
**GENEL ENERGY PLC
NOTICE OF ANNUAL GENERAL MEETING**

THE NOTICE OF THE ANNUAL GENERAL MEETING (AGM) OF GENEL ENERGY PLC (THE COMPANY) TO BE HELD AT 11.00AM ON TUESDAY, 21ST APRIL 2015 AT GOLDMAN SACHS INTERNATIONAL, PETERBOROUGH COURT, 133 FLEET STREET, LONDON, EC4A 2BB UK, IS CONTAINED WITHIN THIS DOCUMENT.

IF YOU ARE A HOLDER OF VOTING ORDINARY SHARES, PLEASE COMPLETE AND SUBMIT A PROXY FORM IN ACCORDANCE WITH THE INSTRUCTIONS PRINTED THEREON, WHETHER OR NOT YOU PROPOSE TO ATTEND THE AGM. THE PROXY FORM MUST BE RECEIVED NO LATER THAN 11.00AM ON SUNDAY, 19TH APRIL 2015.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other professional adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if you reside elsewhere, another appropriately authorised financial adviser.

If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares. If you have sold or otherwise transferred part of your holding you should retain these documents.

PART I - CHAIRMAN'S LETTER GENEL ENERGY PLC

(Incorporated and registered in Jersey under number 107897)

Registered Office:

12 Castle Street
St Helier
Jersey JE2 3RT
Channel Islands

19th March 2015

Notice of Annual General Meeting

DEAR SHAREHOLDER,

I am pleased to be writing to you with details of our 2015 Annual General Meeting (AGM) which will be held at Goldman Sachs International, Peterborough Court, 133 Fleet Street, London, EC4A 2BB, UK on Tuesday, 21st April 2015 at 11.00am.

The notice of AGM is set out on pages 3 to 4 of this document. Please note that only holders of voting ordinary shares are entitled to vote on the resolutions to be proposed at the AGM. All shareholders are entitled to attend and speak at the AGM.

Reappointment of directors

In accordance with the UK Corporate Governance Code, the majority of directors of the Company will retire by rotation and be proposed for reappointment at the AGM. We announced on 2nd February 2015 that Julian Metherell will stand down as a director at the conclusion of the AGM. Mark Parris has also chosen to stand down as a director at the conclusion of the AGM. All remaining directors will offer themselves for re-election at the 2015 AGM and their biographies can be found on pages 44 to 47 of the annual report. I would like to thank both Julian and Mark for their contribution and commitment to the Company during their tenure.

Rule 9 Waiver approval

At the last annual general meeting held on 22nd April 2014, Independent Shareholders approved a waiver granted by the Panel on Takeovers and Mergers of any obligation which may fall on Elyson Energy Holding B.V., Focus Investments Limited, or any person acting in concert with them or connected to them individually or collectively, to make a general offer for the Company pursuant to Rule 9 of the City Code on Takeovers and Mergers as a result of an increase in their shareholding following a buyback in the market by the Company of up to 10 per cent. of its voting shares. During the course of 2014 the Rule 9 waiver and share buyback authorities were utilised by the Company to repurchase 2,087,931 voting ordinary shares. This current approval expires on the date of the 2015 AGM and as such we are asking Independent Shareholders to renew the approval at this meeting.

Recommendation

The directors consider that all the resolutions to be put before the AGM are in the best interests of the Company and recommend that you vote in favour of each of them.

Action to be taken

If you are a holder of voting ordinary shares and would like to vote on the resolutions, but you cannot attend the AGM in person, please fill in the enclosed proxy form and return it to the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, UK as soon as possible and, in any event, to be received no later than 11.00am on Sunday, 19th April 2015. Alternatively, you may appoint a proxy electronically. Information about how you may vote via CREST is given in paragraph 3 on page 6 of this document.

Yours faithfully,



Rodney Chase
Chairman

GENEL ENERGY PLC

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THIS YEAR'S AGM WILL BE HELD AT GOLDMAN SACHS INTERNATIONAL, PETERBOROUGH COURT, 133 FLEET STREET, LONDON, EC4A 2BB, UK ON TUESDAY, 21ST APRIL 2015 AT 11.00AM. HOLDERS OF VOTING ORDINARY SHARES WILL BE ASKED TO CONSIDER AND PASS THE RESOLUTIONS BELOW. RESOLUTIONS 17 AND 18 WILL BE PROPOSED AS SPECIAL RESOLUTIONS. RESOLUTION 16 IS PROPOSED AS A RESOLUTION OF THE INDEPENDENT SHAREHOLDERS (AS DEFINED IN NOTE 2 OF THIS NOTICE). ALL OTHER RESOLUTIONS WILL BE PROPOSED AS ORDINARY RESOLUTIONS.

Ordinary resolutions

1. To receive the audited accounts of the Company for the year ended 31st December 2014 and the reports of the directors and auditors thereon.
2. To approve the annual report on remuneration for directors for the year ended 31st December 2014.
3. To re-elect Mr Rodney Chase as a non-executive director.
4. To re-elect Dr Tony Hayward as an executive director.
5. To re-elect Sir Graham Hearne as a non-executive director.
6. To re-elect Mr Jim Leng as a non-executive director.
7. To re-elect Mr Mehmet Öğütçü as a non-executive director.
8. To re-elect Mr George Rose as a non-executive director.
9. To re-elect Mr Nathaniel Rothschild as a non-executive director.
10. To re-elect Mr Chakib Sbiti as a non-executive director.
11. To re-elect Mrs Gulsun Nazli Karamehmet Williams as a non-executive director.
12. To re-elect Mr Murat Yazici as a non-executive director.
13. To re-appoint PricewaterhouseCoopers LLP as the Company's auditor until the conclusion of the next general meeting of the Company at which accounts are laid.
14. To authorise the board of directors to set the auditors' fees.
15. To authorise the Company and any company which is or becomes a subsidiary of the Company during the period to which this resolution relates to:
 - (a) make donations to political parties and independent election candidates;
 - (b) make donations to political organisations other than political parties; and
 - (c) incur political expenditure,

during the period commencing on the date of this resolution and ending on the date of the annual general meeting of the Company in 2016, provided that in each case any such donations and expenditure made by the Company or by any such subsidiary shall not exceed £150,000 per company and which together shall not exceed in aggregate £200,000.

Any terms used in this resolution which are defined in Part 14 of the UK Companies Act 2006 have the same meanings for the purposes of this resolution.

Resolution of the Independent Shareholders

16. That the waiver granted by the Panel on Takeovers and Mergers of the obligation which may otherwise fall on Elyson Energy Holding B.V., Focus Investments Limited or any person acting in concert with them or connected to them individually or collectively, to make a general offer pursuant to Rule 9 of the City Code on Takeovers and Mergers as a result of an increase in their shareholding resulting from a purchase in the market by the Company of up to 10 per cent. of the Company's voting ordinary shares as at the date of the 2015 AGM, be approved, such approval to expire at the conclusion of the annual general meeting of the Company in 2016.

Special resolutions

17. That the Company be generally and unconditionally authorised:
 - (a) to make market purchases of its voting ordinary shares in such manner as the directors shall from time to time determine, provided that:
 - (i) the maximum aggregate number of voting ordinary shares hereby authorised to be purchased is 24,870,080 (representing approximately 10 per cent. of the aggregate issued voting ordinary share capital excluding shares held in treasury of the Company);
 - (ii) the minimum price (exclusive of any expenses) which may be paid for a voting ordinary share is its nominal value; and
 - (iii) the maximum price (exclusive of any expenses) which may be paid for a voting ordinary share is not more than the higher of:
 - (A) an amount equal to 5 per cent. above the average of the middle market quotations of the voting ordinary shares in the Company (as derived from the London Stock Exchange Daily Official List) for the five business days immediately preceding the date on which that voting ordinary share is contracted to be purchased; and

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- (B) an amount equal to the higher of:
- (I) the price of the last independent trade of a voting ordinary share; and
 - (II) the highest current independent bid for a voting ordinary share on the London Stock Exchange at the time the purchase is carried out, as derived from the London Stock Exchange Trading System,
 - (iii) such authority shall expire (unless otherwise renewed, varied or revoked by the Company in a general meeting) at the conclusion of the annual general meeting of the Company in 2016 or 21 October 2016 whichever is earlier, except that the Company may at any time prior to the expiry of such authority make a contract or contracts to purchase voting ordinary shares which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of voting ordinary shares in pursuance of any such contract or contracts and may hold as treasury shares any voting ordinary shares purchased pursuant to the authority conferred in this resolution.

