

This document is important and requires your immediate attention. If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice immediately from a qualified financial adviser authorised under the Financial Services and Markets Act 2000, if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

This letter should be read in conjunction with the circular to RockRose Shareholders dated 23 July 2020 (the "Scheme Document") which can be found on the main RockRose website at [www.rockroseenergy.com](http://www.rockroseenergy.com). The definitions used in the Scheme Document apply in this letter except where the context otherwise requires.

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A-00001

Mr Andrew Austin



23 July 2020

To: All participants in the RockRose 2015 Share Option Plan (the "Plan")

Dear Mr Austin

## **RECOMMENDED CASH OFFER FOR ROCKROSE ENERGY PLC ("ROCKROSE") BY VIARO ENERGY LIMITED ("VIARO ENERGY")**

### **Summary**

As you may be aware, the boards of Viaro Energy and RockRose have recently reached agreement on the terms of a recommended cash acquisition by which the entire issued and to be issued ordinary share capital of RockRose will be acquired by Viaro Energy (the "Acquisition").

Under the terms of the Acquisition, holders of ordinary shares in the capital of RockRose ("RockRose Shares") will be entitled to receive 1,850 pence in cash for each RockRose Share held (the "Consideration").

A special court procedure is being used for the Acquisition known as a 'Scheme of Arrangement' under Part 26 of the Companies Act 2006 (the "Scheme"). A copy of the Scheme Document is enclosed or is being sent to you separately. More details about this can be found on the main RockRose website at [www.rockroseenergy.com](http://www.rockroseenergy.com) (where you can also obtain a copy of the Scheme Document). The Effective Date of the takeover of RockRose is expected to be on or around 26 August 2020.

The Scheme remains subject to shareholder approval, the Court approving the Scheme ("Court Sanction") and certain other conditions. If the Scheme does not become effective, the option(s) granted to you under the Plan to acquire RockRose Shares (the "Options") will continue in the same manner as they would have done absent the Scheme.

### **How the Acquisition will affect your Options**

The purpose of this letter is to explain the implications of the Acquisition for the Options. In short, the Board has exercised its power under the Plan rules to accelerate the vesting of the Options such that, to the extent they are not already exercisable, Options will become exercisable with effect from Court Sanction and will remain so for six weeks after the Effective Date, which is expected to be on or about 26 August 2020.

Options have been granted at various exercise prices per RockRose Share, some of which are above the Consideration and some are below the Consideration.

### **Options with an exercise price per RockRose Share of £18.50 and above ("Underwater Options")**

Unfortunately, the Consideration per RockRose Share is less than the exercise price per RockRose Share of your Underwater Options. If you were to exercise your Underwater Options and the resulting RockRose Shares were either transferred under the Scheme to, or otherwise acquired by, Viaro Energy, the amount you would receive for those RockRose Shares would be less than the amount you would have to pay to exercise your Underwater Options.

We will assume that, unless you let us know otherwise, you do not want to exercise any Underwater Options. If you do want to exercise such Options, despite the fact that the Consideration is less than the exercise price, you should contact Richard Slape, Chief Financial Officer of RockRose, whose details are set out below. If you decide not to exercise your Underwater Options and the Scheme becomes effective, such Options will lapse six weeks after the Effective Date in accordance with the terms of the Plan.

### **Options with an exercise price per RockRose Share below £18.50**

Viaro Energy is required by the Code to make an "appropriate" proposal to holders of Options to safeguard their interests in the context of the Acquisition. Viaro Energy's proposal gives you the opportunity to exercise your Options (other than the Underwater Options) subject to, and with effect from the time of, the Court Sanction and sell the RockRose Shares you acquire to Viaro Energy under the terms of the Scheme (the "Proposal"). **To accept the Proposal, the accompanying exercise form must be completed and returned (by post or by email) in accordance with the instructions on that form as soon as possible and, in any event, so as to be received by Richard Slape, Chief Financial Officer of RockRose, whose details are set out below, by no later than 5.00 p.m. (UK time) on Thursday 20 August 2020 (the "Deadline")** (enclosing a cheque if required, as described below). In the event that you accept the Proposal (as set out in this letter), you do not need to take any further action to transfer your RockRose Shares to Viaro Energy as these will transfer automatically under the terms of the Scheme. You should read this letter and the attached Appendix on tax before making your decision. If you are not sure of your tax position or if you are not a UK taxpayer you should take your own tax advice.

