

**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.

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## **PetroNeft Resources plc**

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

### **Proposed Farmout of a 50 per cent. interest in Licence 61**

**and**

### **Notice of Extraordinary General Meeting**

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**YOUR ATTENTION IS DRAWN TO THE LETTER FROM THE CHAIRMAN WHICH CONTAINS YOUR BOARD’S UNANIMOUS RECOMMENDATIONS THAT YOU VOTE FOR THE LICENCE 61 FARMOUT EGM RESOLUTION AND VOTE AGAINST ALL OF THE NATLATA EGM RESOLUTIONS**

**YOUR VOTE IS IMPORTANT.** Notice of an extraordinary general meeting (“EGM”) of the Company to be held at 10.30 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 EGM, you will find enclosed a **Blue Personalised Form of Proxy** for use at the EGM that you are requested to complete. The **Blue 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 10.30 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 **Blue Personalised Form of Proxy** will not preclude Shareholders from attending the EGM and voting in person, should they wish to do so.

Alternatively, shareholders may appoint a proxy electronically by visiting [www.epoxyappointment.com](http://www.epoxyappointment.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 **Blue 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 10.30 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 23 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 EGM. This document is also available from the Company's website ([www.petroneft.com](http://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.

Evercore Partners International LLP ("Evercore"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as financial adviser for PetroNeft and no one else in connection with this document and will not regard any other person as its client in relation to the matters referred to in this document and will not be responsible to anyone other than PetroNeft for providing the protections afforded to clients of Evercore, nor for providing advice in relation to the matters referred to in this document.

## DIRECTORS, COMPANY SECRETARY AND ADVISERS

<b>Directors</b>	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> )
<b>Company Secretary</b>	David Edward Sanders
<b>Registered Office</b>	20 Holles Street Dublin 2 Ireland
<b>Nominated Adviser, ESM Adviser and Joint Broker</b>	Davy Davy House 49 Dawson Street Dublin 2 Ireland
<b>Joint Broker</b>	Canaccord Genuity Limited 88 Wood Street London, EC2V 7QR United Kingdom
<b>Irish legal advisers</b>	Eversheds One Earlsfort Centre Earlsfort Terrace Dublin 2 Ireland
<b>UK legal advisers</b>	White & Case LLP 5 Old Broad Street London EC2N 1DW United Kingdom
<b>Licence 61 Farmout Financial Adviser</b>	Evercore Partners International LLP 15 Stanhope Gate London, W1K 1LN
<b>Auditors</b>	Ernst & Young Ernst & Young Building Harcourt Centre Harcourt Street Ireland
<b>Petroleum Consultant</b>	Ryder Scott Company 621 Seventeenth Street, Suite 1550 Denver, Colorado, 80293 USA
<b>Registrar and Receiving Agent</b>	Computershare Investor Services (Ireland) Limited Heron House Corrig Road Sandyford Industrial Estate Dublin 18 Ireland

## KEY INFORMATION

### **The Licence 61 Farmout EGM**

PetroNeft has entered into a farmout agreement in respect of a 50 per cent. non-operating interest in Licence 61 with Oil India Limited (“OIL”) (the “Licence 61 Farmout”).

Under the terms of the Licence 61 Farmout, OIL will make a total investment of up to US\$85 million, consisting of:

- US \$35 million upfront cash payment
- US \$45 million of exploration and development expenditure on Licence 61. The only condition in relation to the availability of these funds is that they are spent on agreed work programmes and budgets. Until the \$45 million is fully invested PetroNeft will not be obliged to invest any additional funds for Licence 61 exploration and development
- US \$5 million performance bonus

### ***The Licence 61 Farmout:***

- Materially strengthens PetroNeft financially and strategically
- Fully addresses PetroNeft’s capital structure and long term investment requirements with all existing debt (the Macquarie Debt Facility and the US\$16.5 million Arawak Loan) repaid in full, additional funds for working capital and significant investment directly in Licence 61
- Introduces a strong industry partner seeking to build an oil and gas business and strategic position in Russia
- Positions PetroNeft to fully exploit the potential of all of its assets and opportunities and create value for all Shareholders

The Licence 61 Farmout is conditional on Shareholder approval and for this purpose PetroNeft has convened an EGM to be held on 10.30 a.m. on 9 May 2014 (the “Licence 61 Farmout EGM”).

