

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Circular or about the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised pursuant to the Financial Services and Markets Act 2000, as amended.

If you have sold or transferred all of your Ordinary Shares in the Company, please send this Circular, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you have sold part only of your holding of Ordinary Shares in the Company, you should retain this Circular and the Form of Proxy.

The Directors, whose names appear on page 3 of this Circular, accept responsibility for all the information contained in this Circular. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

SeaEnergy PLC

(Incorporated in Scotland under the Companies Act 1985 with registered number SC062845)

Reduction of Share Premium Account

and

Notice of General Meeting

Ambrian Partners, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for the Company in connection with the Reduction and will not be responsible to anyone other than the Company for providing the protections afforded to its customers or for providing advice in relation to the contents of this Circular or any matter, transaction or arrangement referred to therein. The responsibilities of Ambrian Partners as the Company's nominated adviser and broker under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, shareholder or any other person. Ambrian Partners is not making any representation or warranty, express or implied, as to the contents of this Circular.

This Circular should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company set out in this Circular, which contains a unanimous recommendation from the Directors that you vote in favour of the Resolutions to be proposed at the General Meeting. However, you should read the whole of this Circular and it should be read in conjunction with the Form of Proxy.

A Notice convening a General Meeting of the Company to be held at the offices of Ambrian Partners, Old Change House, 128 Queen Victoria Street, London EC4V 4BJ on 6 October 2011 at 10 a.m. is set out at the end of this Circular. Shareholders will find enclosed with this Circular a Form of Proxy for use in connection with the General Meeting. To be valid at the General Meeting, the Form of Proxy must be signed and returned in accordance with the instructions thereon so as to be received at the offices of the Company's registrars, Capita Registrars, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not later than 10 a.m. on 4 October 2011. The completion and depositing of a Form of Proxy will not preclude a Shareholder from attending and voting in person at the General Meeting.

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DIRECTORS, SECRETARY AND ADVISERS

Directors

Stephen E Remp (*Executive Chairman*)
Steven R Bertram (*Managing Director*)
Christopher G Moar (*Finance Director and Company Secretary*)
Steven G Lampe (*Non-Executive Director*)
David Sigsworth (*Non-Executive Director*)
John H Aldersey-Williams (*Non-Executive Director*)
David K Laing (*Non-Executive Director*)

Registered Office

Britannia House
Endeavour Drive
Arnhall Business Park
Westhill
Aberdeenshire AB32 6UF
Registered in Scotland number SC062845

Investor Relations

Pelham Bell Pottinger
5th Floor
330 High Holborn
Holborn Gate
London WC1V 7QD

Nominated Adviser and Broker

Ambrian Partners Limited
Old Change House
128 Queen Victoria Street
London EC4V 4BJ

Auditors

Ernst & Young LLP
Blenheim House
Aberdeen AB15 4DT

Bankers

Bank of Scotland
39 Albyn Place
Aberdeen AB10 1YN

Solicitors

Burness LLP
50 Lothian Road
Festival Square
Edinburgh EH3 9WJ

Registrars

Capita Registrars
34 Beckenham Road
Beckenham
Kent BR3 4TU

Website

www.seaenergy-plc.com

DEFINITIONS

Unless the context otherwise requires, the following meanings apply throughout this Circular and the Form of Proxy.

“2010 Annual Report”	the Company’s 2010 Annual Report and audited accounts which were posted to Shareholders in June 2011 and are available for viewing on the Company’s website (www.seaenergy-plc.com) and at the Company’s registered office
“AIM”	the market operated by the London Stock Exchange known as the Alternative Investment Market
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange from time to time (including, without limitation, any guidance notes or statements of practice), which govern the rules and responsibilities of companies whose shares are admitted to AIM
“Act”	the UK Companies Act 2006
“Ambrian Partners”	Ambrian Partners Limited, a division of Ambrian Capital PLC, which acts as nominated adviser and broker to the Company
“Board”	the board of directors of the Company from time to time
“Company” or “SeaEnergy”	SeaEnergy PLC (company number SC062845) and, where the context implies, its subsidiaries
“Court”	the Court of Session in Edinburgh, Scotland
“Directors”	the directors of the Company as set out on page 3 of this Circular
“Form of Proxy”	the form of proxy enclosed with this Circular for use by Shareholders in connection with the General Meeting
“General Meeting”	the general meeting of the shareholders of the Company convened for 10 a.m. on 6 October 2011, notice of which is set out on page 8 of this Circular, and any adjournment thereof
“London Stock Exchange”	London Stock Exchange plc
“Ordinary Shares”	ordinary shares of £0.10 each in the capital of the Company
“Reduction”	the proposed reduction of a proportion of the share premium account of the Company, further details of which are set out in this Circular
“Repsol”	Repsol Nuevas Energias S.A.
“Resolutions”	the special resolutions of the Shareholders set out in the notice of the General Meeting at the end of this Circular
“Schlumberger”	Schlumberger Offshore Services Limited (company number 1410255)
“SERL”	SeaEnergy Renewables Limited (company number SC284836)
“Shareholders”	holders of Ordinary Shares in the Company

