

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should consult an appropriate independent financial adviser. If you have sold or otherwise transferred all your Ordinary Shares in Premier Oil plc you should forward this document and 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.

PREMIER OIL PLC

Letter from the Chairman and Notice of Annual General Meeting

16 April 2012

Dear Shareholder

I am pleased to attach the Notice of the Annual General Meeting of Premier Oil plc (the "Company") to be held at the Institute of Directors, 116 Pall Mall, London SW1Y 5ED at 11.00am on Friday 18 May 2012. A form of proxy for use at the Annual General Meeting has also been enclosed. If you would like to vote on the resolutions but cannot come to the Annual General Meeting, please fill in the form of proxy and return it to the Company's Registrars at PXS, 34 Beckenham Road, Beckenham, BR3 4TU as soon as possible. To be effective, forms of proxy must be lodged by 11.00am on Wednesday 16 May 2012. You may also submit your proxy electronically via the internet. Instructions on how to do this can be found on the form of proxy.

At this year's Annual General Meeting there are 18 resolutions which the shareholders are asked to approve. Resolutions 1 to 15 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 16 to 18 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. An explanation of each of these resolutions is given below.

Resolution 1

The Board will present the Report of the Directors, the Auditors' Report and the Financial Statements of the Company for the year ended 31 December 2011 for adoption by the Company.

Resolution 2

The Remuneration Report is included in the Annual Report and Financial Statements on pages 62 to 82. It is submitted to the members for a vote as required by the Companies Act 2006. The vote is advisory only and will not require the Company to alter any arrangements detailed in the report should the resolution not be passed.

Resolutions 3 – 13

The UK Corporate Governance Code states that all directors of FTSE 350 companies should be subject to annual election by shareholders. All the directors of the Company are submitting themselves for re-election by the shareholders. Short biographical details of all directors are set out on page 45 of the Annual Report and Financial Statements. The Board considers that all non-executive directors are independent in character and judgement. In addition, and following individual performance evaluations conducted during the year, the Board considers that each director continues to make an effective and valuable contribution and demonstrates commitment to the role. Accordingly, the Board unanimously recommends the re-election of each director.

Resolution 14

Resolution 14 seeks the re-appointment of Deloitte LLP as auditors of the Company in accordance with Section 489 of the Companies Act 2006. Deloitte LLP have advised their willingness to stand for re-appointment as auditors of the Company until the conclusion of the Annual General Meeting of the Company to be held in 2013. The directors recommend their re-appointment and seek authority to set their remuneration.

Resolution 15

Resolution 15 seeks authority for the Board to allot, or grant rights to subscribe for or convert securities into, a limited number of shares in the Company. Section 551 of the Companies Act 2006 requires such authority to be granted by the Company in a general meeting so that any allotment of shares or grant of rights to subscribe for or convert securities into shares is not exercised at the sole discretion of the directors. The resolution specifies the maximum nominal amount of shares which can be allotted or rights granted.

Part a) of this resolution authorises the directors to allot Ordinary Shares or grant rights to subscribe for or convert securities into shares up to an aggregate nominal amount equal to £22,041,305 (representing 176,330,440 Ordinary Shares of 12.5 pence each). This amount represents approximately one-third of the issued Ordinary share capital (excluding treasury shares) of the Company. An explanation of the calculation is given below.

In line with guidance issued by the Association of British Insurers ("ABI"), part b) of this resolution authorises the directors to allot Ordinary Shares or grant rights to subscribe for or convert securities into shares in connection with a rights issue in favour of Ordinary shareholders up to an aggregate nominal amount equal to £44,082,610, less the nominal amount of any shares issued under part a) of the resolution. This amount represents approximately two-thirds of the issued Ordinary share capital (excluding treasury shares) of the Company. An explanation of the calculation is given below.

The figure used for the nominal amount of issued Ordinary share capital of the Company is based on the Ordinary share capital in issue as at 10 April 2012. As at the date of this document, no Ordinary Shares are held by the Company in treasury. The directors have no present intention to exercise either of the authorities sought under this resolution but would like the flexibility to do so in appropriate circumstances. However, if they do exercise the authority under part b), the directors intend to follow ABI recommendations concerning its use (including as regards the directors standing for re-election in certain cases).

