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If you have sold or otherwise transferred all of your shares in Petropavlovsk PLC (**Petropavlovsk** or the **Company**) please send this document, together with the accompanying 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 transmission to the purchaser or transferee. If you have sold or transferred only part of your holding of shares in Petropavlovsk PLC you should retain this document and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

This document should be read in conjunction with the Annual Report and Accounts in respect of the year ended 31 December 2009, which was posted to shareholders together with this document.



PETROPAVLOVSK
PETROPAVLOVSK PLC

(Incorporated in England and Wales with Registered No. 4343841)

**Notice of
Annual General Meeting
to be held on 20 May 2010**

Notice of the Annual General Meeting, which is to be held at 12 noon on Thursday 20 May 2010 at 11 Grosvenor Place, London SW1X 7HH is set out on pages 10 to 15. A form of proxy for use in relation to the Annual General Meeting is enclosed.

A summary of the action to be taken by shareholders of the Company is set out on page 5 and in the Notice of Annual General Meeting set out at the end of this document. Whether or not you propose to attend the Annual General Meeting you are requested to complete and submit a form of proxy in accordance with the instructions printed on the enclosed form of proxy. The return of one or more completed forms of proxy will not prevent you from attending the Annual General Meeting and voting in person if you wish to do so (and are so entitled). To be valid, the form of proxy must be completed and returned, in accordance with the instructions printed thereon, to the Company's registrars, by post to: Capita Registrars (PXS), at 34 Beckenham Road, Beckenham, Kent BR3 4TU; or by hand to: Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. You may also submit your proxy electronically using the Shareportal Service at www.capitashareportal.com. The form of proxy should be returned or, if doing so electronically, the electronic submission should be made, as soon as possible but in any event so as to be received not later than 12 noon on 18 May 2010.

PETROPAVLOVSK PLC

11 GROSVENOR PLACE, BELGRAVIA, LONDON, SW1X 7HH

TELEPHONE +44 20 7201 8900

FACSIMILE +44 20 7201 8901

Website: <http://www.petrodavlovsk.net>

Email: corporate@petropavlovsk.net

Directors:

Peter Hambro	(Chairman)
Dr Pavel Maslovskiy	(Chief Executive)
Brian Egan	(Chief Financial Officer)
Peter Hill-Wood	(Senior Non-Executive Director)
Graham Birch	(Non-Executive Director)
Sir Malcolm Field	(Non-Executive Director)
Lord Guthrie	(Non-Executive Director)
Sir Roderic Lyne	(Non-Executive Director)
Charles McVeigh	(Non-Executive Director)

9 April 2010

To shareholders and, for information only, to warrant holders.

Dear Shareholder

Annual General Meeting 2009

I am writing to inform you that the Annual General Meeting (the **AGM**) of Petropavlovsk PLC will be held at 12 noon on Thursday, 20 May 2010 at 11 Grosvenor Place, London SW1X 7HH. The formal Notice of the AGM and resolutions to be proposed are set out on pages 10 to 15 of this document.

Resolutions to be proposed at the AGM

Resolutions 1 to 9 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 10 to 13 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

ORDINARY BUSINESS

Annual Report and Accounts (Resolution 1)

Shareholders will be asked to receive and adopt the Annual Report and Accounts of the Company for the year ended 31 December 2009 together with the report of the auditors, which were posted to shareholders together with this document.

Directors' Remuneration Report (Resolution 2)

Shareholders will be asked to receive and approve the Directors' Remuneration Report for the year ended 31 December 2009 which is on pages 70 to 81 of the Annual Report and Accounts. The Directors' Remuneration Report sets out the Company's policy on Directors' remuneration and gives details of Directors' remuneration and other relevant information.

Auditors (Resolutions 3 and 4)

The Company is required at each general meeting at which accounts are presented to appoint auditors to hold office until the next such meeting. Deloitte LLP have indicated their willingness to hold office until such meeting. Accordingly Resolution 3 re-appoints Deloitte LLP as auditors to the Company.