18. That a general meeting of the Company, other than an annual general meeting, may be called on not less than 14 clear days' notice.

19th March 2015

By order of the board

Sarah E H Robertson

Company secretary

Registered office:

12 Castle Street, St Helier, Jersey JE2 3RT, Channel Islands
Registered in Jersey No. 107897

NOTES

Entitlement to attend and vote

1. The right to attend and vote at the AGM is determined by reference to the Company's register of members. The Company, pursuant to Article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999, specifies that only those shareholders registered in the register of members of the Company as at 11.00am on Sunday, 19th April 2015 (or, if this AGM is adjourned, in the register of members 48 hours before the time of any adjourned meeting) are entitled to attend and speak at the AGM and a member may vote in respect of the number of voting ordinary shares registered in such member's name at that time. Changes to the entries in the register of members after that time shall be disregarded in determining the rights of any person to attend, speak and vote at the AGM. In the case of joint shareholders, the vote of the first named in the register of members of the Company who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders. Holders of suspended voting ordinary shares will not be able to vote those shares at the AGM.
2. Resolution 16 is subject to the approval on a poll of the Independent Shareholders (being the holders of voting ordinary shares in the Company other than Elyson Energy Holding B.V., Focus Investments Limited or any person acting in concert with them, and their respective nominees (the "**Significant Shareholders**"). The Significant Shareholders will not be permitted to vote on resolution 16.

Proxies

3. Holders of voting ordinary shares are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the AGM. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you are a holder of voting ordinary shares and do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Equiniti Limited, Aspect House, Spencer Road Lancing, West Sussex, BN99 6DA, UK or Telephone: 0871 384 2030 (Calls cost 8 pence per minute plus network extras). Lines are open Monday - Friday excluding UK Bank Holidays, 8.30 am to 5.30 pm (from outside the UK: +44 121 415 7047).

In accordance with article 53 of the articles of association, a holder of voting ordinary shares may appoint more than one proxy to attend on the same occasion, provided that each such proxy is appointed to exercise the rights attached to a different share or shares held by that member. Such a shareholder may only appoint a proxy or proxies by:

- completing and returning the proxy form enclosed with this notice; or
- if you are a user of the CREST system (including CREST Personal Members), having an appropriate CREST message transmitted.

IMPORTANT: In any case your proxy form must be received by the Company's registrars no later than 11.00am on Sunday, 19th April 2015.

To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the Company's agent (7RA01) by 11.00am on Sunday, 19th April 2015. 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 Company's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST personal members or other CREST sponsored members, and those CREST members who have appointed voting service provider(s), should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST.

For further information on CREST procedures, limitations and system timings, please refer to the CREST manual. We may treat a proxy appointment sent by CREST as invalid in the circumstances set out in Article 34 of the Companies (Uncertificated Securities) (Jersey) Order 1999.

Further details of the appointment of proxies are given in the notes to the proxy form enclosed with this pack.

Corporate representatives

4. Under the Companies Law (Jersey) 1991 a body corporate may only appoint one corporate representative. A holder of voting ordinary shares which is a body corporate that wishes to allocate its votes to more than one person should use the proxy arrangements.

Nominated persons

5. Any person to whom this notice is sent who is a person nominated pursuant to article 128 of the articles of association to enjoy information rights (a Nominated Person) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
6. The statement of the rights of shareholders in relation to the appointment of proxies in paragraph 3 above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by voting ordinary shareholders of the Company.

Issued share capital and total voting rights

7. As at 17th March 2015 (being the last practicable date prior to the publication of this notice), the Company's issued share capital consisted of ordinary shares, made up of 248,700,808 voting ordinary shares at 10 pence each carrying one vote each, 1,925,705 shares held in treasury and 29,621,685 suspended voting ordinary shares at 10 pence each carrying, subject to limited exceptions, no voting rights. Therefore, the total voting rights in the Company as at 17th March 2015 are 248,700,808.

Shareholders' right to ask questions

8. Any shareholder attending the AGM has the right to ask questions. The Company shall answer any such question relating to the business being dealt with at the AGM but no such answer need be given if:
- to do so would interfere unduly with the AGM or involve the disclosure of confidential information;
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the AGM that the question be answered.

Electronic communication

9. You may not use any electronic address provided in either this notice or any related documents (including the proxy form) to communicate with the Company for any purpose other than those expressly stated.

Inspection of documents

10. The following documents will be available for inspection during normal business hours at 12 Castle Street, St Helier, Jersey, JE2 3RT, Channel Islands from 19th March 2015 until the time of the AGM and at Goldman Sachs International, Peterborough Court, 133 Fleet Street, London, EC4A 2BB, UK from 15 minutes before the AGM until it ends:
- copies of the executive directors' service contracts;
 - copies of the letters of appointment of the non-executive directors; and
 - the other documents listed in paragraph 12 of Part IV of schedule 1 to this notice.

Website

11. A copy of this notice can be found at www.genelenergy.com

Voting results

12. It is intended that voting on all resolutions will be conducted on a poll rather than on a show of hands. The Company believes that this is a more transparent method of voting as member votes are counted according to the number of shares held. As soon as practicable after the AGM the results of the voting at the meeting and the number of proxy votes cast for and against and the number of votes actively withheld in respect of each of the resolutions will be announced via a Regulatory Information Service and also placed on the Company's website at www.genelenergy.com

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

The notes on the following pages explain the proposed resolutions. Resolutions 1 to 15 are proposed as ordinary resolutions, for which, in order to be passed, more than half of the votes cast must be in favour of the resolution. Resolution 16 is proposed as a resolution of the Independent Shareholders, for which, in order to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 17 and 18 are proposed as special resolutions, for which, in order to be passed, at least two thirds of the votes cast must be in favour of the resolution.

Adoption of report and accounts - (Resolution 1)

The directors are presenting the report of the directors and the accounts of the Company for the year ended 31st December 2014 to shareholders for their approval. The report of the directors, the accounts, and the report of the Company's auditors on the accounts and on those parts of the directors' remuneration report that are capable of being audited are contained within the annual report and accounts.

Approval of annual report on remuneration - (Resolution 2)

The annual report on remuneration, which may be found on pages 62 to 66 of the annual report, gives details of your directors' remuneration for the year ended 31st December 2014 and sets out how the Company intends to apply the remuneration policy for directors in 2015. The Company's auditors, PricewaterhouseCoopers LLP, have audited those parts of the annual report on remuneration required by law to be audited.

Shareholders will be invited to approve the annual report on remuneration by way of an advisory vote, in line with the regulations.

Re-election of directors - (Resolutions 3 to 12)

Resolutions 3 to 12 propose the re-election of the directors in accordance with article 62. The re-election of directors will take effect from the conclusion of the meeting.

Biographical details for each of the directors submitting themselves for re-election may be found on pages 44 to 47 of the annual report. The board considers that the directors continue to make an effective and valuable contribution and demonstrate commitment to the role. Accordingly, the board recommends the re-election of all directors put forward for re-election.

Re-appointment of auditors and auditors' remuneration - (Resolutions 13 and 14)

The auditors of a company must be re-appointed at each general meeting at which accounts are laid. Resolution 13 proposes the re-appointment of the Company's existing auditors, PricewaterhouseCoopers LLP, until the conclusion of the AGM of the Company in 2016. Resolution 14 gives authority to the directors to determine the auditors' remuneration.

Authority to make political donations - (Resolution 15)

The Company is not subject to the UK Companies Act 2006 as it is incorporated in Jersey; however, the Company intends to comply, to the extent practicable, with certain of its provisions and the Company has therefore decided to propose resolution 15 to seek the approval of its shareholders for certain donations and expenditure.

It is not the Company's policy to make political donations. However, the Company would like confirmation of its authority as set out in this resolution to allow it (and its subsidiaries) to fund activities which it believes are in the interests of shareholders and that the Company should support. Such activities may include briefings at receptions or conferences - when the Company seeks to communicate its views on issues vital to its business interests - including, for example, conferences of a party political nature or of special interest groups in the energy sector. Any expenditure which may be incurred under authority of this resolution will be disclosed in next year's annual report.

Waiver of obligations under Rule 9 of the City Code on Takeovers and Mergers - (Resolution 16).

