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If you have sold or transferred your entire holding of Existing Ordinary Shares, please send this document (including the enclosed Form of Proxy) as soon as possible to the purchaser or transferee of those shares or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such an act would constitute a violation of the relevant laws of such jurisdiction. This document does not contain an offer or constitute any part of an offer to the public within the meaning of sections 85 and 102B of FSMA or otherwise.

This document is not a prospectus for the purposes of the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the FSA pursuant to sections 85 and 87 of FSMA, London Stock Exchange plc or any other authority or regulatory body. This document is not an Admission Document but has been drawn up in accordance with the AIM Rules.

xtractenergyplc

(Incorporated and Registered in England and Wales with registered number 5267047)

**Subscription for 758,620,689 New Ordinary Shares of 0.01p each
at a price of 0.0435p per share**

Capital Reorganisation

Directorate Changes

and

Notice of General Meeting

Notice of a General Meeting of the Company, to be held at FTI Consulting, Holborn Gate, 26 Southampton Buildings, London, WC2A 1PB at 11.00 a.m. on Monday 10 September 2012 is set out at the end of this document. Enclosed with this document is a Form of Proxy for use in respect of that General Meeting.

Whether or not you intend to be present at the General Meeting you are requested to complete, sign and return the Form of Proxy as soon as possible and, in any event, so as to arrive at the offices of the Company’s registrars, Share Registrars Limited, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL not later than 11.00 a.m. on Thursday 6 September 2012. If you hold your Ordinary Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction Form so as to be received by the Company’s registrars by no later than 11.00 a.m. on Thursday 6 September 2012. Completion and return of a form of proxy or a CREST Proxy Instruction Form will not prevent Shareholders from attending and voting in person at the General Meeting should they so wish.

Copies of this document will be available free of charge during normal business hours on weekdays (excluding public holidays in the UK) from the date hereof until the commencement of the General Meeting from the registered office of Xtract Energy plc, 27-28 Eastcastle Street, London W1W 8DH and at the Company’s website www.xtractenergy.co.uk.

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EXPECTED TIMETABLE FOR THE CAPITAL REORGANISATION, SUBSCRIPTIONS AND ADMISSION

Publication of this document	24 August 2012
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 6 September 2012
General Meeting	11.00 a.m. on 10 September 2012
Cancellation of dealing facility for the Existing Ordinary Shares	4.30 p.m. on 10 September 2012
Record Date for implementation of the Capital Reorganisation	11.59 p.m. on 10 September 2012
Admission becomes effective and dealings in the New Ordinary Shares and Subscription Shares expected to commence on AIM	8.00 a.m. on 11 September 2012

Each of the dates in the above timetable is subject to change without further notice and at the absolute discretion of the Company and satisfaction of all conditions contained in the Subscription Agreements is assumed.

CAPITAL REORGANISATION AND SUBSCRIPTIONS STATISTICS

Number of Existing Ordinary Shares	1,547,484,439
Number of New Ordinary Shares immediately following completion of the Capital Reorganisation	1,547,484,439
Number of Deferred Shares immediately following the Capital Reorganisation	1,547,484,439
Subscription Price per New Ordinary Share issued pursuant to the Subscriptions	0.0435 pence
Number of New Ordinary Shares in issue following completion of the Subscriptions	2,306,105,128
Gross proceeds of the Subscriptions	£330,000
Market capitalisation of the Company at the Subscription Price at Admission	£1,003,156
Percentage of Enlarged Ordinary Share Capital represented by the Subscription Shares	32.89 per cent.
TIDM Code/AIM Symbol	XTR
ISIN Number	GB00B06QGC57

