



NOTICE OF ANNUAL GENERAL MEETING 2014



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, 22 APRIL 2014 AT THE SOFITEL ST JAMES, 6 WATERLOO PLACE, LONDON SW1Y 4AN, 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, 20 APRIL 2014.

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

17 March 2014

NOTICE OF ANNUAL GENERAL MEETING

DEAR SHAREHOLDER,

I am pleased to be writing to you with details of our 2014 Annual General Meeting (AGM) which, as last year, will be held at the Sofitel St James, 6 Waterloo Place, London SW1Y 4AN, UK on Tuesday, 22 April 2014 at 11.00am.

The Notice of AGM is set out on pages 4 to 5 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, all of the Directors of the Company will retire by rotation and be proposed for reappointment at the AGM. Directors' biographies can be found on pages 46 to 49 of the 2013 Annual Report.

DIRECTORS' REMUNERATION REPORT

The Company is not subject to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) as it is incorporated in Jersey. However, the board considers that appropriate executive remuneration plays a vital part in helping to achieve the Company's overall objectives. Accordingly, in line with the regulations shareholders will be invited to vote on a binding resolution on the Remuneration Policy Report and an advisory resolution on the Annual Report on Remuneration.

RULE 9 WAIVER APPROVAL

At the last annual general meeting held on 22 April 2013, 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. This current approval expires on the date of the 2014 AGM and as such we are asking the Independent Shareholders to renew the approval at this meeting to continue until the conclusion of the Company's annual general meeting in 2015.

NEW ARTICLES OF ASSOCIATION

We are asking shareholders to amend the articles of association of the Company in two respects.

The first change is to amend the articles to allow the Company to approve directors' conflicts of interest in accordance with section 175 of the UK Companies Act 2006.

The second change is to remove the restrictions on the geographical location for the holding of board and committee meetings and where resolutions in writing may be signed. The amended articles will allow such meetings to take place and such resolutions to be passed at such places as may be determined by the directors.

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 as they intend to in respect of their own holdings.

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, 20 April 2014. 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 THE SOFITEL ST JAMES, 6 WATERLOO PLACE, LONDON SW1Y 4AN, UK AT 11.00AM ON TUESDAY, 22 APRIL 2014. HOLDERS OF VOTING ORDINARY SHARES WILL BE ASKED TO CONSIDER AND PASS THE RESOLUTIONS BELOW. RESOLUTIONS 21 TO 24 WILL BE PROPOSED AS SPECIAL RESOLUTIONS. RESOLUTION 20 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 31 December 2013 and the reports of the directors and auditors thereon.
2. To approve the remuneration policy for directors in the form set out in the remuneration policy report section of the annual report for the year ended 31 December 2013.
3. To approve the annual report on remuneration for directors for the year ended 31 December 2013.
4. To re-elect Mr Rodney Chase as a non-executive director.
5. To re-elect Dr Tony Hayward as an executive director.
6. To re-elect Mr Julian Metherell as an executive director.
7. To re-elect Sir Graham Hearne as a non-executive director.
8. To re-elect Mr Jim Leng as a non-executive director.
9. To re-elect Mr Mehmet Öğütçü as a non-executive director.
10. To re-elect Mr Mark Parris as a non-executive director.
11. To re-elect Mr George Rose as a non-executive director.
12. To re-elect Mr Nathaniel Rothschild as a non-executive director.
13. To re-elect Mr Chakib Sbiti as a non-executive director.
14. To re-elect Mrs Gulsun Nazli Karamahmet Williams as a non-executive director.
15. To re-elect Mr Murat Yazici as a non-executive director.
16. 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.
17. To authorise the board of directors to set the auditors' fees.
18. 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 2015, 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.

19. To approve the Restricted Share Plan in accordance with its terms as set out in Schedule 2 and authorise the directors of the Company to adopt further plans based on the Restricted Share Plan but modified to take account of local tax, exchange control or securities laws in any jurisdiction, provided that the shares made available under such further plans are treated as counting towards the limits on individual or overall participation in the Restricted Share Plan.

RESOLUTION OF THE INDEPENDENT SHAREHOLDERS

20. 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 2014 AGM, be approved, such approval to expire at the conclusion of the annual general meeting of the Company in 2015.

SPECIAL RESOLUTIONS

21. 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 24,082,418 (representing approximately 10 per cent. of the aggregate issued voting ordinary share capital 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
 - (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 2015 or 22 October 2015 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.
22. That a general meeting of the Company, other than an annual general meeting, may be called on not less than 14 clear days' notice.
23. That articles 80 and 81 (Directors' Interests) be deleted in their entirety and replaced with the new Articles 80 and 81 as set out in Schedule 1 to the Notice of Meeting to take effect from the end of the AGM.
24. That articles 78(1), 82(2), 88(2) and 89 (location of meetings) be deleted in their entirety and replaced with the new Articles 78(1), 82(2), 88(2) and 89 as set out in Schedule 1 to the Notice of Meeting to take effect from the end of the AGM.

17 March 2014

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, 20 April 2014 (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 use such shares to vote at the AGM.
2. Resolution 20 is subject to the approval on a poll of the Independent Shareholders (being the holders of voting ordinary shares in the Company other than Elysion 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 20.

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 to Equiniti Limited, Aspect House, Spencer Road Lancing, West Sussex, BN99 6DA, United Kingdom 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 - 5.30 pm (from outside the UK: +44 121 415 7047).

