

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** It contains the resolutions to be voted on at the General Meeting to be held on 18 September 2017 at Allenby Capital Limited, 5 St. Helen's Place, London EC3A 6AB. If you are in any doubt about the contents of this document or the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who is authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your Ordinary Shares, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold or transferred only part of your registered holding of Ordinary Shares, you should retain this document and the accompanying documents. Such documents should, however, not be forwarded to or transmitted into any jurisdiction outside of the UK. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. If you have sold only part of your holding of Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

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## **Rose Petroleum plc**

*(Incorporated and registered in England and Wales under the Companies Act 1985  
with registered number 04573663)*

### **Proposed disposal of the SDA Mill, Capital Reorganisation and Notice of General Meeting**

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**Your attention is drawn to the letter from the Chairman of the Company, which is set out on pages 6 to 12 of this document, which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.**

The Notice of the GM of the Company, to be held at Allenby Capital Limited, 5 St. Helen's Place, London EC3A 6AB on 18 September 2017 at 11.00 a.m., is set out at the end of this document. The accompanying Form of Proxy for use in connection with the General Meeting should be completed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by not later than 11.00 a.m. on 16 September 2017. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

This document does not constitute or form part of any offer or instruction to purchase, subscribe for or sell any shares or other securities in the Company in any jurisdiction in which such offer or instruction would be unlawful nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with any contract therefor. The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and/or the accompanying Form of Proxy comes should inform themselves about and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

#### **FORWARD-LOOKING STATEMENTS**

This document includes "forward-looking statements" which includes all statements other than statements of historical fact, including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Group's control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

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### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication and posting to Shareholders of this document	1 September 2017
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 16 September 2017
General Meeting	11.00 a.m. on 18 September 2017
Latest time and date for dealings in Existing Ordinary Shares	4.30 p.m. on 18 September 2017
Record Date	6.00 p.m. on 18 September 2017
Admission effective and commencement of dealings in the New Ordinary Shares	8.00 a.m. on 19 September 2017
CREST accounts credited with the New Ordinary Shares in uncertificated form	19 September 2017
Despatch of definitive certificates for New Ordinary Shares (in certificated form)	On or around 3 October 2017

**Notes:**

- (1) References to times in this document are to London time (unless otherwise stated).
- (2) The dates set out in the timetable above may be subject to change.
- (3) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement to a regulatory information service.

### STATISTICS RELATING TO THE CAPITAL REORGANISATION

Existing Ordinary Shares in issue at the date of this document	3,764,470,841
Existing Deferred Shares in issue at the date of this document	190,108,108
Conversion ratio of Existing Ordinary Shares to Consolidated Shares	100 Existing Ordinary Shares: one Consolidated Share
Total expected number of New Ordinary Shares in issue following the Capital Reorganisation	37,644,709
Total expected number of New Deferred Shares in issue following the Capital Reorganisation	227,752,817
ISIN code for the New Ordinary Shares	GB00BF44KY60
SEDOL for the New Ordinary Shares	BF44KY6

## DEFINITIONS

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

<b>“Act”</b>	the Companies Act 2006 (as amended);
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange;
<b>“AIM Rules”</b>	the AIM Rules for Companies and the AIM Rules for Nominated Advisers (as amended from time to time);
<b>“Allenby Capital”</b>	Allenby Capital Limited, a private limited company incorporated in England & Wales under registered number 6706681 and having its registered office at 5 St Helen’s Place, London, EC3A 6AB, the Company’s nominated adviser and broker;
<b>“Articles”</b>	the articles of association of the Company as at the date of this document;
<b>“Board” or “Directors”</b>	the directors of the Company as at the date of this document, whose names are set out on page 6 of this document;
<b>“Board Authority”</b>	the proposed Resolution to approve the allotment of up to 80,000,000 Ordinary Shares and disapplication of pre-emption rights over 60,000,000 of those shares;
<b>“Capital Reorganisation”</b>	the proposed Consolidation and Subdivision of the Existing Ordinary Shares;
<b>“Certificated” or in “Certificated Form”</b>	a share or security which is not in uncertificated form (that is, not in CREST);
<b>“Company” or “Rose”</b>	Rose Petroleum plc, a public limited company incorporated in England & Wales under registered number 04573663 and having its registered office at 20-22 Wenlock Road, London, N1 7GU;
<b>“Consolidated Shares”</b>	the ordinary shares of 10 pence each in the Company to be created following the Consolidation;
<b>“Consolidation”</b>	the consolidation of 100 Existing Ordinary Shares into one Consolidated Share;
<b>“CREST”</b>	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear UK & Ireland Limited which facilitates the transfer of title to shares in uncertificated form;
<b>“Disposal”</b>	the proposed disposal of the SDA Mill pursuant to the terms of the MOU, conditional on Shareholder approval at the GM and subject to entering into the SPA;
<b>“Existing Deferred Shares”</b>	the 190,108,108 existing deferred shares of 9.9 pence each in the capital of the Company in issue at the date of this document;