LETTER FROM THE CHAIRMAN

SeaEnergy PLC

(Incorporated in Scotland with registered number SC062845)

Directors:

Stephen E Remp *(Executive Chairman)*
Steven R Bertram *(Managing Director)*
Christopher G Moar *(Finance Director & Company Secretary)*
David Sigsworth *(Non-executive Director)*
John H Aldersey-Williams *(Non-executive Director)*
Steven G Lampe *(Non-executive Director)*
David K Laing *(Non-executive Director)*

Registered Office:

Britannia House
Endeavour Drive
Arnhall Business Park
Westhill
Aberdeenshire
AB32 6UF

12 September 2011

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

Dear Shareholder,

**Proposed reduction of the Company's share premium account
and
Notice of General Meeting**

1 Introduction

Following the sale by the Company in June 2011 of its subsidiary, SERL, the Company has now received the vast majority of the proceeds of that sale. The Company expects to receive a final deferred payment of up to £3,000,000 (plus interest) in June 2012, being the amount retained by Repsol which can be applied by it in respect of any claims which it may bring against the Company prior to the first anniversary of completion of the sale of SERL. As part of the Board's deliberations around the best use of the sale proceeds which it has received to date, the Directors are considering the potential distribution of some of those proceeds to the Shareholders. At present, the Company is not permitted to make any distribution of those proceeds to Shareholders or to purchase its own shares by reason of the fact that the Company currently has a deficit on its retained earnings.

The Directors therefore believe that the Company should take the steps necessary to put itself in the position so as to be able to make a distribution to Shareholders, to pay a dividend or to purchase its own shares. The first step to facilitate this will be the restructuring of its balance sheet by reducing a substantial part of its existing share premium account, since the share premium account is not a reserve which is available for distribution by way of cash dividends to Shareholders. As a result of the proposed Reduction, the Company's deficit on its retained earnings will be reduced by the amount of the Reduction. The Reduction in itself will not be sufficient to completely remove the deficit on retained earnings. However, the Directors believe that the results that the Company will show in its accounts for the year ending 31 December 2011 (which will include the gain on the sale of SERL) will, once such accounts are audited, create a distributable reserve from which the Company would have the ability to make a distribution to Shareholders, to pay a dividend or to purchase its own shares. This should ensure that the Company will have greater flexibility in the future to pay dividends and make other forms of distributions to Shareholders and to manage its capital base.

Details of the Company's balance sheet and statement of comprehensive income as at 31 December 2010, including details of the Company's reserves, are set out on pages 26 and 27 of the 2010 Annual Report.

2 Reduction of Share Premium Account

The sum of approximately £79,075,000 stood to the credit of the Company's share premium account as at the date of the 2010 Annual Report, being 31 December 2010, and the deficit on the Company's retained earnings stood at approximately £81,677,000 on that date. Accordingly, it is proposed that the Company's share premium account be reduced by approximately £78,075,000 to £1,000,000 and that the reserve arising from the Reduction be set off against the deficit on the Company's retained earnings thus reducing that deficit to approximately £3,602,000. It is not proposed to reduce the share premium account to nil, but instead to £1,000,000, in order to ensure that the Company has as many options available to it as possible following the Reduction by which it can seek to return value to the Shareholders in a manner which is tax efficient for both the Company and the Shareholders.