In accordance with Article 53 of the articles, 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, 20 April 2014.

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, 20 April 2014. 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 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 12 March 2014 (being the last practicable date prior to the publication of this Notice), the Company's issued share capital consisted of 280,248,198 ordinary shares, made up of 240,824,182 voting ordinary shares at £0.10p each carrying one vote each and 39,424,016 suspended voting ordinary shares at £0.10p each carrying, subject to limited exceptions, no voting rights. Therefore, the total voting rights in the Company as at 12 March 2014 are 240,824,182.

SHAREHOLDERS' RIGHTS 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 17 March 2014 until the time of the AGM and at the Sofitel St James, 6 Waterloo Place, London SW1Y 4AN, 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 memorandum and articles of association of the Company
 - a copy of the proposed new articles of association of the Company, and a copy of the Company's existing articles of association marked to show the changes being proposed at the AGM; and
 - the other documents listed in paragraph 12 of Part IV to Schedule 3 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 Services 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 20 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 20 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 21 to 24 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 31 December 2013 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 REMUNERATION POLICY - (RESOLUTION 2)

The remuneration policy, which may be found on pages 63 to 69 of the annual report and accounts, sets out the Company's policy on directors' remuneration.

The Company is not subject to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) as it is incorporated in Jersey; however, the board considers that appropriate executive remuneration plays a vital part in helping to achieve the Company's overall objectives. Accordingly, shareholders will be invited to vote on the directors' remuneration policy in line with the regulations. If approved, the directors remuneration policy will take effect from the date of the AGM and will apply until replaced by a new or amended policy also so approved. If this resolution is not approved, the Company will put a revised remuneration policy to shareholders later in the year.

APPROVAL OF ANNUAL REPORT ON REMUNERATION - (RESOLUTION 3)

The annual report on remuneration, which may be found on pages 70 to 74 of the annual report and accounts, gives details of your directors' remuneration for the year ended 31 December 2013 and how the Company intends to apply the remuneration policy for directors in 2014. The Company's auditors, PricewaterhouseCoopers LLP, have audited those parts of the annual report 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 4 TO 15)

Resolutions 4 to 15 propose the re-election of all directors in accordance with Article 62. The re-election of directors will take effect at the conclusion of the meeting.

Biographical details for each of the directors may be found on pages 46 to 49 of the annual report and accounts. The board considers that each of the directors continue to make an effective and valuable contribution and demonstrates commitment to the role. Accordingly, the board unanimously recommends the re-election of all directors.

RE-APPOINTMENT OF AUDITORS AND AUDITORS' REMUNERATION - (RESOLUTIONS 16 AND 17)

The auditors of a company must be re-appointed at each general meeting at which accounts are laid. Resolution 16 proposes the re-appointment of the Company's existing auditors, PricewaterhouseCoopers LLP, until the conclusion of the AGM of the Company in 2015. Resolution 17 gives authority to the directors to determine the auditors' remuneration.

AUTHORITY TO MAKE POLITICAL DONATIONS - (RESOLUTION 18)

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 18 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.

ADOPTION OF THE RESTRICTED SHARE PLAN - (RESOLUTION 19)

Resolution 19 will, if passed, approve the adoption of the restricted share plan in accordance with its terms. The Company is seeking the flexibility to enable executive directors to participate in the plan upon recruitment in accordance with the remuneration policy.

The terms of the restricted share plan, which are summarised in Schedule 2, will be tabled at the AGM and are available for inspection at the registered office of the Company during the usual business hours until the AGM.

WAIVER OF OBLIGATIONS UNDER RULE 9 OF THE CITY CODE ON TAKEOVERS AND MERGERS - (RESOLUTION 20).

On 22 April 2013, the Independent Shareholders approved a waiver by the Panel on Takeovers and Mergers of any obligation that might otherwise fall on Elysion 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 as a result of the Company buying back up to 10 per cent. of its shares in the market. This approval expires at the conclusion of the 2014 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 22 April 2013. Please see the additional notes in Schedule 3 to this Notice for further information on resolution 20.

AUTHORITY TO PURCHASE OWN SHARES - (RESOLUTION 21)

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 24,082,418 (representing approximately 10 per cent. of the aggregate issued voting ordinary share capital of the Company as at 12 March 2014) and sets minimum and maximum prices. This authority will expire at the conclusion of the annual general meeting of the Company in 2015.

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 12 March 2014, there were options and awards outstanding (under the Company's employee share plans) over 2,399,026 voting ordinary shares in the capital of the Company, which represent 1.00 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 1.11 per cent. of the aggregate issued voting ordinary share capital of the Company (excluding treasury shares) as at 12 March 2014.

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 2015 or 22 October 2015 (whichever is the earlier).

NOTICE OF GENERAL MEETINGS - (RESOLUTION 22)

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 21 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.

AMENDMENT TO THE ARTICLES - (RESOLUTIONS 23 AND 24)

Resolutions 23 and 24 are proposed to amend the articles in two respects.

The first change is to amend the articles to allow the Company to approve directors' conflicts of interest in accordance with section 175 of the UK Companies Act 2006.

The second change is to remove the restrictions on the geographical location for the holding of board and committee meetings and where resolutions in writing may be signed.

Currently, all board and committee meetings and resolutions in writing must be held outside the United Kingdom. The board wishes to have the flexibility to hold board and committee meetings and pass resolutions in writing in and at such places as considered appropriate by the directors.

