



PETRONEFT RESOURCES PLC

Corporate Presentation, 12th March 2021





FORWARD LOOKING STATEMENTS



This presentation contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with the oil and gas exploration and production business.

Whilst PetroNeft believes the expectations reflected herein to be reasonable in light of the information available to them at the time, the actual outcome may be materially different owing to factors beyond the Company's control or within the Company's control where, for example the Company decides on a change of plan or strategy.

PetroNeft undertakes no obligation to revise any such forward-looking statements to reflect any changes in the Company's expectations or any change in circumstances, events or the Company's plans and strategy. Accordingly no reliance may be placed on the Figures contained in such forward looking statements.



Strategy: *Optimise development of existing assets combined with a targeted low cost low risk appraisal led exploration strategy which aims to increase production and reserves in the near to medium term to deliver significant shareholder value.*

To achieve this strategy the company focuses on the following:

- Building and maintaining a highly motivated team of local professionals who have the ability, experience and knowledge to develop the company's assets.
- Application of advanced oil industry technology that can generate economic value.
- Rigorous cost control across the company at all levels.
- Thoughtful capital allocation to ensure growth and optimum use of funds.
- Pursuing new business opportunities to boost value through synergy and scale.
- Adhere to strict HSE standards.



Achievements



Achievements

Strengthened the Board

Description

Alastair McBain joins the Board as Non Executive Chairman, considerable successful Russian experience.

Strengthened Operational Team

Brought in new personnel with experience of operating similar assets in the region.

Completed Acquisition

Increased equity in Licence 67 from 50% to 90% just as the asset becomes cash generative

Excellent Operational Results

Reversed perennial decline at Licence 61, production now increasing.

Successful fracking campaign.

Brought Licence 67 into production

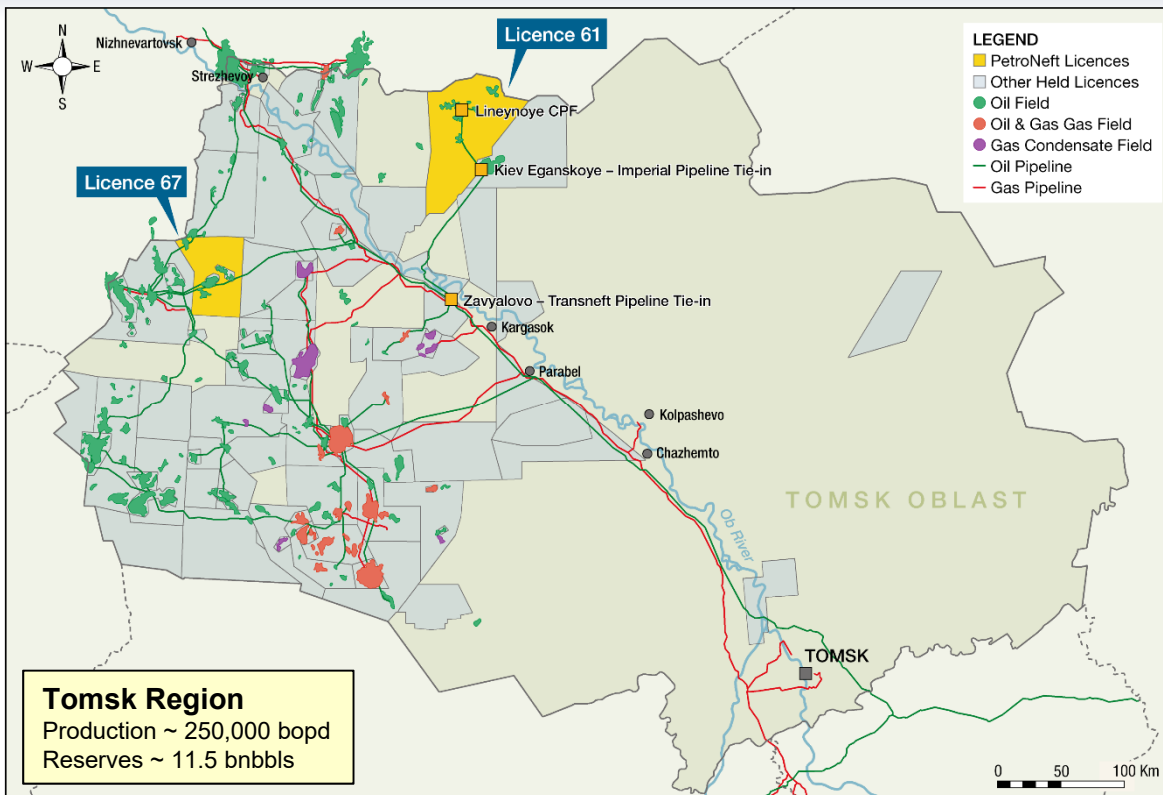
Renegotiated debt and raised New financing

Extended both Convertible and PetroGrand loans without more onerous conditions.

Raised additional convertible loan with board, management and new investor participants.

Optimizing Oil Sales Value

Switched to more competitive oil sales process, delivered significant additional value



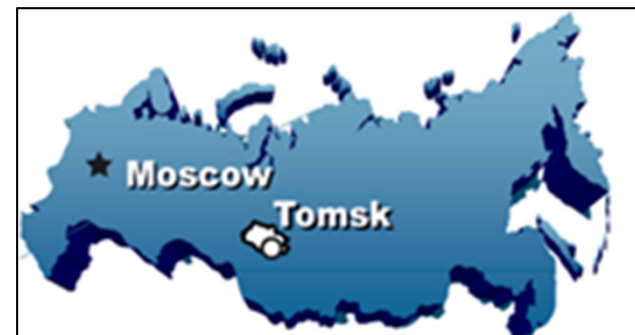
- Two licences as operator within the West Siberian Basin ~ worlds largest petroleum province.
- Significant large company adjacent activity: Rosneft, Gazpromneft, Gazprom, Russneft, ONGC.
- Established high quality infrastructure with rail, road and pipeline networks providing access to markets ~ power operating costs.
- Regional capital (Tomsk) major academic centre with over 20 Universities and institutes of higher education.

Licence 61

- 50% operated interest with OIL as non operator partner.
- 4,991 km², 7 fields discovered, producing +/-1,700 bopd, CPF capacity>14,000bfpd.
- Significant upside through field optimisation, development of northern hub and exploration projects in the south.

Licence 67

- 90% operated interest, Belgrave Naftogas as non operator partner.
- 2,447 km² area, two fields proven to date, one in production (Cheremshanskoye).
- Early stage production and appraisal/development asset with excellent infrastructure.





Operational Management Team



Pavel Tetyakov



VP BD, General Director

He has 20 years experience in senior and top management positions working for various E&P companies: PetroKazakhstan, Exillon Energy, Ukrnafta, Sibgasoil, PetroSibir. Joined the Company May 2016 as Vice-President, Business Development; January 2020 he was appointed to the Board as Executive Director. Holds a Bachelor of Arts degree in Business Administration from Budapest University of Economic Sciences and Public Administration.

Alken Kuanbay



Group Finance Director

Over 18 years of experience in accounting, corporate finance, and general management. Previously worked for: Big4 (Deloitte 4yrs and E&Y); as CFO at oil & gas and mining companies; as CEO at ShalkyaZinc N.V., an LSE listed company; and as CEO at Fincraft Resources JSC. Alken holds a degree in economics from Kazakh State Academy of Management.

Karl Johnson



Vice President Operations

Over 38 years of experience in oil and gas industry. Previously worked for Cities Service and Marathon Oil where he worked on the Sakhalin 2 project, first offshore development in Russia. Karl joined PetroNeft in 2010. Holds a BSc degree in Petroleum Engineering from Marietta College, and Executive MBA from Rice University. Member of SPE, AIPN, and SDP.

Vladimir Purin



Technical Director

Over 30 years of experience in oil and gas industry working for various companies including Sibgasoil, Russneft, PetroSibir, starting from assistant driller to chief engineer and technical director. Vladimir joined Stimul-T in December 2019. Holds a degree in drilling from Ufa Petroleum Institute and a degree in petroleum engineering.

