

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom or, if you are in another jurisdiction, another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Existing Ordinary Shares, please immediately forward 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 delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

The distribution of this document and/or the accompanying Form of Proxy in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Directors, whose names appear on page 3 of this document, and the Company accept responsibility, collectively and individually, for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have each taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that First Admission will become effective and that dealings in the new Ordinary Shares to be issued pursuant to the Firm Placing will commence at 8.00 a.m. on 6 March 2015 and that Second Admission will become effective and that dealings in the new Ordinary Shares to be issued pursuant to the Proposed Placing will commence at 8.00 a.m. on 23 March 2015. No application will be made for the Warrants to be admitted to trading on AIM or any other exchange.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document. A prospective investor should consider carefully whether an investment in the Company is suitable for him in the light of his personal circumstances and the financial resources available to him.

This document is not a prospectus for the purposes of the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the FCA, pursuant to sections 85 and 87 of FSMA, the London Stock Exchange or any other authority or regulatory body.

President Energy PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered no. 5104249)

Firm Placing of 29,668,627 new Ordinary Shares and Proposed Placing of 43,139,023 new Ordinary Shares at 12.5p per share together with 1 Warrant for every 1 new Ordinary Share subscribed for

and

Notice of General Meeting

RBC CAPITAL MARKETS
Nominated Adviser, Joint Broker and Sole Bookrunner

CANACCORD GENUITY
Joint Broker

Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 10 to 16 of this document and which recommends you to vote in favour of the Resolutions to be proposed at the General Meeting which is referred to below.

RBC Europe Limited (trading as RBC Capital Markets) (“RBC”), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and no-one else in connection with the Placing and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Placing and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Placing, or any other matter referred to herein. Its responsibilities as the Company’s nominated adviser, sole bookrunner and joint broker under the AIM Rules for Companies and the AIM Rules for Nominated Advisers are owed to the London Stock Exchange and the Company and not to any other person in respect of his decision to acquire new Ordinary Shares in reliance on any part of this document. No representation or warranty, express or implied, is made by RBC as to any of the contents of this document.

Canaccord Genuity Limited (“Canaccord Genuity”), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and no-one else in connection with the Placing and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Placing and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Placing, or any other matter referred to herein. Its responsibilities as the Company’s joint broker under the AIM Rules for Companies are owed to the London Stock Exchange and the Company and not to any other person in respect of this decision to acquire new Ordinary Shares in reliance on any part of this document. No representation or warranty, express or implied, is made by Canaccord Genuity as to any of the contents of this document.

The Placing Shares and Warrants will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States or qualify for distribution under any of the relevant securities laws of Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan nor has any prospectus in relation to the Placing been lodged with or registered by the Australian Securities and Investments Commission. Accordingly, subject to certain exceptions, the Placing Shares and Warrants may not be, directly or indirectly, offered, sold, taken up, delivered or transferred in or into or from the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan or any other jurisdiction where to do so would violate the securities laws or regulations of that jurisdiction. This document is directed and issued only to the Shareholders of the Company and their representatives and shall not be distributed to or used by any other person. Overseas Shareholders and any person (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward this document to a jurisdiction outside the United Kingdom should seek appropriate advice before taking any action.

Notice of a General Meeting of President Energy PLC, to be held at the offices of Bell Pottinger, Holborn Gate, 330 High Holborn, London, WC1V 7QD at 10 a.m. on 20 March 2015, is set out at the end of this document. To be valid, the accompanying Form of Proxy for use in connection with the General Meeting should be completed and returned as soon as possible and, in any event, so as to reach the Company’s registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA by not later than 10 a.m. on 18 March 2015. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

CONTENTS

	<u>Page</u>
Directors, secretary and advisers	3
Placing statistics	4
Exchange rates	4
Expected timetable of principal events	5
Definitions	6
Letter from the Chairman of President	10
Notice of General Meeting	17

DIRECTORS, SECRETARY AND ADVISERS

Directors	Peter Michael Levine (<i>Executive Chairman and Chief Executive Officer</i>) Miles Biggins (<i>Chief Operating Officer</i>) Benjamin David Wilkinson (<i>Group Finance Director</i>) Dr David Anthony Lawson Jenkins (<i>Non-Executive Deputy Chairman</i>) David Christopher Wake-Walker (<i>Non-Executive Director</i>) Rt. Hon. Alistair James Hendrie Burt (<i>Non-Executive Director</i>)
Company Secretary	David Christopher Wake-Walker
Nominated adviser, Sole Bookrunner and Joint Broker	RBC Europe Ltd (trading as RBC Capital Markets) Riverbank House 2 Swan Lane London EC4R 3BF
Joint Broker	Canaccord Genuity Limited 88 Wood Street London, UK EC2V 7QR
Legal advisers to the Company	Field Fisher Waterhouse LLP Riverbank House 2 Swan Lane London EC4R 3TT
Legal advisers to Nominated adviser, Sole Bookrunner and Joint Brokers	Norton Rose Fulbright LLP 3 More London Riverside London SE1 2AQ
Registrars	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA

PLACING STATISTICS

Placing Price	12.5p
Number of Existing Ordinary Shares in issue as at the date of this document	406,711,698
Number of new Ordinary Shares to be issued pursuant to the Firm Placing	29,668,627
Number of Warrants to be issued pursuant to the Firm Placing	29,668,627
Number of Ordinary Shares in issue immediately following completion of the Firm Placing	436,380,325
Number of new Ordinary Shares to be issued pursuant to the Proposed Placing	43,139,023
Number of Warrants to be issued pursuant to the Proposed Placing	43,139,023
Total number of new Ordinary Shares to be issued pursuant to the Firm Placing and the Proposed Placing	72,807,650
Enlarged Share Capital immediately following completion of the Proposed Placing	479,519,348
Total number of new Ordinary Shares as a percentage of the Enlarged Share Capital	15.2 per cent.
Total number of Warrants to be issued pursuant to the Firm Placing and the Proposed Placing	72,807,650
Total number of warrants in issue following completion of the Proposed Placing	77,060,508
Estimated net proceeds of the Placing	US\$13.5 million (£8.8 million)