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING CONTINUED

SCHEDULE 1

PROPOSED AMENDMENTS TO GENEL ENERGY PLC ARTICLES OF ASSOCIATION

New Article 78(1)

78 (1) The board may establish any local or divisional board or agency for managing any of the affairs of the Company and may appoint any persons to be members of a local or divisional board, or to be managers or agents and may fix their remuneration.

New Article 80

"80 Directors may have interests

80.1 Subject to compliance with Article 80.2 and the Law, a Director, notwithstanding his office, may have an interest of the following kind:

- (a) where the Director (or a person connected with him) is a director or other officer of, or employed by, or otherwise interested (including by the holding of shares) in any Relevant Company;
- (b) where the Director (or a person connected with him) is a party to, or otherwise interested in, any contract, transaction or arrangement with a Relevant Company, or in which the Company is otherwise interested;
- (c) where the Director (or a person connected with him) acts (or any firm of which he is a partner, employee or member acts) in a professional capacity for any Relevant Company (other than as Auditor) whether or not he or it is remunerated therefor;
- (d) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interests;
- (e) an interest, or a transaction or arrangement giving rise to an interest, of which the Director is not aware;
- (f) any matter authorised under Article 81; or
- (g) any other interest authorised an ordinary resolution.

No authorisation under Article 81 shall be necessary in respect of any interest specified in Articles 80.1(a)-(e) and (g).

80.2 Each Director shall declare the nature and extent of any interest of the type permitted under Article 80.1 at a meeting of the Directors or duly appointed committee of the board, or as otherwise permitted by the Law, provided that no declaration of an interest shall be required by a Director in relation to an interest:

- (a) falling within paragraph (d), (e) or (f) of Article 80.1;
- (b) if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware) unless a declaration is required by the Law; or
- (c) if, or to the extent that, it concerns the terms of his service contract (as such expression is defined in Section 227 of the UK Companies Act 2006) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these Articles.

80.3 A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any Relevant Company or for remuneration, each as referred to in Article 80.1, and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.

80.4 Where a Director is interested in a transaction or arrangement that has been or is to be entered into by a Relevant Company (except where that interest falls within Article 80.1 above or has been authorised pursuant to Article 81 below), he must declare

the nature and extent of such interest at the earliest meeting of the Directors or duly appointed committee of the board at which it is practicable for him to do so, regardless of whether the relevant transaction or arrangement is otherwise considered at that meeting.

80.5 For the purposes of this Article 80, **Relevant Company** shall mean:

- (a) the Company;
- (b) a subsidiary undertaking of the Company;
- (c) any holding company of the Company or a subsidiary undertaking of any such holding company;
- (d) any body corporate promoted by the Company; or
- (e) any body corporate in which the Company is otherwise interested.

New Article 81

81 Authorisation of Directors' interests

81.1 The provisions of Section 175 of the UK Companies Act 2006 shall apply, subject to the provisions of this Article 81, to the Directors and the Company as if the Company were incorporated in the UK and, for the purposes thereof, the board, or a duly authorised committee of the board, shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under that Section to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.

81.2 Authorisation of a matter under this Article 81 shall be effective only if:

- (a) the matter in question shall have been considered at a meeting of the board, or a duly authorised committee of the board, in accordance with the board's or such committee's normal procedures or in such other manner as the board or such committee may determine;
- (b) any requirement as to the quorum at the meeting of the board or committee at which the matter is considered is met without counting the Director in question and any other interested Director (together, the **Interested Directors**); and
- (c) the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted.

81.3 Any authorisation of a matter under this Article 81 shall extend to any actual or possible conflict of interest which may reasonably be expected to arise out of the matter so authorised.

81.4 Any authorisation so given shall be subject to such conditions or limitations as the board or relevant committee may determine, whether at the time such authorisation is given or subsequently, and may be terminated by the board or relevant committee at any time. A Director shall comply with any obligations imposed on him by the board or relevant committee pursuant to any such authorisation.

81A Restrictions on quorum and voting

81A.1 A Director shall not be counted in the quorum for a meeting of the Directors in relation to any resolution on which he is not entitled to vote.

81A.2 Save as provided in this Article 81A, and whether or not the interest is one which is authorised pursuant to Article 81 or permitted under Article 80, a Director shall not be entitled to vote on any resolution in respect of any contract, transaction or arrangement, or any other proposal, in which he (or a person connected with him) is interested. Any vote of a Director in respect of a matter where he is not entitled to vote shall be disregarded.

81A.3 Subject to the Law, a Director shall be entitled to vote, and be counted in the quorum, in respect of any resolution concerning any contract, transaction or arrangement, or any other proposal:

- (a) in which he has an interest of which he is not aware;
- (b) in which he has an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;
- (c) in which he has an interest only by virtue of interests in shares, debentures or other securities of the Company, or by reason of any other interest in or through the Company;
- (d) which involves the giving of any security, guarantee or indemnity to the Director or any other person in respect of (i) money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings; or (ii) a debt or other obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (e) concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings (i) in which offer he is or may be entitled to participate as a holder of securities; or (ii) in the underwriting or sub-underwriting of which he is to participate;
- (f) concerning any other body corporate in which he is interested, directly or indirectly and whether as an officer, shareholder, creditor, employee or otherwise, provided that he (together with persons connected with him) is not the holder of, or beneficially interested in, 1 per cent. or more of the issued equity share capital of any class of such body corporate or of the voting rights available to members of the relevant body corporate;
- (g) relating to an arrangement for the benefit of the employees or former employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees or former employees to whom such arrangement relates;
- (h) concerning the purchase or maintenance by the Company of insurance for any liability for the benefit of Directors or for the benefit of persons who include Directors;
 - (i) concerning the giving of indemnities in favour of Directors;
 - (j) concerning the funding of expenditure (in any manner permitted by the Law) by any Director or Directors on (i) defending criminal, civil or regulatory proceedings or actions against him or them; (ii) in connection with an application to the court for relief; or (iii) defending him or them in any regulatory investigations;
 - (k) concerning the doing of anything permitted by the Law to enable any Director or Directors to avoid incurring expenditure as described in Article 81A.3(j) above; and
 - (l) in respect of which his interest, or the interest of Directors generally, has been authorised by ordinary resolution.