<b>“Existing Ordinary Shares”</b>	the 3,764,470,841 Ordinary Shares in issue at the date of this document;
<b>“Form of Proxy”</b>	the form of proxy enclosed with this document for use by Shareholders in connection with the General Meeting;
<b>“General Meeting” or “GM”</b>	the general meeting of the Company convened for 11.00 a.m. on 18 September 2017, notice of which is set out at the end of this document;
<b>“Group”</b>	the Company together with its Subsidiaries (as defined in the Act) as at the date of this document;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“Magellan”</b>	Magellan Gold Corporation (OTCQB: MAGE);
<b>“Magellan Acquisition Corp”</b>	Magellan Acquisition Corporation, a wholly owned subsidiary of Magellan;
<b>“MOU”</b>	the memorandum of understanding entered into by Rose and Magellan;
<b>“New Deferred Shares”</b>	the 37,644,709 deferred shares of 9.9 pence each to be created pursuant to the Capital Reorganisation;
<b>“New Ordinary Shares”</b>	the new ordinary shares of 0.1 pence each in the capital of the Company to be created pursuant to the Capital Reorganisation;
<b>“Notice of GM”</b>	the notice convening the GM, which is set out at the end of this document;
<b>“Ordinary Shares”</b>	the ordinary shares of 0.1 pence each in the capital of the Company from time to time;
<b>“Paradox Acreage”</b>	the Company’s oil and gas exploration acreage in the Paradox Basin, Utah;
<b>“Proposals”</b>	(i) The Disposal; (ii) the Capital Reorganisation; and (iii) the Board Authority;
<b>“Resolutions”</b>	the resolutions set out in the Notice of GM to effect the Proposals and ‘Resolution’ shall mean any one of them;
<b>“Shareholders”</b>	holders of Ordinary Shares from time to time and the term “Shareholder” shall be construed accordingly;
<b>“SDA Mill”</b>	the Group’s mineral processing mill operation in San Dieguito de Arriba, State of Nayarit, Mexico and its associated assets, licenses and agreements;
<b>“SPA”</b>	the stock purchase agreement to be entered into between the Company, Vane UK and Magellan Acquisition Corp to effect the Disposal;
<b>“Subdivision”</b>	the subdivision of each Consolidated Share into one New Ordinary Share and one New Deferred Share;
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland;

<b>“Vane UK”</b>	Vane Minerals (UK) Limited, a wholly owned subsidiary of the Company;
<b>“£”</b>	pounds sterling, the lawful currency of the United Kingdom; and
<b>“US\$”</b>	United States dollar, the lawful currency of the United States of America.

## LETTER FROM THE CHAIRMAN OF ROSE PETROLEUM PLC



*(Incorporated and registered in England and Wales under the Companies Act 1985, with registered number 04573663)*

### *Directors:*

Philip Jeffcock (*Non-Executive Chairman*)  
Matthew Idiens (*Chief Executive Officer*)  
Chris Eadie (*Chief Financial Officer*)  
Kelly Scott (*Non-Executive Director*)

### *Registered Office:*

20-22 Wenlock Road  
London  
N1 7GU

1 September 2017

Dear Shareholder

### **Proposed disposal of the SDA Mill, Capital Reorganisation and Notice of General Meeting**

#### **1. Introduction**

The Company announced on 16 August 2017 that it had received from Magellan the irrevocable commitment letters for funding in respect of the proposed disposal of the SDA Mill in Mexico. Total proceeds from the disposal of the SDA Mill will be US\$1.5m, to be paid US\$1.0m in cash and US\$500,000 in restricted common stock (shares) in Magellan. The Disposal is deemed (under AIM Rule 15) to be a disposal resulting in a fundamental change of business and is therefore conditional on the approval of Shareholders at the General Meeting. In addition to being conditional on approval by Shareholders, the Disposal is subject to the Company, Vane UK and Magellan Acquisition Corp entering into the SPA and all conditions of the SPA being satisfied or waived. The SPA is anticipated to be entered into on substantially the same terms as set out in this document and the MOU. The SPA is expected to be entered into imminently and in any event ahead of the GM. A further announcement will be made when appropriate.

