

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt about the contents of this document or about the action you should take you should immediately consult your stockbroker, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your ordinary shares of 5 pence each in the capital of the Company (“**Shares**”), please send this document, together with the accompanying form of proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

LOCHARD ENERGY GROUP PLC

(incorporated in England and Wales with registered number 05209284)

Notice of Annual General Meeting

A notice of the annual general meeting of the Company (the “**Annual General Meeting**”) to be held at 15 Appold Street, London EC2A 2HB on Friday, 16 December 2011 at 10 am is set out at the end of this document (the “**Notice of Meeting**”).

Holders of Shares (the “**Shareholders**”) are requested to complete and return the enclosed form of proxy to the Company’s Registrars, Computershare Investor Services PLC, the Pavilions, Bridgewater Road, Bristol BS99 6ZY by 10am on Wednesday, 14 December 2011 whether or not they propose to be present at the Annual General Meeting.

Holders of CHESS Depositary Interests (“**CDI**”) are invited to attend but are not entitled to vote personally at the Annual General Meeting. Chess Depositary Nominees Pty Ltd (“**CDN**”) holds legal title in the Company’s shares for and on behalf of CDI holders. As the holders of beneficial interest in the Company’s shares that are held by CDN, CDI holders should direct CDN on how to vote with respect to the resolutions described in the Notice of Meeting. CDN must exercise its rights to vote by proxy at the Annual General Meeting in accordance with the directions of CDI holders.

CDI holders should complete the CDI notice of direction form provided with this Notice of Meeting and return it to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001, Australia no later than 10am (Melbourne, Victoria, Australia time) on Tuesday, 13 December 2011.

LETTER FROM THE CHAIRMAN

LOCHARD ENERGY GROUP PLC

(incorporated in England and Wales with registered number 05209284)

Directors:

Haydn Gardner, Managing Director
Michael Rose, Non-Executive Director
Lincoln McCrabb, Director
Peter Youd, Non-Executive Director
James Brooke, Non-Executive Director

Registered Office:

15 Appold Street
London
EC2A 2HB

15 November 2011

To the Shareholders and, for information purposes only, the holders of options and warrants over Shares

NOTICE OF ANNUAL GENERAL MEETING

Dear Shareholder

1 INTRODUCTION

I am writing in connection with the resolutions to be proposed at the forthcoming Annual General Meeting of Lochard Energy Group plc (the “**Company**”) to be tabled on 16 December 2011.

2 RESOLUTIONS

The resolutions to be proposed at the Annual General Meeting are set out in full in the notice of meeting attached to this document. The special business to be proposed at the Annual General Meeting is:

(a) the renewal of the authority of the board of directors of the Company (the “**Board**”) to allot relevant securities:

(i) up to an aggregate nominal amount of £1,247,900;

(ii) as if statutory pre-emption rights did not apply to any allotment up to aggregate nominal value of £1,247,900,

to provide the Company with sufficient capacity to allot further Shares over the relevant period to, *inter alia*, raise finance for the Company if the Directors consider this appropriate and in the best interests of the Company; and

(b) to authorise the Company to purchase its own Shares in the market.

3 FINANCIAL STATEMENTS

It is proposed that the Annual Financial Report and the financial statements for the financial year ended 30 June 2011 will be received at the Annual General Meeting. A copy of the Annual Financial Report and the financial statements are available on the Company’s website (www.lochardenergy.com).

4 AUTHORITY TO ALLOT SHARE CAPITAL AND WAIVER OF PRE-EMPTION RIGHTS

It is proposed that the Board’s authority to allot the Company’s share capital is renewed in order to enable the Board to allot such shares *pro rata* to existing shareholders and to issue such shares otherwise than to existing shareholders for non-cash consideration, up to an amount equal to approximately 10% of the Company’s issued share capital at the date of the notice of the Annual General Meeting. This authority will lapse (unless such authority is previously renewed, varied or revoked by the Company in general meeting) on the earlier of the

date falling 15 months after the passing of the resolution and the conclusion of the next Annual General Meeting of the Company in 2012.

It is also proposed that pre-emption rights in relation to such shares be waived to permit the issue of up to 24,957,990 Shares for cash other than *pro rata* to existing Shareholders, such amount being equal to approximately 10% of the issued share capital of the Company at the date of the notice of the Annual General Meeting. This authority will lapse (unless such authority is previously renewed, varied or revoked by the Company in general meeting) on the earlier of the date falling 15 months after the passing of the resolution and the conclusion of the next Annual General Meeting of the Company in 2012.