Dmitry Shelkovnikov



Chief Engineer

Over 20 years of experience in oil and gas. Dmitry started his career at JSC Tomskneftegazgeologia, Alexandrovo Oil/Gas Exploration Expedition, then he worked in Strezhevoy Office of a drilling company Siberian Service Company (CJSC SSC). He joined Stimul-T in September 2006. Holds a degree in drilling from Tomsk Polytechnic University and a degree in Design engineering and operation of oil and gas pipelines and storage facilities.

MarathonOil

exillon
ENERGY

company
RussNeft

Imperial Energy



ROSNEFT

GAZPROM

Valery Adam



Chief Geologist

Over 20 years of experience in oil and gas. Mr. Adam has worked for such companies as Nord Imperial (Imperial Energy Group), Gazprom's subsidiaries and smaller regional players. He joined LLC Stimul-T in April 2019.

Valery holds degree in environmental geology from Tomsk Polytechnic University and a degree in oil and gas field development and operation.

Anna Balandina



Chief Accountant

Over 20 years experience as Chief Accountant in oil and gas companies (Trading Company Finco, Russneft, Petrogrand). Ms. Balandina joined Stimul-T August 2019.

Anna holds a degree in economics from Tomsk State University, has a Professional Accountant Certificate, and a diploma in the International Financial Reporting from Association of Chartered Certified Accountants. In 2012, Ms. Balandina defended a PhD thesis on Taxation in Petroleum Sector of Russia.

Natalya Starodumova



Finance Director

Over 38 years of experience in the oil and gas industry of the Tomsk region. Within this period of time she worked for a number of large and small companies including Rosneft, Russneft, Gazprom's subsidiaries. She joined LLC "Stimul-T" in January 2019.

Natalya holds a degree in Economics and organisation of the oil and gas industry from Ufa Petroleum Institute.

Anna Ivleva



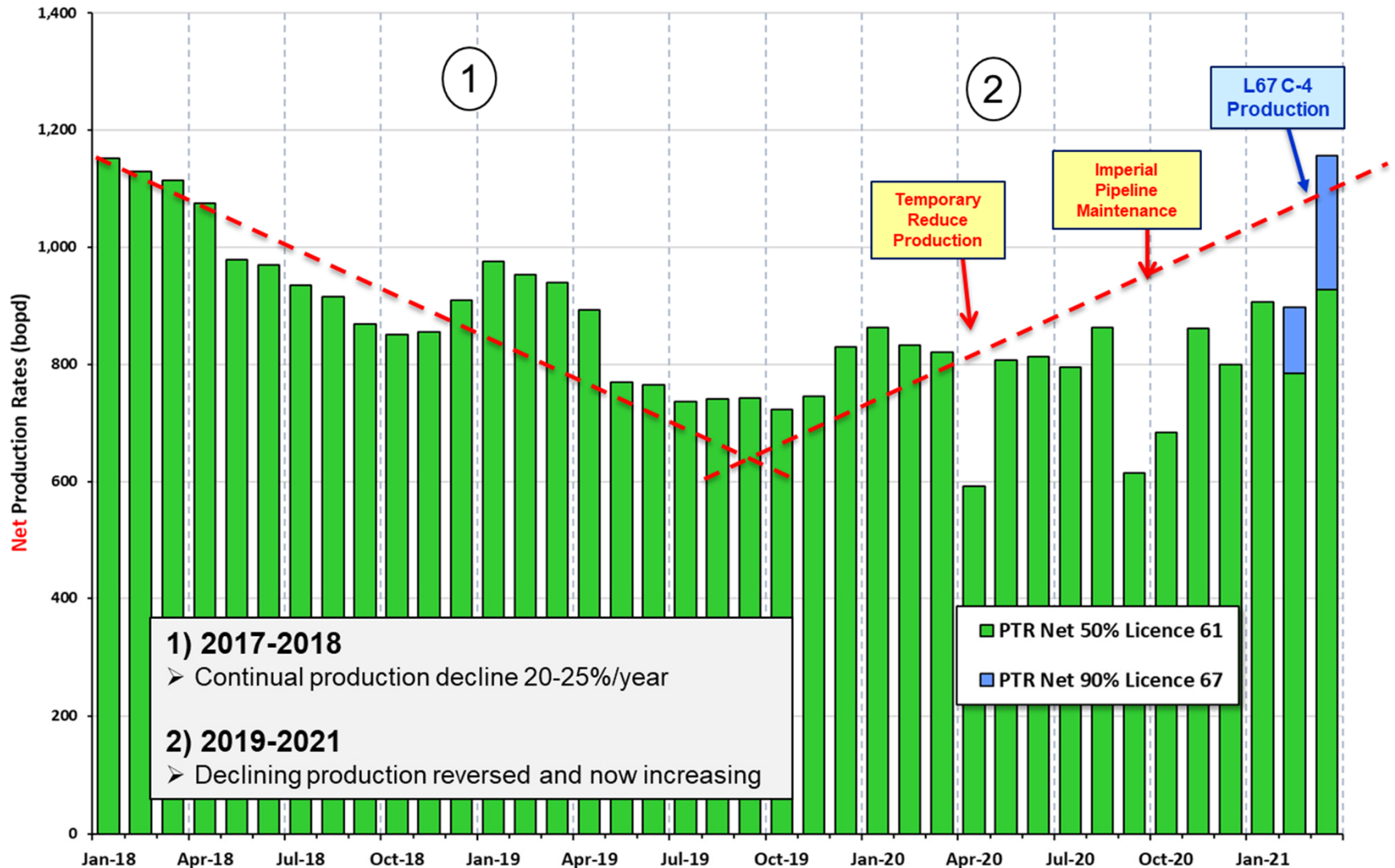
Head of Legal

Over 19 years of experience in oil and gas industry. Since 2007 she has been providing full legal support of Russian subsidiaries of PetroNeft Group.

Anna holds a degree in legal studies from Tomsk State University.