### How to pay the exercise price of your Options

If you choose to accept the Proposal, a cashless exercise facility is being offered under which you can agree to allow the exercise price of your Options to be deducted from the Consideration (as defined above) you would otherwise have received (the "Cashless Exercise Facility"). The enclosed exercise form provides for Options to be exercised using the Cashless Exercise Facility. If you would prefer not to use the Cashless Exercise Facility, please contact Richard Slape, Chief Financial Officer or RockRose, whose details are below. If you do not use the Cashless Exercise Facility, you will need to pay in full the exercise price for your Options by cheque (and you should enclose such cheque with your exercise form).

### What if I do not accept the proposal?

If you do not return the exercise form by the Deadline, then:

- a. the Proposal will lapse;
- b. you may still exercise your Options at any point until six weeks following the Effective Date (the "Long Stop Date") however such exercise will not be under the terms of the Proposal and therefore the Cashless Exercise Facility will not be available, so you will need to pay RockRose the exercise price by cheque, and
- c. IF YOU TAKE NO ACTION AND HAVE NOT EXERCISED YOUR OPTIONS BY THE LONG STOP DATE, IT/THEY WILL LAPSE UNDER THE RULES OF THE PLAN AND CEASE TO BE OF ANY VALUE.

If you exercise your Options in the six weeks following the Effective Date, the RockRose Shares you receive will in any event be acquired by Viaro Energy for the Consideration pursuant to compulsory purchase provisions to be included in the Amended RockRose Articles.

### Acquisition of RockRose Shares

If you accept the Proposal and the Scheme is sanctioned by the Court, the RockRose Shares to which you will become entitled upon exercise of your Options will be acquired by Viaro Energy upon the Effective Date. You will receive the Consideration for such RockRose Shares (after deduction of any income tax and employee national insurance contributions) through payroll as soon as practicable, and in any event within 14 days of the Effective Date.

### What happens if I leave or have left employment with RockRose?

If you have left or leave employment you will usually be unable to exercise your Options (depending on the terms of your Options) unless you leave in special circumstances such as injury, ill health, disability or redundancy.

If you have left or propose to leave employment before the Acquisition is completed (i.e. before the Effective Date (which is expected to be on or around 26 August 2020)), you should contact Richard Slape, Chief Financial Officer of RockRose, whose details are set out below, as soon as possible.

### Further Information

The likely tax consequences for UK taxpayers of the exercise of Options are summarised in the Appendix to this letter. The precise tax consequences applicable to you will depend on your own particular circumstances.

If the Scheme is not sanctioned by the Court, your Options will continue as they would have done absent the Scheme and you will be able (subject to and in accordance with the rules of the Plan) to acquire RockRose Shares in due course.

If your Options are already exercisable for a reason unconnected with the Scheme, the opportunity to accept the Proposal may still be available to you provided your Options have not lapsed by the Effective Date. The Scheme will not extend the window of exercise of your Options.

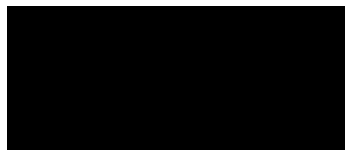
If you have any queries about this letter, your Options or the Scheme then please contact Richard Slape, Chief Financial Officer of RockRose. Richard can be contacted by email at [REDACTED] or by telephone on [REDACTED].

