PetroNeft Resources plc
Exploration, Development & Production in Russia
Company AGM Presentation
September 2012
This presentation contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with the oil & gas exploration and production business.

Whilst PetroNeft believes the expectations reflected herein to be reasonable in light of the information available to them at this 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.

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Company Overview & Strategy
Established in 2005 to build a diversified E&P business in Russia
Motivated management team with proven experience of exploration, production and corporate development in Russia and abroad
Company’s Licence Areas (Licences 61 & 67) cover 7,438 km² in Tomsk Oblast, Western Siberia
US$30 million debt facility with Macquarie Bank, US$15 million debt facility with Arawak Energy

Production commenced on schedule in 2010, current production ≈ 2,000 bopd
Central Processing Facility at Lineynoye with ±14,800 bpd capacity
Development to continue in 2012/2013 with Arbuzovskoye field to be brought into production
Arbuzovskoye No.1 well now producing at ≈ 300 bopd

Strong Reserve Base with material P3/P4 to 2P upgrades possible from planned exploration programme
2P reserves of 131.7 mmbo and 3P/P4 reserves of > 600 mmbo (Unrisked) [Jan 1, 2012]
New Oil Discoveries at Sibkralevskaya, North Varyakhskaya and Cheremshanskaya (Licence 67)
Reserve upgrade achieved at end of 2010 and 2011

Seeking to develop a diverse portfolio of exploration and production assets
Focusing on smaller producing oil fields with significant reserves upside
Significant opportunities for participation in expected licence auctions and corporate / asset acquisitions
Evaluating a number of opportunities
Finance with Debt, Equity and/or share swap
PetroNeft Resources plc

Regional Location Map

West Siberian Oil & Gas Basin
- Discovered Reserves
  - 144 billion bbls of oil
  - 1,300 TCF gas

Urengoy Gas Field
- 350 TCF original reserves

Licence 61 (Ryder Scott Evaluation – 1 Jan. 2012)
- Proved and Probable reserves: 118 million bbls
- Possible and Exploration resources: 448 million bbls

Licence 67 (Ryder Scott Evaluation – 1 Jan. 2011, Net to PTR)
- Proved and Probable reserves: 14 million bbls
- Possible and Exploration resources: 58 million bbls

Source – USGS
Tomsk Oblast Very Active Region
Rosneft, ONGC/Imperial Energy, TNK-BP, Gazprom, Gazpromneft, local companies

License 61
- Acquired State Auction 2004
- 100% ownership/operator
- 4,991 sq km

License 67
- Acquired State Auction 2010
- 50% ownership/operator
- 2,447 sq km
Licence 61 Field Development Programme 2012
Licence 61 Development Plan

2010 programme:
- Construction of 60 km pipeline, oil processing/storage facilities completed
- 9 oil production wells drilled in 2010, commenced pipeline production in August

2011 programme:
- Hydraulic Fracturing programme on 9 wells on Pad 1, 10 wells on Pad 2
- 12 new production wells drilled on Pad 2
- Process facilities expanded to ±14,800 bpd

2012 programme:
- Construction of 10 km pipeline to Arbuzovskoye and commence drilling of 10 to 15 new production wells at Pad 1
- Possible Sibkrayevskoye delineation well

Future Plans
- Incremental addition based on NPV analysis of Sibkrayevskoye, Kondrashevskoye, Tungolskoye, N. Varyakhskoye and other discoveries
Process Facilities July 2012
Base Bazhenov Horizon Structure Map
November 2011 – contour interval 5 m

$J_1^2$ Spill Point -2,422 m tvd

$J_1^2$ non reservoir facies

Well 212 oil-down-to -2,434 m tvd $J_1^1$

Well 211 oil-water-contact -2,435 m tvd $J_1^2$

Blue arrows show Injection wells

Pad 1 wells above -2,400 m tvd contour
The Pad 2 wells were all lower on the structure than the Pad 1 wells, the reservoir section was closer to the oil-water-contact and the water saturation in the wells was higher.

The reservoirs on Pad 2 also appear to be tighter than Pad 1. The combination of relative permeability and fractional flow effects in the reservoir contributed to lower flow rates and higher initial water cut in the wells than expected.

In the future, additional core, pressure data and flow data will be acquired on development wells as they are drilled and completed.

