

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

This document does not constitute an offer to sell or issue or an invitation to acquire or apply for any security.

If you have sold or otherwise transferred all of your Ordinary Shares, you should send this document together with the accompanying Form of Proxy to the purchaser or transferee or to the bank, stockbroker, or other agent through whom the sale or transfer was affected for delivery to the purchaser or transferee. The distribution of this document in jurisdictions other than the UK 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.

This document has been prepared for the purposes of complying with English and Jersey law and the AIM Rules and the information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England and Jersey.

This document should be read in conjunction with the accompanying Form of Proxy.

Westmount Energy Limited

Proposed increase in authorised share capital and amendments to the articles of association

Notice of Extraordinary General Meeting

The whole of this document should be read and, in particular, your attention is drawn to the letter from the Chairman of the Company set out in Part 1 of this document which contains the recommendation by the Directors to Shareholders to approve the Proposals by voting in favour of the resolutions to be proposed at the EGM referred to below.

The EGM at which the Proposals will be considered will be held at 11.00 a.m. on 20 February 2012 at 47 Esplanade, St Helier, Jersey, JE1 0BD, Channel Islands, Channel Islands. Notice of the EGM is set out in Part 4 of this document. **The Directors unanimously recommend that you vote in favour of the resolutions to be proposed at the EGM.** You should complete, sign and return your Form of Proxy to Capita Registrars (Jersey) Limited, 12 Castle Street, St Helier, Jersey JE2 3RT, Channel Islands, as soon as possible but, in any event, so as to arrive not later than 11.00 a.m. on 18 February 2012.

Cenkos Securities plc, which is authorised and regulated by the Financial Services Authority, is acting exclusively for the Company, in its capacity as nominated advisor and broker to the Company, and no one else in connection with the Proposals and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Cenkos Securities plc or for providing advice in connection with the Proposals and any other matters described herein.

CONTENTS

	<i>Page</i>
Expected timetable of principal events	3
Summary of the Proposals	4
PART 1 Letter from the Chairman of Westmount Energy Limited	6
PART 2 Summary of the New Articles	8
PART 3 The EGM and voting information	11
PART 4 Notice of EGM	12
Definitions	13

Shareholders are advised to read this document carefully. If you require assistance in completing the Form of Proxy or require additional Forms of Proxy, please call Capita Registrars (Jersey) Limited, the Registrar, on 0871 664 0300 (calls cost 10p per minute plus network extras) or, if calling from outside the United Kingdom, 00 44 20 8639 3399 between the hours of 9.00 a.m. and 5.00 p.m. on any business day. The Registrar will not be able to give advice on the merits of the Proposals or to provide legal, financial or taxation advice and accordingly for such advice you should consult your stockbroker, solicitor, accountant, bank manager or other independent professional adviser.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Voting Record Time for the EGM	5.00 p.m. on 17 February 2012
Last time for receipt of Forms of Proxy	11.00 a.m. on 18 February 2012
EGM	11.00 a.m. on 20 February 2012

All references to time in this document are to UK time unless otherwise stated. **The dates and times given in this document are based on the Company's current expectation and may be subject to change. If the dates and times given in this document do change, Shareholders will be notified by an announcement on the Regulatory News Service.**

SUMMARY OF THE PROPOSALS

This summary outlines how and why Westmount proposes to increase its authorised share capital and amend the Articles. **Shareholders should read the whole of this document and not rely solely on the summary information below, which should be regarded as an introduction only, in deciding upon a course of action. Shareholders are also advised to read the New Articles in their entirety, a copy of which can be obtained by visiting the documents section of the Company's website at www.westmountenergy.com or by requesting a copy to be sent by post by telephoning the Company's registered office on +44 (0)1534 835600. A copy of the New Articles is not included in this document which is in keeping with the Company's desire to minimise costs (for the benefit of Shareholders generally) and to reduce its environmental footprint.**

What is the Company doing and why?

