Shares may appoint a proxy electronically at [www.signalshares.com](http://www.signalshares.com) using the Voting ID, Task ID and Shareholder Reference Number (SRN) printed on your Form of Proxy. CREST members may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Link Asset Services, CREST participant ID RA10. Electronic proxy appointments must be received by no later than 10.30 a.m. on 12 February 2018. Completion and return of a Form of Proxy (or the electronic appointment of a proxy) will not preclude you from attending and voting in person at the General Meeting if you wish to do so and are so entitled.

No application will be made to the UK Listing Authority or to the London Stock Exchange for any of the B Shares to be admitted to the Official List or to trading on the London Stock Exchange's main market for listed securities, nor will the B Shares be listed or admitted to trading on any other recognised investment exchange. The B Shares will not be transferable, save in the very limited circumstances set out in paragraph (G) of Part III of this Circular.

The attention of Overseas Shareholders is drawn to paragraph 7 of Part II of this Circular.

No person has been authorised to give any information or make any representations other than those contained in this Circular and, if given or made, such information or representations must not be relied on as having been so authorised. The delivery of this Circular shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Circular or that the information in it is correct as at any subsequent time to its date.

The contents of this Circular are not to be construed as legal, business or tax advice. Each Shareholder should consult their own legal adviser, financial adviser or tax adviser for legal, financial or tax advice, respectively.

#### **PRESENTATION OF FINANCIAL INFORMATION**

Percentages may have been rounded and accordingly may not add up to 100 per cent. Certain financial data has been rounded and, as a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data.

#### **DEFINITIONS**

Capitalised terms have the meanings ascribed to them in the "Definitions" section of this Circular.

## CONTENTS

EXPECTED TIMETABLE OF PRINCIPAL EVENTS.....	4
PART I LETTER FROM THE CHAIRMAN OF ROCKROSE .....	5
PART II DETAILS OF THE B SHARE SCHEME.....	7
PART III RIGHTS AND RESTRICTIONS ATTACHED TO THE B SHARES.....	10
PART IV UNITED KINGDOM TAXATION.....	12
DEFINITIONS.....	14
NOTICE OF GENERAL MEETING .....	16

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Forms of Proxy and CREST Proxy Instructions	10.30 a.m. on 12 February 2018
General Meeting	10.30 a.m. on 14 February 2018
Record Time	6.00 p.m. on 14 February 2018
B Shares issued equal to number of Ordinary Shares held at the Record Time	8.00 a.m. on 15 February 2018
Expected redemption and cancellation of B Shares	16 February 2018
Despatch of payments and CREST accounts credited in respect of proceeds, if B Shares redeemed on 16 February 2018	23 February 2018

---

Notes:

- (1) If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement through the Regulatory News Service of the London Stock Exchange.
- (2) References to time in this Circular are to London time.
- (3) All events in the above timetable following the holding of the General Meeting are conditional on the passing of the Resolutions at such meeting.

**PART I**  
**LETTER FROM THE CHAIRMAN OF ROCKROSE**

*Directors*

Andrew Austin (*Executive Chairman*)  
John Morrow (*Non-Executive Director*)  
Richard Benmore (*Non-Executive Director*)

*Registered Office*  
c/o Cooley Services Ltd  
Dashwood  
69 Old Broad Street  
London  
EC2M 1QS

29 January 2018

Dear Shareholder

**Proposed return of capital to Shareholders of 150 pence per Ordinary Share  
by way of a B Share Scheme**

**1. Introduction**

On 8 December 2017, the Company completed the acquisition of Idemitsu Petroleum UK Limited and on 22 December 2017 the Company completed the acquisitions of Egerton Energy Ventures Limited and Sojitz Energy Project Limited. After costs of acquisition, the Enlarged Group's cash position was approximately US\$127 million of which US\$40 million is considered by the Company to be restricted cash as it is posted in support of decommissioning security agreements.

The Board proposes to return approximately £23.5 million in aggregate to Shareholders and has chosen to implement this as a return of capital through the issue of a new class of shares ("B Shares") which the Company will redeem for cash in order to return 150 pence per Ordinary Share to Shareholders (the "B Share Scheme"). The Company's current debt free position is expected to remain unchanged.

The B Share Scheme is intended to enable all Shareholders to participate equally in the return and to provide capital treatment for most UK tax resident Shareholders. We expect the redemption to occur on or around 16 February 2018.

