



Notice of Special General Meeting

MADAGASCAR OIL LIMITED

(a Bermuda exempt company incorporated in Bermuda and bearing registration number EC-37901)

LETTER FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

MADAGASCAR OIL LIMITED ("Madagascar Oil" or the "Company")

*(a Bermuda exempt company
incorporated in Bermuda
and bearing registration number EC-37901)*

Directors:

John Laurie Hunter (Chairman and Chief Executive Officer)
Mark Field Weller (Chief Operating Officer)
Andrew James Morris (Non-Executive Director)
Ian Colin Orr-Ewing (Non-Executive Director)
Ian Christopher Simon Barby (Non-Executive Director)
John Alexander van der Welle (Non-Executive Director)

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

NOTICE OF SPECIAL GENERAL MEETING

Dear Shareholder

1 INTRODUCTION

The Company was pleased to announce on 22 February 2012 that it has raised gross proceeds of US\$26.5 million (the "**Placing**") through a fully subscribed placing of 59,900,000 new common shares of par value US\$0.001 (the "**Placing Shares**"). The extent of the Placing was increased to meet strong demand and, as a result, exceeded the Company's existing share authorities. The Company therefore issued 57,700,000 Placing Shares (the "**First Tranche Placing Shares**") under its existing share authorities granted at the Annual General Meeting held on 8 December 2011 and the First Tranche Placing Shares were admitted to trading on AIM on 27 February 2012.

The board of directors of the Company (the "**Board**") is now seeking the relevant authority to allot the balance of the Placing Shares, being 2,200,000 Placing Shares (the "**Second Tranche Placing Shares**"). Further details of the proposed resolution are set out below.

The Board would therefore like to take this opportunity to provide you with Notice of the Special General Meeting (the "**SGM**") of Madagascar Oil. The SGM will be held in Houston, Texas on 21 March 2012 at the Company's offices located at 2180 North Loop West, Suite 500, Houston, Texas 77018 at 10:00 am (Central time).

Shareholders of the Company are invited to attend and vote at the SGM.

2 RESOLUTION

The resolution to be proposed at the SGM is set out in full in the notice of meeting attached to this document.

Pursuant to Bye-Law 5.1 of the Company's Bye-Laws, the Directors of the Company have the authority to allot the unissued share capital of the Company to any such person, at such times and for such consideration and upon such terms and conditions as the Board may determine.

The special business to be proposed at the SGM is, in substitution for all existing authorities to the extent unutilised, to grant the Directors of the Company the authority to allot Equity Securities (as such term is defined in Bye-Law 6.7.1 of the Company's Bye-Laws) as if pre-emption rights did not apply to the allotment of the

41066394v1

Second Tranche Placing Shares up to an aggregate nominal value of US\$2,200.00. This authority will lapse (unless such authority is previously renewed, varied or revoked by the Company in a general meeting) on the earlier of the date falling 15 months after the passing of the resolution and the conclusion of the next Annual General Meeting of the Company to be held during the course of 2012.

This authority will enable the Company to issue the Second Tranche Placing Shares.

This special business requires the approval of at least 75% of the votes cast by shareholders in attendance at the SGM (whether in person or by proxy).

3 ACTION TO BE TAKEN

In accordance with the Company's Bye-Laws, only holders of common shares in the Company ("**Shareholders**") of record on 29 February 2012 will be entitled to receive notice of the SGM and only shareholders of record on 19 March 2012 will be entitled to attend and vote at the Meeting. To the extent that a Shareholder has transferred any common shares of the Company at the date of the SGM, the Shareholder will be deemed to be acting as proxy for the new holder of the common shares (as will any proxy appointed by that Shareholder). Shareholders who are unable to attend the SGM in person are requested to complete and return the enclosed form of proxy to the Company's registrars, Computershare Investor Services PLC, ("**Computershare**"), The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, United Kingdom, by 4.00pm (UK time) on 19 March 2012.