On 22nd April 2014, the Independent Shareholders approved a waiver by the Panel on Takeovers and Mergers of any obligation that might otherwise fall on Elyson Energy Holding B.V., Focus Investments Limited and certain others to make a general offer pursuant to Rule 9 of the City Code on Takeovers and Mergers as a result of an increase in their shareholding arising from the Company buying back up to 10 per cent. of its shares in the market. This approval expires at the conclusion of the 2015 AGM. Accordingly, a renewal of the approval is being sought from the Independent Shareholders on substantially the same terms as were approved by ordinary resolution on 22nd April 2014. Please see the additional notes in Schedule 1 to this notice for further information on resolution 16.

Authority to purchase own shares - (Resolution 17)

This resolution authorises the Company to make market purchases of its own voting ordinary shares as permitted by the articles. The authority limits the number of voting ordinary shares that could be purchased to a maximum of 24,870,080 (representing approximately 10 per cent. of the aggregate issued voting ordinary share capital of the Company as at 17th March 2015) and sets minimum and maximum prices. This authority will expire at the conclusion of the annual general meeting of the Company in 2016 or 21 October 2016 whichever is earlier.

The directors have no present intention of exercising the authority to purchase the Company's voting ordinary shares, but will keep the matter under review. The authority will be exercised only if the directors believe that to do so would result in an increase in earnings per share and be in the best interests of shareholders generally.

Any purchases of voting ordinary shares would be by means of market purchases through the London Stock Exchange. Any shares purchased under this authority may either be cancelled or held as treasury shares. Treasury shares may subsequently be cancelled, sold for cash or used to satisfy options issued to employees pursuant to the Company's employees' share schemes.

As at 17th March 2015, there were options and awards outstanding (under the Company's employee share plans) over 2,845,403 voting ordinary shares in the capital of the Company, which represent 1.14 per cent. of the aggregate issued voting ordinary share capital of the Company (excluding treasury shares) at that date. If the authority to purchase the Company's voting ordinary shares were exercised in full, these options would represent 1.27 per cent. of the aggregate issued voting ordinary share capital of the Company (excluding treasury shares) as at 17th March 2015.

The authority shall expire (unless otherwise renewed, varied or revoked by the Company in a general meeting) at the conclusion of the annual general meeting of the Company in 2016 or 21st October 2016 (whichever is the earlier).

Notice of general meetings - (Resolution 18)

The Shareholders' Rights Regulations have increased the notice period required for general meetings of companies incorporated in the United Kingdom to 21 days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days (annual general meetings will continue to be held on at least 21 clear days' notice.) The articles permit the Company to call general meetings other than an annual general meeting on 14 clear days' notice without obtaining such shareholder approval. The Company is not subject to the Shareholder Rights Regulations as it has been incorporated in Jersey; however, the Company intends to comply, to the extent practicable, with the notice provisions required by the Shareholders' Rights Regulations and has therefore decided to propose resolution 18 to seek the approval of its members to continue to hold general meetings on not less than 14 clear days' notice. It is intended that the shorter notice period would not be used as a matter of routine for such meetings but only where the flexibility is merited by the business of the meeting and is thought to be in the best interests of, and to the corporate benefit of, the Company. The Company also undertakes to meet the requirements for electronic voting specified in the Shareholders' Rights Regulations before calling a general meeting on 14 clear days' notice. If given, the approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed.

SCHEDULE 1

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THE PROPOSAL SET OUT IN THIS DOCUMENT OR THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT AN INDEPENDENT FINANCIAL ADVISER AUTHORISED UNDER THE FSMA.

Part I

LETTER FROM THE INDEPENDENT DIRECTORS

Genel Energy plc
(Incorporated and Registered in Jersey with No. 107897)

Independent Directors

Rodney Chase, CBE	Mehmet Ögütçü
Tony Hayward	Mark Parris
Julian Metherell	George Rose
Jim Leng	Nathaniel Rothschild
Sir Graham Hearne	Chakib Sbiti

Registered Office:

12 Castle Street
St Helier
Jersey JE2 3RT
Channel Islands

19th March 2015

To Voting Ordinary Shareholders

DEAR SHAREHOLDER

Approval for Waiver of Obligations under Rule 9 of the City Code on Takeovers and Mergers

At our Annual General Meeting on 21st April 2015, we will again be asking Independent Shareholders to vote on Resolution No. 16 (the "**Waiver Resolution**") to approve a waiver of Rule 9 of the UK Takeover Code by the UK Takeover Panel. Passing this resolution will give our Company the flexibility to buy back its shares without our two major Shareholders being required to make a mandatory offer for the Company. We hope you will vote in favour of this resolution again this year, as you have done in previous years.

Background

As you may recall, when we merged with GEIL in November 2011, we issued shares to the Significant Shareholders, being the Turkish owners of that company at that time. Because the total number of shares to be issued to them exceeded 30 per cent. of our Company, they were issued with one share less than 30 per cent. as Voting Ordinary Shares, and the balance as Suspended Voting Ordinary Shares. Further details on the Suspended Voting Ordinary Shares are set out on pages 75 and 76 of the Annual Report. The Significant Shareholders are deemed to be acting in concert with one another and their Concert Parties under the Takeover Code. For further details on the Significant Shareholders, please refer to Part III.

Relationship to Buyback Authority

At our Annual General Meeting, we will ask Shareholders to approve the normal annual authority to buy back a limited number of shares (up to 10 per cent. of the Voting Ordinary Shares, excluding treasury shares, in the Company), as most public companies do each year (the "Buyback Authority"). If, at some point in the future, the Company were to resolve to repurchase Voting Ordinary Shares in the market pursuant to the Buyback Authority, and the Significant Shareholders do not participate pro rata to their interest in the Voting Ordinary Shares in any such repurchases, their aggregate holding in Voting Ordinary Shares would increase above 30 per cent.

Rule 9 of the Takeover Code requires any person who acquires interests in 30 per cent. or more of the voting rights in the Company to make a mandatory offer for the whole Company.

Approval sought from Independent Shareholders

We are therefore seeking the approval of the Independent Shareholders, via the Waiver Resolution, of the terms of a waiver to be granted by the Panel from the obligation to make a general offer under Rule 9 of the Takeover Code, that may otherwise apply to the Significant Shareholders upon the exercise of the Buyback Authority (the "Waiver"). The Panel has agreed to grant the Waiver, subject to the approval of the Waiver Resolution by the Independent Shareholders on a poll. The Waiver would not apply to the acquisition of any interests in the Voting Ordinary Shares other than as a result of the Buyback Authority.

The Waiver, if granted, would only apply for as long as the Buyback Authority remains in force. Accordingly, whether or not the authority given under the Buyback Authority is exercised in the coming year, the Independent Directors will consider whether to seek a renewal of the Waiver by the Panel at the time of the next annual general meeting. Any such renewal of the Waiver would again be subject to Independent Shareholder approval at next year's annual general meeting.

Irrevocable commitments

The Company has received irrevocable undertakings from each of the Independent Directors confirming they will vote in favour of the Waiver Resolution, representing 10.51 per cent. of the Voting Ordinary Share capital as at the Disclosure Date.

Recommendations

The Independent Directors, who have been so advised by J.P. Morgan Cazenove, believe that the Waiver Resolution is fair and reasonable and in the best interests of the Independent Shareholders. In providing advice to the Independent Directors, J.P. Morgan Cazenove has taken into account the Independent Directors' commercial assessments.

The Independent Directors also believe that obtaining the Waiver is in the best interests of the Company as a whole in order to, in connection with the Buyback Authority, maintain flexibility in management of the Company's capital structure and to keep the Company in line with the majority of listed companies who seek a repurchase authority on an annual basis.

Accordingly, the Independent Directors recommend that Independent Shareholders vote in favour of the Waiver Resolution to approve the Waiver as they will do in respect of their own shareholdings of 26,129,425 Voting Ordinary Shares, representing 10.51 per cent. of the Voting Ordinary Share capital as at the Disclosure Date.

Neither Murat Yazici nor Gulsun Nazli Karamehmet-Williams have taken part in the decision to recommend approval of the Waiver Resolution. These matters have been dealt with by the Independent Directors. The Significant Shareholders and/or their nominees or representatives will not vote on the Waiver Resolution at the AGM.