The purpose of this Circular is to provide Shareholders with further information relating to the B Share Scheme and to give notice of the General Meeting at which certain Resolutions will be considered and, if thought fit, passed to allow the B Share Scheme to take place. This Circular also explains why the Board considers the Resolutions proposed to be in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders vote in favour of the Resolutions to be proposed at the General Meeting in order that the B Share Scheme can proceed.

**2. The B Share Scheme**

Under the terms of the B Share Scheme and assuming the Resolutions are passed at the General Meeting, each Shareholder will receive one B Share for each Ordinary Share held at the Record Time. The return paid to Shareholders on the subsequent redemption of each B Share will be 150 pence, giving a cash return of 150 pence per Ordinary Share held at the Record Time.

The Company expects to redeem the B Shares on or around 16 February 2018 and for the proceeds to be paid to Shareholders approximately five business days after the Redemption Date.

The B Shares will be a newly-created class of share and will not be transferable, save in the very limited circumstances set out in paragraph (G) of Part III of this Circular. The B Shares will not be admitted to the Official List, nor to trading on the London Stock Exchange's main market for listed securities, or listed or admitted to trading on any other recognised investment exchange. The B Shares will be cancelled on redemption. Part II of this Circular sets out further details of the B Share Scheme and Part III of this Circular sets out the rights and restrictions attaching to the B Shares.

This structure should result in the majority of UK taxpayers receiving their cash proceeds on redemption of the B Shares as capital for taxation purposes. Part IV of this Circular sets out a summary of the potential tax consequences in the UK. Shareholders who are subject to taxation in a jurisdiction other than the UK or who are in any doubt as to their tax position should consult an appropriate independent and authorised professional adviser.

The return of capital under the B Share Scheme is separate from and will not affect the Company's dividend policy. Any future interim or final dividends declared by the Company will be in addition to the return of capital under the B Share Scheme.

### **3. Taxation**

A guide to certain UK tax consequences of the B Share Scheme under current UK law and HM Revenue & Customs' practice is set out in Part IV of this Circular.

The tax consequences of the B Scheme may vary for Overseas Shareholders. Shareholders who are subject to taxation in a jurisdiction other than the UK or who are in any doubt as to their tax position should consult an appropriate independent and authorised professional adviser.

### **4. General Meeting**

The return of capital by way of the B Share Scheme requires the approval of Shareholders to certain resolutions to be passed at a General Meeting. Accordingly, there is set out at the end of this document a notice of the General Meeting to be held at 10.30 a.m. on 14 February 2018 at the offices of Cooley (UK) LLP, Dashwood, 69 Old Broad Street, London EC2M 1QS, United Kingdom.

Further details of the Resolutions to be proposed at the General Meeting can be found at paragraph 8 of Part II of this Circular.

### **5. Action to be taken**

Enclosed with this Circular is a Form of Proxy for use by Shareholders in connection with the General Meeting. Shareholders should complete and return the Form of Proxy in accordance with the instructions printed on it as soon as possible and in any event so that it may be received by the Company's Registrars, Link Asset Services, by no later than 10.30 a.m. on 12 February 2018. As an alternative to completing a hard copy Form of Proxy, proxies may be appointed electronically at [www.sharevote.co.uk](http://www.sharevote.co.uk) using the Voting ID, Task ID and Shareholder Reference Number (SRN) set out on the Form of Proxy. In addition, CREST members who wish to appoint a proxy or proxies may do so by completing and transmitting a CREST Proxy Instruction to Link Asset Services, CREST participant ID RA10. Electronic proxy appointments must be received by no later than 10.30 a.m. on 12 February 2018. Appointment of a proxy will not preclude a Shareholder from attending and voting at the General Meeting if they wish to do so and are so entitled.

Further details of the electronic appointment methods are found in the notes to the notice of the General Meeting set out at the end of this Circular.

### **6. Recommendation**

The Board considers the B Share Scheme, and the passing of the Resolutions to be proposed at the General Meeting to be in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as each director intends to do in respect of his own beneficial holdings.

### **7. Irrevocable Undertaking**

The Company has received irrevocable undertakings from the holders of Ordinary Shares, representing 56.65% of the issued share capital of the Company committing the vote in favour of the Resolutions.

