PremierOil

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

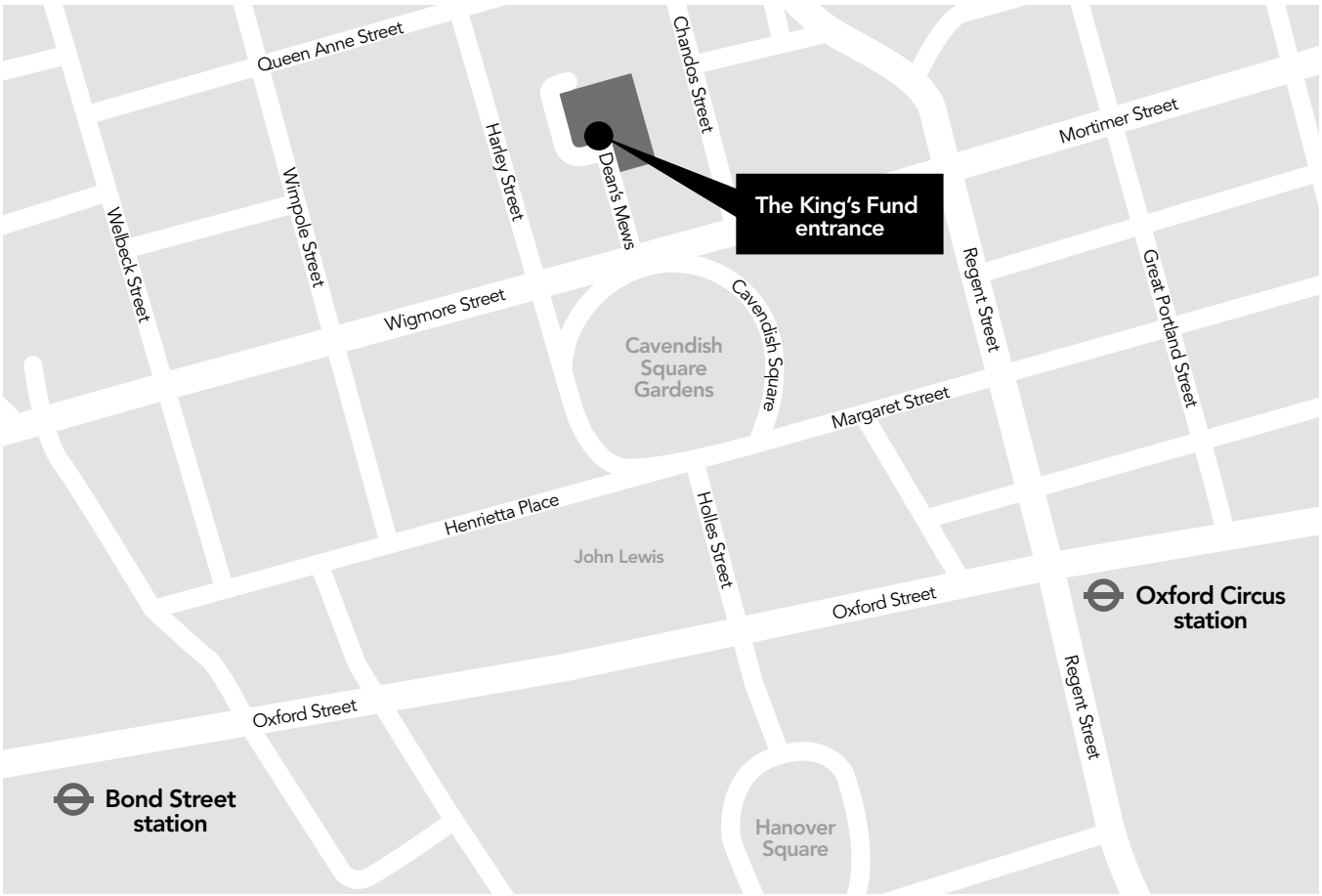
If you are in any doubt as to the action you should take, you should consult an appropriate independent financial adviser. If you have sold or otherwise transferred all your Ordinary Shares in Premier Oil plc you should forward this document and the accompanying form of proxy to the purchaser or transferee,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

NOTICE OF THE ANNUAL GENERAL MEETING of the Company to be held at No.11 Cavendish Square, London, W1G 0AN at 11.00am on Wednesday 11 May 2016 is contained within this document.