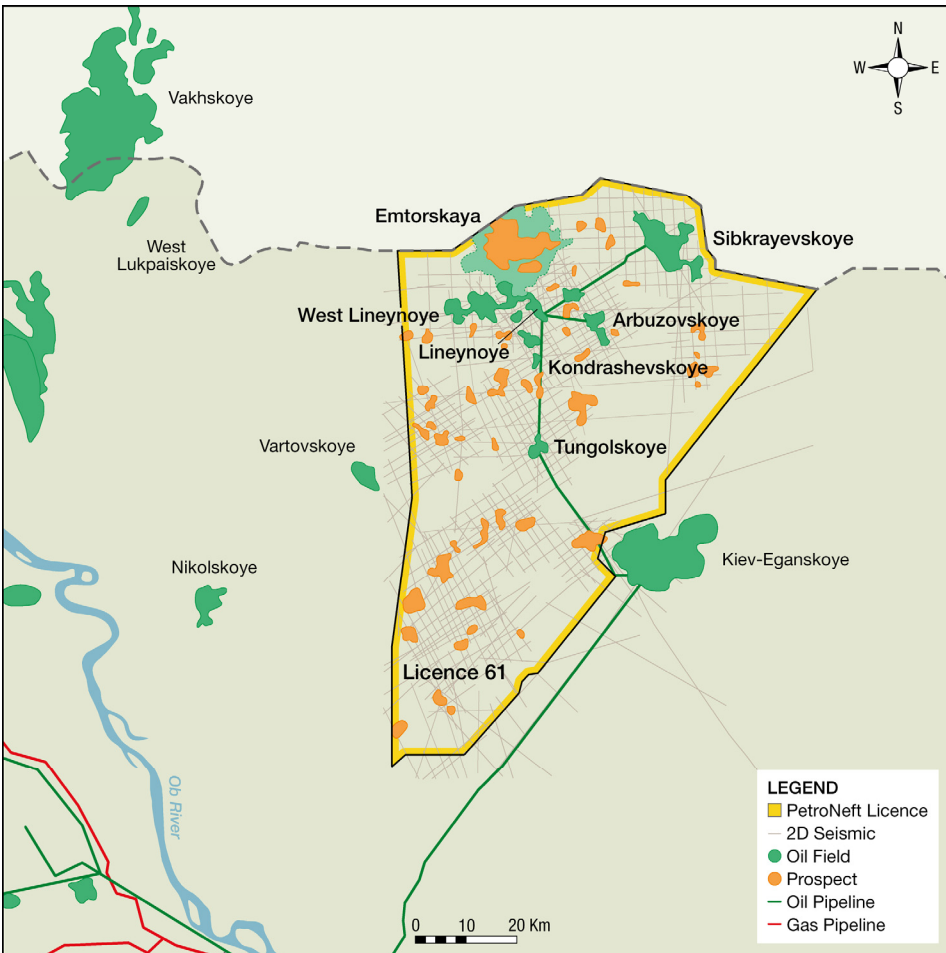


Net Production ~ Jan 2018 – Mar 2021





Existing Cash flow, potential to grow significantly through new developments feeding into abundant spare infrastructure capacity ~ incremental barrels, high value.



- **Existing Production**
 - Currently producing circa **+/-1,900 bopd.**
- **Excellent infrastructure**
 - Fields connected via pipelines
 - CPF with +/- 14,800 bpd capacity.
- **2021 Fracking Program**
 - *Sibkrayevskoye Field ~ S-373*
 - *Lineynoye Field ~ L-115*
- **Upside development potential**
 - **Northern Hub** - considerable low risk low cost near term upside potential
Sibkrayevskoye, Emtorskaya & West Lineynoye
- **Southern Exploration potential**
 - Multiple exploration prospects with **288 mmbbls gross potential**



Abundant spare capacity ~ incremental production, high value



- Modern infrastructure with Central Processing Facility (CPF) +/-14,800 bfpd.
- Pipeline System connecting to Transneft.
- Power Generation using associated gas.
- Mini oil processing facility, estimated to reduce OPEX by at least \$1/bbl.



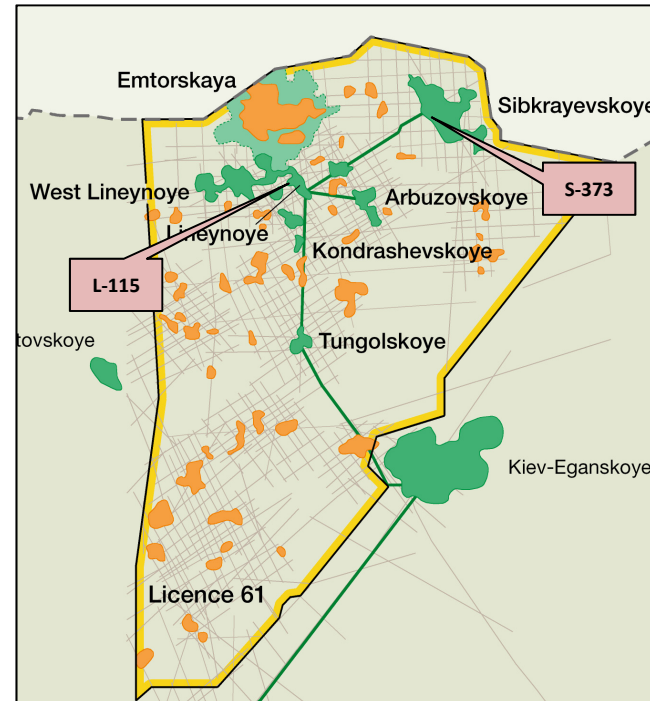


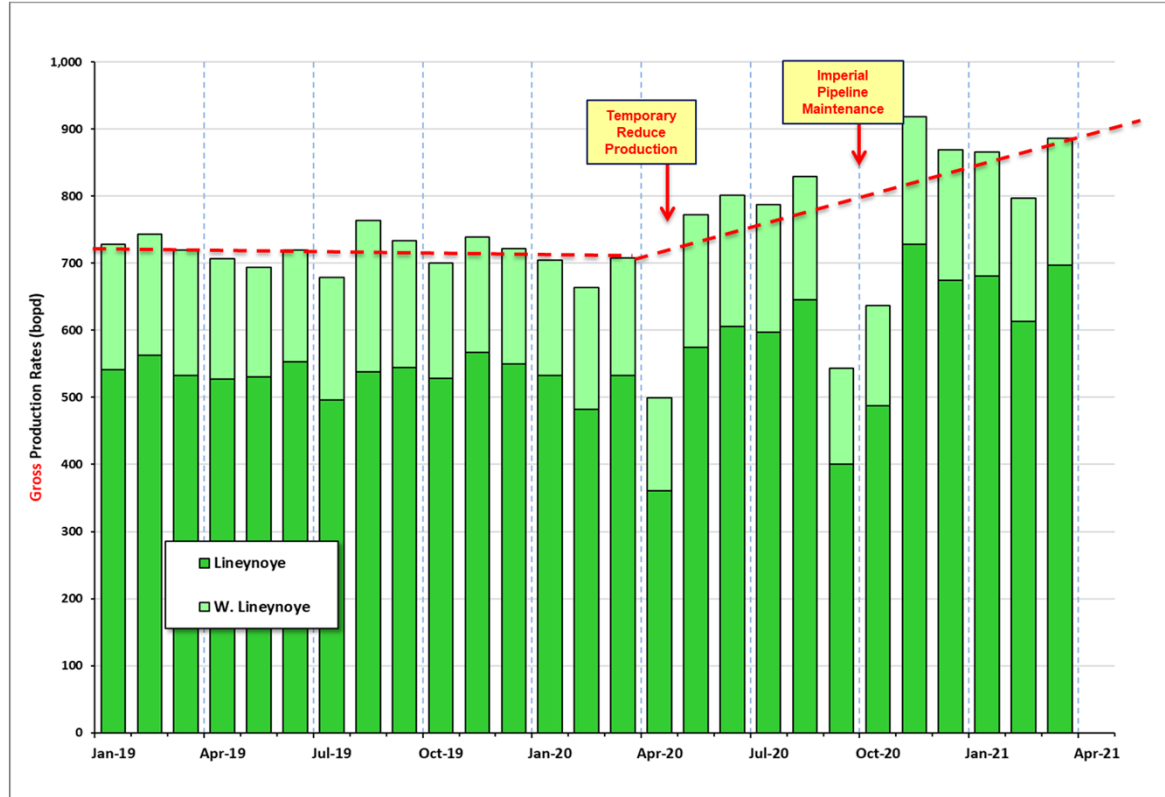
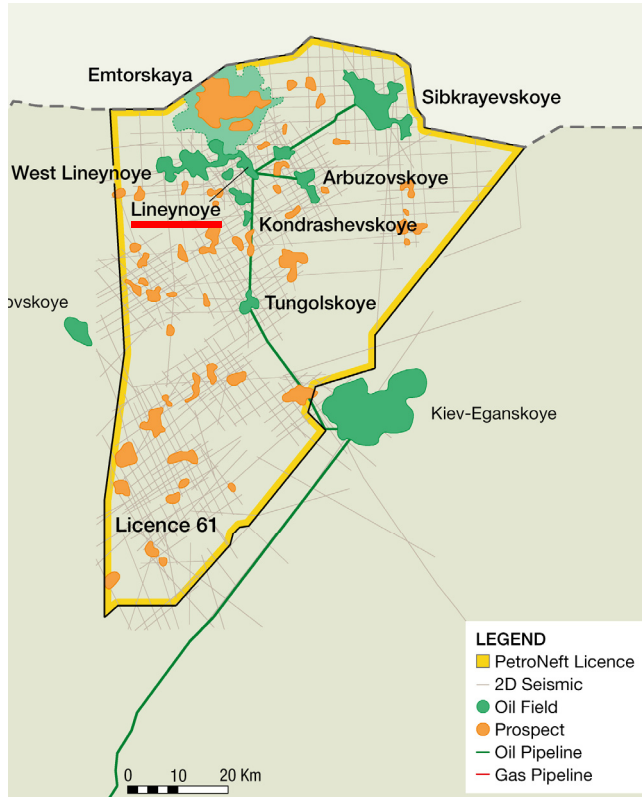
Fracking operation S-373