Further, the Company announced on 22 August 2017 that it had received all necessary final approvals in the permitting process for its proposed 3D seismic survey on its Paradox Acreage. The Company can earn a 75% interest in circa. 90,000 gross acres in the Paradox Basin, within which there is the potential for 1.1 billion barrels of oil and 2.2 TCF of gas, according to the Ryder Scott Company, LP report dated 30th April 2014. The Paradox Basin is an unconventional oil and gas basin that targets the Paradox Clastics and the leadville Limestone, a conventional play directly below the Paradox Clastics. The Group has an agreement with Rockies Standard Oil Company LLC ("RSOC") to earn a 75% working interest in the leasehold of the Paradox Acreage for a carry of US\$5.5 million. The proceeds of the Disposal will be used for the 3D seismic shoot in the Paradox Acreage, as this is now the main focus of the Company.

As previously announced, and further to the Disposal, the Company is in dialogue with a number of third parties regarding additional potential funding options for both the 3D seismic survey and the subsequent drilling programme. This may involve a fundraise via the issue of Ordinary Shares and so the Company is seeking the Board Authority in order to provide the Company with the flexibility to act quickly in the case of an opportunity to conduct an equity fundraising, should this be required.

The Company is also proposing to conduct the Capital Reorganisation in conjunction with the proposals to increase the Company's share authorities and approve the Disposal. The Company currently has 3,764,470,841 Ordinary Shares in issue and as at 31 August 2017, being the last date prior to the publication of this document, the closing price of the Existing Ordinary Shares was 0.105p. As the Company's current share price is close to the nominal value, the Directors consider it prudent to undertake the Capital Reorganisation.

**The purpose of this document is to explain the background to and reasons for the Proposals, to explain why the Board considers the Proposals to be in the best interests of the Company and the Shareholders as a whole and why the Directors recommend that you vote in favour of the Resolutions to be proposed at the GM, notice of which is set out at the end of this document.**

## **2. Background to and reasons for the Disposal**

Rose initially announced a potential disposal of its mineral processing mill operation in San Dieguito de Arriba, State of Nayarit, Mexico and its associated assets, licenses and agreements to Magellan on 6 March 2017.

The Group has operated the SDA Mill for ten years and it had previously carried out mill production for the Group's previous gold and silver mining operations at the Mina Charay mine in Mexico ("Mina Charay"). A decision was taken to cease operations at Mina Charay in December 2015 due to high transportation costs and depressed commodity prices. As a result, the SDA Mill was instead utilised for custom milling of third party ore whilst the Company aimed to identify joint-venture opportunities for the SDA Mill that would generate better returns than custom milling. The focus of these efforts was to identify advanced-stage projects located in the vicinity of the SDA Mill and which met several criteria including minimum production levels. With the focus now back on the Paradox Acreage, the Board has determined that the proposed disposal of the SDA Mill is the best course of action for the asset. Operations at the mill remain on hold pending completion of the Disposal.

The Board believes that the current outlook for US energy is extremely encouraging, and therefore a strategic focus on the Paradox Acreage is currently the optimal way to deliver near-term value to Shareholders. As such, the Board intends to allocate funds from the proposed disposal of the SDA Mill operation towards the cost of the 3D seismic survey on the Paradox Acreage.

### *Summary terms of the MOU*

The total consideration payable by Magellan for the SDA Mill operation under the MOU is US\$1.5 million, payable as US\$1.0 million in cash (less a US\$100,000 option payment already received) and US\$500,000 in restricted common stock (shares) in Magellan. The Company announced on 16 August 2017 that it had received from Magellan the irrevocable commitment letters totalling US\$900,000 required to fund the purchase. Magellan has also reimbursed Rose for the employee and maintenance costs of the SDA mill of approximately US\$25,000 per month for August and September 2017. As announced on 6 March 2017, the Company also received from Magellan a non-refundable payment of US\$50,000 for entering into the original MOU.