Holders of Depositary Interests ("**DI**") should vote through the CREST voting system no later than 4.00pm (GMT) on 16 March 2012. Voting will not prevent a DI holder (or a representative of that holder) from attending the SGM and voting in person. To attend and vote at the meeting please contact Computershare by emailing [!UKALLDITeam2@computershare.co.uk](mailto:UKALLDITeam2@computershare.co.uk) no later than 4.00pm (GMT) on 16 March 2012.

4 RECOMMENDATION

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

Accordingly, the Directors unanimously recommend that you vote in favour of the resolution proposed at the SGM as they intend to in respect of their shares.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'John Laurie Hunter', with a large loop at the start and a wavy line extending to the right.

John Laurie Hunter
Chairman and Chief Executive Officer

MADAGASCAR OIL LIMITED
(a Bermuda exempted company
incorporated in Hamilton, Bermuda
and bearing registration number- EC 37901)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT a Special General Meeting of Madagascar Oil Limited (the “Company”) will be held on 21 March 2012 in Houston, Texas at the Company’s offices located at 2180 North Loop West, Suite 500, Houston, Texas 77018 at 10:00 am (Central time).

SPECIAL RESOLUTION

1 In substitution for all existing authorities to the extent unutilised, the Directors be and are hereby generally empowered to allot Equity Securities (within the meaning of Bye-Law 6.7.1 of the Company’s Bye-Laws) for cash pursuant to the authority in Bye-Law 5.1 of the Company’s Bye-Laws as if pre-emption rights under the Bye-Laws or otherwise did not apply to any such allotment provided that this power shall be limited to the allotment of Equity Securities:

- (a) arising from the exercise of options or warrants or the conversion of any other convertible securities outstanding at the date of this resolution;
- (b) in connection with the allotment of 2,200,000 new common shares of par value US\$0.001 being the balance of the placing of 59,900,000 new common shares of par value US\$0.001 announced by the Company on 22 February 2012,

and this power shall, unless previously revoked or varied by a special resolution of the Company in a general meeting, expire on the earlier of the date falling 15 months after the passing of this resolution and the conclusion of the next Annual General Meeting of the Company in 2012. The Company may, before such expiry, make offers or agreements which would or might require Equity Securities to be allotted after such expiry and the Directors are hereby empowered to allot Equity Securities in pursuance of such offers or agreements as if the power conferred hereby had not expired.

By Order of the Board



John Laurie Hunter
Chairman and Chief Executive Officer

Registered Office:

Canon’s Court
22 Victoria Street
Hamilton HM 12
Bermuda

Dated 29 February 2012

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

41066394v1

3. In the case of a corporation, the form of proxy must be expressed to be executed by the corporation and must be executed under its common seal, or signed on its behalf by a duly authorised attorney or duly authorised officer of the corporation.
4. To be valid, the form of proxy and any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority must be deposited with the registrars of the Company, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, United Kingdom, **by no later than 4.00pm (UK time) on 19 March 2012.**
5. The completion and return of a proxy card will not affect the right of a shareholder to attend, speak and vote in person at the meeting convened by this notice.
6. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
7. To direct your proxy how to vote on the resolutions mark the appropriate box with an “X”. To abstain from voting on a resolution, select the relevant “withheld” box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
8. Holders of Depositary Interests (“DI”) should vote through the CREST voting system no later than 4.00pm (GMT) on 16 March 2012. Voting will not prevent a DI holder (or a representative of that holder) from attending the SGM and voting in person. To attend and vote at the meeting please contact Computershare by emailing !UKALLDITeam2@computershare.co.uk no later than 4.00pm (GMT) on 16 March 2012.