81B Confidential information

81B.1 Subject to Article 81B.2, if a Director, otherwise than by virtue of his position as Director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:

- (a) to disclose such information to the Company or to the Directors, or to any Director, officer or employee of the Company; or
- (b) otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director.

81B.2 Where such duty of confidentiality arises out of a situation in which the Director has, or can have, a direct or indirect interest

that conflicts, or possibly may conflict, with the interests of the Company, Article 81B.1 shall apply only if the conflict arises out of a matter which falls within Article 80 or has been authorised under Article 81.

81B.3 This Article 81B is without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article 81B.

81C Directors' interests - general

81C.1 For the purposes of Articles 80, 81, 81A, 81B and this 81C:

- (a) an interest of a person who is "connected" with a Director shall be treated as an interest of the Director; and
- (b) whether a person is **connected** with a Director shall be determined in accordance with Section 252 of the UK Companies Act 2006.

81C.2 Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director may, and shall if so requested by the board or relevant committee, take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the board or relevant committee for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the board or relevant committee for the purpose of or in connection with the situation or matter in question, including, without limitation:

- (a) absenting himself from all or part of any meeting of the Directors at which the relevant situation or matter falls to be considered; and
- (b) not reviewing documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information.

81C.3 The Company may, by ordinary resolution, ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of Articles 80, 81, 81A, 81B and this 81C."

New Article 82

82 The board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. A director at any time may, and the secretary at the request of a director at any time shall, summon a board meeting.

New Article 88

(1) A board meeting may consist of a conference between directors some or all of whom are in different places provided that each director may participate in the business of the meeting whether directly, by telephone or by any other means (whether electronically or otherwise) which enables him:

- (a) to hear (or otherwise receive real time communications made by) each of the other participating directors addressing the meeting; and
- (b) if he so wishes, to address all of the other participating directors simultaneously (or otherwise communicate in real time with them).

(2) The place of any such board meeting shall be recorded as the place at which the chairman is present, unless the board otherwise determines.

New Article 89 (1)

A resolution in writing of which notice has been given to all of the directors or to all of the members of a committee appointed pursuant to Article 77 (as the case may be), if signed by a majority of the directors or of the members of such committee (as the case may be), shall be valid and effectual as if it had been passed at a meeting of the directors or of the relevant committee duly convened and held and may consist of two or more documents in like form each signed by one or more of the directors or members of the relevant committee. Such resolution shall take effect upon the signature of the last person to sign it or such later date (if any) as may be specified in the resolution.

SCHEDULE 2

SUMMARY OF THE RESTRICTED SHARE PLAN

Eligibility

Any employee (including an executive director) of the Company or any employee of the Group will be eligible to participate in the restricted share plan (the **Plan**) at the discretion of the Company's remuneration committee (the **Committee**).

Awards

Under the Plan, the Committee may grant non-pensionable awards (**Awards**) in the following forms:

- (a) a conditional right to acquire ordinary shares at no cost to the participant (a **Conditional Award**);
- (b) an option to acquire ordinary shares at no cost to the participant (a **Nil-Cost Option**); and
- (c) a right to receive a cash amount which relates to the value of a certain number of notional ordinary shares (a **Cash Award**).

Unless the Committee determines otherwise, Awards made under the Plan will not be subject to the satisfaction of a performance target.

Grant of Awards

Awards may only be granted within the six week period following the announcement of the Company's results for any period, any day on which a restriction on the grant of Awards is lifted, or any day on which the Committee determines that exceptional circumstances exist.

Individual Limits

Awards will not be granted to a participant under the Plan over ordinary shares with a market value (as determined by the Committee at the grant date) in excess of 200 per cent. of salary in respect of any financial year. However, the Committee may, in its discretion, increase this limit to 300 per cent. of salary in exceptional circumstances.

Overall Limits

The Plan is subject to the following overall limits:

- (a) in any ten year period, the number of shares in the Company which may be issued under the Plan and under any other discretionary share plan adopted by the Company may not exceed 5 per cent. of the issued ordinary share capital of the Company from time to time; and
- (b) in any ten year period, the number of shares in the Company which may be issued under the Plan and under any other employees' share plan adopted by the Company may not exceed 10 per cent. of the issued ordinary share capital of the Company from time to time.

Treasury shares will be treated as newly issued for the purpose of these limits until such time as guidelines published by institutional investor representative bodies determine otherwise.