Should the proposed disposal not complete due to it not being approved by the Company's Shareholders, Rose will be required to reimburse Magellan the US\$100,000 option payment already received. This payment would be payable in cash or Ordinary Shares at the Company's discretion.

In addition to being conditional on approval by the Shareholders, the Disposal is subject to the Company, Vane UK and Magellan Acquisition Corp entering into the SPA. The SPA is anticipated to be entered into on substantially the same terms as set out in the MOU as described above. The SPA is expected to be subject to a number of conditions, including, in addition to usual completion actions, the completion of satisfactory due diligence, Magellan completing an audit of the SDA Mill's financial statements, and the finalisation of the Mexican corporate restructuring to facilitate the Disposal. Subject to Shareholder approval, the Disposal is expected to be completed by the end of November 2017. The SPA is expected to be entered into imminently and in any event ahead of the GM. A further announcement will be made as appropriate.

### *Fundamental Change of Business under AIM Rule 15*

The Disposal will constitute a fundamental change of business under the AIM Rules and is therefore subject to the approval of Shareholders at the General Meeting. As the Disposal will not result in the Company divesting of all, or substantially all, of its trading business, activities or assets, the Company

will not, following the completion of the Disposal, be deemed to become an AIM Rule 15 Cash Shell under the AIM Rules.

### **3. Strategy of the Group following the Disposal**

The Board is committed to unlocking shareholder value from the Paradox Acreage and so its current strategy is to focus on completing the planned 3D seismic survey to identify drill targets through Q4 2017/Q1 2018 and then progressing the drill programme permitting process and the subsequent drilling programme in H2 2018.

The permits and approvals for the seismic survey cover an area of 61 square miles within the Paradox Acreage. The Company announced on 31 August 2017 that surveying contractors have been engaged for the initial work programme on the 3D seismic survey and are expected to commence work within days. The completion of the optimisation and design of the state of the art 3D seismic shoot has resulted in the shoot being focussed on a 40 square mile area encompassing Rose's acreage within the permitted area, thus reducing costs and maximising the efficiency of the shoot. The Paradox Basin is a natural fracture driven basin, meaning that the drilling process targets "fracture swarms" to enable the natural fracturing to provide the commercial flow rates so "hydraulic fracking" is not usually required. The 3D seismic survey is an essential part of identifying these fracture swarms and therefore an essential path to unlocking the value of the Paradox Acreage. The Company has assembled a highly experienced technical and operational team with specific Paradox Basin seismic and drilling experience to assist in the completion of the seismic survey and the subsequent drilling programmes. The team consists of two geophysicists who have both previously worked for Fidelity Exploration and Production Company on their Paradox seismic shoots and subsequent drilling programmes. Dawson Geophysical Inc. has been contracted to deliver the turn key Seismic shoot and has been pre-paid and instructed to commence the initial survey work segment which is expected to commence imminently. It is anticipated that it will take a period of six weeks to lay out the various mapping points ahead of drilling the shot holes.

The Paradox Basin has been actively exploited by Fidelity Exploration and Production ("Fidelity"), mainly in the Cane Creek Formation, southeast of the Group's main group Paradox lease blocks. Fidelity has been the most active operator in the Paradox Basin over the past two years with average Q1 2015 production of 2,100 barrels of oil equivalent per day ("boepd"). In addition to Fidelity's success, multiple wells in the area of the Group's leases have produced oil and gas to surface from various formations, and it is a combination of all these factors that led the Board to the conclusion that it should focus on the Group's Paradox Basin acreage. Consistent with Fidelity, the strategy is to shoot the seismic lines that will assist in identifying drilling targets for the Group's first wells in the Paradox.

Should the Disposal be approved by Shareholders at the GM, the Company will retain a number of other assets and interests in Mexico, Cuba and the USA, the details and status of which are contained in the Company's annual report for the year ended 31 December 2016.

