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If you have sold or transferred all your ordinary shares in STRATEGIC NATURAL RESOURCES PLC (the “**Company**”), please hand this document (together with the accompanying proxy form) as soon as possible to the stockbroker or other agent through whom you made the sale or transfer for transmission to the purchaser or transferee of your shares.

LETTER FROM THE COMPANY SECRETARY OF STRATEGIC NATURAL RESOURCES PLC

(Registered in England and Wales with registered number 5249946)

Directors

Richard Latham (Chairman)
David Nel (Chief Executive Officer)
Jeremy Metcalfe (Communications Director)
Barry Nel (Commercial Director)
Edward Cox (Director of Finance)
Randal MacDonnell (Non-Executive Director)
Albertus Steenkamp (Non-Executive Director)

Suite 4
Claridge House
32 Davies Street
London
W1K 4ND

21 June 2011

To shareholders

Dear Shareholder,

Annual General Meeting and Report and Accounts

This year’s Annual General Meeting (“**AGM**”) will be held at the offices of Financial Dynamics, at Holborn Gate, 26 Southampton Buildings, London WC2A 1PB at 11.00 a.m. on 22 July 2011. At the end of this letter you will find a notice convening the AGM.

Copies of the report and accounts of the Company for the twelve month period ended 28 February 2011 (the “**Report and Accounts**”) are enclosed with this letter. The business of the AGM will be to receive the Report and Accounts and to conduct the other business as set out in the notice of Annual General Meeting at the end of this document. The Schedule to this letter explains the business that is proposed at the AGM.

Action to be taken

You will find enclosed with this letter a form of proxy for use in connection with the AGM. Whether or not you intend to be present at the AGM, you are asked to complete the form of proxy in accordance with the instructions printed on it so that the form may be received by the Company’s Registrars, Computershare Investor Services PLC at The Pavilions, Bridgwater Rd, Bristol BS99 6ZY as soon as possible but in any event not later than 11.00 am on 20 July 2011. Completion of the form of proxy will not preclude you from attending and voting at the AGM should you so wish.

Yours sincerely

Edward Cox

Company Secretary

SCHEDULE 1

EXPLANATORY NOTES TO THE BUSINESS TO BE PROPOSED AT THE AGM

The notes on the following pages give an explanation of the proposed Resolutions.

Resolutions 1 to 7 (inclusive) are proposed as ordinary Resolutions. This means that for each of those Resolutions to be passed, more than half of the votes cast must be in favour of the Resolution. Resolution 8 is proposed as a special Resolution. This means that for that Resolution to be passed, at least three quarters of the votes cast must be in favour of the Resolution.

Resolution 1: Report and Accounts

The directors must present to the shareholders at the AGM the accounts of the Company and the reports of the directors and auditors for the year ended 28 February 2011.

Resolutions 2 to 5: Re-election of Directors

In accordance with the articles of association of the Company, Jeremy Metcalfe, Randall MacDonnell, Edward Cox and Bertus Steenkamp will retire by rotation at the AGM and will seek reappointment.

Following formal performance evaluation, the Board has determined that each of the Directors' performance continues to be effective and each of the Directors continues to demonstrate commitment to his role.

Resolution 6: Reappointment of Auditors and Auditors' Remuneration

BDO LLP has agreed to continue as the Company's auditor until the conclusion of the next general meeting at which the accounts are laid before the Company. Resolution 6 proposes the reappointment of BDO LLP and authorises the Board to determine the auditors' remuneration.

Resolution 7: Authority to Allot Shares

This Resolution would give the Directors the authority to allot Ordinary Shares or grant rights to subscribe for or convert any securities into Ordinary Shares up to an aggregate nominal amount of £750,000 (representing 75,000,000 Ordinary Shares). This amount represents approximately 69% of the existing issued ordinary share capital of the Company as at 21 June 2011, being the latest practical date prior to publication of this Notice of AGM.