Malus

The Committee may, in its absolute discretion, determine at any time prior to the vesting of an Award to reduce the number of shares to which an Award relates, cancel an Award, or impose further conditions on an Award, in circumstances in which the Committee considers such action is appropriate. Such circumstances include a material misstatement of the Company's audited financial results; a material failure of risk management by the Company, a Group member or a relevant business unit; a material breach of any applicable health and safety regulations by the Company, any Group member or a relevant business unit; or serious reputational damage to the Company, any Group member or a relevant business unit as a result of the participant's misconduct or otherwise.

Vesting and Exercise

Awards subject to a performance target will normally vest at the end of any performance period (or on such later date as the Committee determines) and then only to the extent that any performance target has been satisfied. Where Awards are granted without a performance target, they will usually vest on the third anniversary of the grant date (or on such other date as the Committee determines). Nil-Cost Options will then normally be exercisable until the tenth anniversary of the grant date.

The vesting of a Conditional Award or the exercise of a Nil-Cost Option is subject to obtaining any necessary approvals or consents from the United Kingdom Listing Authority, the Company's share dealing policy and any other applicable laws or regulations.

At any time before or after the point at which an Award (which is not a Cash Award) has vested, or a Nil-Cost Option has been exercised, but the underlying ordinary shares have yet to be issued or transferred to the participant, the Committee may decide to pay a participant a cash amount equal to the value of the ordinary shares he would otherwise have received.

Any ordinary shares or cash that are to be issued, transferred or paid (as appropriate) to a participant in respect of a vested Award or an exercised Nil-Cost Option (including a Cash Award) will be issued, transferred or paid (as appropriate) within 30 days of the date of vesting or exercise (as appropriate).

Treatment of dividends

The Committee may determine that the number of ordinary shares to which a participant's Award relates shall increase to take account of dividends paid on vested ordinary shares from the grant date until the date of vesting on such terms as determined by the Committee. The Committee may determine that the participant shall receive the cash equivalent of the additional ordinary shares. Alternatively, the Committee may provide additional cash or ordinary shares to participants based on the value of some or all of the dividends paid on vested ordinary shares to which his Award relates.

Cessation of Employment

If a participant dies, an unvested Award will, unless the Committee determines otherwise, vest as soon as reasonably practicable after the participant's death to the extent that the Committee determines, taking into account the satisfaction of any performance target at that time and, unless the Committee determines otherwise, the period of time that has elapsed since the Award was granted until the date of death.

If a participant ceases to be employed by the Group by reason of ill-health, injury, disability, retirement, sale of the entity that employs him out of the Group or for any other reason at the Committee's discretion (except for gross misconduct), a participant's unvested Award will usually continue until the normal vesting date unless the Committee determines that the Award will vest as soon as reasonably practicable following the date on which the participant ceases to be employed by the Group.

The Committee will decide the extent to which an unvested Award vests in these circumstances, taking account of the extent to which any performance target is satisfied at the end of any performance period or, as appropriate, at the date on which the participant ceases to be employed by the Group.

Unless the Committee in its discretion determines otherwise, the period of time that has elapsed since the Award was granted until the date on which the participant ceases to be employed by the Group will also be taken into account. Where Awards vest in these circumstances, Nil-Cost Options will normally be exercisable for six months after vesting. If a participant ceases to be employed by the Group in any other circumstances, an Award shall lapse on the date on which the participant ceases to be employed.

Corporate Events

In the event of a change of control of the Company, Awards will vest to the extent that any performance target has been satisfied at the date of change of control, and, unless the Committee determines otherwise, taking into account the period of time which has elapsed between the grant date and the relevant event. Alternatively, the Committee may permit or, in the case of an internal reorganisation, require Awards to be exchanged for equivalent awards which relate to shares in another company.

If other corporate events occur such as a demerger, delisting, special dividend or other event which, in the opinion of the Committee may affect the current or future value of ordinary shares, the Committee may determine whether Awards will vest conditionally on the event occurring. Vesting will be subject to the satisfaction of any performance target and, unless the Committee determines otherwise, pro-rating to reflect the period from the grant date to the date of the relevant event.

Adjustments

In the event of a variation of the Company's share capital or a demerger, delisting, special dividend, rights issue or other similar event, which may, in the Committee's opinion, affect the current or future value of ordinary shares, the number of ordinary shares subject to an Award and/or any performance target attached to Awards, may be adjusted.

Amendment and Termination

The Committee may amend the Plan at any time, provided that prior approval of the Company in general meeting will be required for amendments to the advantage of participants relating to eligibility, limits, the basis for determining a participant's entitlement to, and the terms of, the ordinary shares or cash comprised in an Award and the impact of any variation of capital.

However, any minor amendment to benefit administration, to take into account legislative changes, or to obtain or maintain favourable tax treatment, exchange control or regulatory treatment may be made by the Committee without shareholder approval.

The Plan will usually terminate on the tenth anniversary of its approval by shareholders but the rights of existing participants will not be affected by any termination.

No amendment to the Plan may be made to the material disadvantage of participants in the Plan unless consent is sought from the affected participants and given by a simple majority of them.

Share retention policy

A share retention policy would not normally apply to ordinary shares acquired under the Plan. However, the Committee may, in its absolute discretion, apply a retention requirement at any time as they see fit. The exercise of such discretion in respect of one or more participants does not impose an obligation on the Committee to exercise such discretion in respect of any other participant. The Committee may review the share retention policy from time to time.

Governing Law

The Plan will be governed in accordance with the laws of England and Wales and the parties submit to the exclusive jurisdiction of the courts of England and Wales.