Resolution 4 authorises the Directors to fix the remuneration of Deloitte LLP as auditors to the Company.

Re-appointment of Directors (Resolutions 5 to 8)

Charlie McVeigh and Graham Birch, who were each appointed as a Director on 25 June 2009 and 12 February 2010 respectively, retire in accordance with Article 85 of the Company's Articles of Association and, being eligible, offer themselves for re-election.

Lord Guthrie and Pavel Maslovskiy retire in accordance with Articles 90 and 91 of the Company's Articles of Association and, being eligible, offer themselves for re-election.

The Board considers that each of these Directors demonstrates commitment and effectiveness in their role. The Board has also reviewed the composition of the Board as a whole and borne in mind the need for a proper balance of skills and experience. The Board has therefore carefully considered the position of the above Directors and, given that each of these Directors is eligible for reappointment, the Board recommends their re-election.

SPECIAL BUSINESS

Authority of Directors to allot Ordinary Shares (Resolution 9)

The authority given to the Directors to allot further shares in the capital of the Company requires the prior authorisation of the shareholders in general meeting under section 551 Companies Act 2006 (**CA 2006**). Upon the passing of Resolution 9, the Directors will have authority (pursuant to paragraph (A) of the Resolution) to allot shares up to an aggregate nominal amount of a maximum of £606,932 which is approximately 33 per cent. of the current issued ordinary share capital as at 9 April 2010, being the latest practicable date before the publication of this Notice. This authority will expire immediately following the Annual General Meeting in 2011 or on 30 June 2011, whichever is the earlier.

In addition, in accordance with the guidance from the Association of British Insurers (**ABI**) on the expectations of institutional investors in relation to the authority of Directors to allot shares, on the passing of Resolution 9, the Directors will have authority (pursuant to paragraph (B) of the Resolution) to allot an additional number of ordinary shares up to an aggregate nominal amount of a maximum of £606,932, which is approximately a further 33 per cent. of the current issued ordinary share capital as at 9 April 2010, being the latest practical date before the publication of this Notice. However, the Directors will only be able to allot those shares for the purposes of a rights issue in which the new shares are offered to existing shareholders in proportion to their existing shareholdings. This authority will also expire immediately following the next Annual General Meeting or on 30 June 2011, whichever is the earlier.

As a result, if Resolution 9 is passed, the Directors could allot shares representing up to two-thirds of the current issued share capital pursuant to a rights issue. However, if the Directors do conduct a rights issue and the number of shares issued exceeds one-third of the issued share capital and the monetary proceeds from the rights issue exceed one-third of the Company's pre-issue market capitalisation, then, in accordance with the ABI's guidance, the Directors will all offer themselves for re-election at the Annual General Meeting following the decision to make the rights issue.

The Directors will continue to seek to renew these authorities at each AGM, in accordance with current best practice. The Directors have no current plans to allot shares, except in connection with the Company's employee share schemes or further to the exercise of warrants.

Disapplication of pre-emption rights (Resolution 10)

If the Directors wish to exercise the authority under Resolution 10 and offer shares (or sell any shares which the Company may purchase and elect to hold as treasury shares) for cash, the Companies Act 2006 requires that unless shareholders have given specific authority for the waiver of the statutory pre-emption rights, the new shares be offered first to existing shareholders in proportion to their existing shareholdings. In certain circumstances, it may be in the best interests of the Company to allot new shares (or to grant rights over shares) for cash without first offering them to existing shareholders in proportion to their holdings.

Resolution 10 would authorise the Directors to do this by allowing the Directors to allot shares for cash (i) by way of a rights issue (subject to certain exclusions), (ii) by way of an open offer or other offer of securities (not being a rights issue) in favour of existing shareholders in proportion to their shareholdings (subject to certain exclusions) and (iii) to persons other than existing shareholders up to an aggregate nominal value of £91,039, which is equivalent to approximately 5 per cent. of the issued share capital of the Company as at 9 April 2010, being the latest practicable date prior to the publication of this Notice.