These authorities will enable the Company to raise funds in the future to accelerate development of the Company's assets and to meet general working capital requirements if the Directors consider this appropriate and in the best interests of the Company.

5 MARKET PURCHASE OF SHARES

The Company's articles of association permit the purchase of the Company's own shares subject to obtaining Shareholders' approval. The Board considers that there may be circumstances in which it would be desirable for the Company to purchase its own Shares in the market. For example, in certain circumstances, the price in the market may represent a substantial discount to the price which the Board considers to be a fair reflection of the Company's value. Purchases would only be made if their effect would be expected to improve earnings per Share and if the Board considers such purchases to be in the best interests of Shareholders generally.

6 RESOLUTION

The resolutions to be proposed at the Annual General Meeting are set out in full in the notice of meeting attached to this document.

7 ACTION TO BE TAKEN

A form of proxy is enclosed for use by Shareholders at the Annual General Meeting. If you are a Shareholder, you are requested to complete, sign and return the form of proxy, whether or not you intend to be present at the meeting, and return it to the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgewater Road, Bristol BS99 6ZY. The completion and return of a form of proxy will not prevent you from attending the meeting and voting in person should you subsequently wish to do so.

8 RECOMMENDATION

The Directors consider that the proposed resolutions are in the best interests of the Company and its Shareholders as a whole.

Accordingly, the Directors unanimously recommend that you vote in favour of the resolutions being proposed at the Annual General Meeting, as they intend to do or procure to be done in respect of their own and their connected persons' beneficial holdings.

Yours faithfully

Haydn Gardner
Chairman

NOTICE OF ANNUAL GENERAL MEETING

LOCHARD ENERGY GROUP PLC

(incorporated in England and Wales with registered number 05209284)

NOTICE IS HEREBY GIVEN THAT the annual general meeting of the above-named Company will be held at 15 Appold Street, London EC2A 2HB on Friday, 16 December 2011 at 10am for the transaction of the following business:

ORDINARY BUSINESS

- 1 To receive the Annual Financial Report and the financial statements for the financial year ended 30 June 2011.
- 2 To re-elect Michael Rose as a Director of the Company who retires by rotation.
- 3 To re-elect Peter Youd as a Director of the Company who retires by rotation.
- 4 To elect James Brooke as a Director of the Company.
- 5 To re-appoint KPMG Audit Plc as the Company's auditors until the next Annual General Meeting and to authorise the Directors to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the resolutions set out below, of which resolution 6 will be proposed as an ordinary resolution and resolutions 7 and 8 will be proposed as special resolutions:

THAT:

- 6 in substitution for all existing authorities under the following section to the extent unutilised, the directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the "Act") to exercise all powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company, to such persons at such time and on such terms as the directors think proper up to an aggregate nominal amount of £1,247,900 for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) on the earlier of the date falling 15 months after the passing of this resolution and the conclusion of the next Annual General Meeting of the Company in 2012, but so that the Company may make an offer or agreement which would or might require the shares to be allotted, or the rights to be granted after the expiry of this authority and the directors may allot the shares or grant the rights in pursuance of that offer or agreement.
- 7 in substitution for all existing authorities to the extent unutilised, the directors, be and are hereby generally empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of the section 560 of the Act) for cash pursuant to the authority conferred by resolution 6 above, as if section 561 of the Act did not apply to the allotment provided that this power shall be limited to:
 - (a) the allotment of equity securities where such securities have been offered (whether by way of a rights issue, open offer or otherwise) to the holders of ordinary shares in the capital of the Company in proportion (as nearly as may be) to their holdings of such ordinary shares but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with equity securities representing fractional entitlements and with legal or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange in, any territory; and
 - (b) the allotment, other than pursuant to (a) above, of equity securities:

- (i) arising from the exercise of options and warrants outstanding at the date of this resolution; and
- (ii) other than pursuant to (i) above, for cash up to an aggregate nominal value of £1,247,900.

and this power shall, unless previously revoked or varied by special resolution of the Company in general meeting, expire on the earlier of the date falling 15 months after the passing of this resolution and the conclusion of the next Annual General Meeting of the Company in 2012, whichever is the earlier. 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 are hereby empowered to allot equity securities in pursuance of such offers or agreements as if the power conferred hereby had not expired.

