

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and what action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser being in the case of persons resident in Ireland, an organisation or firm authorised under the European Communities (Markets In Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended) or the Investment Intermediaries Act 1995 (as amended) and, in the case of persons resident in the United Kingdom, an organisation or firm authorised pursuant to the Financial Services and Markets Act 2000 of the United Kingdom (“FSMA”) and, if you are not so resident, from another appropriately authorised independent financial adviser.

If you sell or have sold or otherwise transferred all of your Ordinary Shares, please immediately forward this document, together with the enclosed Form of Proxy, 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. If you have sold only part of your holding of Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

PetroNeft Resources plc

(Incorporated in Ireland with limited liability under the Companies Acts, 1963 to 2013 with registration number 408101)

Letter from the Chairman

and

Notice of Requisitioned Extraordinary General Meeting

YOUR ATTENTION IS DRAWN TO THE LETTER FROM THE CHAIRMAN WHICH CONTAINS YOUR BOARD’S UNANIMOUS RECOMMENDATION THAT YOU VOTE AGAINST ALL OF THE EGM RESOLUTIONS

YOUR VOTE IS IMPORTANT. Notice of a requisitioned EGM of the Company to be held at 11.15 a.m. at the Herbert Park Hotel, Ballsbridge, Dublin 4, Ireland on 9 May 2014 is set out at the end of this document. Whether or not you intend to be present at the requisitioned EGM, you will find enclosed a **Green Personalised Form of Proxy** for use at the requisitioned EGM that you are requested to complete. The **Green Personalised Form of Proxy**, to be valid, should be completed, signed and returned to Computershare in accordance with the instructions printed on it as soon as possible, and, in any event, so as to be received no later than 11.15 a.m. on 7 May 2014, being 48 hours before the time appointed for the holding of the meeting. The completion and return of a **Green Personalised Form of Proxy** will not preclude Shareholders from attending the requisitioned EGM and voting in person, should they wish to do so.

Alternatively, shareholders may appoint a proxy electronically by visiting www.eproxyappointment.com and submitting their proxy details. They will be asked to enter a Control Number, a Shareholder Reference Number (SRN), a PIN and agree to certain terms and conditions. This information is contained on the front of the **Green Personalised Form of Proxy**. Additionally, for those who hold Shares in CREST, a Shareholder may appoint a proxy by completing and transmitting a CREST Proxy Instruction to CREST participant ID3RA50. In each case the proxy appointment must be received by no later than 11.15 a.m. on 7 May 2014. The completion and return of either an electronic proxy appointment notification or a CREST Proxy Instruction (as the case may be) will not prevent the Shareholder from attending and voting in person at the EGM or any adjournment thereof, should the Shareholder wish to do so.

The date of this document is 1 April 2014. Copies of this document will be available free of charge during normal business hours on any week day (except Saturdays, Sundays and public holidays) at the offices of PetroNeft from the date of this document until the conclusion of the requisitioned EGM. This document is also available from the Company’s website (www.petroneft.com).

Davy, which is regulated in Ireland by the Central Bank of Ireland, is acting exclusively for the Company in connection with arrangements described in this document and is not acting for any other person and will not be responsible to any person for providing the protections afforded to customers of Davy or for advising any other person in connection with the arrangements described in this document.

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	George David Golder (<i>Non-Executive Chairman</i>) Dennis Carl Francis (<i>Chief Executive Officer</i>) David Edward Sanders (<i>Executive Director</i>) Paul Dowling (<i>Chief Financial Officer</i>) Thomas Gerard Hickey (<i>Non-Executive Director</i>) Vakha Alviech Sobraliev (<i>Non-Executive Director</i>) Gerard Fagan (<i>Non-Executive Director</i>)
Company Secretary	David Edward Sanders
Registered Office	20 Holles Street Dublin 2 Ireland
Nominated Adviser, ESM Adviser and Joint Broker	Davy Davy House 49 Dawson Street Dublin 2 Ireland
Joint Broker	Canaccord Genuity Limited 88 Wood Street London, EC2V 7QR United Kingdom
Irish legal advisers	Eversheds One Earlsfort Centre Earlsfort Terrace Dublin 2 Ireland
UK legal advisers	White & Case LLP 5 Old Broad Street London EC2N 1DW United Kingdom
Auditors	Ernst & Young Ernst & Young Building Harcourt Centre Harcourt Street Ireland
Petroleum Consultant	Ryder Scott Company 621 Seventeenth Street, Suite 1550 Denver, Colorado, 80293 USA
Registrar and Receiving Agent	Computershare Investor Services (Ireland) Limited Heron House Corrig Road Sandyford Industrial Estate Dublin 18 Ireland

KEY INFORMATION

Over the past year PetroNeft has held discussions with a large number of parties in relation to a potential farmout of up to 50 per cent. of Licence 61 and has also held discussions with a number of Russian and International banks to refinance the Macquarie Debt Facility.

Having considered in detail a number of offers, PetroNeft is now finalising a farmout of 50 per cent. of Licence 61 to a large international oil and gas company, which will enable PetroNeft to repay all of its existing debt, have cash for working capital purposes and significant funds available to invest directly in Licence 61 over the coming years.