Location



Date
11 May 2016

Address
No.11
Cavendish Square
London
W1G 0AN

Please use The King's Fund entrance in Dean's Mews, off Cavendish Square.

Directions
The nearest underground station is Oxford Circus (Bakerloo, Central and Victoria lines), please use exit 4 (corner near H&M store).

Bus Routes
3, 6, 7, 8, 10, 12, 13, 15, 23, 25, 55, 73, 88, 94, 98, 113, 137, 139, 159, 176, 189, 390, 453, C2.

Parking
Cavendish Square car park, Harley Street car park (enter from Chandos Street).

Contact for queries
Daniel Rose
Telephone: 020 7730 1111

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Premier Oil plc
4th Floor
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EN

Registered in Scotland
Company No. 234781

1 April 2016

Dear Shareholder

I am pleased to attach the Notice of the Annual General Meeting of Premier Oil plc (the "Company") to be held at No.11 Cavendish Square, London, W1G 0AN at 11.00am on Wednesday 11 May 2016 (the "Meeting"). A form of proxy for use at the Meeting is also enclosed. If you would like to vote on the resolutions but cannot attend the Meeting, please fill in the form of proxy and return it to the Company's Registrar at Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU as soon as possible. To be effective, forms of proxy must be lodged by 11.00am on Monday 9 May 2016. 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 Meeting there are 22 resolutions which shareholders are asked to approve. 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. An explanation of each of these resolutions is given below.

Ordinary Resolutions

Resolution 1: Annual Report and Financial Statements 2015

The Companies Act 2006 requires the Directors of a public company to lay before the Company in general meeting the annual report and accounts of the Company for each financial year. The Directors ask that shareholders receive the Company's Annual Report and Financial Statements for the year ended 31 December 2015, including the reports of the Directors and the Auditor.

Resolution 2: Annual Report on Remuneration

The Annual Report on Remuneration, which includes a statement by Jane Hinkley, Chairman of the Remuneration Committee, is set out on pages 86 to 87 and pages 99 to 114 of the 2015 Annual Report and Financial Statements. The Annual Report on Remuneration sets out payments made during 2015 and explains how the remuneration policy will be implemented in 2016. The vote on the Annual Report on Remuneration, under Resolution 2, is advisory only and any entitlement of a Director to remuneration is not made conditional on the Resolution being passed.

The Directors' Remuneration Policy was approved by shareholders at the 2014 Annual General Meeting and remains unchanged. Shareholder approval of the Directors' Remuneration Policy is valid for three years and will therefore be put to a shareholder vote at the Annual General Meeting to be held in 2017. The Directors' Remuneration Policy is included in full in this year's Annual Report and Financial Statements for ease of reference.

Resolutions 3 to 14: Election and re-election of Directors

The UK Corporate Governance Code recommends 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 election or re-election by shareholders. Biographical details of all Directors standing for election or re-election are set out on pages 7 and 8 of this document. 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 standing for re-election continues to make an effective and valuable contribution and demonstrates commitment to the role. Accordingly, the Board unanimously recommends the election or re-election of each Director.

Resolutions 15 and 16: Re-appointment and remuneration of the Auditor

Resolution 15 seeks the re-appointment of Deloitte LLP as Auditor of the Company in accordance with Section 489 of the Companies Act 2006. Deloitte LLP has confirmed its willingness to stand for re-appointment as Auditor of the Company until the conclusion of the Annual General Meeting of the Company to be held in 2017. The Directors recommend the re-appointment of Deloitte LLP.

Resolution 16 authorises the Board of Directors, in accordance with standard practice, to agree the remuneration of the Auditor. The Board has delegated this responsibility to the Audit and Risk Committee.

