

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document or the action you should take, you are recommended to seek immediately your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or another independent financial adviser authorised under the Financial Services and Markets Act 2000, if you are in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Ordinary Shares, please forward this document, together with the accompanying Form of Proxy, at once to the purchaser or transferee or to the stockbroker, banker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. Such documents should not, however, be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you have sold or transferred only part of your holding of Ordinary Shares, you should retain these documents and contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

This document should be read in conjunction with the accompanying Form of Proxy and the definitions set out in this document. The whole of this document should be read and, in particular, your attention is drawn to the letter from the Chairman of Silvermere Energy plc which contains the unanimous recommendation by the Directors to Shareholders to vote in favour of the Resolutions to be proposed at the General Meeting.

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## **SILVERMERE ENERGY PLC**

*(incorporated in England and Wales with registered number 05131386)*

### **Notice of General Meeting**

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The General Meeting to consider the Resolutions will be held at 11.00 a.m. on 17 February 2012 at 44 Southampton Buildings, London, WC2A 1AP. The notice convening the General Meeting is set out at the end of this document. **The action to be taken in respect of the General Meeting is set out in the letter from the Chairman of Silvermere Energy plc contained in Part 1 of this document. Whether or not you intend to be present at the meeting, it is important that you complete and return the Form of Proxy in accordance with the instructions printed thereon to the Company's registrars, Share Registrars Limited at Suite E, 1<sup>st</sup> Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL as soon as possible but, in any event, so as to arrive no later than 11.00 a.m. on 15 February 2012. The completion and return of the Form of Proxy will not preclude you from attending the General Meeting and voting in person should you wish to do so.**

If you have any questions about this document or the General Meeting, or are in any doubt as to how to complete the Form of Proxy, please call Share Registrars Limited between 9:00 a.m. and 5:00 p.m. Monday to Friday (except UK public holidays) on 01252 821390. Calls will be charged at national or international rates as the case may be. Please note that calls may be monitored or recorded and Share Registrars Limited cannot provide financial advice or advice on the merits of the Resolutions.

**Date: 1 February 2012**

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## TIMETABLE

Posting of this document.....	1 February 2012
Latest time and date for receipt of Forms of Proxy for General Meeting ....	11.00 a.m. on 15 February 2012
General Meeting .....	11.00 a.m. on 17 February 2012

## DEFINITIONS

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

<b>"Act"</b>	the Companies Act 2006
<b>"Board" or "Directors"</b>	the board of directors of the Company
<b>"Business Day"</b>	a day (other than a Saturday or Sunday or public holiday) on which dealing in domestic securities may take place on the London Stock Exchange
<b>"Company"</b>	Silvermere Energy plc, a company incorporated in England and Wales with company number 05131386
<b>"CREST"</b>	the computerised settlement system used to facilitate the transfer of title to shares in uncertificated form operated by Euroclear UK & Ireland Limited (formerly CRESTCo Limited)
<b>"General Meeting"</b>	the general meeting of the Company to be held at 11.00 a.m. on Friday 17 February 2012 at 44 Southampton Buildings, London WC2A 1AP, or any adjournment of such general meeting
<b>"London Stock Exchange"</b>	the London Stock Exchange plc
<b>"Ordinary Shares"</b>	ordinary shares of 0.1p each in the capital of the Company
<b>"Register"</b>	the register of members of the Company
<b>"Resolutions"</b>	the resolutions to be proposed at the General Meeting which are set out in the notice of General Meeting in part 2 of this document
<b>"Shareholders"</b>	holders of Ordinary Shares
<b>"Voting Record Time"</b>	in relation to the General Meeting, 11.00 a.m. on 15 February 2012, or if the General Meeting is adjourned, 11.00 a.m. on the day which is two days before the date of the adjourned meeting

**PART 1**  
**LETTER FROM THE CHAIRMAN**

**SILVERMERE ENERGY PLC**

*(incorporated in England and Wales with registered number 05131386)*

*Directors*

Frank Hoyt Moxon (Non-Executive Chairman)  
Andy John Gowdy Morrison (Chief Executive Officer)  
Stewart James Dalby (Non-Executive Director)  
Bruce George Alexander Evers (Non-Executive Director)

*Registered Office*

42 Brook Street  
London  
W1K 5DB  
www.silvermere-energy.com

1 February 2012

Dear Shareholder

**NOTICE OF GENERAL MEETING**

**Introduction**

The purpose of this document is to explain the background to and reasons for the General Meeting, and why the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out in Part 2 of this document.

The contents of this letter are important and I would urge you to read it carefully and to sign and return the enclosed Form of Proxy in accordance with the instructions printed thereon as soon as possible.