EXCHANGE RATES

In the document, references to “pounds sterling”, “£”, “pence” and “p” are to the lawful currency of the United Kingdom and references to “US dollars”, “\$” and “cents” are to the lawful currency of United States of America. Unless otherwise stated, the basis of translation of US dollars into pounds sterling for the purposes of inclusion in this document is US\$1.5383/£1.00 and the basis of translation of pounds sterling into US dollars for the purposes of inclusion in this document is £1.00/US\$0.6501.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	4 March 2015
First Admission and dealings in the Firm Placing Shares expected to commence on AIM	8.00 a.m. on 6 March 2015
Despatch of definitive certificates for Firm Placing Shares in certificated form	Within 14 days of First Admission
Despatch of definitive certificates for Firm Placing Warrants . . .	Within 14 days of First Admission
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 18 March 2015
General Meeting	10.00 a.m. on 20 March 2015
Expected time of announcement of results of the General Meeting by	4.30 p.m. on 20 March 2015
Expected time and date for CREST stock accounts to be credited for Firm Placing Shares in uncertificated form	8.00 a.m. on 23 March 2015
Second Admission and dealings in the Proposed Placing Shares expected to commence on AIM	8.00 a.m. on 23 March 2015
Expected date for CREST stock accounts to be credited for Proposed Placing Shares in uncertificated form	8.00 a.m. on 23 March 2015
Despatch of definitive certificates for Proposed Placing Shares in certificated form	Within 14 days of Second Admission
Despatch of definitive certificates for Proposed Placing Warrants	Within 14 days of Second Admission

-
- (1) *The dates set out in the Expected Timetable of Principal Events above and mentioned throughout this document may be adjusted by President in which event details of the new dates will be notified via a Regulatory Information Service.*
- (2) *All references to time in this document are to London time.*

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

“Act”	the Companies Act 2006 (as amended)
“Admission”	an admission of relevant new Ordinary Shares to trading on AIM, comprising First Admission and Second Admission
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies as published by the London Stock Exchange from time to time
“bcf”	billion cubic feet of gas
“boe/d”	barrels of oil equivalent per day
“Company”, “President” or “President Energy”	President Energy PLC
“CREST”	the relevant system for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear UK & Ireland in accordance with the CREST Regulations
“CREST Regulations”	the Uncertificated Securities Regulations 2001, as amended
“Demattei Block”	the oil and gas exploration and exploitation area designated as “Demattei Block” which is located in Paraguay’s occidental region
“Demattei Concession”	the concession contract enacted into Paraguayan Law No. 3549 of 16 July 2008 in respect of the Demattei Block
“Demattei Farm-In Agreement”	the agreement dated 12 September 2012 between Crescent Global Oil Paraguay, Crescent Oil and the Company, pursuant to which terms the Company agreed to acquire an interest in the Demattei Concession on an incremental basis
“Directors” or “Board”	the directors of the Company whose names are set out on page 3 of this document, or any duly authorised committee
“Enlarged Share Capital”	the issued ordinary share capital of the Company immediately following completion of the Placing
“Existing Ordinary Shares”	the existing issued ordinary shares of 1 penny each in the capital of the Company as at the date of this document
“Farm-In Agreements”	the Purity Farm-In Agreement, the Demattei Farm-In Agreement and the Hernandarias Farm-In Agreement
“FCA”	the Financial Conduct Authority in its capacity as the competent authority for the purposes of Part VI of FSMA
“Firm Placing”	the placing of the Firm Placing Shares and the Firm Placing Warrants by RBC pursuant to the Placing Agreement, as described in Part I of this document
“Firm Placing Shares”	the 29,668,627 new Ordinary Shares placed firm with Places pursuant to the Firm Placing conditional, <i>inter alia</i> , upon First Admission
“Firm Placing Warrants”	the 29,668,627 Warrants which have been placed firm with Places pursuant to the Firm Placing conditional, <i>inter alia</i> , upon First Admission and which shall be issued on the terms and subject to the conditions of the Warrant Instrument