These authorities shall last until the conclusion of the Annual General Meeting of the Company to be held in 2013.

Resolution 16

If a company proposes to allot Ordinary Shares or other 'equity securities' (including any shares which the Company has purchased and has elected to hold as treasury shares) wholly for cash it has a statutory obligation (subject to certain exemptions) to offer those shares to holders of similar shares in proportion to their existing holdings. Resolution 16 seeks to disapply this statutory right of first refusal to a limited extent to give the directors some flexibility to raise capital through an issue of shares. This authority shall last until the conclusion of the Annual General Meeting of the Company to be held in 2013. Part a) of the resolution provides the directors with flexibility to deal with practical issues such as fractional entitlements and securities law restrictions in overseas jurisdictions. Part b) of the resolution contains a broader disapplication of pre-emption rights up to a maximum nominal amount of £3,306,195 which represents approximately 5 per cent of the issued Ordinary share capital of the Company. In accordance with the guidelines issued by the Pre-Emption Group of the ABI, the directors confirm their intention that no more than 7.5 per cent of the issued Ordinary share capital will be issued for cash on a non-pre-emptive basis during any rolling three-year period.

Resolution 17

Resolution 17 seeks authority for the Company to make market purchases of its own Ordinary Shares, which would otherwise be prohibited by the Companies Act 2006. The directors believe there may be times when it would be desirable to manage the Company's capital by buying back shares. However, the directors only intend to use the authority if they believe such purchases would be in the best interests of shareholders generally and will result in an increase in earnings per share. The resolution specifies the maximum number of shares that can be acquired (approximately 15 per cent of the issued Ordinary share capital (excluding treasury shares) of the Company) and the minimum and maximum prices at which they may be bought. Any shares purchased under the authority granted by the resolution will either be cancelled or may be held as treasury shares (see further below).

The minimum price, exclusive of expenses, which may be paid for an Ordinary Share is an amount equal to the nominal value of an Ordinary Share. The maximum price, exclusive of expenses, which may be paid for an Ordinary Share is the highest of (i) an amount equal to 5% above the average of the closing mid market price of an Ordinary Share for the five business days immediately preceding the date of the purchase, and (ii) that stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation, Commission Regulation (EC) of 22 December 2003.

If the Company were to purchase any of its own shares pursuant to the authority of resolution 17, it would consider holding them as treasury shares, provided that the number did not at any time exceed 10 per cent of the Company's issued Ordinary share capital. This would give the Company the ability to re-issue treasury shares quickly and cost-effectively, and would provide the Company with additional flexibility in the management of its capital base.

The total number of outstanding options to subscribe for Ordinary Shares in the Company is 368,400 which represents approximately 0.07 per cent of the issued Ordinary share capital of the Company (excluding any shares held as treasury shares). If the Company were to purchase the maximum number of Ordinary Shares permitted by the resolution and by the existing authority given at last year's Annual General Meeting, the options outstanding would represent approximately 0.08 per cent of the reduced issued Ordinary share capital (excluding any shares held as treasury shares). The authority will expire at the conclusion of the Annual General Meeting of the Company to be held in 2013.

Resolution 18

Resolution 18 is required to reflect the changes made to the Companies Act 2006 by the Companies (Shareholders' Rights) Regulations 2009 (the "Shareholders' Rights Regulations"). The Shareholders' Rights Regulations increased the notice period for general meetings of the Company to 21 clear days unless shareholders approve a shorter period, which cannot however be less than 14 clear days. Annual General Meetings of the Company will continue to be held on at least 21 clear days' notice.

A resolution was passed at the Company's last three Annual General Meetings, allowing the Company to call general meetings (other than an annual general meeting) on 14 clear days' notice. In order to preserve this ability, resolution 18 seeks approval by the Company's shareholders to continue to call such meetings on 14 clear days' notice. The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole. The approval will be effective until the conclusion of the Company's Annual General Meeting to be held in 2013, when it is intended that a similar resolution will be proposed.

The directors consider that the resolutions are in the best interests of the shareholders as a whole and recommend that you vote in favour of each of them, as they intend to do in respect of their own shareholdings.