- Fracking operations completed on schedule, on budget and without any technical problems ~ despite harsh environment at times below 50 C.
- Results very encouraging, confirms fracking as a low cost means to increase production and revenue... under right geological conditions

Licence 61

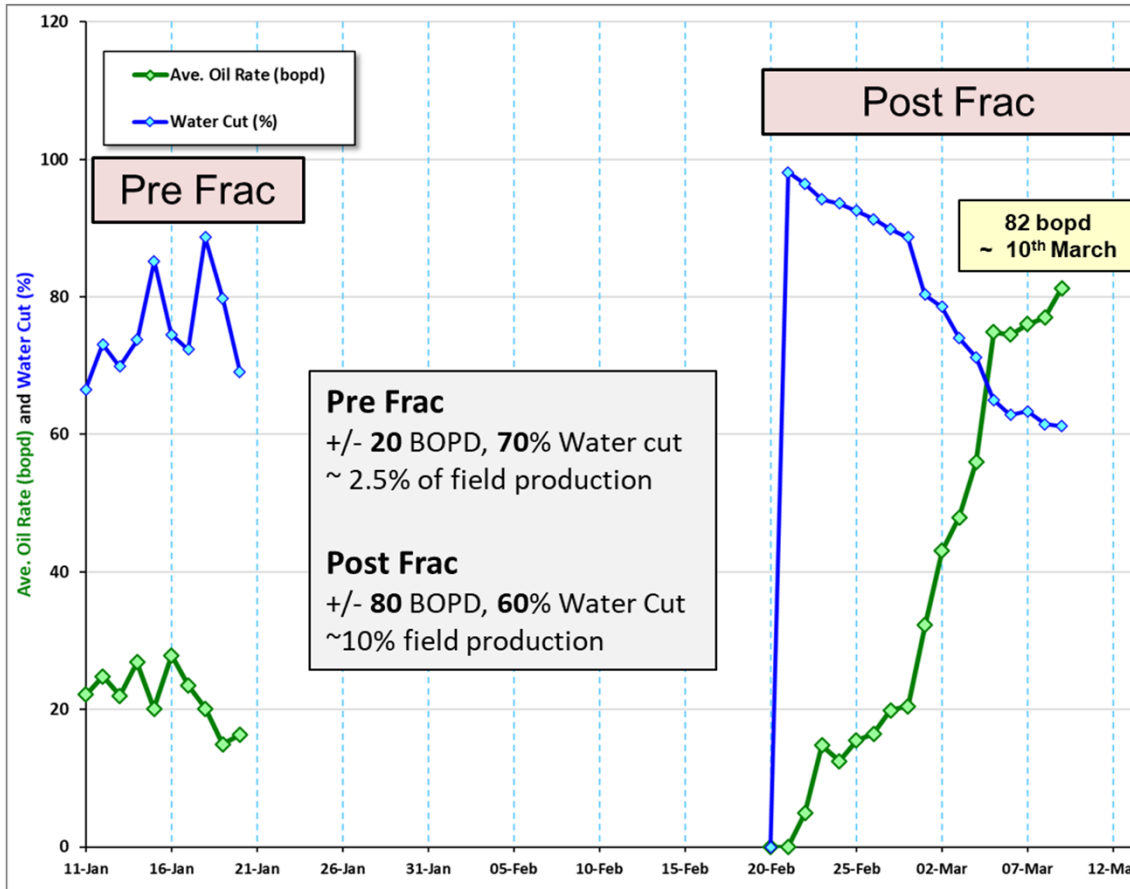




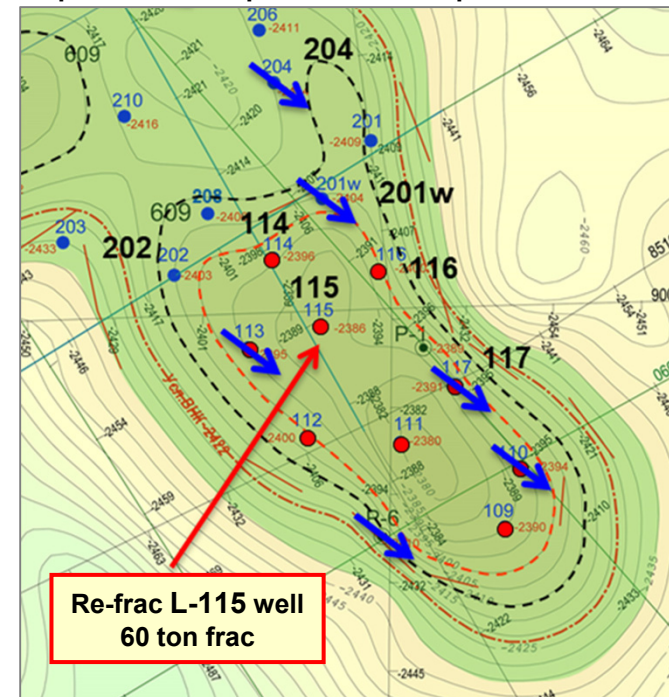
- **2019** Increased data collection leading to improved technical understanding.
- **2020** Optimised water flood ~ 20% year on year production increase
- **2021** **Successfully fracked L-115**, resulting in 8% increase in overall field production.
- **2022** Based on L-115 frac results, multi well program being considered

- Proves value of fracking as a low cost way to increase production from older wells > 400% increase, provided applied in right geological conditions
- 6 producing wells on Lineynoye field, immediate potential repeatability

L-115 Pre and Post Frac Production History

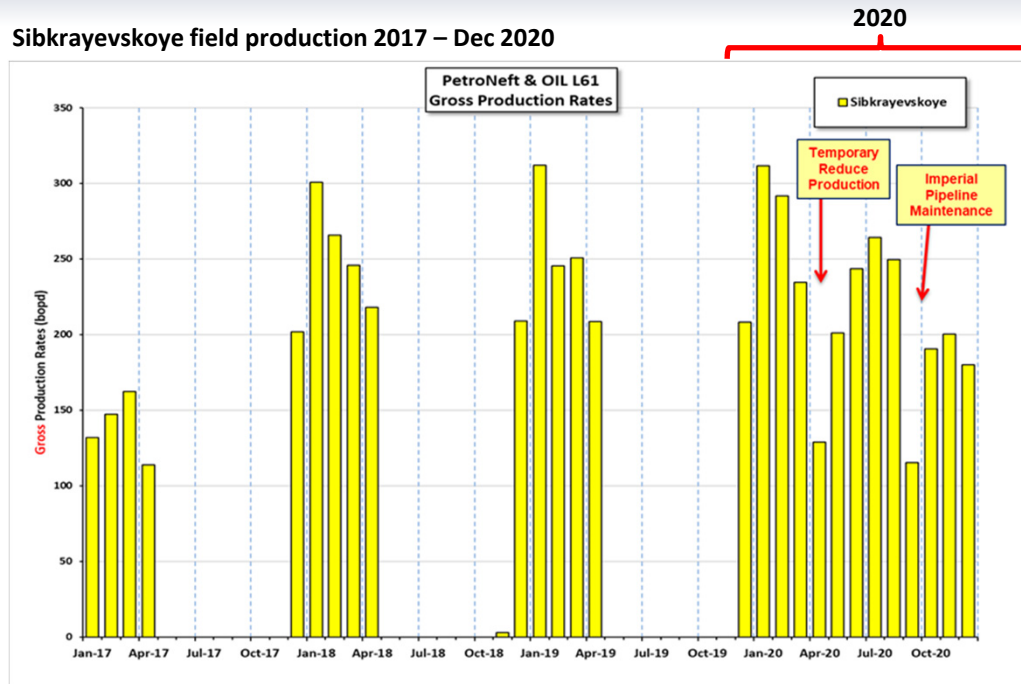


Lineynoye field
Top Bazhenov depth structure map





Sibkrayevskoye field production 2017 – Dec 2020



2017-19

- Field produced during winter season only.