Resolution 17: Political donations

The Company's policy is not to make political donations or to incur political expenditure; however, the definitions of these terms under the Companies Act 2006 are very wide. For example, bodies such as those concerned with policy review and law reform or with the representation of the business community or sections of it, which the Company and/or its subsidiaries may see benefit in supporting, may be included in these definitions. The Company therefore wishes to ensure that neither it nor its subsidiaries inadvertently contravene the Companies Act 2006 through the undertaking of routine activities, which would not normally be considered to result in the making of political donations or political expenditure being incurred. The Board is therefore seeking authority, under sections 366 and 367 of the Companies Act 2006, to fund donations or incur expenditure up to an aggregate limit of £50,000 per annum as set out in the Resolution. Any political donation made or political expenditure incurred which is in excess of £2,000 will be disclosed in the Company's Annual Report and Financial Statements for 2016, as required by the Companies Act 2006.

Resolution 18: General authority to allot shares
Resolution 18 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.

Guidance published by the Investment Association in 2014 states that its members will regard as routine an authority to allot up to two-thirds of existing issued share capital, provided that any amount in excess of one-third of existing issued shares be applied to fully pre-emptive rights issues only. The Board considers it appropriate to follow this guidance.

Part a) of this Resolution therefore 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 £21,283,794 (representing 170,270,352 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.

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 £42,567,588, 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.

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 1 April 2016. As at 1 April 2016, 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.

These authorities shall last until the conclusion of the Annual General Meeting of the Company to be held in 2017 or on 10 August 2017, whichever is the sooner.

Resolution 19: Increase in the Company's borrowing powers
Currently, the Company's Articles of Association (the "Articles") provide for a borrowing restriction which requires the Directors to limit the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings (together, the "Group") so as to ensure that no money is borrowed if the total amount of the borrowings of the Group then exceeds, or would as a result of such borrowing exceed, a multiple of four times the Group's adjusted capital and reserves (as calculated and adjusted in accordance with Article 92(C) of the Articles). In accordance with Article 92(B)(ii) of the Articles, this borrowing limit can be exceeded if the shareholders provide consent in advance by passing an ordinary resolution.

The Directors believe that it would be prudent to request such a sanction by ordinary resolution to exceed this limit. Article 92 of the Articles was adopted in 2010 and is no longer considered appropriate given the reduction in the Group's reserves in recent years as a result of one-off impairment charges taken due to the fall in the oil price.

The Directors believe that such a variation is best achieved by introducing a specified maximum borrowing limit, alongside a multiple limit which the Board will keep under review. Accordingly, Resolution 19 seeks shareholder approval to permit the Directors to exceed the limit imposed on the total amount of the Group's borrowings by Article 92(B) of the Articles, provided that the total amount of the Group's borrowings may not, except as permitted pursuant to Article 92 of the Articles, exceed an amount equal to the greater of: (i) $4 billion (four billion United States Dollars); or (ii) five times the Company's adjusted capital and reserves (calculated in accordance with Article 92(C) of the Articles).

Special Resolutions

Resolution 20: Disapplication of pre-emption rights
If a company proposes to allot Ordinary Shares or other 'equity securities' (including by way of sale of 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 20 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 2017 or on 10 August 2017, whichever is the sooner. 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 when making an offer that is otherwise pre-emptive, and would apply to any allotment of shares under Resolution 18. Part b) of the Resolution contains a broader general disapplication of pre-emption rights. The Pre-Emption Group's Statement of Principles, issued in March 2015, states that, in addition to the standard annual disapplication of pre-emption rights up to a maximum equal to 5 per cent of issued ordinary share capital, the Pre-Emption Group is supportive of extending the general disapplication authority for certain purposes. In line with the Statement of Principles, the Company is therefore seeking approval for the disapplication of pre-emption rights up to a maximum nominal amount of £6,385,138, which represents approximately 10 per cent of the issued Ordinary share capital of the Company. The Directors confirm their intention that the additional authority (equal to 5 per cent of the issued Ordinary share capital of the Company) will only be used to fund one or more acquisitions or specified capital investments which is announced contemporaneously with the issue, or which has taken place in the preceding six month period and is referred to in the announcement of the issue, as referred to in the Statement of Principles. In accordance with the Statement of Principles regarding cumulative usage of authorities within a rolling three-year period, the Directors also confirm their intention that (except in relation to an issue pursuant to the additional 5 per cent referred to above) 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, without prior consultation with shareholders.

Resolution 21: Purchase of own shares
Resolution 21 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 continue to believe that the Board should retain the flexibility to be able to buy back the Company's shares when it is in the best interests of shareholders to do so and will result in an increase in earnings per share; therefore Resolution 21 proposes a renewal of the existing authority.