Please note that none of RockRose, Viaro Energy nor any of their respective officers or employees can give any advice as to the action which you should take. If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice immediately from a qualified financial adviser authorised under the Financial Services and Markets Act 2000, if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

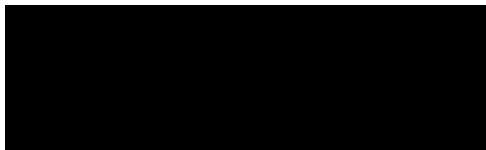
### General

This letter and the enclosed exercise form relate only to your Options. If applicable, you will receive a separate letter in respect of any RockRose Shares held on your behalf by the trustee of the RockRose Share Incentive Plan.

Yours sincerely



Andrew Austin  
Executive Chairman  
RockRose Energy plc



Francesco Mazzagatti  
Chief Executive Officer  
Viaro Energy Limited

## REGULATORY NOTES

A PDF copy of the rules of the Plan is available on request from Richard Slape, Chief Financial Officer of RockRose, whose contact details are set out above.

The RockRose Board, which has been so advised by Lambert Energy Advisory Limited ("**Board Financial Advisor**"), considers the terms of the proposals in respect of Options contained in this letter to be fair and reasonable in the context of the Acquisition. Accordingly, the RockRose Board recommends that you accept the Proposal. In providing advice to the RockRose Board, the Board Financial Advisor has taken into account the commercial assessments of the RockRose Directors.

Other than described in the following paragraph, the RockRose Directors (whose names are set out in paragraph 2.1 of Part Seven of the Scheme Document) accept responsibility for the information contained in this letter (including any expression of opinion) To the best of the knowledge and belief of the RockRose Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this letter is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Viaro Energy Directors, whose names are set out in paragraph 2.2 of Part Seven of the Scheme Document, accept responsibility for the information contained in this letter (including any expressions of opinion) relating to the Viaro Energy Group, themselves, their close relatives, related trusts, other connected persons and persons deemed to be acting in concert (as such term is defined in the Code) with Viaro Energy. To the best of the knowledge and belief of the Viaro Energy Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this letter (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Board Financial Advisor, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting as the sole financial adviser to RockRose and no one-else in relation to the subject matter of this letter and will not be responsible to anyone other than RockRose for providing the protections afforded to clients of the Board Financial Advisor, nor for providing advice in relation to the subject matter of this letter. Neither the Board Financial Advisor nor any of its subsidiaries, branches or affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of the Board Financial Advisor in connection with this letter, any statement contained in it or otherwise.

The Board Financial Advisor has given and not withdrawn its consent to the issue of this document with the inclusion of the references herein to its name in the form and context in which they are included.

The exercise of Options in accordance with the proposal set out in this letter will be irrevocable and cannot be subsequently revoked.

The enclosed notice of exercise, including the notes, terms and conditions and instructions in it, shall be deemed to be incorporated into and form an integral part of the Proposal.

All documents and/or cheques to which you will become entitled will be despatched to the address provided by you, at your own risk.

Accidental omission to despatch this letter, the exercise form or the Scheme Document, or failure to receive the same by, any person to whom the Proposal are made or should be made shall not invalidate the Proposal in any way.

The proposal set out in this letter (or the Scheme Document) shall be governed and construed in accordance with English law and the English courts will have exclusive jurisdiction for all purposes in connection with this letter and the related Form of Instruction.

A copy of the Scheme Document and certain other relevant information in connection with the Acquisition has been published on RockRose's website at rockroseenergy.com. RockRose is sending without charge, to each person to whom a copy of this letter has been sent (each a "**Recipient**") a copy of the Scheme Document. Hard copies of any other relevant documents published on RockRose's website in connection with the Acquisition are also available on request. Requests should be addressed to Link Asset Services, the registrar of RockRose, at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by calling +44 (0)37 1664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open 9.00 a.m. – 5.30 p.m., Monday to Friday (excluding English and Welsh public holidays). Calls from outside the UK will be charged at the applicable rate. Recipients may also request that all future documents, announcements and information sent to them in relation to the Acquisition be in hard copy form. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. This letter does not constitute a summary of the Scheme Document and should not be regarded as a substitute for reading it in full.