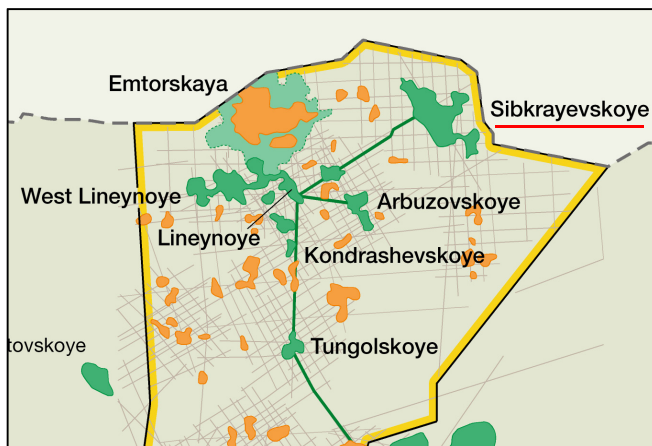
2020

- Completed 26km Sibkrayevskoye connection to the Central Processing Facility on time and significantly under budget.
- Good reservoir performance through 2020 without any appreciable decline.

2021

- **Successfully fracked S-373, increased production but also crucially improves understanding of forward development options.**
- **Results to date exceed expectation, twice pre frack rates**

Northern Half Licence 61

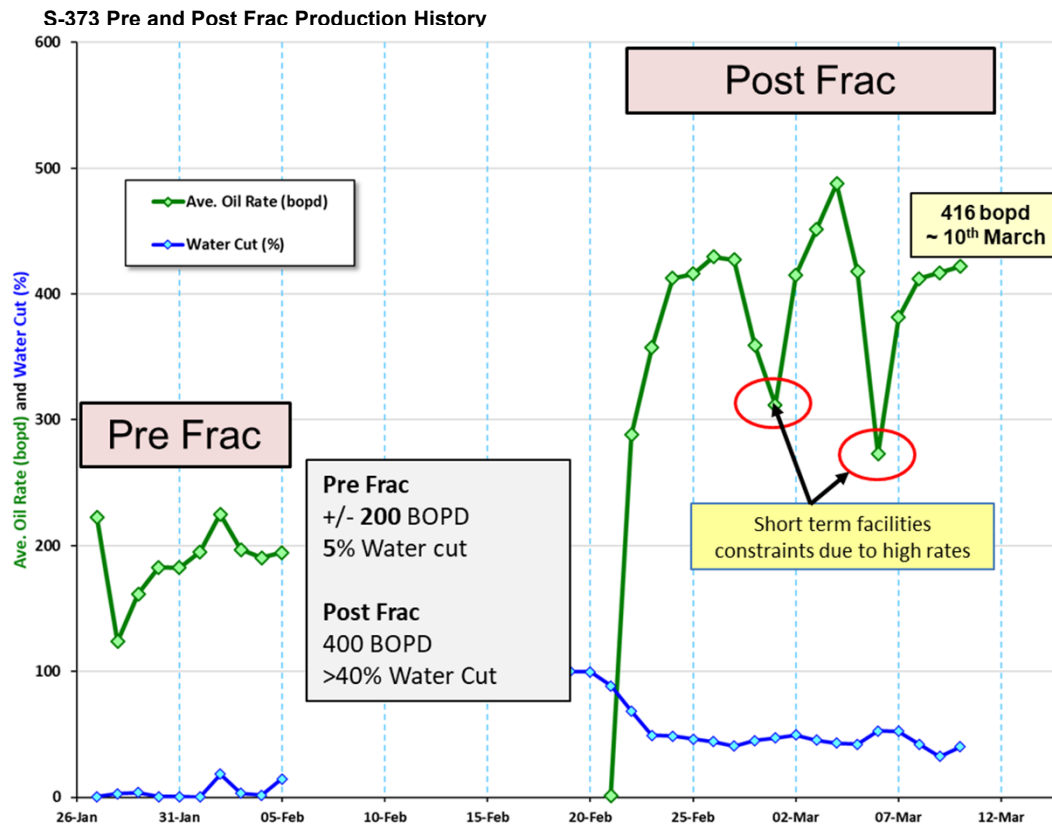


Sibkrayevskoye field production

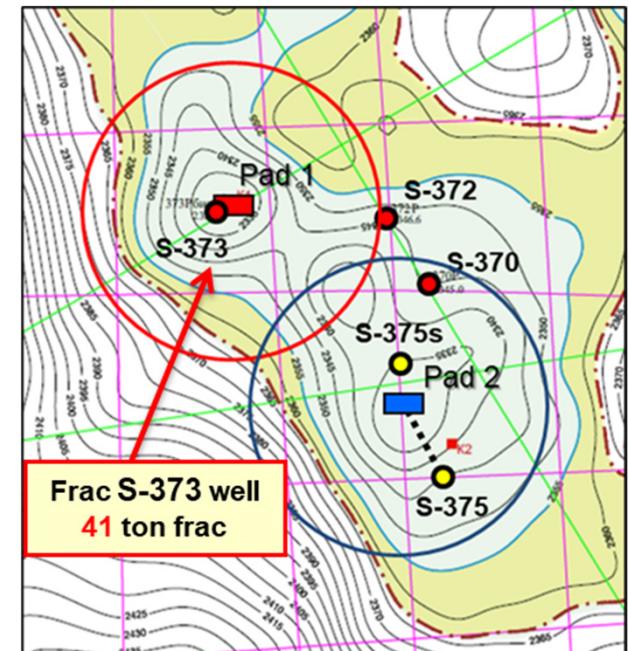
Year	Total Prod. (bbls)
2017	22,914
2018	37,491
2019	37,029
2020	76,811