We will also target wells higher on the structure to avoid producing from oil-water transition zones.
Arbuzovskoye Development

Likely Field Extension to the North
- Pad 1 & Pad 2 drilling results
- Revised Structure Map
- Lower oil-water-contact
- Well 212 oil-down-to -2,434 m J₁
- Well 211 owc -2,436 m J₁

Arbuzovskoye Oil Field
- Now tied to Lineynoye Facilities
- 2P - 13 million bbls
- Excellent test rates – step test steady 176 bopd on 8 mm choke
- IP 350 bopd on ESP pre frac
- Less than 2% water production

Base Bazhenov Horizon Structure Map
March 2012 – contour interval 10 m
**Arbuzovskoye Development**

**2010 programme:**
- Arbuzovskoye No. 1 Discovery – Nov.
- Stabilised natural flow 176 bopd

**2011 programme:**
- Russian state Reserve (GKZ) approval
- Pilot Production Project Approval – Nov.

**2012 programme:**
- Construction of 10 km pipeline from Lineynoye Central Processing Facility – Q1
- Construction of Pad 1 and mobilisation of development drilling rig and supplies – Q1
- Commence drilling of up to 15 new development wells from Pad 1 – August

**Risk Mitigation**
- Initial 5 wells, highlighted in blue, are low risk and located to better define stratigraphy and structure of the field prior to drilling additional infill/step-out wells.
- Extended pressure test will be taken in all wells and three of the wells will be cored. Locations of subsequent wells adjusted as necessary depending upon results.
- Well 9s located to the southeast, maximum distance from Pad 1, will provide information for Pad 2

**Arbuzovskoye No. 1**
- Now tied to Lineynoye
- IP 350 bopd on ESP
- Less than 2% water
Note – Arbuzovskaya No. 101 core tied to Arbuzovskaya No. 1 log data based on lithology difference between Bazhenov/Georgievskaya Fms and J1-1 Sandstone as seen in Core No. 3. The measured depth of the core was 1.3 m deep to the log correlation depth at top of the J1-1.

1.95 m Argillite, dark brown

3.2 m Argillite, dark gray

2.8 m Sandstone, medium to coarse grained, marine bivalves, oil shows

1.0 m Sandstone, fine to medium grained, oil shows

3.6 m missing core location unknown will need to see logs to determine

0.4 m Sandstone, fine grained, broken core fragments

1.0 m Argillite, gray with thinly laminated coal

2.2 m Sandstone, fine to medium grained, no shows

Log and Core data indicates much poorer quality reservoir at base of J1-1. Medium to coarse grained sandstone at the top and fine grained sandstone to siltstone at bottom
Arbuzovskaya No. 1 and No. 101

Arbuzovskaya No. 1
- SP 20mV
- Bazhenov Fm.
- Georgievskaya Fm.
- J1
- Siltstone to fine grained sandstone, non reservoir, no shows

Arbuzovskaya 101
- Laterolog
- Bazhenov Fm.
- Georgievskaya Fm.
- J1
- SP 25mV
Based on the depth/time relationship between Arbuzovskoye well No. 1 and well No. 101 above – the base Bazhenov was expected at about -2,460 m tvd in well 101 or about 4 m low to well No. 1. The well intersected the base Bazhenov at -2,462.1 m which is 6.1 m low to well Arbuzovskoye No. 1 and 2.1 m below the above estimate.
Licence 61 Exploration/Delineation Programme
Oil Fields / Prospects / Potential Prospects

- **Map ref. Field/Prospect**
  - **Oil Fields**
    - 1. Lineynoye Oil Field
    - 2. Tungolskoye Oil Field
    - 3. West Lineynoye Oil Field
    - 4. Kondrashevskoye Oil Field
    - 5. Arbuzovskoye Oil Field
    - 6. Sibkrayevskoye Oil Field
    - 8. North Varyakhskoye Oil Field
  - **Prospects**
    - 2. Tungolskoye West Lobe and North
    - 4. Lineynoye Lower
    - 6. West Korchegekskaya
    - 8. Upper Varyakhskaya
    - 9. Emtorskaya
    - 10. Emtorskaya Crown
    - 11. Sigayevskaya
    - 12. Sigayevskaya East
    - 13. Kulikovskaya Group (2)
    - 14. Kusinskiy Group (2)
    - 15. Tuganskaya Group (3)
    - 16. Kirillovskaya (4)
    - 17. North Balkinskaya
    - 18. Traverskaya
    - 19. Tungolskoye East
  - **Potential/Leads**
    - 21. Emtorskaya North
    - 22. Sibkrayevskaya East
    - 23. Sobachya
    - 24. West Balkinskaya