“First Admission”	the admission to trading on AIM of the Firm Placing Shares, which is expected to take place on 6 March 2015
“Form of Proxy”	the form of proxy for use in connection with the General Meeting which accompanies this document
“FSMA”	the Financial Services and Markets Act of 2000 (as amended)
“General Meeting”	the general meeting of the Company to be held on 20 March 2015 and convened pursuant to the Notice of General Meeting
“Group”	the Company, its subsidiaries and its subsidiary undertakings
“Hernandarias Block”	the oil and gas exploration and exploitation area designated as “Hernandarias Block”, which is located in Paraguay’s occidental region
“Hernandarias Concession”	the concession contract enacted into Paraguayan Law No. 5259 of 13 August 2014 in respect of the Hernandarias Block
“Hernandarias Farm-In Agreement”	the conditional agreement dated 14 August 2013 between Hidrocarburos Chaco and President Paraguay, pursuant to which terms and subject to the satisfaction of certain conditions President Paraguay has the right (but not the obligation) to acquire an interest in the Hernandarias Concession on an incremental basis
“Hidrocarburos Chaco”	Hidrocarburos Chaco S.A., a company organised and registered under the laws of Paraguay
“IFC Placing Shares”	the 20,802,180 new Ordinary Shares and 20,802,180 Warrants to be subscribed for by IFC at the Placing Price on the terms and subject to the conditions of the IFC Subscription Agreement and the Warrant Instrument, as described in paragraph 9 of the Letter from the Chairman of President Energy, details of which appear on pages 10 to 16 of this document
“IFC Subscription Agreement”	the agreement dated 3 March 2015 between the IFC and the Company, pursuant to which terms the IFC has conditionally agreed to subscribe for 20,802,180 Placing Shares and 20,802,180 Warrants, further details of which appear on page 14 of this document
“International Finance Corporation” or “IFC”	International Finance Corporation, an international organization established by agreement among its member countries and having an office at 2121 Pennsylvania Avenue N.W., Washington, District of Columbia 20433, U.S.A. and which is a member of the World Bank Group
“IYA”	IYA Global Limited, a company registered in the British Virgin Islands under number 1518389 with its registered office at OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands
“London Stock Exchange”	London Stock Exchange plc
“mbbls”	thousand barrels
“mmbbls”	million barrels
“mmboe”	million barrels of oil equivalent
“Notice of General Meeting”	the notice convening the General Meeting which is set out at the end of this document
“NPV10”	net present value at a discount rate of 10 per cent.

“Ordinary Shares”	ordinary shares of 1 penny each in the capital of the Company
“Placee”	a subscriber for Placing Shares and attached Warrants pursuant to the Placing
“Placing”	the Firm Placing and the Proposed Placing
“Placing Agreement”	the agreement dated 3 March 2015 between the Company and RBC relating to the Placing, further details of which are set out in this document
“Placing Price”	12.5 pence per Placing Share
“Placing Shares”	the 72,807,650 new Ordinary Shares to be issued to Placees pursuant to the Placing, comprising the Firm Placing Shares and the Proposed Placing Shares
“PLLG”	PLLG Investments Limited (formerly called Levine Capital Management Limited), a company registered in the British Virgin Islands under number 1533154 with its registered office at OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands
“PLLG Placing Shares”	the 13,781,455 new Ordinary Shares to be subscribed for by PLLG at the Placing Price on the terms and subject to the conditions of the PLLG Subscription Letter, as described in paragraph 10 of the Letter from the Chairman of President Energy, which appears on pages 10 to 16 of this document
“PLLG Subscription Letter”	the letter dated 3 March 2015 from PLLG to the Company, pursuant to whose terms PLLG agreed to subscribe for 13,781,455 new Ordinary Shares and 13,781,455 Warrants
“President Paraguay”	President Energy Paraguay S.A., a company organised and existing under the laws of Paraguay, and a subsidiary of the Company
“Proposed Placing”	the conditional placing of the Proposed Placing Shares and the Proposed Placing Warrants by RBC pursuant to the Placing Agreement, as described in the Letter from the Chairman of President Energy which appears on pages 10 to 16 of this document
“Proposed Placing Shares”	the 43,139,023 new Ordinary Shares placed pursuant to the Proposed Placing conditional, <i>inter alia</i> , upon the passing of the Resolutions and Second Admission
“Proposed Placing Warrants”	the 43,139,023 unlisted warrants placed pursuant to the Proposed Placing conditional, <i>inter alia</i> , upon the passing of the Resolutions which shall be issued on the terms and subject to the conditions of the Warrant Instrument
“Prospectus Rules”	the rules made by the FCA under Part VI of FSMA in relation to offers of transferable securities to the public and admission of transferable securities to trading on a regulated market
“Puesto Guardian Concession”	the exploitation concession over the CNO-8 “Puesto Guardian Area” located in the Province of Salta, Argentina granted by means of a Presidential Decree 1596/1991 dated 15 August 1991 of the National Executive Branch (as subsequently amended)
“Prospectus Rules”	the rules made by the FCA under Part VI of FSMA in relation to the offer of transferable securities to the public and admission of transferable securities to trading on a regulated market
“Related Party”	the related party of PLLG, being Benjamin Wilkinson

“Resolutions”	the resolutions to be proposed at the General Meeting which are set out in the Notice of General Meeting
“Shareholders”	holders of Ordinary Shares
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “USA”	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction
“Warrants”	the Firm Placing Warrants and the Proposed Placing Warrants
“Warrantholder”	a holder of Warrants from time to time and as the context requires
“Warrant Instruments”	the two warrant instruments both dated on or around 4 March 2015, with the first one constituting the Warrants to be issued to IFC and the second one constituting the Warrants to be issued to all other Placees, summaries of which are set out in paragraph 6 of the Letter from the Chairman of President Energy on pages 10 to 16 of this document

Letter from the Chairman of President Energy
PRESIDENT ENERGY PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered no. 5104249)

Directors:
Peter Michael Levine (*Executive Chairman and Chief Executive Officer*)
Miles Biggins (*Commercial Director*)
Benjamin David Wilkinson (*Group Finance Director*)
Dr David Anthony Lawson Jenkins (*Non-Executive Deputy Chairman*)
David Christopher Wake-Walker (*Non-Executive Director*)
Rt. Hon. Alistair James Hendrie Burt (*Non-Executive Director*)

Registered office:
17 Hanover Square
London, W1S 1BN

4 March 2015

Dear Shareholder,

**Firm Placing of 29,668,627 new Ordinary Shares and Proposed Placing of 43,139,023 new Ordinary Shares at 12.5p per share together with 1 Warrant for every 1 new Ordinary Share subscribed for and
Notice of General Meeting**

