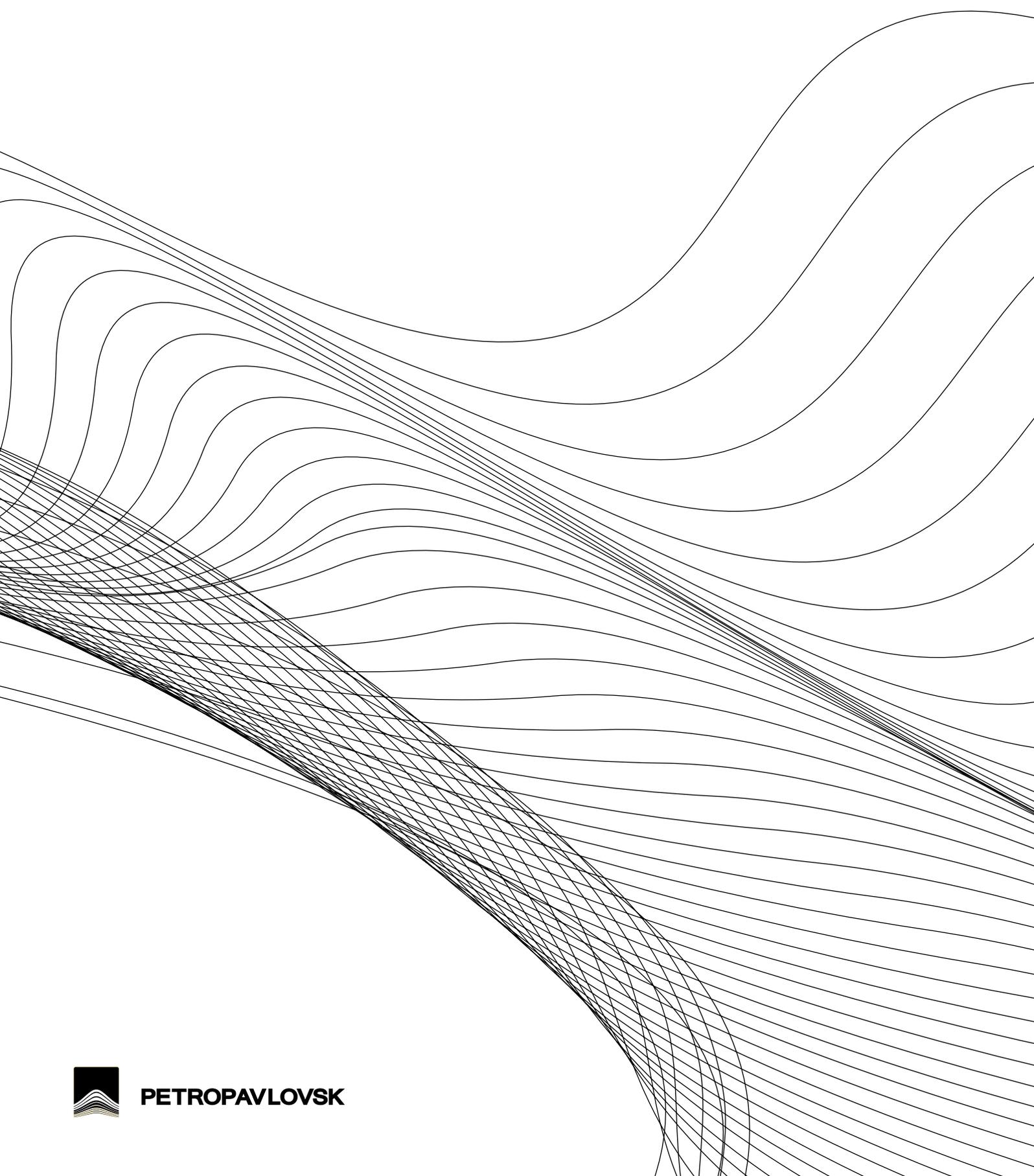


Notice of Annual General Meeting

To be held on 31 May 2012



PETROPAVLOVSK

This document is important and requires your immediate attention.

If you are in any doubt about the contents of this document or the action you should take, you are recommended to take advice from a person authorised under the Financial Services and Markets Act 2000 who specialises in advising in connection with shares and other securities.

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 2011, which was posted to shareholders together with this document.

Notice of the Annual General Meeting, which is to be held at 12 noon on Thursday 31 May 2012 at 11 Grosvenor Place, Belgravia, London SW1X 7HH is set out on pages 6 to 9. 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 29 May 2012.