The Act imposes limitations on the use of a company's capital reserves, including its share premium account. However, a company may reduce its share premium account if so authorised by its articles of association, if it obtains the approval by special resolution of its shareholders in general meeting and if the Court confirms the reduction. The Directors are therefore seeking the approval of the Shareholders for the reduction of the share premium account of the Company as detailed above.

If approved by the Shareholders, the Court's confirmation is expected to be granted before the end of 2011. If this target is achieved and the Company reports the substantial profit which the Directors anticipate for the year ending 31 December 2011, then the Company will be in a position to consider a distribution to Shareholders, to pay a dividend or to be able to purchase its own shares, in the second quarter of 2012 immediately following the completion of the statutory audit of the accounts to 31 December 2011. In seeking this confirmation, the Company will be required to give such undertakings or other form of creditor protection as the Court may require for the protection of the Company's creditors. These may include seeking the consent of the creditors to the reduction of share premium account and/or the provision by the Company to the Court of an undertaking to deposit a sum of money into a blocked account created for the purpose of discharging creditors of the Company. In order for the share premium account reduction then to become effective, the Court order confirming the cancellation must be filed with Companies House.

Following the successful completion of the proposed restructuring of the Company's balance sheet and completion of the audit of the Company's accounts to 31 December 2011, the Company expects to be in a position to make a distribution to Shareholders. The Board will finalise the appropriate level and form of such distribution after taking taxation and other advice and considering the cash requirements of the attractive growth opportunities available to the Company at that time.

This restructuring of the Company's balance sheet will have no effect on the rights attaching to the Ordinary Shares and is only a means of avoiding a potential restriction on the Company's ability to make distributions to Shareholders in the future.

3 Treasury Shares

Further to resolution 8 which was passed at the recent annual general meeting of the Company held on 29 July 2011, and which provided the authority to the Company to purchase Ordinary Shares for cancellation, it is now proposed that the Company should also be empowered to purchase its own Ordinary Shares so as to be held as treasury shares. If the means by which the Company returns value to Shareholders is by way of a purchase of its own Ordinary Shares, this will enable the Company to hold a certain number of those shares for future use rather than simply cancelling them.

Treasury shares themselves may be cancelled, sold for cash or transferred for the purposes of the Company's employee share schemes, as permitted in accordance with the Act and subject to institutional guidelines applicable at the relevant time. All rights attaching to Ordinary Shares, including voting rights and the right to receive dividends, are suspended while they are held in treasury.

4 General Meeting

A notice convening the General Meeting is set out at the end of this Circular. The General Meeting has been convened for 10 a.m. on 6 October 2011 to be held at the offices of Ambrian Partners, Old Change House, 128 Queen Victoria Street, London EC4V 4BJ.

The Resolutions are proposed as special resolutions to obtain approval (i) for the Reduction, and (ii) to give the Company the option to purchase Ordinary Shares in order to hold them as treasury shares or cancel them.

As each of the Resolutions will be proposed as a special resolution, each will require not less than 75 per cent. of the Shareholders voting in favour (whether in person or on a poll or by proxy) at the General Meeting to be passed.

If the Resolutions are passed, the Company will seek the confirmation of the Reduction from the Court as soon as reasonably practicable thereafter. The Court will need to be satisfied that the interests of the Company's creditors will not be prejudiced as a result of the Reduction. In order to facilitate the Court's deliberations the Company has recently negotiated the cash settlement of the long outstanding Schlumberger debt, paying £950,000 to retire the debt in full, where there had previously been a debt of £1.3 million included in current liabilities on the Company's balance sheet. This has not only cleared the debt from the Company's balance sheet but has also removed the potential dilution to Shareholders which would have arisen if Schlumberger had elected to have the debt settled through the issue of new shares in the Company, as was Schlumberger's right. The only other long term debt on the Company's balance sheet, being loans to LC Capital Master Fund, Ltd, were settled in full on completion of the sale of SERL in June 2011.

5 Action to be taken by Shareholders

A Form of Proxy is enclosed for use at the General Meeting. Whether or not Shareholders intend to be present at the General Meeting, Shareholders are requested to complete, sign and return the Form of Proxy in accordance with the instructions printed on it so as to arrive at the Company's registrars, Capita Registrars, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, as soon as possible and in any event not later than 10 a.m. on 4 October 2011. Completion and return of the Form of Proxy will not prevent Shareholders from attending and voting at the General Meeting should they so wish.