Yours faithfully,



Rodney Chase,

Chairman

For and on behalf of the Independent Directors

Part II
REASONS FOR THE WAIVER

		Number of Voting Ordinary Shares	Percentage of Voting Ordinary Share capital after the maximum buyback	Number of Ordinary Shares	Percentage of Ordinary Share capital after the maximum buyback	
1	Reasons for the Waiver					
1.1	Under Rule 9 of the Takeover Code, any person who acquires an interest in shares (as defined in the Takeover Code) which, taken together with any interest in shares already held by that person or any interest in shares held or acquired by persons acting in concert with them, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer for the remaining shares of such company. Such an offer would have to be made in cash and at the highest price paid for any interest in shares by that person or by any person acting in concert with it within the 12 months prior to the announcement of the offer.					
		Elyision	31,612,246	14.12%	32,674,007	12.89%
		Focus	42,917,339	19.17%	64,589,351	25.48%
		Other Concert Parties	80,657	0.04%	6,968,569	2.75%
		Total	74,610,242	33.33%	104,231,927	41.12%
1.2	Under Rule 37.1 of the Takeover Code, when a company redeems or purchases its own voting shares, any resulting increase in the percentage of shares carrying voting rights in which a shareholder and any persons acting in concert with him are interested will normally be treated as an acquisition for the purpose of Rule 9 of the Takeover Code.					
1.3	The Significant Shareholders currently have an interest equal to the Maximum Voting Percentage (being 30 per cent. less one share) of the Voting Ordinary Share capital of the Company. If, the Company were to resolve to repurchase Voting Ordinary Shares in the market pursuant to the Buyback Authority, and the Significant Shareholders do not participate pro rata to their interest in the Voting Ordinary Shares in any such repurchases, the aggregate holding of the Significant Shareholders in Voting Ordinary Shares would increase above the Maximum Voting Percentage.					
1.4	Should the Independent Directors decide that it is appropriate in the future for the Company to use the Buyback Authority to purchase Voting Ordinary Shares, they would not be prepared to authorise any such buyback of shares in circumstances which would lead to the Significant Shareholders becoming obliged to make a general offer for the Company. For this reason, the Independent Directors have decided to seek a waiver from the Panel from the obligation on the Significant Shareholders to make a general offer for the Company under Rule 9 of the Takeover Code that may apply as a result of the exercise of the Buyback Authority.					
2	Maximum potential interest					
2.1	In accordance with the Takeover Code, it is necessary to provide an illustration of the Significant Shareholders' maximum potential interest based on certain assumptions.					
2.2	Set out below is the maximum individual and aggregate percentage of the Voting Ordinary Share capital and Ordinary Share capital which would be beneficially held by the Significant Shareholders, assuming the Company buys back the maximum number of Voting Ordinary Shares, excluding treasury shares, possible pursuant to the Buyback Authority (totalling 24,870,080 voting ordinary shares), from Voting Ordinary Shareholders other than the Significant Shareholders:					
3	Waiver by the Panel					
3.1	The Panel has agreed to waive the obligation under Rule 9 of the Takeover Code to make a general offer that would otherwise arise as a result of increases in the shareholding of each Significant Shareholder following an exercise of the Buyback Authority, subject to the approval of the Waiver Resolution by the Independent Shareholders. Accordingly, the Waiver Resolution is being proposed at the Annual General Meeting and a vote on the Waiver Resolution will be taken on a poll.					
3.2	A representative of each Significant Shareholder may attend the Annual General Meeting but none of the Significant Shareholders (nor any nominee or representative of them) will be entitled to vote on the Waiver Resolution. To be effective, the Waiver Resolution must be passed by way of ordinary resolution on a poll vote (being more than 50 per cent. of the eligible Voting Ordinary Share capital in attendance at the meeting) of the Independent Shareholders.					
3.3	The Buyback Authority will expire at the conclusion of the 2016 annual general meeting or 21 October 2016 whichever is earlier and the Waiver will expire at the conclusion of the 2016 annual general meeting. It is the Company's regular practice to seek shareholder approval at each annual general meeting for the Company to renew the authority to buy back its own shares. The Company has, in the period between the 2014 annual general meeting and the date of this document, made repurchases of 2,087,931 of its own shares under the equivalent buyback authority and waiver granted at the 2014 annual general meeting.					
3.4	The Directors currently do not intend to exercise the Buyback Authority, but the Buyback Authority's renewal would allow the Directors to carry out repurchases should they later wish to do so. If the Buyback Authority is passed but the Waiver Resolution is not passed, the Directors will not exercise the Buyback Authority unless they can ensure that the holdings of the Significant Shareholders will not increase above the Maximum Voting Percentage.					

As illustrated above, if the Company were to resolve to buy back the maximum number of Voting Ordinary Shares possible pursuant to the Buyback Authority in the market other than from the Significant Shareholders, the Significant Shareholders would own 74,610,242 Voting Ordinary Shares, representing approximately 33.33 per cent. of the Company's Voting Ordinary Share capital following the full use of the Buyback Authority. In such circumstances and without the Waiver, the Significant Shareholders would therefore be subject to the provisions of Rule 9 of the Takeover Code and would be obliged to make a general offer to all the remaining Shareholders to acquire their shares in the Company.

Part III INFORMATION ON THE SIGNIFICANT SHAREHOLDERS

1 Information on Significant Shareholders

1.1 Information on ElySION

1.1.1 ElySION Energy Holding B.V., formerly known as Genel Energy Holdings B.V., is a private limited company incorporated under the laws of the Netherlands with registered number 2102152, whose statutory seat is in Amsterdam, The Netherlands and whose registered office is at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands.

1.1.2 The directors of ElySION are:

- (i) Intertrust (Netherlands) B.V.;
- (ii) Mextrust B.V; and
- (iii) Murat Yazici.

1.1.3 The only business interest of ElySION is the holding of shares in the Company.

1.1.4 The following individual has a pre-existing interest in ElySION, such that he has a potential direct or indirect interest of five per cent. or more in any part of the capital of the Company which the Panel would regard as equity capital:

- (i) *Mehmet Sepil*
Mehmet Sepil is the President of the Company, and indirectly owns 12.17 per cent. of the Voting Ordinary Shares, and 11.26 per cent. of the Ordinary Shares, through his directly held interests and his ownership interests in ElySION (95.51 per cent.). Mr. Sepil was formerly the CEO of GEIL. He has over 30 years of construction engineering, financial and administrative management experience in construction and high tech companies, which includes advanced field operations, international contracting and business development experience within NATO, the US and Turkish government projects as well as private sector projects.

1.2 Information on Focus

1.2.1 Focus Investments Limited is a private limited company incorporated in the Marshall Islands with registered number 33290 and whose registered office is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960.

1.2.2 The directors of Focus are:

- (i) Mehmet Bülent Ergin;
- (ii) Ali Tuğrul Tokgöz; and
- (iii) Mehmet Mat.

1.2.3 The only business interest of Focus is the holding of shares in the Company.

1.2.4 The following individual has a pre-existing interest in Focus, such that he has a potential direct or indirect interest of five per cent. or more in any part of the capital of the Company which the Panel would regard as equity capital:

- (i) *Mehmet Emin Karamehmet*
Mehmet Emin Karamehmet indirectly owns 17.26 per cent. of the Voting Ordinary Shares, and 23.21 per cent. of the Ordinary Shares, through his 100 per cent. indirect ownership interest in Focus. Mr. Karamehmet is the Chairman of the board of directors of Cukurova Holding A.S. (a leading Turkish business conglomerate) as well as various Cukurova group companies, such as Noksel, Baytur Insaat and Cukurova Kimya. Mr. Karamehmet also serves as a member of the board of directors at other Cukurova group companies, including Cukurova Jenerator and Cimsatas.

1.3 Relationships of Significant Shareholders with the Company

1.3.1 Murat Yazici has been nominated for appointment as a director of the Company by ElySION pursuant to the terms of the Relationship Agreement.

1.3.2 Murat Yazici is Interested in 0.40 per cent. of the Voting Ordinary Shares and 0.43 per cent. of the Ordinary Shares through his ownership of 3.14 per cent. of ElySION and his personal holdings of Suspended Voting Ordinary Shares. Mr Yazici is a director of ElySION.

1.3.3 Ms Gulsun Nazli Karamehmet-Williams has been nominated for appointment as a director of the Company by Focus pursuant to the terms of the Relationship Agreement. Ms Karamehmet-Williams is the daughter of Mehmet Emin Karamehmet, the ultimate beneficial owner of Focus.

1.3.4 Save as disclosed in this paragraph 1.3 of Part III, neither the Company nor any of its Directors, nor any person acting in concert with the Company or its directors, held any Interest in, right to subscribe for, or Short Position in any relevant securities of any of the Significant Shareholders.