**Your Board believes that the Licence 61 Farmout is in the best interests of the Company and Shareholders as a whole and is unanimously recommending that you vote FOR the Licence 61 Farmout EGM Resolution.**

### ***The Natlata EGM***

Natlata has proposed two 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. In the opinion of the Board, the Licence 61 Farmout is far more attractive for the Company and Shareholders as a whole and would be significantly less dilutive for other Shareholders.

Following a request from Natlata, PetroNeft has previously convened an EGM to be held at 11.15 a.m. on 9 May 2014 (the “Natlata EGM”).

Natlata has nominated five new directors and is seeking the removal of Dennis Francis, David Sanders, Paul Dowling, David Golder and Vakha Sobraliev as Directors. In addition, Natlata is seeking that the Board be directed to undertake certain due diligence, 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.

The Board considers that Natlata has proposed its 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 and as a means by which it can seek to delay or frustrate PetroNeft completing the Licence 61 Farmout.

The Licence 61 Farmout is conditional on Shareholders voting AGAINST ALL of the Natlata EGM Resolutions.

Should the Natlata 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 Natlata 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 Natlata EGM Resolutions.**

## TIMETABLE

Date of issue of this document 23 April 2014

### **Licence 61 Farmout EGM**

Latest time and date for receipt of Forms of Proxy and CREST Proxy Instructions for the EGM 10.30 a.m. on 7 May 2014

Time and date of EGM 10.30 a.m. on 9 May 2014

### **Natlata EGM**

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

23 April 2014

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

Dear Shareholder,

## **Proposed farmout of a 50 per cent. interest in Licence 61 and Notice of Extraordinary General Meeting**

### **1. Introduction**

On 17 April 2014, PetroNeft was pleased to announce that it had entered into a binding farmout agreement in respect of a 50 per cent. interest in Licence 61 to Oil India Limited.

The Licence 61 Farmout is conditional on regulatory approvals, Shareholder approval of the Licence 61 Farmout EGM Resolution and on Shareholders voting against all of the Natlata EGM Resolutions.

The purpose of this document is to provide you with details of the Licence 61 Farmout and to convene an EGM to be held at 10.30 a.m. on 9 May 2014 to consider the Licence 61 Farmout Resolution.

**Your Board believes that the Licence 61 Farmout is in the best interests of the Company and Shareholders as a whole and is unanimously recommending that you vote FOR the Licence 61 Farmout EGM Resolution.**

Following a request from Natlata, on 1 April 2014 PetroNeft convened an EGM to be held at 11.15 a.m. on 9 May 2014. Natlata has proposed its 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 and as a means by which it can seek to delay or frustrate PetroNeft completing the Licence 61 Farmout.

**Your Board believes that the Natlata 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 Natlata EGM Resolutions.**

### **2. The Licence 61 Farmout**

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 in order to refinance the existing debt facilities and put the Company on a sound financial footing for the long-term.

Having considered in detail a number of proposals and offers, PetroNeft has entered into a farmout agreement in respect of a 50 per cent. non-operating interest in Licence 61 with OIL.

Under the terms of the Licence 61 Farmout, OIL will acquire a 50 per cent. interest in Licence 61 by making a total investment of up to US\$85 million consisting of:

- US\$35 million upfront cash payment
- US\$45 million of exploration and development expenditure on Licence 61. The only condition in relation to the availability of these funds is that they are spent on agreed work programmes and budgets. Until the \$45 million is fully invested PetroNeft will not be obliged to invest any additional funds for Licence 61 exploration and development.
- US\$5 million performance bonus, contingent upon gross production from the Sibkrayevskoye Field reaching 7,500 bopd within the next 5 years

Upon completion, PetroNeft will repay all of its existing debts (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.

PetroNeft will remain as Operator of Licence 61, but OIL will have the right to second certain technical experts into PetroNeft's Tomsk team to assist with the development. OIL also has the right to become the Operator of the Licence should there be a substantial change in the management team of PetroNeft within the first three years which OIL believes not to be in its interests.