Yours faithfully

Andrew Austin  
(Executive Chairman)

## **PART II**

### **DETAILS OF THE B SHARE SCHEME**

#### **1. B Share Scheme**

The B Share Scheme is the way in which the Company proposes to effect the return of capital to Shareholders. This will involve the allotment and issue of B Shares to Shareholders and the subsequent redemption of the B Shares by the Company.

The exact aggregate amount to be returned under the B Share Scheme will depend on the number of Ordinary Shares in issue at the Record Time. However, based on the number of Ordinary Shares in issue as at close of business on 26 January 2018 (being the last practicable date prior to publication of this Circular), the aggregate amount to be returned under the B Share Scheme is approximately £23 million, or 150 pence per Ordinary Share. The Company however anticipates that certain warrant holders may exercise their rights as a result of the announcement of these proposals which may result in the issue of a further 1,533,333 new Ordinary Shares prior to the Record Date.

#### **2. Conditions to the implementation of the B Share Scheme**

The B Share Scheme is conditional on approval by Shareholders of the Resolutions to be proposed at the General Meeting. If this condition is not satisfied the B Share Scheme will not take effect.

#### **3. Allotment, issue and redemption of B Shares**

Each Shareholder will receive one B Share for each Ordinary Share such Shareholder held at the Record Time.

The Company will have the right to redeem each B Share for 150 pence without any further action from the holder of such B Share. The Company intends to redeem and then cancel each such B Share shortly following the issue of the B Shares.

The rights and restrictions attached to the B Shares are more fully set out in Part III of this Circular.

It is proposed that the Company will capitalise a sum of approximately £25 million (to allow for the exercise of any warrants between the date of this document and the Record Date) standing to the credit of the Company's share premium account and capital contribution reserve in order to pay up in full the B Shares with a nominal value of 150 pence each.

The exact number of B Shares to be issued will be equal to the number of Ordinary Shares in issue at the Record Time (excluding any held in treasury by the Company). As at close of business on 26 January 2018 (being the last practicable date prior to publication of this Circular), there were 15,333,334 Ordinary Shares in issue. No Ordinary Shares or other securities were held in treasury by the Company.

The B Shares will not be admitted to listing on the Official List or admitted to trading on the London Stock Exchange's main market for listed securities, nor will they be listed or admitted to trading on any other recognised investment exchange. The B Shares will not be transferable, save in the very limited circumstances set out in paragraph (G) of Part III of this Circular.

No share certificates will be issued in respect of the B Shares.

The return of capital under the B Share Scheme is separate from and will not affect the Company's dividend policy. Any future interim or final dividends declared by the Company will be in addition to the return of capital under the B Share Scheme.

#### 4. Effect of B Share Scheme

For illustrative purposes, examples of how the B Share Scheme would affect Shareholders are set out below.

A. Number of Ordinary Shares held at the Record Time	B. Number of Ordinary Shares after the Record Time	C. Proceeds under B Share Scheme
1	1	£1.50
110	110	£165
500	500	£750
1000	1000	£1,500

#### 5. Overseas Shareholders

Shareholders who are not resident in the United Kingdom or who are citizens, residents or nationals of other countries should consult their professional advisers to ascertain whether the issue, holding, redemption or disposal of the B Shares will be subject to any restrictions or require compliance with any formalities imposed by the laws or regulations of, or any body or authority located in, the jurisdiction in which they are resident or to which they are subject. In particular, it is the responsibility of any Overseas Shareholder to satisfy itself as to full observance of the laws of each relevant jurisdiction in connection with the B Share Scheme, including the obtaining of any government, exchange control or other consents which may be required, or the compliance with other necessary formalities needing to be observed and the payment of any issue, transfer or other taxes or duties in such jurisdiction.

The distribution of this Circular in certain jurisdictions may be restricted by law. Persons into whose possession this Circular comes should inform themselves about and observe any such restrictions. Neither this document nor any other document issued or to be issued by or on behalf of the Company in connection with the B Share Scheme constitutes an invitation, offer or other action on the part of the Company in any jurisdiction in which such invitation, offer or other action is unlawful.

#### 6. Dealings and despatch of documents

The B Share Scheme will be carried out by reference to holdings of Ordinary Shares on the Company's register of members as at the Record Time.

No share certificates will be issued by the Company in respect of B Shares.

All cheques will be sent by post, at the risk of the Shareholder(s) entitled thereto, to the registered address of the relevant Shareholder (or, in the case of joint Shareholders, to the address of the joint Shareholder whose name stands first in the register of members in respect of such joint shareholding).

