

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about this offer or as to the action you should take, you are recommended to seek your own independent financial and taxation advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who is duly authorised under the Financial Services and Markets Act 2000, if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you are or have been a Global Shareholder and you have sold or otherwise transferred all of your Global Shares, please send this document and any accompanying documents (but not the personalised Form of Acceptance) at once 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. **However, such documents must not be forwarded or transmitted in or into any jurisdiction where to do so would constitute a violation of the relevant laws of that jurisdiction, including (but not limited to) any Restricted Jurisdiction.** The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. If you have sold or otherwise transferred only part of your holding of Global Shares, you should retain these documents.

Merchant Securities Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for HKN and for no one else in connection with the Offer, and will not be responsible to anyone other than HKN for providing the protections afforded to customers of Merchant Securities Limited nor for providing advice in relation to the Offer or any matter referred to in this document.

Matrix Corporate Capital LLP, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Global (for the purposes of Rule 3 of the Code) and for no-one else in connection with the Offer and will not be responsible to anyone other than Global for providing the protections afforded to clients of Matrix Corporate Capital LLP nor for providing advice in relation to the Offer or any matter referred to in this document.

This document should be read in conjunction (if you hold Global Shares in certificated form) with the accompanying Form of Acceptance, which forms part of this document. If you are a CREST sponsored member you should refer to your CREST sponsor, as only your CREST sponsor will be able to send the necessary TTE Instruction to Euroclear.

Mandatory Cash Offer

by

HKN, Inc.

for the whole of the issued share capital of

Global Energy Development PLC

not already owned by HKN, Inc. and parties acting in concert with it

Your attention is drawn to the letter from HKN, Inc., set out in Part I of this document. The procedure for acceptance of the Offer is set out in paragraph 12 of the letter from HKN, Inc., set out in Part I of this document and (in respect of Global Shares held in certificated form) in the accompanying Form of Acceptance.

To accept the Offer in respect of certificated Global Shares, the Form of Acceptance must be completed, signed, witnessed (in the case of an individual) and returned together with your definitive share certificate(s) and/or other document(s) of title as soon as possible and, in any event, so as to be received by post or (during normal business hours only) by hand to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by no later than 1.00 p.m. on 30 September 2011. A reply-paid envelope for use within the UK accompanies this document for your convenience.

To accept the Offer in respect of uncertificated Global Shares, acceptances should be made electronically through CREST so that the TTE Instruction settles no later than 1.00 p.m. on 30 September 2011 following the procedure for Electronic Acceptances set out in Part C of Appendix 1 to this document.

As the Offer is unconditional in all respects, the Offer will not be extended beyond 30 September 2011 and will not be capable of acceptance after such date.

The availability of the Offer to persons who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not so resident should inform themselves about and observe such applicable requirements. If you are in any doubt about your position, you should consult your legal adviser in the relevant jurisdiction without delay.

Unless otherwise determined by HKN and permitted by applicable law and regulation, the Offer is not being (and will not be) made, directly or indirectly, in or into, or by the use of mails or other means of instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce, or any facility of a national securities exchange of, a Restricted Jurisdiction and the Offer will not be capable of acceptance by such use, means, instrumentality or facilities or otherwise from or within a Restricted Jurisdiction. Accordingly, copies of this document and related documents, including the Form of Acceptance (in respect of certificated Global Shares), are not being, and must not be in whole or in part, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from a Restricted Jurisdiction. Doing so may render invalid any purported acceptance of the Offer. Any person (including, without limitation, nominees, trustees or custodians) who would or otherwise intends to, or may have a contractual or legal obligation to, forward this document and/or the Form of Acceptance and/or any related documents to any jurisdiction outside the United Kingdom or to any overseas person should seek appropriate advice before taking any action. Further details in this regard are contained in paragraph 4 of Part A, and paragraphs (c) and (d) of Part B (in respect of certificated Global Shares) and (c) and (d) of Part C (in respect of

uncertificated Global Shares), of Appendix 1 to this document and (in respect of certificated Global Shares) the relevant provisions of the Form of Acceptance.

This document has been prepared for the purpose of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the UK.

The Offer is made solely by HKN and neither Merchant Securities Limited nor any of its affiliates are making the Offer.

To the extent permitted by applicable law, in accordance with, and to the extent permitted by, the Code and normal UK market practice, HKN or its nominees or brokers (acting as agents) or their respective affiliates may from time to time make certain purchases of, or arrangements to purchase, Global Shares, other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Such purchases, or arrangements to purchase, will comply with all applicable UK rules, including the Code and the rules of the London Stock Exchange to the extent applicable. In addition, in accordance with, and to the extent permitted by, the Code and normal UK market practice, Merchant Securities Limited and its affiliates may engage in purchasing activities consistent with their respective normal and usual practice and applicable law. Any information about such purchases will be disclosed on a next day basis to the Panel on Takeovers and Mergers and will be available from any Regulatory Information Service, including the Regulatory News Service on the London Stock Exchange website, www.londonstockexchange.com.

Forward-looking statements

This document, including information included in this document, contains "forward-looking statements" concerning HKN, Global and the Global Group that are subject to risks and uncertainties. Information in this document relating to Global and the Global Group has been compiled from published sources. Generally, the words "will", "may", "should", "continue", "believes", "expects", "intends", "anticipates" or similar expressions identify forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond HKN's and Global's ability to control or estimate precisely, such as future market conditions, changes in regulatory environment and the behaviour of other market participants. Neither HKN nor Global give any assurance that such forward-looking statements will prove to have been correct. The reader is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. Neither HKN nor Global undertakes any obligation to update or revise publicly any of the forward-looking statements set out herein, whether as a result of new information, future events or otherwise, except to the extent legally required.

Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of HKN or any member of the Global Group following completion of the Offer unless otherwise stated.

Disclosure requirements under the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of Global or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) Global and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of Global or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of Global or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of Global or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) Global and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of Global or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by Global and by any offeror and Dealing Disclosures must also be made by Global, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of Global and any offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

You should note that, for the purposes of the above summary of Rule 8 of the Code, HKN is not treated as a paper offeror and therefore there is no requirement to disclose interests or dealings in shares of HKN under Rule 8 of the Code.

A copy of this document will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on Global's website www.globalenergyplc.com while the Offer remains open for acceptance.

GLOBAL SHAREHOLDERS

TO ACCEPT THE OFFER:

A If you hold Global Shares in certificated form (i.e. not in CREST):

1. complete and sign and have witnessed (in the case of an individual) the accompanying Form of Acceptance in accordance with paragraph 12.1 of the letter from HKN set out in Part I of this document; and
2. return the completed Form of Acceptance (along with the relevant share certificate(s) and/or appropriate document(s) of title) using the enclosed reply-paid envelope (for use in the UK only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, **in any event, so as to be received by not later than 1.00 p.m. on 30 September 2011.**

B If you hold Global Shares in uncertificated form (i.e. in CREST):

you should follow the procedures set out in paragraph 12.2 of the letter from HKN set out in Part I of this document and send a TTE Instruction **to settle no later than 1.00 p.m. on 30 September 2011.** If you hold your Global Shares as a CREST sponsored member, you should refer to your CREST sponsor, as only your CREST sponsor will be able to send the necessary instruction to Euroclear.

This document is being sent to Global Bondholders and holders of Global Share Options for information only.

If you have any queries then please contact Capita Registrars on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 am to 5.00 pm (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

Settlement

Settlement for those Global Shareholders who have validly accepted the Offer will be effected by the despatch of cheques or the crediting of CREST accounts (as appropriate) within 14 calendar days of 30 September 2011.

This page should be read in conjunction with the rest of this document and, in the case of Global Shares held in certificated form, the Form of Acceptance. Global Shareholders are recommended to seek financial advice from their stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if they are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

THE CLOSING DATE OF THE OFFER IS 1.00 P.M. (LONDON TIME) ON 30 SEPTEMBER 2011 AND THE OFFER WILL NOT BE EXTENDED BEYOND THIS DATE

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Definitions

The following words and expressions shall have the following meanings in this document and the Form of Acceptance unless the context requires otherwise:

“Accepting Global Shareholders”	Global Shareholders who validly accept the Offer and “Accepting Global Shareholder” shall be construed accordingly
“Act” or “Companies Act”	the Companies Act 2006
“Acquisition”	the acquisition of 3,788,936 Global Shares by Lyford from the USMS at a price of approximately US 96 cents for each Global Share
“Agreement”	the agreement whereby Lyford acquired an interest in 3,565,936 Global Shares from the USMS which was announced by Lyford on 16 June 2011
“AIM”	the market of that name, operated by the London Stock Exchange plc
“Announcement”	the announcement of HKN’s firm intention to make the Offer pursuant to Rule 2.5 of the Code published on the Announcement Date
“Announcement Date”	16 June 2011
“Articles”	the Articles of Association of Global
“Brean”	Brean Murray Carret Group, Inc., a company incorporated in the British Virgin Islands whose registered office is at Tropic Isle Building, Road Town, Tortola D8, British Virgin Islands, VG 1110
“business day”	a day (excluding Saturdays, Sundays and public holidays) on which clearing banks are open for business in the City of London
“Capita Registrars”	a trading name of Capita Registrars Limited, a company incorporated in England and Wales, with registered number 2605568 and Receiving Agent for the Offer
“certificated” or “in certificated form”	in relation to a share or other security, not in uncertificated form (that is, not in CREST)
“Closing Date”	30 September 2011
“Closing Price”	the closing middle-market price of a Global Share on a particular day as derived from the Daily Official List
“Code”	the City Code on Takeovers and Mergers
“Concert Party”	HKN, Brean, Lyford, Evansville, Phyllis Quasha and Mikel Faulkner
“Conditional Acquisition”	the acquisition of 55,400 Global Shares by Lyford from the USMS at a price of US 105 cents for each Global Share
“connected person”	has the meaning given to that term in sections 252-255 of the Act
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations)

“CREST Manual”	the manual issued by Euroclear from time to time
“CREST member”	a person who had been admitted by Euroclear as a system-member (as defined in the CREST Regulations)
“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
“CREST payment”	has the meaning given to that term in the CREST Manual
“CREST personal member”	a CREST member admitted to CREST as a personal member
“CREST Regulations” or “Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended)
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member under the sponsorship of a CREST sponsor
"Daily Official List"	the AIM Appendix of the Daily Official List of the London Stock Exchange
“Electronic Acceptance”	the inputting and settling of a TTE Instruction in respect of Global Shares held in uncertificated form which constitutes or is deemed to constitute an acceptance of the Offer on the terms set out in this document
“ESA Instruction”	means an Escrow Account Adjustment Input (AESN) transaction type "ESA" (as described in the CREST Manual)
“Escrow Agent”	Capita Registrars in its capacity as escrow agent
“Euroclear”	Euroclear UK and Ireland Limited, the operator of CREST
“Evansville”	Evansville Limited, a company incorporated in the British Virgin Islands whose registered office is at Tropic Isle Building, Road Town, Tortola D8, British Virgin Islands, VG 1110
“Form of Acceptance”	the form of acceptance and authority relating to the Offer, accompanying this document for use in respect of certificated Global Shares
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
"Global"	Global Energy Development plc, a company registered in England and Wales under company number 4330608, whose registered office is at 3 More London Riverside, London SE1 2AQ
"Global Bonds"	the Global Notes 2005 and the Global Notes 2006
"Global Bondholders"	holders of Global Bonds
“Global Diluted Share Capital”	the Global Shares in issue following vesting and exercise of all Global Share Options with an exercise price below 72p per Global Share
“Global Directors”	the directors of Global, whose names are set out at paragraph 2.3 of Appendix 4 to this document

"Global Group"	collectively, Global and its subsidiaries from time to time
"Global Independent Directors"	the Global Directors other than Mikel Faulkner (who is not independent as he is a member of the Concert Party)
"Global Notes 2005"	the US\$5,798,000 variable coupon convertible notes due 2012 (XS0234228830) issued on 31 October 2005
"Global Notes 2006"	the US\$11,303,000 variable coupon convertible notes due 2012 (XS0275170305) issued on 8 December 2006
"Global Shareholders"	holders of Global Shares
"Global Shares"	ordinary shares of 1p each in the capital of Global
"Global Share Options"	the outstanding options granted over 4,908,529 Global Shares pursuant to the Global Share Scheme as at the date of this document
"Global Share Scheme"	the employee share option scheme of Global adopted by the board of Global on 31 January 2002 and amended by the board of Global on 28 July 2004 and 16 June 2005 and further amended by the remuneration committee of Global on 2 February 2011 under which options over Global Shares are outstanding
"HKN"	HKN, Inc., a company incorporated in Delaware, United States, with registered number 95-2841597 whose registered office is at 180 State Street, Ste. 200 Southlake, TX 76092 USA
"HKN Directors" or "HKN Board"	the directors of HKN, whose names are set out at paragraph 2.1 of Appendix 4 to this document
"Lyford"	Lyford Investments Enterprises, Ltd., a company incorporated in the British Virgin Islands whose registered office is at Tropic Isle Building, Road Town, Tortola D8, British Virgin Islands, VG 1110
"Matrix"	Matrix Corporate Capital LLP, a limited liability partnership incorporated in England and Wales with registered number OC319462, a firm regulated and authorised by the Financial Services Authority
"Merchant Securities"	Merchant Securities Limited, a company incorporated in England and Wales with registered number 01825671 whose registered office is at 51 - 55 Gresham Street, London EC2V 7HQ and a firm regulated and authorised by the Financial Services Authority
"Member Account ID"	the identification code or number attached to any member account in CREST
"Offer"	the mandatory cash offer made by HKN to acquire the entire issued and to be issued share capital of Global not already owned (or conditionally acquired) by HKN or the Concert Party on the terms set out in this document and, in the case of Global Shares held in certificated form, the Form of Acceptance and including (where the context admits) any subsequent revision, variation, extension or renewal of such offer
"Offer Document"	this document

“Offer Period”	the offer period (as defined in the Code) relating to Global, which commenced on (and includes) 16 June 2011 and ending at 1.00 p.m. (London time) on 30 September 2011
“Offer Price”	72p in cash per Global Share
“Overseas Shareholders”	Global Shareholders whose registered addresses are outside the UK or who are citizens, residents or nationals of countries other than the UK or who are custodians or nominees of, or trustees for, citizens, residents or nationals in countries other than the UK
“Panel”	the Panel on Takeovers and Mergers
“participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
“Receiving Agent”	Capita Registrars, the receiving agent to the Offer
“Regulatory Information Service”	a service approved by the UK Listing Authority for the distribution of announcements to the public
“Restricted Jurisdiction”	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure for HKN, any parties acting in concert with it, any of their respective directors or Global if information or documentation concerning the Offer is sent or made available to Global Shareholders in that jurisdiction
“Securities Act”	the United States Securities Act of 1933 (as amended)
“TFE Instruction”	a transfer from escrow instruction (as defined in the CREST Manual)
“TTE Instruction”	a transfer to escrow instruction (as defined in the CREST Manual)
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated” or “in uncertificated form”	in relation to a share or other securities, recorded on the register of members of Global as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“US” or “United States”	the United States of America
“USMS”	the United States Marshals Service

All references to legislation in this document are to English legislation unless the contrary is indicated. Save where otherwise stated, for the purpose of this document, "subsidiary undertaking" and "associate" have the respective meanings given to them by the Act.

Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

References to the singular include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

All references to time in this document are to London time.

PART I

Letter from HKN, Inc. to Global Shareholders

HKN, Inc.

(Incorporated in Delaware, United States, with registered number 95-2841597)

Directors:

Alan G. Quasha (Non-executive Chairman)
Mikel D. Faulkner (Chief Executive Officer and President)
Michael M. Ameen, Jr. (Non-executive Director)
Dr. J. William Petty (Non-executive Director)
H. A. Smith (Non-executive Director)

Registered Office:

Suite 200
180 State Street
Southlake
TX 76092
United States

9 September 2011

To Global Shareholders and, for information only, to Global Bondholders and holders of Global Share Options.