The transaction is subject to Russian regulatory approvals, which are expected to be received around the end of May 2014. (These regulatory approvals are routine in nature, given the size of the deal and the companies involved). The transaction is also conditional on PetroNeft obtaining approval of the transaction from Shareholders and on Shareholders voting against all of the Natlata EGM Resolutions.

***The Licence 61 Farmout:***

- Materially strengthens PetroNeft financially and strategically
- Fully addresses PetroNeft's capital structure and long term investment requirements with all existing debt repaid, additional funds for working capital and significant investment directly in Licence 61
- Introduces a strong industry partner seeking to build an oil and gas business and strategic position in Russia
- Positions PetroNeft to fully exploit the potential of all of its assets and opportunities and create value for all Shareholders

Evercore acted as financial adviser to PetroNeft for the Licence 61 Farmout.

**3. Information on Licence 61**

Licence 61 comprises a 4,991 km<sup>2</sup> oil and gas licence in the Tomsk Oblast in Russia, held through the Company's wholly owned Russian subsidiary, Stimul-T. Licence 61 is located in the prolific Western Siberian Oil and Gas Basin and contains seven known oil fields, Lineynoye, Arbuzovskoye, Tungolskoye, Sibkrayevskoye, West Lineynoye, Kondrashevskoye, and North Varyakhskoye and over 25 prospects and leads that are currently being explored.

Once the Licence 61 Farmout is completed, PetroNeft will commence drilling up to five additional production wells at Arbuzovskoye and delineation wells at Tungolskoye and Sibkrayevskoye, where significant upside potential and near-term developments are possible. The Tungolskoye No. 5 well will be the first horizontal well drilled on Licence 61 with oil services company, Halliburton, providing technical assistance with the horizontal segment. There are also plans in place to acquire additional 2D seismic across the large Sibkrayevskoye oil field and Emtorskaya prospect commencing later in 2014. It is anticipated that the Tungolskoye oil field will be brought into production in 2015.



All necessary supplies and equipment for this year's work programme have already been purchased and moved to the field by winter roads to allow for operations to commence upon completion of the Farmout, thus ensuring that PetroNeft does not lose a year in its work schedule. It is expected that drilling will recommence in July 2014.

#### **4. Information on Oil India Limited**

Oil India Limited (BSE: 533106, NSE: OIL) is one of the largest national oil and gas companies in India as measured by total proved plus probable oil and natural gas reserves and production. It is engaged in the business of exploration for oil and gas, production of crude oil, natural gas and LPG and transportation of crude oil, natural gas and petroleum products. OIL has over 50 E&P blocks in India and an International presence spanning Egypt, Gabon, Libya, Mozambique, Nigeria, USA, Venezuela and Yemen. For further details please refer to [www.oil-india.com](http://www.oil-india.com).

PetroNeft will remain as Operator of Licence 61, but OIL will have the rights to second certain technical experts into PetroNeft's Tomsk team. OIL also required the right to become the Operator of the Licence should there be a substantial change in the management team of PetroNeft within the first three years as they believe this would not be in their interests. On completion, OIL will be able to book 50 per cent. of the production and reserves from Licence 61.

#### **5. The Licence 61 Farmout EGM**

PetroNeft has convened the Licence 61 Farmout EGM to be held at 10.30 a.m. at the Herbert Park Hotel, Ballsbridge, Dublin 4, Ireland on 9 May 2014 for the purpose of approving the Licence 61 Farmout.

#### **6. The Natlata EGM**

Natlata has proposed two transactions whereby it would acquire a controlling shareholding in PetroNeft without paying Shareholders a fair price for obtaining such control.

The Natlata 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 other Shareholders for the following reasons:

- The terms of the Licence 61 Farmout are significantly more attractive for PetroNeft and significantly less dilutive for other Shareholders
- The Natlata Proposals will result in a change of control of PetroNeft without paying Shareholders a fair price for obtaining control of the Company
- The Natlata Proposals could facilitate Natlata obtaining a 100 per cent. interest in Licence 61
- The Natlata Proposals do not address PetroNeft's capital requirements. All existing debt would not be repaid and there would not be sufficient funds to invest directly in Licence 61
- PetroNeft would be unable to fully exploit the potential of its assets

Following a request from Natlata, PetroNeft has previously convened an EGM to be held at 11.15 a.m. on 9 May 2014.