As set out in the letter from the Chairman in Part 1 of this document, the Company intends under the Proposals to:

- (a) increase the authorised share capital of the Company (by amending the statement of share capital in its memorandum of association) from £2,151,000 divided into 10,000,000 consolidated ordinary shares of £0.20 each and 15,100,000 redeemable "B" shares of £0.01 each to £42,000,000 divided into 200,000,000 consolidated ordinary shares of £0.20 each and 200,000,000 redeemable "B" shares of £0.01 each; and
- (b) amend the Articles (by the adoption of the New Articles in their place) to, amongst other things, bring the Articles up to date with recent changes to the Companies Law that have been made since the Articles were last updated, provide greater flexibility in terms of communications with shareholders, be in a more easily readable format and adopt some of the standard company practices familiar to investors in most UK listed companies.

How will the Proposals affect the Company?

The increase in authorised share capital will enable the Company to make significant future investments by providing a source of Shares to offer as consideration for such investments.

The New Articles are intended to give the Company greater internal flexibility and to accord with generally accepted practice and recent changes in the Companies Law in a number of areas including, but not limited to, those described in Part 2 of this document.

What needs to be done to vote at the EGM?

The Proposals are subject to Shareholder approval. Shareholders are encouraged to exercise their right to vote.

Shareholders can vote by completing and returning the enclosed Form of Proxy to Capita Registrars (Jersey) Limited, 12 Castle Street, St Helier, Jersey JE2 3RT, Channel Islands by no later than 11.00 a.m. on 18 February 2012. **The Board unanimously recommends that Shareholders vote in favour of the Proposals.** Shareholders are accordingly strongly urged by the Directors to complete, sign and return the enclosed Form of Proxy as soon as possible and in accordance with the instructions printed on it. Alternatively, Shareholders can vote by attending the EGM, which will be held at 11.00 a.m. on 20 February 2012 at 47 Esplanade, St Helier, Jersey, JE1 0BD, Channel Islands. Notice of the EGM is set out in Part 4 of this document. Further details are set out in the Chairman's letter in Part 1 of this document.

Do Shareholders need to vote?

Shareholders have the right to attend, speak and vote at the EGM. However, Shareholders who do not wish, or are unable, to attend the EGM may appoint someone to act on their behalf and to vote in the event of a poll. Shareholders are neither compelled to vote nor to appoint a proxy should they not wish to do so.

If approval is not given by Shareholders, the particular Proposal will not be implemented. Both resolutions to be proposed at the EGM will be proposed as special resolutions and will each therefore require the approval of not less than two – thirds of the votes cast at the EGM.

PART 1

LETTER FROM THE CHAIRMAN

Westmount Energy Limited

(Incorporated and registered in Jersey with registered number 53623)

Directors:

Mervyn Bradlow (*Non-Executive Chairman*)

Peter J Richardson (*Executive Director*)

Thomas O’Gorman (*Executive Director*)

Gerard Walsh (*Executive Director*)

David King (*Executive Director*)

Registered office:

47 Esplanade

St Helier

Jersey

JE1 0BD

20 January 2012

To Shareholders

Proposed increase in authorised share capital and amendments to the Articles of Association

Dear Shareholder,

Introduction

This document sets out the reasons for the Proposals and a summary of the main differences between the existing Articles and the proposed New Articles. Shareholders are encouraged to read the New Articles (a copy of which can be obtained by visiting the documents section of the Company’s website at www.westmountenergy.com or by requesting a copy to be sent by post by telephoning the Company’s registered office on +44 (0)1534 835600) in their entirety and not just rely on the summary. A copy of the New Articles is not included in this document which is in keeping with the Company’s desire to minimise costs (for the benefit of Shareholders generally) and to reduce its environmental footprint. This document also explains why the Directors of Westmount consider the Proposals to be in the best interests of Westmount and its Shareholders as a whole.

The Proposals require the approval of Shareholders. This approval will be sought at the EGM which will be held at 11.00 a.m. at 47 Esplanade, St Helier, Jersey, JE1 0BD, Channel Islands on 20 February 2012.