**General Meeting**

Since the Company's admission to trading on AIM on 31 August 2011, the Company has issued Ordinary Shares in satisfaction of fees, against the exercise of warrants and other convertible instruments, and as part of its ongoing working capital requirements. This has reduced the headroom available to the Company and the Directors are therefore seeking to increase the Company's shareholder authority to issue a further 15,000,000 Ordinary Shares and to disapply pre-emption rights over 5,100,000 Ordinary Shares, which constitute 25% of the issued share capital of the Company at the date of this document. The Directors have consulted with the Company's major shareholders, who are supportive of the proposals.

Notice of the General Meeting is set out at Part 2 of this document. The General Meeting will be held at 44 Southampton Buildings, London, WC2A 1AP on Friday 17 February 2012 at 11.00 a.m. A Form of Proxy for use at the General Meeting is enclosed with this document.

Shareholders have the right to attend and vote at the General Meeting (or, if they are not attending the meeting, to appoint someone else as their proxy to vote on their behalf) if they are on the Register at the Voting Record Time (namely 11.00 a.m. on 15 February 2012). Changes to entries in the Register after the Voting Record Time will be disregarded in determining the rights of any person to attend and/or vote at the General Meeting. If the General Meeting is adjourned, only those Shareholders on the Register at such time as is 48 hours before the date of the adjourned General Meeting will be entitled to attend, speak and vote or to appoint a proxy.

The number of Ordinary Shares a Shareholder holds as at the Voting Record Time will determine how many votes a Shareholder or his/her proxy will have in the event of a poll.

**Explanation of the Resolutions to be proposed at the General Meeting**

The notice convening the General Meeting sets out the Resolutions to be proposed at the General Meeting. An explanation of these Resolutions is set out below:

*Authority to allot shares (Resolution 1)*

The Directors require the authority of Shareholders to allot Ordinary Shares and Resolution 1 provides such authority by granting the Directors authority to allot shares in the capital of the Company, up to a maximum nominal amount of £15,000, such authority, if granted, lasting until 17 May 2013 or, if earlier, the next annual general meeting of the Company. If, however, the Company makes an offer or enters into an agreement requiring the issue of Ordinary Shares prior to these dates, the allotment will be valid even if the allotment occurs after the expiry of this authority.

The passing of Resolution 1 will require not less than 50 per cent. of the votes cast voting in favour.

*Disapplication of pre-emption rights (Resolution 2)*

Any "equity securities" (including Ordinary Shares) allotted for cash must first be offered to existing Shareholders in proportion to the number of Ordinary Shares they each hold at that time, unless this right is disapplied by shareholders. This is known as a shareholder's pre-emption right. Resolution 2 provides for the Shareholders' pre-emptive right to be disapplied in relation to (a) rights issues or offers to shareholders in proportion to their existing holdings; or (b) the allotment of Ordinary Shares up to an aggregate nominal amount of £5,100 (being approximately 25 per cent of the current issued share capital at the date of this document). If the resolution is passed, the Directors will be able to allot Ordinary Shares for cash on a non pre-emptive basis to the extent authorised. The authority to allot Ordinary Shares for cash on a non pre-emptive basis will last until 17 May 2013 or, if earlier, the next annual general meeting of the Company. The passing of Resolution 2 will require not less than 75 per cent. of the votes cast voting in favour.

**Action to be taken**

You will find enclosed a form of proxy for use at the General Meeting. Whether or not you intend to attend the General Meeting, you are requested to complete and return the enclosed Form of Proxy as soon as possible. To be valid, the Form of Proxy must be completed in accordance with the instructions printed on it and lodged with Share Registrars Limited at Suite E, 1<sup>st</sup> Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL, as soon as possible, but in any event so as to arrive by not later than 11.00 a.m. on 15 February 2012.

If you have any queries relating to the completion of the enclosed Form of Proxy, please contact Share Registrars Limited on 01252 821390 or if calling from outside the UK, on +44 1252 821390. Share Registrars Limited can only provide information regarding the completion of the enclosed Form of Proxy and cannot provide you with investment or tax advice.

The lodging of a Form of Proxy will not prevent you from attending the General Meeting and voting in person if you so wish.

**Recommendation**

The Directors believe the passing of the Resolutions, as set out in this document, to be in the best interests of the Company and the Shareholders taken as a whole. Accordingly, the Directors unanimously recommend you to vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do in respect of their beneficial holdings, amounting, in aggregate, to 466,195 Ordinary Shares, representing 2.3 per cent. of the existing issued share capital of the Company.