1. Introduction

The Board announced earlier today a proposed Placing of \$14 million (approximately £9.1 million) (before expenses) through the issue of up to 72,807,650 new Ordinary Shares at a price of 12.5 pence per share to institutional and other investors. Under the Placing, each Placee will also receive one Warrant for every Placing Share subscribed for in the Placing

The fundraising is being made by way of the Placing to institutional and other investors and is being undertaken in two stages:

- a) 29,668,627 new Ordinary Shares and Warrants over 29,668,627 new Ordinary Shares have already been placed firm with institutions and other investors under the Firm Placing pursuant to the Directors' existing share authorities. The Firm Placing Shares will be admitted to trading on AIM at the time of First Admission, which is expected to take place on 6 March 2015, thereby raising gross proceeds of \$5.7 (£3.7) million for the Company; and
- b) the second stage of the Placing will comprise a proposed placing of 43,139,023 further new Ordinary Shares and Warrants over a further 43,139,023 new Ordinary Shares. As the allotment and issue of the Placing Shares and Warrants at the time of First Admission will have exhausted the Directors' existing authorities to issue shares, the General Meeting is being called to seek Shareholders' approval to grant new share authorities to enable the Directors, *inter alia*, to complete the Proposed Placing, thereby raising further gross proceeds of \$8.3 (£5.4) million for the Company. The Proposed Placing Shares are expected to be admitted to trading on AIM at the time of Second Admission, which is scheduled to take place on 23 March 2015.

The gross proceeds of the Placing of up to \$14 million (£9.1 million) will be used principally to fund a 600 kilometer 2D seismic survey across the Company's Hernandarias Concession in Paraguay, undertake an initial three well workover campaign on existing shut-in wells on the Puesto Guardian Concession in Argentina to increase production and support the working capital position of the Company through to 2016. Further information on this programme and the recent developments that have occurred in respect of the Group's operations in Paraguay and Argentina are set out in paragraph 3 of this letter.

The purpose of this document is to provide you with information about the background to and the reasons for the Placing and to explain why the Board considers the Placing to be in the best interests of the Company and its Shareholders as a whole.

2. Information on President

President is a UK AIM listed oil and gas company, with exploration licences in Paraguay and South Australia and producing licences in Argentina and Louisiana, USA.

President's stated aim is to achieve growth through a twin track strategy of the acquisition of new oil and gas assets and the organic development of the Group's existing assets, with a view to creating a mid-cap exploration and production company with critical mass and a strategic presence in its key areas of interest.

Further information on President's existing strategy, current assets, reserves and resources and financial reports, *inter alia*, can be found on the Company's website, www.presidentenergyplc.com.

3. Background to and reasons for the Placing

Paraguay

In 2012, President secured entry (as operator) to the Pirity Concession and the Demattei Concession, pursuant to the respective Farm-In Agreements. These Paraguayan Concessions combine to cover a substantial portion of the prospective Pirity Basin (16,000 km²) in the Chaco region of Paraguay. An extensive seismic survey was undertaken in 2013, covering 793 km² of 3D and 1,100 km of 2D, to evaluate the basin potential and define high graded drilling prospects. The results of the 2013 seismic highlighted the Cretaceous petroleum system, an extension of the Palmar Largo trend in Argentina, but also demonstrated the potential of a larger Paleozoic petroleum system that has charged the large producing fields in Southern Bolivia and Northwest Argentina.

On 14 August 2014, President announced that, pursuant to the Hernandarias Farm-In Agreement, it had exercised its option to farm-in for up to a maximum of 80% participating interest in the Hernandarias Concession and to become the operator of the Hernandarias Concession. President has earned a 40% participating interest in the Hernandarias Concession already and will earn a further 40% participating interest upon fulfilment of the remaining commitment in respect of a \$17 million work programme, which is defined to include the acquisition of seismic and drilling of one well, in order to test the Silurian within the three year exploration phase of the concession contract. Of this \$17 million programme, \$1.6 million has already been spent as part of the 2013 seismic programme, with \$15.4 million remaining to be spent over three years.

The Hernandarias Block lies immediately to the north of President's existing concessions in Paraguay and covers 18,507 km². The Hernandarias Block is seen as highly prospective and is believed to contain the same Paleozoic play system that President has confirmed through its 2014 drilling campaign, with numerous large rotated fault blocks developed along the northern flank of the Pirity Rift Basin. To date, 32 large Devonian structural leads and prospects have been identified by President across the entirety of the Paleozoic structural play fairway extending across the three concessions (Pirity, Demattei and Hernandarias), with 17 of these large structures identified in the Hernandarias Concession alone.

The Hernandarias Concession was signed into law in August 2014 and Governmental approval of the assignment of President's initial 40% interest is expected in the coming months. President as operator would retain the entire land block of 18,507 km² for year one of a new concession law prospection phase, after which time the area will reduce to 8,000 km², as per the size of the existing Pirity and Demattei Concessions. At that point, President would operate three contiguous concessions totaling 24,000 km² which covers substantially all of the Pirity Rift Basin.

During 2014, President undertook the first drilling campaign in Paraguay for 30 years to target the deeper Paleozoic structures on the Pirity Block. President successfully drilled the Jacaranda and Lapacho wells which proved the existence of the Devonian and Silurian Paleozoic petroleum systems in Pirity basin. President considers it has discovered two separate reservoirs (Santa Rosa and Icla) which, when combined with the source rock evidenced at Jacaranda, substantially de-risks its Paraguayan acreage. The Jacaranda well proved the existence of the Devonian Petroleum System and provided evidence that the oil window extends down to 4,000m. The follow-on Lapacho well logged a light oil discovery in the Icla (24m interval) sands before being deepened to find the gas condensate window below 4,060m in the Santa Rosa and Sara sands (50m interval).