Dear Global Shareholder,

Mandatory Cash Offer for Global

1. Introduction

On 16 June 2011, Lyford announced that it had acquired an interest in Global through entering into an agreement to acquire 3,565,936 Global Shares (the "Agreement"), representing an interest of approximately 9.97 per cent. in Global, from the United States Marshals Service (the "USMS"), at a price of approximately US 96 cents per Global Share (equivalent to approximately 59p per Global Share based on a closing mid exchange rate of approximately US\$1.62:£1 on 15 June 2011, the last practicable date prior to the Announcement Date). The Agreement was amended and restated and completed on 29 August 2011, pursuant to which, the USMS wished to sell, and Lyford purchased on the same date, 3,788,936 Global Shares at a price of approximately US 96 cents per Global Share (equivalent to approximately 59p per Global Share based on a closing mid exchange rate of approximately US\$1.64:£1 on 26 August 2011, the last practicable date prior to completion of the purchase) (the "Acquisition"). Lyford also, on the same date, conditionally agreed to acquire a further 55,400 Global Shares from the USMS at a price of US\$1.05 per Global Share (equivalent to approximately 64p per Global Share based on a closing mid exchange rate of approximately US\$1.64:£1 on 26 August 2011) (the "Conditional Acquisition"). As a result of the Conditional Acquisition and the completion of the Acquisition, Lyford is interested (as at the date of this document) in 9,175,636 Global Shares, representing approximately 25.65 per cent. of the issued share capital of Global.

Lyford is a company incorporated in the British Virgin Islands which is controlled by Brean. Brean also controls approximately 55.9 per cent. of HKN, a US company traded on the NYSE Amex, which in turn holds approximately 33.25 per cent. of Global's issued share capital.

Phyllis Quasha, who controls Brean, also controls Evansville, which in turn holds approximately 0.49 per cent. of Global's issued share capital.

In addition, Mikel Faulkner, a director of both HKN and Global, holds approximately 0.66 per cent. of Global's issued share capital.

For the purposes of the Code, Phyllis Quasha, Brean, HKN, Evansville and Mikel Faulkner are deemed to be acting in concert with Lyford (together, the "Concert Party"). Immediately prior to the Acquisition, the Concert Party was beneficially interested in approximately 49.31 per cent. of Global's issued share capital. As at the date of this document (following completion of the Acquisition and assuming completion of the Conditional Acquisition, but before taking account of any valid acceptances received under the Offer), the Concert Party is beneficially interested in 21,480,960 Global Shares, representing

approximately 60.06 per cent. of Global's issued share capital.

As a result of entering into the Agreement, under Rule 9 of the Code, the Concert Party is obliged to make a mandatory cash offer to acquire the entire issued share capital of Global not already owned by members of the Concert Party at a price of 72p per share, being the highest price paid for a Global Share in the 12 months prior to the commencement of the Offer Period by any member of the Concert Party. As the Concert Party is now interested in Global Shares representing more than 50 per cent. of Global's issued share capital carrying more than 50 per cent. of the voting rights of Global's issued share capital, there is no minimum acceptance condition or any other conditions precedent to the Offer and the Offer is unconditional in all respects.

Your attention is drawn to the letter from the Global Independent Directors in Part II of this document which sets out the reasons why the Global Independent Directors, who have been so advised by Matrix, do not consider the terms of the Offer to be fair and reasonable and, accordingly, unanimously recommend that Global Shareholders do not accept the Offer.

This letter, Appendix 1 to this document and (in the case of Global Shares held in certificated form) the Form of Acceptance, together contain the formal terms of the Offer.

2. The Offer

HKN hereby offers to acquire, on the terms set out in Appendix I of this document and, in the case of Global Shares held in certificated form, the Form of Acceptance, all of the Global Shares (other than Global Shares already held or conditionally acquired by it and persons acting in concert with it) on the following basis:

for each Global Share 72p in cash

The Offer values the whole of the issued share capital of Global at approximately £25.8 million.

The Offer is being made by HKN as a mandatory cash offer in accordance with the Concert Party's obligations under Rule 9 of the Code. As outlined above, the Concert Party is now interested in Global Shares representing more than 50 per cent. of Global's issued share capital carrying more than 50 per cent. of the voting rights of Global's issued share capital. Accordingly the Offer, which will not be increased, is not subject to any minimum acceptance condition or any other conditions precedent and is unconditional in all respects. The Offer will not be extended beyond the Closing Date and will not therefore be capable of acceptance after such date.

The Offer Price represents a discount of approximately: (i) 7.7 per cent. to the Closing Price of 78p of a Global Share on 15 June 2011, the trading day immediately preceding the Announcement Date, and (ii) approximately 18.2 per cent. to the Closing Price of 88p of a Global Share on 8 September 2011, the last practicable trading day prior to the posting of this document.

The Global Shares will be acquired by HKN, pursuant to the Offer, fully paid with full title guarantee and free from all liens, charges, encumbrances, equitable interests, pre-emption rights and other interests and rights of whatsoever nature and together with all rights now or hereafter attaching thereto, including, without limitation, the right to receive and retain in full all dividends and other distributions (if any) declared, paid or made after the Announcement Date.

Procedure for the acceptance of the Offer is set out in paragraph 12 of this letter.

3. Background and reasons for the Offer

As mentioned above, the Offer is being made in accordance with the provisions of Rule 9 of the Code following the Acquisition, which resulted in the Concert Party's interest in Global increasing to above 49.31 per cent. As the Concert Party is now interested in Global Shares representing more than 50 per cent. of Global's issued share capital carrying more than 50 per cent. of the voting rights of Global's issued share capital, the Offer is unconditional in all respects.

4. Information on HKN and Brean

HKN is an energy company, whose shares are listed on the New York Stock Exchange (NYSE – Amex), engaged in the development and production of crude oil, natural gas and coalbed methane assets and in the active management of energy-based investments. As at 30 June 2011, HKN had reported net assets of approximately \$73.7 million. Further financial information on HKN is incorporated by reference into this document, as set out in Appendix 2 to this document.

Brean is an investment holding company which is registered and incorporated in the British Virgin Islands and its sole director is Vicali Services (BVI) Inc., a British Virgin Islands company ("Vicali"). Susan V. Demers and Andrea J. Douglas are the directors of Vicali. Mrs. Phyllis Quasha is the beneficial owner of Brean.

5. Financing of the Offer and cash confirmation

Full acceptance of the Offer will result in the payment by HKN of approximately £11 million in cash, on the assumption that only Global Share Options that have vested with exercise prices below 72p are exercised and option holders accept the Offer and taking into account the irrevocable undertakings given by Mikel Faulkner and Stephen Voss not to accept the Offer in respect of any Global Shares issued as a result of any exercise of their Global Share Options.

The aggregate cash consideration payable by HKN will be financed from the existing cash resources of HKN.

Merchant Securities, financial adviser to HKN, is satisfied that sufficient resources are available to HKN to satisfy the cash consideration payable to Global Shareholders in the event of full acceptance of the Offer.

6. Management, employees and locations

The existing employment rights and terms and conditions of employment, of employees of Global will continue to be safeguarded following the Offer. HKN does not currently have any strategic plans for Global, does not currently intend to make any material change in the conditions or location of employment of Global employees, nor does it currently intend to change the location of Global's places of business, the composition of Global's board of directors, or to redeploy Global's fixed assets.

7. Trading on AIM of Global Shares

HKN intends that the admission to trading of Global Shares on AIM will continue following the Offer.

8. Irrevocable undertakings not to accept the Offer

The following Global Directors have given irrevocable undertakings to HKN that they will not accept the Offer in respect of any Global Shares issued pursuant to any exercise of Global Share Options held by them which have vested:

Optionholder	No. of Global Shares under options subject to an irrevocable undertaking	No. of Global Shares under options subject to an irrevocable undertaking with an exercise price under 72p per share	Percentage of Global Diluted Share Capital
Mikel Faulkner	1,890,000	1,560,000	3.96
Stephen Voss	1,200,000	1,000,000	2.54

9. UK Taxation

Your attention is drawn to paragraph 8 of Appendix 4 of this document which summarises certain aspects of United Kingdom taxation in connection with the Offer. If you are in any doubt about your own tax position, you should consult an independent professional adviser immediately.

10. Global Share Scheme

The Offer extends to any Global Shares issued or unconditionally allotted or issued fully paid (or credited as fully paid) after the date of the Announcement and before the date the Offer closes (or such earlier date as HKN may, subject to the Code and in accordance with the further terms of the Offer, decide), including those Global Shares allotted or issued as a result of the exercise of options under the Global Share Scheme.

Holders of Global Share Options can exercise their options (to the extent they are already exercisable) and accept the Offer. Global will be writing to holders of Global Share Options separately in relation to this matter.

11. Overseas Shareholders

The attention of Overseas Shareholders and any persons (including, without limitation, any nominee, trustee or custodian) who would, or otherwise intend to, or who may have a contractual or legal obligation to forward this document and/or any of the accompanying documents to any person outside the United Kingdom is drawn to paragraph 4 of Part A, and paragraphs (c) and (d) of Part B (in respect of certificated Global Shares) and paragraphs (c) and (d) of Part C (in respect of uncertificated Global Shares), of Appendix 1 to this document and (in respect of certificated Global Shares) to the relevant provisions of the Form of Acceptance.

The availability of the Offer to persons who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction. Persons who are not resident in the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your legal adviser in the relevant jurisdiction without delay.

The Offer is not being made, directly or indirectly, in or into any Restricted Jurisdiction. Accordingly, copies of this document and any related documents are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving this document and any related document (including, without limitation, nominees, trustees and custodian) must not mail or otherwise forward, distribute or send it in or into or from a Restricted Jurisdiction. Doing so may render invalid any purported acceptance of the Offer. Accordingly, any accepting Global Shareholder who is unable to give the warranties set out in paragraphs (c) and (d) of Part B or Part C of Appendix 1 to this document (as applicable) may be deemed not to have validly accepted the Offer.

12. Procedure for acceptance of the Offer

To accept the Offer, if your Global Shares are in certificated form (i.e. not in CREST) you must complete, sign, have witnessed (in the case of an individual) and return the accompanying Form of Acceptance in accordance with the instructions in paragraph 12.1 below and the instructions printed on the Form of Acceptance. To accept the Offer, if your Global Shares are in uncertificated form (i.e. in CREST), you must instead submit a TTE Instruction and comply with the instructions in paragraph 12.2 below. This paragraph 12 should be read together with (in respect of certificated Global Shares) Parts A and B of Appendix 1 to this document and the notes on the Form of Acceptance and (in respect of uncertificated Global Shares) Parts A and C of Appendix 1 to this document.

12.1 Global Shares in certificated form (that is, not in CREST)

You should note that, if you hold Global Shares in certificated form under different designations, you should complete a separate Form of Acceptance in respect of each designation. Additional Forms of Acceptance for this purpose will be available, whilst the Offer remains open for acceptance, from Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by telephone on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK.

Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 am to 5.00 pm (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

12.1.1 Completion of the Form of Acceptance

To accept the Offer in respect of certificated Global Shares, you must complete Boxes 1 and 2 and, if appropriate, Boxes 4, 5 and 6 and sign Box 3 of the Form of Acceptance in the presence (in the case of an individual) of an independent witness who must also complete Box 3 where indicated. Corporate Global Shareholders should execute the Form of Acceptance in the manner described in it. If you do not insert a number in Box 1 of the Form of Acceptance or you insert a number greater than your registered holding of Global Shares in certificated form or you write the word "ALL", a valid acceptance will be deemed to have been made in respect of all Global Shares in certificated form held by you.

The Form of Acceptance is issued only to the addressee(s) and is specific to the unique designated account printed on it. The Form of Acceptance is a personalised form and is not transferable between accounts or uniquely designated accounts. HKN and the Receiving Agent accept no liability for any instructions that do not comply with the conditions set out in this document, the Form of Acceptance or accompanying materials.

12.1.2 Return of Form of Acceptance

To accept the Offer in respect of certificated Global Shares, the accompanying Form of Acceptance must be completed, signed, witnessed (in the case of an individual) and returned, together with your share certificate(s), and/or other document(s) of title, by post to or by hand (during normal business hours only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU **as soon as possible and, in any event, so as to be received not later than 1.00 p.m. on 30 September 2011. As the Offer is unconditional in all respects, the Offer will not be extended beyond such date and will not therefore be capable of acceptance after this date.** The instructions printed on the Form of Acceptance shall be deemed to form part of the terms of the Offer. A reply-paid envelope is enclosed for your convenience and may be used for returning the Form of Acceptance from within the UK only. No acknowledgement of receipt of documents will be given.

Any Form of Acceptance received in an envelope postmarked in a Restricted Jurisdiction or otherwise appearing to HKN or its agents to have been sent from any of those countries will not, unless otherwise determined by HKN in its absolute discretion, constitute a valid acceptance of the Offer in respect of certificated Global Shares. For further information on Overseas Shareholders please see paragraph 4 of Part A and paragraphs (c) and (d) of Part B of Appendix 1 to this document and the relevant provisions of the Form of Acceptance.

12.1.3 Share certificate(s) and document(s) of title not readily available or lost

If your Global Shares are in certificated form and, for any reason, your share certificate(s) and/or other document(s) of title are not readily available or are lost, the Form of Acceptance should nevertheless be completed, signed, witnessed (in the case of an individual) and returned as stated above so as to be received not later than 1.00 p.m. on 30 September 2011, together with any share certificate(s) and/or other document(s) of title that you may have available, accompanied by a letter stating that the balance will follow or that you have lost one or more of your share certificate(s) and/or other documents of title. The other certificate(s) and/or other documents(s) of title should be forwarded to Capita Registrars, as soon as possible thereafter. No acknowledgement of receipt of documents will be given.

If you have lost your share certificate(s) and/or other document(s) of title, you should write to Global's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU for a letter of indemnity in respect of the lost share certificate(s) and/or other document(s) of title which, when completed in accordance with the instructions given, should be returned by post or by hand (during normal business hours only), to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

12.1.4 Validity of acceptances

Subject to the provisions of the Code and without prejudice to Parts A and B of Appendix 1 to this document, HKN and its agents reserve the right to treat as valid in whole or in part any acceptance of the Offer in respect of certificated Global Shares which is not entirely in order or which is not accompanied by the relevant share certificate(s) and/or other document(s) of title. The consideration payable in respect of such acceptances under the Offer will not be paid until the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to HKN or its agents have been received.

12.2 Global Shares held in uncertificated form (that is, in CREST)

To accept the Offer in respect of uncertificated Global Shares, you should take (or procure the taking of) the action set out below to transfer the Global Shares in uncertificated form in respect of which you wish to accept the Offer to the appropriate escrow balances (that is send a TTE Instruction), specifying Capita Registrars (in its capacity as a CREST participant under the Escrow Agent Participant ID referred to below) as the Escrow Agent, as soon as possible and in any event so that the TTE Instruction settles **not later than 1.00 p.m. on 30 September 2011. As the Offer is unconditional in all respects, the Offer will not be extended beyond such date and will not therefore be capable of acceptance after this date. Note that settlement cannot take place on weekends or bank holidays (or other times at which the CREST system is non-operational) and you should therefore ensure that you time the input of any TTE Instruction(s) accordingly.**

The input and settlement of a TTE Instruction in accordance with this paragraph 12.2 will (subject to satisfying the requirements set out in Parts A and C of Appendix 1 to this document) constitute an acceptance of the Offer in respect of the number of Global Shares in uncertificated form so transferred to escrow.

If you are a CREST sponsored member you should refer to your CREST sponsor before taking any action. Only your CREST sponsor will be able to send the TTE Instruction(s) to Euroclear in relation to your Global Shares in uncertificated form.

After settlement of a TTE Instruction you will not be able to access the Global Shares concerned in CREST for any transaction or charging purposes, and the Escrow Agent will transfer the Global Shares concerned to itself in accordance with paragraph (f) of Part C of Appendix 1 to this document.

You are recommended to refer to the CREST manual published by Euroclear for further information on the CREST procedures outlined below.

You should note that Euroclear does not make available special procedures for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction relating to your Global Shares in uncertificated form to settle prior to 1.00 p.m. on 30 September 2011. As the Offer is unconditional in all respects, the Offer will not be extended beyond such date and will not therefore be capable of acceptance after this date. In connection with this you are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

12.2.1 To accept the Offer in respect of your Global Shares in uncertificated form

To accept the Offer in respect of Global Shares in uncertificated form you should send (or if you are a CREST sponsored member, procure that your CREST sponsor sends) to Euroclear a TTE Instruction in relation to such shares.

A TTE Instruction to Euroclear must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain the following details:

- the corporate action ISIN number of the Global Shares. This is GB0031461949;
- the number of Global Shares in uncertificated form in respect of which you wish to accept the Offer;
- your participant ID;
- your member account ID;
- the participant ID of the Escrow Agent. This is RA10;

- the member account ID of the Escrow Agent for acceptance of the Offer. This is HKNGED01 for the Offer;
- the corporate action number of the Offer which is allocated by Euroclear and can be found by reviewing the relevant corporate action details in CREST;
- the intended settlement date. This should be as soon as possible and, in any event not later than 1.00 p.m. on 30 September 2011;
- input with standard delivery instruction priority of 80; and
- contact name and telephone number inserted in the shared note field.