### **4. Proposed renewal of share authorities**

As previously announced, the Company is in dialogue with a number of third parties regarding potential funding options for both the 3D seismic survey and the subsequent drilling programme. This may involve a fundraise via the issue of Ordinary Shares in the Company and so the Company is seeking the Board Authority in order to provide the Company with the flexibility to act quickly in the case of an opportunity to conduct an equity fundraising. The Board Authority comprises:

- i. an ordinary resolution to grant authority to the Directors pursuant to and for the purposes of Section 551 of the Act, to allot shares or grant rights to subscribe for or to convert any security into shares in the Company with an aggregate nominal amount of up to £80,000.00, representing 212% of the Consolidated Shares; and
- ii. a special resolution to empower the Directors pursuant to Section 570 of the Act to allot equity securities (as defined in Section 560 of the Act) pursuant to the authority conferred by paragraph (i) above as if Section 561(1) of the Act did not apply to any such allotment, provided that this



power shall be limited to the allotment of equity securities up to an aggregate nominal amount of up to £60,000.00, representing 159% of the Consolidated Shares.

## **5. Background to and reasons for the proposed Capital Reorganisation**

The Company currently has in issue 3,764,470,841 Ordinary Shares and as at 31 August 2017, being the last date prior to the publication of this document, the closing price of the Company's Existing Ordinary Shares was 0.105p. As the Company's current share price is close to the nominal value, the Directors consider it prudent to undertake the Capital Reorganisation. The Directors also consider that it would be more appropriate for the Company to have a smaller number of Ordinary Shares in issue and a higher share price, in line with other comparable AIM companies. The Board also believes that the Capital Reorganisation should improve the liquidity and marketability of the Company's shares to a range of investors, including institutional investors.

The proposed Capital Reorganisation will comprise:

- the consolidation of every 100 Existing Ordinary Shares of 0.1p each into one Consolidated Share of 10p each; and
- the immediate sub-division of each Consolidated Share into one New Ordinary Share of 0.1p each and one New Deferred Share of 9.9p each.

### *Consolidation*

Every 100 Existing Ordinary Shares will be consolidated into one Consolidated Share.

In anticipation of the Resolutions being passed by the Shareholders, the Company will immediately prior to the GM, issue such number of additional Ordinary Shares as will result in the total number of Ordinary Shares in issue being exactly divisible by 100.

Assuming no Ordinary Shares are issued between the date of this document and immediately before the GM, this will result in 59 additional Ordinary Shares being issued and will create 37,644,709 Consolidated Shares (subject to any revision to the Company's issued share capital between the date of this document and the Record Date).

These 59 additional Ordinary Shares would be issued to the Company Secretary. Since these additional shares would only represent a fraction of a New Ordinary Share, this fraction would be sold pursuant to the arrangements for fractional entitlements described below.

As all of the Existing Ordinary Shares are proposed to be consolidated, the proportion of issued ordinary shareholdings in the Company held by each Shareholder immediately before and immediately after the Consolidation will, save for fractional entitlements, remain unchanged.

In the event the number of Existing Ordinary Shares attributed to a Shareholder is not exactly divisible by 100, the Consolidation will generate an entitlement to a fraction of a Consolidated Share. On the Subdivision, such fractional entitlements will be carried over to the relevant New Ordinary Shares but not the New Deferred Shares, and the New Ordinary Shares which comprise fractional entitlements will then be aggregated and sold on the open market (see further explanation regarding fractional entitlements below).

**Accordingly, following the implementation of the Capital Reorganisation, any Shareholder who as a result of the Consolidation has a fractional entitlement to any New Ordinary Shares, will not have a proportionate shareholding of New Ordinary Shares exactly equal to their proportionate holding of Existing Ordinary Shares.**

**Furthermore, any Shareholders holding fewer than 100 Existing Ordinary Shares as at the Record Date will cease to be a Shareholder. The minimum threshold to receive Consolidated Shares will be 100 Existing Ordinary Shares.**

### *Sub-division*

Immediately following the Consolidation, each Consolidated Share will be sub-divided into one New Ordinary Share and one New Deferred Share. The Subdivision has been structured in such a way so that each of the New Ordinary Shares will thereafter retain the nominal value of 0.1 pence each which is the current nominal value of the Existing Ordinary Shares.

Where there are fractional entitlements to a Consolidated Share, the Board considers it fair that upon Subdivision, the same fractional entitlements to a Consolidated Share will apply to each New Ordinary Share but not a New Deferred Share.

The Record Date for the Subdivision will be the same as for the Consolidation, which is 6.00 p.m. on 18 September 2017.