Natlata has proposed 2 transactions whereby it would acquire a controlling shareholding in PetroNeft without paying Shareholders a fair price for obtaining control of the Company. These proposals have been considered by the Board together with its advisers and are deemed not to be in the best interests of the Company and of the Shareholders as a whole.

The planned farmout of 50 per cent. of Licence 61 is more attractive for PetroNeft and significantly less dilutive for other Shareholders. The Board and our proposed new partner on Licence 61 expect to enter into definitive legal documentation by mid April 2014, after which the Board will be able to provide Shareholders with detailed terms of the transaction.

The EGM being convened by way of this document is being convened as a result of a requisition notice submitted by Natlata, a Shareholder holding at least 10 per cent. of the issued share capital of the Company.

The Board has considered the EGM Resolutions, all of which are being put before the EGM, which include ordinary resolutions relating to the appointment of five new directors and for the removal of Dennis Francis, David Sanders, Paul Dowling, David Golder and Vakha Sobraliev as Directors (“**Ordinary Resolutions**”) and special resolutions that would direct the board to undertake certain due diligence and consider all possible options in relation to refinancing the Macquarie Debt Facility and to change the Articles of Association to require any transaction in relation to Licence 61 to be subject to shareholder approval (“**Special Resolutions**”).

The Board considers that:

- Natlata has proposed the Ordinary Resolutions as a means by which it can seek control of the Board without paying Shareholders a fair price for obtaining control of the Company.
- Natlata has proposed the Special Resolutions as a means by which it can seek to delay or frustrate PetroNeft completing the farmout of Licence 61.

Should the EGM Resolutions be passed there can be no guarantee that PetroNeft would continue to be suitable for trading on the AIM Market of the London Stock Exchange and the ESM Market of the Irish Stock Exchange.

Your Board believes that the EGM Resolutions are *NOT* in the best interests of the Company and Shareholders as a whole and is unanimously recommending that you vote *AGAINST* all of the EGM Resolutions

TIMETABLE

Date of issue of this document	1 April 2014
Latest time and date for receipt of Forms of Proxy and CREST Proxy Instructions for the EGM	11.15 a.m. on 7 May 2014
Time and date of EGM	11.15 a.m. on 9 May 2014

LETTER FROM THE CHAIRMAN OF PETRONEFT

PetroNeft Resources plc

(Incorporated in Ireland with limited liability under the Companies Acts, 1963 to 2013 with registration number 408101)

Directors:

George David Golder (*Non-Executive Chairman*)
Dennis Carl Francis (*Chief Executive Officer*)
David Edward Sanders (*Executive Director and Company Secretary*)
Paul Dowling (*Chief Financial Officer*)
Thomas Gerard Hickey (*Non-Executive Director*)
Vakha Alvievich Sobraliev (*Non-Executive Director*)
Gerard Fagan (*Non-Executive Director*)

Registered Office:

20 Holles Street
Dublin 2
Ireland

1 April 2014

To the holders of Ordinary Shares and for information only, to holders of Options and Warrants

Dear Shareholder,

Notice of Requisitioned Extraordinary General Meeting

and

Unanimous recommendation of your Board to vote AGAINST all of the EGM Resolutions

1. Introduction

I am writing to provide you with notice of a requisitioned EGM of the Company, which is to be held at 11.15 a.m. at the Herbert Park Hotel, Ballsbridge, Dublin 4, Ireland on 9 May 2014.

This letter provides Shareholders with details of the EGM Resolutions that are to be put to Shareholders at the Requisitioned EGM, background information to the EGM, information on Natlata and the Proposed Directors and sets out your Board's response to the EGM Resolutions.

Your Board believes that Natlata has proposed the EGM Resolutions as a means by which it can obtain control of the Board, and hence the Company, without paying Shareholders a fair price for obtaining such control

Your Board believes that the EGM Resolutions are NOT in the best interests of the Company and Shareholders as a whole and is therefore unanimously recommending that you vote *AGAINST* all of the EGM Resolutions

2. The Requisitioned EGM and EGM Resolutions

Your Board has received a notice requisitioning an extraordinary general meeting of the Company from Natlata Partners Limited, a company registered under the laws of the British Virgin Islands and which has notified PetroNeft that it has a beneficial shareholding of 104,301,536 Ordinary Shares representing approximately 14.7 per cent. of the issued share capital of the Company. Natlata has put forward 15 resolutions (set out below) to be considered at the requisitioned EGM.

In accordance with the provisions of section 132 of the Companies Act 1963, your Board is required to call a general meeting to consider a resolution if it receives a request from one or more Shareholders holding at least 10 per cent. of the issued share capital of the Company in relation to that resolution.

You will find attached to this letter a notice of the requisitioned EGM to be held at 11.15 a.m. at the Herbert Park Hotel, Ballsbridge, Dublin 4, Ireland on 9 May 2014, at which the EGM Resolutions will be proposed.