12.2.2 Validity of acceptances

A Form of Acceptance which is received in respect of Global Shares held in uncertificated form will not constitute a valid acceptance of the Offer and will be disregarded. Holders of Global Shares in uncertificated form who wish to accept the Offer should note that a TTE Instruction will only be a valid acceptance of the Offer as at the relevant closing date if it has settled on or before that date.

12.3 Deposits of Global Shares into, and withdrawal of Global Shares from, CREST

Normal CREST procedures (including timings) apply in relation to any Global Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Offer (whether such conversion arises as a result of a transfer of Global Shares or otherwise). Global Shareholders who are proposing to convert any such Global Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Global Shares as a result of the conversion to take all necessary steps in connection with an acceptance of the Offer (in particular, as regards delivery of share certificates and/or other documents of title as described in paragraph 12.1.2 above or transfers to an escrow balance as described in paragraph 12.2.1 above) prior to 1.00 p.m. on 30 September 2011.

If you are in any doubt as to the procedure for acceptance please contact Capita Registrars on 0871 664 0321 from within the UK, or, on + 44 20 8639 3399 if calling from outside the UK, or at the address set out in paragraph 12.1 of this Part I. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 am to 5.00 pm (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice. You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

13. Settlement

Provided that the TTE Instructions, Forms of Acceptance, share certificate(s) and/or other document(s) of title are in order and are received complete in all respects by 1.00p.m. on 30 September 2011, settlement of the consideration to which any Global Shareholder (or the first named shareholder in the case of joint holders) is entitled under the Offer will (except, in the case of Global Shareholders who are residents of jurisdictions outside the United Kingdom or who are in a Restricted Jurisdiction, as provided in paragraph 4 of Part A of Appendix 1 to this document), be effected by the despatch of cheques or crediting of CREST accounts (as applicable) in the case of acceptances of the Offer received, complete in all respects by 1.00 p.m. on 30 September 2011, within 14 days of such date, in the following manner:

13.1 Global Shares in certificated form (that is, not in CREST)

Where an acceptance relates to Global Shares in certificated form, settlement of the cash consideration will be despatched by first class post (or by such other method as may be approved by the Panel) but not into a Restricted Jurisdiction. All such cash payments will be made in pounds sterling by cheque drawn on a branch of a United Kingdom clearing bank.

13.2 Global Shares in uncertificated form (that is, in CREST)

Where an acceptance relates to Global Shares in uncertificated form, settlement of the cash consideration to which the accepting Global Shareholder is entitled will be paid by means of a CREST assured payment in favour of the accepting Global Shareholder's payment bank, in accordance with CREST assured payment arrangements.

HKN reserves the right to settle all or any part of the consideration referred to in this paragraph 13.2, for all or any accepting Global Shareholders, in the manner referred to in paragraph 13.1 above, if, for any reason, it wishes to do so.

13.3 General

All remittances, communications, notices, certificates and document(s) of title sent by, to or from Global Shareholders or their appointed agents will be sent at their own risk.

Except with the consent of the Panel, settlement of the consideration to which any Global Shareholder is entitled under the Offer will be settled in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled as against such Global Shareholder.

14. Further information

Your attention is drawn to the letter from the Global Independent Directors in Part II of this document, the information contained in the Appendices, which form part of this document, and (in the case of certificated Global Shares) in the accompanying Form of Acceptance which should be read in conjunction with this document.

15. Action to be taken

If you hold some or all of your Global Shares in certificated form and wish to accept the Offer in respect of those Global Shares, you should complete the Form of Acceptance in accordance with the instructions printed on it and return it, as soon as possible, by post or (during normal business hours only) by hand to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU and, in any event, so as to be received not later than 1.00 p.m. on 30 September 2011.

If you hold some or all of your Global Shares in uncertificated form and wish to accept the Offer in respect of those Global Shares, you will need to accept the Offer electronically through CREST. You should take the action set out in paragraph 12.2 of this letter and ensure that the TTE Instruction settles no later than 1.00 p.m. on 30 September 2011.

As the Offer is unconditional in all respects, the Offer will not be extended beyond 1.00 p.m. on 30 September 2011 and will not therefore be capable of acceptance after this date.

If you are in any doubt as to the procedure for acceptance, please contact Capita Registrars on 0871 664 0321 from within the UK, or, on + 44 20 8639 3399 if calling from outside the UK, or at the address set out in paragraph 12.1 of this Part I. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 am to 5.00 pm (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice. You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

Your decision as to whether to accept the Offer will depend on your individual circumstances. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice from an independent financial adviser authorised under the Financial Services and Markets Act 2000 (if you are in the UK) or an appropriately authorised independent financial adviser (if you are outside the UK) without delay.

Yours faithfully,

Sarah Gasch
Vice President and Chief Financial Officer
For and on behalf of HKN, Inc.

PART II

Letter from the Global Independent Directors

Global Energy Development plc

(Incorporated in England & Wales with registered number 4330608)

Global Independent Directors:

Stephen Voss (Managing Director)
Alan Henderson (Non-executive Director)
David Quint (Non-executive Director)

Registered Office:

3 More London Riverside
London
SE1 2AQ

9 September 2011

To Global Shareholders and, for information only, to holders of Global Bondholders and Global Share Options.

Dear Global Shareholder,

Mandatory cash offer for Global Energy Development plc

1. Introduction

On 16 June 2011, Lyford announced that it had acquired an interest in Global through entering into an agreement to acquire 3,565,936 Global Shares (the “Agreement”), representing an interest of approximately 9.97 per cent. in Global, from the USMS at a price of approximately US 96 cents per Global Share (equivalent to approximately 59p per Global Share based on a closing mid exchange rate of approximately US\$1.62:£1 on 15 June 2011, the last practicable date before the Announcement Date). As stated in the letter from HKN in Part I of this document, the Agreement was amended and restated and completed on 29 August 2011, pursuant to which Lyford purchased 3,788,936 Global Shares at a price of approximately US 96 cents per Global Share (equivalent to approximately 59p per Global Share based on a closing mid exchange rate of approximately US\$1.64:£1 on 26 August 2011, the last practicable date prior to the completion of the purchase) the (“Acquisition”). Lyford also, on the same date, conditionally agreed to acquire a further 55,400 Global Shares from the USMS at a price of US\$1.05 per Global Share (equivalent to approximately 64p per Global Share based on a closing mid exchange rate of approximately US\$1.64:£1 on 26 August 2011) (the “Conditional Acquisition”). As a result of the Conditional Acquisition and the completion of the Acquisition, Lyford is (at the date of this document) interested in 9,175,636 Global Shares representing approximately 25.65 per cent. of the issued share capital of Global.

Lyford is a company incorporated in the British Virgin Islands which is controlled by Brean. Brean also controls approximately 55.9 per cent. of HKN, a US company traded on the NYSE Amex, which in turn holds approximately 33.25 per cent. of Global’s issued share capital. Phyllis Quasha, who controls Brean, also controls Evansville, which in turn holds approximately 0.49 per cent. of Global’s issued share capital.

In addition, Mr Mikel Faulkner, a director of both HKN and Global, holds approximately 0.66 per cent. of Global’s issued share capital.

For the purposes of the Code, Phyllis Quasha, Brean, HKN, Evansville and Mikel Faulkner are deemed to be acting in concert with Lyford (together, the “Concert Party”). Immediately prior to the Acquisition, the Concert Party was beneficially interested in approximately 49.31 per cent. of Global’s issued share capital. As at the date of this document (following completion of the Acquisition and assuming completion of the Conditional Acquisition, but before taking account of any valid acceptances received under the Offer), the Concert Party is beneficially interested in 21,480,960 Global Shares representing approximately 60.06 per cent. of Global’s issued share capital.

As a result of entering into the Agreement, under Rule 9 of the Code, the Concert Party is obliged to make a mandatory cash offer to acquire the entire issued share capital of Global not already owned by members of the Concert Party at a price of 72p per Share, being the highest price paid for a Global Share in the 12

months prior to the commencement of the Offer Period by any member of the Concert Party. The Offer is being made on the terms set out in this document. As the Concert Party is now interested in Global Shares representing more than 50 per cent. of Global's issued share capital carrying more than 50 per cent. of the voting rights of Global's issued share capital, there is no minimum acceptance condition or any other conditions precedent to the Offer and the Offer is unconditional in all respects.

I am writing to you to explain the background to the Offer and set out the views and opinion of the Global Independent Directors on the Offer and why the Global Independent Directors recommend that you do not accept the Offer.

2. The Offer

The formal Offer, together with details of the procedures for acceptance, is set out in the letter from HKN contained in Part I of this document.

In accordance with the Offer, which is subject to the terms set out in Appendix 1 of this document and also (in respect of Global Shares held in certificated form) the Form of Acceptance, Accepting Global Shareholders will receive:

for each Global Share 72p in cash

The Offer values the whole of the issued share capital of Global at approximately £25.8 million.

The Offer is being made by HKN as a mandatory cash offer in accordance with the Concert Party's obligations under Rule 9 of the Code. As outlined above, the Concert Party is now interested in Global Shares representing more than 50 per cent. of Global's issued share capital carrying more than 50 per cent. of the voting rights of Global's issued share capital. Accordingly the Offer, which will not be increased, is not subject to any minimum acceptance condition or any other conditions precedent and is unconditional in all respects. The Offer will not be extended beyond the Closing Date and will not therefore be capable of acceptance after such date.

The Global Shares will be acquired by HKN, pursuant to the Offer, fully paid with full title guarantee and free from all liens, charges, encumbrances, equitable interests, pre-emption rights and other interests and rights of whatsoever nature and together with all rights now or hereafter attaching thereto, including, without limitation, the right to receive and retain in full all dividends and other distributions (if any) declared, paid or made after the Announcement Date.

The Offer Price represents a discount of approximately: (i) 7.7 per cent. to the Closing Price of 78 pence per Global Share on 15 June 2011, the trading day immediately preceding the date of the Announcement; and (ii) approximately 18.2 per cent. to the Closing Price of 88 pence per Global Share on 8 September 2011, the last practicable trading day prior to the date of this document.

3. Views of the Global Independent Directors

While the Global Independent Directors recognise that the making of the Offer is a requirement of Rule 9 of the Code, under the Code the Global Independent Directors are required to obtain independent advice on the Offer and to make the substance of such advice and their own views known to Global Shareholders. As noted above, the Offer Price represents a discount to both the Closing Price of a Global Share prior to the Announcement Date and to the date of this document.

The Global Independent Directors, who have been so advised by Matrix, consider the terms of the Offer to materially undervalue the Company and do not therefore consider the terms of the Offer to be fair and reasonable. In providing its advice, Matrix has taken into account the Global Independent Directors' commercial assessments. Accordingly, the Global Independent Directors recommend that Global Shareholders do not accept the Offer. The Global Independent Directors do not intend to accept the Offer in respect of their own shareholdings amounting, in aggregate, to 221,985 Global Shares (representing approximately 0.62 per cent. of Global's issued share capital).

Notwithstanding the above and recognising that the Concert Party, in particular HKN, has since the Company's admission to AIM held a considerable degree of influence over the Company (albeit that the

Concert Party's aggregate interest prior to the Acquisition had fallen to below 50 per cent. of the Company's issued share capital), the Global Independent Directors consider that Global Shareholders should be aware of the implications of completion of the Acquisition. In particular, Global Shareholders should note that, as a result of completion of the Acquisition, the Concert Party holds a majority of the Company's issued share capital and, therefore, has sufficient rights to ensure that ordinary resolutions are passed, as well as the ability to block resolutions of which it does not approve. In addition, for so long as the Concert Party holds more than 50 per cent. of the voting rights of the Company, members of the Concert Party will also be free to increase their shareholding in the Company through acquisitions from Global Shareholders without any obligation under the Code to make a further offer to all Global Shareholders (other than in circumstances where Note 4 on Rule 9 of the Code might apply).

4. Information on Global

Global is a petroleum exploration and production company focused on Latin America. Global's portfolio covers the countries of Colombia and Peru and comprises a base of production, developmental drilling and workover opportunities and several exploration projects. Global currently holds six contracts: five in Colombia and one in Peru. Global's Shares have been traded on AIM since March 2002.

For the period ended 30 June 2011, Global had revenues of approximately US\$17 million and as at that date had net assets of approximately US\$84 million. Further financial information on Global is incorporated by reference into this document, as set out in Appendix 3 to this document.

5. Current trading and prospects of Global

On 6 September 2011, Global announced its interim results for the six months ended 30 June 2011 (the "Period").

During the Period, favourable oil pricing along with an increase in Global's daily production volumes generated significantly improved results. Revenues for the Period increased 52% to \$17.1 million (six months ended 30 June 2010: \$11.3 million) and Gross Profit increased to \$7.4 million against \$3.1 million in the same period in the prior year. Global ended the Period with cash and cash equivalents of \$5.7 million.

Crude oil commodity prices increased during the Period with Global averaging \$93.59 per barrel ("bbl"), a 36% increase against \$68.97 per bbl in the first half of 2010. Net production (after all royalty payments) during the Period rose 16% to 212,934 bbls (first half of 2010: 183,658 bbls), and Global's net sales volumes were 182,750 bbls (first half of 2010: 163,343 bbls).

Cost of sales increased 18% during the Period to \$9.7 million (first half of 2010: \$8.2 million), but Global averaged a cash netback per bbl of \$61.05 for the Period (first half of 2010: \$43.15).

Workover operations at Global's Tilodiran 2 and Tilodiran 3 wells, completed in mid-May, with testing and installation of temporary facilities completed by mid-June 2011, took Global from an average gross daily production of approximately 1,100 barrels of oil per day ("bopd") prior to the completion of the workovers to an average gross daily production of 2,200 bopd following the workovers and through 30 June 2011.

In August 2011, Global elected to temporarily suspend production from the Tilodiran 2 well while Global finalises field water disposal preparations. Global is currently operating with temporary facilities at its Tilodiran field pending the design and construction of permanent facilities. Permanent upgraded facilities are intended to include a water injection conversion of Global's existing Rio Verde 2 well once the requisite environmental and other regulatory permits are obtained. The oil rate from the Tilodiran 2 well was stable prior to temporary shut-in. Global plans to recommence production from the Tilodiran 2 well immediately following the conversion and start up of water disposal operations utilising Global's existing Rio Verde 2 well.

The Global Directors confirm that, save as disclosed in this document, there are no known material changes to the financial or trading position of the Company since the publication of the audited results for year ended 31 December 2010.

6. Management, employees and locations

HKN has given assurances to the Global Independent Directors that the existing employment rights and terms and conditions of employment, of employees of Global will continue to be safeguarded following the Offer and that HKN has confirmed that it does not currently have any strategic plans for Global, does not intend to make any material change in the conditions or location of employment of Global employees, nor does it intend to change the location of Global's places of business, the composition of Global's board of directors, or redeploy Global's fixed assets.

7. Trading on AIM of Global Shares

HKN has confirmed that it intends that the admission to trading of Global Shares on AIM will continue following the Offer.

8. Overseas Shareholders

Overseas Shareholders should refer to paragraph 11 of the letter from HKN contained in Part I of this document.

9. Global Share Scheme

HKN has confirmed that the Offer will extend to any Global Shares issued or unconditionally allotted or issued fully paid (or credited as fully paid) after the date of the Announcement and before the date the Offer closes (or such earlier date as HKN may, subject to the Code and in accordance with the further terms of the Offer, decide), including those Global Shares allotted or issued as a result of the exercise of options under the Global Share Scheme.

Holders of Global Share Options can exercise their options (to the extent they are already exercisable) and accept the Offer. Global will be writing to holders of Global Share Options separately in relation to this matter.

10. Action to be taken

As stated above, the Global Independent Directors, who have been so advised by Matrix, consider the terms of the Offer to materially undervalue the Company and do not therefore consider the terms of the Offer to be fair and reasonable and, accordingly, recommend that Global Shareholders do not accept the Offer. Should Global Shareholders wish to accept the Offer, however, the procedure for acceptance of the Offer is set out in paragraph 12 of the letter from HKN contained in Part I of this document together with, if you hold your shares in certificated form, the Form of Acceptance.