DEFINITIONS

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

“Act”	the Companies Act 2006 (as amended);
“Admission”	admission of the New Ordinary Shares and Subscription Shares to AIM;
“AIM”	the AIM market of the London Stock Exchange;
“Board” or “Directors”	the directors of the Company, as at the date of this document, whose names are set out on page 6 of this document;
“Cambrian Investment Holdings”	Cambrian Investment Holdings Limited, a private limited company incorporated in England and Wales with registered number 05838754;
“Capital Reorganisation”	the proposed sub-division and reclassification of each Existing Ordinary Share into one New Ordinary Share and one Deferred Share;
“Cenkos”	Cenkos Securities plc, a company incorporated in England and Wales with registered number 05210733 and having its registered office at 6.7.8 Tokenhouse Yard, London EC2R 7AS, the nominated adviser of the Company;
“Cenkos Warrants”	172,957,884 broker warrants to be granted to Cenkos, further details of which are set out in Part I of this document;
“Chevron”	Chevron Exploration and Production Netherlands B.V., a company incorporated under the laws of the Netherlands with registration number 27114238;
“Company” or “Xtract”	Xtract Energy plc;
“CREST”	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by Euroclear UK & Ireland Limited;
“CREST Regulations”	the uncertificated Securities Regulations 2001 (SE 2001/3755) as amended;
“D’Este Subscription”	the subscription for 68,965,517 New Ordinary Shares by Aaron D’Este pursuant to the D’Este Subscription Agreement;
“D’Este Subscription Agreement”	the conditional subscription agreement dated 21 August 2012 between Aaron D’Este and the Company, relating to the D’Este Subscription, further details of which are set out in Part I of this document;
“Deferred Shares”	deferred shares of 0.09 pence each in the Company arising from the Capital Reorganisation;
“Enlarged Ordinary Share Capital”	2,306,105,128 New Ordinary Shares after completion of the Capital Reorganisation and Subscriptions;
“Existing Ordinary Shares”	the 1,547,484,439 ordinary shares of 0.1 pence each in the capital of the Company in issue;
“Existing Shareholders”	the holders of Existing Ordinary Shares;

<i>“Form of Proxy”</i>	the accompanying form of proxy for use by the Shareholders in relation to the General Meeting;
<i>“General Meeting”</i>	the General Meeting of the Company to be held at 11.00 a.m. on 10 September 2012 (or any adjournment thereof), notice of which is set out on page 12 of this document;
<i>“London Stock Exchange”</i>	London Stock Exchange plc;
<i>“New Ordinary Shares”</i>	ordinary shares of 0.01 pence each in the Company arising pursuant to the Capital Reorganisation and/or issued and allotted pursuant to the Subscriptions (as applicable);
<i>“Noreco”</i>	Norwegian Energy ASA, a public company incorporated under the laws of Norway with registration 987989297;
<i>“Notice”</i>	the notice of General Meeting at the end of this document;
<i>“Options”</i>	existing options to subscribe for ordinary shares of the Company;
<i>“Resolutions”</i>	the resolutions to be proposed at the General Meeting as set out in the Notice;
<i>“Shareholder” or “Shareholders”</i>	holders of Existing Ordinary Shares;
<i>“Subscriptions”</i>	the Tiger Resource Subscriptions and the D’Este Subscriptions;
<i>“Subscription Price”</i>	0.0435p per Subscription Share;
<i>“Subscription Shares”</i>	the 758,620,689 New Ordinary Shares of the Company to be issued pursuant to the Subscriptions;
<i>“Suspension”</i>	suspension of dealings in the Company’s shares on AIM which took place on 27 June 2012;
<i>“Tiger Resource”</i>	Tiger Resource Finance Plc, a company registered in England and Wales with company number 02882601;
<i>“Tiger Resource Co-Investors”</i>	McNolan Holdings Limited, Ronald Bruce Rowan, Raju Samtani and Colin Bird;
<i>“Tiger Resource Subscription”</i>	the subscription for 689,655,172 New Ordinary Shares by Tiger Resource and its Tiger Resource Co-Investors pursuant to the Tiger Resource Subscription Agreements;
<i>“Tiger Resource Subscription Agreements”</i>	the conditional subscription agreements dated 21 August 2012 between Tiger Resource, the Tiger Resource Co-Investors and the Company relating to the Tiger Resource Subscription, further details of which are set out in Part I of this document;
<i>“Xtract Group” or “Group”</i>	the Company and its subsidiaries;

PART I

LETTER FROM THE CHAIRMAN

xtractenergyplc

(incorporated and registered in England and Wales with registered number 5267047)

Directors:

George Watkins (*Non-Executive Chairman*)
Peter Moir (*Chief Executive Officer*)
Alan Hume (*Group Finance Director*)
Jeremy Kane (*Non-Executive Director*)

Registered Office:

27-28 Eastcastle Street
London
W1W 8DH

23 August 2012

Dear Shareholder and, for information only, holders of Options

**Subscription for 758,620,689 New Ordinary Shares of 0.01p each
at a price of 0.0435p per share**

**Capital Reorganisation
Directorate Changes
and
Notice of General Meeting**

Introduction

The Company has convened a General Meeting to be held at 11.00 a.m. on Monday 10 September 2012, at FTI Consulting, Holborn Gate, 26 Southampton Buildings, London, WC2A 1PB United Kingdom. This document explains the background to, and reasons for, the General Meeting and why the Directors recommend that you vote in favour of the Resolutions to be proposed at the General Meeting.

Background

On 27 June 2012, the Company was notified by Noreco, the operator of Licences 01/11 and 02/05 in Denmark, of imminent and unanticipated cash calls relating to expenditure on the Luna Well which had been drilled in early 2012. At the same time the Company also received cash calls from Noreco relating to all planned 2012 general and administrative and general exploration expenditure on the same licences. These amounts were required to be advanced earlier than anticipated, and were greater in amount than had been expected by the Company.

A potential consequence of the cash calls from Noreco was an increased possibility that the Company may become insolvent. As a direct consequence, the Company requested that trading in its shares be temporarily suspended.

Following the Suspension, the Company:

- made payment in full for the cash calls received from Noreco in June, July and August and negotiated with Noreco a reduction in the 2012 work stream as well as a more manageable payment schedule. Whilst discussions continue with Noreco to reduce the 2012 work programme further, the Company has provided for the latest anticipated position to the end of 2012;
- reduced annual running costs of the Company, including a reduction of the Directors' salaries which will continue to be in force on an ongoing basis; and

- entered into Heads of Terms with Global Oil Share Group Limited (“GOS”) (as announced on 28 June 2012) by which GOS will have the potential to earn a controlling interest in the Julia Creek tenements by funding and undertaking a three year work program covering exploration, development and engineering activities relating to the exploitation of the Julia Creek oil shale tenements for oil production.

In addition, as announced on 26 July 2012, Xtract Energy reported that the Noble rig Byron Welliver had completed activity at the P2-10 well location. The well remains classified by Chevron as ‘tight hole’ and as such, no information regarding the outcome of the drilling activity has been released to the Company. Xtract confirmed from the website managed by TNO, the Geological Survey of the Netherlands, at the request of the Dutch Ministry of Economic Affairs, Agriculture and Innovation, that the P2-10 appraisal well result is listed as “gas”.

As a result of the steps set out above and following the Subscriptions, of which further details are set out below, the Directors believe that the financial position of the Company will be more certain.

Background to the Subscriptions

The Company has, over the last few weeks, explored various potential investment opportunities with a number of interested parties. Following this process, carried out in association with its nominated adviser, the Directors have concluded that the Tiger Resource subscription offers the best opportunity to secure the future of the Company.

Tiger Resource is an investment fund which is admitted to trading on AIM and is focused on the natural resource sector, which is a sector that the board of Tiger Resource considers as having considerable growth potential in the foreseeable future. Historically, investments have been made by Tiger Resource immediately prior to initial public offerings, at the IPO stage and in the aftermarket of companies quoted on AIM, PLUS market and on other internationally recognised exchanges. Initial investments are for varying amounts but are usually in the £150,000 – £300,000 range. The companies in which Tiger Resource invests are not usually generating cashflow and often have further requirements to raise additional capital to continue their exploration and development programmes. Therefore, after appropriate due diligence, it is considered that Tiger Resource may provide further funding and make follow up market purchases to support investments it may have made in the past.

Although Tiger Resource has not historically participated in the management of investee companies, the board of Tiger Resource has now formulated an investment policy, which will enable it to invest proactively in natural resource projects, as well as continue to participate in more a passive style investment.

Further information on Tiger Resource can be found on its website www.tiger-rf.com.