If given, the authority will expire at the conclusion of the next Annual General Meeting in 2011 or on 30 June 2011, if earlier. The Directors intend to renew such power at successive AGMs in accordance with current best practice. The Directors have no current plans to allot shares, except in connection with employee shares schemes.

As at 9 April 2010, being the latest practicable date before the publication of this Notice, the Company held no equity securities in treasury.

Authority to purchase shares (Resolution 11)

This Resolution is to authorise the Company to buy back up to 9,103,988 Ordinary Shares. The authority would expire at the conclusion of the 2011 Annual General Meeting or, if earlier, 18 months following the Resolution being passed, namely 20 November 2011. The Board intends to seek renewal of this power at subsequent Annual General Meetings in accordance with current best practice.

The Resolution specifies the maximum number of Ordinary Shares which may be purchased (representing 5 per cent. of the Company's issued ordinary share capital as at 9 April 2010, being the latest practicable date prior to the publication of this Notice) and the maximum and minimum prices at which they may be bought, exclusive of expenses, reflecting the requirements of the Companies Act 2006 and the Listing Rules. Any buy back would only be made on the London Stock Exchange.

The Board has no present intention of exercising this power and the granting of this authority should not be taken to imply that any Ordinary Shares will be purchased. It is the intention of the Directors only to exercise such authority if satisfied that to do so would be in the best interests of the Company.

Under the Companies Act 2006, the Company is allowed to hold its own shares in treasury following a buy back, instead of having to cancel them. This gives the Company the ability to re-issue treasury shares quickly and cost-effectively (including pursuant to the authority under Resolution 10 above) and provides the Company with additional flexibility in the management of its capital base. Such shares may be resold for cash but all rights attaching to them, including voting rights and any right to receive dividends are suspended whilst they are held in treasury. If the Board exercises the authority conferred by Resolution 11, the Company will have the option of either holding in treasury or of cancelling any of its own shares purchased pursuant to this authority and will decide at the time of purchase which option to pursue.

Amendment to Articles of Association (Resolution 12)

The Company's articles of association (the **Current Articles**) have been reviewed in light of the full implementation of the Companies Act 2006. As a result of that review, it is proposed to adopt new articles of association (the **New Articles**). An explanation of the principal changes in the New Articles is set out in the Appendix on page 7 of this document. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which will merely reflect changes made by the Act, the Shareholders' Rights Regulations or the Uncertificated Securities Regulations 2001, or conform the language of the proposed Articles of Association with that used in the model articles for public companies produced by the Department for Business, Innovation and Skills have not been noted above. The proposed New Articles showing all the changes to the Current Articles are available for inspection, as noted on page 6 of this document.

Notice Period for meetings (Resolution 13)

The Companies (Shareholder Rights) Regulations 2009 (**Shareholder Rights Regulations**), require that the notice period for general meetings is 21 days unless otherwise approved by shareholders. The Directors would like to preserve the Company's ability to call general meetings (other than an Annual General Meeting) on 14 clear days notice and Resolution 13 seeks such approval.

The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. The flexibility offered by this resolution will be used where, taking into account the circumstances, the Directors consider this appropriate in relation to the business to be considered at the meeting. The Company will meet the requirements for electronic voting under the Shareholder Rights Regulations before calling a general meeting on 14 clear days' notice.

ACTION TO BE TAKEN

You will find enclosed a form of proxy for use at the AGM. Please complete, sign and return the enclosed form as soon as possible in accordance with the instructions printed thereon, whether or not you intend to be present at the AGM. Forms of proxy should be returned so as to be received by the Company's registrars, by post to: Capita Registrars (PXS), at 34 Beckenham Road, Beckenham, Kent BR3 4TU; or by hand to: Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible, but in any event no later than 12 noon on 18 May 2010. You may also submit your proxy electronically using the Shareportal Service at www.capitashareportal.com. Electronic submissions should be made as soon as possible, but in any event no later than 12 noon on 18 May 2010. If you are not already registered for the share portal, you will need your investor code which can be found on your share certificate or on the personalised form of proxy enclosed with this document.

