Roxi Petroleum

("Roxi" or "the Company")

Notice of General meeting - the part disposal of BNG

29 October 2009

Roxi announces that it has today written to shareholders notifying them of the posting of a shareholder circular and notice of General Meeting on its website (www.roxipetroleum.com). The General Meeting will take place at 10 a.m. on 17 November 2009, at the offices of College Hill, The Registry, Royal Mint Court, London EC3N 4QN.

Highlights of the shareholder circular are set out below and is followed by the text of the Chairman's letter included in the shareholder circular:

Highlights of revised proposed transaction:

- **Roxi alone will now contribute up to 35% of the interest in the BNG Contract area currently owned by Roxi and Baverstock that is proposed to be sold to Canamens (in two stages; Stage 1: 23% and, at Canamens' option, Stage 2: 12%) and will procure that Baverstock retains its current 40.59 % interest (the "Proposed Sale")**

- **Baverstock has agreed that following the completion of the Proposed Sale the original $100 million work programme funding commitment made by Roxi to Baverstock at the time of the acquisition of Eragon will be reduced to $8.4 million (taking into account $50 million to be received from Canamens)**

- **Canamens will pay Roxi up to $57 million (Stage 1: $32 million plus a $2 million bonus upon completion of Stage 1, and Stage 2: $23 million) for the sale of up to 35% interest in the BNG Contract area**

- **Roxi in turn will then fund $50 million towards the BNG work programme commitments in 2009 and 2010**

- **Up to $17.5 million of the monies advanced by Canamens will be treated as loan receivables to be repaid from BNG Contract area oil sales**

- **When both stages of the Proposed Sale are completed the interests in the BNG Contract area will be Roxi 23.41%, Baverstock 40.59% and Canamens 35%**

Rob Schoonbrood CEO commented:

"This is an important step for the Company and we are delighted to have secured funding for one of our principal assets."

Introduction

In Roxi's interim statement released on 28 September 2009, accompanying the results for the six months ended 30 June 2009, it was announced that the completion of the disposal of part of Roxi's interests in the BNG Contract area to Canamens BNG B.V. ("Canamens") (the "Proposed Sale") would require a further vote of Roxi shareholders. This announcement sets out the rationale for this additional vote and the details of the revised proposed transaction.

Background

Roxi acquired its interest in the BNG Contract area in March 2008, when it acquired 59% of Eragon Petroleum Limited ("Eragon") (the "Eragon Acquisition") from Baverstock GmbH ("Baverstock"). The assets acquired were the interests Roxi now holds in the BNG Contract area, the Galaz Contract area and the Munaily Contract area (the "Eragon Assets").

Under the terms of the Eragon Acquisition, Roxi undertook to Baverstock that Roxi would procure the first $100 million of the work programme funding for the Eragon Assets.

Following an extensive but unsuccessful search for work programme funding during the summer and autumn of 2008 due primarily to the lack of liquidity in the capital markets during the current financial crisis, it was clear to the Board that Roxi was unlikely to be able to raise significant funds on acceptable terms from the conventional debt and equity markets to meet this commitment. Accordingly, the Board sought funding from alternative sources.

In November 2008, Roxi announced the sale of up to 32.5% of Roxi's interest in the Ravninnoe Contract area to an affiliate of Canamens in return for a commitment from Canamens to invest up to $22 million to develop the Ravninnoe asset. This sale was approved by Roxi shareholders at a General Meeting in December 2008.

Also in November 2008, Roxi announced an arrangement to sell up to 32.5% of Roxi's interest in the Galaz Contract area to KazRos Munai in return for KazRos Munai drilling up to nine wells, representing a value of $17 million, on the Galaz Contract area. In April 2009, Roxi announced that four wells had been drilled and were put into test production. Formal documentation of these arrangements is dependent now only upon receiving the remaining approval of a small shareholder in the Galaz Contract area.

In December 2008, Roxi announced that it had signed an offer to sell its interest in the Munaily Contract area for up to $3 million. Accordingly, Roxi has since sought to minimise its work programme expenditure on the Munaily Contract area.

Roxi's commitments in respect of its interest in the Beibars Contract area have been suspended pending the end of the military polygon following the occupation by the Kazakh armed forces for military training purposes of part of the Beibars Contract area.

In May 2009, Roxi announced a $24 million equity line of credit facility with GEM Global Yield Management Limited, a $2.7 billion fund based in New York. In June 2009, Roxi announced a $5 million loan from Arawak Energy Limited, part of the Vitol Group, to assist in the development of the Galaz Contract area.

As a result of the above agreements, the principal asset which remains unfunded is Roxi's interest in the BNG Contract area.The minimum work programme commitments for the BNG Contract area are $15.9 million for 2009 and $35.9 million for 2010 ($51.8 million in aggregate).

BNG farm-out

In January 2009, Roxi announced a proposed farm-out with Canamens whereby Roxi and Baverstock together would sell 35% of the BNG Contract area to Canamens in return for a commitment from

Canamens to fund $50 million (of the $51.8 million required) of the BNG Contract area minimum work programme costs for 2009 and 2010.

The detailed terms of this arrangement were negotiated with Canamens during the spring and summer of 2008 and the sale of 20.65% of the BNG Contract area was approved by Roxi shareholders at a General Meeting in August 2009. The completion of that agreement was then subject to receipt of the required waivers from the Kazakh regulatory authorities.