Form of Proxy - Special General Meeting to be held on 21 March 2012

**To be effective, all proxy appointments must be lodged with the Company's Registrars at:
c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY by 19 March 2012 at 4.00 pm GMT.**

Explanatory Notes:

1. Every holder has the right to appoint some other person(s) of their choice, who need not be a shareholder, as his proxy to exercise all or any of his rights, to attend, speak and vote on their behalf at the meeting. If you wish to appoint a person other than the Chairman, please insert the name of your chosen proxy holder in the space provided (see reverse). If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holders name (see reverse) the number of shares in relation to which they are authorised to act as your proxy. If returned without an indication as to how the proxy shall vote on any particular matter, the proxy will exercise his discretion as to whether, and if so how, he votes (or if this proxy form has been issued in respect of a designated account for a shareholder, the proxy will exercise his discretion as to whether, and if so how, he votes).
2. To appoint more than one proxy, an additional proxy form(s) may be obtained by contacting the Registrar's helpline on 0870 707 4040 or you may photocopy this form. Please indicate in the box next to the proxy holder's name (see reverse) the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by marking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
3. The 'Vote Withheld' option overleaf is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
4. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at close of business on the day which is two days before the day of the meeting. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
5. The above is how your address appears on the Register of Members. If this information is incorrect please ring the Registrar's helpline on 0870 707 4040 to request a change of address form or go to www.investorcentre.co.uk/je to use the online Investor Centre service.
6. Any alterations made to this form should be initialled.
7. The completion and return of this form will not preclude a member from attending the meeting and voting in person.

Kindly Note: This form is issued only to the addressee(s) and is specific to the unique designated account printed hereon. This personalised form is not transferable between different (i) account holders; or (ii) uniquely designated accounts. The Company and Computershare Investor Services (Jersey) Limited accept no liability for any instruction that does not comply with these conditions.

All Named Holders

Form of Proxy

Please complete this box only if you wish to appoint a third party proxy other than the Chairman.
Please leave this box blank if you want to select the Chairman. Do not insert your own name(s).

I/We hereby appoint the Chairman of the Meeting OR the person indicated in the box above as my/our proxy to attend, speak and vote in respect of my/our full voting entitlement* on my/our behalf at the Special General Meeting of Madagascar Oil Limited to be held at **the Company's offices, 2180 North Loop West, Suite 500, Houston, Texas 77018** on 21 March 2012 at **10.00 am (Central time)**, and at any adjourned meeting.

* For the appointment of more than one proxy, please refer to Explanatory Note 2 (see front).

☐ Please mark here to indicate that this proxy appointment is one of multiple appointments being made.

Please use a **black** pen. Mark with an **X** inside the box as shown in this example.



Special Resolution

1. In substitution for all existing authorities to the extent unutilised, the Directors be and are hereby generally empowered to allot Equity Securities (within the meaning of Bye-Law 6.7.1 of the Company's Bye-Laws) for cash pursuant to the authority in Bye-Law 5.1 of the Company's Bye-Laws as if pre-emption rights under the Bye-Laws or otherwise did not apply to any such allotment provided that this power shall be limited to the allotment of Equity Securities:

For	Against	Vote Withheld
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(a) arising from the exercise of options or warrants or the conversion of any other convertible securities outstanding at the date of this resolution;

(b) in connection with the allotment of 2,200,000 new common shares of par value US\$0.001 being the balance of the placing of 59,900,000 new common shares of par value US\$0.001 announced by the Company on 22 February 2012;

and this power shall, unless previously revoked or varied by a special resolution of the Company in a general meeting, expire on the earlier of the date falling 15 months after the passing of this resolution and the conclusion of the next Annual General Meeting of the Company in 2012. The Company may, before such expiry, make offers or agreements which would or might require Equity Securities to be allotted after such expiry and the Directors are hereby empowered to allot Equity Securities in pursuance of such offers or agreements as if the power conferred hereby had not expired.

I/We instruct my/our proxy as indicated on this form. Unless otherwise instructed the proxy may vote as he or she sees fit or abstain in relation to any business of the meeting.

Signature

Date

DD / MM / YY

In the case of a corporation, this proxy must be given under its common seal or be signed on its behalf by an attorney or officer duly authorised, stating their capacity (e.g. director, secretary).



H 7 0 5

0 3

MOI