## APPENDIX

### **Tax Summary**

The following is a summary for optionholders who are and have been resident in the UK and nowhere else since the grant of the Options of certain aspects of the taxation implications of the exercise of Options. It is intended as a guide only. The precise taxation consequences for you will depend on your own particular circumstances. Neither RockRose nor Viaro Energy (nor any of their respective officers or employees) can provide you with specific tax advice. If you are in any doubt as to your tax position, if you are subject to taxation in another jurisdiction or not an individual resident in the UK only, you are advised to seek professional advice.

### ***Income Tax and National Insurance***

Income tax will be payable at your marginal rate together with (depending on your age) employee's national insurance when you exercise your Options. The income tax liability and national insurance which arise on the exercise of your Options will be calculated based on the market value of your RockRose Shares on the date of exercise (likely to be the Consideration you receive under the Acquisition (after the deduction of the exercise price where you have chosen to use the Cashless Exercise Facility, and less the exercise price if you have not and instead paid the exercise price by cheque)). For example, if you have an Option under which you are able to acquire 2,000 RockRose Shares for an exercise price of £5 per RockRose Share and the market value of a RockRose Share when your Option is exercised is £18.50 per RockRose Share, income tax and employee national insurance contributions ("**NIC**") would be payable on an amount equal to £27,000 (calculated as follows:  $2,000 \times £13.50$  (being £18.50 less the exercise price of £5)).

Any income tax or employee's NIC liability which arises on the exercise of Options will be collected via PAYE and deducted from the Consideration payable to you unless you enclose a cheque for such tax and NIC with your exercise form.

### ***Capital Gains Tax***

As you will be subject to income tax in respect of the exercise of Options, the base cost of the RockRose Shares you acquire on the exercise of your Options will in broad terms equal the market value of those RockRose Shares at the date of exercise (likely to be £18.50 per RockRose Share). As these RockRose Shares will be disposed of pursuant to the Scheme very shortly after exercise no capital gains tax liability is therefore expected to arise on their disposal.

EXERCISE FORM

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action to be taken, you should consult your own financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, another appropriately authorised financial adviser.

This document is being supplied to you as an option holder and may not be copied, reproduced, further distributed to any other person or published, in whole or in part, for any purpose.

This form (the "Exercise Form") should be read in conjunction with the letter to holders of Options from Andrew Austin of RockRose and Francesco Mazzagatti of Viaro Energy dated 23 July 2020 (the "Letter"). The definitions used in the Letter apply in this Exercise Form except where the context otherwise requires.

Once you have completed this Exercise Form in accordance with the instructions below, please return it SIGNED and DATED to Richard Slape, Chief Financial Officer of RockRose, to be received as soon as possible and in any event by no later than 5.00 p.m. on Thursday 20 August 2020. Please return the signed and dated Exercise Form to Richard by email, to: [REDACTED] (or, if you would prefer to post a paper copy, by post to the following address: Richard Slape, [REDACTED]).

Instructions for completing this Exercise Form

1. Before completing this Exercise Form, please read the accompanying Letter carefully. Use this Exercise Form if you want to accept the Proposal.
2. In order to complete this Exercise Form, you must sign and date it in front of a witness who should be over the age of 18 and ideally must not be a member of your family. The witness must add their name, address and signature where indicated. If you are likely to have difficulty with having the form witnessed due to the Covid-19 pandemic, please contact Richard Slape as soon as possible.
3. Return this Exercise Form (by post or by email) to be received by Richard Slape by no later than 5.00 p.m. on Thursday 20 August 2020.

By signing this Exercise Form, I confirm that I agree to the confirmations and undertakings below and I irrevocably elect to accept the Proposal to exercise all my Options (other than the Underwater Options, if any).

Signed and delivered as a deed by the option holder on the date below:

SIGNED as a DEED by

Full name of option holder (print): .....

Signature of option holder.....

Date:.....

in the presence of:

Full name of Witness (print): .....

Signature of Witness:.....

Address of Witness: .....

.....

Occupation of Witness: .....