Completion and return of the form of proxy, or electronic submission of the proxy using the Shareportal Service, will not prevent you from attending in person and voting at the meeting should you subsequently decide to do so.

RECOMMENDATION

Your Directors consider that the proposals described in this letter are in the best interests of the Company and its shareholders as a whole and unanimously recommend shareholders to vote in favour of the resolutions to be proposed at the AGM, as they intend to do in respect of their beneficial holdings, amounting in aggregate to 27,499,738 Ordinary Shares, representing approximately 15.1% per cent of the Company's issued Ordinary Shares.

Yours sincerely,

Peter Hambro
Chairman

Inspection of documents

Copies of the following documents may be inspected during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Company at 11 Grosvenor Place, London SW1X 7HH up to and including the date of the AGM and also on the date and at the place of the AGM from 11.30 a.m. until the conclusion of the AGM:

- Executive Directors' service contracts;
- Letters of appointment of the Non-Executive Directors;
- The Register of Directors' interests in Ordinary Shares;
- Memorandum and Articles of Association of the Company;
- The proposed New Articles, with a copy of the existing Memorandum and Articles of Association marked to show the changes being proposed in Resolution 12

APPENDIX 1

EXPLANATORY NOTES OF PRINCIPAL CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION

Set out below is a summary of the principal changes in the New Articles. References to article numbers are those used in the New Articles (except where reference is made to a provision which has been deleted).

1 The Company's objects

The provisions regulating the operations of the Company were until 1 October 2009 set out in the Company's memorandum and articles of association.

The CA 2006 significantly reduces the constitutional significance of a company's memorandum. The CA 2006 provides that the memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the CA 2006 the majority of the previous provisions of the memorandum, most notably the objects clause, are deemed to be part of the company's articles of association with effect from 1 October 2009.

Further the CA 2006 states that, unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause (together with all other provisions of its memorandum which, by virtue of the CA 2006, are treated as forming part of the Company's articles of association as of 1 October 2009). This will be achieved by the adoption of New Articles which contain no such provisions other than a statement regarding the limited liability of shareholders.

2 Change of name (Article 3)

Under the Companies Act 1985 (**CA 1985**), a company could only change its name by special resolution. Under the CA 2006 a company will be able to change its name by other means provided for by its articles. To take advantage of this provision, the New Articles enable the Directors to pass a resolution to change the Company's name.

3 Authorised share capital and unissued shares (Former Article 5)

The CA 2006 removes the concept of authorised share capital. As with the objects clause (see paragraph 1), the statement of authorised share capital previously contained in a company's memorandum of association is deemed with effect from 1 October 2009 to be a provision of the company's articles of association (and takes effect as setting out the maximum number of shares that may be allotted by the company). The adoption of the New Articles will have the effect of removing this provision.

Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the CA 2006, save in respect of employee share schemes.

4 Redeemable shares (Article 7)

Under the CA 1985, if a company wished to issue redeemable shares, it had to include in its articles the terms and manner of redemption. The CA 2006 enables directors to determine such matters instead, provided they are so authorised by the articles. The New Articles contain such an authorisation. The Company has no present plans to issue redeemable shares but if it did so the Directors would need shareholders' authority to issue new shares in the usual way.

5 Suspension of registration of share transfers (Former Article 35)

The Current Articles permit the Directors to suspend the registration of transfers for up to 30 days in any year, reflecting a provision of the CA 1985. Under the CA 2006 share transfers must be registered as soon as practicable. Accordingly, the provision which allowed the Company to suspend the registration of transfers has been removed in the New Articles.