### *Effects of the Capital Reorganisation*

For purely illustrative purposes, examples of the effects of the Capital Reorganisation (should it be approved by shareholders) are set out below:

<i>Number of Existing Ordinary Shares held</i>	<i>New Ordinary Shares following the Capital Reorganisation</i>	<i>New Deferred Shares following the Capital Reorganisation</i>
99	0	0
100	1	1
1,100	11	11

The example below shows a fractional entitlement, the value of which will depend on the market value of the New Ordinary Shares at the time of sale.

<i>Number of Existing Ordinary Shares held</i>	<i>New Ordinary Shares following the Capital Reorganisation</i>	<i>New Deferred Shares following the Capital Reorganisation</i>	<i>Fractional entitlement following the Capital Reorganisation</i>
2,050	20	20	0.5

Application will be made for the New Ordinary Shares to be admitted to trading on AIM and dealings in the New Ordinary Shares are expected to commence on 19 September 2017.

### *Fractional entitlements to Consolidated Shares*

As set out above, the Consolidation will give rise to fractional entitlements to a Consolidated Share where any holding is not precisely divisible by 100. On Subdivision of any such Consolidated Share which occurs immediately thereafter, the same fractional entitlement will apply to each New Ordinary Share but not a New Deferred Share then arising. As regards the New Ordinary Shares, no certificates regarding fractional entitlements will be issued. Instead any New Ordinary Shares in respect of which there are fractional entitlements will be aggregated and sold in the market for the best price reasonably obtainable on behalf of Shareholders entitled to fractions (the “**Fractional Shareholders**”).

The Company will distribute the proceeds of sale in due proportion to any such Fractional Shareholders in accordance with article 4.2 of the Articles. In the event that the net proceeds of sale amount to £3.00 or less, the Board is of the view that, as a result of the disproportionate costs, it would not be in the best interests of the Company to distribute such proceeds of sale, which instead shall be retained for the benefit of the Company in accordance with article 4.2 of the Articles.

For the avoidance of doubt, the Company is only responsible for dealing with fractions arising on registered holdings. For Shareholders whose shares are held in the nominee accounts of UK stockbrokers, the effect of the Capital Reorganisation on their individual shareholdings will be

administered by the stockbroker or nominee in whose account the relevant shares are held. The effect is expected to be the same as for shareholdings registered in beneficial names, however it is the stockbroker's or nominee's responsibility to deal with fractions arising within their customer accounts, and not the Company's.

#### *Resulting Share Capital*

The issued share capital of the Company immediately following the Capital Reorganisation (assuming it is approved by the Shareholders), is expected to comprise 37,644,709 New Ordinary Shares, 37,644,709 New Deferred Shares and 190,108,108 Existing Deferred Shares.

#### *Rights attaching to New Ordinary Shares and the New Deferred Shares*

The New Ordinary Shares arising upon implementation of the Capital Reorganisation will have the same rights as the Existing Ordinary Shares including voting, dividend and other rights.

The New Deferred Shares will have the same rights as the Existing Deferred Shares. They will be non-transferable and have no dividend/distribution or voting rights.

#### *Effects on Options and Other Instruments*

The entitlements to Ordinary Shares of holders of securities or instruments convertible into Ordinary Shares (such as share options and warrants) will be adjusted to reflect the Capital Reorganisation. The Company will issue new documents to holders of such instruments in due course.

All warrants and options remain subject to relevant vesting conditions.

#### *United Kingdom taxation in relation to the Capital Reorganisation*

For the purposes of UK taxation of chargeable gains, a Shareholder should not be treated as making a disposal of all or part of his holding of Existing Ordinary Shares by reason of the Consolidation. The New Ordinary Shares should be treated as the same asset, and as having been acquired at the same time and at the same aggregate cost as, the holding of Existing Ordinary Shares from which they derive. On a subsequent disposal of the whole or part of the New Ordinary Shares comprised in the new holding, a shareholder may, depending on his or her circumstances, be subject to tax on the amount of any chargeable gain realised.

### **6. Admission of the New Ordinary Shares**

Application will be made for the New Ordinary Shares to be admitted to trading on AIM in place of the Existing Ordinary Shares. Subject to Shareholder approval of Resolution 2, it is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence on 19 September 2017. Following the Capital Reorganisation, the Company's new ISIN Code will be GB00BF44KY60 and its new SEDOL Code will be BF44KY6.

Shareholders who hold Existing Ordinary Shares in uncertificated form will have such shares disabled in their CREST accounts on the Record Date, and their CREST accounts will be credited with the New Ordinary Shares following Admission, which is expected to take place on 19 September 2017.