It has not been possible to complete the sale to Canamens as previously contemplated, principally as a result of a disagreement between Roxi and Baverstock concerning the extent of each party's interest in the BNG Contract area that is to be sold to Canamens.

Additionally, there has been a disagreement between Roxi and Canamens over the extent to which part of the $50 million to be advanced by Canamens is to be treated as a loan to the BNG project that is repayable from the future cash flowing from the production associated with the BNG assets.

The revised proposed transaction

If, as described below, stages 1 and 2 of the Proposed Sale are completed, 35% of the interest in the BNG Contract area out of Roxi's 59% interest will be sold to Canamens and Roxi will procure that Baverstock retains a 40.59% interest following which Roxi will have a 23.41% interest in the BNG Contract area.

In return for Roxi's agreement to the sale of the full 35% interest of the BNG Contract area (of which 14.35% represents Baverstock's previously announced contribution) to Canamens, Baverstock has agreed that, following completion of the Proposed Sale, the remaining work programme funding from the original $100 million funding commitment made by Roxi to Baverstock at the time of the acquisition of Eragon will be some $8.4 million.

The sale of 35% of the BNG Contract area to Canamens, will result in Canamens paying $57 million to Roxi of which up to $17.5 million will be loan finance. Roxi in turn will then fund $50 million towards the BNG work programme commitments in 2009 and 2010.

The 35% contribution of the interest in the BNG Contract area to Canamens will be carried out as a two stage process.

Stage 1

Under Stage 1, 23% of the BNG Contract area will be sold to Canamens in return for funding commitments of $32 million, of which $27 million will be treated as a loan to BNG Energy B.V. by Roxi. Canamens will receive a preferential right to 35% of the loan receivables which will be repayable from future revenue from production at the BNG Contract area. Canamens will also pay Roxi an additional $2 million in cash on completion of Stage 1.

Following completion of Stage 1, Roxi's interest in the BNG Contract area will fall from 58.41% to 35.41%.

Stage 2

Under Stage 2, at Canamens' option, a further 12% of the BNG Contract area will be sold to Canamens in return for funding commitments of $23 million, all of which will be treated as loan to BNG Energy B.V. Canamens will receive a preferential right to 35% of the loan receivables which will be repayable from future revenue from production at the BNG Contract area.

Following completion of Stage 2, Roxi's interest in the BNG Contract area will fall from 35.41% after Stage 1 to 23.41%.

The revised agreement with Canamens remains conditional upon Roxi shareholder approval and the receipt of the required waivers from the Kazakh regulatory authorities.

Related party transaction

The Proposed Sale is conditional upon entering into an inter-conditional associated agreement with Baverstock and therefore constitutes a related party transaction, which requires the approval of the Roxi shareholders. The terms of the proposed agreement with Baverstock have been agreed subject to shareholders' approval and are summarised below.

Baverstock

As it has been previously disclosed, Baverstock is a Swiss company, which holds 98,000,000 of Roxi shares representing 25.15% of the existing issued Roxi share capital. Baverstock also holds interests in the BNG Contract area, the Galaz Contract area and the Munaily Contract area, by virtue of its 41% interest in Eragon and has a 40.59% interest in the BNG Contract area asset. Roxi owns 59% of Eragon and has a 58.41% interest in the BNG Contract area asset.

Baverstock's largest shareholder is Kuat Oraziman who holds 62.88% of Baverstock shares. Kuat Oraziman is a director of Roxi and owns, directly and through his interest in Vertom International N.V., 25,316,898 Roxi shares representing 6.5% of Roxi's existing issued share capital (excluding his indirect interest by virtue of his interest in Baverstock). Accordingly, any material arrangement between Roxi and Baverstock is to be treated as a related party transaction under The AIM Rules for Companies and therefore requires the prior approval of Roxi's shareholders.

Following completion of the Proposed Sale and the inter-conditional agreement with Baverstock, it is the intention of the Roxi and Baverstock shareholders to collapse the Eragon structure, so that the underlying interests in the Eragon Assets are held directly by Roxi and Baverstock. This is intended to avoid the currently unmanageable conflicts of interest experienced by the Eragon board, all of whom are also directors of Roxi.

The proposed agreement with Baverstock and the Proposed Sale agreement are available for inspection at the Company's registered office, 68 Lombard Street, London, EC3V 9LJ, United Kingdom during normal office hours and by prior appointment.

Independent Directors' intention

Despite these changes, the directors of Roxi, excluding Kuat Oraziman who is conflicted, (the "Independent Directors") consider that a revised agreement with Canamens concerning Roxi's interest in the BNG Contract area is still in the best interests of Roxi and its shareholders, provided a separate but inter-conditional agreement is entered into with Baverstock.

The Independent Directors, who in aggregate own 153,847 of shares, representing 0.04% of the issued share capital intend to vote in favour of the Resolution.

General meeting and recommendation

As shareholder approval is required the Company has today posted a circular to shareholders regarding the Proposed Sale of part of BNG, convening a General Meeting to be held on Tuesday 17th November 2009.

It is the view of all the Independent Directors, who have been so advised by Matrix Corporate Capital LLP, that the Proposed Sale and the inter-conditional agreement with Baverstock is in the best interests of the Company and recommend the resolutions to allow the Company to complete the Proposed Sale. In providing advice to the Independent Directors Matrix Corporate Capital LLP has taken into account the Independent Directors' commercial assessments.

Enquiries:

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