6 Authority to purchase own shares, consolidate and sub-divide shares, and reduce share capital (Former Articles 42, 44 and 45)

Under the CA 1985, a company required specific enabling provisions in its articles to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves as well as shareholder authority to undertake the relevant action. The Current Articles include these enabling provisions. Under the CA 2006 a company will only require shareholder authority to do any of these things and it will no longer be necessary for articles to contain enabling provisions. Accordingly the relevant enabling provisions have been removed in the New Articles.

7 Notice of general meetings (Former Article 52)

Under the CA 2006 as amended by the Shareholders' Rights Regulations, general meetings cannot be held on shorter notice than the statutory minimum (21 days or 14 days) period. The New Articles therefore remove this provision.

8 Adjournments for lack of quorum (Article 54)

Under the CA 2006 as amended by the Shareholders' Rights Regulations, general meetings adjourned for lack of quorum must be held at least 10 clear days after the original meeting. The New Articles reflect this requirement.

9 Electronic conduct of meetings (Article 60)

Amendments made to the CA 2006 by the Shareholders' Rights Regulations specifically provide for the holding and conducting of electronic meetings. The Current Articles have been amended to reflect more closely the relevant provisions.

10 Chairman's casting vote (Former Article 69)

The New Articles remove the provision giving the chairman a casting vote in the event of an equality of votes at a general meeting as this is no longer permitted under the CA 2006.

11 Voting by proxies on a show of hands (Article 70)

Under the CA 2006 as amended by the Shareholders' Rights Regulations, each proxy appointed by a member has one vote on a show of hands, unless the proxy is appointed by more than one member in which case the proxy has one vote for and one vote against if the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution. The New Articles reflect these changes and contain a provision clarifying how the provision of the CA 2006 giving a proxy a second vote on a show of hands should apply to discretionary authorities.

12 Timing for submission of proxy appointments (Article 72)

Article 72 has been amended to permit the Directors to specify, in a notice of meeting, that in determining the time for delivery of proxy appointments, no account shall be taken of non-working days. This brings the provisions relating to timing for proxy appointments into

line with the provisions of Article 147 (see paragraph 16 below) regarding determining which persons may attend and vote at a general meeting.

13 Validity of votes by proxies and corporate representatives (Article 75)

Under the CA 2006 as amended by the Shareholders' Rights Regulations, proxies have an obligation to vote in accordance with the instructions given to them by the member appointing them. The New Articles contain a provision stating that the Company is not required to enquire whether a proxy or corporate representative has voted in accordance with instructions given to him and that votes cast by a proxy or corporate representative will be valid even if he has not voted in accordance with these instructions.

The New Articles also provide that any objection to the qualification of a person voting must be made at the meeting at which the vote objected to is tendered or at the time any poll is taken and that the chairman's decision is final and binding. The New Articles require a member to provide reasonable evidence of his and his proxy's identity and also specify what a member must provide by way of evidence if a proxy is appointed by a person acting in behalf of a member.

14 Directors' interests (Articles 122-129)

The articles dealing with Directors' conflicts of interest have been amended in line with market practice. Under the New Articles certain conflicts of interest do not need to be authorised, for example an interest as a Director of a group company.

Generally, the nature and extent of any conflict of interest must be disclosed before it can be authorised or before it is permitted without being authorised, but the New Articles provide for some situations in which disclosure is not required where knowledge can be presumed and disclosure is unlikely to be necessary. The New Articles also allow the board to exercise voting rights in group companies without restriction e.g. so as to appoint a Director to the board of a group company without this counting as a conflict requiring authorisation.

15 Use of seals (Article 131)

Under the CA 1985, a company required authority in its articles to have an official seal for use abroad. Under the CA 2006, such authority is no longer required. Accordingly, the relevant authorisation has been removed in the New Articles.

16 Record date for right to attend and vote at meetings (Article 147)

The New Articles include a new provision, not in the Current Articles, dealing with the method for determining which persons are allowed to attend or vote at a general meeting of the Company and how many votes each person may cast. Under this new provision, when convening a meeting the Company must specify a time, not more than 48 hours before the time of the meeting (excluding any part of a day that is not a working day), by which a person must be entered on the register of members in order to have the right to attend or vote at the meeting. This reflects a new provision introduced by the Shareholders' Rights Regulations.

