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If you have sold or otherwise transferred all of your shares in Nostrum Oil & Gas plc (“**Nostrum**” 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 part only of your holding in shares in Nostrum you should retain this document and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.



**NOSTRUM OIL & GAS PLC**

*(Incorporated in England and Wales with Registered No. 8717287)*

**Notice of Annual General Meeting**

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The Notice of the Annual General Meeting (“**AGM**”) of Nostrum to be held at the offices of White & Case LLP, 5 Broad Street, London, EC2N 1DW on Tuesday 26 May 2015 at 11:00 a.m. (BST) (12:00 p.m. (CET)) is set out at the end of this document. The Form of Proxy for use in relation to the AGM is enclosed. Whether or not you propose to attend the AGM you are requested to complete the Form of Proxy in accordance with the instructions printed thereon and to return it to the Company’s Registrar, Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF as soon as possible but in any event, to be valid, it must be completed and returned so as to arrive no later than 11:00 a.m. (BST) (12:00 p.m. (CET)) on Thursday 21 May 2015.

**A summary of the action to be taken by Shareholders is set out in the notes to the Notice of the AGM set out at the end of this document. The return of one or more completed Forms of Proxy will not prevent you from attending the AGM and voting in person if you wish to do so (and are so entitled).**

## **EXPECTED TIMETABLE**

Date of this Document	13 April 2015
Last time and date of receipt of Form of Proxy	11:00 a.m. (BST) (12:00 p.m. (CET)) on Thursday 21 May 2015
Annual General Meeting	11:00 a.m. (BST) (12:00 p.m. (CET)) on Tuesday 26 May 2015

## DEFINITIONS AND GLOSSARY OF TERMS

The following definitions apply throughout this document unless the context requires otherwise (in addition to the terms defined in the text):

<b>2014 Annual Report</b>	the Company's annual report for the financial year ended 31 December 2014
<b>Act</b>	the Companies Act 2006 (as amended)
<b>AGM</b>	the annual general meeting of the Company for which the notice is set out at the end of this document, or any reconvened meeting following adjournment thereof
<b>Auditor</b>	Ernst & Young LLP
<b>Board</b>	the board of Directors of the Company
<b>Capita</b>	Capita Asset Services
<b>Company or Nostrum</b>	Nostrum Oil & Gas plc
<b>Directors</b>	the directors of the Company, whose names are set out on page 3
<b>FCA</b>	Financial Conduct Authority
<b>Form of Proxy</b>	the enclosed form of proxy for use by Shareholders in connection with the AGM
<b>Listing Rules</b>	the Listing Rules of the FCA
<b>Ordinary Shares</b>	ordinary shares of £0.01 each in the capital of the Company
<b>Shareholder</b>	a holder of Ordinary Shares
<b>Resolutions</b>	all resolutions to be put to the Annual General Meeting as set out in the notice of Annual General Meeting on page 5 of this document
<b>United Kingdom or UK</b>	United Kingdom of Great Britain and Northern Ireland
<b>£ and p</b>	pounds Sterling and pence Sterling respectively

All references in this document to laws and regulations are to English laws and regulations, unless otherwise stated, or as the context otherwise requires.

## CHAIRMAN'S LETTER



### NOSTRUM OIL & GAS PLC

*(Incorporated in England and Wales with Registered No. 8717287)*

4th Floor, 53-54 Grosvenor Street, London, W1K 3HU, United Kingdom

#### *Directors:*

Frank Monstrey	Executive Chairman
Kai-Uwe Kessel	Chief Executive Officer
Jan-Ru Muller	Chief Financial Officer
Eike von der Linden	Senior Independent Non-Executive Director
Atul Gupta	Independent Non-Executive Director
Sir Christopher Codrington, Bt.	Independent Non-Executive Director
Mark Martin	Independent Non-Executive Director
Piet Everaert	Non-Executive Director
Pankaj Jain	Non-Executive Director

*Company Secretary*

Thomas Hartnett

13 April 2015

Dear Shareholder

### **Annual General Meeting of the Company**

I am pleased to enclose the Notice of Meeting for the Company's first Annual General Meeting. The AGM will be held at the offices of White & Case LLP, 5 Old Broad Street, London, EC2N 1DW on Tuesday 26 May 2015 at 11:00 a.m. (BST) (12:00 p.m. (CET)). The notice convening the AGM is set out on page 5 of this document. The purpose of this letter is to provide you with an explanation of the Resolutions to be proposed at the AGM.