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 higher of (i) an amount equal to 5 per cent 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) the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out.

Under the buyback programme undertaken in 2014, shares were repurchased and cancelled. However, there may be times in the future when the Board will consider it appropriate to hold any repurchased shares in treasury, provided that the number does 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.

As at 1 April 2016, the full exercise of all options and satisfaction of all awards outstanding under the Company's employee share plans would require the issue of 25,636,514 Ordinary Shares representing approximately 5.02 per cent of the issued Ordinary share capital of the Company (excluding any shares held as treasury shares). The Company's policy is to satisfy only Save As You Earn ("SAYE") options using newly issued shares; as at 1 April 2016 there were 1,788,720 SAYE options outstanding representing 0.35 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, all options and all awards outstanding would represent approximately 7.17 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 2017 or on 10 August 2017, whichever is the sooner.

Resolution 22: Notice period for general meetings other than the Annual General Meeting
Under the Companies (Shareholders' Rights) Regulations 2009, the notice period for general meetings increased to not less than 21 clear days unless shareholders approve a shorter period, which cannot be less than 14 clear days. Resolution 22 therefore seeks to renew the authority granted at the last Annual General Meeting allowing the Company to call general meetings (other than an Annual General Meeting) on 14 clear days' notice provided that a means of electronic voting is made available to all shareholders for that meeting. 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. Annual General Meetings of the Company will continue to be held on at least 21 clear days' notice. The approval will be effective until the conclusion of the Company's Annual General Meeting to be held in 2017, when it is intended that a similar resolution will be proposed.

The Directors consider that all proposals to be considered at the Meeting are in the best interests of the Company and its members as a whole. The Directors unanimously recommend that you vote in favour of all the proposed resolutions, as they intend to do in respect of their own shareholdings.

Yours sincerely

Mike Welton
Chairman

Directors' biographies

Independence
I Independent

Committee membership
A Audit and Risk
R Remuneration
N Nomination

Robin Allan, North Sea and Exploration
Board tenure: 12 years 2 months

- Joined Premier in July 1986
- Joined the Board in 2003 as Director of Business Development before being appointed Director – Asia in 2009
- Returned to London in 2012 to take up a role as Director, Business Units and, in 2015, was appointed Director, North Sea and Exploration
- Currently Chairman of The Association of British Independent Oil Exploration Companies ('BRINDEX')

David Bamford, Non-Executive Director
I, R, N
Board tenure: 1 year 9 months

- Joined Premier's Board as a Non-Executive Director in May 2014
- Spent 23 years at BP in a variety of technical and exploration roles including chief geophysicist, general manager for West Africa, and acted as Vice President, Exploration, directing BP's global exploration programme from 2000 to 2003
- Joined Tullow Oil's board as a Non-Executive Director in June 2004 and was Senior Independent Director from 2012 to 2014, as well as Chairman of the Remuneration Committee, retiring at the end of April 2014
- He is currently a director of PetroMall Ltd and Future Energy Publishing Ltd

Tony Durrant, Chief Executive Officer
N
Board tenure: 10 years 7 months

- Joined Premier in June 2005, becoming Finance Director in July 2005 and Chief Executive Officer in June 2014
- Qualified as a chartered accountant with Arthur Andersen, joining the investment banking division of Lehman Brothers in 1987, going on to become a managing director and Head of the European Natural Resources Group
- Non-Executive Director and Chairman of the Audit & Risk Committee of Greenergy Fuels Holdings Ltd
- Member of the Advisory Committee of Flowstream Commodities

Neil Hawkings, Director, South East Asia and Falkland Islands
Board tenure: 9 years 11 months

- Joined Premier in May 2005, after more than 20 years with ConocoPhillips, working in a variety of engineering, commercial and management roles around the world
- Joined Premier's Board in March 2006 as Operations Director, and was appointed Director, Falkland Islands in January 2014
- Assumed responsibility for the South East Asia business units, in 2015