Petropavlovsk PLC

11 Grosvenor Place, Belgravia, London SW1X 7HH

T +44 20 7201 8900

F +44 20 7201 8901

E corporate@petropavlovsk.net

www.petropavlovsk.net

Directors:

Mr Peter Hambro	Chairman
Mr Sergey Ermolenko	Chief Executive Officer
Mr Andrey Maruta	Chief Financial Officer
Dr Alfiya Samokhvalova	Strategic Director
Mr Martin Smith	Deputy Chief Executive and Technical Director
Dr Graham Birch	Senior Non-Executive Director
Sir Malcolm Field	Non-Executive Director
Lord Guthrie	Non-Executive Director
Dr David Humphreys	Non-Executive Director
Sir Roderic Lyne	Non-Executive Director
Mr Charles McVeigh III	Non-Executive Director
Ms Rachel English	Non-Executive Director

27 April 2012

To shareholders

Dear Shareholder

Annual General Meeting 2012

I am writing to inform you that the Annual General Meeting (the AGM) of Petropavlovsk PLC will be held at 12 noon on Thursday, 31 May 2012 at 11 Grosvenor Place, Belgravia, London SW1X 7HH. The formal Notice of the AGM and resolutions to be proposed are set out on pages 6 to 9 of this document.

Resolutions to be proposed at the AGM

Resolutions 1 to 19 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 20 to 22 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 2011 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 2011 which is on pages 108 to 120 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.

Dividend (Resolution 3)

A final dividend of 7 pence per Ordinary Share is recommended by the Directors for payment to shareholders on the register of members of the Company at close of business on 29 June 2012. Subject to approval of shareholders at the AGM, this dividend will be paid on 26 July 2012.

Auditors (Resolutions 4 and 5)

The Company is required at each Annual 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 4 re-appoints Deloitte LLP as auditors to the Company.

Resolution 5 authorises the Directors to determine the remuneration of Deloitte LLP as auditors to the Company.

Re-appointment of Directors (Resolutions 6 to 8)

Dr David Humphreys, who was appointed as a Director of the Company on 24 August 2011, Mr Sergey Ermolenko, who was appointed as Chief Executive Officer and a Director of the Company on 20 December 2011 and Ms Rachel English who was appointed as a Director on 28 March 2012, retire in accordance with Article 84 of the Company's Articles of Association and, being eligible, offer themselves for re-appointment.

The Board considers that Dr David Humphreys, Mr Sergey Ermolenko and Ms Rachel English demonstrate commitment and effectiveness in their role. The Board has 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 Dr David Humphreys, Mr Sergey Ermolenko and Ms Rachel English, and given that they are eligible for reappointment, the Board recommends their re-appointment.

Re-election of Directors (Resolution 9 to 17)

The Company's Articles of Association also require one-third of the current Directors to retire by rotation at every Annual General Meeting. However, the Company has adopted the requirements of the UK Corporate Governance Code (June 2010) (formerly the UK Combined Code) in relation to Directors' appointments and in particular the annual re-election of all Directors. Therefore, in accordance with provision B.7.1 of the UK Corporate Governance Code, all of the other Directors will retire at the AGM and, being eligible, offer themselves up for re-election.

Biographical details of each of the proposed candidates for re-election can be found on pages 88 to 89 and on page 92 of the Company's Annual Report and Accounts. The Board has determined that, in its judgement, all of the Non-Executive Directors being proposed for re-election meet the independence criteria prescribed in the UK Corporate Governance Code as all are independent in character and judgement and there are no relationships or circumstances which are likely to affect, or could appear to affect, their judgement.

In March 2012 the Board completed an annual formal performance evaluation of its performance and that of its Committees and individual Directors. Following that evaluation, I am satisfied that the performance of each Director continues to be effective and they continue to demonstrate commitment to their role. Following the assessment of my performance led by Dr Birch, as the senior independent Non-Executive Director, the Board has confirmed to me that it is satisfied with my performance as Chairman and that my other commitments do not restrict me from carrying out my duties effectively. More information about these matters can be found on page 103 of the Corporate Governance Report in the Company's Annual Report and Accounts.

Special Business

Increasing the Company's borrowing powers (Resolution 18)

Currently the Company's Articles of Association provide for a borrowing restriction which requires the Directors to limit the borrowings of the Group to US\$700,000,000 (as determined in accordance with Article 112.2 of the Articles of Association of the Company) and not to exceed such limit without the previous sanction of the shareholders by way of an ordinary resolution of the Company.