1.3.5 For the purposes of this paragraph 1.3 of Part III, "relevant securities" means ordinary shares in ElySION, Focus or other Concert Parties (as the case may be) or any other securities of ElySION, Focus or other Concert Parties (as the case may be) convertible or exchangeable into rights to subscribe for, options (including traded options) in respect of, or Derivatives referenced to, any such shares or Short Positions, (whether conditional or absolute and whether in the money or otherwise), including any Short Position under a Derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, in each case in respect of ordinary shares in ElySION, Focus or other Concert Parties (as the case may be).

2 Significant Shareholders' current holdings

2.1 The table below shows the respective interests of the Significant Shareholders of Ordinary Shares, Voting Ordinary Shares and Suspended Voting Ordinary Shares as at the Disclosure Date:

	Ordinary Shares	(%)	Voting Ordinary Shares	(%)	Suspended Voting Ordinary Shares	(%)
ElySION	32,674,007	11.74	31,612,246	12.71	1,061,761	3.58
Focus	64,589,351	23.21	42,917,339	17.26	21,672,012	73.16
Other Concert Parties	6,968,569	2.50	80,657	0.03	6,887,912	23.26
Other Company Shareholders (including the Founders)	174,090,566	62.55	174,090,566	70.00	-	-
Total	278,322,493	100	248,700,808	100	29,621,685	100

- 2.2 The Significant Shareholders are deemed to be acting in concert under the Takeover Code, together with their other Concert Parties.
- 2.3 In addition to their current holdings of Ordinary Shares, the Significant Shareholders each have an interest in 3,000,000 Founder Securities, which can be exchanged for Ordinary Shares upon certain performance conditions being satisfied. However, upon such exchange, the Significant Shareholders will only be issued with such number of Voting Ordinary Shares as is necessary to leave them with the Maximum Voting Percentage of Voting Ordinary Shares, with the balance of their entitlement being settled in Suspended Voting Ordinary Shares. For further details on the Founder Securities, see page 74 of the Annual Report.
- 3 Intentions of the Significant Shareholders regarding the Company's business
- 3.1 Each of the Significant Shareholders has confirmed to the Company that it is not proposing, as a result of any increase in their percentage interest in Voting Ordinary Shares following an exercise of the Buyback Authority, to seek any change in the composition of the Board or to the general nature of any other aspect of the Company's business.
- 3.2 As required by the Takeover Code, each of the Significant Shareholders has confirmed it intends to procure that the business of the Company is conducted in the same manner as it is currently conducted and that no Significant Shareholder has any plans to change the locations of the Company's places of business, redeploy the Group's fixed assets or to introduce any changes in the business of the Group, the management, the continued employment of its employees or their terms of employment and the trading facilities for any Relevant Securities of the Company.
- 3.3 Each Significant Shareholder, insofar as it is affected by the Company's use of the Buyback Authority, has confirmed to the Company that it has no intention to make any change to the continued employment of its respective employees (where relevant), the management of its respective subsidiaries, its strategic plans for its business and the locations of its business.
- 4 Material Contracts of the Significant Shareholders
- 4.1 In November 2012, Focus entered into a security interest agreement with Türkiye İş Bankası A.Ş., Istanbul Corporate Branch ("IS Bank"), pursuant to which Focus granted a pledge over 20,000,000 of its Voting Ordinary Shares. IS Bank agreed with the Company that, should the pledge ever become enforceable, before IS Bank exercises any power of sale that it may have over such Voting Ordinary Shares, it shall promptly (i) give the Company written notice of the intention to exercise such right and (ii) shall give the Company written notice of whether ElySION exercises or declines a right of first refusal granted to ElySION over such shares by IS Bank so as not to contradict the terms of the Merger Agreement (see page 77 of the Annual Report for further details on the Merger Agreement). On 21st February 2014, IS Bank disposed of 1,000,000 Voting Ordinary Shares to third party purchasers who are not Affiliates (as such term is defined in the statement of rights attaching to those shares) of the Significant Shareholders or their Concert Parties.
- 4.2 In May 2014, Focus entered into a security interest agreement with Shell Eastern Supply and Trading Limited ("Shell"), pursuant to which Focus granted a pledge over 700,000 of its Voting Ordinary Shares as security for a loan facility. Shell agreed with the Company that, should the pledge ever become enforceable, before Shell exercises any power of sale that it may have over such Voting Ordinary Shares, it shall promptly give the Company written notice of the intention to exercise such right and over such shares by Shell so as not to contradict the terms of the Merger Agreement (see page 77 of the Annual Report for further details on the Merger Agreement). In December 2014 the pledge over the 700,000 Voting Ordinary Shares was released.
- 4.3 In July 2014, Focus entered into a security interest agreement with Credit Europe Bank N.V. (Malta Branch) ("CEB"), pursuant to which Focus granted a pledge over 1,800,000 of its Voting Ordinary Shares. CEB agreed with the Company that, should the pledge ever become enforceable, before CEB exercises any power of sale that it may have over such Voting Ordinary Shares, it shall promptly give the Company written notice of the intention to exercise such right over such shares by CEB so as not to contradict the terms of the Merger Agreement (see page 77) of the Annual Report for further details on the Merger Agreement).
- 4.4 In July 2014, Focus entered into a security interest agreement with T.C. Ziraat Bankası A.Ş. ("Ziraat Bank"), pursuant to which Focus granted a pledge over 20,248,212 of its Voting Ordinary Shares and 19,171,671 Suspended Voting Ordinary Shares as security for a loan facility. Ziraat Bank agreed with the Company that, should the pledge ever become enforceable, before Ziraat Bank exercises any power of sale that it may have over such Voting and Suspended Voting Ordinary Shares, it shall promptly give the Company written notice of the intention to exercise such right ElySION over such shares by Ziraat Bank so as not to contradict the terms of the Merger Agreement (see page 77 of the Annual Report for further details on the Merger Agreement).

4.5 In March 2015, Focus entered into a security interest agreement with The West of England Ship Owners Mutual Insurance Association (Luxembourg) (“West of England”), pursuant to which Focus granted a pledge over 400,000 of its Voting Ordinary Shares. West of England agreed with the Company that, should the pledge ever become enforceable, before West of England exercises any power of sale that it may have over such Voting Ordinary Shares, it shall promptly give the Company written notice of the intention to exercise such right over such shares by West of England so as not to contradict the terms of the Merger Agreement (see page 77 of the Annual Report for further details on the Merger Agreement).

4.6 Save as referred to above, there have been no material contracts entered into by the Significant Shareholders or any of their respective subsidiaries (other than in the ordinary course of business) during the two years immediately preceding the date of this document.

Part IV ADDITIONAL INFORMATION

1 Responsibility

1.1 *Responsibility of Directors*

Save for Murat Yazici and Gulsun Nazli Karamehmet-Williams in relation to the views of the Independent Directors as to the merits of the Waiver Resolution only, the Directors, whose names appear in paragraphs 2.1 and 2.2 of this Part IV, accept responsibility for the information contained in this document, other than information relating to the Significant Shareholders, the directors of any Significant Shareholder and their immediate families, related trusts and companies and persons connected to them. Save as aforesaid, to the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.2 *Responsibility of Significant Shareholders*

1.2.1

The directors of ElySION, whose names are set out in paragraph 1.1.2 of Part III, accept responsibility for the information contained in this document relating to ElySION, the ElySION directors and their immediate families, related trusts and companies and persons connected to them. Save as aforesaid, to the best of the knowledge and belief of the directors of ElySION (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.2.2

The directors of Focus, whose names are set out in paragraph 1.2.2 of Part III, accept responsibility for the information contained in this document relating to Focus, the Focus directors and their immediate families, related trusts and companies and persons connected to them. Save as aforesaid, to the best of the knowledge and belief of the directors of Focus (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 Directors

2.1 The names and functions of the Independent Directors are as follows:

Name	Function
Rodney Chase	Chairman
Tony Hayward	Executive Director, Chief Executive Officer
Julian Metherell ¹	Executive Director, Chief Financial Officer
Jim Leng	Senior Independent Non-Executive Director
Sir Graham Hearne	Independent Non-Executive Director
Mehmet Öğütçü	Independent Non-Executive Director
Mark Parris ¹	Independent Non-Executive Director
George Rose	Independent Non-Executive Director
Nathaniel Rothschild	Non-Executive Director
Chakib Sbiti	Independent Non-Executive Director

¹ Julian Metherell and Mark Parris will stand down as Directors at the conclusion of the 2015 Annual General Meeting.