Background to and reasons for the proposed increase in authorised share capital and amendments to the Articles of Association

The Board believes that it is prudent to have ample headroom in terms of authorised share capital in order that there will be a readily available supply of shares at the disposal of the Board which the Company can use as consideration for the types of investments which the Board intends to pursue as part of its investment strategy. The Board further believes that the redeemable “B” shares of the Company should also be increased to match the number of Ordinary Shares to allow for any future returns of capital using the same procedure adopted in previous years of issuing and redeeming redeemable “B” shares.

The last time the Articles were substantially amended was in 2000. Since that time, there have been a number of amendments to the Companies Law and company practice generally, in particular, in relation to the latter, with respect to the use of electronic communications with shareholders (which are comprehensively provided for under English statute, but not yet under Jersey law). Therefore, it is felt timely that the Articles be amended to adopt certain enhancements driven by changes to the Companies Law, provide for electronic notices and other communications and use of websites and generally to provide more comprehensive and flexible regulations in respect of meetings and other administrative matters.

We are therefore, accordingly, asking Shareholders to adopt the New Articles and to approve the increase in the Company’s authorised share capital at the EGM.

EGM

Set out in Part 4 of this document is a notice convening the EGM to be held at 11.00 a.m. on 20 February 2012 at 47 Esplanade, St Helier, Jersey, JE1 0BD, Channel Islands. Special resolutions will be proposed at the EGM to approve the Proposals. Further information relating to the EGM is set out in Part 3 of this document.

Action to be taken

Form of Proxy

Enclosed with this document is a Form of Proxy for use in connection with the EGM. Shareholders are requested to complete the Form of Proxy in accordance with the instructions printed thereon and return it, so as to be received as soon as possible, and, in any event, no later than 11.00 a.m. on 18 February 2012, to Capita Registrars (Jersey) Limited, 12 Castle Street, St Helier, Jersey JE2 3RT, Channel Islands. Completion and return of a Form of Proxy will not prevent Shareholders from attending and voting at the EGM should they so wish.

Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of the resolutions to be proposed at the EGM as they intend to do in respect of their own holdings, amounting in aggregate to 2,660,000 Ordinary Shares, representing approximately 27.3 per cent. of the issued share capital of Westmount.

Yours sincerely

Mervyn Bradlow
Chairman

PART 2

SUMMARY OF THE MAIN DIFFERENCES BETWEEN THE EXISTING ARTICLES AND THE PROPOSED NEW ARTICLES

1. Capital contributions without issue of further shares

The New Articles make it clear that the Directors may accept voluntary contributions from a shareholder without being asked to issue shares in return. If the Directors agree to accept such a contribution, they must decide whether it will be treated as an addition to a capital account or to a general reserve. The New Articles clarify that such a voluntary capital contribution is not to be classed as a loan.

2. Treasury shares

The Articles do not refer to treasury shares and although the Companies Law states that shares may be held in treasury unless the Articles state otherwise, the New Articles specifically provide that the Company may hold its own shares as treasury shares. The ability to hold treasury shares is still, however, subject to express shareholder resolution pursuant to the Companies Law.

3. Disclosure of substantial interests in shares

The New Articles include provisions on disclosure of substantial interests in shares. These are included as the Board believes it is appropriate for the Company to implement a regime similar to the UK disclosure regime which does not automatically apply to the Company as a Jersey incorporated AIM listed company.

The UK regime for notifying major shareholdings (to which the relevant regulations in the New Articles are intended to be similar) is derived from the Financial Services and Markets Act 2000 as amended and supplemented by the Companies Act 2006 and chapter 5 of the Financial Services Authority Disclosure Rules and Transparency Rules (DTR5) (the latter of which is incorporated in the New Articles by reference). The basic obligation is set out in DTR5.1.2 and requires beneficial holders to notify the Company, as issuer, of significant interests in shares. The New Articles also enable the Company to investigate interests in shares if it so desires (similarly to the ability of an English incorporated company under the Companies Act 2006).