Your decision as to whether to accept the Offer will depend on your individual circumstances. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice from an independent financial adviser authorised under the Financial Services and Markets Act 2000 (if you are in the UK) or an appropriately authorised independent financial adviser (if you are outside the UK) without delay.

Yours faithfully,

For and on behalf of the Global Independent Directors

Stephen Voss
Managing Director

Global Energy Development PLC

APPENDIX 1

Further terms of the Offer

There is no minimum acceptance condition or any conditions precedent to the Offer. The Offer is unconditional in all respects.

The Offer from HKN complies with the applicable rules and regulations of AIM and the Code. The Offer and any acceptances under it are governed by English law and are subject to the jurisdiction of the courts of England and Wales and to the further terms set out in this Appendix I and (in respect of certificated Global Shares) in the Form of Acceptance and such further terms as may be required to comply with the Code and other applicable law.

The Global Shares which will be acquired under the Offer will be acquired by HKN fully paid with full title guarantee and free from all liens, charges, encumbrances, equitable interests, pre-emption rights and other interests and rights of any nature whatsoever and together with all rights now or hereafter attaching to them, including, without limitation, the right to receive and retain in full all dividends and other distributions (if any) declared, paid or made after the Announcement Date.

The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements. If you are in any doubt about your position, you should consult your legal adviser in the relevant jurisdiction without delay.

The Offer will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, internet or e-mail) of interstate or foreign commerce of, or of any facility of a national securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facility or otherwise from within, any Restricted Jurisdiction.

The Offer will be on the terms set out in this Appendix 1, the Form of Acceptance (in the case of Global Shares in certificated form) and such further terms as may be required to comply with the Code and other applicable law.

Part A: Further Terms of the Offer

The following further terms apply to the Offer.

Unless the context requires otherwise, any reference in Parts A, B and C of this Appendix 1 and (in respect of certificated Global Shares) in the Form of Acceptance to:

- (i) the “**Offer**” means the Offer and any revision, variation, renewal or extension thereof;
- (ii) “**acceptances of the Offer**” includes deemed acceptances of the Offer;
- (iii) the “**Offer Document**” means this document and any other document containing the Offer; and
- (iv) “**Closing Date**” means 30 September 2011.

1. Acceptance Period

- (a) The Offer is unconditional and will remain open for acceptance until 1.00 p.m. (London time) on the Closing Date.
- (b) As HKN and persons acting in concert with it (as defined in the Code) own over 50 per cent. of the voting rights of Global, the Offer is unconditional from the outset. Although no revision is envisaged, if the Offer is revised, it will remain open for acceptance for a period of at least 14 days (or such other period as may be permitted by the Panel) from the date on which written notification of the revision is posted to Global Shareholders.
- (c) If a competitive situation arises (as defined by the Panel) after HKN has made a “no extension” statement and / or a “no increase” statement in relation to the Offer (as determined by the Panel), HKN may, if it specifically reserved the right to do so at the time such statement was made, or otherwise with the consent of the Panel, withdraw that statement and extend or revise the Offer (as appropriate), provided it complies with the requirements of the Code and, in particular, that:
 - (i) it announces such withdrawal and that it is free to extend or revise the Offer (as appropriate) as soon as possible (and in any event within four business days of the firm announcement of the competing offer or other competitive situation) and Global Shareholders are informed in writing at the earliest practicable opportunity or, in the case of Global Shareholders with registered addresses outside the United Kingdom or whom HKN or its agent knows to be a nominee, trustee or custodian holding Global Shares for such persons, by announcement in the United Kingdom; and
 - (ii) any Global Shareholder who accepted the Offer after the date of the “no extension” or “no increase” statement is given a right of withdrawal in accordance with paragraph 3(c) of this Part A.

HKN may, if it has reserved the right to do so, choose not to be bound by a “no increase” or “no extension” statement if it would otherwise prevent the posting of an increased or improved offer (either as to the value or nature of the consideration offered or otherwise) which is recommended for acceptance by the Global Board or in other circumstances permitted by the Panel.

- (d) The price of 72p under the Offer is final and will not be increased. Under Rule 32.2, where an offeror has made such a statement the Panel will only allow it subsequently to amend the terms of its offer in any way (even if the amendment would not result in an increase of the value of the offer) in wholly exceptional circumstances, except where the right to do so has been specifically reserved. No such reservations have been made by HKN, and no such revision of the Offer is envisaged. However, were the Panel to permit the Offer to be revised in any circumstances, it would remain open for acceptance for a period of at least 14 calendar days (or such other period as the Panel may permit) following the date written notice of the revision is despatched to Global Shareholders, and all Global Shareholders who accepted the original offer would be entitled to the revised consideration.

2. Announcements

- (a) By 8.00 a.m. (London time) on the next Business Day following the day on which the Offer is due to expire or is revised or extended (or such later time(s) or date(s) as the Panel may agree) (the “relevant day”), HKN will make an appropriate announcement and simultaneously inform a Regulatory Information Service. The announcement will state (unless otherwise permitted by the Panel):
- (i) the number of Global Shares for which acceptances of the Offer have been received, specifying the extent to which acceptances have been received from persons acting in concert with HKN (as defined in the Code);
 - (ii) details of any relevant securities (as defined in the Code) of Global in which HKN or any person acting in concert with it has an interest or in respect of which he has a right to subscribe, in each case specifying the nature of the interests or rights concerned. Similar details of any short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, must also be stated;
 - (iii) details of any relevant securities (as defined in the Code) of Global in respect of which HKN or any persons acting in concert with HKN (as defined in the Code) has an outstanding irrevocable commitment or letter of intent; and
 - (iv) details of any relevant securities (as defined in the Code) of Global which HKN or any person acting in concert with it has borrowed or lent, save for any borrowed shares which have been either on-lent or sold;

and specify, in each case, the percentages of each class of relevant securities (as defined in the Code) represented by these figures.

- (b) In computing the number of Global Shares represented by acceptances and/or purchases, there may be included or excluded for announcement purposes, subject to paragraph 4 (f) below, acceptances and purchases not in all respects in order or subject to verification.
- (c) In this Appendix 1, references to the making of an announcement or the giving of notice by or on behalf of HKN include the release of an announcement by public relations consultants on behalf of HKN to the press and the delivery by hand or telephone, telex or facsimile transmission or other electronic transmission of an announcement to a Regulatory Information Service. An announcement made otherwise than to a Regulatory Information Service will be notified simultaneously to a Regulatory Information Service (unless the Panel otherwise agrees).
- (d) Without limiting the manner in which HKN may choose to make any public statement and subject to HKN’s obligations under applicable law, HKN will have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release to a Regulatory Information Service.

3. Rights of withdrawal

- (a) If HKN fails by 3.30 p.m. (London time) on the relevant day (or such later time and / or date as the Panel may agree) to comply with any of the other relevant requirements specified in paragraph 2 of this Part A, an Accepting Global Shareholder may (unless the Panel otherwise agrees) immediately after that time withdraw his acceptance of the Offer by written notice signed by the Accepting Global Shareholder (or his agent duly appointed in writing and evidence of whose appointment, in a form reasonably satisfactory to HKN, is produced with the notice) given by post or by hand (during normal business hours only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU on behalf of HKN. Alternatively, in the case of Global Shares held in uncertificated form, withdrawals must be effected in the manner set out in paragraph 3(g) of

this Part A. Subject to paragraph 1(c) of this Part A, this right of withdrawal may be terminated not less than eight calendar days after the relevant day by HKN complying with the other relevant requirements specified in paragraph 2 of this Part A.

- (b) If an Accepting Global Shareholder withdraws his acceptance, all documents of title and other documents lodged with the Form of Acceptance will be returned as soon as practicable following the receipt of the withdrawal (and in any event within 14 days) and Capita Registrars will immediately give instructions for the release of securities held in escrow.
- (c) If a “no extension” and / or “no increase” statement is withdrawn in accordance with paragraph 1(c) of this Part A, any acceptance made by a Global Shareholder after the date of that statement may be withdrawn thereafter in the manner referred to in paragraph 3(a) of this Part A, alternatively, in the case of Global Shares held in uncertificated form, withdrawals can be effected in the manner set out in paragraph 3(g) of this Part A or for a period of eight calendar days following the date on which the notice of the withdrawal of such statement is posted to Global Shareholders.
- (d) Except as provided by this paragraph 3, acceptances of the Offer will be irrevocable.
- (e) In this paragraph 3, “**written notice**” (including any letter of appointment, direction or authority) means notice in writing bearing the original signature(s) of the relevant accepting Global Shareholder or his/their agent(s) duly appointed in writing (evidence of whose appointment is a form reasonably satisfactory to HKN is produced with the notice). Telex, e-mail, facsimile or other electronic transmissions or copies will not be sufficient. No notice which is post-marked in, or otherwise appears to HKN or its agents to have been sent from a Restricted Jurisdiction will be treated as valid.
- (f) Global Shares in respect of which acceptances have been properly withdrawn in accordance with this paragraph 3 may subsequently be re-assented to the Offer by following one of the procedures described in Part I of this document at any time while the Offer remains open for acceptance.
- (g) In respect of Global Shares held in uncertificated form, if withdrawals are permitted pursuant to paragraphs 3(a) or 3(c) of this Part A, an accepting Global Shareholder may withdraw his acceptance through CREST by sending (or, if a CREST sponsored member, procuring that his CREST sponsor sends) an ESA instruction to settle in CREST in relation to each Electronic Acceptance to be withdrawn. Each ESA instruction must, in order for it to be valid and settle, include the following details:
- the number of Global Shares to be withdrawn;
 - the corporate action ISIN number of Global Shares. This is GB0031461949;
 - the member account ID of the accepting Global Shareholder;
 - the participant ID of the Accepting Global Shareholder;
 - the participant ID of the Escrow Agent. This is RA10;
 - the member account ID of the Escrow Agent. This is HKNGED01;
 - the CREST Transaction ID of the Electronic Acceptance to be withdrawn to be inserted at the beginning of the shared note field;
 - input with standard delivery instruction priority of 80;
 - the intended settlement date for the withdrawal; and
 - the corporate action number of the Offer, which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST.

Any such withdrawal will be conditional upon Capita Registrars verifying that the withdrawal request is validly made. Accordingly, Capita Registrars will on behalf of Global reject or accept the withdrawal by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.

- (h) Immediately (or within such longer period, not exceeding 14 calendar days, as the Panel may permit) upon a Global Shareholder validly withdrawing his acceptance in respect of Global Shares held in uncertificated form, Capita Registrars will give TFE Instructions to Euroclear to transfer all relevant

Global Shares held in escrow balances, and in relation to which it is Escrow Agent for the purpose of the Offer, to the original available balances of the Global Shareholder concerned and, in respect of Global Shares held in certificated form, Capita Registrars will return by post (or by such other method as may be approved by the Panel) all share certificates and/ or other document(s) of title to the holder of Global Shares concerned.

- (i) All questions as to the validity (including time of receipt) of any notice of withdrawal will be determined by HKN, acting in good faith, whose determination (except as required by the Panel) will be final and binding. None of HKN, Capita Registrars or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give such notification or for any determination under this paragraph.

4. Overseas Shareholders

- (a) The making of the Offer in jurisdictions outside the UK, or to certain persons who are Overseas Shareholders may be prohibited or affected by the laws of the relevant jurisdictions. Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of any such person wishing to accept the Offer to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and compliance with other necessary formalities. Any such Overseas Shareholder will be responsible for the payment of any issue, transfer or other taxes or duties or other requisite payments due in that jurisdiction by whomsoever payable and HKN and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such issue, transfer or other taxes or duties or other requisite payments as such person (and any person acting on behalf of them) may be required to pay. Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. **If you are an Overseas Shareholder and you are in doubt about your position, you should consult your professional adviser in the relevant jurisdiction.**
- (b) Unless otherwise determined by HKN and permitted by applicable law and regulation, the Offer is not being made, directly or indirectly, in or into a Restricted Jurisdiction, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, e-mail, telex, telephone and the internet) of interstate or foreign commerce of, or of any facilities of a national securities exchange of any Restricted Jurisdiction and is not capable of acceptance by any such use, means, instrumentality or facility, or otherwise from or within any Restricted Jurisdiction.
- (c) Copies of the Offer Document and/or the Form of Acceptance and any related documents are not being and must not be, directly or indirectly, mailed or otherwise distributed or sent in or into or from any Restricted Jurisdiction, including to Global Shareholders or holders of Global Share Options with registered addresses in those jurisdictions or to persons whom HKN knows to be custodians, nominees or trustees holding Global Shares for such persons. Persons receiving such documents (including, without limitation, custodians, nominees and trustees) must not distribute, send or mail them in, into or from a Restricted Jurisdiction, or use such mails or any such means or instrumentality for any purpose, directly or indirectly, in connection with the Offer, and doing so may render invalid any related purported acceptance of the Offer. Persons wishing to accept the Offer must not use the mails or any such means, or instrumentality or facility of any Restricted Jurisdiction for any purpose directly or indirectly related to the acceptance of the Offer. Envelopes containing Forms of Acceptance, evidence of title or other documents relating to the Offer must not be postmarked in, or otherwise dispatched from, any Restricted Jurisdiction and all acceptors must provide addresses outside a Restricted Jurisdiction for the receipt or the remittance of the consideration to which they are entitled under the Offer, or for the return of the Form of Acceptance and (in relation to Global Shares in certificated form) any Global Share certificate(s) and/or other document(s) of title.
- (d) Subject as provided below, a Global Shareholder will be deemed NOT to have accepted the Offer if:

- (i) he puts “NO” in Box 5 of the Form of Acceptance and thereby does not make the representations and warranties set out in paragraph (c) of Part B of this Appendix 1;
- (ii) Box 1 of the Form of Acceptance contains an address in a Restricted Jurisdiction and he does not insert in Box 6 of the Form of Acceptance the name and address of a person or agent outside a Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the Offer to be sent, subject to the provisions of this paragraph 4 and applicable laws;
- (iii) he inserts in Box 2 of the Form of Acceptance a telephone number in a Restricted Jurisdiction for use in the event of queries;
- (iv) a Form of Acceptance received from him is received in an envelope postmarked in, or otherwise appears to HKN or its agents to have been sent from or otherwise evidences use of any means or instrumentality of, a Restricted Jurisdiction; or
- (v) (in respect of uncertificated Global Shares) he makes a Restricted Escrow Transfer (as defined in paragraph 4(f) below) pursuant to paragraph 4(f) below unless he also makes a related Restricted ESA Instruction (as defined in paragraph 4(f) below) which is accepted by the Receiving Agent.

HKN reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the representations and warranties set out in paragraph (c) of Part B (or as the case may be, Part C) of this Appendix 1 could have been truthfully given by the relevant Global Shareholder and, if such investigation is made and as a result HKN cannot satisfy itself that such representations and warranties are true and correct, such acceptance shall not be valid.

- (e) If, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees) whether pursuant to a contractual or legal obligation or otherwise forwards the Offer Document and/or the Form of Acceptance in, into or from a Restricted Jurisdiction or uses the mails or any means or instrumentality (including, without limitation, facsimile transmission, email, telex, telephone and the internet) of interstate or foreign commerce of, or any facilities of a national securities exchange of, such jurisdictions in connection with such forwarding, such person should:
 - (i) inform the recipient of such fact;
 - (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
 - (iii) draw the attention of the recipient to this paragraph 4.
- (f) If a Global Shareholder holding Global Shares in uncertificated form is unable to give the representations and warranties set out in paragraph (c) of Part C of this Appendix I, but nevertheless can produce evidence satisfactory to HKN that he is able to accept the Offer in compliance with all legal and regulatory requirements and without HKN or its agents being in breach of any such requirements, he may only purport to accept the Offer by sending (or if a CREST sponsored member, procuring that his CREST sponsor sends) both:
 - (i) a valid TTE Instruction to a designated escrow balance detailed below (a **Restricted Escrow Transfer**); and
 - (ii) one or more valid ESA Instructions (a **Restricted ESA Instruction**) which specify that the Global Shareholder wants to receive cash consideration under the Offer).

Such purported acceptance will not be treated as a valid acceptance unless both the Restricted Escrow Transfer and the Restricted ESA Instruction(s) settle in CREST and HKN decides in its absolute discretion to exercise its right to waive, vary or modify the terms of the Offer relating to Overseas Shareholders to the extent required to permit such acceptance to be made in each case

during the acceptance period set out in paragraph 1 of this Part A of this Appendix I. If HKN decides to permit such acceptance to be made, the Capita Registrars will on behalf of HKN accept the purported acceptance as an Electronic Acceptance on the terms of this document (as so waived, varied or modified) by transmitting in CREST a receiving agent accept (AEAN) message. Otherwise, the Receiving Agent will on behalf of HKN reject the purported acceptance by transmitting in CREST a receiving agent reject (AEAD) message.