The majority of the Paleozoic prospectivity in President's operated acreage of 34,000 km² lies in the Hernandarias Concession (18,507 km²) where the Santa Rosa target interval can be reached at much shallower depths, improving reservoir porosities, much enhancing the liquids fraction in the overall hydrocarbon mix and thereby benefiting from materially improved economics.

To build on the success of the 2014 drilling operations President plans to continue its exploration programme in the Pirity basin with a 600 km 2D seismic survey to high grade three key prospect areas in the Hernandarias Concession. The seismic acquisition is targeted to begin in April 2015 with results

expected two months later. The seismic survey is focused on three significant leads over which President has already had the benefit of previous seismic data; namely Boqueron with a possible 160 km² trap area, Labon with a possible 35 sq km² trap area and Tuna with a possible 40 km² trap area. All leads are considered on present information to contain the Devonian and Silurian packages identified in the Jacaranda and Lapacho wells, albeit at shallower depths of between 2,000-3,000m.

Having discovered contingent resources at Lapacho and significantly de-risked neighbouring prospects, President is currently considering next steps in relation to its Pirity Concession. Discussions with major industry players continue with the levels of incoming interest encouraging. President's 36 per cent. net working interest partner in Pirity is currently in default under the relevant Joint Operating Agreement, having failed to pay the agreed and signed-off contribution monies to the 2014 drilling campaign. Whilst President trusts that such default will be remedied and matters resolved, President has informed its partner that it reserves all its rights under the said agreement including, but without limitation, the right to require the partner to transfer its interest in Pirity at a discounted value. The current level of default is approximately \$1.8m, which President has paid on behalf of its partner to relevant contractors. As announced on 3 March 2015, the Company's working interest partner in the Pirity Concession has announced that certain court action has allegedly taken place against the Company arising out of this dispute. The Company intends to take all necessary steps to protect its interests in this regard.

Argentina

President announced in December the results of the independent assessment of its oil reserves at the Company's Puesto Guardian Concession, Salta region. The report of Gaffney Cline and Associates identifies 9 mmbbls of 1P reserves and 14 mmbbls of 2P reserves. The report highlights the significant potential for further production with only 8% of the current 1P reserves being within the producing category. This suggests there is significant potential for further production from the Proved Reserves as well as from the further 8.4mmbbls of Probable and Possible (2P + 3P) Oil Reserves.

Since acquiring full ownership and operatorship of the Puesto Guardian Concession, President has expeditiously carried out reprocessing of seismic and reservoir engineering analysis. As a result of this work, President is now ready to embark on a multi aspect work programme on the Concession including a combination of well work-overs and drilling of new production wells. In conjunction with this, the Company is pursuing a farm-out of a potentially significant deep gas prospect. This prospect was identified by President over two years ago but action can only now be taken, President having assumed operatorship and full control.

The Phase 1 work-over programme of up to 10 shut-in wells with associated proved oil reserves is expected to commence in Spring of this year. A rig has been sourced that will carry out at least the first three well work-over part of the initial programme. The projected uplift in production will benefit from the Government's recently announced incentive scheme of an additional \$3 per barrel realisation price for each increased barrel produced over existing production.

The Phase 2 programme is currently targeted to commence during the latter part of 2015 subject to adequate project finance being in place. This Phase consists of up to 17 new wells to be drilled targeting proved oil resources. The well locations have already been identified and once Phase 1 commences and is demonstrating the anticipated increases in production, President will consider in more detail various financing options which it believes may be available at that stage. Current projections are that after between \$25m-\$30m of development finance, the Phase 2 new well programme will become self-funding.

Application is being made under new legislation relating to unconventional hydrocarbons recently enacted to obtain extended licence terms over President's Concessions. Under the new legislation, tight reservoirs, such as the carbonates and low permeability sand units in President's Concessions, qualify for these new licence terms. It is hoped that such applications will be approved before the end of 2015. If granted, the end date of the Puesto Guardian Concession would become 2050. This would mean that if the extension is granted, the Company's current 3P oil Reserves of 17.5 mmbbls (over 14 million of which are in the 2P category), would most likely be increased by a further 16.5 mmbbls to approximately 34 mmbbls, due to the transfer from Contingent Resources into Reserves.

Preparations are being made to run a farm-out process commencing in March 2015 for President's 100% owned large deep Paleozoic Gas Prospect at the Martinez Del Tineo field in the Puesto Guardian Concession. Gaffney, Cline & Associates had previously assessed that this prospect had unrisks recoverable Best Estimate Prospective Resources as of 31 October 2011 of 570 Bcf of gas and 14.5 mmbbls

of condensate with an NPV10 value of \$1.03 billion at gas and condensate prices of \$4.00/mmBtu and \$65.00/bbl respectively (this compares to current realization prices of \$7.5/ mmBtu gas and \$70 /bbl condensate). The work carried out by President subsequent to this report, including a successful outcrop survey close to the prospect and the discovery of the Paleozoic petroleum system across the border in Paraguay, has given significant impetus to this project with initial interest already being shown by major industry players.

4. Use of proceeds

The gross proceeds of the Placing will be used to undertake a 600 km 2D seismic survey across the Hernandarias concession in Paraguay, undertake an initial three well workover campaign on existing shut-in wells on the Puesto Guardian Concession, Argentina to increase production and support the working capital position of the Company through to 2016. The seismic is designed to high grade three key leads to bring them to drill ready status while the workover programme in Argentina continues.