At last year's Annual General Meeting on 19 May 2011 shareholders passed an ordinary resolution to permit the then current limit to be exceeded up to a maximum borrowing limit of US\$1,500,000,000. Given the Company's decision to accelerate its capital investment programme, which brought the expansion of process facilities and consequent additional production into 2011 and 2012, and the planned expenditure on the development of IRC's mining activities at K&S, the Directors decided that it would be prudent to request a sanction from shareholders, by means of an Ordinary Resolution, to increase the limit from the current maximum of US\$1,500,000,000 (one and a half billion US Dollars) approved by shareholders at last year's Annual General Meeting. As at 31 December 2011, the Group's total borrowings were US\$1,006.8m (2010: US\$492.1m).

In addition to the normal level of borrowing, the maximum amount would need to allow sufficient flexibility to provide normal liquidity headroom. The Directors believe that the appropriate borrowing limit should be US\$2,000,000,000 (two billion US Dollars).

Accordingly the ordinary resolution set out at Resolution 18 in the Notice of the Annual General Meeting seeks shareholder approval to permit the current limit to be exceeded up to a maximum borrowing limit of US\$2,000,000,000 (two billion US Dollars) as permitted under Article 112.2 of the Articles of Association of the Company.

Authority of Directors to allot Ordinary Shares (Resolution 19)

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 of the Companies Act 2006 (the Act). Upon the passing of Resolution 19, the Directors will have authority to allot shares up to an aggregate nominal amount of a maximum of £619,938 which is approximately 33% of the current issued ordinary share capital as at 18 April 2012, being the latest practicable date before the publication of this Notice. This authority will expire immediately following the Annual General Meeting in 2013 or on 30 June 2013, whichever is earlier.

The Directors will continue to seek to renew this authority at each Annual General Meeting, 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.

Disapplication of pre-emption rights (Resolution 20)

If the Directors wish to exercise the authority under Resolution 19 and offer shares (or sell any shares which the Company may purchase and elect to hold as treasury shares) for cash, the Act 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 20 would authorise the Directors to do this by allowing the Directors to allot shares for cash (i) (a) by way of a rights issue (subject to certain exclusions), and (b) 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 (ii) otherwise than in pursuant to (i) up to an aggregate nominal value of £93,930, which is equivalent to approximately 5% of the issued share capital of the Company as at 18 April 2012, 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 2013 or on 30 June 2013, if earlier. The Directors intend to renew such power at successive Annual General Meetings in accordance with current best practice. The Directors will have due regard to institutional guidelines in relation to any exercise of this power, in particular the requirement for advance consultation and explanation before making any non pre-emptive cash issue pursuant to this resolution which exceeds 7.5% of the Company's issued share capital in any rolling three year period. The Directors have no current plans to allot shares, except in connection with employee share schemes.

As at 18 April 2012, being the latest practicable date before the publication of this Notice, the Company held no equity securities in treasury.

Authority to purchase shares (Resolution 21)

This Resolution is to authorise the Company to buy back up to 9,393,005 Ordinary Shares. The authority would expire at the conclusion of the 2013 Annual General Meeting or, if earlier, 18 months following the Resolution being passed, namely 30 November 2013. 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% of the Company's issued ordinary share capital as at 18 April 2012, 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 Act 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 Act, 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 20) 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 21, 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.

Notice Period for meetings (Resolution 22)

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 22 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 29 May 2012. You may also submit your appointment of a 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 29 May 2012. 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 9,042,648 Ordinary Shares, representing approximately 4.8% 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, Belgravia, 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 am until the conclusion of the AGM:

- Executive Directors' service contracts;
- Letters of appointment of the Non-Executive Directors;
- Memorandum and Articles of Association of the Company

Petropavlovsk PLC

Notice of Annual General Meeting

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

NOTICE IS HEREBY GIVEN that the tenth Annual General Meeting of the Company will be held at 12 noon on Thursday 31 May 2012 at 11 Grosvenor Place, Belgravia, London SW1X 7HH (**Notice**) for the following purposes:

Ordinary Business:

To consider and if thought fit to pass each of the following resolutions as an ordinary resolution:

- 1 To receive and adopt the report of the Directors and the audited accounts of the Company for the year ended 31 December 2011 together with the report of the auditors.
- 2 To receive and approve the Directors' Remuneration Report for the year ended 31 December 2011.
- 3 To declare a final dividend for the year ended 31 December 2011.
- 4 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 meeting.
- 5 To authorise the Directors to determine the remuneration of the auditors.
- 6 To re-appoint Dr David Humphreys, who was appointed during the year and retires pursuant to Article 84 of the Company's Articles of Association and who, being eligible, offers himself for re-appointment as a Director.
- 7 To re-appoint Mr Sergey Ermolenko, who was appointed during the year and retires pursuant to Article 84 of the Company's Articles of Association and who, being eligible, offers himself for re-appointment as a Director.
- 8 To re-appoint Ms Rachel English, who was appointed during the year and retires pursuant to Article 84 of the Company's Articles of Association and who, being eligible, offers herself for re-appointment as a Director.
- 9 To re-elect Mr Peter Hambro, who retires and, being eligible, offers himself for re-election as a Director.
- 10 To re-elect Dr Alfiya Samokhvalova, who retires and, being eligible, offers herself for re-election as a Director.
- 11 To re-elect Mr Andrey Maruta, who retires and, being eligible, offers himself for re-election as a Director.
- 12 To re-elect Mr Martin Smith, who retires and, being eligible, offers himself for re-election as a Director.
- 13 To re-elect Dr Graham Birch who retires and, being eligible, offers himself for re-election as a Director.
- 14 To re-elect Sir Malcolm Field who retires and, being eligible, offers himself for re-election as a Director.
- 15 To re-elect Lord Guthrie who retires and, being eligible, offers himself for re-election as a Director.

- 16 To re-elect Sir Roderic Lyne who retires and, being eligible, offers himself for re-election as a Director.
- 17 To re-elect Mr Charles McVeigh who retires and, being eligible, offers himself for re-election as a Director.

Special Business:

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

THAT sanction be and is hereby given to the Directors permitting the aggregate principal amount at any time outstanding in respect of moneys borrowed by the Group (as defined in Article 112.2 of the Articles of Association of the Company (**Articles**)) to exceed the limit imposed on them by Article 112.2, provided that the sanction hereby given shall not extend to permit the aggregate principal amount at any time outstanding in respect of moneys borrowed by the Group to exceed an amount equal to US\$2,000,000,000 (two billion US Dollars).

- 19 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 of the Companies Act (**Act**) 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 up to an aggregate nominal amount of £619,938 during the period commencing on the date of the passing of this Resolution and expiring at the conclusion of the Annual General Meeting of the Company in 2013 or 30 June 2013, whichever is 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.

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

THAT, subject to the passing of Resolution 19 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 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by this Resolution, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

- (i) the allotment of equity securities in connection with an offer of equity securities:
 - (a) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (b) 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 or securities represented by depository receipts, 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; and

- (ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal amount of £93,930;

provided that this authority expires at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution or 30 June 2013, whichever is 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.

- 21 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 of the Act, to make market purchases (within the meaning of section 693(4) of the Act) 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 9,393,005;
- (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% 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 30 November 2013 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 a general meeting; and
- (e) the Company may at any time prior to the expiry of such authority enter into a contract or contracts under which a purchase of Ordinary Shares under such authority which will or may be completed or executed wholly or partly after the expiration of such authority and the Company may purchase Ordinary Shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

- 22 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 27 April 2012

By Order of the Board
Amanda Whalley
Company Secretary

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

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 AGMs will be admitted to the meeting without the 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. Amended instructions must also be received by the Company's Registrars by the deadline for receipt of proxy forms.
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. 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 (during normal business hours) 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 the 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 the 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 the Company's registrar on the Capita Telephone Helpline on 0871664 0300 (calls cost 10p per minute plus extras, lines are open 8.30am-5.30pm Mon-Fri) or if you are calling from overseas please call 0044 208 639 3399.
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 Act (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 360B of the Act, the Company has specified that only those members registered on the register of members of the Company at 6.00 pm on 29 May 2012 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 pm on 29 May 2012 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 31 May 2012 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.
12. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (**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.
13. 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 (www.euroclear.com/CREST).
14. 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 (as amended). For further information relating to the CREST proxy system, please refer to the CREST Manual.

15. A corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a 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. 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.
16. 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% 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.
17. 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.
18. As at 18 April 2012, being the latest practicable date before the publication of this Notice of AGM, the Company's issued share capital consisted of 187,860,093 Ordinary Shares carrying one vote each. Therefore, the total voting rights in the Company as at 18 April 2012 are 187,860,093 Ordinary Shares.
19. 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 18 April 2012, being the latest practicable date before the publication of this Notice of AGM, and, if applicable, any members' matters of business received after the publication of this Notice of AGM can be found on the Company's website at <http://www.petrodavlovsk.net>.
20. Copies of the service agreements and letters of appointment between the Company and its Directors referred to in Resolutions 6 to 17 will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and any Bank Holidays excluded) until the date of the AGM and also on the date and at the place of the AGM from at least 30 minutes prior to the AGM through to its conclusion.
21. Under section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:
- (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting; or
 - (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act.
- The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.
22. Shareholders are advised that, unless otherwise stated, any telephone number, website and email address set out in this Notice, the form of proxy, or Chairman's letter should not be used to communicate with the Company (including the service of documents or information relating to the proceedings at the AGM).

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