- **Horizon(s)**
  - UJ
  - LJ
  - C

- **Legend**
  - Oil Field
  - Prospect ready for drilling
  - Prospect identified
  - Potential Prospect
  - Wells
  - Base Bazhenov
  - Seismic Horizon
  - Depth: < 2460 m
  - Depth: > 2600 m

- **Initial Focus on Northern Area**
  - Emtorskaya High
    - Extension of Lineynoye Field
    - Huge unbooked reserve potential
    - Needs further delineation
  - Tungolskoye Oil Field
    - Comprehensive Study underway
    - Future tie-in to Lineynoye

- **Followed by Southern Area**
  - Log Reinterpretation shows missed pay in multiple horizons – C, UJ, M/LJ
  - Cretaceous and Lower Jurassic pay confirmed by well tests in immediately adjacent blocks
  - Exploration delayed due to focus on cash flow from Northern Developments

- **Sibkrayevskoye New Oil Field Discovery**
  - Well 370 (1972) showed by-passed pay
  - Well 372 (2011) confirmed 12.43 m net pay
  - 2P Reserves of 49.8 million bbls
  - Under development

- **Sibkrayevskoye New Oil Field Discovery**
  - Well 370 (1972) showed by-passed pay
  - Well 372 (2011) confirmed 12.43 m net pay
  - 2P Reserves of 49.8 million bbls
  - Needs further delineation

- **Emtorskaya High**
  - Extension of Lineynoye Field
  - Huge unbooked reserve potential
  - Needs further delineation

- **Sobachya**

- **North Sea Block**

- **Kiev Eganskoye Oil Field**

- **Horizons Key**
  - Cretaceous: C
  - Upper Jurassic: UJ
  - Middle/Lower Jurassic: LJ
Reinterpretation of the 1972 Sibkrayevskaya No. 370 well data in 2008 with the use of new technologies and comparison with adjacent fields identified potential missed pay in the Upper Jurassic J1 interval.

- J₁ is identified in 2,454.6-2,463.0 m.
- The formation thickness is 8.4 m.
- SP and resistivity curves are of block shape which is typical of oil bearing zones in Tomsk Region.
- No hydrocarbons reported in core; however, core recovery was only 1.08 m of 8.4 m formation thickness.
- The log interpretation of the formation is oil pay. Interval flow tested for only 22 hours which is too short to be definitive. Core data not definitive.
- Comparison of Induction log response in J₁ sandstone with J₁³ sandstone strongly supports presence of hydrocarbons in J₁ sandstone.
- New Well No. 372 (parallel to 370) drilled by PetroNeft in Jul/Aug 2011 proved that the original well missed the oil pay in the Upper Jurassic J₁.
**Sibkrayevskoye New Oil Field**

**Structure Map on Base Bazhenov Horizon**

**Sibkrayevskaya No. 373 Proposed Delineation Objectives**
- Crestal Well on Line 06-05
- 25 m high to No. 372
- Determine lateral distribution of J1-2 Interval
- Determine if J1-3 Interval is oil saturated on crest of structure

**Sibkrayevskaya No. 372 Exploration Objectives**
- Parallel well No. 370
- Confirm 8.4 m of by-passed oil pay in J1-1 interval interpreted by TGK

**Results**
- Well confirms 12.3 m of “missed pay”
- Open hole inflow test 170 bopd, 37° API
- Over 50 sq km of closure above oil-down-to level in well 372
- RS estimates 2P Reserves of 49.8 million bbls
- Additional seismic and well data will be required to fully assess the discovery
Emtorskaya High - 2012

Base Bazhenov Horizon Structure Map
March 2012 – contour interval 10 m

Emtorskaya 300 - Reinterpretation
- J₁¹ - 1.0 m oil
- J₁² - 5.0 m potential oil

Emtorskaya 303 - Reinterpretation
- J₁¹ - 1.9 m oil
- J₁² - 3.2 m potential oil

Likely Field Extension to the North
- Pad 1 & Pad 2 drilling results
- Revised Structure Map
- Lower oil-water-contact
- Well 212 oil-down-to -2,434 m J₁¹
- Well 211 owc -2,436 m J₁²

Emtorskaya 304 - Proposed
- Crestal high -2,315 m J₁¹
- 65 m high to Lineynoye Crest
As a result of the Lineynoye Pad 1 and Pad 2 drilling programmes the oil-water-contact was determined to be about -2,435 m tvd.