#### 7. Ordinary Shares in uncertificated form (that is, in CREST)

A Shareholder who holds shares at the Record Time in uncertificated form, that is in CREST, will receive any consideration to which it is will entitled through CREST by Rockrose procuring the creation of an assured payment obligation in favour of the appropriate CREST account through which the relevant Shareholder holds such uncertificated shares in respect of the consideration due to him.

However, Rockrose reserves the right to settle all or any part of the consideration referred to in the paragraph above, for all or any accepting Shareholder(s), by issuance of a cheque if, for any reasons outside its reasonable control, it is not able to effect settlement in uncertificated form in accordance with this paragraph.

#### 8. General Meeting

The General Meeting will be held at the offices of Cooley (UK) LLP, Dashwood, 69 Old Broad Street, London EC2M 1QS, United Kingdom at 10.30 a.m. on 14 February 2018. A notice convening the General Meeting is set out at the end of this Circular.

Shareholders will find enclosed with this Circular a Form of Proxy for use at the General Meeting. Alternatively, a proxy may be appointed electronically at [www.signalshares.com](http://www.signalshares.com). Shareholders holding Ordinary Shares in CREST may appoint a proxy through a CREST Proxy Instruction.

Further details on proxy appointments and the action to be taken are set out in the Notice of General Meeting at the end of this Circular.

### **9. Summary of the resolutions to be proposed at the General Meeting**

Two Resolutions will be proposed at the General Meeting. The Resolutions will be passed as ordinary resolutions, the passing of which require a simple majority of votes cast to be in favour.

A summary of the Resolutions is set out below:

#### *Resolution 1: To create the B Shares (“Resolution 1”)*

Resolution 1 proposes the creation of the B Shares and proposes to authorise the Board to:

- (i) capitalise a sum not exceeding £25 million, standing to the credit of the Company’s share premium account and capital contribution reserve, to pay up in full the B Shares; and
- (ii) allot and issue B Shares up to an aggregate nominal amount of £25 million, on the basis of one B Share for each Ordinary Share held at the Record Time. This authority granted to the Directors will expire at the end of the next annual general meeting of the Company.

#### *Resolution 2: To authorise the Directors to redeem the B Shares (“Resolution 2”)*

Resolution 2 proposes to authorise the Board to redeem the B Shares in accordance with the existing powers with respect to the issue of redeemable shares which are contained in the Articles of Association.

## PART III

### RIGHTS AND RESTRICTIONS ATTACHED TO THE B SHARES

*The following sets out the rights of the B Shares and the restrictions to which they are subject.*

*The following paragraphs will be inserted as a new Article 6A in the revised Articles of Association.*

*Please note that the defined terms in this Part III have been aligned with those in the Articles of Association and therefore defined terms used elsewhere in this Circular do not apply to this Part III.*

#### **6A. Power to attach rights to B Shares**

##### **(A) General**

The redeemable preference shares of 150 pence each in the capital of the Company (the "B Shares") shall have the rights, and be subject to the restrictions, attaching to those shares set out in these Articles save that in the event of a conflict between any provision in this Article 6A and any other provision in these Articles, the provisions in this Article 6A shall prevail.

##### **(B) Income**

Each B Share will carry a right to a fixed non-cumulative dividend of 1 per cent of its nominal value, payable annually in arrear on the anniversary of the B Share issuance (so long as the B Share remains in issue on that date).

##### **(C) Capital**

- (i) On a return of capital on a winding-up (excluding any intra-group reorganisation on a solvent basis), the holders of the B Shares shall be entitled, in priority to any payment to the holders of every other class of share in the capital of the Company, to 150 pence per B Share held by them.
- (ii) On a winding-up, the holders of the B Shares shall not be entitled to any further right of participation in the profits or assets of the Company in excess of that specified in Article 6A(C)(i) above. In the event that there is a winding-up to which Article 6A(C)(i) applies and the amounts available for payment are insufficient to pay the amounts due on all the B Shares in full, the holders of the B Shares shall be entitled to their *pro rata* proportion of the amounts to which they would otherwise be entitled.
- (iii) The aggregate entitlement of each holder of B Shares on a winding-up in respect of all the B Shares held by him shall be rounded down to the nearest whole penny.
- (iv) The holders of the B Shares shall not be entitled to any further right of participation in the profits or assets of the Company in their capacity as holders of B Shares.