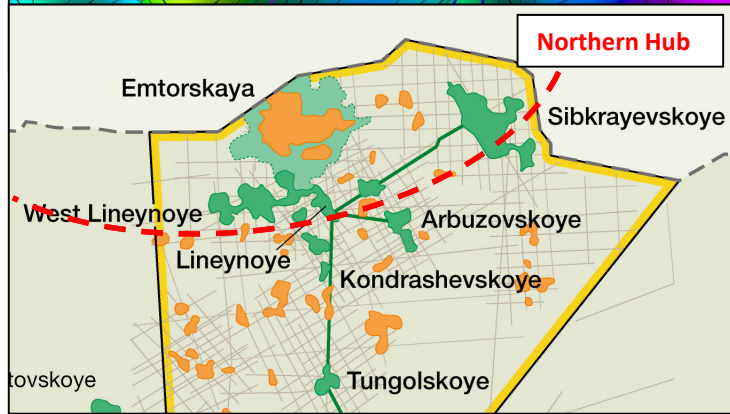
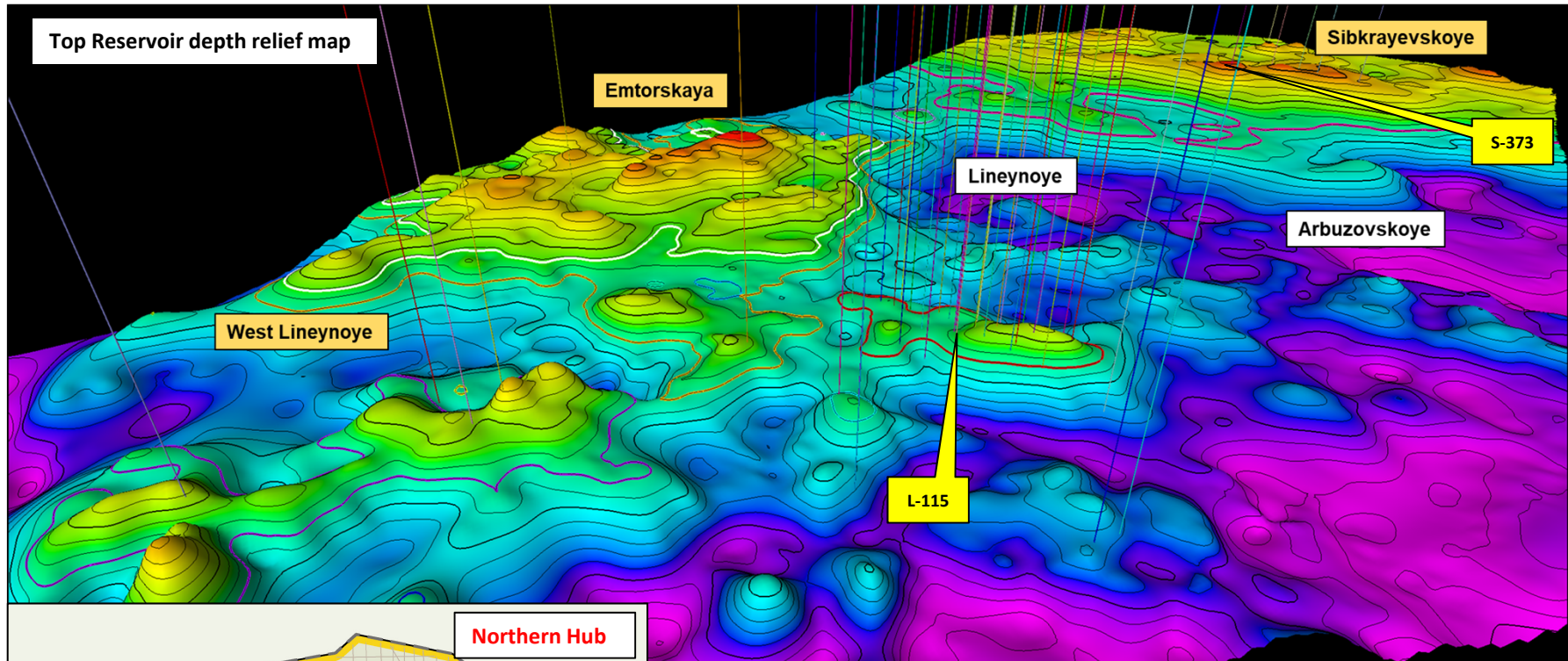
- Demonstrates economic viability of fracking as a low cost tool to significantly enhance production.
- Pre Frac modelling estimated post frac rate 350bopd against current >400bopd.



Sibkrayevskoye field
Top Bazhenov depth structure map



- Fracking results enhance economics potential of northern hub, particularly Sibkrayevskoye & Emtorskaya



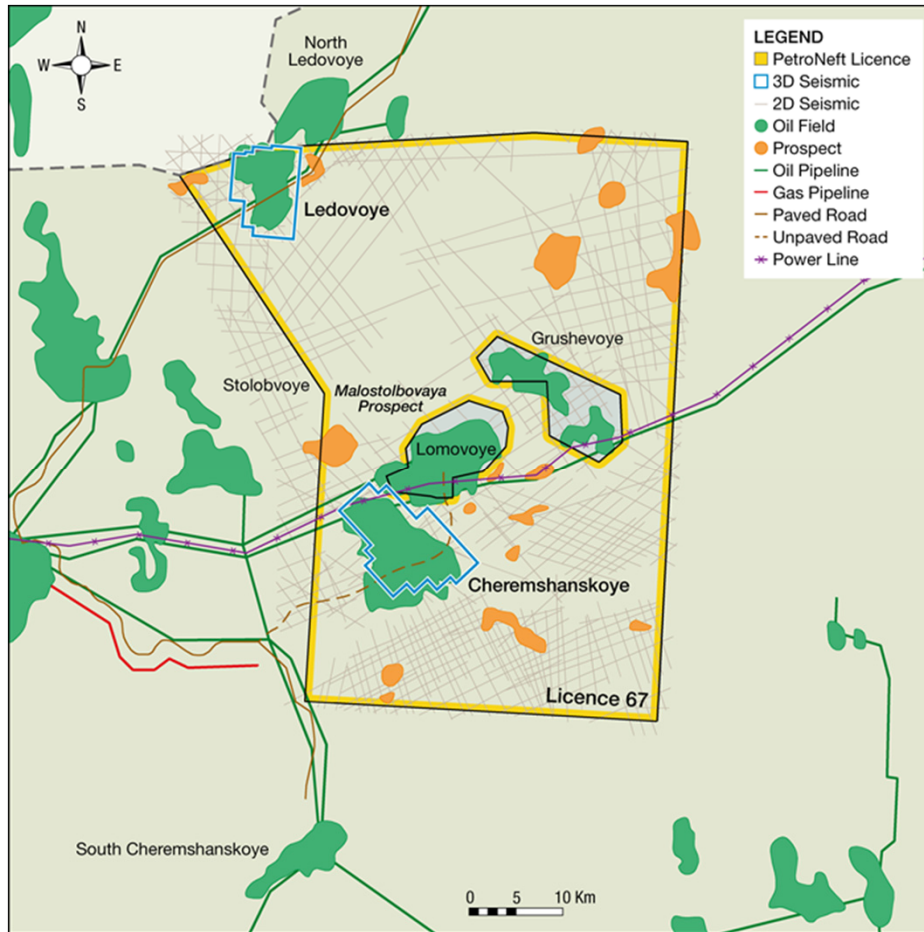
Near Field Growth potential

- West Lineynoye ~ 27.3 mmbbls (3P)
- Sibkrayevskoye ~ 58.74 mmbbls (2P)
- Emtorskaya ~ 63.91 mmbbls (P3)

Total = 149.95 mmbbls



Transformed from exploration asset to cash generative producing asset Q1 2021



➤ **Highly prospective region**

- Significant adjacent fields in production
S. Cheremshanskoye 200 mmbbls
Stolbovoye 130 mmbbls
Lomovoye (Tomskneft > 200wells)

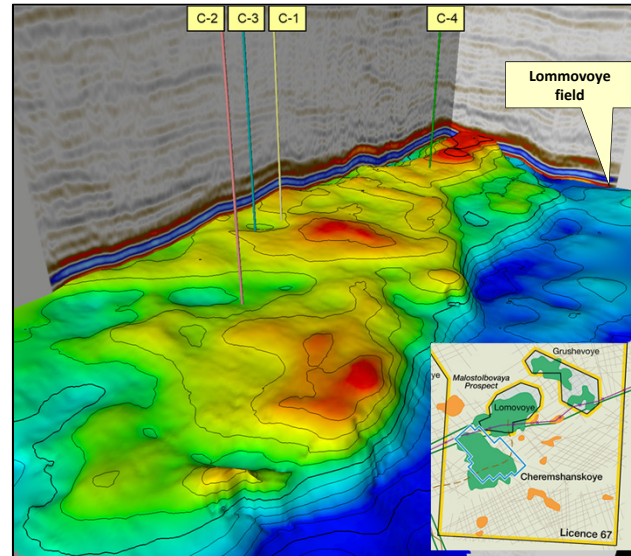
➤ **Excellent Infrastructure**

- All weather roads, pipelines, electric lines all running through or adjacent to licence.
Improves all year round access reducing operational costs

➤ **2021 Operational Highlights**

- Cheremshanskoye field - in production
- All Season Road - 90% complete
- Ledovoye L-2a workover ~ planned to commence April

Cheremshanskoye field



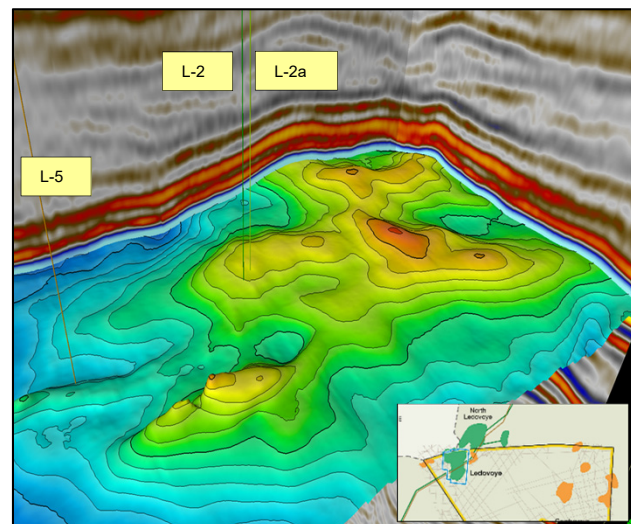
➤ **Proven Reserves**

- Significant structural closure 46km², adjacent analogue field with >200 wells
- C-4 well now in production.
- Considerable follow up potential .