Michel Romieu, Non-Executive Director
I, A, N
Board tenure: 8 years 1 month

- Joined Premier's Board as a Non-Executive Director in January 2008
- Over 35 years of experience in the international energy sector, including 25 years with the Elf Group
- Established own consultancy specialising in providing advice to the gas industry and is a lecturer at the French Petroleum Institute
- Currently President of Uprigaz

Richard Rose, Finance Director
Board tenure: 1 year 5 months

- Joined Premier in September 2014 as Finance Director
- Qualified as a chartered accountant with Ernst & Young and has spent over 20 years in the energy sector, including 13 years working with a range of international banks and brokers in equity capital markets and corporate finance
- Joined Premier from Ophir Energy where his role encompassed strategy and head of corporate communications

Directors' biographies continued

Independence
I Independent

Committee membership
A Audit and Risk
R Remuneration
N Nomination

Anne Marie Cannon, Non-Executive Director
I, A, N
Board tenure: 2 years

- Joined Premier's Board as a Non-Executive Director in February 2014
- 30 years' experience in the energy and banking sectors, including roles at Thomson North Sea, Shell Exploration and Production and J Henry Schroder Wagg
- Previously a senior advisor to the natural resources group at Morgan Stanley focusing on upstream mergers and acquisitions
- Currently Deputy Chair of the board of Det norske Oljeselskap ASA and a Non-Executive Director of STV plc and Aker ASA
- Previously held executive director roles on the boards of Hardy Oil and Gas and British Borneo

Joe Darby, Senior Independent Non-Executive Director
I, A, R, N
Board tenure: 8 years 5 months

- Joined Premier's Board as a Non-Executive Director in 2007 and is the Senior Independent Non-Executive Director
- 40 years of experience in the energy sector, including Chief Executive of LASMO plc, non-executive directorships at Nordaq Energy plc, British Nuclear Fuels plc, Mowlem plc, Faroe Petroleum plc and Centurion Energy, Inc
- Currently a Non-Executive Director of Gulfsands Petroleum plc

Jane Hinkley, Non-Executive Director
I, R, N
Board tenure: 5 years 5 months

- Joined Premier's Board in September 2010 as a Non-Executive Director
- Chairman of Premier's Remuneration Committee
- Qualified chartered accountant with executive experience primarily in international shipping
- Previously held roles with Navion Shipping AS, Gotaas-Larsen Shipping Corporation and Revus Energy ASA
- Currently a Non-Executive Director of Vesuvius plc, and Chairman of Teekay GP LLC

Iain Macdonald, Non-Executive Director
I, A, N
Board tenure: Appointed with effect from 1 May 2016

- Will join Premier's Board on 1 May 2016 as a Non-Executive Director and member of the Audit and Risk Committee
- Spent 30 years at BP in a variety of engineering, licensing, business management and finance roles culminating in three years as Deputy Group CFO for BP plc
- Served as a Non-Executive Director of TNK-BP Ltd from 2009–2011
- Non-Executive Director of Skills for Health Ltd from November 2013 to date
- Currently Non-Executive Director and Chairman of the Audit Committee at SUEK PLC

Mike Welton, Chairman
I (on appointment), N
Board tenure: 6 years 8 months

- Joined Premier's Board in June 2009 as a Non-Executive Director and became Chairman in October 2009
- Chairman of Premier's
- Nomination Committee
- Currently a director of Morrison Utility Services
- Sits on the advisory board of Montrose Associates and Alexander Proudfoot
- Previously Chief Executive of Balfour Beatty plc, and Chairman of Southern Water Services Limited, Hanson plc, the Turkish/British Business Council and the UK Government's Railway Sector Advisory Group

David Lindsell, Non-Executive Director
I, A, R, N
Board tenure: 8 years 1 month

- Joined Premier's Board in January 2008 as a Non-Executive Director
- Chairman of Premier's Audit and Risk Committee
- Partner at Ernst & Young LLP for nearly 30 years, Deputy Chairman of the Financial Reporting Review Panel, 2008 to 2012
- Currently Senior Independent Director and Chairman of the Audit Committee of Drax Group plc
- Trustee and Chairman of the Audit Committee of Cancer Research UK and Deputy Chair of Governors of the University of the Arts London

Notice of Annual General Meeting

Notice is hereby given that the 14th Annual General Meeting of Premier Oil plc (the "Company") will be held at No.11 Cavendish Square, London, W1G 0AN at 11.00am on Wednesday 11 May 2016, to consider the resolutions set out below. Voting on all resolutions will be by way of a poll.