Each Restricted Escrow Transfer must, in order for it to be valid and settle, include the following details:

- the corporate action ISIN number of the Global Shares. This is GB0031461949;
- the number of Global Shares in uncertificated form in respect of which the accepting holder of Global Shares wishes to accept the Offer (i.e. the number of Global Shares in uncertificated form to be transferred to an escrow balance);
- the participant ID of the accepting Global Shareholder;
- the member account ID of the accepting Global Shareholder;
- the participant ID of the Escrow Agent set out in the Restricted Escrow Transfer. This is RA10;
- the member account ID of the Escrow Agent set out in the Restricted Escrow Transfer. This is RESTRICT;
- the intended settlement date. This should be as soon as possible and in any event not later than 1.00 p.m. (London time) on the Closing Date;
- the corporate action number for the Offer which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- input with standard delivery instruction priority of 80; and
- the contact name and telephone number of the accepting Global Shareholder inserted in the shared note field.

Each Restricted ESA Instruction must, in order for it to be valid and settle, include the following details:

- the corporate action ISIN number of the Global Shares. This is GB0031461949;
- the number of Global Shares relevant to that Restricted ESA Instruction;
- the member account ID and participant ID of the accepting Global Shareholder;
- the member account ID (RESTRICT) and participant ID (RA10) of Capita Registrars set out in the Restricted Escrow Transfer;
- the participant ID and the member account ID of Capita Registrars relevant to the form of consideration required (details of which are set out in the letter from HKN contained in this document);
- the CREST transaction ID of the Restricted Escrow Transfer to which the Restricted ESA Instruction relates;
- the intended settlement date. This should be as soon as possible and in any event not later than 1.00 p.m. on the Closing Date;
- input with standard delivery instruction of 80; and
- the corporate action number for the Offer allocated by CREST.

- (g) Notwithstanding anything to the contrary contained in this document or the Form of Acceptance, HKN may make the Offer (with or without giving effect to the foregoing paragraphs of this paragraph 4) in a Restricted Jurisdiction or in any other jurisdiction pursuant to an exemption under, or in accordance with, applicable law in such jurisdictions and, in this connection, the provisions of paragraph (c) of Part B and paragraph (c) of Part C of this Appendix 1 will be varied accordingly.
- (h) The provisions of this paragraph 4 supersede any terms of the Offer inconsistent with them. The provisions of this paragraph 4 and/or any other terms of the Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific holder(s) of Global Shares or on a general basis by HKN in its absolute discretion.
- (i) References in this paragraph 4 to a Global Shareholder shall include the person or persons executing a Form of Acceptance or making an Electronic Acceptance and, in the event of more than one person

executing a Form of Acceptance or making an Electronic Acceptance (as the case may be), the provisions of this paragraph shall apply to them jointly and severally to each of them.

- (j) Neither HKN nor any agent or director of HKN nor any person on behalf of them shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of acceptances of the Offer on any of the bases set out above or otherwise in connection therewith.

5. Revised Offer

- (a) The price of 72p under the Offer is final and will not be increased and no revision of the Offer is envisaged. If, however, the Offer (in its original or any previously revised form(s)) is revised (either in its terms or in the value or form of the consideration offered or otherwise), and any such revised Offer represents on the date on which the revision is announced an improvement (or no diminution) in the value of the consideration of the Offer as so revised compared with the value of the consideration or terms previously offered, or in the overall value received by a Global Shareholder (under or in consequence of the Offer or otherwise), the benefit of the revised Offer will, subject to paragraphs 4, 5(c) and 5(d) of this Part A, be made available to any Global Shareholder who has validly accepted the Offer in its original or any previously revised form(s) and who has not validly withdrawn such acceptance (a “**Previous Acceptor**”). The acceptance by or on behalf of a Previous Acceptor of the Offer in its original or any previously revised form(s) shall, subject to paragraphs 4, 5(c) and 5(d) of this Part A, be deemed to be an acceptance of the Offer as so revised and will also constitute an authority to HKN, or any of their respective directors, authorised representatives and agents as his attorney and / or agent (“**attorney**”):
 - (i) to accept any such revised Offer on behalf of such Previous Acceptor;
 - (ii) if such revised Offer includes alternative forms of consideration, to make on his behalf elections for and / or accept such alternative forms of consideration on his behalf in such proportions as such attorney in his absolute discretion thinks fit; and
 - (iii) to execute on behalf of and in the name of such Previous Acceptor all such further documents and take such further actions (if any) as may be required to give effect to such acceptances and / or elections. In making any such acceptance or making any such election, the attorney will take into account the nature of any previous acceptances and / or elections made by the Previous Acceptor and such other facts or matters as he may reasonably consider relevant.
- (b) HKN reserves the right (subject to paragraph 5(c) and (d)) to treat an executed Form of Acceptance or Electronic Acceptance relating to the Offer in its original or any previously revised form(s) which is received (or dated) on or after the announcement or issue of the Offer in any revised form as a valid acceptance of the revised Offer (and, where applicable, a valid election for the alternative form(s) of consideration). Such acceptance will constitute an authority in the terms of paragraph 5(a) above, *mutatis mutandis*, on behalf of the relevant Global Shareholder.
- (c) The deemed acceptances referred to in this paragraph 5 shall not apply and the authorities conferred by this paragraph 5 shall not be exercised by HKN or any of their respective directors, authorised representatives and agents if, as a result, the Previous Acceptor would thereby receive, under or in consequence of the Offer and / or any alternative pursuant thereto as revised or otherwise, less in aggregate consideration under the revised Offer than he would have received in aggregate consideration as a result of acceptance of the Offer in the form in which it was originally accepted by him or on his behalf, having regard to any previous acceptance or election originally made by him, unless the Previous Acceptor has previously otherwise agreed in writing.
- (d) The deemed acceptances referred to in this paragraph 5 will not apply, and the authorities conferred by this paragraph will be ineffective, to the extent that a Previous Acceptor (i) in respect of Global Shares held in certificated form, lodges with Capita Registrars, within 14 calendar days of the posting of the document pursuant to which the revision of the Offer is made available to Global Shareholders, a Form of Acceptance or some other form issued by or on behalf of HKN in which the Global Shareholder validly elects to receive the consideration receivable by him under such revised

Offer in some other manner than that set out in his original acceptance or (ii) in respect of Global Shares held in uncertificated form, sends (or, if a CREST sponsored member, procures that his CREST sponsor sends) an ESA Instruction to settle in CREST in relation to each Electronic Acceptance in respect of which an election is to be varied. Each ESA Instruction must, in order for it to be valid and settle, include the following details:

- the number of Global Shares in respect of which the changed election is made;
- the corporate action ISIN number of Global Shares. This is GB0031461949;
- the member account ID of the Previous Acceptor;
- the participant account ID of the Previous Acceptor;
- the member account ID of Capita Registrars included in the relevant Electronic Acceptance. This is HKNGED01;
- the participant account ID of the Escrow Agent. This is RA10;
- the CREST Transaction ID of the Electronic Acceptance in respect of which the election is to be changed;
- the intended settlement date for the changed election;
- the corporate action number for the Offer;
- input with standard delivery instruction priority of 80;
- the member account ID of the Escrow Agent relevant to the new election.

Any such change of election will be conditional upon Capita Registrars verifying that the request is validly made. Accordingly, Capita Registrars will on behalf of HKN reject or accept the requested change of election by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.

- (e) Subject to paragraphs 5(c) and (d), the authorities and powers of attorney conferred by this paragraph 5 and any acceptance of a revised Offer and/ or any election pursuant thereto shall be irrevocable unless and until the Previous Acceptor becomes entitled to withdraw his acceptance under paragraph 3 of this Part A and duly and validly does so.

6. General

- (a) Except with the consent of the Panel, settlement of the consideration to which any Global Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which HKN may otherwise be, or claim to be, entitled as against such Global Shareholder and will be effected, in the case of acceptances received, complete in all respects (including the relevant transfer to escrow or (as applicable) receipt of relevant share certificate(s) and / or other documents of title or indemnities satisfactory to HKN) by the Closing Date, within 14 calendar days of such date.
- (b) In respect of certificated Global Shares, the terms, provisions, instructions and authorities contained in the Form of Acceptance constitute part of the terms of the Offer. Words and expressions defined in this document have the same meanings when used in the Form of Acceptance, unless the context otherwise requires. The provisions of this Appendix 1 shall be deemed to be incorporated into and form part of the Form of Acceptance.
- (c) All references in this document and in the Form of Acceptance to the Closing Date will (except where the context otherwise requires) be deemed, if the expiry date of the Offer is extended, to refer to the expiry date of the Offer as so extended.
- (d) References in this Appendix 1 to a Global Shareholder will include references to the person or persons executing a Form of Acceptance or making an Electronic Acceptance and in the event of more than one person executing a Form of Acceptance, such paragraphs will apply to them jointly and severally.
- (e) Any omission to despatch this document, the Form of Acceptance or any notice required to be despatched under the terms of the Offer to, or any failure to receive the same by, any person to whom

the Offer is made, or should be made, will not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person.

- (f) HKN reserves the right to treat acceptances of the Offer as valid if received by HKN at any place or places determined by HKN otherwise than as set out in this document or the Form of Acceptance.
- (g) No acknowledgement of receipt of any Form of Acceptance or Electronic Acceptance, transfer by means of CREST, share certificate(s) or other document(s) of title will be given by, or on behalf of, HKN. All communications, notices, certificates, documents of title and remittances to be delivered by, or sent to or from, Global Shareholders (or their designated agent(s)) will be delivered by or sent to or from them (or their designated agent(s)) at their own risk.
- (h) The Offer extends to persons to whom the Offer is made or should be made to whom this document, the Form of Acceptance or any related documents may not be despatched and such persons may collect copies of these documents from Capita Registrars at the address set out in paragraph 3(a) of this Part A and from Merchant Securities at 51-55 Gresham Street, London EC2V 7HQ.
- (i) HKN reserves the right to notify any matter including the making of the Offer to all or any Global Shareholders with a registered address outside the United Kingdom or whom HKN knows to be a trustee, nominee or custodian holding Global Shares for persons who are citizens, residents or nationals of jurisdictions outside the United Kingdom, by announcement in the United Kingdom, or by paid advertisement in a daily newspaper published and circulated in the United Kingdom and/or the London Gazette in which event such notice will be deemed to have been sufficiently given, notwithstanding any failure by any such shareholder(s) to receive or see such notice, and all references in this document to notice in writing by or on behalf of HKN will be construed accordingly. No such document will be sent to an address in a Restricted Jurisdiction or any other jurisdiction where such actions may constitute (or result in the Offer constituting) a breach of any legal or regulatory requirements.
- (j) The Offer is made on 9 September 2011 and is capable of acceptance from and after that time.
- (k) All powers of attorney, appointments of agents and authorities conferred by this Appendix 1 or in the Form of Acceptance are given by way of security for the performance of the obligations of the Global Shareholder concerned and are irrevocable in accordance with section 4 of the Powers of Attorney Act 1971 except in the circumstances where the donor of such power of attorney or authority or appointer is entitled to withdraw his acceptance in accordance with paragraph 3 of this Part A and duly does so.
- (l) In relation to any acceptance of the Offer in respect of a holding of Global Shares which are in uncertificated form, HKN reserves the right to make such alterations, additions or modifications as may be necessary or desirable to give effect to any purported acceptance of the Offer, whether in order to comply with the facilities or requirements of CREST or otherwise, provided any such alterations, additions or modifications are consistent with the requirements of the Code or are otherwise made with the consent of the Panel.
- (m) Neither HKN nor any subsidiary of HKN nor Merchant Securities nor any person acting on behalf of any of them, shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of acceptances of the Offer or otherwise in connection therewith.
- (n) For the purposes of this document, the time of receipt of a TTE Instruction, an ESA Instruction or an Electronic Acceptance shall be the time the relevant instruction settles in CREST.
- (o) By making the Offer, HKN submits, in relation to all matters arising out of the Offer and the Form of Acceptance, to the jurisdiction of the Courts of England and Wales provided that nothing in this paragraph shall limit the right of HKN to bring any action, suit or proceedings arising out of or in connection with the Offer and the Form of Acceptance in any other manner permitted by law or in any court of competent jurisdiction.

- (p) The Offer and all Forms of Acceptance and all acceptances in respect thereof will be governed by and construed in accordance with English law.

Part B: Form of Acceptance

Each Global Shareholder by whom, or on whose behalf, any Form of Acceptance is executed irrevocably undertakes, represents, warrants and agrees to and with HKN, and Capita Registrars (so as to bind him and his personal representatives, heirs, successors and assigns) to the following effect:

- (a) that the execution of the Form of Acceptance shall constitute:
 - (i) an acceptance of the Offer in respect of the number of Global Shares in certificated form inserted or deemed to be inserted in Box 1 of the Form of Acceptance; and
 - (ii) an undertaking to execute any further documents, take any further action and give any further assurances which may be required in connection with the foregoing, in each case on and subject to the terms and conditions set out in this document and the Form of Acceptance and that, subject only to the rights of withdrawal set out in paragraph 3 of Part A of this Appendix 1, each such acceptance, election and undertaking shall be irrevocable. If Box 1 is left blank or a number greater than such Global Shareholder's registered holding appears in Box 1 or the Form of Acceptance is otherwise completed incorrectly, but the Form of Acceptance is signed, it will be deemed to be an acceptance by such Global Shareholder of the terms of the Offer in respect of the total number of Global Shares registered in his name;
- (b) that he is irrevocably and unconditionally entitled to transfer the Global Shares in respect of which the Form of Acceptance is completed and that the Global Shares in respect of which the Offer is accepted, or is deemed to be accepted, are sold fully paid with full title guarantee and free from all liens, equities, charges, encumbrances, rights of pre-emption and any other third party right or interest of any nature whatsoever and together with all rights attaching thereto from the date of this document, including voting rights and the right to receive and retain in full all dividends, interest and other distributions (if any) declared, made or paid after the date of this document;
- (c) that unless "NO" is inserted or deemed to be inserted in Box 5 of the Form of Acceptance, such Global Shareholder:
 - (i) has not received or sent copies of this document, the Form of Acceptance or any related offer documents in, into or from a Restricted Jurisdiction;
 - (ii) has not otherwise utilised in connection with the Offer, directly or indirectly, mails or any means or instrumentality (including, without limitation, facsimile transmission, email, telex, telephone and internet or other forms of electronic transmission) of interstate or foreign commerce, or any facilities of a national securities exchange, of a Restricted Jurisdiction;
 - (iii) was outside a Restricted Jurisdiction when the Form of Acceptance was delivered and at the time of accepting the Offer, and in respect of the Global Shares to which the Form of Acceptance relates, is not an agent or fiduciary acting on a non-discretionary basis for a principal who has given any instructions with respect to the Offer from within a Restricted Jurisdiction;
 - (iv) represents, warrants and undertakes that the Form of Acceptance and any related offer documents have not been mailed or otherwise sent in, into or from a Restricted Jurisdiction and such shareholder is accepting the Offer from outside a Restricted Jurisdiction; and
 - (v) is not a resident of a Restricted Jurisdiction nor a holder whose registered address is in a Restricted Jurisdiction and does not hold Global shares on behalf of any such person;
- (d) such Global Shareholder (if he is a citizen, resident or national of a jurisdiction outside the United Kingdom) has observed the laws of the relevant jurisdiction, obtained all requisite governmental, exchange control and other consents, complied with all necessary formalities and paid any issue, transfer or other taxes or other payments due in any such jurisdiction in connection with such acceptance and has not taken or omitted to take any action that will or may result in HKN or any