##### **(D) Attendance and voting at general meetings**

The holders of the B Shares shall not be entitled, in their capacity as holders of such B Shares, to receive notice of any general meeting of the Company nor to attend, speak or vote at any such general meeting.

##### **(E) Class rights**

- (i) The Company may from time to time create, allot and issue further shares, whether ranking *pari passu* with or in priority or subsequent to the B Shares. The creation, allotment or issue of any such further shares (whether or not ranking in any respect in priority to the B Shares) shall be treated as being in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the B Shares.
- (ii) A reduction by the Company of the capital paid up or credited as paid up on the B Shares and the cancellation of such B Shares shall be treated as being in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the B Shares.

- (iii) Without prejudice to the generality of the foregoing, the Company is authorised to reduce (or purchase shares in) its capital of any class or classes and such reduction (or purchase) shall not involve a variation of any rights attaching to the B Shares for any purpose or require the consent of the holders of the B Shares.

**(F) Form**

The B Shares shall not be listed or traded on any stock exchange nor shall any share certificates be issued in respect of such B Shares.

**(G) Transfer**

The B Shares may not be transferred except to:

- (i) satisfy *bona fide* market claims in connection with trades of Ordinary Shares initiated on or before the record date that have not settled as of such time;
- (ii) personal representatives upon the death of the holder or to any person entitled to the share on bankruptcy of the holder; or
- (iii) transfer the legal title in this share from one nominee to another, provided that there is no transfer of beneficial title to this share.

**(H) Redemption of B Shares**

Subject to the provisions of the Act and these Articles, the Company may elect, by notice issued through the Regulatory News Service of the London Stock Exchange, to redeem, out of the profits available for distribution, the B Shares as follows:

- (i) The B Shares may be redeemed at such time as the board may in its absolute discretion determine (the "Redemption Date").
- (ii) On redemption of a B Share on the Redemption Date, the Company shall be liable to pay 150 pence (the "Redemption Amount") to the holder of such B Share registered on the Company's relevant register at the Redemption Date. The Company's liability to pay to such holder the Redemption Amount for each such B Share shall be discharged by the Company by a payment to such holder of the Redemption Amount for each such B Share approximately 14 days after the Redemption Date.
- (iii) Neither the Company nor any of its directors, officers or employees shall have any liability to any person for any loss or damage arising as a result of the determination of the Redemption Date in accordance with article 6A(H)(i).
- (vii) All B Shares redeemed shall be cancelled and the Company shall not be entitled to re-issue them.

**(I) Deletion of Article 6A when no B Shares in existence**

Article 6A shall remain in force until there are no longer any B Shares in existence, notwithstanding any provision in these Articles to the contrary. Thereafter Article 6A shall be, and shall be deemed to be, of no effect (save to the extent that the provisions of Article 6A are referred to in other Articles) and shall be deleted and replaced with the wording "Article 6A has been deleted", and the separate register for the holders of B Shares shall no longer be required to be maintained by the Company; but the validity of anything done under Article 6A before that date shall not otherwise be affected and any actions taken under Article 6A before that date shall be conclusive and not be open to challenge on any grounds whatsoever.

## PART IV

### UNITED KINGDOM TAXATION

*The following comments are intended as a guide to United Kingdom law and HM Revenue & Customs published practice current as at the date of this Circular, both of which are subject to change (potentially with retrospective effect). They do not constitute, and should not be taken as, tax advice. They relate only to certain limited aspects of the United Kingdom taxation treatment of the B Share Scheme and are intended to apply only to Shareholders who are resident in the United Kingdom for United Kingdom tax purposes, who are and will be the absolute beneficial owners of their Ordinary Shares and B Shares and who hold, and will hold, them as investments (and not as securities to be realised in the course of a trade).*

*The comments may not apply to certain Shareholders, such as dealers in securities, insurance companies and collective investment schemes, Shareholders who are exempt from taxation and Shareholders who have (or are deemed to have) acquired their Ordinary Shares by virtue of an office or employment. Such persons may be subject to special rules.*

*Shareholders should always seek their own advice from an appropriate independent and authorised professional if they are in any doubt as to their tax position.*

#### **1. Issue of B Shares**

The following comments apply for the purposes of the taxation of capital gains and corporation tax on chargeable gains ("CGT").