Ordinary Resolutions

1. THAT the Company's Annual Report and Financial Statements for the year ended 31 December 2015, together with the reports of the Directors and the Auditor, be received.
2. THAT the Annual Report on Remuneration set out on pages 86 to 87 and pages 99 to 114 of the Annual Report and Financial Statements 2015 be approved.
3. THAT Robin Allan be re-elected as a Director of the Company.
4. THAT David Bamford be re-elected as a Director of the Company.
5. THAT Anne Marie Cannon be re-elected as a Director of the Company.
6. THAT Joe Darby be re-elected as a Director of the Company.
7. THAT Tony Durrant be re-elected as a Director of the Company.
8. THAT Neil Hawkings be re-elected as a Director of the Company.
9. THAT Jane Hinkley be re-elected as a Director of the Company.
10. THAT David Lindsell be re-elected as a Director of the Company.
11. THAT Iain Macdonald be elected as a Director of the Company.
12. THAT Michel Romieu be re-elected as a Director of the Company.
13. THAT Richard Rose be re-elected as a Director of the Company.
14. THAT Mike Welton be re-elected as a Director of the Company.
15. THAT Deloitte LLP be re-appointed as Auditor of the Company until the conclusion of the next general meeting before which accounts are laid.
16. THAT the Audit and Risk Committee be authorised to determine the remuneration of the Auditor on behalf of the Board.
17. THAT the Company, and those companies which are subsidiaries of the Company at any time during the period for which this Resolution has effect, be authorised in accordance with Sections 366 and 367 of the Companies Act 2006 (the "Act") to:

    a) make political donations to political parties and/or independent election candidates, not exceeding £50,000 in total;

    b) make political donations to political organisations other than political parties, not exceeding £50,000 in total; and

    c) incur political expenditure, not exceeding £50,000 in total;

    (as such terms are defined in Sections 363 to 365 of the Act) during the period beginning with the date of the passing of this Resolution and ending at the conclusion of the Annual General Meeting of the Company to be held in 2017, provided that, in any event, the aggregate amount of political donations and political expenditure made or incurred under this authority shall not exceed £50,000.

18. THAT the Directors be and are hereby generally and unconditionally authorised to exercise all the powers of the Company pursuant to, and in accordance with, Section 551 of the Act, to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company:

    a) up to a nominal amount of £21,283,794 (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 £42,567,588 (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 holders of Ordinary Shares 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, if the Directors consider it necessary, as permitted by the rights of those securities,

    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 2017 or at the close of business on 10 August 2017, whichever is the sooner, save that the Company may before such expiry make offers and enter into agreements 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.

19. That the Directors of the Company be permitted to exceed the limit imposed on the total amount of the Group's borrowings by Article 92(B) of the Articles, provided that the total amount of the Group's borrowings may not, except as permitted pursuant to Article 92 of the Articles, exceed an amount equal to the greater of: (i) $4 billion (four billion United States Dollars); or (ii) five times the Company's adjusted capital and reserves (calculated in accordance with Article 92(C) of the Articles).

Special Resolutions

20. THAT if Resolution 18 is passed, the Directors be given powers pursuant to Section 571 of the Act, to allot equity securities (within the meaning of Section 560(1) of the Act) for cash under the authority conferred by Resolution 18 and/or sell Ordinary Shares held by the Company as treasury shares for cash 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 18, by way of a rights issue only):

        (i) 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; 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 such arrangements which it considers 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; and

    b) in the case of the authority granted under part a) of Resolution 18 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 £6,385,138,

    such authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2017 or at the close of business on 10 August 2017, whichever is the sooner, save that the Company may before such expiry make offers and enter into agreements which would, or might, require equity securities to be allotted (and/or treasury shares to be sold) after the power expires and the Directors may allot equity securities (and/or sell treasury shares) in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

21. THAT the Company be authorised, 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 its Ordinary Shares, such power to be limited:

    a) to a maximum number of Ordinary Shares with an aggregate nominal value of up to £9,577,707;

    b) by the condition that the Company does not pay less (exclusive of expenses) for each Ordinary Share than the nominal value of such share and the maximum price which may be paid for an Ordinary Share (exclusive of expenses) is the higher of:

        (i) 5 per cent over the average of the closing mid-market price of an Ordinary Share 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) the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out,

    such authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2017, or at the close of business on 10 August 2017, whichever is the sooner, 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.