All Resolutions apart from Resolutions 18 to 21 are proposed as ordinary resolutions. For each of these to be passed, more than half the votes cast at the meeting must be in favour of the Resolution. Resolutions 18 to 21 are proposed as special resolutions. For each of these to be passed, at least three-quarters of the votes cast must be in favour of the Resolution. Voting on all Resolutions to be proposed at the AGM will be by way of a poll.

The AGM is an opportunity for Shareholders to express their views directly with the Board and I hope that you will take the opportunity to do so. If you would like to vote on the resolutions but cannot attend the AGM, please complete the Form of Proxy enclosed with this document and return it to our registrars, Capita Asset Services PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, by 11:00 a.m. (BST) (12:00 p.m. (CET)) on Thursday 21 May 2015. If you hold your shares through a nominee service, please contact the nominee service provider regarding the process for appointing a proxy.

Explanatory notes on all the business to be considered at this year's AGM appear on pages 9 to 12 of this document.

A resolution to receive the Directors' Report and the Financial Statements for the year ended 31 December 2014 is included as an ordinary resolution (resolution 1).

An advisory resolution to approve the Directors' Remuneration Report (in line with regulations that came into force in October 2013) is proposed together with a binding resolution to approve the Directors' Remuneration Policy, which is a new requirement (resolutions 2 and 3, respectively). The Directors' Remuneration Report

can be found on pages 82 to 86 of the 2014 Annual Report and the Directors' Remuneration Policy can be found on pages 87 to 91 of the 2014 Annual Report.

Shareholders are being asked to approve a final dividend of \$0.27 cents per Ordinary Share, payable in sterling, for the year ended 31 December 2014 (resolution 4). If the recommended dividend is approved, this will be paid on 26 June 2015 to all Shareholders who were on the register of members on 5 June 2015.

As this is the first AGM of the Company all Directors will stand for appointment to the Board (resolutions 5 to 13).

Resolution 14 recommends the re-appointment of Ernst & Young as auditors to the Company and Resolution 15 proposes that the Directors be authorised to set their remuneration.

The Company is also seeking to take advantage of the provisions of the Act to allow electronic communications with Shareholders, including making important documents available through its website, and an ordinary resolution authorising this is included in the Notice of Meeting (resolution 16).

Resolutions 17 and 18 relate to the Directors' authority to issue shares. Resolution 17 seeks to renew the Directors' general authority to allot shares, while resolution 18 relates to the ability to issue new shares for cash other than in accordance with statutory pre-emption rights. The authority sought under each resolution is in line with current institutional shareholder body guidelines.

In addition, a resolution is proposed to retain a notice period of 14 days for general meetings (other than an annual general meeting, which has a longer notice period) (resolution 19).

The Company is seeking authority to make market purchases of its own shares up to an aggregate of 18,600,000 shares (resolution 20). The Company is also seeking authority to make off-market purchases of its own shares, in connection with the potential purchase of shares from the Company's employee benefit trust, up to an aggregate of 18,600,000 shares (resolution 21), provided that the maximum number of shares that may be acquired pursuant to the authorities granted by resolutions 20 and 21 is capped at 18,600,000 shares (i.e. a total of just under 10% of the Company's issued share capital).

### **Recommendation**

The Directors consider that all the proposals to be considered at the AGM are in the best interests of the Company and its Shareholders as a whole and are most likely to promote the success of the Company. The Directors unanimously recommend that you vote in favour of all the proposed resolutions as they intend to do in respect of their own beneficial holdings.

### **Action to be taken**

Shareholders will find enclosed with this document a Form of Proxy for use in connection with the AGM. Shareholders, whether or not they propose to attend the AGM in person, are requested to complete, sign and return the enclosed Form or Proxy, in accordance with the instructions printed thereon, so as to be received by the Company's registrars, Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF as soon as possible and, in any event, no later than 11 a.m. (BST) (12:00 p.m. (CET)) on Thursday 21 May 2015. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting at the AGM in person if they wish to do so (and are so entitled).