- other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or his acceptance thereof;
- (e) that the execution of the Form of Acceptance and its delivery to Capita Registrars constitutes, subject to the accepting Global Shareholder not having validly withdrawn his acceptance, the irrevocable separate appointment of HKN and for any of its directors or agents as such Global Shareholder's attorney and / or agent ("**attorney**"), with an irrevocable instruction to the attorney to:
- (i) complete and execute all or any form(s) of transfer and / or renunciation and / or other document(s) in the attorney's discretion in relation to the Global Shares referred to in paragraph (a) of this Part B in favour of HKN or as HKN or its agents may direct;
 - (ii) deliver such form(s) of transfer and / or renunciation and / or other document(s) at the attorney's discretion together with any certificate(s) and / or other document(s) of title relating to such Global Shares for registration as soon as possible and, in any event, within six months of the Closing Date; and
 - (iii) do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the acceptance or deemed acceptance of the Offer pursuant to the Form of Acceptance and to vest in HKN or its nominees such Global Shares;
- (f) that the execution of the Form of Acceptance and its delivery to Capita Registrars constitutes, subject to the accepting Global Shareholder not having validly withdrawn his acceptance, a separate and irrevocable authority and request:
- (i) to Global or its agents to procure the registration of the transfer of those Global Shares in certificated form pursuant to the Offer and the delivery of the share certificate(s) and / or other document(s) of title in respect thereof to HKN or as it may direct; and
 - (ii) if the Global Shares concerned are in certificated form to HKN or its agents to procure the delivery by post (or such other method as may be approved by the Panel) of a cheque drawn on a branch of a UK clearing bank in respect of the cash consideration to which such Global Shareholder is entitled under the Offer, at the risk of such Global Shareholder, to the person or agent whose name and address (outside a Restricted Jurisdiction) is set out in Box 1, 4 or 6 (as applicable) of the Form of Acceptance or, if none is set out, to the first named holder at his registered address (outside a Restricted Jurisdiction).
- (g) that the execution of the Form of Acceptance and its delivery constitutes a separate authority to HKN and / or their respective agents within the terms of this document;
- (h) pending registration, that:
- (i) HKN or its agents be entitled to direct the exercise of any votes and any other rights and privileges (including the right to requisition the convening of a general meeting of Global or of any class of its shareholders) attaching to any Global Shares in respect of which the Offer has been accepted, or is deemed to have been accepted, such acceptance not having been validly withdrawn, and any other rights and privileges attaching to such Global Shares; and
 - (ii) the execution of a Form of Acceptance by a Global Shareholder constitutes, in respect of the Global Shares comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:
 - (A) an irrevocable authority to Global and / or its agents from such Global Shareholder to send any notice, warrant, document or other communication which may be required to be sent to him as a member of Global to HKN at its registered office (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such Global Shares into certificated form);

- (B) an irrevocable authority to HKN and / or its agents to sign any consent to short notice on his behalf and / or attend and / or execute a form of proxy in respect of such Global Shares appointing any person nominated by HKN to attend general meetings (and any adjournments) and to exercise the votes attaching to such shares on his behalf, where relevant, such votes to be cast so far as possible to satisfy any outstanding condition of the Offer; and
 - (C) the agreement of such Global Shareholder not to exercise any of such rights without the consent of HKN and the irrevocable undertaking of such Global Shareholder not to appoint a proxy to attend any such general meeting;
- (i) that he will deliver (or procure the delivery) to Capita Registrars at the address referred to in paragraph 3(a) of Part A of this Appendix 1 his share certificate(s) or other document(s) of title in respect of all Global Shares held by him in certificated form in respect of which the Offer has been accepted or is deemed to have been accepted and not validly withdrawn, or an indemnity acceptable to HKN in lieu, as soon as possible and, in any event, within six months of the Closing Date;
 - (j) that, he will do all such acts and things as shall, in the opinion of HKN or its agents or Capita Registrars, be necessary or expedient to vest in HKN or its nominee(s) or such other person as HKN may decide the number of Global Shares inserted or deemed to be inserted in Box 1 of the Form of Acceptance and all such acts and things as may be necessary or expedient to enable Capita Registrars to perform its functions as Escrow Agent for the purposes of the Offer;
 - (k) that the terms and conditions of the Offer contained in this document will be incorporated and deemed to be incorporated in, and form part of, the Form of Acceptance which will be read and construed accordingly;
 - (l) he will ratify each and every act or thing which may be done or effected by HKN or Capita Registrars or any director of HKN or Capita Registrars or their respective agents or Global or its agents, as the case may be, in the exercise of any of his or its powers and / or authorities (and to indemnify each such person against any losses arising therefrom);
 - (m) that, if any provision of Part A or this Part B of Appendix 1 will be unenforceable or invalid or will not operate so as to afford HKN or Capita Registrars or any director of HKN or Capita Registrars or their representative agents as the case may be, or duly authorised representative of any of them or their respective agents the benefit of the authority expressed to be given, he agrees with all practicable speed to do all such acts and things and execute all such documents that may be required to enable those persons to secure the full benefits of Part A of and this Part B of Appendix 1;
 - (n) the execution of the Form of Acceptance constitutes his submission, in relation to all matters arising out of the Offer and the Form of Acceptance, to the jurisdiction of the Courts of England and Wales and that nothing shall limit the right of HKN to bring any action, suit or proceedings arising out of or in connection with the Offer and the Form of Acceptance in any other manner permitted by law or in any court of competent jurisdiction;
 - (o) on execution and delivery, the Form of Acceptance will take effect as a deed; and
 - (p) references in this Part B to a Global Shareholder shall include references to the person or persons executing a Form of Acceptance, and in the event of more than one person executing a Form of Acceptance, the provisions of Part A and this Part B shall apply to them jointly and severally to each of them. Reference to the masculine gender shall include the feminine gender.

Part C: Electronic Acceptances

Without prejudice to the provisions of Parts A and B of this Appendix 1, each Global Shareholder who holds Global Shares in uncertificated form by whom, or on whose behalf, an Electronic Acceptance is made irrevocably undertakes, represents, warrants and agrees to and with HKN, Merchant Securities and Capita Registrars and their respective agents (so as to bind him and his personal representatives, heirs, successors and assigns) that:

- (a) the Electronic Acceptance shall constitute:
 - (i) an acceptance of the Offer in respect of the number of Global Shares in uncertificated form to which a TTE Instruction relates;
 - (ii) an undertaking to execute any further documents, take further action and give any further assurances which may be required to enable HKN to obtain the full benefits of the terms of this Part C and/or to perfect any authorities expressed to be given thereunder,

in each case on and subject to the terms and conditions set out or referred to in this document and that, subject to paragraph 3 of Part A of this Appendix 1, such acceptance and/or election shall be irrevocable;

- (b) the Global Shares held in uncertificated form in respect of which the Offer is accepted or deemed to be accepted are sold fully paid and with full title guarantee and free from all liens, charges, encumbrances, equities, rights of pre-emption and any other third party right or interest of any nature whatsoever and together with all rights attaching thereto from the date of this document including voting rights and the right to receive all dividends, interests and other distributions (if any) declared, made or paid after the date of this document;

- (c) such Global Shareholder:

- (i) is not a person located or resident in a Restricted Jurisdiction, and is not an agent or fiduciary acting on a non-discretionary basis for a principal who has given any instructions with respect to the Offer from a Restricted Jurisdiction or for the account or benefit of any resident from a Restricted Jurisdiction; and
- (ii) has not received or sent copies or originals of this document, the Form of Acceptance or any related offer documents in, into or from a Restricted Jurisdiction and has not otherwise utilised in connection with the Offer, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, e-mail, fax, telex, telephone or other electronic transmission) of interstate or foreign commerce, or any facilities of a national securities exchange, of a Restricted Jurisdiction; was outside, at the time of the input and settlement of the relevant TTE Instruction, a Restricted Jurisdiction; and no TTE Instruction has been sent in, into or from a Restricted Jurisdiction and such Global Shareholder is accepting the Offer from outside a Restricted Jurisdiction,

provided that the warranties and representations above shall be deemed not to be given if the Global Shareholder purports to accept the Offer by sending (or if a CREST sponsored member, procuring that his CREST sponsor sends) a Restricted Escrow Transfer and a Restricted ESA Instruction pursuant to paragraph 4(f) of Part A of this Appendix 1;

- (d) such Global Shareholder (if he is a citizen, resident or national of a jurisdiction outside the United Kingdom) has observed the laws of the relevant jurisdiction, obtained all requisite governmental, exchange control and other required consents, complied with all other necessary formalities and paid any issue, transfer or other taxes or other payments due in any such jurisdiction in connection with such acceptance and has not taken or omitted to take any action that will or may result in HKN, or any other person acting in breach of any legal or regulatory requirements of any such jurisdiction in connection with the Offer or his acceptance thereof;
- (e) in relation to Global Shares held in uncertificated form, the Electronic Acceptance constitutes, subject to an accepting Global Shareholder not having validly withdrawn his acceptance, the

irrevocable appointment of HKN and/or any of its directors or agents as such Global Shareholder's attorney and/or agent, with an irrevocable instruction to the attorney and/or agent to do all such acts and things as may in the opinion of such attorney and/or agent (“**attorney**”) be necessary or expedient for the purpose of, or in connection with, the acceptance of the Offer and to vest in HKN or its nominee(s) such Global Shares (as referred to in paragraph 1(a) of this Part C (the "**Electronic Acceptance Shares**"));

- (f) in relation to Global Shares held in uncertificated form, the Electronic Acceptance constitutes the irrevocable appointment of Capita Registrars as such Global Shareholder's escrow agent and an irrevocable instruction and authority to the Escrow Agent: subject to an accepting Global Shareholder not having validly withdrawn his acceptance, to transfer to itself (or to such other person or persons as HKN or its agents may direct) by means of CREST all or any of the Global Shares held in uncertificated form (but not exceeding the number of Global Shares held in uncertificated form in respect of which the Offer is accepted or deemed to be accepted);
- (g) in relation to Global Shares held in uncertificated form, the Electronic Acceptance constitutes, subject to an accepting Global Shareholder not having validly withdrawn his acceptance, separate irrevocable authorities and requests to HKN or its agents to procure the making of a CREST payment obligation in favour of the Global Shareholder's payment bank in accordance with the CREST payment arrangements in respect of any cash to which such accepting Global Shareholder is entitled, provided that:
 - (i) HKN may (if, for any reason it wishes to do so) determine that all or any part of any cash consideration shall be paid by cheque despatched by post; and
 - (ii) if the accepting Global Shareholder is a CREST member whose registered address is in a Restricted Jurisdiction, any cash consideration to which he is entitled shall be despatched by cheque at the risk of such Global Shareholder to the first-named holder at an address outside a Restricted Jurisdiction stipulated by such holder or as otherwise determined by HKN;
- (h) in relation to Global Shares held in uncertificated form, the Electronic Acceptance constitutes a separate authority to HKN and/or any of its directors or agents and the irrevocable appointment of any such director and/or agent as such shareholder's attorney and/or agent within the terms of paragraph 5 of Part A of this Appendix 1 in respect of the Electronic Acceptance Shares;
- (i) pending registration:
 - (i) HKN or its agents shall be entitled to direct the exercise of any votes attaching to Global Shares held in uncertificated form in respect of which the Offer has been accepted or is deemed to have been accepted (and in respect of which such acceptance has not been validly withdrawn) and any other rights and privileges attaching to such Global Shares, including the right to requisition a general meeting or separate class meeting of Global; and
 - (ii) an Electronic Acceptance by a Global Shareholder constitutes, with regard to the Global Shares held in uncertificated form comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:
 - (A) an authority to Global and/or its agents from such Global Shareholder to send any notice, circular, warrant, document or other communication which may be required to be sent to him as a member of Global (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such Global Shares into certificated form) to HKN at its registered office or as HKN or its agent may direct;
 - (B) the irrevocable appointment of HKN or any of its directors or agents to sign any such documents and do such things as may in the opinion of such person

seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to such Global Shares (including, without limitation, an authority to sign any consent to short notice of a general meeting on his behalf and/or execute a form of proxy in respect of such Global Shares appointing any person nominated by HKN to attend general meetings of Global or its members or any of them (and any adjournment thereof) and to exercise the votes attaching to such Global Shares on his behalf); and

- (C) the agreement of such Global Shareholder not to exercise any of such rights without the consent of HKN and the irrevocable undertaking of such Global Shareholder not to appoint a proxy or representative for or to attend any such meetings;
- (j) if, for any reason any Global Shares in respect of which a TTE Instruction has been effected in accordance with paragraph 12.2 of the letter from HKN set out in Part I of this document are converted to certificated form, he will (without prejudice to sub-paragraph (i)(ii)(A) above of this Part C) immediately deliver or procure the immediate delivery of the share certificate(s) or other document(s) of title in respect of all such Global Shares as so converted to Capita Registrars at the address specified in paragraph 3(a) of Part A of this Appendix 1 or as HKN or its agent may direct and he shall be deemed upon conversion to undertake, represent, warrant and agree in the terms set out in Part B of this Appendix 1 in relation to such Global Shares without prejudice to the application of this Part C so far as HKN deems appropriate;
- (k) if he accepts the Offer he shall do all such acts and things as shall be necessary or expedient to vest in HKN or its nominee(s) or such other person as it may decide the Global Shares aforesaid and all such acts and things as in the opinion of HKN shall be necessary or expedient to enable Capita Registrars to perform its functions as Escrow Agent for the purposes of the Offer;
- (l) he agrees to ratify each and every act or thing which may be done or effected by HKN, or Capita Registrars or by any of their respective directors or agents or Global or any of its directors or agents, as the case may be, in the proper exercise of any of his or its powers and/or authorities conferred by or referred to in Part A or this Part C of this Appendix 1 and to indemnify each such person against any losses arising therefrom;
- (m) if any provision of Part A or this Part C of Appendix 1 shall be unenforceable or invalid or shall not operate so as to afford HKN and/or Capita Registrars and/or any director or agent of any of them the full benefit of authorities and powers of attorney expressed to be given therein, he shall with all practicable speed do such acts or things and execute all such documents as may be required or desirable to enable HKN and/or Capita Registrars and/or any director or agent or any of them to secure the full benefit of such authorities and powers of attorney;
- (n) the creation of a CREST payment obligation in favour of his payment bank in accordance with the CREST payment arrangements referred to in paragraph (g) above shall, to the extent of the obligations so created, discharge in full any obligation of HKN to pay to him the cash consideration to which he is entitled pursuant to the Offer;
- (o) he agrees to ratify each and every act or thing which may be done or effected by HKN or Capita Registrars or any of their respective directors or agents or Global or any of its directors or agents, as the case may be, in the exercise of any of the powers and / or authorities under this document;
- (p) in relation to Global Shares held in uncertificated form, the making of an Electronic Acceptance constitutes his submission, in relation to all matters arising out of the Offer and Electronic Acceptance, to the jurisdiction of the courts of England and Wales and his agreement that nothing shall limit the right of HKN to bring any action, suit or proceeding arising out of or in connection with the Offer and the Electronic Acceptance or in any other manner permitted by law or in any court of competent jurisdiction; and

- (q) by virtue of the Regulations the making of an Electronic Acceptance constitutes an irrevocable power of attorney by the relevant holder of Global Shares in the terms of the powers and authorities expressed to be given by Part A, this Part C and (where applicable by virtue of paragraph (j) above) Part B of this Appendix 1 to HKN and Capita Registrars and any of their respective agents.

References in this Part C to a Global Shareholder shall include reference to the person or persons making an Electronic Acceptance, in relation to Global Shares held in uncertificated form, and, in the event of more than one person making an Electronic Acceptance, the provisions of this Part C shall apply to them jointly and severally to each of them. References to the masculine gender shall include the feminine.

APPENDIX 2

Financial Information relating to HKN

Incorporation of relevant information by reference

The information listed below relating to the HKN is incorporated by reference into this document.

Information	Source of Information
Turnover, net profit or loss before and after taxation, the charge for tax, extraordinary items, minority interests, the amount absorbed by dividends and earnings and dividends per share for HKN for the financial years ended 31 December 2010, 31 December 2009 and 31 December 2008 and the six months ended 30 June 2011	HKN Form 10-K for year ended 31 December 2010, page 43 HKN Form 10-K for year ended 31 December 2009, page 35 HKN Form 10-K for year ended 31 December 2008, page 45 HKN Form 10-Q for six months ended 30 June 2011, page 4
A statement of the assets and liabilities shown in the last published audited accounts of HKN	HKN Form 10-K as at 31 December 2010, page 42
A cash flow statement as provided in the last published accounts of HKN	HKN Form 10-K for year ended 31 December 2010, page 45
Significant accounting policies together with any points from the notes to the accounts which are of major relevance to an appreciation of the figures	HKN Form 10-K for year ended 31 December 2010, pages 46 to 62

The consolidated Annual Report and Accounts for HKN for the financial years ended 31 December 2010, 31 December 2009 and 31 December 2008 and the unaudited interim results for the six months ended 30 June 2011 are available free of charge in a read-only, printable format at the following addresses:

- (a) in respect of the HKN Interim Report and Accounts for the six months ended 30 June 2011 at: http://sec.gov/Archives/edgar/data/313478/000143774911005652/hkn_10q-063011.htm;
- (b) in respect of the HKN financial information for the year ended 31 December 2010 at: http://www.sec.gov/Archives/edgar/data/313478/000143774911000965/hkn_10k-123110.htm;
- (c) in respect of the HKN financial information for the year ended 31 December 2009 at: http://www.sec.gov/Archives/edgar/data/313478/000110465911004625/a11-5143_110ka.htm#ConsolidatedStatementsOfOperation_022426; and
- (d) in respect of the HKN financial information for the year ended 31 December 2008 at: http://www.sec.gov/Archives/edgar/data/313478/000143774909000176/hkn_10k-123108.htm;

Please see paragraph 12 of Appendix 4 of this document for details of how to obtain hard copies of documents incorporated by reference into this document.