Under the Placing, PLLG has agreed to subscribe for 13,781,455 Placing Shares and 13,781,455 attached Warrants, further details of which are set out in paragraph 6 of this letter. IYA is a subsidiary of PLLG and has made available to President a \$15 million loan facility, under which facility \$10.4 million is currently outstanding. As part of the Placing, the Company will repay US\$1.8 million under the facility and with such amount subsequently to be used by PLLG in respect of the allotment and issue by President of 3,814,538 of the 5,615,850 Firm Placing Shares (and associated Firm Placing Warrants) at the time of First Admission and 5,546,447 of the 8,165,605 Proposed Placing Shares (and associated Proposed Placing Warrants) at the time of Second Admission, in each case at the Placing Price.

<u>Use of proceeds</u>	<u>Cost estimate (\$)</u>
—Hernandarias Block 600km 2D seismic	\$ 4.0 million
—Argentina Workover Programme	\$ 1.5 million
—Working Capital	\$ 6.7 million
—Partial Conversion of IYA Loan	\$ 1.8 million
TOTAL	<u>\$14.0 million</u>

5. The Placing

The Company is proposing a Placing of \$14 million (before expenses) through the issue of 72,807,650 Placing Shares. Under the Placing, each Placee will also receive one Warrant for every one Placing Shares subscribed for in the Placing with each Warrant entitling the holder to subscribe for one Ordinary Share. Further details of the Warrants to be issued pursuant to the Placing are set out in section 6 below.

The Company has placed 29,668,627 Firm Placing Shares at the Placing Price and 29,668,627 Firm Placing Warrants with institutional and other investors, thereby raising \$5.7 million (before expenses) for the Company. The Firm Placing Shares and Firm Placing Warrants will be issued pursuant to the Directors' existing authorities to allot shares and grant rights to subscribe for or convert securities into shares for cash on a non pre-emptive basis. Admission of the Firm Placing Shares will take place at the time of First Admission, which is expected to take place on 6 March 2015. None of the Firm Placing Warrants will be admitted to trading.

In addition, the Company has placed 43,139,023 Proposed Placing Shares at the Placing Price and 43,139,023 Proposed Placing Warrants with institutions and other investors pursuant to the Proposed Placing, thereby raising the balance of the proceeds of the Placing of \$8.3 million (before expenses). As the allotment and issue of the Firm Placing Shares and the Firm Placing Warrants will have exhausted the Directors' existing authorities to allot shares and grant rights to subscribe for or convert securities into shares for cash on a non pre-emptive basis, the General Meeting is being called to seek Shareholders' approval to grant new share authorities to enable the Directors, *inter alia*, to complete the Proposed Placing.

The Proposed Placing Shares and Proposed Placing Warrants have therefore been placed conditional, *inter alia*, on the passing of the Resolutions and Second Admission, which is expect to take place on 23 March 2015. Again, none of the Proposed Placing Warrants will be admitted to trading.

As part of the Placing, a total of 20,802,180 Placing Shares shall be subscribed for by IFC (comprising 8,476,749 Firm Placing Shares and 12,325,431 Proposed Placing Shares) and 13,781,455 Placing Shares

shall be subscribed for by PLLG (comprising 5,615,850 Firm Placing Shares and 8,165,605 Proposed Placing Shares). IFC's and PLLG's shareholdings will represent 15.5 per cent. and 18.9 per cent., respectively, of the Enlarged Share Capital.

The Company has appointed RBC as its agent to use its reasonable endeavours to procure subscribers for the Placing Shares and the Warrants (other than the IFC Placing Shares and the PLLG Placing Shares and associated Warrants) at the Placing Price.

Expenses

Under the Placing Agreement, the Company has agreed to pay a placing commission to RBC, together with all costs and expenses and VAT thereon, where appropriate. RBC is entitled, in certain limited circumstances, to terminate the Placing Agreement prior to Second Admission and to the payment of outstanding expenses on such termination.

Settlement and dealings

Application has been made to the London Stock Exchange for the Firm Placing Shares to be admitted to trading on AIM. It is expected that First Admission will become effective on 6 March 2015 and that dealings for normal settlement in the Firm Placing Shares will commence at 8.00 a.m. on 6 March 2015.

Application will also be made to the London Stock Exchange for the Proposed Placing Shares to be admitted to trading on AIM. It is expected that Second Admission will become effective and that dealings for normal settlement in the Proposed Placing Shares will commence at 8.00 a.m. on 23 March 2015.

The Placing Shares will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive dividends and other distributions declared following Admission.

6. Warrants

Each of the Placees will be issued with one Warrant for every Placing Share subscribed for in the Placing. Each Warrant will entitle the holder to receive, upon exercise, one Ordinary Share at an exercise price of 18.75 pence (representing a 50 per cent. premium to the Placing Price). The Warrant may be exercised at any time during the period of 3 years from the date of issue (being the time of First Admission or Second Admission, as applicable). The Warrants will be freely transferable and issued in registered form, with the register of Warrants kept by the Company or its appointed agent.

Following First Admission and Second Admission, warrant certificates, representing the relevant number of Warrants to be issued to Placees, are expected to be despatched by post, within 14 days of Admission, at the relevant Placee's sole risk.

The Warrants will be constituted by the Warrant Instruments. IFC will acquire its Warrants under a standalone Warrant Instrument and with all other Placees acquiring their Warrants under a separate Warrant Instrument that will be executed by the Company on materially the same terms as the IFC Warrant Instrument. Both Warrant Instruments will be entered into at the same time, shortly before the time of First Admission. The Warrants will be freely transferrable (in any multiple), independently of the Placing Shares, but will not be admitted to trading on AIM or any other exchange.