Natlata has nominated five new directors and is seeking the removal of Dennis Francis, David Sanders, Paul Dowling, David Golder and Vakha Sobraliev as Directors. In addition, Natlata is seeking that the board be directed to undertake certain due diligence, 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.

Natlata has proposed its resolutions as a means by which it can, in the view of the Board, seek control of the Board without paying Shareholders a fair price for obtaining control of the Company and as a means by which it can seek to delay or frustrate PetroNeft completing the Licence 61 Farmout.

The Licence 61 Farmout is conditional on Shareholders voting AGAINST ALL of the Natlata EGM Resolutions.

Natlata has not provided the requested materials necessary for Davy to satisfy its obligations to the London Stock Exchange and the Irish Stock Exchange.

Should the Natlata 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 Natlata 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 Natlata EGM Resolutions.**

## **7. Action to be Taken**

### ***Licence 61 Farmout EGM***

Shareholders, whether or not they propose to attend the EGM in person, are requested to complete, sign and return the enclosed **Blue Personalised Form of Proxy**, in accordance with the instructions printed thereon, so as to be received by Computershare as soon as possible and, in any event, by not later than 10.30 a.m. on 7 May 2014 (48 hours before the EGM). Completion and return of the **Blue Personalised Form of Proxy** will not preclude Shareholders from attending and voting at the EGM in person if they wish to do so.

Alternatively, Shareholders may appoint a proxy electronically by visiting [www.eproxyappointment.com](http://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 **Blue 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 10.30 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.

### ***Natlata EGM***

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** that was circulated to shareholders on 1 April 2014, 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](http://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.

## **8. Recommendation**

### *Licence 61 Farmout EGM*

**Your Board believes that the Licence 61 Farmout is in the best interests of the Company and Shareholders as a whole and is unanimously recommending that you vote FOR the Licence 61 Farmout EGM Resolution.**

The Directors have irrevocably committed to vote for the Licence 61 Farmout EGM Resolution 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.

### *Natlata EGM*

**Your Board believes that Natlata has proposed the Natlata 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 Natlata 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 Natlata EGM Resolutions.**

The Directors have irrevocably committed to vote against the Natlata 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” or “Licence 61 Farmout EGM”	the extraordinary general meeting of the Company to be held at 10.30 a.m. on 9 May 2014 for the purpose of passing the Licence 61 Farmout Resolution;
“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;
“Licence 61 Farmout” or “Farmout”	the farmout of a 50 per cent. non-operating interest in Licence 61 to Oil India Limited;

“Licence 61 Farmout EGM Resolution”	the resolution to approve the Licence 61 Farmout which will be put before Shareholders at the EGM;
“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;
“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”	22 April 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;
“Natlata EGM”	the requisitioned extraordinary general meeting to be held at 11.15 a.m. on 9 May 2014 to consider the resolutions proposed by Natlata;
“Natlata EGM Resolutions”	the resolutions to be put before Shareholders at the Natlata EGM;
“Notice of EGM” or “Notice”	the notice of EGM set out at the end of this Circular;
“Oil India Limited” or “OIL”	Oil India Limited, an Indian registered company;
“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;
“Registrar”	Computershare Investor Services (Ireland) Limited;
“Resolution” or “EGM Resolution”	the resolution 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

## PETRONFT RESOURCES PLC (the “COMPANY”)

*(Incorporated in Ireland with limited liability under the Companies Acts, 1963 to 2012  
with registration number 408101)*

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (the “EGM”) of PetroNft Resources plc (the “Company”) will be held 10.30 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 resolution

1. To approve the farmout of a 50 per cent. interest in Licence 61 to Oil India Limited.

Dated this 23rd day of April 2014

BY ORDER OF THE BOARD

**David Sanders**

*Company Secretary*

Registered Office: 20 Holles Street, Dublin 2

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.computershare.com/ie/voting/petronft](http://www.computershare.com/ie/voting/petronft). 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 10.30 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 6.00 p.m. 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 10.30 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.

