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*(Empyrean Energy PLC, incorporated and registered in England with registered number 5387837)*

## **NOTICE OF 2012 ANNUAL GENERAL MEETING**

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**Notice of the Annual General Meeting of the Company to be held at The Royal Institution of Great Britain, 21 Albemarle Street, London W1S 4BS on 31 May 2012 at 10 a.m. is set out at Part II of this document. A form of proxy is enclosed with this document for use at the Meeting. Forms of proxy should be completed and returned to Capita Registrars, PXS, 34 Beckenham Road, Beckenham, BR3 4TU as soon as possible and in any event so as to be received not later than 48 hours before the time fixed for the Meeting.**

## PART I - LETTER FROM THE CHAIRMAN



*(Incorporated and registered in England with registered number 5387837)*

### **Directors:**

Dr. Patrick Cross *(Non-Executive Chairman)*

Frank Brophy *(Technical Director)*

Thomas Kelly *(Chief Executive Officer)*

John Laycock *(Finance Director)*

**Company Secretary:** Amanda Wilton-Heald

**Registered Office:** 200 Strand, London WC2R 1DJ

8 May 2012

### **To the Shareholders and, for information only, to the Option Holders**

Dear Shareholder,

### **Annual General Meeting 2012**

I am writing to you to explain the resolutions to be proposed at this year's Annual General Meeting to be held at The Royal Institution of Great Britain, 21 Albemarle Street, London W1S 4BS at 10 a.m. on 31 May 2012 and which are set out in the Notice of Annual General Meeting at Part II of this document.

### **BUSINESS OF THE ANNUAL GENERAL MEETING TO BE HELD ON 31 May 2012**

#### **ORDINARY BUSINESS**

#### **Resolution 1 – Receiving and adopting the Accounts**

The Board recommends the receiving and adopting of the audited accounts for the financial period ended 31 March 2012 together with the Report of the Directors' and the Auditors' Report.

#### **Resolution 2 – Auditors' Reappointment and Remuneration**

This Resolution relates to the Auditors' re-appointment and authorises the Directors to determine their remuneration. It is usual business for an Annual General Meeting.

#### **Resolution 3 – Re-election of Director**

The Board recommends the re-election of Frank Brophy who retires by rotation in accordance with the Company's Articles of Association. Mr Brophy, being eligible, offers himself for re-election. A brief biography of Mr Brophy is set out below:

Mr Brophy, aged 69, has over 40 years' experience as a petroleum geologist in the exploration, development and production of many world class projects. Mr Brophy's roles have seen him involved with operations in many locations around the world including Australia, Asia, Europe, USA, North Africa and the Middle East. Recent experience includes four years as General Manager of the Hanoi operation in North Vietnam, for French based company Maurel et Prom. Mr Brophy's previous positions also include his former role as International Business Development Manager for Ampolex Limited, Chief Geologist of Elf Aquitaine Australia and Exploration Manager for five years with Peko Oil Limited.

## **SPECIAL BUSINESS**

### **Resolution 4 – Retrospective approval and ratification of the grant of share options to directors & employees**

At the Annual General Meeting of the Company held on 24 June 2011 (“**the 2011 AGM**”) the Company passed (amongst other resolutions):

- (a) an ordinary resolution authorising the Directors for the purposes of Section 551 of the Companies Act 2006 (the “**Act**”) to allot shares and to grant rights to subscribe for shares up to an aggregate nominal amount of £1,651,352.38; and
- (b) a special resolution empowering the Directors pursuant to Section 570 of the Act to allot equity securities, within the meaning of Section 560 of the Act, for cash as if Section 561 of the Act did not apply to such allotment provided that the power shall be limited, amongst other limitations, to the allotment of shares up to an aggregate nominal amount of £27,363.67 (representing approximately 7.5 per cent of the issued share capital of the Company at the date of the 2011 AGM) in connection with an unapproved share option scheme of the Company (“**Resolution V**”).

On 2 March 2012, the Company granted share options to subscribe for a total of 14,800,000 ordinary shares (“**Management Share Options**”) in the Company to Directors and employees of the Company as part of its overall strategy to retain and incentivise Directors and management. Of these Management Share Options, 1,118,165 (“**Additional Options**”) were over and above the amount that was provided for under Resolution V.