This indicated that the structure was filled with hydrocarbons below the previously interpreted spill point of -2,422 m and that Lineynoye and Emtroskoye are one continuous oil field at the J1-1 interval. Emtroskoye is both larger in area and higher structurally than Lineynoye.

Emtorskaya wells 300 and 303 were reinterpreted and oil was confirmed in the J1-1 interval and potentially in the J1-2 interval in both wells.

The reserves associated with this play could be large, > 40 million bbls for just the J1-1; however, the J1-1 is usually only around 2 metres in thickness and it is difficult to develop on its own. Further delineation will be required to confirm those areas where a thicker J1-2 sandstone is present below the J1-1 interval.

Emtorskaya well 304 located on the crest of the high is proposed. This well is about 65 m higher than the Lineynoye field at the J1-1 level.
Structure Map on Base Bazhenov Horizon

March 2012 – contour interval 10 m

- **Emtorskaya High**
  - Extension of Lineynoye Field
  - Huge unbooked reserve potential
  - Needs further delineation

- **West Lineynoye**
  - Proposed L-9 Lobe
    - Needs further delineation
    - Quick tie-in to L-8

- **West Lineynoye L-9 Lobe**
  - Needs further delineation
  - Quick tie-in to L-8

- **Sibkrayevskoye New Oil Field Discovery**
  - 1972 well showed by-passed pay
  - New well exceeded pre-drill estimates
  - 2P Reserves of 49.8 million bbls
  - Needs further delineation

- **Arbuzovskoye New Oil Field Discovery**
  - Quick tie-in to Lineynoye Facilities
  - 2P Reserves 13.3 million bbls
  - Under development

- **N. Varyakhskoye**
  - Extension of Lineynoye Field
  - Huge unbooked reserve potential
  - Needs further delineation

- **Kondrashevskoye**
  - 10 km pipeline

- **Proposed A-2 from Pad 1**

- **Lineynoye**
  - 60 km to Kiev-Eganskoye

- **Proposed E-304**

- **Proposed S-373**
  - S-372
  - S-370
Structure Map on Cretaceous II-BI Horizon

Southern Prospects
- Numbers denote just Cretaceous P3/Exploration Resources in million bbls
- Log Reinterpretation shows missed pay in multiple horizons
- Cretaceous and Lower Jurassic pay confirmed by well tests in immediately adjacent blocks
- Exploration delayed due to focus on cash flow from Northern Developments

PetroNeft Resources plc 25
Licence 67 Exploration/Delineation Programme
Ledovy Block Structures and Traps

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<td>East Ledovoye</td>
<td>UJ, C</td>
</tr>
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Base Bazhenov Seismic Horizon
- < 2,600 depth m
- > 2,750 m depth

C = Cretaceous, UJ = Upper Jurassic, MJ = Middle Jurassic, LJ = lower Jurassic

Note – Arawak has 50% interest in Licence 67, PetroNeft is operator

Ledovoye Oil Field
Log re-evaluation confirms oil in L-2 and L-5 wells:
- LC = 4.5 – 10.9 metres
- UJ J1 = 4.9 – 11.8 metres
- Just UJ 2P Reserves booked at net 14 million bbls
2011/2012 well L-2a drilled parallel to L-2
- LC = 4.5 + metres
- UJ J1 = 5 metres
- More work required

Cheremshanskaya New Oil Field Discovery
1962 well C-1
- showed potential by-passed pay in 3 intervals; UJ, MJ and LJ
2011 well C-3 drilled parallel to C-1
- UJ J1 = 10 metres net oil
- LJ J14 = 8.6 metres
- Delineation required
Just UJ Reserves estimated at net 30 m bbls