2.2 Murat Yazici and Nazli Karamehmet-Williams are Non-Executive Directors of the Company but, as they are the nominees of ElySION and Focus, respectively, they are not considered Independent Directors.

3 Independent advice

J.P. Morgan Cazenove has provided advice to the Independent Directors, in accordance with the requirements of paragraph 4(a) of Appendix 1 to the Takeover Code, in relation to the granting of the Waiver. This advice was provided by J.P. Morgan Cazenove to the Independent Directors only and in providing such advice J.P. Morgan Cazenove has taken into account the Independent Directors' commercial assessment as well as the confirmations of each Significant Shareholders' intentions that it has provided to the Company as set out in paragraph 3 of Part III.

4 Interests and dealings

4.1 As at the Disclosure Date, the total issued share capital of the Company was 278,322,493 Ordinary Shares, comprised of 248,700,808 Voting Ordinary Shares and 29,621,685 Suspended Voting Ordinary Shares. As at the Disclosure Date, 1,925,705 Voting Ordinary Shares were held in treasury.

4.2 *Interests of Significant Shareholders*

4.2.1 Details of the Relevant Securities of the Company in which the Significant Shareholders have an Interest are set out in the table at paragraph 2.1 of Part III.

4.2.2 The Significant Shareholders have a right to subscribe for further Ordinary Shares in the Company should the Founder Securities be exchanged in accordance with their terms.

4.2.3 Save as otherwise described in this paragraph 4.2 of Part III, as at the Disclosure Date none of the Significant Shareholders, nor any of their respective directors, nor any person acting in concert with the Significant Shareholders or any of their respective directors, hold any Interest in, right to subscribe for, or Short Position in any Relevant Securities of the Company.

4.3 *Interests of directors and concert parties to the Company*

4.3.1 As at the Disclosure Date, the Interests, rights to subscribe and Short Positions in the Relevant Securities of the Company held by the Directors, their immediate families or related trusts and companies (excluding options and awards as detailed below), and the percentage of the Company's issued share capital which they represent as at that date and after the exercise in full of the Buyback Authority, are set out in the table below.

Director	Number of Voting Ordinary Shares	Percentage of Voting Ordinary Share capital	Percentage of Voting Ordinary Share capital after the maximum buyback ²
Rodney Chase	400,000	0.16%	0.18%
Tony Hayward	1,633,876	0.66%	0.73%
Julian Metherell	1,633,876	0.66%	0.73%
Sir Graham Hearne	90,000	0.04%	0.04%
Jim Leng	50,000	0.02%	0.02%
Mark Parris	31,603	0.01%	0.01%
George Rose	90,000	0.04%	0.04%
Nathaniel Rothschild	22,119,970	8.89%	9.88%
Chakib Sbiti	80,100	0.03%	0.04%
Murat Yazici	992,624	0.40%	0.44%
Total	27,122,049	10.91%	12.12%

2 Assumes that no director participates in a buyback.

4.3.2 As at the Disclosure Date, Vallares Capital LP holds 7,000,000 Founder Securities in which Tony Hayward, Julian Metherell and Nathaniel Rothschild are Interested via its general partner, Vallares Capital GP Limited.

4.3.3 As at the Disclosure Date, awards over 334,714 and 216,306 Voting Ordinary Shares had been granted to

4.5 Dealings by Significant Shareholders and Concert Parties

4.5.1 During the 12 months prior to the date of this document (the "Disclosure Period"), the following Dealings in the Relevant Securities of the Company by the Significant Shareholders, their Concert Parties and the directors of the Significant Shareholders and Concert Parties have taken place:

Date	Party	Transaction	No. of Voting Ordinary Shares	Price per Voting Ordinary Share (p)
2 July 2014	Focus	Sale of Voting Ordinary Shares	1,120,000	970.00
7 July 2014	Focus	Sales of Voting Ordinary Shares	3,000,000	1000.00
24 July 2014	Focus	Conversion of Suspended Voting Ordinary Shares	3,306,595	N/A
24 July 2014	Elyson	Conversion of Suspended Voting Ordinary Shares	2,579,120	N/A
9 December 2014	Elyson	Sales of Voting Ordinary Shares	2,000,000	630.00
15 December 2014	Elyson	Sales of Voting Ordinary Shares	1,400,000	610.00
13 February 2015	Focus	Conversion of Suspended Voting Ordinary Shares	2,245,668	N/A
13 February 2015	Elyson	Conversion of Suspended Voting Ordinary Shares	1,670,948	N/A
11 March 2015	Mehmet Sepil	Release of PSP Share award	80,657	N/A

4.5.2 Save as disclosed above, there were no Dealings during the Disclosure Period in the Relevant Securities of the Company by persons acting in concert with the Significant Shareholders.

4.6 Company securities borrowed or lent

4.6.1 Neither the Company, nor any person acting in concert with the Company, has borrowed or lent any Relevant Securities in the Company.

4.6.2 No Relevant Securities in the Company have been borrowed or lent by any of the Significant Shareholders, any director of the Significant Shareholders, or any of their respective Concert Parties.

4.7 Dealings by Directors

4.7.1 During the Disclosure Period, the following Dealings in the Relevant Securities of the Company by the Directors, their immediate families and related trusts and companies have taken place:

Party	Date	Transaction	No. of Voting Ordinary Shares	Price per Voting Ordinary Share (p)
Tony Hayward	25 November 2014	Sale of Voting Ordinary Shares	103,176	767.00
Julian Metherell	25 November 2014	Sale of Voting Ordinary Shares	103,176	767.00
Chakib Sbiti	16 December 2014	Purchase of Voting Ordinary Shares	50,000	642.90

Tony Hayward and Julian Metherell, respectively. Both Tony Hayward and Julian Metherell were eligible for these awards, which take the form of nil-cost options under the Performance Share Plan. However, the Voting Ordinary Shares under these awards will only be earned by the Executive Directors if certain performance conditions are met by the end of the relevant performance period (1st January 2013 - 31st December 2015 and/or 1st January 2014 - 31st December 2016). Any Voting Ordinary Shares that vest in accordance with the terms of the Performance Share Plan are normally subject to a three year retention period. As Founders, Tony Hayward and Julian Metherell also hold Founder Securities, as does Nathaniel Rothschild

4.3.4 As at the Disclosure Date, save as disclosed above, there were no Interests, rights to subscribe or Short Positions in respect of Relevant Securities held by the Directors, their immediate families, persons connected with them (within the meaning of Part 22 of the Act) or any persons acting in concert with the Directors or with the Company.

4.4 Interests of advisers

As at the Disclosure Date, J.P. Morgan Cazenove (including any person controlling, controlled by or under the same control as it, except in the capacity of an exempt fund manager or an exempt principal trader), held no Interests, rights to subscribe or Short Positions in Relevant Securities.

4.7.2 Save as disclosed above, none of the Directors, their immediate family or persons connected with him (within the meaning of Part 22 of the Act) had any Dealings (including borrowing or lending) in Relevant Securities during the Disclosure Period.

5 Arrangements in connection with the proposal
5.1 The Company has received irrevocable undertakings from each of the Independent Directors confirming their intention to vote their respective shares in the Company in favour of the Waiver Resolution. These irrevocable undertakings do not contain provisions for the withdrawal of commitment, nor are there any circumstances in which the undertaking will cease to be binding.

5.2 None of the Significant Shareholders has entered into any arrangement, agreement, or understanding: (i) with any of the Independent Directors (or their close relatives and related trusts) which has any connection with or dependence upon the proposals set out in this Part IV; or (ii) for the transfer of any Ordinary Shares acquired by that Significant Shareholder.

5.3 In addition, the Independent Directors are not aware of any arrangement, agreement or understanding having any connection with or dependence upon the proposals set out in this Part IV between any of the Significant Shareholders and any person interested or recently interested in Ordinary Shares, any other recent Director of the Company or J.P. Morgan Cazenove (or any person who is, or is presumed to be, acting in concert with J.P. Morgan Cazenove).