The issue of the B Shares should constitute a tax-free reorganisation of the share capital of the Company. Accordingly:

- Shareholders receiving B Shares should not be treated as having made a disposal of all or any part of their holding of Ordinary Shares.
- A Shareholder's holding of B Shares and Ordinary Shares should together be treated as the same asset as that Shareholder's holding of Ordinary Shares and as having been acquired at the same time, and for the same consideration, as the holding of Ordinary Shares.

To calculate the tax due on a subsequent disposal of all or part of a Shareholder's B Shares or Ordinary Shares, that Shareholder's CGT base cost in their holding of Ordinary Shares will need to be apportioned between the B Shares and the Ordinary Shares by reference to their respective values at the Record Time. A worked example with details of the respective values will be made available on the Company's website in due course.

#### **2. Redemption of the B Shares**

The redemption of the B Shares will be treated as a disposal for the purposes of CGT. This may, subject to the relevant Shareholder's individual circumstances and any available exemption or relief, give rise to a chargeable gain (or allowable loss).

Any such gain or loss will be calculated by reference to the difference between (i) the redemption proceeds received by the Shareholder and (ii) the part of the Shareholder's original base cost in their Ordinary Shares that is apportioned to the B Shares in the manner described under paragraph 1 above.

The amount of capital gains tax, if any, payable by an individual Shareholder as a consequence of the redemption of the B Shares will depend on their own personal tax position. No tax will be payable on any gain realised on the redemption of the B Shares if the amount of the net chargeable gains realised by the Shareholder, when aggregated with other gains realised by that Shareholder in the year of assessment (and after taking account of allowable losses), does not exceed the annual exempt amount (£11,300 for 2017/18). Any gains in excess of this amount will be taxed at a rate of 10 per cent, or 20 per cent for higher rate and additional rate taxpayers. Where the gains of a basic rate taxpayer subject to CGT exceed the unused part of their basic rate band, that excess is subject to tax at the 20 per cent rate.

A corporate Shareholder is normally subject to corporation tax on all of its chargeable gains, subject to any available reliefs and exemptions. Corporate Shareholders should be entitled to indexation allowance up to the date the chargeable gain is realised.

The Finance Act 2015 enacted legislation which, broadly speaking, treats amounts paid on the redemption of shares as income in the hands of an individual shareholder (rather than a capital receipt) where shareholders are given a choice to elect for capital or income treatment. The Company is of the view that this legislation does not apply to the B Share Scheme on the basis that it does not permit Shareholders any such choice.

**3. Stamp duty and stamp duty reserve tax (“SDRT”)**

No stamp duty or SDRT will arise on the issue or redemption of the B Shares.

## DEFINITIONS

The following definitions apply throughout this Circular, unless the context requires otherwise and excluding Part III.

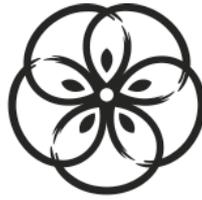
<b>“Act”</b>	the Companies Act 2006.
<b>“Articles of Association”</b>	the articles of association of the Company.
<b>“B Shares”</b>	the redeemable preference shares of 150 pence each in the capital of the Company carrying the rights and restrictions, as set out in Part III of this Circular.
<b>“B Share Scheme”</b>	the return of capital by way of payment of 150 pence per Ordinary Share to be effected by the allotment, issue and redemption of the B Shares.
<b>“Board” or “Directors”</b>	the board of directors of the Company.
<b>“CGT”</b>	capital gains tax.
<b>“Circular”</b>	this document.
<b>“Company”</b>	Rockrose Energy plc, c/o Cooley Services Limited, Dashwood, 69 Old Broad Street, London EC2M 1QS, United Kingdom, a company incorporated in England and Wales with registered number 09665181.
<b>“CREST”</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the CREST Regulations).
<b>“CREST Manual”</b>	the CREST manual issued by Euroclear UK & Ireland Limited.
<b>“CREST member”</b>	a person who has been admitted by Euroclear UK & Ireland Limited as a system-member (as defined in the CREST Regulations).
<b>“CREST Proxy Instruction”</b>	the instruction whereby CREST members send a CREST message appointing a proxy for the General Meeting and instructing the proxy how to vote and containing the information set out in the CREST Manual.
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended.
<b>“Enlarged Group”</b>	the Group as enlarged following the completion of the acquisitions of Idemitsu Petroleum UK Limited on 8 December 2017, and both Egerton Energy Ventures Limited and Sojitz Energy Project Limited on 22 December 2017.
<b>“FCA”</b>	United Kingdom Financial Conduct Authority.
<b>“Form of Proxy”</b>	the Form of Proxy enclosed with this Circular.
<b>“FSMA”</b>	the Financial Services and Markets Act 2000.
<b>“General Meeting”</b>	the general meeting of the Company to be held at 10.30 am on 14 February 2018 at the offices of Cooley (UK) LLP, Dashwood, 69 Old Broad Street, London EC2M 1QS.
<b>“Group”</b>	the Company and its subsidiaries (as defined in the Act).
<b>“Link Asset Services”</b>	Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 5TU, United Kingdom.
<b>“Listing Rules”</b>	the listing rules of the UK Listing Authority.
<b>“London Stock Exchange”</b>	London Stock Exchange plc.
<b>“Official List”</b>	the official list maintained by the UK Listing Authority.
<b>“Ordinary Shares”</b>	ordinary shares of 20 pence each in the capital of the Company.