APPENDIX 3

Financial Information relating to Global

Incorporation of relevant information by reference

The information listed below relating to the Global Group is incorporated by reference into this document.

Information	Source of Information
Turnover, net profit or loss before and after taxation, the charge for tax, extraordinary items, minority interests, the amount absorbed by dividends and earnings and dividends per share for Global for the interim period ended 30 June 2011 and for the financial years ended 31 December 2010, 31 December 2009 and 31 December 2008	Global Interim Report and Accounts as of 30 June 2011, page 6 Global Annual Report and Accounts 2010, page 17 Global Annual Report and Accounts 2009, page 14 Global Annual Report and Accounts 2008, page 16
A statement of the assets and liabilities shown in the last published audited accounts of Global	Global Annual Report and Accounts 2010, page 19
A cash flow statement as provided in the last published accounts of Global	Global Annual Report and Accounts 2010, page 20
Significant accounting policies together with any points from the notes to the accounts which are of major relevance to an appreciation of the figures	Global Annual Report and Accounts 2010, pages 21 to 57 Global Annual Report and Accounts 2009, pages 18 to 57 Global Annual Report and Accounts 2008, pages 20 to 59

The consolidated Interim Report and Accounts for the Global Group for the interim period ended 30 June 2011 and the Annual Report and Accounts for the financial years ended 31 December 2010, 31 December 2009 and 31 December 2008 are available free of charge in a read-only, printable format on the Global website, at the following addresses:

- (a) in respect of the Global Interim Report and Accounts as of 30 June 2011 at: www.globalenergyplc.com/reports2011.asp;
- (b) in respect of the Global Annual Report and Accounts 2010 at: www.globalenergyplc.com/reports2010.asp;
- (c) in respect of the Global Annual Report and Accounts 2009 at: www.globalenergyplc.com/reports2009.asp; and
- (d) in respect of the Global Annual Report and Accounts 2008 at: www.globalenergyplc.com/reports2008.asp.

Please see paragraph 12 of Appendix 4 of this document for details of how to obtain hard copies of documents incorporated by reference into this document.

APPENDIX 4

Additional Information

1. Responsibility for information in this document

- 1.1 The HKN Directors (whose names are set out in paragraph 2.1 below) accept responsibility for the information contained in this document other than that relating to Global, the Global Directors and members of their immediate families, related trusts and connected persons and the recommendation and opinions of the Global Independent Directors relating to the Offer contained in the letter from the Global Independent Directors set out in Part II of this document. To the best of the knowledge and belief of the HKN Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Global Independent Directors (whose names are set out in paragraph 2.2 below) accept responsibility for the recommendation and opinions of the Global Independent Directors relating to the Offer contained in the letter from the Independent Directors of Global set out in Part II of this document. To the best of the knowledge and belief of the Global Independent Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3 The Global Directors (whose names are set out in paragraph 2.3 below) accept responsibility for all information contained in this document relating to Global, the Global Directors and members of their immediate families, related trusts and connected persons (but, in the case of Mikel Faulkner and for the avoidance of doubt, excluding the recommendation and opinions of the Global Independent Directors relating to the Offer contained in the letter from the Independent Directors of Global set out in Part II of this document). To the best of the knowledge and belief of the Global Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors, registered offices and trading addresses

- 2.1 The HKN Directors and their respective functions are set out below:

Alan G. Quasha (*Non-executive Chairman*)
Mikel D. Faulkner (*Chief Executive Officer and President*)
Michael M. Ameen, Jr. (*Non-executive Director*)
Dr. J. William Petty (*Non-executive Director*)
H. A. Smith (*Non-executive Director*)

The registered office and trading address of HKN is 180 State Street, Ste. 200 Southlake, TX 76092, United States.

- 2.2 The Global Independent Directors and their respective functions are set out below:

Stephen Voss (*Managing Director*)
Alan Henderson (*Non-executive Director*)
David Quint (*Non-executive Director*)

- 2.3 The Global Directors and their respective functions are set out below:

Mikel D. Faulkner (*Chairman*)
Stephen Voss (*Managing Director*)
Alan Henderson (*Non-executive Director*)
David Quint (*Non-executive Director*)

The registered office and trading address of Global is 3 More London Riverside, London SE1 2AQ.

3. Persons acting in concert

In addition to the HKN Directors (including Mikel Faulkner), the persons who, for the purposes of the Code, are acting in concert with HKN include:

<i>Name</i>	<i>Type</i>	<i>Registered Office/ Service Address</i>	<i>Relationship with HKN</i>
Merchant Securities	Private limited company registered in England and Wales	51-55 Gresham Street London EC2V 7HQ	Financial Adviser
Brean	Private company registered in British Virgin Islands	Tropic Isle Building, Road Town, Tortola, D8 British Virgin Islands, VG 1110	Parent
Mrs. Phyllis Quasha	Individual	Lyford Suites, Suite 12, Lyford Cay Club, Nassau, New Providence, The Bahamas	Controller of Brean
Lyford	Private limited company registered in British Virgin Islands	Tropic Isle Building, Road Town, Tortola, D8 British Virgin Islands, VG 1110	Subsidiary of Brean
Evansville	Private limited company registered in British Virgin Islands	Tropic Isle Building, Road Town, Tortola, D8 British Virgin Islands, VG 1110	Subsidiary of Brean

In addition to the Global Directors, the persons who, for the purposes of the Code, are acting in concert with Global are:

<i>Name</i>	<i>Type</i>	<i>Registered Office</i>	<i>Relationship with Global</i>
Matrix	Limited liability partnership registered in England and Wales	One Vine Street, London, W1J 0AH	Financial Adviser

4. Market quotations

The following table shows the middle market Closing Price for a Global Share on the first dealing day of each of the six months immediately prior to the date of this document from 1 April 2011 to 1 September 2011 inclusive, 15 June 2011 (the last business day before commencement of the Offer Period) and on 8 September 2011 (the latest practicable date prior to the publication of this document):

Date	Closing Price(p)
1 April 2011	85
3 May 2011	76.25
1 June 2011	65.48
15 June 2011	78
1 July 2011	81
1 August 2011	96.5
1 September 2011	87.5
8 September 2011	88

5. Disclosure of interests and dealings and irrevocable undertakings

For the purposes of this paragraph 5:

- (a) “acting in concert” has the meaning attributed to it in the Code;
- (b) “arrangement” includes an indemnity or option arrangement and any agreement or understanding, formal or informal, of whatever nature relating to relevant securities which may be an inducement to deal or refrain from dealing (but excludes irrevocable commitments and letters of intent);
- (c) “connected person” has the meaning attributed to it in section 252 of the Act;
- (d) “dealing” or “dealt” includes the following:
 - (i) the acquisition or disposal of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of voting rights attached to relevant securities, or of general control of relevant securities;
 - (ii) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any relevant securities;
 - (iii) subscribing or agreeing to subscribe for relevant securities;
 - (iv) the exercise or conversion, whether in respect of new or existing securities, of any securities carrying conversion or subscription rights;
 - (v) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities;
 - (vi) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and
 - (vii) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;
- (e) “derivative” includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security;
- (f) “disclosure date” means 8 September 2011, being the latest practicable date prior to the posting of this document;
- (g) “disclosure period” means the period commencing on 16 June 2010, being the date 12 months prior to the commencement of the Offer Period and ending on the disclosure date;
- (h) to have an “interest” in relevant securities means to have a long economic exposure, whether absolute or conditional, to changes in the price of such securities. A person who only has a short position in relevant securities will not be treated as interested in those securities. In particular, a person will be treated as having an interest in relevant securities if he:
 - (i) owns relevant securities;
 - (ii) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them;
 - (iii) by virtue of any agreement to purchase, option or derivative, has the right or

option to acquire relevant securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or

- (iv) is party to any derivative whose value is determined by reference to its price and which results, or may result, in his having a long position in it;
- (m) “relevant securities” includes: (A) Global Shares; (B) equity share capital of Global; and (C) any securities carrying conversion or subscription rights into any of the foregoing; and
- (n) “short position” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

5.1 Interests in Global Shares:

5.1.1 As at the close of business on the disclosure date, the interests of the Global Directors (within the meaning of sections 820-825 of the Act) in the share capital of Global were (with the exception of options in respect of Global Shares which are set out in paragraph 5.1.2 below) as follows:

	Number of Global Shares	Percentage of issued share capital of Global
Mikel D. Faulkner	235,250	0.66
Stephen Voss	113,068	0.32
Alan Henderson	14,527	0.04
David Quint	94,390	0.26
	457,235	1.28

5.1.2 As at the close of business on the disclosure date, the following Global Share Options had been granted to certain directors of Global and persons connected with them and remained outstanding:

Name	Number Global Shares subject to Options	Date of grant	Exercise price pence	Expiry date
Mikel D. Faulkner	1,400,000	31 January 2002	50p	31 January 2014
	180,000	3 December 2004	151.1p	3 December 2014
	150,000	11 February 2008	100p	11 February 2018
	160,000	11 December 2008	70p	11 December 2018
Stephen Voss	840,000	31 January 2002	50p	31 January 2014
	150,000	3 December 2004	151.1p	3 December 2014
	50,000	11 February 2008	100p	11 February 2018
	160,000	11 December 2008	70p	11 December 2018
Alan Henderson	30,000	3 December 2004	151.1p	3 December 2014
	20,000	8 December 2005	265.1p	8 December 2015
	50,000	11 February 2008	100p	11 February 2018
	50,000	11 December 2008	70p	11 December 2018
David Quint	30,000	3 December 2004	151.1p	3 December 2014
	20,000	8 December 2005	265.1p	8 December 2015
	50,000	11 February 2008	100p	11 February 2018
	50,000	11 December 2008	70p	11 December 2018

- 5.1.3 As at the close of business on the disclosure date, the beneficial interests of HKN, its directors and persons deemed to be acting in concert with HKN in the share capital of Global were (in addition to the options in respect of Global Shares held by Mikel Faulkner which are set out in paragraph 5.1.2 above and as a result of the Conditional Acquisition and following completion of the Acquisition) as follows:

	Number of Global Shares	Percentage of issued share capital of Global
HKN	11,893,462	33.25
Lyford	9,175,636	25.65
Evansville	176,612	0.49
Mikel D. Faulkner	235,250	0.66
	21,480,960	60.06

Phyllis Quasha is beneficially interested in all of the Global Shares held by HKN, Lyford and Evansville.

5.2 Dealings in Global Shares:

- 5.2.1 The dealings for value in Global Shares by persons deemed to be acting in concert with HKN during the disclosure period were as follows:

Date	Nature of transaction	Number of Global Shares	Price
6 July 2010	Acquisition by Mikel Faulkner	15,000	72p
7 July 2010	Acquisition by Mikel Faulkner	15,000	71.5p
29 August 2011	Acquisition by Lyford	3,788,936	Approx US 96 cents*
29 August 2011	Conditional acquisition by Lyford	55,400	US\$1.05**

Notes:

* Equivalent to approximately 59p per Global Share based on a closing mid exchange rate of approximately US\$1.64:£1 on 26 August 2011, the last practicable date prior to completion of the purchase.

** Equivalent to approximately 64p per Global Share based on a closing mid exchange rate of approximately US\$1.64:£1 on 26 August 2011, the last practicable date prior to the purchase.

- 5.2.2 The dealings for value in Global Shares by the directors of Global during the disclosure period were as follows:

Date	Nature of transaction	Number of Global Shares	Price
25 June 2010	Acquisition by Stephen Voss	80,000	72p

5.3 Interests in HKN shares

As at the close of business on the disclosure date, Mikel Faulkner, a director of Global, held 3,000

shares of common stock in HKN.

5.4 Irrevocable undertakings:

The following Global Directors have given irrevocable undertakings to HKN that they will not accept the Offer in respect of any Global Shares issued pursuant to any exercise of Global Share Options held by them which have vested:

Optionholder	No. of Global Shares under options subject to an irrevocable undertaking	No. of Global Shares under options subject to an irrevocable undertaking with an exercise price under 72p per share	Percentage of Global Diluted Share Capital
Mikel Faulkner	1,890,000	1,560,000	3.96
Stephen Voss	1,200,000	1,000,000	2.54

5.5 General:

Save as set out in this paragraph 5 (and, in each case, as at the disclosure date):

- 5.5.1 none of: (i) HKN; (ii) the HKN Directors or any member of the immediate families, any related trusts or any connected person of any of the HKN Directors; or (iii) any person acting in concert with HKN held an interest or short position in, or right to subscribe for, relevant securities of Global, or had any arrangement in relation to relevant securities of Global and nor has any such person dealt for value therein during the disclosure period;
- 5.5.2 neither HKN nor any person acting in concert with HKN has borrowed or lent (including for these purposes any financial collateral arrangements) any relevant securities of Global, save for any borrowed shares which have been either on-lent or sold;
- 5.5.3 none of: (i) Global; or (ii) any of the Global Directors or any member of the immediate families, any related trusts or any connected person of any of the Global Directors held an interest or short position in, or right to subscribe for, relevant securities of HKN and nor has any such person dealt for value therein since the start of the Offer Period;
- 5.5.4 none of: (i) Global; (ii) the Global Directors or any member of the immediate families, any related trusts or any connected person of any of the Global Directors; or (iii) any person acting in concert with Global held an interest or short position in, or right to subscribe for, relevant securities of Global, or had any arrangement in relation to relevant securities of Global and nor has any such person dealt for value therein since the start of the Offer Period; and
- 5.5.5 neither Global nor any person acting in concert with Global, has borrowed or lent (including for these purposes any financial collateral arrangements) any relevant securities of Global, save for any borrowed shares which have been either on-lent or sold.

6. Material Contracts

6.1 HKN

There are no contracts (not being contracts entered into in the ordinary course of business), entered into by HKN or any of its subsidiaries in the two years before the commencement of the Offer Period which are or may be material.

6.2 Global

There are no contracts (not being contracts entered into in the ordinary course of business), entered into by Global in the two years before the commencement of the Offer Period which are or may be material save as follows:

6.2.1 Farmout Agreement in respect of the license contract for the exploration and exploitation of

hydrocarbons in Block 95, Peru

Harken Del Peru Limitada, (the “Farmor”), entered into a farmout agreement with Gran Tierra Energy Peru SRL (which is a partner of Global’s subsidiary Columbia Energy Development Company, (the “Farmee”), dated 9 December 2010 (the “Farmout”). Pursuant to the Farmout, the Farmor purported to assign 60% of its rights under a contract dated 7 April 2005 between the Farmor and Perupetro S.A. (the “Farmor Contract”), to the Farmee, including all legal and beneficial interests the Farmor has in: documents, government authorisations, property, credits, prepaid expenses and advance payments under the Farmor Contract and Geological & Geophysical data relating to Block 95 in the Peruvian Marañon Basin. The Farmout was conditional upon obtaining Peruvian government approval for such assignment (the “Approval”).

Pursuant to the Farmout, the Farmee is obliged to pay to the Farmor: (i) US\$2,000,000 relating to past expenditure incurred (prior to 9 December 2010) under the Farmor Contract, (ii) an amount not exceeding US\$15,000,000 relating to costs and expenditure incurred by the Farmor under the Farmout Contract between 9 December 2010 and the date of the Approval (the “Interim Period”), (iii) reasonable costs and expenses incurred under a joint operating contract (the “JOA”) during the Interim Period (entered into between the Farmor and Farmee governing their rights and obligations under the Farmor Contract), and (iv) 60% of costs incurred after the date of the Approval in the event that the US\$15,000,000 cost limit mentioned above is exceeded.