8 The Company is hereby granted general and unconditional authority pursuant to Section 701 of the Act to make one or more market purchases (as defined in Section 693(4) of the Act) of any of its ordinary shares on such terms and in such manner as the Board of Directors of the Company may from time to time determine, provided that:

- (a) this authority will expire on the earlier of the date falling 15 months after the passing of this resolution and the conclusion of the next Annual General Meeting of the Company in 2012 unless revoked, varied or renewed before that time, but the Company may make a contract to purchase its ordinary shares under this authority before its expiry which will or may be concluded wholly or partly after the expiry of this authority and may make a purchase of ordinary shares in pursuance of any such contract.
- (b) the maximum aggregate number of such ordinary shares which may be purchased under this authority is 20,000,000;
- (c) the minimum price which may be paid for an ordinary shares shall be 5p and the maximum price which may be paid for an ordinary share shall be an amount equal to 105% of the average of the middle market closing price for an ordinary shares in the Company as derived from the AIM appendix to the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which the ordinary share is purchased (in each case exclusive of expenses payable by the Company); and
- (d) this authority shall only be capable of variation, revocation or renewal by a resolution of the Company.

By Order of the Board

Registered Office:

15 Appold Street
London
EC2A 2HB

Adrian Bowers
Company Secretary

Dated 15 November 2011

Notes:

1. As a holder of ordinary shares in the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. A proxy need not be a member of the Company.
2. In the case of joint holders, the vote of the person first named in the register of members tendering a vote will be accepted to the exclusion of the votes of the other joint holders.

3. In the case of a corporation, the form of proxy must be expressed to be executed by the corporation and must be executed under its common seal, or signed on its behalf by a duly authorised attorney or duly authorised officer of the corporation.
4. To be valid, the form of proxy and any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority must be deposited with the Registrars of the Company, Computershare Investor Services PLC, The Pavilions, Bridgewater Road, Bristol BS99 6ZY (or faxed to Computershare Investor Services PLC on +44 (0)870 703 6116) in accordance with the instructions printed thereon so as to be received not less than 48 hours before the time of the meeting or any adjournment thereof. Any alteration to the form of proxy must be initialled.
5. The completion and return of a proxy card will not affect the right of a member to attend, speak and vote in person at the meeting convened by this notice.
6. 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 Registrars of the Company, Computershare Investor Services PLC (on telephone number +44 (0)870 707 1256).
7. 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 "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.
8. Pursuant to regulation 41 of The Uncertificated Securities Regulations 2001, members will be entitled to attend and vote at the meeting if they are registered on the Company's register of members 48 hours before the time appointed for the meeting or any adjournment thereof. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
9. Any alterations made to this form should be initialled.
10. The completion and return of this form will not preclude a holder from attending, speaking and voting in person at the meeting. 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. If the Company is unable to determine which appointment was last validly received, none of them shall be treated as valid in respect of that share.

LOCHARD ENERGY GROUP PLC

(incorporated in England and Wales with registered number 05209284)

**FORM OF PROXY
for use by shareholders at the Annual General Meeting
to be held on 16 December 2011**

I/We, the undersigned shareholder(s) of Lochard Energy Group plc (the "Company") hereby appoint the Chairman of the Meeting*(see note 1) as my/our proxy to vote in my/our name(s) and on my/our behalf at the Annual General Meeting of the Company to be held at 15 Appold Street, London EC2A 2HB on 16 December 2011 at 10am and at any adjournment thereof.

Please indicate with an "X" in the appropriate boxes below how the proxy should vote and then sign in the space provided below. If no specific direction as to voting is given, the proxy may vote or abstain at his discretion.

ORDINARY BUSINESS	For	Against	Withheld
Resolution 1 - (adoption of Annual Financial Report)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 - (re-elect Michael Rose as a Director)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 - (re-elect Peter Youd as a Director)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 - (elect James Brooke as a Director)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 - (re-appointment of Auditors)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	_____	_____	_____
SPECIAL BUSINESS	For	Against	Withheld
Resolution 6 - (general power to allot shares)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 - (disapplication of pre-emption rights)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 - (market purchase of shares)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

I/We authorise my/our proxy to act at his/her discretion in relation to any other business arising at the Meeting (including in respect of the question whether to adjourn such meeting) and at any adjournment of such Meeting.