Yours faithfully

Frank Moxon  
*Non-Executive Chairman*

**PART 2**  
**NOTICE OF GENERAL MEETING**

**SILVERMERE ENERGY PLC**

*(incorporated in England and Wales with registered number 05131386)*

NOTICE is hereby given that a general meeting of Silvermere Energy plc ("**the Company**") will be held at 44 Southampton Buildings, London, WC2A 1AP, on 17 February 2012 at 11.00 a.m. to consider and, if thought fit, pass the following resolutions, of which resolution 1 will be proposed as an ordinary resolution and resolution 2 will be proposed as a special resolution:

**ORDINARY RESOLUTION**

1. THAT pursuant to section 551 of the Companies Act 2006 (the "**Act**"), the directors of the Company (the "**Directors**") be and they are hereby generally and unconditionally authorised to exercise all or any of the powers of the Company to allot Relevant Securities (as defined in the notes to this notice) up to a maximum nominal amount of £15,000, provided that this authority shall, unless previously revoked, varied or renewed by the Company in general meeting, expire on the date falling 15 months from the date of the passing of this resolution, or if earlier at the annual general meeting of the Company to be held in 2012 (unless renewed varied or revoked by the Company prior to or on that date) save that the Company may, before such expiry, make an offer or agreement which would or might require Relevant Securities to be allotted after such expiry and the Directors may allot Relevant Securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired. This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 551 of the 2006 Act.

**SPECIAL RESOLUTION**

2. THAT the directors be generally empowered pursuant to section 570 of the 2006 Act to allot equity securities (as defined in section 560 of the 2006 Act) for cash as if section 561(1) of the 2006 Act did not apply to any such allotment pursuant to the general authority conferred on them by Resolution 1 above (as varied from time to time by the Company in general meeting) PROVIDED THAT such power shall be limited to:-
  - (a) the allotment of equity securities in connection with a rights issue or any other offer to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings and to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
  - (b) the allotment (otherwise than pursuant to sub paragraph (a) above) of equity securities up to an aggregate nominal amount of £5,100 representing 25% of the issued share capital of the Company

and the power hereby conferred shall operate in substitution for and to the exclusion of any previous power given to the directors pursuant to section 570 of the 2006 Act and shall expire on the date falling 15 months from the date of the passing of this resolution, or if earlier at the annual general meeting of the Company to be held in 2012 (unless renewed varied or revoked by the Company prior to or on that date) save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement notwithstanding that the power conferred by this resolution has expired.

By order of the Board  
Cargil Management Services Limited  
Company Secretary

Registered Office  
42 Brook Street  
London  
W1K 5DB

Date: 1 February 2012

**Notes:**

1. **"Relevant Securities"** means:
  - (A) shares in the Company other than shares allotted pursuant to:
    - 1) an employee share scheme (as defined by section 1166 of the 2006 Act);
    - 2) a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or
    - 3) a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security.
  - (B) any right to subscribe for or convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined by section 1166 of the 2006 Act). References to the allotment of Relevant Securities in the resolution include the grant of such rights.

**Entitlement to attend and vote**

2. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:
  - 11.00 a.m. on 15 February 2012; or
  - if this General Meeting is adjourned, 48 hours prior to the adjourned General Meeting;shall be entitled to attend and vote at the General Meeting.

**Appointment of proxies**

3. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the General Meeting and you should have received a proxy form with this Notice of General Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. If you wish to appoint more than one proxy, please contact the Company's Registrars, Share Registrars on 01252 821390 or if calling from outside the UK, on +44 1252 821390, or write to Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL for additional proxy forms and for assistance.
5. A proxy does not need to be a member of the Company but must attend the General Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form or via CREST are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
6. If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.

### **Appointment of proxy using hard copy proxy form**

7. The notes to the proxy form explain how to direct your proxy to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Share Registrars, Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL; and
- received by Share Registrars no later than 11.00 a.m. on 15 February 2012.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

### **Appointment of proxy via CREST**

8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed 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 (formerly CRESTCo's) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must in order to be valid, be transmitted so as to be received by Share Registrars (ID 7RA36) by no later than 11.00 a.m. on 15 February 2012. No such message received through the CREST network after this time will be accepted. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the registrars are 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 provider(s) 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(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

### **Appointment of proxy by joint members**

9. 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).

### **Changing proxy instructions**

10. To change your proxy instructions simply direct your proxy and submit new instructions using the methods set out above. Note that the cut-off time for proxies will also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Share Registrars on 01252 821390 from within the UK or on +44 1252 821390 if calling from outside the UK.

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

### **Termination of proxy appointments**

11. In order to revoke a proxy appointment (other than a CREST Proxy appointment) you will need to inform your proxy and Share Registrars by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Share Registrars, Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice

The revocation notice must be received by Share Registrars no later than 11.00 am on 15 February 2012.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the General Meeting and voting in person.

### **Communication**

12. Except as provided above, members who have general queries about the General Meeting should contact Share Registrars on 01252 821390 from within the UK or on +44 1252 821390 if calling from outside the UK. The helpline cannot provide advice on the merits of the Resolutions nor give any financial, legal or tax advice.

You may not use any electronic address provided either:

- in this notice of General Meeting; or
- any related documents (including the proxy form),

to communicate with the Company for any purposes other than those expressly stated.