Yours faithfully,

Frank Monstrey

*Chairman*

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY** given that the first Annual General Meeting of the Company will be held at the offices of White & Case LLP, 5 Old Broad Street, London, EC2N 1DW on Tuesday 26 May 2015 at 11:00 a.m. (BST) (12:00 p.m. (CET)).

You will be asked to consider and vote on the resolutions below. Voting on all resolutions will be by way of a poll. Resolutions 1 to 17 will be proposed as ordinary resolutions; this means that for each of those ordinary resolutions to be passed, more than half of the votes cast must be in favour. Resolutions 18 to 21 will be 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.

### ORDINARY RESOLUTIONS

#### Reports and Accounts

1. To receive the Company's annual accounts for the financial year ended 31 December 2014 together with the Directors' report and the auditor's report on those accounts.

#### Directors' Remuneration Report

2. To approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) set out on pages 82 to 86 of the Company's annual report and accounts for the financial year ended 31 December 2014.

#### Directors' Remuneration Policy

3. To approve the Directors' Remuneration Policy set out on pages 87 to 91 of the Company's annual report and accounts for the financial year ended 31 December 2014, which takes effect immediately after the AGM on 26 May 2015.

#### Final Dividend

4. To declare a final dividend of \$0.27 cents per Ordinary Share, payable in sterling, in respect of the year ended 31 December 2014.

#### Appointment of Directors

5. To appoint Mr Monstrey as a director of the Company who was appointed by the Board on 3 October 2013.
6. To appoint Mr Kessel as a director of the Company who was appointed by the Board on 3 October 2013.
7. To appoint Mr Muller as a director of the Company who was appointed by the Board on 3 October 2013.
8. To appoint Mr von der Linden as a director of the Company who was appointed by the Board on 19 May 2014.
9. To appoint Mr Everaert as a director of the Company who was appointed by the Board on 19 May 2014.
10. To appoint Mr Martin as a director of the Company who was appointed by the Board on 19 May 2014.

11. To appoint Sir Christopher Codrington, Bt. as a director of the Company who was appointed by the Board on 19 May 2014.
12. To appoint Mr Gupta as a director of the Company who was appointed by the Board on 19 May 2014.
13. To appoint Mr Jain as a director of the Company who was appointed by the Board on 19 May 2014.

#### **Reappointment of Auditors**

14. To reappoint Ernst & Young LLP as auditor of the Company, to hold office from the conclusion of this meeting for a period that may continue until the conclusion of the next general meeting at which the accounts are laid before the Company.

#### **Auditor's Remuneration**

15. To authorise the Audit Committee to determine the remuneration of the Auditor.

#### **Electronic Communications**

16. THAT the Company be authorised, subject to and in accordance with the provisions of the Act to send, convey or supply all types of notices, documents or information to Shareholders by electronic means, including making such notices, documents or information available on a website.

#### **Authority to allot Ordinary Shares**

17. THAT, in accordance with section 551 of the Act, the Directors be generally and unconditionally authorised to allot Relevant Securities (as defined in the notes to this resolution):
  - a) comprising equity securities (as defined by section 560 of the Act) up to an aggregate nominal amount of £1,240,000.00 (such amount to be reduced by the nominal amount of any Relevant Securities allotted pursuant to the authority in paragraph 17b) below) in connection with an offer by way of a rights issue:
    - i. to holders of Ordinary Shares in proportion (as nearly as may be practicable) to their respective holdings; and
    - ii. to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

- b) in any other case, up to an aggregate nominal amount of £620,000.00 (such amount to be reduced by the nominal amount of any equity securities allotted pursuant to the authority in paragraph 17a) above in excess of £620,000.00),

provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the conclusion of the next annual general meeting of the Company or on 30 June 2016, whichever is earlier, save that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted and the Directors may allot Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot Relevant Securities but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

## **SPECIAL RESOLUTIONS**

### **Authority to dis-apply pre-emption rights**

18. THAT subject to the passing of resolution 17, and in accordance with section 570 of the Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the Act) for cash, either pursuant to the authority conferred by resolution 17 or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

- a) the allotment of equity securities in connection with an offer of equity securities (but, in the case of the authority granted under resolution 17, by way of a rights issue only):
  - i. to the holders of Ordinary Shares in proportion (as nearly as may be practicable) to their respective holdings; and
  - ii. to the holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, records dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

- b) the allotment (otherwise than pursuant to paragraph 18 a) above) of equity securities up to an aggregate nominal amount of £94,000.00.