Resolutions (1) to (11) (the “Ordinary Resolutions”)

The Requisition proposes the following resolutions as ordinary resolutions, which would require approval by a simple majority of votes cast to be passed:

- (1) Dennis Francis be and is hereby removed from his office as a Director of the Company with effect from the conclusion of the Requisitioned EGM;
- (2) David Sanders be and is hereby removed from his office as a Director of the Company with effect from the conclusion of the Requisitioned EGM;
- (3) Paul Dowling be and is hereby removed from his office as a Director of the Company with effect from the conclusion of the Requisitioned EGM;
- (4) David Golder be and is hereby removed from his office as a Director of the Company with effect from the conclusion of the Requisitioned EGM;
- (5) Vakha Sobraliev be and is hereby removed from his office as a Director of the Company with effect from the conclusion of the Requisitioned EGM;
- (6) Any person (other than Fraser Innes, Richard Thornton, Pavel Tetyakov, Anthony Sacca and David Sturt) appointed as a Director of the Company pursuant to Article 92 of the Articles of Association of the Company or otherwise between 11 March 2014 and the conclusion of the EGM be and is hereby removed from his office as a Director of the Company with effect from the conclusion of the Requisitioned EGM;
- (7) Fraser Innes be and is hereby appointed as a Director of the Company with effect from the conclusion of the Requisitioned EGM;
- (8) Richard Thornton be and is hereby appointed as a Director of the Company with effect from the conclusion of the Requisitioned EGM;
- (9) Pavel Tetyakov be and is hereby appointed as a Director of the Company with effect from the conclusion of the Requisitioned EGM;
- (10) Anthony Sacca be and is hereby appointed as a Director of the Company with effect from the conclusion of the Requisitioned EGM; and
- (11) David Sturt be and is hereby appointed as a Director of the Company with effect from the conclusion of the Requisitioned EGM.

Your Board’s Response to Resolutions (1) to (11)

Natlata has proposed the Ordinary Resolutions as a means by which it can obtain control of the Board without paying Shareholders a fair price for obtaining control of the Company.

Resolutions (1) to (6) are seeking the removal from the Board of your Chief Executive Officer, Chief Financial Officer, an Executive Director, the Chairman, a Non-Executive Director and any interim director. Resolutions (7) to (11) are seeking the appointment of 5 Natlata nominated persons, namely Fraser Innes, Richard Thornton, Pavel Tetyakov, Anthony Sacca and David Sturt to the board of the Company.

No information on the Proposed Directors has been provided by Natlata or the Proposed Directors. As is required under the AIM Rules and the ESM Rules, it has not been possible for Davy, PetroNeft’s Nomad and ESM Adviser, to investigate and consider the suitability of each of the Proposed Directors and to consider the effect the board changes proposed by Natlata have on the efficacy of the board as a whole for the Company’s needs, due to the lack of available information on the Proposed Directors,

The current board of directors has been appointed by you, the Shareholders. The Board is committed to ensuring it maintains the highest standards of corporate governance and that the board has the appropriate balance of skills, experience, knowledge of the Company and independence as is required for a company that is admitted to trading on UK and Irish stock exchanges.

The Board includes the founders of PetroNeft and Directors who have been long-term investors and have a vested interest in the long term success of the Company. The Board and immediate family members hold in excess of 7.7 per cent. of the Issued Share Capital.

No information on corporate governance arrangements has been provided by Natlata or the Proposed Directors and in particular for the protection of other Shareholders. The Directors are concerned for PetroNeft's future independence if its board of directors comprises of a significant majority of individuals who have been nominated by Natlata. This is particularly the case where Natlata is seeking to enter into a transaction with the Company that the Board believes would not be in the best interests of the Company and would be significantly dilutive to other Shareholders.

The new board could seek to not proceed with the proposed farmout transaction in favour of other transactions with Natlata or related parties that would not be in the best interests of the Company or other Shareholders. Neither Natlata nor the Proposed Directors have provided any information as to their strategic, operational and financing objectives for the future of the Company, if they will or be able to maintain PetroNeft's listing on AIM and ESM or intend to change the Company's domicile.

Your Board believes that Natlata has proposed Resolutions (1) to (11) as a means by which it can obtain control of the Board, and hence the Company, without paying Shareholders a fair price for obtaining control of the Company and is unanimously recommending that you vote AGAINST resolutions (1) to (11).

Resolutions (12) to (15) (the "Special Resolutions")

In addition, the Requisition proposes the following resolutions as special resolutions, which would require approval by 75 per cent. or more of the votes cast to be passed:

- (12) That, pursuant to Article 81 of the Articles of Association, the board of directors of the Company be directed to appoint, at the Company's expense, an independent accounting firm (but not Ernst and Young) to carry out an independent due diligence of the Company's and its subsidiaries' commercial and financial affairs and to produce a report addressed to the Board identifying material operational inefficiencies and/or issues within the Company and its subsidiaries in the three years prior to the date of such appointment and such other matters as the board of directors of the Company may in its absolute discretion determine;
- (13) That, pursuant to Article 81 of the Articles of Association, the Board be directed to appoint, at the Company's expense, an independent reserves consulting firm (but not Ryder Scott) to carry out an independent resource evaluation of the Company and its subsidiaries and to produce a reserves report addressed to the Board setting out the results of that evaluation;
- (14) That, pursuant to Article 81 of the Articles of Association, the Board be directed to consider all possible options in relation to the refinancing of the loan due from the Company to Macquarie Bank Limited under the facility agreement dated 28 May 2010 (as amended from time to time).
- (15) That the Articles of Association be amended by:
 - (a) The re-numbering of the existing Article 81 as Article 81(a); and
 - (b) The insertion of a new Article 81(b) immediately after the existing Article 81 (as re-numbered Article 81(a), in the following terms:

"Notwithstanding any other provision of these Articles, except with the approval of an ordinary resolution of the Company passed at a duly convened general meeting, the Company shall not enter into, and shall procure that no subsidiary of the Company enters into, any agreement, scheme or other arrangement (whether conditional or unconditional) to effect the farm-out, assignment, disposal, sale or transfer to any person of the whole or any part of the Company's or any of its subsidiaries' interest in Licence No. 61 in the Tomsk Region of Western Siberia, Russia."

Your Board's Response to Resolutions (12) to (15)

Natlata has proposed the Resolutions (12) to (15) as a means by which it can seek to delay or frustrate PetroNeft completing the proposed farmout. Article 81 of the Articles of Association govern the power of the Directors to manage the business of the Company.

The purpose of resolutions (12) and (13) is to direct the board to appoint a new independent accounting firm (not Ernst and Young) to carry out due diligence and the appointment of a new reserves consulting firm (not Ryder Scott) to carry out a resource evaluation of the Company. The Board views both of these requests as a tactic to delay or frustrate PetroNeft completing the planned farmout by implying that there is an issue with the financial statements and reserve calculations. Ernst & Young is one of the top 4 global accounting firms and Ryder Scott is one of largest and most respected Petroleum engineering consultants in the world.

The purpose of resolution (14) is to direct the board to consider all options in relation to refinancing the Macquarie loan. Having considered in detail a number of offers, PetroNeft is now finalising a farmout of 50 per cent. of Licence 61 to a large international oil and gas company, which will enable PetroNeft to repay all of its existing debt, have cash for working capital purposes and significant funds available to invest directly in Licence 61 over the coming years. Natlata has proposed 2 transactions whereby it would acquire a controlling shareholding in PetroNeft without paying Shareholders a fair price for obtaining control of the Company. These proposals have been considered by the Board together with its advisers and are deemed not to be in the best interests of the Company and for Shareholders as a whole. The proposed farmout of 50 per cent. of Licence 61 is more attractive for PetroNeft and significantly less dilutive for other Shareholders.

Resolution (15) is seeking to change the Articles of Association to require that any farmout, assignment, disposal, sale or transfer of Licence 61 should be subject to Shareholder approval. The Board has and will comply with its legal and stock exchange requirements in relation to the proposed farmout of 50 per cent. of Licence 61.

Your Board believes that Natlata has proposed Resolutions (12) to (15) as a means by which it can seek to delay or frustrate PetroNeft completing the proposed farmout and is unanimously recommending that you vote *AGAINST* each of the Resolutions (12) to (15).

3. Background to the Requisitioned Extraordinary General Meeting

The Farmout of 50 per cent. of Licence 61

To support the Group's growth aspirations, over the past year PetroNeft has held discussions with a large number of parties in relation to a potential farmout of up to 50 per cent. of Licence 61. PetroNeft has also held discussions with a number of Russian and International banks to refinance the Macquarie Debt Facility with a longer term arrangement which more appropriately reflects PetroNeft's long term production profile and growth potential of its asset base.

PetroNeft is now finalising the farmout of 50 per cent. of Licence 61 to a large international oil and gas company. The proposed farmout is structured to enable PetroNeft to repay in full the Macquarie Debt Facility and the Arawak loan, have cash for working capital purposes and significant funds available to invest directly in Licence 61 over the coming years. It will also bring an internationally recognised, financially robust partner with a strong technical team and wide ranging experience from around the globe in various hydrocarbon plays. PetroNeft will remain the operator of Licence 61.

Based on the current progress of confirmatory legal and accounting due diligence and legal documentation, the Board and our proposed new partner on Licence 61 expect to enter into definitive legal documentation by mid April 2014, after which the Board will be able to provide Shareholders with detailed terms of the transaction.

Completion of the farmout will materially strengthen PetroNeft financially, technically and strategically, positioning the Company to fully exploit the potential of its assets in the interests of all of its Shareholders.

The First Natlata Proposal

PetroNeft received a letter from Natlata dated 24 January 2014, which proposed *inter alia* that the Directors:

- (i) *Unconditionally approve the transfer of the Macquarie Debt Facility to Natlata and to have it fully converted into Ordinary Shares at a price of 3.82 pence per Ordinary Share.*
- (ii) *Approve an issue of new Ordinary Shares equal to 10 per cent. of the issued share capital of the Company at that time, which Natlata would subscribe for at a price of 3.82 pence per Ordinary Share.*

Completion of this proposed transaction would result in Natlata acquiring a controlling shareholding of approximately 43 per cent. of the enlarged share capital of the Company. Rule 9 of the Irish Takeover Rules requires any person who acquires an interest in shares which, taken together with shares in which he is already interested and in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Irish Takeover Rules, to make a mandatory offer to all the remaining shareholders to acquire their shares. No information was provided by Natlata concerning how such a mandatory offer would be financed.