6 Circular available

Copies of this Circular will be available to the public, free of charge, at the Company's registered office and at the offices of Ambrian Partners, Old Change House, 128 Queen Victoria Street, London EC4V 4BJ, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) until the date of the General Meeting. This Circular is also available on the Company's website, <http://www.seaenergy-plc.com>.

7 Recommendation

The Directors consider that the Reduction is in the best interests of the Company and of the Shareholders as a whole and therefore unanimously recommend that Shareholders vote in favour of the Resolutions at the General Meeting (which include the Company having the ability to buy back a proportion of its Ordinary Shares and having the option of then holding some or all of such shares as treasury shares) as the Directors intend to do in respect of the shareholdings in which they are interested, amounting to 13,052,026 Ordinary Shares, representing 18.9 per cent. of the Company's current issued share capital.

Yours faithfully

Stephen E Remp
Chairman

SEAENERGY PLC

Incorporated in Scotland under registered number SC062845

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of the above named company (the “**Company**”) will be held at the offices of Ambrian Partners, Old Change House, 128 Queen Victoria Street, London EC4V 4BJ at 10 a.m. on 6 October 2011 for the purpose of considering and, if thought fit, passing the following resolutions, which will be proposed as special resolutions:

SPECIAL RESOLUTION

- 1 THAT the share premium account of the Company be and is hereby reduced by £78,075,000 (“**the Reduction**”), leaving a balance on the share premium account of £1,000,000, for the reasons as further described in the Circular to the Company’s shareholders dated 12 September 2011.
- 2 THAT the directors of the Company be and are hereby authorised to do or procure to be done all such acts and things on behalf of the Company as they consider necessary or expedient in connection with the Reduction.
- 3 THAT, in accordance with section 701 of the Companies Act 2006 (“**the Act**”), the Company be and is hereby generally and unconditionally authorised to purchase for cancellation, or to be held as treasury shares, its own ordinary shares by way of market purchase (within sub-section 693(4) of the Act), provided that:
 - 3.1 the maximum number of ordinary shares hereby authorised to be acquired is 6,912,000 ordinary shares of 10p each, being approximately 10 per cent. of the Company’s existing issued share capital;
 - 3.2 the maximum price which may be paid for such shares is an amount equal to 105 per cent. of the average of the middle market quotations for an ordinary share in the Company as derived from the Daily Official List of The London Stock Exchange plc for the five dealing days immediately preceding the date of purchase, and the minimum price is 10p per share, being the nominal value thereof, in both cases exclusive of expenses;
 - 3.3 the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company; and
 - 3.4 the Company may before the expiry of the authority hereby conferred make a contract to purchase its ordinary shares under such authority, which contract will or may be executed wholly or partly after the expiry of such authority, and may purchase its ordinary shares in pursuance of any such contract.

Registered Office:

Britannia House
Endeavour Drive
Arnhall Business Park
Westhill
Aberdeenshire AB32 6UF

By order of the Board

Christopher G Moar
Secretary

Dated: 12 September 2011

Notes:

1. A member of the Company who is entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to exercise any of his rights to attend, speak and vote at that meeting on his behalf. If a member appoints more than one proxy, each proxy must be entitled to exercise the rights attached to different shares. A proxy need not be a member of the Company. Members who have lodged forms of proxy are not thereby prevented from attending the meeting and voting in person should they wish to do so.

2. To be effective, the form of proxy (together with any power of attorney or other written authority under which it is signed or a notarially certified copy of such power or written authority) must be lodged at the offices of the Company's registrar, Capita Registrars, not later than 48 hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) not less than 24 hours before the time appointed for the taking of the poll at which it is to be used.
3. Any corporation which is a member of the Company may authorise a person (who need not be a member of the Company) to act as its representative to attend, speak and vote (on a show of hands or a poll) on its behalf. A certified copy of the board resolution of the corporation appointing the relevant person as the representative of that corporation in connection with the meeting must be deposited at the registered office of the Company prior to the commencement of the meeting.
4. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), the Company specifies that the time by which a person must be entered on the register of members in order to have the right to attend or vote at the general meeting is 5 p.m. on 4 October 2011. Changes to entries on the register of members after the relevant time will be disregarded in determining the rights of any person to attend or vote at the meeting.