The power granted by this resolution will expire at the conclusion of the next annual general meeting of the Company or on 30 June 2016, whichever is earlier, save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

### **Notice of general meetings, other than annual general meetings**

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

### **Purchase of own shares**

20. THAT the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Act) of Ordinary Shares of £0.01 each provided that:

- a) The maximum aggregate number of Ordinary Shares that may be purchased under either market purchases (within the meaning of section 693(4) of the Act) or off-market purchases (within the meaning of section 693(2) of the Act) (as approved by resolution 21) is 18,600,000.
- b) The minimum price (excluding expenses) that may be paid for each Ordinary Share is £0.01 (the nominal value thereof).
- c) The maximum price (excluding expenses) which may be paid for each Ordinary Share is the higher of:



- i. 105 per cent of the average market value of an Ordinary Share in the Company, as derived from the London Stock Exchange Daily Official List for the five business days prior to the day the purchase is made; and
- ii. the value of an Ordinary Share calculated on the basis of the higher of the price quoted for:
  1. the last independent trade of; and
  2. the highest current bid for,

any number of the Company's Ordinary Shares on the trading venue where the purchase is carried out.

The authority conferred by this resolution shall expire at the conclusion of the next annual general meeting of the Company or on 30 June 2016, whichever is earlier, save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase Ordinary Shares which will or may be executed wholly or partly after the expiry of such authority.

#### **Off-market purchase of shares**

21. THAT the Company authorises, pursuant to section 694(2) of the Act, the terms of the contract (as set out in the memorandum as made available for inspection in accordance with section 696(2)(b) of the Act) to be entered into between the Company and Elian Employee Benefit Trustee Limited, as trustee of the Nostrum Oil & Gas Benefit Trust, under which the Company may make off-market purchases (within the meaning of section 693(2) of the Act) of its own shares provided that the maximum number of Ordinary Shares that may be purchased, when aggregated with any market purchases (within the meaning of section 693(4) of the Act) (as approved by resolution 20) is 18,600,000.

The authority conferred by this resolution shall expire at the conclusion of the next annual general meeting of the Company or on 30 June 2016, whichever is earlier, save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase Ordinary Shares which will or may be executed wholly or partly after the expiry of such authority.

Dated 13 April 2015

By order of the Board

Thomas Hartnett  
*Company Secretary*

*Registered office:*  
53-54 Grosvenor Street, London, W1K 3HU

## **EXPLANATION OF RESOLUTIONS**

### **RESOLUTION 1 – TO RECEIVE THE REPORT AND ACCOUNTS**

The Directors are required to present the accounts, Directors' report and auditor's report to the meeting. These are contained in the Company's Annual Report and Financial Statements for the year ended 31 December 2014.

### **RESOLUTION 2 – TO APPROVE THE DIRECTORS' REMUNERATION REPORT**

The Directors' Remuneration Report for the year ended 31 December 2014 is submitted for approval by the Shareholders a copy of which can be found on pages 82 to 86 in the 2014 Annual Report. The report gives details of the Directors' remuneration for the year ended 31 December 2014. The Auditors have audited those parts of the Directors' Remuneration Report capable of being audited. Resolution 2 is an advisory vote.

### **RESOLUTION 3 – TO APPROVE THE DIRECTORS' REMUNERATION POLICY**

The Directors' Remuneration Policy, which appears on pages 87 to 91 in the 2014 Annual Report is submitted for approval by the Shareholders.

A new requirement has been introduced under section 439A of the Act which requires a separate resolution on the remuneration policy part of the Directors' Remuneration Report to be put to a vote by Shareholders. The vote is binding which means that payments cannot be made under the policy until it has been approved by Shareholders. If approved by Shareholders, the remuneration policy will become effective immediately following the AGM and any payment not in line with the approved remuneration policy will require a separate ordinary resolution to be put to a general meeting.

The Directors' Remuneration Policy must be put to Shareholders at least every three years, unless during that time it is to be changed.