6 Directors' service contracts and other interests
6.1 Aggregate emoluments, excluding pensions, of the Directors for the year ended 31st December 2014 are set out below:

Director	Base salary and Directors' fees (£,000)	Benefits in kind (£,000)	Bonus (£,000)	PSP (£'000)	2014 Total remuneration (£,000)
Tony Hayward	685	171	925	740	2,521
Julian Metherell	475	119	641	478	1,713

6.2 Tony Hayward (chief executive officer) was appointed as a Director on 2nd June 2011 and entered into a service agreement with the Company on 15 November 2011. Since 1st January 2015, Tony Hayward receives a base salary of £705,000 per annum (2014: £685,000) under his service agreement with the Company. He is entitled to an amount equal to 25 per cent. of his annual base salary as a cash allowance in lieu of all benefits (such as pension, health and life insurance and company car allowance). He is eligible to participate in a discretionary annual short-term bonus scheme in which there will be the potential, subject to meeting performance conditions based on operational and personal objectives, to receive up to a maximum of 150 per cent. of his base annual salary (not including the cash supplement).

6.3 Julian Metherell³ (chief financial officer) entered into a service agreement with the Company on 15 November 2011. Since 1st January 2015, Julian Metherell receives a base salary of £490,000 per annum (2014: 475,000) under his service agreement with the Company. He is entitled to an amount equal to 25 per cent. of his annual salary as a cash allowance in lieu of all benefits (including pension, health and life insurance and company car allowance). He is eligible to participate in a discretionary annual short-term bonus scheme in which there will be the potential, subject to meeting performance conditions based on operational and personal objectives, to receive up to a maximum of 150 per cent. of his base annual salary (not including the cash supplement).

6.4 Both Tony Hayward and Julian Metherell are eligible to participate in the Company's Performance Share Plan, the terms of which were approved by the Company's Shareholders at its annual general meeting held on 22nd May 2012. The following terms apply to their awards under the Performance Share Plan:

6.4.1 the awards granted to Tony Hayward and Julian Metherell are equal to 150 per cent. and 140 per cent. of their base salaries, respectively;

6.4.2 the vesting of the PSP awards will be subject to performance testing based on a total shareholder return measure against a relevant comparator group;

6.4.3 the awards will be subject to three year vesting periods, each starting on the first day of the relevant performance period as set out in paragraph 4.3.3 of this Part IV ; and

6.4.4 vested shares will normally be subject to a further three year retention period

6.5 Both Tony Hayward's and Julian Metherell's service agreements are terminable by either the relevant executive or the Company serving 12 months' prior written notice. The Company may terminate their service contracts by the payment of a cash sum in lieu of notice equal to the basic salary and the cash allowance payable for any unexpired portion of the notice period capped at a sum equal to 12 months' base salary and the annual benefit allowance. The Company has the discretion to make the payment in lieu of notice as a lump sum within 21 days of the termination date or in equal monthly instalments subject to deductions for mitigation (or such other payment profile as the Board determines).

6.6 No service contract with a director has been entered into or amended within six months prior to the date of this document.

7 Financial and other information on the Company
7.1 The Company is the holding company for the Group. The Group operates as an oil and gas exploration and production business. Formed by the merger of Vallares PLC and GEIL, the Group is the largest independent oil producer in the Kurdistan Region of Iraq. Upon completion of the merger in November 2011, the Company was admitted to the Official List with a standard listing, and admitted to trading on the Main Market for Listed Securities of the London Stock Exchange plc.

³ Julian Metherell will stand down as a Director at the conclusion of the 2015 Annual General Meeting and will leave the Company shortly thereafter.

7.2	The Company is a public limited company incorporated in Jersey. The Company's registered office is at 12 Castle Street, St. Helier, Jersey JE2 3RT.	10 10.1	General J.P. Morgan Cazenove has given and not withdrawn its written consent to the issue of this document with the references to J.P. Morgan Cazenove in the form and context in which they appear.																
7.3	As set out in Part V below, this document incorporates by reference the audited consolidated financial statements of the Group, and the related auditor's report of PricewaterhouseCoopers LLP thereon, for the years ended 31 st December 2012, 31 st December 2013 and 2014. Please refer to Part V below for a list of cross references to the relevant sections of these reports and accounts, and for how to access this information.	10.2	No agreement, arrangement or understanding exists whereby the Voting Ordinary Shares acquired by the Company pursuant to the Buyback Authority to make market purchases will be transferred to any other person. All Voting Ordinary Shares repurchased by the Company will be cancelled or held in treasury upon repurchase.																
7.4	For the three years ended 31 st December 2012, 31 st December 2013 and 31 st December 2014, the Company has not declared any dividends.	10.3	Subject to paragraph 5 of this Part IV, no agreement, arrangement or understanding (including any compensation agreement) exists between the Company, any person acting in concert with Company and any of the Directors, recent directors, Shareholders or recent shareholders of the Company having any connection with or dependence upon the matters referred to in this document.																
7.5	Save as described in the Annual Report, there have been no material changes in the financial or trading position of the Company since 31 st December 2014 (the date of its most recent published accounts).																		
8	Material Contracts Other than as described below, there have been no contracts entered into by the Company (other than contracts entered into in the ordinary course of business) during the two years immediately preceding the date of this document which are or may be material.	10.4	There are no external financing arrangements being sourced in connection with the proposals in this document. There are therefore no arrangements in place nor any required for the payment of interest on, repayment of or security for any liability (contingent or otherwise) as a result of the proposals in this document. All Voting Ordinary Shares acquired by the Company under the Buyback Authority will be funded from the Company's existing cash resources.																
8.1	<i>Drilling Rig Contract</i> On 30 th April 2013, GEIL entered into a drilling rig contract with Noble Corporation ("Noble") for the provision by Noble of a deepwater, semi-submersible drilling rig (the "Drilling Rig Contract"). This rig has been used in delivery of the Company's two-year African offshore drilling programme. The Drilling Rig Contract was amended on 19 th September 2013 to address issues related to upgrades being made to the rig. Further amendments to the Drilling Rig Contract were made on 16 th May 2014 and 11 th November 2014 to change the number of wells to be drilled pursuant to the Drilling Rig Contract, as well as modifying some of the commercial terms and operational provisions of the Drilling Rig Contract.	11	Directors' intentions The Directors intend to continue to conduct the business of the Company in the same manner as it is currently conducted and there are no plans to redeploy its fixed assets or to introduce any substantial changes in the business of the Group, the management of the Group, the continued employment of its employees or their terms of employment.																
8.2	<i>High Yield Bond Agreement</i> On 14 th May 2014, Genel Energy Finance plc (as issuer) and the Company (as guarantor) entered into a bond agreement with Nordic Trustee ASA (the "Bond Agreement") in relation to the issue by Genel Energy Finance plc of the US\$500 million 7.5% senior unsecured bonds due 2019 (the "Bonds"). The Bond Agreement sets out the terms and conditions on which the Bonds were issued.	12	Documents available for inspection Copies of the following documents will be available for inspection on the Company's website www.genelenergy.com, and at the offices of the Company's solicitors, Linklaters LLP, One Silk Street, London EC2Y 8HQ during normal business hours on any weekday (Saturdays and public holidays excepted) up to and including 21 st April 2015 and at the Annual General Meeting to be held on that day:																
9	Middle market quotations Set out below are the closing middle-market quotations for a Voting Ordinary Share as derived from the Daily Official List for the first dealing day of each of the six months immediately preceding the date of this document and for the Disclosure Date	12.1 12.2 12.3 12.4	the memorandum and articles of association of the Company; the irrevocable undertakings of the Independent Directors referred to in Part I and paragraph 5.1 of this Part IV; the written consent referred to in paragraph 10.1 of this Part IV; the Annual Report and audited consolidated financial statements of the Group, and the related auditor's report of PricewaterhouseCoopers LLP thereon for the year ended 31 st December 2014; and																
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Date</th> <th style="text-align: right;">Price per Ordinary Share (p)</th> </tr> </thead> <tbody> <tr> <td>1st October 2014</td> <td style="text-align: right;">820.25</td> </tr> <tr> <td>3rd November 2014</td> <td style="text-align: right;">719.25</td> </tr> <tr> <td>1st December 2014</td> <td style="text-align: right;">638.75</td> </tr> <tr> <td>2nd January 2015</td> <td style="text-align: right;">708.25</td> </tr> <tr> <td>2nd February 2015</td> <td style="text-align: right;">639.25</td> </tr> <tr> <td>2nd March 2015</td> <td style="text-align: right;">571.25</td> </tr> <tr> <td>Disclosure Date</td> <td style="text-align: right;">507.25</td> </tr> </tbody> </table>	Date	Price per Ordinary Share (p)	1 st October 2014	820.25	3 rd November 2014	719.25	1 st December 2014	638.75	2 nd January 2015	708.25	2 nd February 2015	639.25	2 nd March 2015	571.25	Disclosure Date	507.25	12.5	this document, together with the notice of the AGM and the form of proxy.
Date	Price per Ordinary Share (p)																		
1 st October 2014	820.25																		
3 rd November 2014	719.25																		
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2 nd February 2015	639.25																		
2 nd March 2015	571.25																		
Disclosure Date	507.25																		

