



25 April 2017

Dear Shareholder

Extraordinary General Meeting of Kuwait Energy plc

We will be holding an Extraordinary General Meeting (EGM) of Kuwait Energy plc (Kuwait Energy) on 11 May 2017 at 10am at Salwa Sabah Al-Ahmad Theater and Hall, Marina Hotel, Salmiya, Kuwait. I enclose a formal notice of EGM detailing the agenda (together with a form of proxy notice), and briefly summarise the various agenda items below.

Resolution 1 - 2016 financial statements

Although we have made good progress during 2016, it was another challenging year, which is reflected in our audited financial statements for the year ended 31 December 2016 (a copy of which is available on our website). The financial statements are to be formally received by shareholders at the EGM.

Resolutions 2, 3, 4 and 5 – Listing or public offering, increase in the authorized share capital, authorities to allot relevant securities and disapply pre-emption rights

As we have previously stated, we continue to explore the possibility of a listing or initial public offering (IPO) of Kuwait Energy on London Stock Exchange's main market for listed securities. If an IPO becomes a clear possibility we will make an appropriate announcement. However, in order to allow Kuwait Energy to move quickly to an IPO should the opportunity arise, we have decided to seek certain approvals at this EGM in Resolutions 2 to 5, covering matters which would be required to implement an IPO.

One possible scenario in connection with an IPO of Kuwait Energy would be an issue of new ordinary shares to institutional investors (or similar) to raise further capital. We would therefore like your approval for the directors to be authorized to allot shares of Kuwait Energy up to a maximum nominal amount of GBP200,000,000, and also the related disapplication of shareholder pre-emption rights, for the purposes of Kuwait Energy issuing shares to institutional investors in connection with an IPO (and in relation to existing convertible loan facilities which become convertible into ordinary share capital of the Company as a result of such IPO).

Resolution 6 - Repurchase of shares from Mohammad Al Howqal

As part of an historic USD11m equity financing arrangement (which was originally implemented by KEC Kuwait in connection with an employee share option scheme (which became obsolete due to the 2011 group restructuring)), in May 2013, Mr Mohammad Al Howqal, a member of the Management team, entered into a (restated) agreement with a third party to purchase 4,825,001 shares of Kuwait Energy held by that third party.

Although the financing arrangement has been substantially rolled over each year, the financing has been reduced and Mr Al Howqal was therefore required to purchase shares of Kuwait Energy from the third party at a price of KWD0.670 per share. Kuwait Energy has lent Mr Al Howqal the purchase price pending the buy-back of shares by Kuwait Energy. You will recall that shareholders approved the buy-back of 792,741 shares from Mr Al Howqal at a price of KWD0.620 per share (being the same price as for the 2011 group restructuring) at the 2014 EGM.



At Resolution 6, we would like your approval to buy-back the remaining 4,032,260 shares from Mr Al Howqal (4,825,001-792,741) at a price of KWDO.620 per share (being the same price as for the 2011 group restructuring), with a view to exiting the financing arrangement completely in the event of an IPO.

Resolution 7 - Adoption of new Articles of Association

In the event that Kuwait Energy is listed on London Stock Exchange plc's main market for listed securities, it will need to adopt new Articles of Association appropriate for a listed company. We would therefore like your approval to adopt new Articles of Association, but only if Kuwait Energy is listed. Copies of the proposed new Articles of Association are available on our website and will be available at the EGM. The proposed new Articles of Association are in a form which will allow Kuwait Energy to comply with the requirements made of a listed company. The resolution to adopt the new Articles of Association is conditional upon the listing of Kuwait Energy.

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Your directors believe that the proposals in the above-mentioned resolutions are in the best interests of both Kuwait Energy and its shareholders. Accordingly, the directors unanimously recommend that you vote in favour of all of these resolutions.

If you should have any queries regarding the contents of this letter, please contact Hussain Almosawy of our Investor Relations Department by email at Hussain.almosawy@kec.com.kw or by telephone on +965 2576 7722.

I very much look forward to seeing you on 11 May 2017 and thank you for your continued support.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Aboukhamseen".

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Dr Manssour Aboukhamseen
Chairman