Following the Capital Reorganisation, existing share certificates will cease to be valid and new share certificates are expected to be despatched to those Shareholders who hold their Existing Ordinary Shares in certificated form, on or around 3 October 2017. No share certificates will be issued in respect of Consolidated Shares or New Deferred Shares.

### **7. General Meeting**

Set out at the end of this document is the notice convening the GM to be held on 18 September 2017 at Allenby Capital Limited, 5 St. Helen's Place, London EC3A 6AB at 11.00 a.m. at which the Resolutions will be proposed.

## **8. Action to be taken**

Shareholders will find enclosed with this document a reply-paid Form of Proxy for use at the GM. Whether or not you intend to be present at the GM, you are requested to complete and sign the Form of Proxy and return it to the Company's Registrars, Capita Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, so as to arrive no later than 11.00 a.m. on 16 September 2017. Unless the Form of Proxy is received by this date and time, it will be invalid. The completion and return of a Form of Proxy will not preclude you from attending the GM and voting in person if you so wish.

Shareholders are reminded that, if their Ordinary Shares are held in the name of a nominee, only that nominee or its duly appointed proxy can be counted in the quorum at the General Meeting.

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

## **9. Recommendation**

**The Directors consider that the Proposals are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the GM, as they intend to do in respect of their aggregate interests of 42,953,479 Existing Ordinary Shares (representing approximately 1.14 per cent. of the Existing Ordinary Shares).**

Yours sincerely

**Philip Jeffcock**  
Chairman

# Rose Petroleum plc

*(Incorporated and registered in England and Wales under the Companies Act 1985, with registered number 04573663)*

## NOTICE OF GENERAL MEETING

Unless the context otherwise requires, terms not defined in this notice shall have the meaning given in the Company's circular to shareholders dated 1 September 2017.

Notice is hereby given that the General Meeting of Rose Petroleum plc ("the Company") will be held at Allenby Capital Limited, 5 St. Helen's Place, London EC3A 6AB on 18 September 2017 at 11.00 a.m. at which the following matters will be dealt with:

To consider and, if thought fit, to pass the following resolutions, of which resolutions 1, 2 and 3 will be proposed as ordinary resolutions and resolution 4 will be proposed as a special resolution:

1. THAT, conditional upon entry into the SPA on substantially the same terms as set out in the enclosed circular to Shareholders dated 1 September 2017 and the MOU, the Disposal be and is hereby approved.
2. THAT subject to and conditional on the admission of the New Ordinary Shares (as defined below) to trading on AIM becoming effective:
  - a. every 100 ordinary shares of 0.1 pence each in the capital of the Company in issue at 6.00 p.m. on 18 September 2017 ("Existing Ordinary Shares") be consolidated into one ordinary share of 10 pence ("Consolidated Share"), provided that, where such consolidation results in any Shareholder being entitled to a fraction of a Consolidated Share, such fraction shall be dealt with by the Directors as they see fit pursuant to their powers available to them under article 4.2 of the Company's articles of association (the "Articles"); and
  - b. each Consolidated Share (together with a fraction of a Consolidated Share) then in issue be sub-divided into one ordinary share of 0.1 pence in the capital of the Company ("New Ordinary Share") (or fraction thereof) and one Deferred Share of 9.9 pence in the capital of the Company ("New Deferred Share") and that the New Ordinary Shares shall have the same rights and be subject to the same restrictions as the Existing Ordinary Shares that are currently in issue and as set out in the Articles and that the New Deferred Shares shall have the same rights and be subject to the same restrictions of the existing Deferred Shares of 9.9 pence each in the capital of the Company, as set out in the Articles.
3. THAT the Directors of the Company be and are hereby generally and unconditionally authorised for the purposes of section 551 of the Act, to issue and allot new Ordinary Shares or grant rights to subscribe for or to convert any security into shares in the Company (together "Rights") up to a maximum nominal amount of £80,000.00 to such persons at such times and on such terms as they think proper, provided that this authority shall expire on the date falling 15 months from the date of passing of this resolution, or if earlier, on the date of the next Annual General Meeting of the Company to be held after the passing of this resolution (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may make an offer or agreement before the expiry of this authority which would or might require Ordinary Shares to be allotted or Rights to be granted after such expiry and the Directors may allot Ordinary Shares or grant Rights pursuant to any such offer or agreement as if the authority conferred by this resolution had not expired. This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 551 of the Act.
4. THAT, subject to and conditional upon the passing of resolution 3 above, in accordance with section 570 of the Act, the Directors be and are hereby generally empowered to allot for cash or

otherwise equity securities (as defined in section 560 of the Act) of the Company pursuant to the authority conferred by resolution 3 above (as varied from time to time by the Company in general meeting) as if section 561 of the Act did not apply to such allotment provided that this power shall be limited to:

- a. the allotment of equity securities in connection with any other offer (whether by way of rights issue, open offer or otherwise) to holders of Ordinary Shares in the capital of the Company in proportion (as nearly as may be) to their existing holdings of such shares, subject only to any exclusions or other arrangements which the Directors may deem necessary or expedient to deal with fractional entitlements, legal or practical problems arising in any overseas territory or the requirements of any regulatory body or stock exchange in any territory;
- b. the allotment of equity securities pursuant to the terms of any share schemes for Directors and employees of the Company or any of its subsidiaries; and
- c. the allotment otherwise than pursuant to subparagraphs (a) to (b) (inclusive) above of equity securities not exceeding in aggregate the nominal amount of £60,000.00,

and provided that this power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, the date falling 15 months from the date of passing this Resolution (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may make an offer or agreement before the expiry of this power which would or might require equity securities to be allotted for cash after such expiry and the Directors may allot equity securities for cash pursuant to any such offer or agreement as if the power conferred by this resolution had not expired. This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 570 of the Act.

By Order of the Board

**Ian McNeill**  
*Company Secretary*

Rose Petroleum plc  
20-22 Wenlock Road  
London  
N1 7GU

1 September 2017

**Notes:**

**Entitlement to attend and vote**

- 1 Only those members registered on the Company's register of members at:
  - close of business on 16 September 2017; or,
  - if this annual general meeting is adjourned, at close of business on the day two days prior to the adjourned meeting,shall be entitled to attend and vote at the annual general meeting.

**Appointment of proxies**

- 2 A member is entitled to attend, speak and vote at the above meeting and is entitled to appoint one or more proxies to attend, speak and vote in his stead. A proxy need not be a member of the Company. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form. If you wish your proxy to speak on your behalf at the annual general meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
- 3 You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, each different proxy appointment form must be received by Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not less than 48 hours before the time appointed for the meeting.
- 4 A vote withheld is not a vote in law which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the annual general meeting.

- 5 To be valid any form of proxy and power of attorney or other authority under which it is signed or a notarially certified or office copy of such power of authority must be lodged with the Company's Registrars: Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to be received not less than 48 hours before the time appointed for the meeting or any adjourned meeting. The return of a form of proxy will not preclude a member from attending and voting at the meeting in person should he subsequently decide to do so.
- 6 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the annual general meeting and any adjournment(s) thereof by utilising the procedures described in the CREST manual. 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.
- 7 In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST manual. The message must be transmitted so as to be received by the issuer's agent (Capita Registrars, ID RA10) not less than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
- 8 CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.
- 9 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.
- 10 In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

#### **Changing proxy instructions**

- 11 To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Capita Asset Services on 0871 664 0300 in the UK (Calls cost 12p per minute plus your phone company's access charge. If you are outside the United Kingdom, please call +44 371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales.)

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

#### **Termination of proxy appointments**

- 12 In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the Company or an attorney for the Company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU no later than 48 hours prior to the meeting.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the annual general meeting and voting in person. If you have appointed a proxy and attend the annual general meeting in person, your proxy appointment will automatically be terminated.

#### **Corporate representatives**

- 13 A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

#### **Issued shares and total voting rights**

- 14 As at 6:00pm on 31 August 2017, the Company's issued share capital comprised 3,764,470,841 Ordinary Shares of 0.1p each. Each Ordinary Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6:00pm on 31 August 2017 is 3,764,470,841.

#### **Communication**

Except as provided above, members who have general queries about the annual general meeting should contact the Company Secretary at Rose Petroleum plc 20-22 Wenlock Road, London, N1 7GU or on +44 (0) 207 225 4590 (no other methods of communication will be accepted). You may not use any electronic address provided either:

- in this notice of annual general meeting; or
- any related documents (including the Chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.