Yours sincerely



Mike Welton
Chairman

Premier Oil plc

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 10th Annual General Meeting of Premier Oil plc (the "Company") will be held at the Institute of Directors, 116 Pall Mall, London SW1Y 5ED at 11.00am on Friday 18 May 2012, when the following business will be transacted:–

Ordinary Resolutions

1. To receive and adopt the Report of the Directors and the Financial Statements of the Company for the year ended 31 December 2011 together with the Auditors' Report thereon.
2. To approve the Remuneration Report of the Company for the year ended 31 December 2011.
3. To re-elect Mr R A Allan as a director of the Company, who retires in accordance with the UK Corporate Governance Code.
4. To re-elect Mr J Darby as a director of the Company, who retires in accordance with the UK Corporate Governance Code.
5. To re-elect Mr A R C Durrant as a director of the Company, who retires in accordance with the UK Corporate Governance Code.
6. To re-elect Mr N Hawkings as a director of the Company, who retires in accordance with the UK Corporate Governance Code.
7. To re-elect Ms I J Hinkley as a director of the Company, who retires in accordance with the UK Corporate Governance Code.
8. To re-elect Mr D C Lindsell as a director of the Company, who retires in accordance with the UK Corporate Governance Code.
9. To re-elect Mr S C Lockett as a director of the Company, who retires in accordance with the UK Corporate Governance Code.
10. To re-elect Mr A G Lodge as a director of the Company, who retires in accordance with the UK Corporate Governance Code.
11. To re-elect Professor D G Roberts as a director of the Company, who retires in accordance with the UK Corporate Governance Code.
12. To re-elect Mr M Romieu as a director of the Company, who retires in accordance with the UK Corporate Governance Code.
13. To re-elect Mr M W Welton as a director of the Company, who retires in accordance with the UK Corporate Governance Code.
14. To re-appoint Deloitte LLP as auditors of the Company until the conclusion of the next general meeting before which accounts are laid and to authorise the directors to fix their remuneration for 2012.
15. To authorise the directors generally and unconditionally, in substitution for any existing authorities and powers granted to directors prior to the passing of this resolution to exercise all the powers of the Company, in accordance with Section 551 of the Companies Act 2006 (the "Act"), to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:
 - a) up to a nominal amount of £22,041,305 (such amount to be reduced by the nominal amount allotted or granted under part b) below in excess of such sum); and
 - b) comprising equity securities (as defined in Section 560(1) of the Act) up to a nominal amount of £44,082,610 (such amount to be reduced by any allotments or grants made under part a) above) in connection with an offer by way of a rights issue:
 - (i) to Ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter, provided that these authorities shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2013, 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 convert securities into shares to be granted after such expiry and the directors may allot shares or grant rights to subscribe for or convert securities into shares in pursuance of such an offer or agreement as if the authorities conferred hereby had not expired.

Special Resolutions

16. To empower the directors pursuant to Section 571 of the Act, in substitution of any existing authorities and powers granted to directors prior to the passing of this resolution, to allot equity securities (within the meaning of Section 560(1) of the Act) for cash and/or sell Ordinary Shares held by the Company as treasury shares for cash under the authority conferred by Resolution 15 as if Section 561 of the Act did not apply to any such allotment or sale provided that this power shall be limited:

- a) to the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of an authority granted under part b) of Resolution 15, by way of rights issue only) to Ordinary shareholders (excluding any shareholder holding shares as treasury shares) in proportion (as nearly as may be practicable) to their existing holdings of Ordinary Shares, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in respect of fractions or legal or practical problems in any jurisdiction or any other matter; and
- b) in the case of the authority granted under part a) of resolution 15 and/or in the case of any sale of treasury shares for cash, to the allotment (otherwise than pursuant to sub-paragraph a) above) of equity securities or sale of treasury shares up to a nominal amount of £3,306,195;

and shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2013, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted (and treasury shares to be sold) after such expiry and the directors may allot equity securities (and sell treasury shares) in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

