

19 June 2009

Australian Stock Exchange
Continuous Disclosure Area

Via: E Lodgement

Shareholder Correspondence

Please find attached correspondence that will be sent to all shareholders of the Company next week.

Yours faithfully



Reema Ramswarup
Company Secretary



IMPORTANT NOTICE

19 June 2009

Dear Shareholder

Your Company has received a request for a general meeting of shareholders.

The request is from a small number of our shareholders, some 120 in number who represent approximately 1.6% of the issued capital and all of whom are clients of Dixon Advisory and Superannuation Services Pty Ltd (Dixons).

The request asks for the general meeting to consider substantial changes to PRV (see attached ASX notice).

As you are aware, the underlying Net Assets of Premium have significantly outperformed the Australian and International equity markets. The board has recognised, however that during the past 12 months this significant outperformance has not been reflected in the Premium share price and a number of initiatives have been put in place to close this discount and restore full value to the share price. These initiatives include:

- Active capital management (including the recently completed equal access buy-back); and
- A program of proactive contact with shareholders and the broader market to reinforce and promote the benefits of Premium's financial strength and investment prospects.

We have already seen the benefits of our capital management initiative with shareholder value improving through the reduction in the share price discount to Net Tangible Assets, from 44% at the end of February 2009, to 29% at 31 May 2009.

With a strong business, sound management and improving share price, your directors firmly believe that Premium has a promising future.

The Board, whilst considering the proposed resolutions, would like to make the initial observation **that the proposed resolutions are not in the best interests of all shareholders**. We believe that the proposed resolutions will not result in adequate or appropriate returns to shareholders because:

1. Presently, Premium has a strong balance sheet, sound management and a committed, fully independent Board of Directors, leaving it well placed to take advantage of improving markets and economies;
2. We consider that the combined expertise of the Treasury Group and its boutique fund managers will deliver competitive returns to shareholders; and
3. Premium is a long-term investor and will continue to be differentiated by and recognised for its uniquely diversified, quality portfolio.



The Board and management will continue to act in the best interests of all shareholders, and will at all times maintain shareholder value as our primary consideration. You will receive further detailed information shortly and the company website will reflect all relevant details. Your Board will keep you fully informed as we work on your behalf.

Thank you for your support.
Sincerely



Tom Collins
Chairman

17 June 2009

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Via: E Lodgement

Requisition for General Meeting

Premium Investors Limited has today received a notice requisitioning a meeting of shareholders to consider:

1. the removal of all existing directors of the company;
2. the appointment of Messrs Alan Dixon, Alexander MacLachlan, Christopher Brown and Christopher Duffield (all associated with and/or employees of Dixon Advisory) as directors of the company (Proposed New Directors); and
3. amending the company's constitution to give the shareholders power to direct the Board to undertake a reduction of capital, share buyback or to wind-up the company.

We have received notice that, if elected, the Proposed New Directors intend to either undertake an equal access buy-back of up to 75% of the outstanding share capital of the company at a 3% discount to pre tax NTA or wind up the company.

The Board will be meeting as soon as practicable to consider the meeting requisition. The Board is also considering other options available to produce the best result for its shareholders and will provide further information to shareholders in the near future.

Yours faithfully



Reema Ramswarup
Company Secretary