22. THAT a general meeting of the Company (not being an Annual General Meeting) may be called on notice of not less than 14 clear days, provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2017.

By order of the Board

Rachel Rickard
Company Secretary
Premier Oil plc

1 April 2016

Notes to the Notice of the Meeting

Attending the Meeting and asking questions

To be entitled to attend and vote at the Annual General Meeting (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 Monday 9 May 2016 (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.

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.

Appointing a proxy

Shareholders are entitled to attend, speak and vote at 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.

The Articles provide that:

(i) if a member appoints more than one proxy and the proxy forms appointing those proxies would give those proxies the apparent right to exercise votes on behalf of the member in a general meeting over more shares than are held by the member, then each of those proxy forms will be invalid and none of the proxies so appointed will be entitled to attend, speak or vote at the relevant general meeting; and

(ii) if a member submits more than one valid proxy appointment in respect of the same share, the appointment received last (regardless of its date or the date on which it is signed) before the latest time for the receipt of proxies will take precedence. If it is not possible to determine the order of receipt, none of the forms will be treated as valid.

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" a Resolution. Where a proxy has been appointed by a member, if such member does not give any instructions in relation to that Resolution that member should note that their proxy will have authority to vote on the Resolution as he/she thinks fit.

Any power of attorney or any other authority under which the form of proxy is signed (or a duly certified copy of such power or authority) must be included with the proxy form. In the case of a member which is a company, the form of proxy should either be sealed by that company or signed by someone authorised to sign it.

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 Asset Services on 0871 664 0300 if calling from within the United Kingdom (calls cost 12p per minute plus your phone company's access charge) or +44 (0)371 664 0300 if calling from outside the United Kingdom (calls outside the United Kingdom will be charged at the applicable international rate). Lines are open between 9.00am and 5.30pm, Monday to Friday, excluding public holidays in England and Wales.

To be valid, forms of proxy must be lodged by one of the following methods by 11.00am on Monday 9 May 2016:

- in hard copy form by post to the Company's Registrar at Capita Asset Services, 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
- by submitting your proxy appointment electronically via the internet. Instructions on how to do this can be found on the form of proxy.

The return of a completed form of proxy or any CREST Proxy Instruction (as described below) will not prevent a shareholder attending the Meeting and voting in person if he/she wishes to do so.

CREST members

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 (available via www.euroclear.com/en/about/our-rules.html). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such 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 Asset Services (ID: RA10) by 11.00am on Monday 9 May 2016. 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.

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.

The Company may treat an instruction as invalid in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Nominated persons and information rights
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.

However, the statement of the rights of shareholders in relation to the appointment of proxies described above does not apply to Nominated Persons. The rights described in those paragraphs can only be exercised by shareholders of the Company.

Joint holders and corporate representatives
In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first-named being the most senior).

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.

Members' power to require website publication of audit concerns
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.

Share capital
As at 1 April 2016 (being the date of this notice) the Company's issued Ordinary share capital consisted of 510,811,061 Ordinary Shares, carrying one vote each. Therefore the total voting rights in the Company as at 1 April 2016 were 510,811,061.

Queries and access to information
Except as provided above, members who have general queries about the Meeting should use the following means of communication (no other methods of communication will be accepted): calling Capita Asset Services' shareholder helpline on 0871 664 0300 (calls cost 12p per minute plus your phone company's access charge) or from outside the United Kingdom, please call +44 (0)371 664 0300 (calls outside the United Kingdom will be charged at the applicable international rate). Lines are open 9.00am to 5.30pm Monday to Friday, excluding public holidays in England and Wales. You may not use any electronic address provided either (a) in this Notice of Annual General Meeting, or (b) in 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.

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.

If you would like to request a copy of this notice in an alternative format such as in large print or audio, please contact the Company's Registrar, Capita Asset Services, on 0871 664 0300.

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.