This proposed transaction was considered by the Board together with its advisers and was deemed not to be in the best interests of the Company and Shareholders as a whole.

The Second Natlata Proposal

Having informed Natlata of the Board's opinion, Natlata then proposed the requisitioned EGM, which your Board believes is a means by which Natlata is seeking control of the Board without paying Shareholders a fair price for obtaining control of the Company.

PetroNeft subsequently received a second letter from Natlata dated 20 March 2014, which proposed:

- (i) *That the Directors unconditionally approve the transfer of the Macquarie Debt Facility together with a proposal to have it fully converted into new Ordinary Shares at a price of 5.5 pence per Ordinary Share, but to not trigger a mandatory offer to all other Shareholders.*
- (ii) *To have new Ordinary Shares issued for the amount of up to US\$10 million with a share subscription that all existing and new shareholders can participate.*

This proposed transaction was considered by the Board together with its advisers and is deemed not to be in the best interests of the Company and for Shareholders as a whole, notably for the following reasons:

- (a) It is a means by which Natlata can seek to acquire a controlling shareholding in the Company without paying Shareholders a fair price for obtaining control of the Company.
- (b) The proposed farmout of 50 per cent. of Licence 61 is more attractive for PetroNeft and significantly less dilutive for other Shareholders.
- (c) Natlata may be unable under the Irish Takeover Rules or unwilling to fully convert the Macquarie Debt Facility into new Ordinary Shares and it could instead seek to obtain ownership of a 100 per cent. interest in Licence 61.
- (d) It does not adequately address PetroNeft's capital requirements.
 - The US\$16.5 million Arawak loan would not be repaid.
 - There would not be sufficient funds to finance planned exploration and development programmes in Licence 61 over the coming years.
 - Natlata has not provided details on the proposed US\$10 million share subscription including pricing, the amount of Ordinary Shares that would be subscribed for by new shareholders and timing.

4. Information on Natlata and the Proposed Directors

Your Board has received very limited information regarding Natlata and no information regarding the Proposed Directors except for their names.

Natlata was incorporated in April 2013 in the British Virgin Islands (“BVI”). PetroNeft has been unable to identify its directors as they have not filed these details with the British Virgin Islands Financial Services Commission (the BVI equivalent of the Companies Office). Natlata has made the following shareholding notifications to PetroNeft.

<i>Date of Notification</i>	<i>Interest in Ordinary Shares</i>	<i>% of issued share capital^(*)</i>
22 January 2014	103,301,536	16.02%
17 January 2014	88,801,536	13.77%
4 December 2013	80,851,536	12.54%
28 November 2013	76,471,536	11.86%
4 October 2013	38,871,238	6.03%
19 September 2013	19,521,238	3.03%

Note:

(*) This calculation was made on the basis of 644,920,275 Ordinary Shares being in issue at the date of notification. Based on the current issued share capital of 707,245,906 Ordinary Shares, Natlata’s notified shareholding of 104,301,536 Ordinary Shares would represent 14.7 per cent. of the Issued Share Capital.

PetroNeft received legal advice and engaged on a number of occasions with the nominee company that previously held the Natlata Shareholding so as to determine the beneficial owner of such Ordinary Shares and to inform them of their shareholder notification obligations under Irish company law and the Articles of Association. The first notification was made following this process and only after PetroNeft advised that it would disenfranchise the voting rights of the shareholding due to their failure to disclose the beneficial ownership in accordance with the Irish Companies Acts.

Maxim Korobov, a Tomsk based businessman who has been involved in the oil and gas business in Russia, has informed PetroNeft that he is the beneficial shareholder of Natlata. PetroNeft met with Mr Korobov in May 2013 to discuss his proposals on financing. Mr. Korobov was seeking access to confidential information as part of this process but failed to sign an appropriate confidentiality agreement, which was sent to him on two occasions. All other parties that PetroNeft engaged with as part of its refinancing and farmout efforts entered into such an agreement.

The Board believes that Mr. Korobov is the principal beneficial shareholder in SGO Sibgasoil Investments Limited, a company whose Russian oil and gas assets were sold on 26 December 2012. As a result of this sale, the minority shareholders brought an application to the District Court of Nicosia (reference 375/2013) claiming oppression of their interests as minority shareholders. Interim orders (District Court of Nicosia – references 2564/13 and 2516/13) have already been granted to the minority shareholders in order to protect their interests and the interests of SGO Sibgasoil Investments Limited pending judgment in the main action.

The Proposed Directors are Fraser Innes, Richard Thornton, Pavel Tetyakov, Anthony Sacca and David Sturt. No information on the Proposed Directors, their relevant experience, corporate governance arrangements or the remuneration and conditions of any service agreements for the Proposed Directors has been provided by Natlata or the Proposed Directors. None of the Proposed Directors have contacted PetroNeft or any of PetroNeft’s Board members.