17 Distribution of assets otherwise than in cash (Former Article 166)

The Current Articles contain provisions dealing with the distribution of assets in kind in the event of the Company going into liquidation. These provisions have been removed in the New Articles on the grounds that in the situation in which a distribution in kind is being contemplated it is likely to be done only with unanimity or as part of a scheme and can therefore be better dealt with at the time than legislated for in advance.



PETROPAVLOVSK

PETROPAVLOVSK PLC

(Incorporated in England and Wales with Registered No. 4343841)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the eighth Annual General Meeting of the Company will be held at 12 noon on Thursday 20 May 2010 at 11 Grosvenor Place, London SW1X 7HH (the **Notice**) for the following purposes:

Ordinary Business:

- 1 To receive and adopt the report of the Directors and the audited accounts of the Company for the year ended 31 December 2009 together with the report of the auditors.
- 2 To receive and approve the Directors' Remuneration Report for the year ended 31 December 2009.
- 3 To re-appoint Deloitte LLP as auditors of the Company until the conclusion of the next general meeting at which accounts are laid before the Company
- 4 To authorise the Directors to fix the remuneration of the auditors.
- 5 To re-elect Charlie McVeigh, who was appointed during the year and retires pursuant to Article 85 of the Company's Articles of Association and who, being eligible, offers himself for re-election, as a Director.
- 6 To re-elect Graham Birch, who was appointed during the year and retires pursuant to Article 85 of the Company's Articles of Association and who, being eligible, offers himself for re-election, as a Director.
- 7 To re-elect Lord Guthrie who retires by rotation in accordance with Articles 90 and 91 of the Company's Articles of Association and who, being eligible, offers himself for re-election, as a Director.
- 8 To re-elect Pavel Maslovskiy who retires by rotation in accordance with Articles 90 and 91 of the Company's Articles of Association and who, being eligible, offers himself for re-election as a Director.

Special Business:

- 9 To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

THAT in substitution for all subsisting authorities to the extent unused the Directors be and they are hereby generally and unconditionally authorised in accordance with section 551 Companies Act 2006 (**CA 2006**) to exercise all the powers of the Company to allot shares

in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company:

- (A) up to an aggregate nominal amount of £606,932; and
- (B) comprising equity securities (within the meaning of section 560 CA 2006) up to a further aggregate nominal amount of £606,932 in connection with an offer by way of a rights issue:
 - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

and so that that Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange or any other matter (including any such problems arising by virtue of equity securities being represented by depositary receipts).

The authorities conferred on the Directors under paragraphs (A) and (B) above shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution or 30 June 2011, whichever is the earlier save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or rights to subscribe for, or to convert any security into, shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for, or to convert any security into, shares (as the case may be) in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

10 To consider and, if thought fit, to pass the following resolution as a special resolution:

THAT, subject to the passing of Resolution 9 above and in substitution for all subsisting authorities to the extent unused, the Directors be and they are hereby empowered pursuant to section 570 and section 573 CA 2006 to allot equity securities (within the meaning of section 560 CA 2006) for cash pursuant to the authority conferred by Resolution 9, as if section 561(1) CA 2006 did not apply to any such allotment, provided that this power:

- (A) shall be limited to the allotment of equity securities in connection with an offer of equity securities (but in the case of the authority granted under paragraph (B) of Resolution 9, by way of a rights issue only):
 - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with any treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange or any other matter (including any such problems arising by virtue of equity securities being represented by depositary receipts);

- (B) in the case of the authority granted under paragraph (A) of Resolution 9, shall be limited to the allotment (otherwise than under paragraph (A) of this Resolution 10) of equity securities up to an aggregate nominal amount of £91,039; and
- (C) shall apply in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(3) CA 2006 as if in the first paragraph of this Resolution the words "subject to the passing of Resolution 9 above" were omitted,

and shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution or 30 June 2011, whichever is the earlier, except that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