Signature(s) Dated

Name:
(in block capitals)

Address
.....

.....
Initials and surnames of joint holders if any

Notes:

1. *If you wish to appoint any person other than the Chairman of the Meeting as proxy, please delete the words “Chairman of the Meeting” and insert his or her name and address in the space provided and initial the alteration. The person appointed to act as a proxy need not be a member of the Company.
2. As a holder of ordinary shares in the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. A proxy need not be a member of the Company.
3. In the case of joint holders, the vote of the person first named in the register of members tendering a vote will be accepted to the exclusion of the votes of the other joint holders.
4. In the case of a corporation, this form must be expressed to be executed by the corporation and must be executed under its common seal, on its behalf by a duly authorised attorney or duly authorised officer of the corporation.
5. To be valid, this form and any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority must be deposited with the Registrars of the Company, Computershare Investor Services PLC, The Pavilions, Bridgewater Road, Bristol BS99 6ZY (or faxed to Computershare Investor Services PLC on +44(0)870 703 6116) in accordance with the instructions printed thereon so as to be received not less than 48 hours before the time of the meeting or any adjournment thereof. Any alteration to this form must be initialled.
6. The completion and return of a form of proxy will not affect the right of a member to attend, speak and vote in person at the meeting convened by this notice.
7. 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 Registrars of the Company, Computershare Investor Services PLC (on telephone number +44 (0)870 707 1256).
8. 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 “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.
9. Pursuant to regulation 41 of The Uncertificated Securities Regulations 2001, members will be entitled to attend and vote at the meeting if they are registered on the Company’s register of members 48 hours before the time appointed for the meeting or any adjournment thereof. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
10. Any alterations made to this form should be initialled.
11. The completion and return of this form will not preclude a holder from attending, speaking and voting in person at the meeting. 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. If the Company is unable to determine which appointment was last validly received, none of them shall be treated as valid in respect of that share.

LOCHARD ENERGY GROUP PLC
(Incorporated in England and Wales with registered number 05209284)

CDI NOTICE OF DIRECTION FORM

Holder Name _____

Address _____

Voting Instructions to CHESS Depository Nominees Pty Ltd

I/We being a holder of CHESS Depository Interests (CDI) of Lochard Energy Group PLC hereby direct CHESS Depository Nominees Pty Ltd (CDN) to vote the shares underlying my/our holding at the Annual General Meeting of Lochard Energy Group PLC to be held at 15 Appold Street, London EC2A 2HB on Friday, 16 December 2011 at 10.00 am and at any adjournment of that meeting.

By execution of this CDI Notice of Direction Form, the undersigned hereby authorises CDN to appoint such proxies or their substitutes to vote as directed or in their discretion (as the case may be) on such business as may properly come before the meeting.

Please indicate with an "X" in the appropriate boxes below how CDN should vote and then sign in the space provided below. If no specific direction as to voting is given, CDN may vote or abstain at its discretion.

ORDINARY BUSINESS	For	Against	Withheld
Resolution 1 - (adoption of Annual Financial Report)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 - (re-elect Michael Rose as a Director)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 - (re-elect Peter Youd as a Director)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 - (elect James Brooke as a Director)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 - (re-appointment of Auditors)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SPECIAL BUSINESS	For	Against	Withheld
Resolution 6 - (general power to allot shares)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 - (disapplication of pre-emption rights)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 - (market purchase of shares)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Company Secretary

Print Name _____

Individual or Securityholder 2

Director

Print Name _____

Individual or Securityholder 3

Director/Company Secretary

Print Name _____

Contact Name _____ Contact Daytime Telephone _____ Date
____/____/____

For your vote to be effective, it must be received by Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne, Victoria 3001, Australia no later than 10.00 am (Melbourne, Victoria, Australia) Tuesday, 13 December 2011

How to Vote on Items of Business

You can vote by completing, signing and returning your Notice of Direction Form. This form gives your voting instructions to CHESS Depository Nominees Pty Ltd, which will vote the underlying shares on your behalf. You need to return the form no later than the time and date shown above to give CHESS Depository Nominees Pty Ltd enough time to tabulate all CDI votes and execute the voting instructions.

Signing Instructions

Individual: Each securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the Australian registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Only duly authorised officer/s can sign on behalf of a company. Please sign in the boxes provided, which state the office held by the signatory. ie Sole Director, Sole Company Secretary or Director and Company Secretary.

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.