5. Key reasons to vote against the Resolutions

Your Board believes that Natlata has proposed the EGM Resolutions as a means by which it can seek control of the Board without paying Shareholders a fair price for obtaining control of the Company. Your Board is recommending that Shareholders vote **AGAINST** all of the EGM Resolutions for the following reasons:

- (a) *Natlata has proposed the Ordinary Resolutions as a means by which it can obtain control of the Board, and hence the Company, without paying Shareholders a fair price for obtaining such control.*

The Directors are concerned for PetroNeft's future independence and for the protection of other Shareholders if its board of directors comprises of a significant majority of individuals who have been nominated by Natlata. This is of particular concern when:

- Natlata is seeking to enter into a transaction with the Company that your Board believes would not be in the interests of the Company and would be significantly dilutive to other Shareholders.
 - The planned farmout is more attractive for PetroNeft and significantly less dilutive for other Shareholders.
 - Natlata may be unable under the Irish Takeover Rules or unwilling to fully convert the Macquarie Debt Facility into new Ordinary Shares and it could instead seek to obtain ownership of a 100 per cent. interest in Licence 61.
 - The new board could seek to not proceed with the proposed farmout transaction in favour of other transactions with Natlata or related parties that would not be in the best interests of the Company or other Shareholders.
 - The Natlata proposals do not adequately address PetroNeft's capital requirements. The US\$16.5 million Arawak loan (maturing in May 2015) would not be repaid and there would not be sufficient funds to finance planned exploration and development programmes in Licence 61 over the coming years.
 - Neither Natlata nor the Proposed Directors have provided sufficient information as to their strategic, operational or financing objectives for the future of the Company.
 - Neither Natlata nor the Proposed Directors have provided any information in relation to the Proposed Directors.
 - There can be no guarantee that PetroNeft would continue to be suitable for trading on the AIM Market of the London Stock Exchange and the ESM Market of the Irish Stock Exchange.
- (b) *Natlata has proposed the Special Resolutions to delay or frustrate PetroNeft completing the proposed farmout.*
- Having considered in detail a number of offers your Board believes that the proposed farmout is in the best interests of the Company and Shareholders as a whole. The Board expects to enter into definitive legal documentation and be able to provide Shareholders with detailed terms of the transaction by mid April 2014.

6. Action to be taken

YOUR VOTE IS IMPORTANT.

Only by voting AGAINST these resolutions can you secure the independence of PetroNeft.

Shareholders, whether or not they propose to attend the requisitioned EGM in person, are requested to complete, sign and return the **Green Personalised Form of Proxy**, in accordance with the instructions printed thereon, so as to be received by Computershare as possible and, in any event, by not later than 11.15 a.m. on 7 May 2014 (48 hours before the EGM). Completion and return of the **Green Personalised Form of Proxy** will not preclude Shareholders from attending and voting at the Requisitioned EGM in person if they wish to do so.

Alternatively, shareholders may appoint a proxy electronically by visiting www.eproxyappointment.com and submitting their proxy details. You will be asked to enter a Control Number, a Shareholder Reference

Number (SRN), a PIN and agree to certain terms and conditions. This information is contained on the front of the enclosed Green Personalised Form of Proxy.

Additionally, for those who hold Shares in CREST, a Shareholder may appoint a proxy by completing and transmitting a CREST Proxy Instruction to CREST participant ID3RA50. In each case the proxy appointment must be received by no later than 11.15 a.m. on 7 May 2014. The completion and return of either an electronic proxy appointment notification or a CREST Proxy Instruction (as the case may be) will not prevent the Shareholder from attending and voting in person at the EGM or any adjournment thereof, should the Shareholder wish to do so.

7. Recommendation

Your Board believes that Natlata has proposed the EGM Resolutions as a means by which it can obtain control of the Board, and hence the Company, without paying Shareholders a fair price for obtaining such control

Your Board believes that the EGM Resolutions are NOT in the best interests of the Company and Shareholders as a whole and is therefore unanimously recommending that you vote AGAINST all of the EGM Resolutions

The Directors will follow your Board's recommendation by voting against the EGM Resolutions in respect of their own beneficial holdings in Ordinary Shares which represent in aggregate approximately 4.57 per cent. of the issued share capital of the Company.

Yours faithfully



MR DAVID GOLDER
Chairman

DEFINITIONS

The following definitions apply throughout this document, unless it is otherwise specifically provided:

“Act”	the Companies Act 1963 of Ireland;
“Acts” or the “Irish Companies Acts”	Companies Acts 1963 to 2013 of Ireland;
“AIM” or “AIM Market”	a market operated by the London Stock Exchange;
“AIM Rules”	the rules for AIM companies and their nominated advisers issued by the London Stock Exchange in relation to AIM traded securities;
“Arawak”	Arawak Energy Russia B.V.
“Arawak loan”	the three-year loan agreement entered into between the Company and Arawak in May 2012;
“Articles of Association”	the articles of association of the Company, as amended from time to time;
“Board” or the “Directors”	the board of directors of the Company whose names are set out on page 2 of this document;
“Business Day”	a day on which dealings take place on the Irish Stock Exchange and on the London Stock Exchange;
“Central Bank of Ireland”	the Central Bank of Ireland established pursuant to the Central Bank Acts 1942 to 2010;
“Circular”	this document;
“Company” or “PetroNeft”	PetroNeft Resources plc, an Irish registered company;
“CREST”	the computerised settlement system to facilitate paperless settlement of trades and the holding of shares in uncertificated form, operated by Euroclear UK & Ireland Limited;
“CREST Proxy Instruction”	the appropriate CREST message for a Shareholder holding Shares in CREST to appoint a proxy or proxies utilising the relevant procedures described in the CREST Manual;
“CREST Regulations”	the Companies Act 1990 (Uncertificated Securities) Regulations 1996 (S.I. 68 of 1996) of Ireland;
“Davy”	J&E Davy, trading as Davy; including its affiliate Davy Corporate Finance and any other affiliates, or any of its subsidiary undertakings;
“EGM”, “Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held on 9 May 2014 for the purpose of passing the Resolutions;
“ESM” or “ESM Market”	the Enterprise Securities Market, a market operated by the Irish Stock Exchange;
“ESM Rules”	the rules for ESM companies and their ESM advisers issued by the Irish Stock Exchange in relation to ESM traded securities;
“Form of Proxy”	the form of proxy for use at the EGM;
“FSMA”	Financial Services and Markets Act 2000 (UK);

“Group”	PetroNeft and each of its Subsidiaries;
“Ireland” or the “Republic of Ireland”	the island of Ireland excluding Northern Ireland, and the word “Irish” shall be construed accordingly;
“Irish Stock Exchange”	the Irish Stock Exchange Limited;
“Irish Takeover Rules”	the Irish Takeover Panel Act, 1997, Takeover Rules, 2013 as amended;
“Issued Share Capital”	the 707,245,906 Ordinary Shares in issue on the Latest Practicable Date and “Issued Shares” shall be construed accordingly;
“Latest Practicable Date”	31 March 2014, being the latest practicable date prior to the publication of this Circular;
“Licence 61”	the licence, in respect of which the Company holds a 100 per cent. interest and is the operator;
“London Stock Exchange”	London Stock Exchange plc;
“Macquarie”	Macquarie Bank Limited;
“Macquarie Debt Facility”	the loan facility entered into between the Company and Macquarie in May 2010 (as amended in April 2011);
“Natlata”	Natlata Partners Limited, a company registered under the laws of the British Virgin Islands with registration number 1770605;
“Notice of EGM” “Notice” or “Requisition”	the notice of EGM set out at the end of this Circular;
“Official List(s)”	the official list maintained by the UK Listing Authority and/or the official list maintained by the Irish Stock Exchange, as the context may require;
“Options”	options to subscribe for Ordinary Shares granted by the Company prior to the Latest Practicable Date;
“Ordinary Shares”	ordinary shares of €0.01 each in the capital of the Company;
“Proposed Directors”	Fraser Innes, Richard Thornton, Pavel Tetyakov, Anthony Sacca and David Sturt;
“Registrar”	Computershare Investor Services (Ireland) Limited;
“Regulations”	the Prospectus Regulation 2005 (UK) (as amended) and the Prospectus (Directive 2003/71/EC) Regulations, 2005 (as amended);
“Resolutions” or “EGM Resolutions”	the resolutions as set out in the Notice of EGM to be proposed at the EGM;
“Shareholder(s)”	holder(s) of Ordinary Shares from time to time;
“Subsidiary”	has the meaning set out in section 155 of the Act;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to the jurisdiction of the United States of America;

Notes:

- (i) Unless otherwise stated in this document, all reference to statutes or other forms of legislation shall refer to statutes of legislation of Ireland. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.
- (ii) The symbols “€” and “c” refer to euro and euro cent respectively, the lawful currency of Ireland pursuant to the provisions of the Economic & Monetary Unit Act, 1998. The symbols “£” and “p” refer to British pounds and pence respectively.
- (iii) Words importing the singular shall include the plural and vice versa and words importing the masculine gender shall include the feminine or neuter gender.

NOTICE OF EXTRAORDINARY GENERAL MEETING

PETRONEFT RESOURCES PLC (the “COMPANY”)

(Incorporated in Ireland with limited liability under the Companies Acts, 1963 to 2013 with registration number 408101)

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (the “EGM”) of PetroNeft Resources plc (the “Company”) will be held 11.15 a.m. at the Herbert Park Hotel, Ballsbridge, Dublin 4, Ireland on 9 May 2014, for the purposes of considering and, if thought fit, passing, the following resolutions, of which Resolutions numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11 will be proposed as ordinary resolutions and Resolutions numbered 12, 13, 14 and 15 will be proposed as special resolutions.