11 To consider and, if thought fit, to pass the following resolution as a special resolution:

THAT the Company be and is hereby generally and unconditionally authorised, pursuant to and in accordance with section 701 Companies Act 2006 (**CA 2006**), to make market purchases (within the meaning of section 693(4) CA 2006) of ordinary shares of £0.01 each in the capital of the Company (**Ordinary Shares**) on such terms and in such manner as the Directors of the Company shall from time to time determine, provided that:

- (a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 9,103,988;
- (b) the minimum price which may be paid for an Ordinary Share is its nominal value, exclusive of all expenses;
- (c) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share is an amount equal to the higher of (i) 105 per cent. of the average of the middle market quotations of an Ordinary Share (as derived from the London Stock Exchange Daily Official List) for the five business days immediately preceding the date on which that Ordinary Share is contracted to be purchased (ii) and the amount stipulated by Article 5(1) of the Buy-Back and Stabilisation Regulation 2003 (EC 2273/2003);
- (d) the authority hereby conferred shall expire on 20 November 2011 or, if earlier, at the conclusion of the next Annual General Meeting of the Company following the passing of this resolution, unless previously revoked, varied or renewed by the Company in general meeting; and
- (e) the Company may at any time prior to the expiry of such authority make a contract or contracts to purchase ordinary shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of ordinary shares in pursuance of any such contract or contracts.

12 To consider and, if thought fit, to pass the following resolution as a special resolution:

THAT the Articles of Association produced to the meeting and signed by the Chairman for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association of the Company.

13 To consider and, if thought fit, pass the following resolution as a special resolution:

THAT a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

Dated 9 April 2010

Registered office:
11 Grosvenor Place,
Belgravia,
London SW1X 7HH

By Order of the Board
Heather Williams FCIS
Company Secretary

Notes:

1. Only members entitled to receive notice, or persons appointed as a proxy/corporate representative, are entitled to attend AGMs and only those entitled to attend will be admitted to the meeting without prior approval of the Company.
2. Every member entitled to attend and vote at the AGM has the right to appoint some other person(s) of their choice, who need not be a shareholder, as his proxy to exercise all or any of his rights, to attend, speak and vote on their behalf at the meeting. A proxy need not be a member of the Company but must attend the meeting for the member's vote to be counted. A member may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member
3. A form of proxy is provided with this notice. Completion and return of such a proxy, or electronic submission of the proxy using the Shareportal Service, will not prevent a member from attending the AGM and voting in person.
4. If you wish to appoint a person other than the Chairman, please insert the name of your chosen proxy holder in the space provided on the enclosed form of proxy. If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name the number of Ordinary Shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account).
5. To appoint more than one proxy you may photocopy the enclosed form of proxy. Please indicate in the box next to the proxy holder's name the number of Ordinary Shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope. All forms must be signed and should be returned together in the same envelope. If you submit more than one valid proxy appointment in respect of the same share or shares, the appointment received last before the latest time for the receipt of proxies will take precedence. If the Company is unable to determine which was received last, none of the proxy appointments in respect of that share or shares shall be valid.
6. To be effective, the form of proxy and any power of attorney or other authority under which it is signed (or a notarially certified copy of such authority) must be deposited with the Company's registrars, by post to: Capita Registrars (PXS), at 34 Beckenham Road, Beckenham, Kent BR3 4TU; or by hand to: Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not less than 48 hours before the time appointed for the AGM or any adjourned AGM.
7. Alternatively, you may submit your form of proxy electronically using the Shareportal Service at www.capitashareportal.com where full details of the procedure are given. This website is operated by Company's registrars.
8. To be effective, the electronic appointment of a proxy for the meeting and any power of attorney or other authority under which the proxy appointment is made must be received by Company's registrars not less than 48 hours before the time appointed for the AGM or any adjourned AGM or

(in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used. Please note that any electronic communication sent to the Company or to the Shareportal Service that is found to contain a computer virus will not be accepted. The use of the internet service in connection with the AGM is governed by the Shareportal Service's conditions of use set out on the website, www.capitashareportal.com and may be read by logging on to that site. If you want to appoint more than one proxy electronically please contact Company's registrar on the Capita Telephone Helpline, available at www.capitashareportal.com.

9. Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a **Nominated Person**) should note that the provisions in this Notice concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the meeting.

Nominated persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy information rights (or, perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from a Nominated Person.

10. Pursuant to regulation 41(1) of the Uncertificated Securities Regulations 2001 (2001 No. 3755) (as amended) and for the purposes of section 306B of the Companies Act 2006, the Company has specified that only those members registered on the register of members of the Company at 6.00 p.m. on 18 May 2010 or if the meeting is adjourned, on the day which is two days prior to the time of the adjourned meeting shall be entitled to attend and vote at the AGM in respect of the number of Ordinary Shares registered in their name at that time. Changes to the register of members after 6.00 p.m. on 18 May 2010 shall be disregarded in determining the rights of any person to attend and vote at the AGM.
11. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM to be held on the above date 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 message (a **CREST Proxy Instruction**) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via www.euroclear.com/CREST). 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 the Company's agent (ID number RA10) by the latest time(s) for receipt of proxy appointments, together with any power of attorney or other authority under which it is sent. 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 Capita Registrars 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 & 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 Uncertificated Securities Regulations 2001. For further information relating to the CREST proxy system, please refer to the CREST Manual.

12. Corporate representatives have the same rights to attend and vote at the meeting as the shareholder that appointed them could have exercised if it were an individual member (provided, in the case of multiple corporate representatives of the same corporate shareholder, they are appointed in respect of different shares owned by the corporate shareholder or, if they are appointed in respect of those same shares, they vote those shares in the same way). To be able to attend and vote at the meeting, corporate representatives will be required to produce prior to their entry to the meeting evidence satisfactory to the Company of their appointment. Corporate shareholders can also appoint one or more proxies in accordance with Notes 2, 3, 6-8 and, if relevant, Notes 10-11 above. Corporate shareholders should be aware that the arrangements put in place at previous meetings to facilitate voting by corporate representatives have now been withdrawn following changes to the statutory rules for corporate representatives. Please note, however, that if multiple corporate representatives purport to vote the same block of shares in different ways, they will be treated as not having voted.
13. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Services Authority. As a result, any member holding 3 per cent. or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make a separate notification to the Company and the Financial Services Authority.
14. Any shareholder attending the AGM has the right to ask questions. The Company must cause to be answered any question relating to the business being dealt with at the meeting put by a shareholder attending the AGM. However, members should note that no answer need be given in the following circumstances:
 - (i) if to do so would interfere unduly with the preparation of the AGM or would involve a disclosure of confidential information;
 - (ii) if the answer has already been given on a website in the form of an answer to a question; or
 - (iii) if it is undesirable in the interests in the Company or the good order of the AGM that the question be answered.
15. As at 9 April 2010, being the latest practicable date before the publication of this Notice of AGM, the Company's issued capital consisted of 182,079,767 Ordinary Shares carrying one vote each. Therefore, the total voting rights in the Company as at 9 April 2010 are 182,079,767 Ordinary Shares.
16. This Notice, together with information about the total numbers of shares in the Company in respect of which members are entitled to exercise voting rights at the meeting as at 9 April 2010, being the latest practicable date before the publication of this Notice of AGM, can be found on the Company's website at <http://www.petrovlovsk.net>
17. Shareholders are advised that, unless otherwise stated, any telephone number, website and email address set out in this Notice of Meeting, Form of Proxy, or Chairman's letter should not be used for the purpose of serving information on the Company (including the service of documents or information relating to the proceedings at the AGM).