Part V
INFORMATION INCORPORATED BY REFERENCE

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

Information incorporated by reference	Document reference	Page number(s) in such document
Annual Report and Accounts of the Company for the year ended 31 st December 2014 (available for viewing on the Company's website at www.genelenergy.com under "Investor Relations")		
	Directors' Remuneration Report	60-73
	Founder Securities	74
	Independent auditors' report	81-84
	Consolidated statement of comprehensive income	85
	Consolidated balance sheet	86
	Consolidated statement of changes in equity	87
	Consolidated cash flow statement	88
	Notes to the consolidated financial statements	89-108
Annual Report and Accounts of the Company for the year ended 31 st December 2013 (available for viewing on the Company's website at www.genelenergy.com under "Investor Relations")		
	Directors' Remuneration Report	62-74
	Founder Securities	75
	Independent auditors' report	82-84
	Consolidated statement of comprehensive income	85
	Consolidated balance sheet	86
	Consolidated statement of changes in equity	87
	Consolidated cash flow statement	88
	Notes to the consolidated financial statements	89-110
Annual Report and Accounts of the Company for the year ended 31 st December 2012 (available for viewing on the Company's website at www.genelenergy.com under "Investor Relations")		
	Directors' Remuneration Report	66-72
	Founder Securities	74
	Independent auditors' report	80
	Consolidated statement of comprehensive income	81
	Consolidated balance sheet	82
	Consolidated statement of changes in equity	83
	Consolidated cash flow statement	84
	Notes to the consolidated financial statements	85-106

Any shareholder of the Company, person with information rights in relation to the Company or other person to whom this document is sent may request a copy of this document or each of the documents set out above in hard copy form. Hard copies will only be sent where valid requests are received from such persons. Requests for hard copies are to be submitted to the Company Secretary at One Grafton Street, London W1S 4FE and +44 20 7659 5100. All valid requests will be dealt with as soon as possible and hard copies mailed by no later than two business days following such request.

The documents incorporated by reference into this document have been incorporated in compliance with Rule 24.15 of the Takeover Code. Except as set forth above, no other portion of these documents is incorporated by reference into this document.

Part VI GLOSSARY

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

“**Annual General Meeting**” means the Company’s annual general meeting to be held on 21st April 2015 at Goldman Sachs International, Peterborough Court, 133 Fleet Street, London EC4A 2BB;

“**Annual Report**” means the Company’s Annual Report and Accounts for the year ending 31st December 2014;

“**Board**” means the board of Directors;

“**Buyback Authority**” has the meaning given to it in the Letter from the Independent Directors on page 1 of this document;

“**Company**” means Genel Energy plc;

“**Concert Parties**” means parties acting in concert with the Significant Shareholders for the purposes of the Takeover Code, including Murat Yazici, Mehmet Sepil, Citrus Energy International Group Sarl and UB Holdings FZE;

“**Daily Official List**” means the daily publication of official quotations for all securities traded on the London Stock Exchange;

“**Dealing**”, for the purposes of paragraph 4 of Part IV, means

- (i) acquiring or disposing of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities, or of general control of relevant securities;
- (ii) taking, granting, acquiring, disposing of, entering into, closing out, terminating, exercising (by either party) or varying an option (including a traded option contract) in respect of any relevant securities;
- (iii) subscribing or agreeing to subscribe for relevant securities;
- (iv) exercising or converting, whether in respect of new or existing securities, any relevant securities carrying conversion or subscription rights;
- (v) acquiring, disposing of, entering into, closing out, exercising (by either party) any rights under, or varying, a Derivative referenced, directly or indirectly, to relevant securities;
- (vi) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and
- (vii) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a Short Position;

“**Derivative**”, for the purposes of paragraph 1.3.5 of Part III and this Part VI, includes any financial product the value of which, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;

“**Directors**” means the directors of the Company, whose names are set out in paragraph 2 of Part IV of this document;

“**Directors’ Remuneration Report**” means the report on directors’ remuneration required to be included as part of the Company’s annual reports pursuant to section 420(1) of the Act;

“**Disclosure Date**” means close of business (5.00pm London time) on 17th March 2015, being the latest practicable date prior to the publication of this document;

“**Disclosure Period**” has the meaning given to it in paragraph 4.5.1 in Part IV of this document;

“**Executive Directors**” means Tony Hayward and Julian Metherell;

“**ElySION**” means ElySION Energy Holding B.V.;

“**Focus**” means Focus Investments Limited;

“**Founders**” means Tony Hayward, Julian Metherell, Nathaniel Rothschild and Tom Daniel;

“**Founder Securities**” means the C shares in the Company’s subsidiary, Vallares Holding Company Limited (now Genel Energy Holding Company Limited), issued to the Founders prior to the initial public offering of Company shares in November 2011 and held through Vallares Capital LP;

“**GEIL**” means Genel Energy International Limited;

“**Group**” means the Company and its subsidiaries;

“**Independent Directors**” means the Directors, excluding Murat Yazici and Gulsun Nazli Karamehmet-Williams;

“**Independent Shareholders**” means the holders of Voting Ordinary Shares, excluding the Significant Shareholders and/or their respective nominees;

“**Interested**” or having an “**Interest**” in relevant securities or Relevant Securities (as the case may be) means, for the purposes of paragraph 4 of Part IV and paragraph 1.3 of Part III, if a person has long economic exposure, whether absolute or conditional, to changes in the price of those securities and in particular includes if a person:

- (i) owns them;
- (ii) has the right (whether conditional or absolute), to exercise, or direct the exercise, of the voting rights attaching to relevant securities or has general control of them by virtue of any agreement to purchase, option or Derivative;
- (iii) has the right or option to acquire relevant securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
- (iv) is party to any Derivative whose value is determined by reference to their price and, which results, or may result, in his having a long position in them;

"J.P. Morgan Cazenove" means J.P. Morgan Limited, a company registered in England with its registered address at 25 Bank Street, London, E14 5JP;

"London Stock Exchange" means London Stock Exchange plc;

"Maximum Voting Percentage" means such percentage as would, in the event of a Significant Shareholder or any of its affiliates subsequently acquiring one additional Voting Ordinary Share, result in a Significant Shareholder or any of their respective affiliates being required to make a mandatory offer for the Company under Rule 9 of the Takeover Code;

"Merger Agreement" means the merger agreement dated 7th September 2011 (as amended on 29th October 2011) between the Company and the Significant Shareholders pursuant to which the Company agreed to purchase, and the Significant Shareholders agreed to sell, the entire issued ordinary share capital of GEIL in consideration for the issue of 130,632,522 Ordinary Shares;

"Non-Executive Directors" means the Directors, excluding the Executive Directors;

"Official List" means the Official List of the UK Listing Authority;

"Ordinary Shares" means Voting Ordinary Shares and Suspended Voting Ordinary Shares;

"Panel" means the Panel on Takeovers and Mergers;

"Performance Share Plan" means the Company's long-term executive performance share plan;

"Relationship Agreement" means the relationship agreement dated 7th September 2011 between the Company, Elyision and Focus to regulate their ongoing relationship;

"Relevant Securities" means, for the purposes of paragraph 3.2 of Part III and paragraph 4 of Part IV, Voting Ordinary Shares or any other securities convertible or exchangeable into rights to subscribe for, options (including traded options) in respect of, or Derivatives referenced to, any such shares or Short Positions, (whether conditional or absolute and whether in the money or otherwise), including any Short Position under a Derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery in each case in respect of Voting Ordinary Shares;

"Shareholders" means the holders of Voting Ordinary Shares from time to time;

"Short Position" means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a Derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery;

"Significant Shareholders" means Elyision and Focus;

"Suspended Voting Ordinary Shares" means the suspended voting ordinary shares of £0.10 each in the share capital of the Company;

"Takeover Code" means the City Code on Takeovers and Mergers;

"Voting Ordinary Shares" means voting ordinary shares of £0.10 each in the share capital of the Company;

"Waiver" has the meaning given to it in the Letter from the Independent Directors on page 2 of this document; and

"Waiver Resolution" has the meaning given to it in the Letter from the Independent Directors on page 1 of this document.



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