This authority is for a larger amount than the Board usually seeks from shareholders at its AGM. However, for the reasons set out below, the Board consider that it is necessary and appropriate to seek this level of authority to enable the Company to finance the development of the Elitheni Mine and to exploit the potential of the mine.

As previously announced, the Company has entered into an Off-Take Agreement with Trasteel International SA in respect of 100% of the coal to be mined from the Company's Elitheni Mine up to an initial 2.0 million tonnes (+/- 10% at Trasteel's option) in the Eastern Cape of South Africa. As a result of the Off-Take Agreement, the Company will be required to undertake a substantial amount of investment in the mining and transport infrastructure at the Elitheni Mine and the Port of East London. Failure to make such investment could have an adverse consequence for the Company and

its ability to export coal from the Elitheni Mine and therefore the Directors consider it important to have the flexibility to raise equity funds as quickly as possible should the need arise.

This authority will include 3,000,000 Ordinary Shares to be allocated under the Company's proposed Part B Share Option Plan to be adopted this year and to allow share options to be granted to non-executive directors. A further 5,000,000 will be available for options for employees under Part A of the proposed Share Option Plan but no authority is required for such employee options.

This Resolution, when coupled with Resolution 8, would allow the Board to raise necessary funds, otherwise than through a pre-emptive offer or rights issue to shareholders, should the Board decide that the costs and delay of such a pre-emptive offer or rights issue would be prohibitive.

The authority and power pursuant to Resolution 7 will expire on the earlier of 15 months from the date Resolution 7 is passed or the conclusion of the Company's next AGM.

Resolution 8: Disapplication of Pre-emption Rights

This Resolution, which is conditional upon Resolution 7 being passed, would give the Board the authority to allot Ordinary Shares (or sell any ordinary shares which the Company elects to hold in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings.

This authority would be limited to an aggregate nominal amount of £750,000 (representing 75,000,000 Ordinary Shares). As mentioned above, this aggregate nominal amount represents approximately 69% of the issued ordinary share capital of the Company as at 21 June 2011, being the latest practical date prior to the publication of the Notice of the AGM. For the reasons set out above, the authority being sought is in excess of the Company's usual practice but, as stated in the explanation to Resolution 7, the Board considers it is necessary to have the flexibility to enable it to raise equity funds to develop the Elitheni Mine.

As with the authority sought for allotment under Resolution 7, this disapplication will include 3,000,000 Ordinary Shares to be available under Part B of the Company's proposed Share Option Plan but no specific diapplication is needed for Ordinary Shares to be available under Part A of the Share Option Plan for employees.

The authority and power pursuant to Resolution 8 will expire on the earlier of 15 months from the date of Resolution 8 being passed or the conclusion of the Company's next AGM.

STRATEGIC NATURAL RESOURCES PLC
(the “Company”)
(Company No. 5249946)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at the offices of Financial Dynamics, at Holborn Gate, 26 Southampton Buildings, London WC2A 1PB at 11.00 am on 22 July 2011 for the purpose of considering and, if thought fit, approving the following Resolutions of which Resolutions 1 to 7 will be proposed as ordinary resolutions and Resolution 8 as a special resolution.

ORDINARY RESOLUTIONS

1. To receive and, if approved, to adopt the Company’s accounts for the financial year ended 28 February 2011 together with the directors’ report and the auditor’s report on those accounts.
2. To re-elect Jeremy Peter Metcalfe as a director.
3. To re-elect Robert Myles Randal MacDonnell as a director.
4. To re-elect Edward David Cox as a director.
5. To re-elect Albertus Steenkamp as a director.
6. To re-appoint BDO LLP of 55 Baker Street, London, W1U 7EU as the Company’s auditors to act as such until the conclusion of the next General Meeting at which the accounts are laid before the Company in accordance with section 437(1) of the Companies Act 2006 and to authorise the directors of the Company to fix their remuneration.
7. That the Directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (“the Act”), to exercise all powers of the Company to allot Relevant Securities (as defined in this Resolution) up to an aggregate nominal amount of £750,000, provided that this authority shall, unless renewed, varied or revoked 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, save that the Company may at any time before such expiry make an offer or agreement which might require Relevant Securities to be allotted after such expiry and the Directors may allot Relevant Securities to be allotted in pursuance of such offer or agreement notwithstanding that the authority hereby conferred has expired. This authority is in substitution of all previous authorities conferred on the Directors in accordance with section 551 of the Act. In this Resolution “Relevant Securities” means any shares in the capital of the Company and the grant of any right to subscribe for, or to convert any security into, shares in the capital of the Company (“Shares”) but does not include the allotment of Shares in pursuance of an employee share scheme or the allotment of shares pursuant to any right to subscribe for, or to convert any security into, Shares.