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

REGISTERED OFFICE:

12 Castle Street
St Helier
Jersey JE2 3RT
Channel Islands

17 March 2014

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 22 April 2014, we will again be asking Independent Shareholders to vote on Resolution No. 20 (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 76 to 77 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 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.

RECOMMENDATIONS

The Independent Directors, who have been so advised by J.P. Morgan Cazenove, believe that obtaining the Waiver is fair and reasonable and in the best interests of the Independent Shareholders. 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 26,285,777 Voting Ordinary Shares, representing 10.91 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 Annual General Meeting.

Yours faithfully,



RODNEY CHASE,
CHAIRMAN GENEL ENERGY PLC

For and on behalf of the Independent Directors

PART II

REASONS FOR THE WAIVER

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.
- 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, 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, 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 possible pursuant to the Buyback Authority (totalling 24,082,418 Voting Ordinary Shares), from Voting Ordinary Shareholders other than the Significant Shareholders:

	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
ElySION	30,762,179	14.19%	36,074,007	14.08%
Focus	41,485,075	19.14%	68,709,351	26.82%
Other Concert Parties	-	-	6,887,912	2.69%
Total	72,247,254	33.33%	111,671,270	43.59%

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 72,247,254 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.

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 and the Waiver will both expire at the conclusion of the 2015 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 did not make any repurchases of its own shares under the buyback authority granted at the 2013 annual general meeting. 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.
- 3.4 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.

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:
- Intertrust (Netherlands) B.V.;
 - Mextrust B.V. and
 - 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 11.96 per cent. of the Voting Ordinary Shares, and 12.07 per cent. of the Ordinary Shares, through his directly held interests and his ownership interests in Elyson (93.60 per cent.). Mr. Sepil was formerly the CEO of GEIL. He has over 29 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 17.23 per cent. of the Voting Ordinary Shares, and 24.52 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 Elyson pursuant to the terms of the Relationship Agreement.
- 1.3.2 Murat Yazici is interested in 0.30 per cent of the Voting Ordinary Shares and 0.37 per cent. of the Ordinary Shares through his ownership of 2.34 per cent. of Elyson and his personal holdings of Suspended Voting Ordinary Shares. Mr Yazici is a director of Elyson.
- 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 There is no outstanding relationship between any of the Significant Shareholders or the Concert Parties and J.P. Morgan Cazenove as the independent adviser to the Company.
- 1.3.5 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.
- 1.3.6 For the purposes of this paragraph 1.3 of Part III, "relevant securities" means ordinary shares in Elyson, Focus or other Concert Parties (as the case may be) or any other securities of Elyson, 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 Elyson, 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	(%)
Elyson	36,074,007	12.87	30,762,179	12.77	5,311,828	13.47
Focus	68,709,351	24.52	41,485,075	17.23	27,224,276	69.06
Other Concert Parties	6,887,912	2.46	-	-	6,887,912	17.47
Other Company Shareholders (including the Founders)	168,576,928	60.15	168,576,928	70.00	-	-
Total	280,248,198	100	240,824,182	100	39,424,016	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 75 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 May 2012, Focus entered into a security interest agreement with Credit Europe Bank N.V. ("**Credit Europe**"), pursuant to which Focus granted a pledge over 7,800,000 of its Voting Ordinary Shares as security for a loan facility. Should the pledge ever become enforceable, Credit Europe has agreed with the Company that before it 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 Credit Europe so as not to contradict the terms of the Merger Agreement (see page 78 of the Annual Report for further details on the Merger Agreement). On 17 October 2013, and 27 January 2014 Credit Europe disposed of 1,430,000 and 2,250,000 Voting Ordinary Shares, respectively, 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 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 as security for a loan facility. 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 78 of the Annual Report for further details on the Merger Agreement). On 21 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.

4.3 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	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	Independent Non-Executive Director
George Rose	Independent Non-Executive Director
Nathaniel Rothschild	Non-Executive Director
Chakib Sbiti	Independent Non-Executive Director

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

In providing independent advice to the Independent Directors, J.P. Morgan Cazenove has taken into account the Independent Directors' commercial assessments as well as the Significant Shareholders' future intentions.

4 Interests and dealings

4.1 As at the Disclosure Date, the total issued share capital of the Company was 280,248,198 Ordinary Shares, comprised of 240,824,182 Voting Ordinary Shares and 39,424,016 Suspended Voting Ordinary Shares.

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 ¹
Rodney Chase	400,000	0.17%	0.18%
Tony Hayward	1,737,052	0.72%	0.80%
Julian Metherell	1,737,052	0.72%	0.80%
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	9.19%	10.21%
Chakib Sbiti	30,100	0.01%	0.01%
Murat Yazici	1,026,513	0.43%	0.47%
Total	27,312,290	11.34%	12.60%

Notes

¹Assumes 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 258,148 and 166,730 Voting Ordinary Shares had been granted to 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 those Executive Directors if certain performance conditions are met by the end and the individual remains in employment for the duration of the relevant three year performance period (1 January 2012 - 31 December 2014 and/or 1 January 2013 - 31 December 2015). Any Voting Ordinary Shares that vest in accordance with the terms of the Performance Share Plan will be subject to a three year retention period. As Founders, Messrs Hayward and 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.