➤ **Economically Highly Attractive:**

- Qualifies for reduced Mineral Extraction Tax, for February 2021 production estimated at \$2.5/bbl enhanced value.
- Oil sold at well head without transportation costs.
- All season road nearing completion, will enable year round access optimizing OPEX costs

Ledovoye field



➤ **Proven Reserves:**

- 28.0 mmbbls 2P, 34.8 mmbbls 3P reserves (Ryder Scott gross).

➤ **Low risk:**

- Structural closure 30km², two previous wells flowed oil
- Northern Satellite field extension (N. Ledovoye) developed by MOL
- Low cost well re-entry program about to commence at L-2a well.

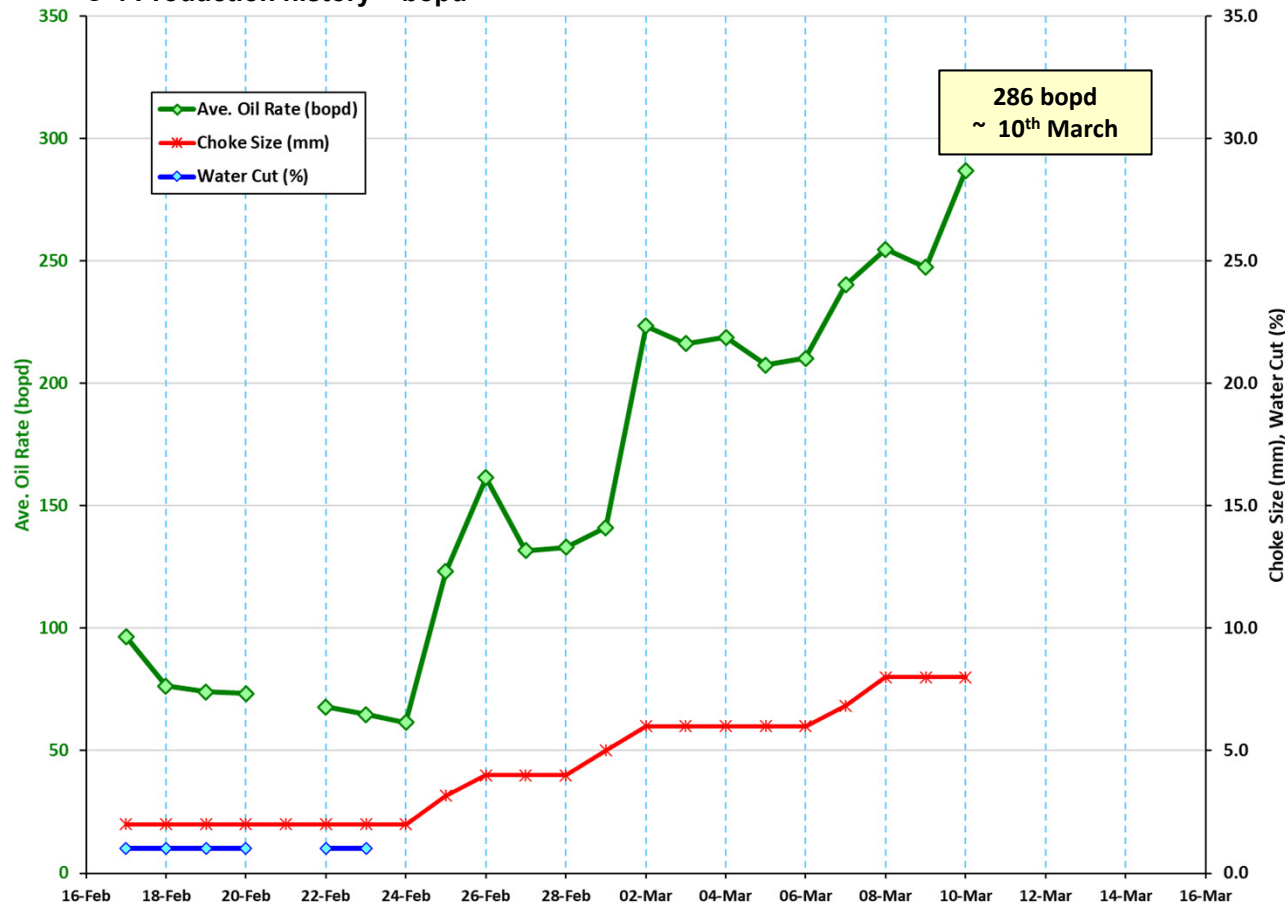
➤ **Economically Attractive:**

- All weather road, 200m from L-2a well.

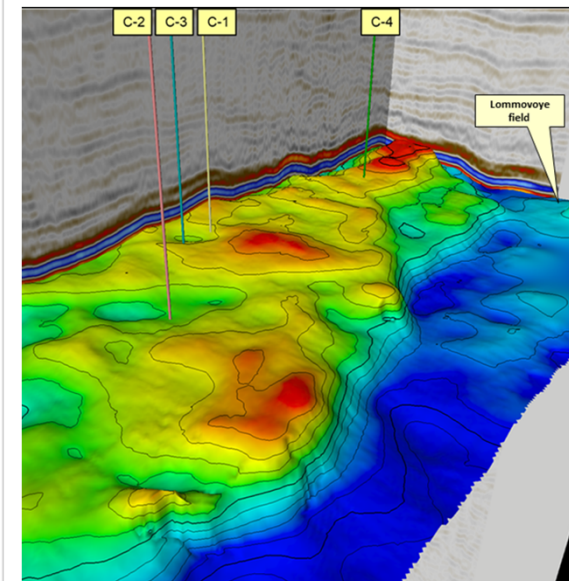


- Brought C-4 into production at gradually increasing choke sizes increased from 2mm to 8mm, most recent ~ 286 bopd on 10th March. Pump will be inserted at a later date to optimise production.
- Estimated value of reduced Mineral Extraction Tax for February production ~ \$2.5/bbl