The Farmor agreed to indemnify the Farmee for liabilities arising under the Farmor Contract prior to 9 December 2010. During the Interim Period, the Farmor and Farmee bore the obligations and liabilities arising in connection with the Farmor Contract in accordance with their respective rights and obligations arising under the JOA.

Prior to execution and during the Interim Period, the Farmor is the sole contracting party under the Farmor Contract. During the Interim Period, the Farmor and Farmee must use reasonable, good faith commercial efforts to obtain the Approval and not act in any way that would prejudicially affect the achievement of the Farmout. Furthermore, the Farmor is obliged to notify the Farmee of any material change or default under the Farmor Contract and is not able to amend, incur added expense or sell rights arising out of the Farmor Contract without the Farmee’s consent. Both parties will consult each other on operations and drilling being undertaken during the Interim Period in addition to other work to be performed under the Farmor Contract. On and after the date of the Approval, the Farmee will assume liability for the Farmor Contract in accordance with its terms and the terms of the JOA.

Either party may terminate the Farmout if: (i) the Peruvian government rejects the Farmout and the Farmee does not inform the Farmor within 10 days of receiving notice of such rejection that it intends to appeal the Peruvian government’s decision or, (ii) if the Peruvian government does not approve the Farmout prior to 1 January 2012. As at the date of this document, the Peruvian government has not given the Approval.

6.2.2 Parent Guarantee in favour of Gran Tierra Energy Peru S.R.L. relating to the Farmout Agreement dated 9 December 2010

Global, (the “Guarantor”), entered into a guarantee agreement dated 9 December 2010 with Gran Tierra Energy Peru S.R.L., (the “Beneficiary”), in connection with the Farmout (the “Farmout Guarantee”). Under the Farmout Guarantee, the Guarantor unconditionally guaranteed that all payments owing under the Farmout will be made to the Beneficiary, its successors and assigns promptly and in US dollars. The Guarantor agrees to pay all costs incurred in enforcing the Farmout Guarantee.

6.2.3 Parent Guarantee in favour of Harken del Peru Limitada relating to the Farmout Agreement dated 9 December 2010

Gran Tierra Energy Peru S.R.L., (the “Farmout Parent Guarantee Guarantor”), has entered into a guarantee agreement dated 9 December 2010 with Harken Del Peru Limitada, (the “Farmout

Parent Guarantee Beneficiary”), in connection with the Farmout (the “Farmout Parent Guarantee”). Under the Farmout Parent Guarantee, the Farmout Parent Guarantee Guarantor unconditionally guarantees that it will make all payments that are terms of the Farmout to the Farmout Parent Guarantee Beneficiary, its successors and assigns promptly and in US dollars. The Guarantor agrees to pay all costs incurred in enforcing the Farmout Parent Guarantee.

6.2.4 Loan and security agreement in respect of funding the further development of Global’s Rio Verde assets.

Global, as borrower (the “Borrower”), entered into a US\$5,000,000 loan and security agreement with HKN, (the “Lender”), dated 14 September 2010 to fund the further development of its Rio Verde assets for a fee of US\$60,000 payable on the execution of the agreement (the “Rio Verde Loan”). The Rio Verde Loan matures on 14 September 2012 (having been extended from its original maturity date of 14 September 2011 pursuant to an amendment agreement dated 2 February 2011 (the “Amendment”). The Borrower may repay the Rio Verde Loan in whole or in part at any point from 14 September 2010, with all repayments being made in US dollars, free of deductions, taxes and withholdings. Interest accrues on the unpaid principal balance at a rate of 10.5% per annum (having been increased from 10% per annum pursuant to the Amendment), unless the principal is prepaid prior to 14 September 2012, in which case an additional 1% interest is charged on the principal. The Borrower is not permitted to incur indebtedness which purports to be senior in rank to the Rio Verde Loan. The Borrower will be in default if: a default occurs and the default continues for 15 days following the Borrower being given notice of such default; the Borrower is unable to repay its debts as they fall due; or if any representations or warranties under the agreement are untrue. The Lender can demand that the borrower repays the unpaid principal and unaccrued interest on demand following any such default.

6.2.5 Guarantee agreement in respect of the loan agreement dated 14 September 2010 between Global Energy Development plc, as borrower, and HKN, Inc., as lender.

HKN, as lender (the “Lender”), and Colombia Energy Development Company, Harken de Peru Holdings, Ltd., Harken del Peru Limitada, and Global Energy Management Resources, Inc., (the “Rio Verde Guarantors”), entered into a guarantee agreement in connection with the Rio Verde Loan (the “Rio Verde Guarantee”) pursuant to which the Rio Verde Guarantors irrevocably and unconditionally guarantee to the Lender the performance and payment of all obligations under the Rio Verde Loan, as amended. The Rio Verde Guarantee is an absolute and unconditional guarantee that payments will continue and obligations will be fulfilled under the Rio Verde Loan. The Rio Verde Loan may be amended, waived or modified without notice being given to or consent being granted from the Rio Verde Guarantors.

6.2.6 Resolution No.104 of the Trade and Industries Ministry terminating Operation Agreement No.53 dated 26 June 2007

Harken de Panamá Limited entered into an operation agreement with the Trade and Industries Ministry of Panamá on 26 June 2007 authorising the exploration and exploitation of hydrocarbon wells. Having discovered that the sub-soil in the area was unsuitable, Harken de Panamá Limited requested that the operation agreement be terminated. Resolution No.104 of the Trade and Industries Ministry approved the termination of the Operation Agreement No.53, allowed Harken de Panamá Limited to stop exploratory programs and returned the guarantee given by Harken de Panamá Limited in favour of the state of Panama to Harken.

7. Service Contracts

Set out below are details of the letters of appointment for each of the Global Directors:

- 7.1 Mikel Faulkner entered into a letter of appointment dated 7 March 2002 in relation to his appointment as an executive director of Global in the capacity of Chairman (for the purposes of this paragraph, the “Appointment”). The Appointment commenced on 6 March 2002 and continues until terminated by either party giving to the other thirty days written notice. The Appointment is reviewed annually and automatically terminates without any entitlement to

compensation in certain circumstances. Mikel Faulkner is entitled to a fee for his services as an executive director at the rate of US\$250,000 per annum and is entitled to participate in Global's share scheme. In addition, Mikel Faulkner is entitled to repayment of expenses on the basis prescribed in his letter of appointment and the articles of association of Global (the "Articles") including legal fees. The terms of the Appointment include restrictions in relation to disclosure of confidential information.

- 7.2 Stephen Voss entered into a letter of appointment dated 7 March 2002 in relation to his appointment as an executive director of Global in the capacity of Managing Director (for the purposes of this paragraph, the "Appointment"). The Appointment commenced on 6 March 2002 and continues until terminated by either party giving to the other thirty days written notice. The Appointment is reviewed annually and automatically terminates without any entitlement to compensation in certain circumstances. Stephen Voss is entitled to a fee for his services as an executive director at the rate of US\$246,000 per annum and is entitled to participate in Global's share scheme. In addition, Stephen Voss is entitled to repayment of expenses on the basis prescribed in his letter of appointment and the Articles including legal fees. The terms of the Appointment include restrictions in relation to disclosure of confidential information.
- 7.3 Alan Henderson entered into a letter of appointment dated 18 March 2002 in relation to his appointment as a non-executive director of Global (for the purposes of this paragraph, the "Appointment"). The Appointment commenced on 6 March 2002 and continues until terminated by either party giving to the other one month's written notice. The Appointment is reviewed annually and automatically terminates without any entitlement to compensation in certain circumstances. Alan Henderson is entitled to a fee for his services as a non-executive director at the rate of US\$49,000 per annum, is entitled to participate in Global's share scheme and may receive special remuneration in the event that such remuneration is agreed by the board following the performance of special duties or responsibilities outside his ordinary duties as a non-executive director. In addition, Alan Henderson is entitled to repayment of expenses on the basis prescribed in his letter of appointment and the Articles including legal fees. The terms of the Appointment include restrictions in relation to disclosure of confidential information and also include an indemnity in favour of Alan Henderson.
- 7.4 David Quint entered into a letter of appointment dated 18 March 2002 in relation to his appointment as a non-executive director of Global (for the purposes of this paragraph, the "Appointment"). The Appointment commenced on 6 March 2002 and continues until terminated by either party giving to the other one month's written notice. The Appointment is reviewed annually and automatically terminates without any entitlement to compensation in certain circumstances. David Quint is entitled to a fee for his services as a non-executive director at the rate of US\$49,000 per annum, is entitled to participate in Global's share scheme and may receive special remuneration in the event that such remuneration is agreed by the board following the performance of special duties or responsibilities outside his ordinary duties as a non-executive director. In addition, David Quint is entitled to repayment of expenses on the basis prescribed in his letter of appointment and the Articles including legal fees. The terms of the Appointment include restrictions in relation to disclosure of confidential information and also include an indemnity in favour of David Quint.
- 7.5 There are no Global Directors' service contracts, with Global, other than those which expire or are terminable without payment of compensation on no more than 12 months' notice.
- 7.6 Except as stated above, there are no other contracts of service between the directors of Global and Global.
- 7.7 Except as stated above, none of the agreements set out in this paragraph 7 has been entered into or amended during the six months prior to the date of this document.

8 Taxation

The following paragraphs, which are intended as a general guide only and not a substitute for detailed tax advice, are based on current UK legislation and HMRC published practice

as at the latest practicable date prior to the issue of this document, which may change. They summarise certain limited aspects of the UK taxation treatment of acceptance of the Offer. They relate only to the position of Global Shareholders who are resident and, in the case of individuals, ordinarily resident in the UK for taxation purposes at all relevant times and who hold their Global Shares beneficially as an investment (other than under a personal equity plan or an individual savings account) and who have not (and are not deemed to have) acquired their Global Shares by reason of an office or employment. The comments below apply only to certain categories of person and, in particular, may not apply to such persons as market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services, to whom special rules may apply.

If you are in any doubt as to your taxation position or if you may be subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriately qualified independent professional adviser immediately.

UK taxation of chargeable gains

A Global Shareholder's liability to UK taxation of chargeable gains in respect of the disposal of Global Shares pursuant to the Offer will depend on that shareholder's individual circumstances. The sale of Global Shares by a Global Shareholder pursuant to the Offer will constitute a disposal, or part disposal, of his shareholding. Such a disposal or part disposal may give rise to a liability to UK taxation of chargeable gains depending on the Global Shareholder's individual circumstances (including the availability of exemptions, reliefs and allowable losses) and, in particular, the Global Shareholder's base cost in his holding of Global Shares.

For Global Shareholders within the charge to UK corporation tax (but which do not qualify for the substantial shareholdings exemption in respect of their Global Shares) indexation allowance may be available in respect of the full period of ownership of the Global Shares to reduce any chargeable gain arising (but not to create or increase an allowable loss) on the disposal of Global Shares.

Global Share Scheme

Special tax provisions may apply to Global Shareholders who have acquired or acquire their Global Shares by exercise of options under the Global Share Scheme, including provisions imposing a charge to UK income tax and National Insurance contributions when such an option is exercised. Such Global Shareholders are advised to seek independent professional advice in this regard.

Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

No UK stamp duty or SDRT should be payable by Global Shareholders as a result of accepting the Offer.

9. Consents

- 9.1 Merchant Securities has given and not withdrawn its written consent to the issue of this document with the inclusion herein of its name in the form and context in which they appear.
- 9.2 Matrix has given and not withdrawn its written consent to the issue of this document with the references to it and its advice in the form and context in which they appear.

10. Other information

- 10.1 The value of the share capital of Global is calculated on a fully diluted basis assuming 35,766,774 Global Shares are in issue and 3,352,973 Global Share Options with an exercise price below 72p per Global Share have vested and are outstanding on 8 September 2011 (being the latest practicable date prior to the publication of this document).
- 10.2 There is no agreement, arrangement or understanding (including any compensation arrangement) between HKN or any person acting in concert with HKN and any Global Director, recent director of Global, Global Shareholder or recent shareholder of Global or any person interested or recently interested in Global Shares, having any connection with or dependence upon the Offer.

- 10.3 There is no agreement, arrangement or understanding between HKN and any other person pursuant to which any Global Shares which HKN will acquire pursuant to the Offer will be transferred to any other person, save that HKN reserves the right to transfer any such shares to any other member of the HKN Group.
- 10.4 There are no financing arrangements in place in connection with the Offer and there are no arrangements relating to payment of interest on, repayment of, or security for any liability (contingent or otherwise) of HKN which depend to any significant extent on the business of Global.
- 10.5 Save as disclosed in this document, there has been no known material change in the financial or trading position of Global since 31 December 2010 (being the date to which the last audited accounts of Global were prepared).
- 10.6 Save as disclosed in this document, there has been no known material change in the financial or trading position of HKN since 31 December 2010 (being the date to which the last audited accounts of HKN were prepared).
- 10.7 All share prices in this document are derived from the Stock Exchange Daily Official List.
- 10.8 All references in this document and the Form of Acceptance to time are to London time unless the context provides otherwise.
- 10.9 The emoluments of the HKN Directors will not be affected by the Acquisition the Conditional Acquisition or by any other associated transaction.

11. Documents available for inspection

Copies of the following documents are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Marriott Harrison at Staple Court, 11 Staple Inn Buildings, London, WC1V 7QH during the period for which the Offer remains open for acceptance:

- 11.1 the Certificate of Amendment and Restated Certificate of Incorporation and Bye-Laws of HKN and the Articles of Association of Global;
- 11.2 the 10-K audited financial statements of HKN for the two years ended 31 December 2010 and 31 December 2009;
- 11.3 the audited financial statements of Global for the two years ended 31 December 2010;
- 11.4 the irrevocable undertakings referred to in paragraph 5.4 of this Appendix 4;
- 11.5 the written consents referred to in paragraph 9 of this Appendix 4;
- 11.4 this document and the Form of Acceptance.

Copies of these documents are also available for inspection on the following website: www.globalenergyplc.com during the period in which the Offer remains open for acceptance.

12 Documents incorporated by reference

12.1 HKN financial information

The financial information referred to in Appendix II has been incorporated by reference into this document from the published Annual Report and Accounts of HKN for each of the financial years ended 31 December 2010, 31 December 2009 and 31 December 2008 and the unaudited Interim Report and Accounts for the six months ended 30 June 2011. These

documents are available free of charge in a read-only printable format on the SEC website at:

- (a) in respect of the HKN Interim Report and Accounts for the six months ended 30 June 2011 at: http://sec.gov/Archives/edgar/data/313478/000143774911005652/hkn_10q-063011.htm;
- (b) in respect of the HKN Annual Report and Accounts 2009 at: http://www.sec.gov/Archives/edgar/data/313478/000110465911004625/a11-5143_110ka.htm#ConsolidatedStatementsOfOperation_022426;
- (c) in respect of the HKN Annual Report and Accounts 2008 at: http://www.sec.gov/Archives/edgar/data/313478/000143774909000176/hkn_10k-123108.htm; and
- (d) in respect of the HKN Annual Report and Accounts 2010 at: http://www.sec.gov/Archives/edgar/data/313478/000143774911000965/hkn_10k-123110.htm;

12.2 **Global financial information**

The financial information referred to in Appendix III has been incorporated by reference into this document from the published Interim Report and Accounts of Global as of 30 June 2011 and for the Annual Report and Accounts of Global for each of the financial years ended 31 December 2010, 31 December 2009 and 31 December 2008. These documents are available free of charge in a read-only printable format on the Global website at:

- (a) in respect of the Global Interim Report and Accounts as of 30 June 2011 at: www.globalenergyplc.com/reports2011.asp;
- (b) in respect of the Global Annual Report and Accounts 2010 at: www.globalenergyplc.com/reports2010.asp;
- (c) in respect of the Global Annual Report and Accounts 2009 at: www.globalenergyplc.com/reports2009.asp; and
- (d) in respect of the Global Annual Report and Accounts 2008 at: www.globalenergyplc.com/reports2008.asp.

HKN will provide, without charge, to each person to whom a copy of this document has been delivered, on their written request, a copy of any documents or information incorporated by reference into this document. Copies of any documents or information incorporated by reference into this document will not be provided unless such a request is made.

Requests for copies of any such documents or information should be directed to Merchant Securities Limited, 51-55 Gresham Street, London EC2V 7HQ or by telephone on 020 7628 2200 (from within the UK) or +44 20 7628 2200 (from outside the UK).

Dated: 9 September 2011