MOL Group Licence 55
Recent discovery on Verkhne-Laryegan structure located just east of North Ledovoye field – extends into Licence 67
Cheremshanskoye New Field Discovery

Cheremshanskoye Oil Field

Malostolbwovaya

Lomovoye Oil Field

C1+C2 = 67 million bbls

Structure Map on Base Bazhenov Horizon

Contour Interval 10 meters

Lomovoye No. 208 (1981)
- UJ J1 = 10.0 metres
- J1³ - 37.0 m³/day oil (232 bopd)
- J1⁴ - 56.7 m³/day oil (357 bopd)

Cheremshanskaya No.1 (1962)
TGK reinterpretation of log data shows by-passed pay in intervals:
- UJ J1 = 14.9 metres
- MJ J13 = 8.9 metres
- LJ J14-15 = 14.7 metres
Just UJ reserves estimated at 30 million bbls net to PetroNeft

Cheremshanskaya No.3 (2011)
Interpretation of log and test data shows hydrocarbons in intervals:
- UJ J1 = 10 metres
- LJ J14 = 8.6 metres
Fracture stimulation and Delineation required
L67- Ledovoye Oil Field

Structure Map on Base Bazhenov Horizon

Contour Interval 10 meters

Kilometers

0 1 2 3 4 5

Ledovaya No. 2 (1973)
TGK reinterpretation of log data shows net oil pay intervals:
- LC B16-20 = 10.9 metres
- UJ J1 = 11.8 metres
5.5 m³ oil 40 min (>1,000 bopd)
Just UJ 2P reserves booked at 14 million bbls net to PetroNeft

Ledovaya No. 5 (1974)
TGK reinterpretation of log data shows net oil pay intervals:
- LC B16-20 = 4.5 metres
- UJ J1 = 4.9 metres

North Ledovoye Oil Field
Under development by MOL Group
Recent discovery on structure located just to the east

Ledovaya No.2a (2011/2012)
Interpretation of log and test data shows hydrocarbons in intervals:
- LC = 4.5+ metres
- UJ J1 = 5.0 metres
More work required
Investment Highlights
Track record of Reserve Growth:

- License 61 & 67 2P Reserve Growth

Source: Ryder Scott – Petroleum Consultants report as at 1 January 2012

- Lineynoye and West Lineynoye confirmed as one field in 2011
- PetroNeft has drilled a total of 12 exploration/delineation wells to date – 11 have been successfully tested oil
- Huge 3P/P4 reserve/resource base of 641 million bbls indicates significant 2P reserve additions still to come
At current production Opex is about $10 per bbl.

Incremental production above this level will only add Opex of about $3.50 per bbl (including transport).

Major Infrastructure (Production Facilities & Pipeline) currently in-place for Licence 61.

Stocked drilling supplies for first 10 wells at Arbuzovskoye.

Incremental economics on wells are very attractive with an Initial Production rate of 150 bopd.

Every additional 1,000 bopd generates $8.5 million free cash per annum

A new 250 bopd well generates an additional $175k per month free cash flow
Arbuzovskoye Well Economics

- High Case IP @ 350 Bopd
- Mid Case IP @ 250 Bopd
- Low Case IP @ 150 Bopd
- Low Low IP @ 75 Bopd

Incr. Well Cost = $700,000
Incr. Opex = $3.50 $/Bbl
Domestic Netback Price
Domestic Price =~ 45% of International Price

IP = Initial Production

Net Present Value NPV10 ($000's)

International Oil Price ($/Bbl)
Licence 61 Well Economics

Licence 61 Economics

- High Case IP @ 350 Bopd
- Mid Case IP @ 250 Bopd
- Low Case IP @ 150 Bopd

Well + Facility Costs = $1,700,000
Domestic Netback Price
Opex = $3.50/Bbl
Domestic Price = ~45% of International Price

Net Present Value NPV10 ($000's)

IP = Initial Production

International Oil Price ($/Bbl)
Summary

- Now a producing company with all necessary infrastructure in place at L-61
- Future projects incremental with robust economics
- Only producing from less than 20% of our current reserve base
- Focus on near term production and cash flow
- We will have surprises during development – both positive and negative
- Very significant reserve additions from 2011 exploration programme – particularly Sibkrayevskoye, more potential still to explore
- Evaluating a number of potential strategic partnerships