4. Redemptions and buy back of shares

In 2008 the Companies Law was amended in respect of redemptions and buybacks of shares. The New Articles reflect the change to the Companies Law which now allows payments for the redemption of redeemable shares or on the buy back of shares by the Company to be funded from any source, including capital. Previously, the sources available to fund such payments were limited, in general terms, to distributable profits or the proceeds of a fresh issue of shares. A redemption or share buy back may only be made if the Directors authorising the redemption or share buy back make a statement that they have formed the opinion that the Company will remain cash flow solvent for at least the next 12 months following the payment for the redemption or buy back (this is a legal requirement so it is not necessary to include this in the New Articles).

5. Use of websites

The Articles currently do not contain any ability to make use of websites for the publication of documents. Therefore the New Articles provide the framework for this and state that a notice of a general meeting may be published on a website provided that recipients are provided with notice (which could be by email if the Company has been specifically provided with an address by a shareholder) of publication of the notice on the website, the place on the website where the notice can be accessed, how it may be accessed and the place, date and time of the general meeting.

6. Electronic communications with the Company

The New Articles allow for documents and notices to be sent by electronic communication and to be published on a website (as mentioned above). A notice may only be given to the Company in electronic form if the Directors resolve accordingly, the resolution states how electronic records will be given and the terms of the resolution are notified to the shareholders. The Company may also receive forms of proxy electronically if the Directors have so resolved.

7. Use of technology at general meetings

The Articles currently do allow general meetings to proceed with the use of a communication device (including a telephone) but are not, in the opinion of the Board, comprehensive or clear enough to take full advantage of modern methods of communication between shareholders at general meetings. The New Articles expand on the ability to use electronic communication to allow a person to participate in a general meeting through the medium of conference telephone, video or any other form of communications equipment providing all persons attending can hear and speak to one another throughout the entire length of the meeting.

8. Accounts and Audit

The New Articles allow for accounts and associated directors' reports and auditor's reports to be published on a website. These documents will only be treated as sent at least 14 clear days before the date of the meeting at which they will be laid before if the documents are published on the website throughout a period beginning at least 14 clear days' before the date of the meeting, ending with the conclusion of the meeting and provided that persons are given 14 clear days' notice of the meeting.

The use of electronic communication for documents to be sent to Shareholders instead of in hard copy form accords with the general desire for the Company to reduce its costs (ie those associated with bulk printing and standard mailing) and its environmental footprint.

9. Dividends from any source

The Companies Law changed in 2008 to permit distributions to be made from almost any source. The current Articles only allow directors to declare interim dividends if there are available profits, which is far more restrictive than the current regime under the Companies Law and therefore the New Articles provide the same flexibility as under the Companies Law. The Directors will still be restricted in terms of what distributions they can authorise by the Companies Law which requires the authorising Directors to have formed the opinion that the Company will remain cash flow solvent for 12 months following the distribution.

10. Date of giving notices

The New Articles provide greater clarity on when notices are deemed given and a comprehensive table containing this information is incorporated in the New Articles.

11. Length of notice for general meetings

The changes to the Companies Law in 2008 relaxed the notice requirements for general meetings from (a) 21 days for annual general meetings and meetings to consider special resolutions and (b) 14 days for other meetings (both of which are stated in the existing Articles) to 14 days for all meetings. The New Articles adopt the default position under the Companies Law (in other words 14 days for all meetings).

12. Directors' decision making

The New Articles take the opportunity to change the threshold for passing written resolutions of the Directors from requiring signatures from all of the Directors to just a simple majority. The Board believes this will facilitate and quicken the Board's decision making ability where it is impractical to hold a meeting of the Directors for whatever reason (note that the current Directors currently reside in four different jurisdictions making the ability to pass written resolutions quickly and easily of particular importance).

13. Capitalisation of profits

The current Articles require any capitalisation of the profits of the Company and any subsequent use of that capital to pay up bonus shares to be issued to Shareholders to be approved by an ordinary resolution of the Shareholders. The New Articles provide that any capitalisation and issue of bonus shares may be approved by the Directors.

14. General

Generally, the opportunity has been taken to bring clearer and more comprehensive language into the New Articles and in some areas to conform the language of the New Articles with that which investors in English incorporated AIM listed companies should be familiar with and generally to give the Company greater flexibility to manage its affairs.