### **RESOLUTION 4 TO DECLARE A FINAL DIVIDEND**

The Board proposes a final dividend of \$0.27 cents per Ordinary Share, payable in sterling, for the year ended 31 December 2014. If approved, the recommended final dividend will be paid on 26 June 2015 to all Shareholders who are on the register of members on 5 June 2015. The shares will be marked ex-dividend on 4 June 2015.

### **RESOLUTION 5 TO 13 APPOINTMENT OF DIRECTORS**

The Company's Articles of Association require that any Director appointed by the Board shall retire and seek appointment at their first AGM. This being the Company's first AGM, all Directors will seek appointment by Shareholders. In subsequent years, all members of the Board wishing to continue their appointment will seek re-appointment at the AGM in accordance with Provision B.7.1 of the UK Corporate Governance Code.

The Board has reviewed the role of each of the Directors and remains satisfied that each of the Directors continues to be fully competent to carry out his responsibilities as a member of the Board and that each such Director's performance continues to be effective and demonstrates commitment to the role. Biographies of each of the Directors can be found on pages 64 to 65 of the 2014 Annual Report.

### **RESOLUTION 14 RE-APPOINTMENT OF AUDITORS**

At each meeting at which the Company's accounts are presented to its members, the Company is required to appoint an auditor to serve until the next such meeting. Ernst & Young LLP (Kazakhstan) served as the auditor of Nostrum's predecessor group of companies from 2007 and has continued to audit Zhaikmunai LLP, a wholly-owned subsidiary of the Company and its principal operating subsidiary, since 2014. Ernst & Young LLP (UK) was appointed as the Group's external auditor on 19 May 2014. Given the guidance contained under provision C.3.7 of the UK Corporate Governance

Code, which provides that companies should put their external audit contract out to tender at least once every ten years, the Board has agreed that, given the length of time during which Ernst & Young has been involved in providing audit services to the Group, the Audit Committee should conduct a tender for the external auditor appointment which will take effect from the end of Q3 2015.

In the meantime the Board, on the recommendation of the Audit Committee, recommends to the members the re-appointment of Ernst & Young LLP as the Company's auditors for a period ending not earlier than the conclusion of the Q3 2015 financial statements and subject thereafter to the results of the proposed tender.

#### **RESOLUTION 15 AUDITORS REMUNERATION**

This resolution seeks Shareholder consent for the Directors of the Company to set the remuneration of the Auditors, on the recommendation of the Audit Committee.

#### **RESOLUTION 16 ELECTRONIC COMMUNICATIONS**

This resolution seeks to allow the Company to take advantage of the electronic communications rules in the Act. These rules concern communications between companies, shareholders and others.

The resolution, if passed, would allow the Company to use electronic communications with Shareholders as a default position by placing documents such as the annual financial report and accounts on its website rather than having to send them in hard copy. The Company will notify Shareholders, by post or email if they have provided an email address, that the document is available on the website. Shareholders can, however, request a hard copy of any document at any time.

Under the Act, the Company can write to Shareholders asking for their consent to receive communications via the Company's website, or by other electronic means. Such request may apply to all documents including but not limited to, the annual financial report and accounts, notices of general meetings, any document which the Company is required to send to Shareholders under the Listing Rules, or other rules the Company is subject to, and any documents sent pursuant to the Articles of Association. Any Shareholder who does not respond within 28 days of receiving such request will be deemed to have consented to use of the website and to receiving documents via electronic means.

If this resolution is passed, the new arrangements are expected to result in potential administrative, printing and postage cost savings for the Company, whilst preserving Shareholders' rights to receive hard copy documents if they wish.

#### **RESOLUTION 17 AUTHORITY TO ALLOT ORDINARY SHARES**

The Company's Directors may only allot Ordinary Shares or grant rights over Ordinary Shares if authorised to do so by the Shareholders. The authority granted at the general meeting of the Company held on 19 May 2014 under section 551 of the Act to allot relevant securities is due to expire at the conclusion of this year's AGM. Accordingly, this resolution seeks to renew the Directors' authority to allot Relevant Securities in accordance with section 551 of the Act.

Resolution 17 complies with the Investment Management Association Share Capital Management Guidelines issued in July 2014.