4.5 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)
24 April 2013	Citrus Energy International Group Sarl	Sale of Suspended Voting Ordinary Shares	1,500,000	820
15 May 2013	ElySION	Conversion of Suspended Voting Ordinary Shares	281,700	N/A
15 May 2013	Focus	Conversion of Suspended Voting Ordinary Shares	361,158	N/A
20 May 2013	Murat Yazici	Sale of Suspended Voting Ordinary Shares	1,300,000	930
21 May 2013	ElySION	Conversion of Suspended Voting Ordinary Shares	244,140	N/A
21 May 2013	Focus	Conversion of Suspended Voting Ordinary Shares	313,002	N/A
24 June 2013	Citrus Energy International Group Sarl	Sale of Suspended Voting Ordinary Shares	1,000,000	910
24 June 2013	Murat Yazici	Sale of Suspended Voting Ordinary Shares	1,000,000	910
24 June 2013	UB Holdings FZE	Sale of Suspended Voting Ordinary Shares	3,425,001	910
5 July 2013	ElySION	Conversion of Suspended Voting Ordinary Shares	1,018,815	N/A
5 July 2013	Focus	Conversion of Suspended Voting Ordinary Shares	1,306,186	N/A
18 September 2013	Murat Yazici	Exchange Suspended Voting Ordinary Shares for Voting Ordinary Shares	1,158,379	N/A
18 September 2013	Mehmet Sepil	Exchange Suspended Voting Ordinary Shares for Voting Ordinary Shares	972,122	N/A
26 September 2013	Murat Yazici	Sale of Voting Ordinary Shares	1,158,379	920
26 September 2013	Mehmet Sepil	Sale of Voting Ordinary Shares	972,122	920
26 September 2013	ElySION	Sale of Voting Ordinary Shares	945,750	920
31 October 2013	ElySION	Conversion of Suspended Voting Ordinary Shares	2,802,913	N/A
31 October 2013	Focus	Conversion of Suspended Voting Ordinary Shares	3,616,588	N/A
11 November 2013	Citrus Energy International Group Sarl	Sale of Suspended Voting Ordinary Shares	810,000	968
22 November 2013	ElySION	Conversion of Suspended Voting Ordinary Shares	152,118	N/A
22 November 2013	Focus	Conversion of Suspended Voting Ordinary Shares	195,025	N/A
7 March 2014	ElySION	Conversion of Suspended Voting Ordinary Shares	2,038,500	N/A
7 March 2014	Focus	Conversion of Suspended Voting Ordinary Shares	2,608,357	N/A
10 March 2014	ElySION	Sale of Voting Ordinary Shares	2,170,000	1060
11 March 2014	ElySION	Conversion of Suspended Voting Ordinary Shares	1,358,420	N/A
11 March 2014	Focus	Conversion of Suspended Voting Ordinary Shares	1,741,580	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)
Mark Parris	7-8 May 2013	Purchase of Voting Ordinary Shares	21,235	902.11-907.78
Chakib Sbiti	1 March 2013	Purchase of Voting Ordinary Shares	30,100	771.73 (average)
Murat Yazici	20 May 2013	Sale of Suspended Voting Ordinary Shares	1,300,000	930
	24 June 2013	Sale of Suspended Voting Ordinary Shares	1,000,000	910
	18 September 2013	Exchange of Suspended Voting Ordinary Shares for Voting Ordinary Shares	1,158,379	N/A
	26 September 2013	Sale of Voting Ordinary Shares	1,158,379	920
Jim Leng	7 March 2014	Transfer of shares to a charitable trust	50,000	N/A

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 have entered into any agreement, arrangement 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 agreement, arrangement 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 31 December 2013 are set out below:

Director	Base salary and Directors' fees (£,000)	Benefits in kind (£,000)	Bonus (£,000)	2013 Total Remuneration (£,000)
Tony Hayward	665	166	948	1,779
Julian Metherell	460	115	656	1,231

6.2 Tony Hayward (Chief Executive Officer) was appointed as a Director on 2 June 2011 and entered into a service agreement with the Company on 15 November 2011. Since 1 January 2014, Tony Hayward receives a base salary of £685,000 per annum 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 Metherell (Chief Financial Officer) entered into a service agreement with the Company on 15 November 2011. Since 1 January 2014, Julian Metherell receives a base salary of £475,000 per annum 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 22 May 2012. The following terms apply to their initial awards under the Performance Share Plan in 2012:

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 initial awards will be subject to performance testing based on a total shareholder return measure against a relevant comparator group;

6.4.3 the initial awards will be subject to a three year vesting period, starting retrospectively from 1 January 2012; and

6.4.4 vested shares will 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).

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.
- 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.
- 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 December 2012 and 2013. 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.
- 7.4 For the three years ended 31 December 2011, 31 December 2012 and 31 December 2013, the Company has not declared any dividends
- 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 December 2013 (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.

8.1 Bina Bawi Agreements

8.1.1 A&T Acquisition

On 14 May 2012, the Company entered into a sale and purchase agreement with Petoil Petroleum and Petroleum Products International Exploration and Production Inc. ("**Petoil**") for the acquisition of a 23 per cent. stake in the Bina Bawi exploration licence in the Kurdistan Region of Iraq. The acquisition was made through the purchase for \$175 million of the entire issued share capital of A&T Petroleum Company Ltd ("**A&T**"), who was the holder of the interest in the Bina Bawi licence. A&T was wholly owned by Petoil. Under the acquisition agreement, the Company gave and received customary representations and warranties for a transaction of this nature. The transaction was financed from the Company's existing cash resources, and completed on 3 August 2012.