PART 3

THE EGM AND VOTING INFORMATION

The Proposals require the approval of Shareholders at the EGM, notice of which is set out in Part 4 of this document.

The EGM is being convened for 11.00 a.m. on 20 February 2012 at 47 Esplanade, St Helier, Jersey, JE1 0BD, Channel Islands.

At the EGM, special resolutions will be proposed to approve the Proposals. The special resolutions are set out in full in the Notice of EGM attached at Part 4 of this document and include the following matters:

- (aa) the amendment to the memorandum of association to increase the authorised share capital of the Company; and
- (bb) the amendments to the Articles by the adoption of the New Articles.

Shareholders have the right to attend, speak and vote at the EGM (or, if they are not attending the meeting, to appoint someone else as their proxy to vote on their behalf on a poll) if they are on the register at 5.00 p.m. on 17 February 2012. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend and/or vote at the meeting. If the meeting is adjourned, only those Shareholders on the register at 5.00 p.m. on the day which is two days before the date of the adjourned meeting are entitled to attend, speak and vote or to appoint a proxy.

A resolution is a special resolution when it has been passed by a majority of not less than two-thirds of members who (being entitled to do so) vote in person, or by proxy, at the EGM.

When voting on the resolutions to be proposed at the EGM, each Shareholder who is present in person will, on a show of hands, have one vote and, on a poll, each Shareholder who is present in person or by proxy shall have one vote for each Ordinary Share held.

The number of Ordinary Shares a Shareholder holds as at the above register deadline will determine how many votes a Shareholder or his/her proxy will have in the event of a poll. Shareholders not attending the meeting may appoint a proxy, which is someone who will attend the meeting on their behalf and vote in the event of a poll, by completing and returning the enclosed Form of Proxy. For Shareholders' convenience, the appointment of the Chairman of the meeting as proxy has already been included, although Shareholders may appoint someone else as their proxy. Shareholders should note that a proxy is not entitled to vote on a show of hands (although note that the New Articles do not contain this restriction). A proxy need not be a Shareholder.

Shareholders wishing to appoint a proxy must return the Form of Proxy to Capita Registrars (Jersey) Limited, 12 Castle Street, St Helier, Jersey JE2 3RT, Channel Islands, so as to be received by not later than 11.00 a.m. on 18 February 2012 by post or by hand (during normal business hours only). In the event of a poll on which a Shareholder votes in person, any proxy votes lodged with the Registrar by that Shareholder will be disregarded.

Shareholders or other participants outside the UK

Shareholders or other participants with addresses outside the UK should reply using the return addressed envelope provided to which postage should be added.

Joint Shareholders

All joint Shareholders may attend and speak at the meeting or appoint a proxy. However, if more than one joint Shareholder votes or appoints a proxy, the only vote or appointment which will be valid is the vote or appointment of the first joint Shareholder listed on the register of members.

PART 4

NOTICE OF EXTRAORDINARY GENERAL MEETING

Westmount Energy Limited

(the "Company")

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING ("EGM") of the Company will be held at 47 Esplanade, St Helier, Jersey, JE1 0BD, Channel Islands at 11.00 a.m. on 20 February 2012 for the purpose of considering and, if thought fit, passing each of the following resolutions as special resolutions:

- 1 THAT the Company alter its articles of association by adopting the articles of association, signed by a director of the Company for identification purposes and attached hereto, as the articles of association of the Company in place of the present articles of association;
- 2 THAT the Company alter its memorandum of association by:
 - (a) increasing the authorised share capital of the Company from £2,151,000 divided into 10,000,000 consolidated ordinary shares of £0.20 each and 15,100,000 redeemable "B" shares of £0.01 each to £42,000,000 divided into 200,000,000 consolidated ordinary shares of £0.20 each and 200,000,000 redeemable "B" shares of £0.01 each; and
 - (b) deleting paragraph 4 of the memorandum of association and inserting the following in its place:

‘The capital of the Company is £42,000,000 divided into 200,000,000 consolidated ordinary shares of £0.20 each and 200,000,000 redeemable "B" shares of £0.01 each’.