The directors of Tiger Resource have a track record of investing in junior natural resource sector companies both in the mining and mineral industries and in oil and gas exploration and production companies. Their direct experience in these sectors offers Xtract Shareholders a new strategic investor that will proactively participate in the future of the Company.

Xtract and Tiger Resource share the strategy of seeking active investments in early stage opportunities in the resource sector.

The Subscriptions

The Company announced today that Tiger Resource and, on an individual basis, the board of Tiger Resource, being Colin Bird, Raju Samtani, Michael Nolan and Bruce Rowan, have agreed, subject to certain conditions (including the passing of the Resolutions at the General Meeting), to subscribe for a total of 689,655,172 New Ordinary Shares at a price of 0.0435 pence per share to raise £300,000. Following these Subscriptions, Tiger Resource will hold 344,827,584 New Ordinary Shares and the members of the board of Tiger Resource will each hold 86,206,897 New Ordinary Shares (representing, in aggregate, approximately 29.9 per cent. of the Enlarged Share Capital of the Company).

In addition, Aaron D'Este, an independent investor, has agreed, subject to certain conditions, to subscribe for a total of 68,965,517 New Ordinary Shares at a price of 0.0435 pence per share to raise £30,000 (representing 2.99 per cent. of the Enlarged Ordinary Share Capital).

The Subscriptions are conditional upon Shareholder approval being given at the General Meeting, and upon the Admission of the Subscription Shares to trading on AIM. It is expected that Admission will become effective and that dealings will commence at 8.00 a.m. on 11 September 2012.

The Subscriptions, if approved, will result in the dilution of Existing Shareholders. Given the financial state of the Company, the Board concluded that a pre-emptive offer to Existing Shareholders was not feasible both in terms of cost and speed. The Directors believe that, following the Capital Reorganisation and Subscription, the financial position of the Company will be more certain.

Capital Reorganisation

The current issued capital of the Company is £1,547,484.44 divided into 1,547,484,439 Existing Ordinary Shares of a nominal value of 0.1p each. No other shares of the Company are in issue. In addition there are outstanding options over 111,317,500 ordinary shares. The exercise price of these options ranges from 1.83 pence (the lowest) to 12 pence (the highest) and, as a result, the Company believes that, for the time being, exercise by the holders is unlikely.

UK company law prohibits a company from issuing a new share at a price less than its nominal value. In order to enable the Subscriptions to proceed and to able the Company to carry out share issues in the future, the Company proposes to implement the Capital Reorganisation, in respect of which it will require shareholder approval. This will involve each existing ordinary share of 0.1p (£0.001) held by a Shareholder being divided into

1 new ordinary share of 0.01p (£0.0001) ("**New Ordinary Share**"); and

1 new deferred share of 0.09p (£0.0009) ("**Deferred Share**").

Resolutions to approve the Capital Reorganisation, adopt amended Articles of Association, to grant to the Directors authorities to issue the Subscription Shares and additional shares in the future without applying pre-emption rights in accordance with the Act will be proposed at the General Meeting for 11.00 a.m. on Monday 10 September 2012, at FTI Consulting, Holborn Gate, 26 Southampton Buildings, London, WC2A 1PB.

The New Ordinary Shares will have the same rights and benefits as the Existing Ordinary Shares. Following the Capital Reorganisation, the number of New Ordinary Shares held by each Existing Shareholder will be the same as the number of Existing Ordinary Shares held by them immediately before the Capital Reorganisation, but the Capital Reorganisation will allow the Subscriptions and future fundraisings to take place, assuming that the share price of the Company does not fall below the new nominal value.

The Deferred Shares will not be admitted to trading on AIM, will have only very limited rights on a return of capital and will be effectively valueless and non-transferable. The Directors consider that the Deferred Shares will have no effect on the respective economic interests of the Shareholders. No share certificates will be issued for the Deferred Shares. It is currently intended that, in due course and as set out in the amended Articles of Association, all the Deferred Shares will be re-purchased by the Company, at its sole discretion, for an aggregate consideration of £1 and cancelled.