<b>“Overseas Shareholders”</b>	Shareholders who are not resident in the United Kingdom or who are citizens, residents or nationals of a country other than the United Kingdom or who have a registered address which is not in the United Kingdom. For the avoidance of doubt, Shareholders who are not resident in the United Kingdom include Shareholders who are resident in the Channel Islands or the Isle of Man.
<b>“Record Time”</b>	6.00 p.m. on 14 February 2018 (or such other time and date as the Directors may determine).
<b>“Redemption Amount”</b>	has the meaning given in proposed Article 6A(H)(ii), as set out in Part III of this Circular.
<b>“Redemption Date”</b>	has the meaning given in proposed Article 6A(H)(i), as set out in Part III of this Circular.
<b>“Resolutions”</b>	the resolutions to be proposed at the General Meeting, as set out in the Notice of General Meeting.
<b>“SDRT”</b>	stamp duty reserve tax.
<b>“Shareholders”</b>	holders of Ordinary Shares and, where the context so requires, holders of B Shares.
<b>“UK Listing Authority”</b>	the FCA in its capacity as competent authority for the purposes of Part VI of FSMA.

All references to legislation in this Circular are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof. Words importing the singular shall include the plus and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

# NOTICE OF GENERAL MEETING

of



**ROCKROSE**  
ENERGY

## **Rockrose Energy plc**

*(Incorporated in England and Wales with registered number 09665181)*

NOTICE IS HEREBY GIVEN that a GENERAL MEETING of Rockrose Energy plc (the “Company”) will be held at the offices of Cooley (UK) LLP, Dashwood, 69 Old Broad Street, London EC2M 1QS, United Kingdom at 10.30 a.m. on 14 February 2018 for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions.

### **Resolution 1 – Issue of B Shares**

THAT the directors of the Company (the “Directors”) be and are hereby generally and unconditionally authorised:

- (i) to capitalise a sum not exceeding £25 million standing to the credit of the Company’s account, and to apply such sum in paying up in full up to the maximum number of redeemable preference shares of 150 pence each in the capital of the Company carrying the rights and restrictions set out in Part III of the circular to shareholders dated 29 January 2018 (the “Circular”) of which this notice forms part (the “B Shares”) that may be allotted to the holders of the ordinary shares of 20 pence each in the capital of the Company (the “Ordinary Shares”) pursuant to the authority given by sub-paragraph (ii) below; and
- (ii) pursuant to section 551 of the Companies Act 2006, to exercise all powers of the Company to allot and issue credited as fully paid up (provided that the authority hereby confirmed shall expire at the end of the next annual general meeting of the Company) B Shares up to an aggregate nominal amount of £25 million to the holders of Ordinary Shares on the basis of one B Share for every Ordinary Share held and recorded on the register of members of the Company at 6.00 p.m. on 14 February 2018 (or such other time and/or date as the directors may determine), in accordance with the terms of the Circular and the Directors’ determination as to the number of B Shares to be allotted and issued.

### **Resolution 2 – Redemption of B Shares**

THAT the Directors be and are hereby generally and unconditionally authorised in accordance with the provisions of the articles of association of the Company to redeem the B Shares out of distributable profits of the Company on such date or dates as the Directors see fit.