If passed, the resolution will authorise Directors to allot: (i) in relation to a pre-emptive rights issue only, equity securities (as defined by section 560 of the Act) up to a maximum nominal amount of £1,240,000.00 which represents approximately 66% of the Company's issued Ordinary Shares (excluding treasury shares) as at 10 April 2015 (the latest practicable date prior to the date of this document). This maximum is reduced by the nominal amount of any Relevant Securities allotted under the authority set out in paragraph 17b); and (ii) in any other case, Relevant Securities up to a maximum nominal amount of £620,000.00 which represents approximately 33% of the Company's issued Ordinary Shares (excluding treasury shares) as at 10 April 2015 (the latest practicable date prior to the date of this document). This maximum is reduced by the nominal amount of any equity securities allotted under the authority set out in paragraph 17a) in excess of £620,000.00.

The maximum nominal amount of Relevant Securities (including equity securities) that may be allotted under this resolution is £1,240,000.00.

As at close of business on 10 April 2015 (the latest practicable date prior to the date of this document), the Company did not hold any treasury shares.

The authority granted by this resolution will expire at the conclusion of the next annual general meeting of the Company or on 30 June 2016, whichever is earlier.

The Directors have no present intention of exercising this authority granted by this resolution, but the authority provides the flexibility to allow them to do so in the future. The Directors would not exercise the authority unless they believed that the expected effect would promote the success of the Company for the benefit of its Shareholders as a whole.

In this resolution, **Relevant Securities** means:

- a) shares in the Company, other than shares allotted pursuant to:
  - a. an employee share scheme (as defined in section 1166 of the Act);
  - b. a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or
  - c. a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security; and
- b) any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe or convert any security into shares allotted pursuant to an employee share scheme (as defined in section 1166 of the Act). References to the allotment of Relevant Securities in this resolution include the grant of such rights.

## **RESOLUTION 18 TO AUTHORISE DIRECTORS TO DIS-APPLY PRE-EMPTION RIGHTS**

This resolution will, if passed, give the Directors power, pursuant to the authority to allot granted by Resolution 17, to allot equity securities (as defined by section 560 of the Act) or sell treasury shares for cash without first offering them to existing Shareholders in proportion to their existing holdings (a) in relation to pre-emptive offers and offers to holders of other equity securities if required by the rights of those securities or as the Directors otherwise consider necessary, up to a maximum nominal amount of £620,000.00 which represents approximately 33% and, in relation to rights issues only, up to a maximum additional amount of £620,000.00 which represents approximately 33% of the Company's issued Ordinary Shares (excluding treasury shares) as at 10 April 2015 (the latest practicable date prior to the date of this document); and (b) in any other case, up to a maximum nominal amount of £9,400,000.00 which represents approximately 5% of the Company's issued Ordinary Shares (excluding treasury shares) as at 10 April 2015 (the latest practicable date prior to the date of this document). In compliance with the guidelines issued by the Pre-emption Group, the Directors, will ensure that, other than in relation to a rights issue, no more than 7.5% of the issued Ordinary Shares (excluding treasury shares) will be allotted for cash on a non pre-emptive basis over a rolling three year period unless Shareholders have been notified and consulted in advance.

This resolution complies with relevant guidance issued by the Pre-emption Group and the Investment Management Association.

The Board considers the authority in Resolution 18 to be appropriate in order to allow the Company flexibility to finance business opportunities or to conduct a pre-emptive offer or rights issue without the need to comply with the strict requirements of the statutory pre-emption provisions.

This authority will expire at the conclusion of the next annual general meeting of the Company or on 30 June 2016, whichever is earlier. It is the intention of the Director's to seek to renew this authority every year.

#### **RESOLUTION 19 NOTICE OF GENERAL MEETINGS OTHER THAN ANNUAL GENERAL MEETINGS**

Under the Act, the notice period required for all general meetings of the Company is 21 clear days. AGM's will always be held on at least 21 clear days' notice but Shareholders can approve a shorter notice period for other general meetings.

This resolution would, if passed, allow the Company flexibility to call general meetings, other than annual general meetings on not less than 14 clear days' notice. The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed.