C-4 Production history ~ bopd

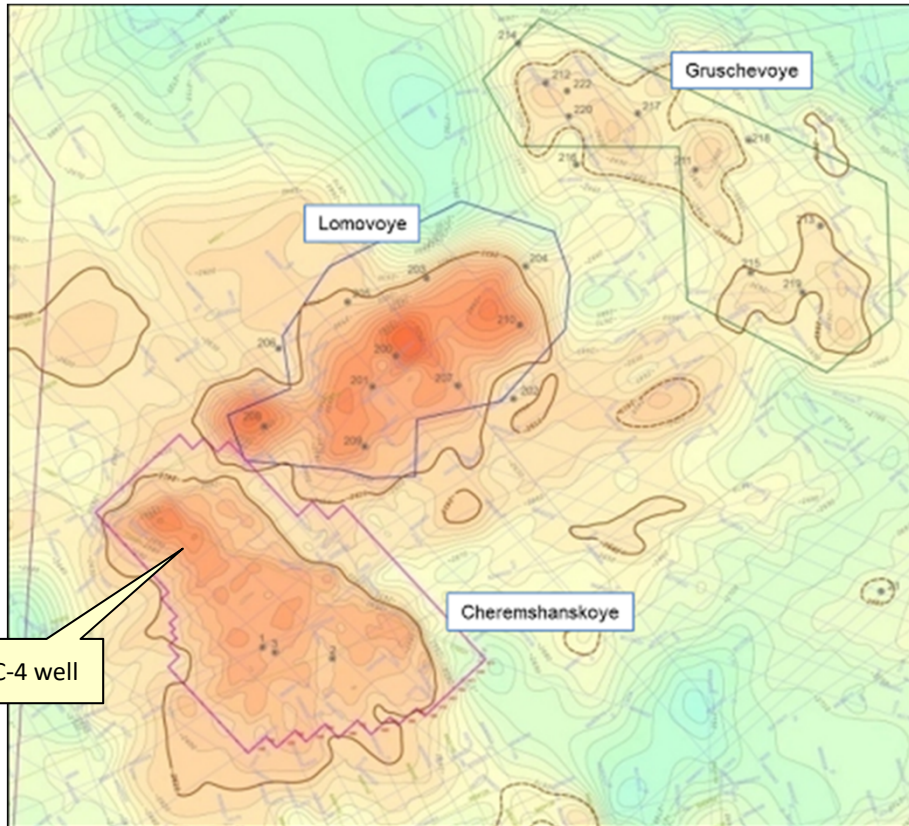


Cheremshanskoye field ~ Top Jurassic depth map





- Considerable potential to increase production and revenue



- Strong production performance from C-4 well. Multiple follow through potential development well locations on a large aerially extensive structure.
- Lomovoye field discovered late 80's, is reported to have more than 200 wells and still producing.
- Currently looking at ways to optimise the forward development of the Cheremshanskoye field, likely to involve horizontal drilling.
- Economics highly attractive due to lack of transportation tariffs and reduced mineral extraction tax (estimated \$2.5/bbl Feb 2021).

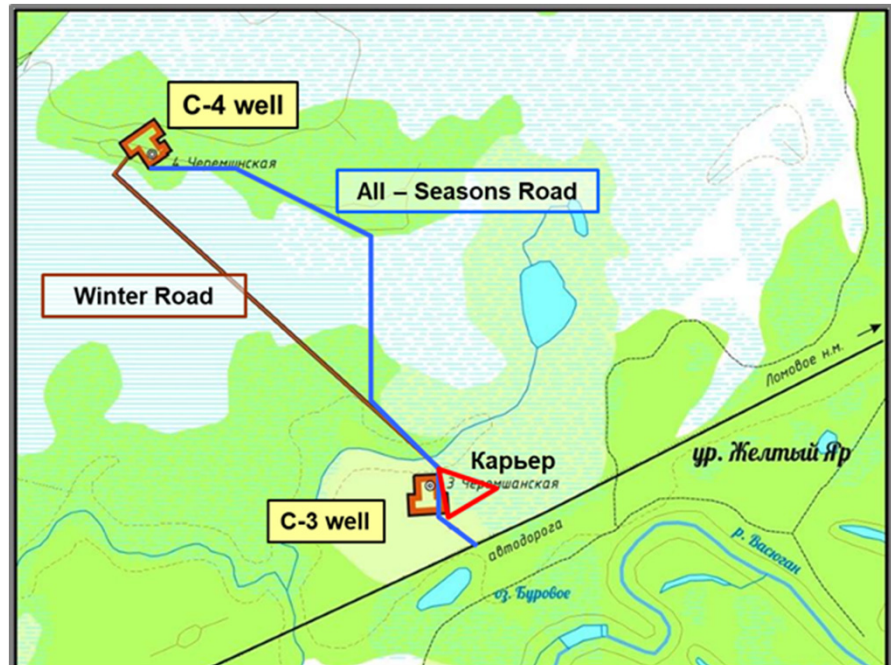


C-4 road construction



- All season road to the Cheremshanskoye C-4 well location to enable year-round oil production.
- Approximately > **90%** complete (6.2km total length)
- Completion by end of current winter season enabling year round production and field access

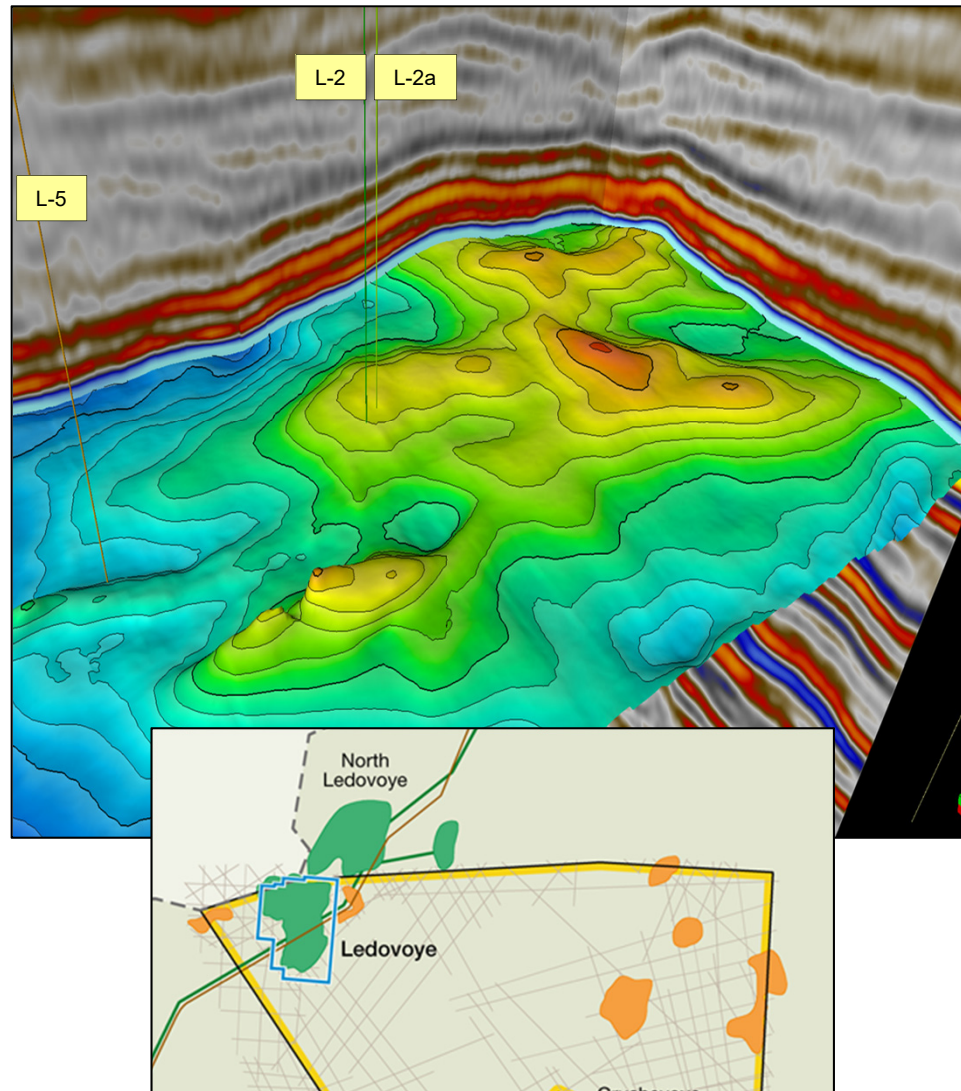
All season road routen





Potential near to mid term production, revenue and reserves growth

Top U. Jurassic reservoir isometric depth map



➤ **Proven Reserves:**

- 28.0 mmbbls 2P, 34.8 mmbbls 3P reserves (Ryder Scott gross).

➤ **Low risk low cost:**

- Structural closure 30km², two previous wells flowed oil.
- Northern Satellite field extension (N. Ledovoye) earlier developed by MOL.
- All weather road 200m from L-2a well.

➤ **2021 Operational Program:**

- Low cost well re-entry program initially focused on low risk U. Jurassic reservoir in L-2a well.