Registered office:

47 Esplanade
St Helier
Jersey
JE1 0BD
Registered in Jersey
Company number 53623

By order of the Board
Dominion Corporate Services Limited
Company Secretary

20 January 2012

Notes:

- (i) A member entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and, on a poll, to vote in his or her stead. Such proxy need not be a member of the Company.
- (ii) A Form of Proxy is enclosed which, to be effective, must be completed and deposited (together with the power of attorney or other authority, if any, under which it is signed or a copy thereof certified notariably) with Capita Registrars (Jersey) Limited, 12 Castle Street, St Helier, Jersey JE2 3RT, Channel Islands by 11.00 a.m. on 18 February 2012. Completion and return of the Form of Proxy does not preclude a shareholder from attending and voting in person at the EGM.
- (iii) The Company, pursuant to the Companies (Uncertificated Securities) (Jersey) Order 1999 and its articles of association, specifies that only those shareholders entered on the register of members of the Company as at 5.00 p.m. on 17 February 2012 shall be entitled to attend or vote at the aforesaid EGM in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after 5.00 p.m. on 17 February 2012 shall be disregarded in determining the rights of any person to attend or vote at the meeting.

DEFINITIONS

The following words and expressions bear the following meanings in this document unless the context requires otherwise:

“AIM”	a market operated by the London Stock Exchange;
“Aim Rules”	means the AIM rules for companies dated February 2010 published by the London Stock Exchange;
“Articles”	means the current articles of association of the Company, a copy of which can be obtained by visiting the documents section of the Company’s website at www.westmountenergy.com or by requesting a copy to be sent by post by telephoning the Company’s registered office on +44 (0)1534 835600;
“Board” or “Directors”	the directors of the Company;
“business day”	a day (excluding Saturdays, Sundays and public holidays in England and Wales and Jersey) on which banks generally are open for the transaction of normal banking business;
“Companies Law”	Means the Companies (Jersey) Law, 1991, as amended;
“CREST”	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear UK & Ireland Limited;
“EGM”	the extraordinary general meeting of the Company, notice of which is set out in Part 4 of this document, and any adjournment of that meeting;
“Form of Proxy”	the form of proxy for use at the EGM to be sent with this document to Shareholders;
“Jersey”	means the island of Jersey, British Channel Islands;
“London Stock Exchange”	the London Stock Exchange plc or any recognised investment exchange for the purposes of the Financial Services and Markets Act 2000 which may take over the function of the London Stock Exchange plc;
“New Articles”	The draft new articles of association of the Company, proposed to be adopted by the Company at the EGM, a copy of which can be obtained by visiting the documents section of the Company’s website at www.westmountenergy.com or by requesting a copy to be sent by post by telephoning the Company’s registered office on +44 (0)1534 835600;
“Ordinary Shares”	the consolidated ordinary shares of 20 pence each in the capital of Westmount;
“Proposals”	the proposed increase in authorised share capital and amendments of the memorandum and articles of association of the Company;
“Registrar”	Capita Registrars (Jersey) Limited;
“Regulatory News Service”	The London Stock Exchange’s service for the dissemination of information;

“Shareholders”	holders of Ordinary Shares and, where the context so requires, holders of redeemable “B” shares (if any);
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“uncertificated” or “in uncertificated form”	when used in relation to shares, recorded on the relevant register “in uncertificated form” as being held in uncertificated form in CREST and title to which, by virtue of the Uncertificated Securities Order, may be transferred by means of CREST;
“Uncertificated Securities Order”	the Companies (Uncertificated Securities) (Jersey) Order 1999;
“Voting Record Time”	in relation to the EGM, 5.00 p.m. on 17 February 2012 or if the meeting is adjourned, 5.00 p.m. on the day which is two days before the date of the adjourned meeting; and
“Westmount” or the “Company”	Westmount Energy Limited, incorporated and registered in Jersey under the Companies Law (Jersey) Law 1991 with registered number 53623.