7. Current trading and prospects

On 12 September 2014, the Company announced its interim results for the six months ended 30 June 2014. Subsequently, the Company has provided corporate and operational updates. Group production for the 12 months to 31 December 2014 averaged 430 boepd, with Louisiana contributing 225 boepd. Cash of approximately \$1.4 million was held as at 31 January 2015 with \$10.4 million drawn under the \$15 million IYA loan facility.

In Paraguay the Company plans to undertake a seismic survey on the Hernandarias Concession whilst having discovered contingent resources at Lapacho and significantly de-risked neighbouring prospects, President is considering next steps in relation to its Pirity Concession. Discussions with major industry players continue with the levels of incoming interest encouraging. In the light of President's analysis of the results of the 2014 drilling programme, the Company is reviewing the prospectivity and work commitments in the Demattei Concession where President currently holds a 10.125% working interest and with the right to acquire a further 49.875%, subject to payment of certain exploration costs.

In Argentina the Company intends to begin a work-over campaign on the Puesto Guardian Concession to increase production levels as the first phase of a multi-stage development plan. On President's other wholly owned concessions, Mattoras and El Ocultar, the Company will continue to undertake further geological and geophysical studies to evaluate the prospectivity in the Paleozoic, where similar prospects to Martinez del Tineo (as described above) may exist.

In Louisiana, despite the lower oil price environment, prospects for 2015 are encouraging, largely due to the contributions of two existing non-operated carried producing wells, one at East Lake Verret and the other at East White Lake, as announced on 8 January 2015. Small scale recompletion and workover operations will be undertaken as needed on the existing well stock.

8. General Meeting

A notice convening a General Meeting of the Company, to be held at the offices of Bell Pottinger, Holborn Gate, 330 High Holborn, London, WC1V 7QD at 10 a.m. on 20 March 2015 is set out at the end of this document. At the General Meeting, the following Resolutions will be proposed:

- (1) an ordinary resolution to grant authority to the Directors to allot shares in the capital of the Company or to grant rights to subscribe for or convert any security into shares in the capital of the Company pursuant to section 551 of the Act, being up to an aggregate nominal amount of £862,780.46. The Directors will limit this authority to the allotment of the Proposed Placing Shares and the Proposed Placing Warrants pursuant to the Proposed Placing;
- (2) a special resolution to disapply the statutory pre-emption rights contained in section 561(1) of the Act in respect of the allotment of equity securities (within the meaning of section 561(1) of the Act) up to an aggregate nominal amount of £862,780.46. The Directors will again limit this authority to the allotment of the Proposed Placing Shares and the Proposed Placing Warrants pursuant to the Proposed Placing;
- (3) subject to and conditional on the passing of the resolutions referred to in paragraphs (1) and (2) above, an ordinary resolution to grant a general authority to the Directors to allot up to 95,903,870 shares in the capital of the Company or to grant rights to subscribe for or convert any security into shares in the capital of the Company pursuant to section 551 of the Act, being up to an aggregate nominal amount of £959,038.70. This authority will represent 20 per cent. of the Enlarged Share Capital. The authority replaces all existing authorities under section 551 of the Act (other than the authority referred to in paragraph (1) above) and will expire at the conclusion of the Annual General Meeting of the Company to be held later this year; and
- (4) subject to and conditional on the passing of the resolutions referred to in paragraphs (1) and (2) above, a special resolution to disapply the statutory pre-emption rights contained in section 561(1) of the Act in respect of the allotment of up to 47,951,935 equity shares with an aggregate nominal amount of up to £479,519.35. This authority will represent approximately 10 per cent. of the Enlarged Share Capital. The authority replaces all existing authorities under section 570 of the Act (other than the authority referred to in paragraph (2) above) and will expire at the conclusion of the Annual General Meeting of the Company to be held later this year.

PLLG, International Finance Corporation, the Directors and certain other Shareholders have irrevocably undertaken to vote or procure the voting in favour of the Resolutions in respect of 81,621,617 Existing Ordinary Shares, in aggregate, representing approximately 20.1 per cent. of the existing issued ordinary share capital of the Company.

9. International Finance Corporation

As part of the Placing, IFC has conditionally agreed to subscribe for the IFC Placing Shares at the Placing Price pursuant to the IFC Subscription Agreement. Following completion of the Placing and Second Admission, IFC will hold approximately 15.5 per cent. of the Enlarged Share Capital. Completion of IFC's subscription for the IFC Placing Shares is subject to the satisfaction of certain conditions under the IFC Subscription Agreement and is expected to take place at the time of First Admission.

10. PLLG Investments Limited and IYA Global Limited

PLLG is an entity beneficially owned by Peter Levine, the Company's Executive Chairman, and is the Company's largest Shareholder. PLLG currently holds 76,662,209 Existing Ordinary Shares, in aggregate, representing approximately 18.9 per cent. of the existing issued ordinary share capital of the Company.

PLLG has conditionally agreed to subscribe for the PLLG Placing Shares at the Placing Price pursuant to the Placing. Following completion of the Placing, PLLG will hold approximately 18.9 per cent. of the Enlarged Share Capital.

IYA has also made available to President a \$15,000,000 loan facility until 31 December 2015, under which \$10.4 million is currently outstanding. As a condition of IFC's subscription for its Placing Shares, IYA has agreed to extend the term of the IYA loan facility for a further 12 months. The Company will pay to IYA a 0.5% facility fee in respect of the extension of the loan and the loan carries a drawn interest rate of 12.5% until 31 December 2015 and thereafter 14.5% until 31 December 2016 (5% commitment fee if undrawn until 31 December 2015 and thereafter 6% until 31 December 2016). The Company has agreed to repay to IYA \$1.8 million in aggregate under the IYA loan facility, which amount will subsequently be used in respect of the allotment and issue to PLLG of a corresponding number of Placing Shares at the Placing Price (and attached Warrants) under the Placing.