1. That Dennis Francis be and is hereby removed from his office as Director of the Company with effect from the conclusion of the EGM.
2. That David Sanders be and is hereby removed from his office as Director of the Company with effect from the conclusion of the EGM.
3. That Paul Dowling be and is hereby removed from his office as Director of the Company with effect from the conclusion of the EGM.
4. That David Golder be and is hereby removed from his office as Director of the Company with effect from the conclusion of the EGM.
5. That Vakha Sobraliev be and is hereby removed from his office as Director of the Company with effect from the conclusion of the EGM.
6. That any person (other than Fraser Innes, Richard Thornton, Pavel Tetyakov, Anthony Sacca and David Sturt) appointed as a Director of the Company pursuant to Article 92 of the Articles of Association of the Company or otherwise during the period between 11 March 2014 and the conclusion of the EGM be and is hereby removed from his office as a Director of the Company with effect from the conclusion of the EGM.
7. That Fraser Innes be and is hereby appointed as a Director of the Company with effect from the conclusion of the EGM.
8. That Richard Thornton be and is hereby appointed as a Director of the Company with effect from the conclusion of the EGM.
9. That Pavel Tetyakov be and is hereby appointed as a Director of the Company with effect from the conclusion of the EGM.
10. That Anthony Sacca be and is hereby appointed as a Director of the Company with effect from the conclusion of the EGM.
11. That David Sturt be and is hereby appointed as a Director of the Company with effect from the conclusion of the EGM.
12. That, pursuant to Article 81 of the Company’s Articles of Association, the board of directors of the Company (the “Board”) be directed to appoint, at the Company’s expense, an independent accounting firm (but not Ernst and Young) to carry out an independent due diligence of the Company’s and its subsidiaries’ commercial and financial affairs and to produce a report addressed to the Board identifying material operational inefficiencies and/or issues within the Company and its subsidiaries in the three years prior to the date of such appointment and such other matters as the Board may in its absolute discretion determine.
13. That, pursuant to Article 81 of the Company’s Articles of Association, the Board be directed to appoint, at the Company’s expense, an independent reserves consulting firm (but not Ryder Scott) to carry out an independent resource evaluation of the Company and its subsidiaries and to produce a reserves report addressed to the Board setting out the results of that evaluation.

14. That, pursuant to Article 81 of the Company's Articles of Association, the Board be directed to consider all possible options in relation to the refinancing of the loan due from the Company to Macquarie Bank Limited under the facility agreement dated 28 May 2010 (as amended from time to time).
15. That the Articles of Association of the Company be amended by:
 - (i) the re-numbering of the existing Article 81 as Article 81(a); and
 - (ii) the insertion of a new Article 81 (b) immediately after the existing Article 81 (as re-numbered Article 81 (a)), in the following terms:

“Notwithstanding any other provision of these Articles, except with the approval of an ordinary resolution of the Company passed at a duly convened general meeting, the Company shall not enter into, and shall procure that no subsidiary of the company enters into, any agreement, scheme or other arrangement (whether conditional or unconditional) to effect the farm-out, assignment, disposal, sale or transfer to any person of the whole or any part of the Company's or any of its subsidiaries' interest in Licence No. 61 in the Tomsk Region of Western Siberia, Russia.”

Dated this 1st day of April 2014

BY ORDER OF THE BOARD

Registered Office:
20 Holles Street
Dublin 2

David Sanders
Company Secretary

Registered in Dublin,
Ireland – No. 408101

NOTES:

1. Any member entitled to attend, speak and vote at the EGM is entitled to appoint a proxy (who need not be a member of the company) to attend, speak and vote in his/her place. Completion of a form of proxy will not affect the right of a member to attend, speak and vote at the meeting in person. A Shareholder may appoint more than one proxy to attend and vote at the meeting provided each proxy is appointed to exercise rights attached to different shares held by that Shareholder. Should you wish to appoint more than one proxy, please read carefully the explanatory notes accompanying the Form of Proxy. A member may appoint a proxy or proxies electronically by logging on to the website of the registrars, Computershare Services (Ireland) Limited: www.eproxyappointment.com. Shareholders will be asked to enter the Shareholder Reference Number “SRN” and PIN Number as printed on your Form of Proxy and agree to certain conditions.
2. As a Shareholder, you have several ways to exercise your right to vote:
 - (a) By attending the Extraordinary General Meeting in person;
 - (b) By appointing (either electronically or by returning a completed Form of proxy) the Chairman or another person as a proxy to vote on your behalf.
 - (c) By appointing a proxy via the CREST System if you hold your Ordinary Shares in CREST.
3. To be valid, forms of proxy duly signed together with the power of attorney or such other authority (if any) under which they are signed (or a certified copy of such power or authority) must be lodged with the Company's registrar, Computershare Services (Ireland) Limited, P.O. Box 954, Sandyford, Dublin 18 by not later than 11.15 a.m. on 7 May 2014. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other registered holder(s) and, for this purpose, seniority will be determined by the order in which names stand in the register of members.
4. The Company, pursuant to Regulation 14 of the Companies Act, 1990 (Uncertified Securities) Regulations, 1996, specifies that only those Shareholders registered in the register of members of the Company as at 6.00pm on 7 May 2014 (or in the case of an adjournment as at close of business on the day which is two days before the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of Ordinary Shares registered in their names at the time. Changes to entries in the register after that time will be disregarded in determining the right of any person to attend and/or vote at the meeting.

5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with Euroclear (UK and Ireland) Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Computershare Services (Ireland) Limited (ID 3RA50) by 11.15 a.m. on 7 May 2014. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Computershare Services (Ireland) Limited is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear (UK and Ireland) Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the CREST Regulations.

