



PetroNeft Resources Plc

G. David Golder
Chairman of the Board

PetroNeft Resources Plc.
C/O O'Donnell Sweeney
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Dear Shareholders,

Date: _____ 2005

My name is David Golder and I am Chairman of the Board of PetroNeft Resources Plc ("the Company" or "PetroNeft"). I am pleased to announce that PetroNeft LLC successfully re-organized on 28 November of this year and that you have received shares in the Company in direct proportion to your holding prior to the reorganization. We are in the process of sending each of the shareholders new share certificates in respect of his/her holding in the Company. If you have not received your share certificate by 6 January 2006, please notify the company secretary, David Sanders, by e-mail or by mail at the above address.

The Company has made very significant progress in recent months, both strategically and organizationally, and the overall environment for oil and gas companies remains very attractive. At Board level, we have added two new directors, Thomas Hickey and me. I was formerly Senior Vice President of Marathon Oil Company and have more than 35 years of experience in the petroleum industry, including 6 years responsible for major Russian oil and gas developments. Mr. Hickey is the CFO of Tullow Oil Plc and has over 10 years of experience in public markets, banking and finance. Tom and I, together with the other Directors, expect to provide valuable perspective as PetroNeft grows.

The skills and experience of PetroNeft management and the relationships they have established in the Former Soviet Union "FSU" over many years leave the company well placed to expand through development, exploration and acquisition of new properties in the FSU which fall below the threshold of major oil companies. To successfully achieve this, and to create liquidity for shareholders who have supported the company to date, a public listing of the Company's shares is a core objective.

It was the original intention of the Board to have the Company's shares traded on the AIM and IEX markets in late 2005. As we approached these target dates and consulted with potential shareholders, however, it became clear that undertaking further work on the Company's assets in advance of flotation would maximize shareholder value and minimize potential dilution. In particular, we believe the forthcoming seismic campaign on our Western Siberian acreage has potential to add materially to the reserves and ultimate value of the Company. Accordingly, the Board plans to delay application for several months but remains committed to a flotation during 2006. During the intervening period, PetroNeft will operate and communicate with shareholders in the manner of a listed company; including a revised website, regular news updates and observance of the principal requirements of corporate governance for listed companies.

The Board's most immediate priority is the acceleration of work on the Company's territories in Western Siberia. Consequently, to fund this winter's seismic program and continue to maintain our operations schedule, the Board recommends to the shareholders that the Company allot and issue up to 45.1 million additional shares, in order to raise up to \$8 million together with warrants as commission to the underwriters of the placing. The company currently has 90,098,478 Ordinary Shares in issue. It is the intention of the Board to issue these additional shares for cash at a higher price than previous fundings and we are currently in advanced discussions with potential institutional shareholders who have indicated their interest in subscribing. In addition to raising needed operating funds, placing shares with such institutions would provide valuable endorsements of PetroNeft's strategy, management and future prospects.

To enable the Board to issue the shares to these new shareholders and the associated warrants we are asking the existing shareholders to waive their pre-emptive rights to purchase a proportional amount of the new shares and warrants.

The Board is convening an Extraordinary General Meeting to open the question to the Shareholders on 14 January 2006. Please refer to the enclosed Notice of Extraordinary General Meeting. The Board recommends that the shareholders vote in favour of ("For") the proposed resolution. The members of the Board also intend to vote their own beneficial holdings in the Company in favour of this resolution. If you will be unable to attend in person, you are requested to cast your votes by proxy. A proxy form with instructions has been provided for your convenience. Please note that in order to be valid the correctly completed proxy form must be received by at the offices of O'Donnell Sweeney at the above address no later than 1.30 pm on 12 January 2006.

I would like to thank you for your support to date and look forward to meeting you in January.

Sincerely,



G. David Golder
Chairman of the Board

PetroNeft Resources Plc is a company registered in Ireland, registration number 408101. The board of directors is made up of: G. David Golder (USA), Des Burke (Ireland), Thomas Hickey (Ireland), Dennis Francis (USA), David Sanders (USA), and Vakha Sobraliev (Russia). It also has offices in Houston Texas, USA (713) 988-2500 and its wholly owned subsidiary, "Stimul-T" has an office in Moscow (7) 095-745-5199 and in Tomsk Russia at (7) 3822-515772.