Following the Capital Reorganisation and completion of the Subscriptions, the issued share capital of the Company will be:

2,306,105,128 New Ordinary Shares	aggregate nominal value of £230,610.51
1,547,484,439 Deferred Shares	aggregate nominal value of £1,392,736.00
	total nominal value of £1,623,346.51

Application will be made for the New Ordinary Shares (and the Subscription Shares) to be admitted to trading on AIM. Dealings in the Existing Ordinary Shares will cease at the close of business on the date of the General Meeting and dealings in the New Ordinary Shares (and the Subscription Shares) are expected to commence on the following day. The ISIN and SEDOL number of the New Ordinary Shares will be the same as the Existing Ordinary Shares and any share certificates for the Existing Ordinary Shares will remain valid for the New Ordinary Shares.

The Capital Reorganisation will necessitate certain alterations to the Articles of Association of the Company. Adoption of a new set of Articles of Association forms part of the proposed Resolution numbered 1 in the Notice and the alterations, including the limited rights proposed for the Deferred Shares to be created, are reflected in the new draft Articles of Association. The new draft Articles of Association proposed, along with a set highlighting the alterations and comparing the new draft with the existing Articles of Association, are available for inspection by Shareholders until the conclusion of the General Meeting on the Company's website, www.xtractenergy.co.uk.

Changes to the Board and Senior Management

Xtract also announced today that Colin Bird, Chief Executive Officer of Tiger Resource, will be appointed to the Board of Xtract as Executive Chairman with effect from completion of the Subscriptions.

Colin Bird is a chartered mining engineer with multi commodity mine management experience in Africa, Spain, Latin America and the Middle East. He has been instrumental in a number of public listings in the UK, Canada and South Africa and is currently Chairman and Chief Executive Officer of AIM quoted Galileo Resources Plc and Non-Executive Chairman of Jubilee Platinum Plc.

As part of the Subscriptions, Colin Bird will subscribe for 86,206,897 New Ordinary Shares, which, following admission of the Enlarged Share Capital to trading on AIM, will represent 3.7 per cent. of the Enlarged Share Capital.

Peter Moir and Alan Hume will continue as Chief Executive Officer and Group Finance Director of the Company respectively until 31 October 2012, and thereafter their employment will be terminable on 1 month's notice. Each of them has agreed to amended contracts of employment providing for, from 1 July 2012, a salary of £5,000 each per month.

Dr. George Watkins CBE and Jeremy Kane have agreed to step down as non-executive Chairman and Director of the Company respectively with effect on the completion of the Capital Reorganisation and Subscriptions.

Raju Samtani, the Finance Director of Tiger Resource, will join the Company as an executive officer (non-board) with effect from completion of the Subscriptions.

Issue of Warrants to Cenkos

In part settlement of outstanding fees due to Cenkos, Xtract will grant Cenkos assignable warrants over 172,957,884 New Ordinary Shares exercisable at a price of 0.0435 pence per share. Should Cenkos notify its intention to exercise such Cenkos Warrants, Tiger Resource shall be entitled to require that the Cenkos Warrants be transferred to Tiger Resource on payment of the then current share price minus the warrant exercise price per warrant, and shall exercise such Cenkos Warrants that have been transferred.

General Meeting

Set out at the end of this document is the Notice convening a General Meeting of the Company to be held at 11.00 a.m. on Monday 10 September 2012 at FTI Consulting, Holborn Gate, 26 Southampton Buildings, London, WC2A 1PB.

At the General Meeting, the following Resolutions will be proposed:

- 1 to approve that the Existing Ordinary Shares each be sub-divided and re-designated as one New Ordinary Share and one Deferred Share and to amend the Articles of Association of the Company to reflect the sub-division and re-designation of the Existing Ordinary Shares into New Ordinary Shares and Deferred Shares and to incorporate the special rights and restrictions attached to the Deferred Shares;
- 2 to specifically authorise the Directors pursuant to Section 551 of the Act to allot securities in the Company for the purpose of the Subscriptions and the Cenkos Warrant;
- 3 to give the Directors specific power to allot the Subscription Shares as if Section 561(1) of the Act (existing shareholders' rights of pre-emption) did not apply to any such allotment;
- 4 to generally authorise the Directors pursuant to Section 551 of the Act to allot shares in the Company or grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £46,122; and
- 5 to give the Directors general power to allot equity securities pursuant to the authority referred to in paragraph 4 above for cash as if Section 561(1) of the Act (existing shareholders' rights of pre-emption) did not apply to any such allotment.