Resolution 4 is a Special Resolution to retrospectively approve and ratify the grant of the Additional Share Options. The grant of the Additional Share Options is valid and legally binding notwithstanding that the grant was over and above the amount provided for in Resolution V. This Resolution 4 is a mechanism by which shareholders can confirm that they have been advised of the contravention and retrospectively approve and ratify the grant of the Additional Share Options.

### **Resolution 5 - Section 551 authority**

This is an Ordinary Resolution authorising the Directors to allot relevant securities up to the sum of £746,088.13. The authority will expire at the commencement of the next Annual General Meeting following this meeting.

### **Resolution 6 –Dis-application of pre-emption rights**

Resolution 6 is a Special Resolution authorising the Directors to issue equity securities for cash on a non pre-emptive basis pursuant to the authority conferred by Resolution number 5 above. This will allow the Board to allot shares without recourse to the shareholders so that it can move quickly from time to time as it deems appropriate. If granted, the authority would only be exercised if the Directors believed that to do so would be in the best interests of the shareholders as a whole. This authority will expire at the commencement of the next Annual General Meeting following this meeting.

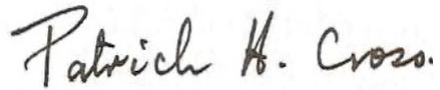
## **ANNUAL GENERAL MEETING**

A form of proxy for use at the meeting is enclosed. If you would like to vote on the Resolutions but cannot come to the AGM please complete and sign the form of proxy and return it to the Registrars so as to arrive no later than 10 a.m. on 29 May 2012. The return of the form of proxy will not, however, prevent you from attending the Meeting and voting, in person, should you wish to do so.

**RECOMMENDATION**

The Board considers that each of the Resolutions is in the best interest of the Company and its shareholders as a whole. Your Board will be voting in favour of each Resolution and they unanimously recommend that you should vote in favour of each of them as well.

Yours faithfully

A handwritten signature in black ink that reads "Patrick H. Cross." The signature is written in a cursive, slightly slanted style.

**DR. PATRICK CROSS  
CHAIRMAN**

## PART II - NOTICE OF ANNUAL GENERAL MEETING



*(Incorporated and registered in England with registered number 5387837)*

Notice is hereby given that the Annual General Meeting of the Company will be held at The Royal Institution of Great Britain, 21 Albemarle Street, London W1S 4BS on 31 May 2012 at 10 a.m. to consider, and, if thought fit, pass the following Resolutions of which 1 to 3 and 5 will be proposed as Ordinary Resolutions and Resolutions 4 and 6 will be proposed as Special Resolutions.

### ORDINARY BUSINESS

1. To receive and adopt the audited accounts for the financial period ended 31 March 2012 together with the Reports of the Directors and the Auditors thereon.
2. To re-appoint Chapman Davis LLP as Auditors to the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting at which accounts are laid and to authorise the Directors to determine the remuneration of the Auditors of the Company.
3. To re-elect Frank Brophy, a Director who retires by rotation in accordance with the Articles of Association of the Company, and, being eligible, offers himself for re-election as a Director of the Company.

### SPECIAL BUSINESS

4. As a Special Resolution

That the grant of share options to subscribe for 1,118,165 ordinary shares in the capital of the Company (representing an aggregate nominal amount of £2,236.33) ("**Additional Share Options**") to the Directors and employees of the Company on 2 March 2012 in excess of the amount set out in resolution 5(ii) passed at the annual general meeting of the Company held in 2011, be and is hereby approved and ratified.

5. As an Ordinary Resolution

That the Directors be and are hereby generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 (the "**Act**") to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ("**Rights**") up to an aggregate nominal amount of £746,088.13 provided that such authority shall expire at the commencement of the Annual General Meeting next held after the passing of this resolution save that the Company may pursuant to the authority make an offer or agreement or other arrangement before the expiry of the authority which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors shall be entitled to allot shares and grant Rights pursuant to such offers or agreements as if this authority had not expired; and all unexercised authorities previously granted to the Directors to allot shares and grant Rights be and are hereby revoked.