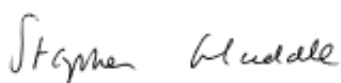
17. To authorise the Company, generally and unconditionally in accordance with Section 701 of the Act to make market purchases (as defined in Section 693(4) of the Act) of Ordinary Shares, provided that:

- a) the Company may only purchase, under this authority, Ordinary Shares with an aggregate nominal value of up to £9,918,580;
- b) the Company does not pay less (exclusive of expenses) for each Ordinary Share than the nominal value of such share;
- c) the Company does not pay more (exclusive of expenses) for each Ordinary Share than the higher of (i) 5% over the average of the closing mid market price of the Ordinary Shares for the five business days immediately preceding the date on which the Company agrees to buy the shares concerned, based on share prices published in the Daily Official List of the London Stock Exchange and (ii) that price stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation, Commission Regulation (EC) of 22 December 2003.

This authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2013 provided that if the Company has agreed before such expiry to purchase Ordinary Shares where these purchases will or may be executed (either wholly or in part) after the authority terminates the Company may complete such a purchase as if the authority conferred hereby had not expired.

18. To authorise the calling of general meetings of the Company (not being an annual general meeting) by notice of at least 14 clear days, provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2013.

By order of the Board



Stephen Huddle
Company Secretary
16 April 2012

NOTES TO THE NOTICE OF THE MEETING

1. Shareholders are entitled to attend, speak and vote at the Annual General Meeting (the "Meeting") and may appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the Meeting. A shareholder may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a member of the Company. A vote withheld is not a vote in law, which means that the vote will not be counted in the proportion of votes "for" and "against" the resolution. Where a proxy has been appointed by a member, if such member does not give any instructions in relation to a resolution that member should note that their proxy will have authority to vote on that resolution as he/she thinks fit. A form of proxy which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a form of proxy and believe that you should have one, or if you require additional forms, please contact Capita Registrars on 0871 664 0300 if calling from within the UK (calls cost 10p per minute plus network extras) or +44 (0)20 8639 3399 if calling from outside the UK. Lines are open between 8:30am and 5:30pm, Monday – Friday.
2. To be valid, forms of proxy must be lodged by one of the following methods by 11.00am on Wednesday 16 May 2012:
 - In hard copy form by post to the Company's Registrars at PXS, 34 Beckenham Road, Beckenham, BR3 4TU; or
 - In the case of CREST members or CREST Personal Members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below; or
 - You may also submit your proxy electronically via the internet. Instructions on how to do this can be found on the form of proxy.
3. The return of a completed form of proxy or any CREST Proxy Instruction (as described in paragraph 9 below) will not prevent a shareholder attending the Meeting and voting in person if he/she wishes to do so.
4. Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right 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, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
5. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in those paragraphs can only be exercised by shareholders of the Company.
6. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at close of business on Wednesday 16 May 2012 (or, in the event of any adjournment, close of business on the date which is two days before the time of the adjourned 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.
7. As at 10 April 2012 (being the last practicable business date prior to the publication of this notice) the Company's issued Ordinary share capital consisted of 528,991,342 Ordinary Shares, carrying one vote each. Therefore the total voting rights in the Company as at 10 April 2012 were 528,991,342.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by utilising 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.
9. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is 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 Capita Registrars (ID: RA10) by 11.00am on Wednesday 16 May 2012. 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 Application Host) from which the issuer's agent 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.
10. 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 message. 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, to procure that their 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. The Company may treat an instruction as invalid in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
12. Any 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 that they do not do so in relation to the same shares.

13. Under Section 527 of the Companies Act 2006, 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 Companies Act 2006. 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 Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, 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 Companies Act 2006 to publish on a website.
14. The terms and conditions of appointment and letters of appointment of non-executive directors and all the directors' service contracts will be available for inspection at the Meeting for 15 minutes prior to the Meeting and during the Meeting.
15. Any member attending the Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the Meeting but no such answer need be given if (a) to do so would involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.
16. A copy of this notice, and other information required by Section 311A of the Companies Act 2006, can be found at www.premier-oil.com.
17. You may not use any electronic address provided either (a) on this Notice of Annual General Meeting, or (b) any related documents (including the Chairman's letter and form of proxy) to communicate with the Company for any purposes other than those expressly stated.