11. Related Party Transaction

The extension of the IYA loan facility is classified as a related party transaction under the AIM Rules. The Directors, excluding Peter Levine who is not considered to be independent by virtue of his respective relationships with IYA, having consulted with RBC in its capacity as the Company's nominated adviser, consider that the terms of the IYA loan extension are fair and reasonable in so far as the Company's shareholders are concerned.

12. Action to be taken

A Form of Proxy for use at the General Meeting accompanies this document. The Form of Proxy should be completed in accordance with the instructions therein and returned to the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, as soon as possible, but in any event so as to be received by 10 a.m. on 18 March 2015. The completion and return of a Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

13. Recommendation

The Directors consider the Placing to be in the best interests of the Company and its Shareholders as a whole and accordingly recommend unanimously that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting. Shareholders (which include the Directors and PLLG) have irrevocably undertaken to vote or procure to vote in favour of the Resolutions in respect of 81,621,617 Existing Ordinary Shares, in aggregate, representing approximately 20.1 per cent. of the existing issued ordinary share capital of the Company.

Yours faithfully

Peter Michael Levine

Executive Chairman and Chief Executive Officer

NOTICE OF GENERAL MEETING

President Energy PLC

Incorporated and Registered in England and Wales under the Companies Act 1985 with company number: 5104249

RESOLUTIONS

NOTICE is hereby given that a General Meeting of President Energy PLC (the “**Company**”) will be held at the offices of Bell Pottinger, Holborn Gate, 330 High Holborn, London, WC1V 7QD at 10 a.m. on 20 March 2015 for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions 1 and 3 shall be proposed as ordinary resolutions and resolutions 2 and 4 shall be proposed as special resolutions:

1. THAT, the Directors be and they are hereby authorised pursuant to and for the purposes of Section 551 of the Companies Act 2006 (the “**Act**”) to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (“**Rights**”) up to an aggregate nominal amount of £862,780.46, provided that this authority shall be limited to the allotment of shares and warrants pursuant to the Proposed Placing (as defined in the circular dated 4 March 2015, of which this notice forms part (“**Circular**”)), and that this authority shall be in addition to all existing authorities under Section 551 of the Act and shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2015.
2. THAT the Directors be and they are hereby generally empowered pursuant to Section 570 of the Act to allot equity securities (as defined in Section 560 of the Act) pursuant to the authority conferred by resolution 1 above as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £862,780.46 pursuant to the Proposed Placing, and that this authority shall be in addition to all existing authorities under Section 570 of the Act and shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2015.
3. THAT, subject to and conditional on the passing of resolutions 1 and 2 above, the Directors be and they are hereby authorised generally and unconditionally pursuant to and for the purposes of Section 551 of the Act to allot shares in the Company or grant Rights up to an aggregate nominal amount of £959,038.70 provided that this authority shall be in substitution for all existing authorities under Section 551 of the Act (other than the authority to be granted pursuant to resolution 1 above) and shall expire at the conclusion of the Annual General Meeting of the Company to be held later in 2015 and save that the Company may make an offer or agreement before the expiry of this authority which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights pursuant thereto as if the authority conferred hereby had not expired.
4. THAT, subject to and conditional on the passing of resolutions 1, 2 and 3 above, the Directors be and they are hereby generally empowered pursuant to Section 570 of the Act to allot equity securities (as defined in Section 560 of the Act) pursuant to the authority conferred by resolution 3 above as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:
 - (a) allotments made in connection with offers of equity securities to the holders of ordinary shares in proportion (as nearly as may be) to the respective numbers of ordinary shares held by them, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of any overseas territory or the requirements of any recognised regulatory body or any stock exchange in any territory; and
 - (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of further equity securities up to an aggregate nominal amount of £479,519.35,

and that this authority shall be in substitution for all existing authorities under Section 570 of the Act (other than the authority to be granted pursuant to resolution 2 above) and shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2015 and save that the Company may make an offer or agreement before the expiry of this power which would or might

require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant thereto as if the power conferred hereby had not expired.

By order of the Board
David Christopher Wake-Walker
Secretary

Registered Office
17 Hanover Square
London, W1S 1BN

4 March 2015

Notes:

1. Any member entitled to attend, vote and speak at the meeting convened by the above notice is entitled to appoint one or more proxies to attend, speak and vote at the meeting instead of him. A proxy need not be a member of the Company. More than one proxy may be appointed to exercise the rights attaching to different shares held by the member, but a member may not appoint more than one proxy to exercise rights attached to any one share.
2. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you) in the boxes indicated on the form of proxy. Please also indicate whether the proxy instruction is one of multiple instructions being given. To appoint more than one proxy please see the instructions on the enclosed white form of proxy. All forms must be signed and should be returned together in the same envelope.
3. To be valid, the enclosed white form of proxy for the meeting convened by the above notice and any authority under which it is executed (or a notarially certified copy of such authority) must be deposited at the Company's registrars' office (Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA) not less than 48 hours before the time for holding the meeting. Completion and return of the white form of proxy will not preclude members from attending and voting in person at the meeting.
4. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the time by which a person must be entered on the register of members in order to have the right to attend and vote at the General Meeting is 6.00 p.m. on 18 March 2015 or, if the meeting is adjourned, 6.00 p.m. on the date two days prior to the adjourned meeting. Changes to entries on the register of members after that time will be disregarded in determining the right of any person to attend or vote at the meeting.
5. In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
6. In the case of a corporation, the form of proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or duly authorised officer of the corporation.