#### **RESOLUTION 20 TO APPROVE THE PURCHASE OF THE COMPANY'S OWN SHARES**

This resolution seeks authority for the Company to make market purchases of its own Ordinary Shares and is proposed as a special resolution. If passed, the resolution gives authority for the Company to purchase up to 18,600,000 of its Ordinary Shares, representing just under 10 per cent of the Company's issued Ordinary Share capital (excluding treasury shares) as at 10 April 2015 (the latest practicable date prior to the date of this document). This maximum is reduced by the amount of any Ordinary Shares purchased under the authority set out in paragraph 21.

The resolution specifies the minimum and maximum prices which may be paid for any Ordinary Shares purchased under this authority. The authority will expire at the conclusion of the next annual general meeting of the Company or on 30 June 2016, whichever is earlier.

The Directors do not currently have any intention of exercising the authority granted by this resolution. The Directors will only exercise the authority to purchase Ordinary Shares where they consider that such purchases will be in the best interests of Shareholders generally and will result in an increase in earnings per Ordinary Share.

The Company may either cancel any shares it purchases under this authority or transfer them into treasury (and subsequently sell or transfer them out of treasury or cancel them).

#### **RESOLUTION 21 TO APPROVE THE OFF-MARKET PURCHASE OF THE COMPANY'S OWN SHARES**

This resolution seeks to authorise the terms of a contract to be entered into between the Company and Elian Employee Benefit Trustee Limited, as trustee of the Nostrum Oil & Gas Benefit Trust (the "EBT"), under which the Company may acquire from the trustee some or all of the Ordinary Shares currently held in the EBT. This purchase by the Company of its own shares will comprise an off-market purchase (within the meaning of section 693(2) of the Act). The terms of the contract are set out in a memorandum which will be made available for inspection by all Shareholders at the Company's registered office for not less than 15 days ending with the date of the AGM and at the meeting itself.

The authority will expire at the conclusion of the next annual general meeting of the Company or on 30 June 2016, whichever is earlier.

On 10 April 2015 (the latest practicable date prior to the date of this document), there were no options to subscribe for Ordinary Shares in the Company.

**The Board confirms that, in its opinion, all of the resolutions are in the best interests of the Shareholders of the Company as a whole and unanimously recommends that Shareholders vote in favour of them.**

## Notes:

1. Only those Shareholders registered in the Company's register of members at
  - (a) 11:00 a.m. (BST) (12:00 p.m. (CET)) on Thursday 21 May 2015; or
  - (b) if this meeting is adjourned, at 11:00 a.m. (BST) (12:00 p.m. (CET)) on the day two days prior to the adjourned meeting,shall be entitled to attend and vote at the meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
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, will not prevent a member from attending the AGM and voting in person. Amended instructions must also be received by Capita, the Company's registrars, by the deadline for receipt of Forms of Proxy.
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 Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF; or by hand to: Capita Asset Services, 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](http://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 conditions of use set out on the website, [www.capitashareportal.com](http://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 0871 664 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 +44 208 639 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 p.m. (BST) (7:00 p.m. (CET)) on Thursday 21 May 2015 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. (BST) (7:00 p.m. (CET)) on Thursday 21 May 2015 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 Tuesday 26 May 2015 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](http://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 Asset Services 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](http://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). 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. Shareholders may change proxy instructions by submitting a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy form and would like to change the instructions using another hard-copy proxy form, please contact Capita Telephone Helpline on 0871 664 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 +44 208 639 3399.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

17. 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 Conduct 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 Conduct Authority.

18. 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 of the Company or the good order of the AGM that the question be answered.
19. As at 10 April 2015, being the latest practicable date before the publication of this Notice, the Company's issued capital consisted of 188,182,958 Ordinary Shares carrying one vote each. Therefore, the total voting rights in the Company as at 10 April 2015 are 188,182,958 Ordinary Shares.
20. 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 10 April 2015, being the latest practicable date before the publication of this Notice, and, if applicable, any members' matters of business received after the publication of this Notice can be found on the Company's website at <http://www.nostrumoilandgas.com>.
21. 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).
22. Under section 527 of the Act, Shareholders 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 AGM; or (ii) any circumstances 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 Shareholders 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 AGM includes any statement that the Company has been required under section 527 of the Act to publish on a website.