By Order of the board of Directors

Cooley Services Limited  
Company Secretary  
29 January 2018

## Shareholder notes

### Shareholders' right to attend, speak and vote at the General Meeting

Only those Shareholders entered on the Company's register of members at 6.00 pm on 12 February 2018 shall be entitled to attend or vote at the General Meeting in respect of the number of shares registered in their name at that time. If the Meeting is adjourned, the Company specifies that only Shareholders entered on the Company's register of members not later than 6.30 pm on the day two days prior to the reconvened meeting shall be entitled to attend and vote at the General Meeting. Changes to the register of members after the relevant deadline will be disregarded in determining the rights of any person to attend and vote.

Any shareholder attending the General Meeting has the right to ask questions. The Company must provide an answer to any such question relating to the business being dealt with at the General Meeting but no such answer need be given if (i) to do so would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information, (ii) the answer has already been given on a website in the form of an answer to a question, or (iii) it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered.

### Shareholders right to appoint a proxy

Shareholders are entitled to appoint one or more proxies to exercise all or any of their rights to attend and to speak and vote on their behalf at the General Meeting. A proxy need not be a member of the Company.

In the case of joint holders, any one holder may sign the Form of Proxy. The vote of the senior holder who tenders a vote will be counted to the exclusion of the votes of the other joint holders. For this purpose, seniority is determined by the order in which the names appear on the Company's register of members.

A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this Notice of General Meeting. If you do not have a Form of Proxy but believe that you should have one, or if you require additional forms, please contact Link Asset Services on +44 (0)371 664 0300. (Lines are open from 9.00 am to 5.30 pm, Monday to Friday, except public holidays in England and Wales.) Link Asset Services' overseas helpline number is +44 (0)371 665 0300. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy.

A Shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. To do this, that Shareholder must complete a separate Form of Proxy for each such proxy appointment. Shareholders can copy their original Form of Proxy or obtain additional Forms from Link Asset Services. A Shareholder appointing more than one proxy should indicate the number of shares for which each proxy is authorised to act on their behalf.

To be valid, any Form of Proxy must be received by hand during normal business hours or by post at Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 10.30 a.m. on 12 February 2018 (i.e. 48 hours before the time of the General Meeting).

### Voting electronically by proxy

Shareholders who prefer to register the appointment of their proxy electronically via the internet can do so through the Link Asset Services website at [www.signalshares.com](http://www.signalshares.com) where full instructions on the procedure are given. A proxy appointment made electronically will not be valid if sent to any address other than those provided or if received after 10.30 a.m. on 12 February 2018. Please note that any electronic communication found to contain a computer virus will not be accepted.

You may not use any electronic address provided either in this Notice or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

The return of a completed Form of Proxy, any other such instrument or any CREST Proxy Instruction will not prevent a member attending the General Meeting and voting in person (in place of their proxy vote) if he/she wishes to do so.

#### Indirect investors

Any person to whom this Notice of General Meeting is sent who is a person nominated under section 146 of the Act to enjoy information rights (“Nominated Person”) may, under an agreement between them and the member by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

The statement of the rights of Shareholders in relation to the appointment of proxies above does not apply to a Nominated Person. The rights described in those paragraphs can only be exercised by Shareholders.

#### CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting to be held on 14 February 2018 and any adjournment(s) thereof by using the procedures described in the CREST Manual which can be viewed at [www.euroclear.com](http://www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications and must contain the information required for such instructions, as described in the CREST Manual available via [www.euroclear.com](http://www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer’s agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in this Notice.

For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that there are no special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this regard, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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

#### Corporate representatives

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member, provided that they do not do so in relation to the same shares. Such a corporate representative may be asked at the General Meeting to produce a certified copy of the Resolution from which their authority is derived.

#### Total voting rights

As at close of business on 26 January 2018, being the last practicable date prior to the publication of this Notice, the Company’s total issued share capital consisted of 15,333,334 Ordinary Shares carrying one vote each. There were no Ordinary Shares or other securities held in treasury. Therefore, the total voting rights in the Company as at close of business on 26 January 2018 was 15,333,334.

Documents available for inspection

A copy of this Circular, including this Notice, and any other information required by section 311A of the Act, will be displayed on the Company's website at [www.rockroseenergy.com](http://www.rockroseenergy.com) from the date of this Notice of General Meeting until the conclusion of the General Meeting.