8.1.2 Hawler Interest

On 6 August 2012, the Company entered into an agreement with Hawler Energy, Ltd. ("**Hawler**") to acquire an additional 21 per cent. interest (the "**Hawler Interest**") in the Bina Bawi exploration licence. The acquisition of the Hawler Interest was for a consideration of \$240 million funded by the Company's existing cash resources and conditional on the receipt of approval from the Kurdistan Regional Government. Under this agreement, the Company gave and received customary representations and warranties for a transaction of this nature. Completion of this acquisition took place on 20 August 2012. As a result, the Company holds in aggregate a 44 per cent. working interest in the Bina Bawi exploration field.

8.2 Miran Agreements

8.2.1 Miran 1 Acquisition

- (i) On 21 August 2012, the Company entered into a sale and purchase agreement with Heritage Energy Middle East Limited ("**HEME**"), a wholly owned subsidiary of Heritage Oil Plc ("**Heritage**"), for the acquisition of an additional 26 per cent. stake in the Miran exploration block in the Kurdistan Region of Iraq (the "**Miran Block**") (the "**Miran 1 Acquisition**"). The Miran 1 Acquisition was for a consideration of \$156 million. Under the acquisition agreement, the Company gave and received customary representations and warranties for a transaction of this nature.
- (ii) Simultaneous with the Miran 1 Acquisition, the Company provided a bilateral loan of \$294 million on standard commercial terms to Heritage, secured on Heritage's shares in HEME as well as HEME's remaining working interest in the Miran Block (the "**Loan**"). Either party to the Loan could elect that, subject to receipt of approval from Heritage's shareholders, the Loan could be repaid through the transfer to the Company of Heritage's entire holding of shares in HEME rather than in cash. Both the Miran 1 Acquisition and the Loan were funded and serviced from the Company's existing cash resources.
- (iii) Completion of the Miran 1 Acquisition took place on 23 August 2012, resulting in the Company holding a 51 per cent. working interest in the Miran Block.

8.2.2 Miran 2 Acquisition

On 9 November 2012, Heritage issued the exchange repayment notice notifying the Company of its intention to repay the Loan through the transfer of Heritage's remaining 49 per cent. interest in the Miran Block which was held by HEME (the "**Miran 2 Acquisition**"). Following shareholder approval and formal approval of the transfer by the Regional Council for the Oil and Gas Affairs of Kurdistan, the Miran 2 Acquisition completed on 21 January 2013. As a result of the Miran 2 Acquisition, the Company holds a 100 per cent. participating interest in the Miran Block and has become the sole operator. On 23 February 2014, the KRG notified the Company of its intention to exercise its option to take a 25% interest in the Miran PSC, thereby reducing Genel Energy's interest from 100% to 75%.

8.3 Drilling Rig Contract

On 30 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. This rig will be used in delivery of the Company's two-year African offshore drilling programme.

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.

Date	Price per Ordinary Share (p)
1 October 2013	939
1 November 2013	948
2 December 2013	1063
2 January 2014	1090
3 February 2014	968
3 March 2014	1077.5
Disclosure Date	1055.5

10 General

- 10.1 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.
- 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.
- 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.
- 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.

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.

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 22 April 2014 and at the Annual General Meeting to be held on that day:

- 12.1 the memorandum and articles of association of the Company;
- 12.2 the proposed new memorandum and articles of association of the Company, and a copy of the Company's existing memorandum and articles of association marked to show the changes being proposed in at the Company's 2014 AGM.
- 12.3 the irrevocable undertakings of the Independent Directors referred to in Part I and paragraph 5.1 of this Part IV;
- 12.4 the written consent referred to in paragraph 10.1 of this Part IV;
- 12.5 the annual report and the annual report for the year ended 31 December 2012;
- 12.6 the auditor's reports of PricewaterhouseCoopers LLP for the years ended 31 December 2013, 31 December 2012 and 31 December 2011; and
- 12.7 this document, together with the notice of the AGM and the Form of Proxy.

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 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 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

“**A&T**” has the meaning given to it in paragraph 8.1.1 of Part IV of this document;

“**acting in concert**”, for the purposes of paragraph 4 of Part IV and paragraphs 1.3.5 and 1.3.6 of Part III, has the meaning given to it in the Takeover Code;

“**Annual General Meeting**” means the Company’s annual general meeting to be held on 22 April 2014 at the Sofitel St James’s, 6 Waterloo Place, London, SW1Y 4AN, UK;

“**Annual Report**” means the Company’s Annual Report and Accounts for the year ending 31 December 2013;

“**arrangement**”, for the purposes of paragraph 4 of Part IV and paragraphs 1.3.5 and 1.3.6 of Part III, includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or to refrain from dealing;

“**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**” or “**dealt**”, for the purposes of paragraph 4 of Part IV and paragraphs 1.3.5 and 1.3.6 of Part III, 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 4 of Part IV and paragraphs 1.3.5 and 1.3.6 of Part III, 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(i) of the Act;

“**Disclosure Date**” means close of business (5.00pm London time) on 12 March 2014, 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;

“**HEME**” has the meaning given to it in paragraph 8.2.1(i) of Part IV of this document;

“**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 means, for the purposes of paragraph 4 of Part IV and paragraphs 1.3.5 and 1.3.6 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 125 London Wall, London EC2Y 5A;

“**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 7 September 2011 (as amended on 29 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 7 September 2011 between the Company, Elysiion and Focus to regulate their ongoing relationship;

"relevant securities" means, for the purposes of 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 Elysiion 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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