## 6. As a Special Resolution

That, subject to the passing of Resolution 5 set out above, the Directors be empowered, pursuant to Section 570 of the Act, to allot equity securities, within the meaning of Section 560 of that Act, for cash pursuant to the authority conferred by Resolution 5, as if Section 561 of that Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

- (i) in connection with a rights issue to holders of shares in the Company and other persons entitled to participate therein in proportion (as nearly as practicable) to their respective holdings subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the requirements of any regulatory authority or any stock exchange;
- (ii) up to an aggregate nominal amount of £32,045.53 (representing approximately 7.5 per cent. of the issued share capital ) in connection with an unapproved share option scheme of the Company;
- (iii) up to an aggregate nominal amount of £2,236.33 in connection with the Additional Share Options; and
- (iv) otherwise than pursuant to sub-paragraphs (i), (ii) and (iii) above, up to an aggregate nominal amount of £711,806.27.

and such power shall expire upon the expiry of the authority conferred by Resolution 4 set out above, save that the Directors shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offers or agreements as if the power conferred hereby had not expired.

*Registered Office*  
200 Strand  
London  
WC2R 1DJ

**Amanda Wilton-Heald**  
Company Secretary  
by order of the Board  
8 May 2012

### NOTES

- (1) A member entitled to attend, speak and vote is entitled to appoint a proxy to attend, speak and vote on his behalf. A proxy need not be a member of the Company.
- (2) Forms of proxy, together with any power of attorney or other authority under which it is executed or a notarially certified copy thereof, must be completed and, to be valid, must reach the Registrar of the Company at Capita Registrars, PXS, 34 Beckenham Road, Beckenham, BR3 4TU not less than 48 hours before the time appointed for the holding of the meeting.
- (3) 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 issuer's agent RA10 by not less than 48 hours before the time appointed for the holding of the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. 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 as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001. In any case your proxy form must be received by the company's registrars no less than 48 hours before the time appointed for the holding of the meeting.
- (4) Shares held in uncertificated form (i.e. in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual.
- (5) If the appointor is a corporation, the form of proxy must be under its common seal or under the hand of an officer or attorney duly authorised.
- (6) The appointment of a proxy does not preclude a member from attending and voting at the meeting.
- (7) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote of the other registered holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of members.
- (8) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (SI 2001/3755). Reg. 41(1) and (2), only those shareholders on the Register of Shareholders at 6 p.m. on 29 May 2012 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at that time. If the meeting is adjourned by more than 48 hours, then to be so entitled, shareholder must be entered on the Company's Register of Shareholders at the time which is 48 hours before the time appointed for holding the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.

- (9) You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you should contact the Company's Registrar at the address given in Note 2 above and make necessary arrangements.
- (10) A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the Resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
- (11) As at the close of business on 4 May 2012 (being the latest practicable date before the publication of this Notice), the Company's issued share capital comprised 213,636,868 ordinary shares of £0.002 each. Each ordinary share carries the right to one vote at a general meeting of the Company, and therefore the total number of voting rights in the Company as at the time and date given above is 213,636,868.





- (3) 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 issuer's agent RA10 by not less than 48 hours before the time appointed for the holding of the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. 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 as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001. In any case your proxy form must be received by the company's registrars no less than 48 hours before the time appointed for the holding of the meeting.
- (4) Shares held in uncertified form (i.e. in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual.
- (5) If the appointor is a corporation, the form of proxy must be under its common seal or under the hand of an officer or attorney duly authorised.
- (6) The appointment of a proxy does not preclude a member from attending and voting at the meeting.
- (7) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote of the other registered holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of members.
- (8) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (SI 2001/3755). Reg. 41(1) and (2), only those shareholders on the Register of Shareholders at 6 p.m. on 29 May 2012 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at that time. If the meeting is adjourned by more than 48 hours, then to be so entitled, shareholder must be entered on the Company's Register of Shareholders at the time which is 48 hours before the time appointed for holding the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.
- (9) You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you should contact the Company's Registrar at the address given in Note 2 above and make necessary arrangements.
- (10) A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the Resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
- (11) As at the close of business on 27 April 2012 (being the latest practicable date before the publication of this Notice), the Company's issued share capital comprised 213,636,868 ordinary shares of £0.002 each. Each ordinary share carries the right to one vote at a general meeting of the Company, and therefore the total number of voting rights in the Company as at the time and date given above is 213,636,868.