SPECIAL RESOLUTION

8. That, subject to and conditional upon Resolution 7 being passed, the Directors be empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash as if section 561(1) of the Act did not apply to any such allotment pursuant to the general authority conferred on them by Resolution 7 above (as varied from time to time by the Company in general meeting) provided that such power 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 £750,000 representing 69% 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 Act and shall expire on whichever is the earlier of the conclusion of the Annual General Meeting of the Company held in 2012 or the date falling 15 months from the date of the passing of this Resolution (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

Registered Office

Edward Cox
Company Secretary

STRATEGIC NATURAL RESOURCES PLC
Suite 4
Claridge House
32 Davies Street
London
W1K 4ND

21 June 2011

NOTES:

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the AGM. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact Edward Cox of the Company, at the address set out above.
2. To be valid any Form of Proxy or other instrument appointing a proxy must be completed and signed and received by post or (during normal business hours only) by hand at the office of Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Rd, Bristol BS99 6ZY in each case no later than 11.00 am on 20 July 2011 (or, if this Meeting is adjourned, 48 hours prior to the adjourned Meeting).
3. The return of a completed Form of Proxy, other such instrument or any CREST Proxy Instruction (as described in paragraph 7 below) will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.
4. If you wish to attend the meeting in person, please attend at the offices of Financial Dynamics at 11.00 am on 22 July 2011, at Holborn Gate, 26 Southampton Buildings, London WC2A 1PB bringing appropriate identification so that you can be identified by the Company's Registrars. It is recommended that you arrive at least 15 minutes before the time appointed for the meeting to begin.
5. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those members registered in the Register of Members of the Company as at 11.00am on 20 July 2011 (or, if this meeting is adjourned, in the Register of Members 48 hours prior to the adjourned meeting) shall be entitled to attend and vote at the above Annual General Meeting in respect of the number of shares registered in their name at this time. Changes to entries on the register of members after that time will be disregarded in determining the rights of the person to attend or vote at the Annual General Meeting.
6. 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 (available via www.euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (3RA50) by 11.00 am on 20 July 2011. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
8. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9. 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.
10. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that no more than one corporate representative exercise powers over the same share.
11. 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 name being the most senior).

12. Under the Act the Company must answer any questions you ask relating to the business being dealt with at the meeting unless: (i) answering the question would interfere unduly with the preparation of the meeting or involve the disclosure of confidential information; (ii) the answer has already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
13. Information regarding the meeting, including the information required by section 311 of the Act, is available from www.snrplc.co.uk
14. The following documents will be available for inspection at the offices of Financial Dynamics, at Holborn Gate, 26 Southampton Buildings, London WC2A 1PB for a period of 15 minutes before commencement until the end of the AGM:
 - a. Copies of the executive directors' service contracts
 - b. Copies of letters of appointment of the non-executive directors
15. As at 5.00pm on the day immediately prior to the date of posting of this Notice of Annual General Meeting, the Company's issued share capital comprised 109,103,333 ordinary shares of 1 pence each. Each Ordinary Share carries the right to one vote at a General Meeting of the Company and, therefore, the total number of voting shares in the Company as at 5.00pm on the date immediately prior to the date of posting of this Notice of Annual General Meeting is 109,103,333.