## CONFIRMATIONS AND UNDERTAKINGS

By completing this Exercise Form:

1. I confirm that the statements which I have made in this Exercise Form are irrevocable.
2. I warrant that each Option in respect of which I have elected above is valid and subsisting and free from all liens, charges and encumbrances of any nature whatsoever, and acknowledge that the Option agreement in respect of each such Option shall become void once the RockRose Shares subject to that Option have been issued or transferred to me.
3. I understand that if my Options have lapsed, completion of this Exercise Form will have no effect.
4. I confirm that I have read and understood the Letter.
5. I acknowledge that any exercise of any Options by means of this Exercise Form is conditional on the Court sanctioning the Scheme and that, accordingly, if the Court does not sanction the Scheme for any reason, this Exercise Form will be of no effect and any Options referred to in this notice will remain unexercised. I acknowledge that any RockRose Shares I acquire on exercise of my Options will, subject to the Scheme becoming effective, be acquired automatically by Viaro Energy for the Consideration.
6. I hereby undertake to treat any information or documentation which I obtain (other than in respect of any such information which is in the public domain) in connection with the Acquisition as confidential.
7. In consideration of RockRose permitting the exercise of my Options without production of relevant option certificate(s) (if any) issued to me, I hereby agree to indemnify RockRose and Viaro Energy on demand and on a continuing basis against all claims, demands, liabilities, losses and expenses, howsoever arising, which may be made or arise against RockRose or Viaro Energy in consequence of the exercise of the Options being permitted without production of any relevant option certificate(s) and I undertake to destroy any such option certificate(s) to the extent that they are held (or are subsequently found) by me.
8. I hereby irrevocably authorise RockRose and any officer or employee of RockRose or my employer or any agent of such person (as applicable) to deduct from the Consideration due to me:
  - 7.1 any income tax and employee national insurance contributions arising on the exercise of my Option and to pay this to HMRC; and
  - 7.2 an amount equal to the aggregate exercise price payable on the exercise of my Option using the Cashless Exercise Facility.
9. I hereby undertake to RockRose that, to the extent the above amounts are not paid to it or at its direction on my behalf pursuant to the preceding authority, I shall, on demand, pay the outstanding amounts to RockRose or as it may direct, and warrant that any cheque drawn for that purpose will be honoured on first presentation.
10. I hereby irrevocably appoint each of RockRose, Andrew Austin, Richard Benmore and John Morrow or any agent of such person as my attorney on my behalf to do all acts and things and to execute any documents as may be necessary or desirable to give effect to the statements I have made above (including, but not limited to, an election under section 431(1) of ITEPA 2003) and I hereby undertake to execute any further documents that may be required in connection with such election and acceptance.
11. I confirm that all powers of attorney and authorities on terms conferred by this Exercise Form are given by way of security for the performance of my obligations and are irrevocable in accordance with Section 4 of the Powers of Attorney Act 1971.
12. I undertake to confirm and ratify any action properly or lawfully taken on my behalf by any attorney appointed by or pursuant to this Exercise Form.
13. I understand that receipt of this Exercise Form will not be acknowledged, and this Exercise Form will be dispatched at my own risk. I acknowledge that none of RockRose, Viaro Energy or any of their respective subsidiaries, or any of their respective, directors, officers or employees will be responsible for any loss (whatsoever and howsoever arising) in the event of the Exercise Form being incorrectly completed or where they have been unable to obtain clarification of my instructions.
14. I understand that my Exercise Form will be of no effect unless it is completed correctly dated, signed and received by the Deadline. However, I acknowledge that RockRose reserves the right, at its discretion, to treat as effective any form which is not correctly completed or which is received after the deadline.
15. This Exercise Form shall be governed by and construed in accordance with the laws of England and Wales, and subject to the jurisdiction of the English courts.

### Your Option(s)

Date of Option Grant	Number of RockRose Shares under Option	Exercise Price per RockRose Share (p)
04/06/2019	73,620	815.00
06/02/2020	31,836	1,865.00