The Resolutions numbered 1, 3 and 5 on the Notice are proposed as special resolutions and require the approval (i) on a show of hands, of not less than 75 per cent. of members present and voting or (ii) on a poll, of members holding not less than 75 per cent. of the total voting rights.

The Resolutions numbered 2 and 4 on the Notice are proposed as ordinary resolutions and require the approval (i) on a show of hands, of a simple majority of members present and voting or (ii) on a poll, by members holding a simple majority of the total voting rights. The Capital Reorganisation is conditional upon the passing of the Resolution numbered 1 at the forthcoming General Meeting. The Subscriptions are conditional upon the passing of the Resolutions numbered 2 and 3.

Resolution 4 and 5, if passed, will authorise the Board to issue shares up to a nominal amount of £46,122 (representing 20.0 per cent. of the Enlarged Ordinary Share Capital) on a non-pre-emptive basis. Such authorities will provide flexibility to the Board to carry out equity fundraisings in the future to fund specific projects or for general working capital purposes.

Action to be taken

A Form of Proxy is enclosed with this document for your use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are asked to complete, sign and return the Form of Proxy to the Company's registrars, as soon as possible but, in any event, no later than 11.00 a.m. on 6 September 2012. The completion and return of a Form of Proxy will not preclude a Shareholder from attending the General Meeting and voting in person if he/she wishes to do so. Accordingly, whether or not you intend to attend the General Meeting in person, Shareholders are requested to complete and return the Form of Proxy as soon as possible.

Irrevocable Undertaking

The Company has received an irrevocable undertaking to vote in favour of the Resolutions at the General Meeting from Cambrian Investment Holdings in respect of its holding of 340,256,048 Existing Ordinary Shares representing approximately 22 per cent. of the Existing Ordinary Shares. The existing Directors have also undertaken to vote in favour of the Resolutions at the General Meeting in respect of their aggregate holdings representing 1.7 per cent. of the existing share capital.

Recommendation and voting intentions

Following the Subscription, it is the intention of the Board to undertake a review of existing assets, finalise the agreement with GOS and to seek, with the input of Tiger Resource, appropriate opportunities from which to develop the Company.

The Board considers that the proposals described in this letter are in the best interests of the Company and of the Shareholders as a whole. Shareholders should be aware that if all the Resolutions are not passed, the Capital Reorganisation and Subscriptions will not proceed and the Company would need to secure alternative funding in the near future which may not be forthcoming. Accordingly, the Directors believe that, following the Capital Reorganisation and Subscriptions, the financial position of the Company will be more certain if Shareholders vote in favour of the Resolutions. Accordingly, the Board strongly urges all Shareholders to return their Form of Proxy and/or attend the General Meeting and should vote in favour of the Resolutions to be proposed at the General Meeting. The Directors intend to vote in favour of the Resolutions in respect of their own beneficial holdings amounting to, in aggregate, 26,770,000 Existing Ordinary Shares (representing 1.7 per cent. of the Existing Ordinary Shares).

Yours faithfully,

Dr George Watkins CBE
Non-Executive Chairman

PART II

XTRACT ENERGY PLC (THE COMPANY)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of the Company will be held at 11.00 a.m. on Monday 10 September 2012 at FTI Consulting, Holborn Gate, 26 Southampton Buildings, London, WC2A 1PB for the purposes of considering and, if thought fit, passing the following resolutions of which resolutions 1, 3 and 5 shall be proposed as special resolutions and resolutions 2 and 4 as ordinary resolutions:

- 1 **THAT**, with effect from 11.59 p.m. on the date of this resolution (or such other time or date as the Board of Directors of the Company may determine)
 - 1.1 each issued ordinary share of 0.1 pence each in the capital of the Company (each an **“Existing Ordinary Share”**) on the register of members of the Company as at 6 p.m. on [6] September 2012 (or such other date as the Board of Directors of the Company may determine) be sub-divided into 1 ordinary share of 0.01 pence each (each a **“New Ordinary Share”**) and 1 deferred share of 0.09 pence each (each a **“Deferred Share”**);
 - 1.2 each New Ordinary Share shall have the rights, and be subject to the restrictions, currently vested in the Existing Ordinary Shares, and the Deferred Shares shall have the rights and be subject to the restrictions set out in the Articles of Association to be adopted pursuant to paragraph 1.3 below; and
 - 1.3 the draft regulations produced to the meeting and initialled by the Chairman for the purpose of identification be adopted in substitution for, and to the exclusion of, the current Articles of Association of the Company.
- 2 **THAT**, in addition to any such existing authorities, subject to the passing of the resolution numbered 1 above, the Directors be specifically and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the **“Act”**):
 - 2.1 to allot 758,620,689 New Ordinary Shares for the purposes of the Subscriptions (as defined and further described in the circular to shareholders of the company dated the date hereof (**“Circular”**)), such authority to expire on 30 September 2012; and
 - 2.2 to issue warrants to Cenkos Securities Plc to subscribe for 172,957,884 New Ordinary Shares pursuant to and upon the terms of the Warrant Agreement (as defined in the Circular).
- 3 **THAT**, subject to the passing of resolution 2 above, the directors of the Company be and are hereby empowered pursuant to section 571 of the Act to allot equity securities (within the meaning of section 560 of the Act) pursuant to the authority conferred by resolution 2 above as if section 561(1) of the Act did not apply to any such allotments.
- 4 **THAT**, subject to the passing of resolution 1 above, the Directors be generally and unconditionally authorised pursuant to Section 551 of the Act to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (**“Rights”**) up to an aggregate nominal amount of £46,122 provided that this authority shall, unless previously revoked or varied by the Company in general meeting, expire at the conclusion of the next Annual General Meeting of the Company following the date of the passing of this resolution or (if earlier) 15 months from the date of passing this resolution, but so that the Directors may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of that offer or agreement as if the authority hereby conferred had not expired. This resolution revokes and replaces all previous authorities conferred on the Directors in accordance with Section 551 of the Act.

5 **THAT**, subject to the passing of resolution 4 above, the Directors be given the general power to allot equity securities (as defined by Section 560 of the Act) for cash, either pursuant to the authority conferred by the resolution numbered 4 above or by way of a sale of treasury shares, as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

5.1 the allotment of equity securities in connection with an offer by way of a rights issue:

5.1.1 to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings;

5.1.2 and to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange.

5.2 the allotment (otherwise than pursuant to paragraph 5.1 above) of equity securities up to an aggregate nominal amount of £46,122.

The power granted by this resolution, unless renewed, varied or revoked by the Company, will expire at the conclusion of the next Annual General Meeting of the Company following the date of the passing of this resolution or (if earlier) 15 months from the date of passing this resolution, save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired. This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities as if section 561(1) of the Act did not apply, but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

By order of the Board

Cargill Management Services Ltd
Company Secretary
Xtract Energy plc
27-28 Eastcastle Street
London
W1W 8DH

23 August 2012

Notes

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the General Meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.
2. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
3. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior). The signature of any one joint holder will be sufficient.
4. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, strike out the words "the Chairman of the General Meeting or" and add the name and address of the proxy you wish to appoint and initial the alteration. If you sign and return this proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
5. 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, please contact the Company's Registrars, Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL by, to obtain another hard copy form.

6. To direct your proxy how to vote on the resolutions mark the appropriate box with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. 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.
7. To appoint a proxy using this form, the form must be completed and signed, sent or delivered to the Company's Registrars, Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL by, by no later than 11 a.m. on 6 September 2012. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the General Meeting. Proxy forms may be received by facsimile (FAX: 01252 719232) or +44 1252 719232 for overseas shareholders.
8. In the case of a member which is a company, this proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
9. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
10. Any corporation which is a member of the Company can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
11. CREST members who wish to appoint a proxy or proxies by using the CREST electronic appointment service may do so by using the procedures described in the CREST Manual. To be valid, the appropriate CREST message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must be transmitted so as to be received by our agent Share Registrars (ID 7RA36) by 11am on 6 September 2012. See the notes to the notice of meeting for further information on proxy appointment through CREST.

