PetroNeft Resources plc
Exploration, Development & Production in Russia
Bank of America Merrill Lynch
11th Annual Oil & Gas 1-1 Investor Forum Presentation
16 – 18 April 2012
Forward Looking Statements

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.

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.
Company Overview & Strategy
Overview

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

Production

Production commenced on schedule in 2010, current production ≈ 2,300 bopd
Central Processing Facility at Lineynoye with ±14,800 bpd capacity
Development to continue in 2012 with Arbuzovskoye field to be brought into production

Exploration

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, 2011]
New Oil Discoveries at Sibkryayevskaya, North Varyakhskaya and Cheremshanskaya (Licence 67)
Reserve upgrade achieved at end of 2010 and 2011

Corporate Development

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
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. 2011)
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
Licence 61 Field Development Programme 2011
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 drilling of 8-10 new production wells
- Possible Sibkrahevskoye delineation well

**Future Plans**
- Incremental addition based on NPV analysis of Sibkrahevskoye, Kondrashevskoye, Tungolskoye, N. Varyakhskoye and other discoveries
Well 212 will be future water injection well oil-down-to -2,434 m tvd $J_1$.

Well 204 water injection well owc in well.

$J_1^2$ non reservoir facies

Pad 1 wells above -2,400 m tvd contour

Pad 2
Company estimates:

- J1-1 Reserves if net pay 2 m for West Emtorskaya - 26 mmbbls
- J1-1 Reserves if net pay 2 m for East Emtorskaya - 14 mmbbls
- J1-2 Reserves if net pay 8 m for East Emtorskaya - 33 mmbbls

West Emtorskaya

J₁¹ absent

J₂ reservoir facies projected

J₂ non reservoir facies

East Emtorskaya

East Emtorskaya Prospect J₂ oil reservoir developed as a structural / stratigraphic trap along the eastern flank of the Lineynoye and Emtorskaya highs

Well 212 oil-down-to -2,435 m J₁¹

J₂ oil saturated

L-9
Arbuzovskoye Development

**Likely Field Extension to the North**
- Pad 1 & Pad 2 drilling results
- Lower oil water contact
- Revised Structure Map

**Arbuzovskoye Oil Field**
- Now tied-in to Lineynoye Facilities
- 2P Reserves 13 million bbls
- Excellent test rates – step test stabilised natural flow of 176 bopd on 8 mm choke
- Production to commence Q2 2012

**Structure Map on Base Bazhenov Horizon**

Legend
- Oil Field
- Prospect Ready for Drilling
- Prospect
- Potential Prospect
- Wells
- CI = 10 meters

- L-6
- L-5
- L-7
- L-8
- L-9
- L-3
- K-2
- K-2s
- K-1
- L-1
- A-1
- E-304

**Lineynoye Oil Field**

- **Structure Map on Base Bazhenov Horizon**

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PetroNeft Resources plc 11
Licence 61 Exploration Programme 2011
Oil Fields / Prospects / Potential Prospects

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<th>Field/Prospect</th>
<th>Horizon(s)</th>
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<td>Lineynoye Lower</td>
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<td>19</td>
<td>Tungolskoye East</td>
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<td>Potential Prospects (Leads)</td>
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<td>Emtorskaya North</td>
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<td>24</td>
<td>West Balkinskaya</td>
<td>UJ</td>
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</table>

- **Sibkrayevskoye New Oil Field Discovery**
  - 1972 well showed by-passed pay
  - New well exceeded pre-drill estimates
  - Reserves estimated at ± 50 million bbls

- **Arbusovskoye New Oil Field Discovery**
  - Look alike to Lineynoye
  - Quick tie-in to Lineynoye Facilities
  - 2P Reserves 13 million bbls

- **North Varyakhskoye Discovery**
  - Tight reservoir
  - Requires fracture stimulation
  - Reserves estimated at 2 million bbls

- **Kondrashevskoye Field Delineation**
  - Defined oil water contact
  - 2P Reserves reduction from 8 to 5 million bbls?
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 J3 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, 37⁰ API
- Over 50 sq km of closure above oil-down-to level in well 372
- **Additional seismic and well data will be required to fully assess the discovery**
Licence 61 Northern Oil Fields

Likely Field Extension to the North
- Pad 1 & Pad 2 drilling results
- Lower oil water contact
- Revised Structure Map

North Varyakhskoye Discovery
- Tight reservoir
- Requires fracture stimulation
- Reserves estimated at 2 million bbls

West Lineynoye Oil Field

Kondrashevskoye Field Delineation
Defined oil water contact
2P Reserves reduction from 8 to 5 million bbls?

Arbuzovskoye Oil Field
- Quick tie-in to Lineynoye Facilities
- 2P Reserves 13 million bbls
- Excellent test rates – step test stabilised natural flow of 176 bopd on 8 mm choke
- Production to commence 2012

Structure Map on Base Bazhenov Horizon

CI = 10 meters
Licence 61 Northern Developments

December 2011

Emtorskaya High
West Lineynoye
Kondrashevskoye
Lineynoye
N. Varyakhskoye
Arbuzovskoye
Sibkrayevskoye

East Emtorskaya J1-2 Structural/Stratigraphic Trap

Structure Map on Base Bazhenov Horizon
Licence 67 (Ledovy)

Ledovy Block Structures and Traps

- Oil Fields and Oil Tests
- Prospects
- Drilled Structures - Dry and under review

<table>
<thead>
<tr>
<th>#</th>
<th>Structure Name</th>
<th>Main Objectives</th>
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<tr>
<td>1</td>
<td>Cheremshanskoye Oil Field</td>
<td>UJ, LJ</td>
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<tr>
<td>2</td>
<td>Ledovoye Oil Field</td>
<td>UJ, C</td>
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<td>UJ</td>
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<td>4</td>
<td>North Pionerskaya</td>
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<td>6</td>
<td>Levo-Ilyakskaya</td>
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<td>8</td>
<td>Grushevaya</td>
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<td>9</td>
<td>Grushevaya Stratigraphic Trap</td>
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<td>Malostolbovaya</td>
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<td>15</td>
<td>East Ledovoye</td>
<td>UJ, C</td>
</tr>
</tbody>
</table>

Identified Prospects and Leads

- Just UJ Reserves estimated at net 30 million bbls

Base Bazhnenov Seismic Horizon

- < 2,600 depth m
- > 2,750 m depth

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

Excluded areas

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 million bbls

MOL Group Licence 55

Recent discovery on Verkhne-Laryegan structure located just east of North Ledovoye field
Cheremshanskoye New Field Discovery

**Lomovoye Oil Field**
- **C1+C2 = 67 million bbls**
- **Structure Map on Base Bazhenov Horizon**

**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

**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)**

Contour Interval 10 meters
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
5.5m³ 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

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
Investment Highlights

**Developments Ongoing**
- Steady production growth forecast
- Projects delivered on time and on budget
- Production Drilling Programme continuing in 2012 and beyond

**Superb Asset Base**
- Total Licence 61; 2P Reserves of 118 mmbo, 3P/P4 oil reserves/resources of 531 mmbo (unrisked) provides platform for strong reserve growth
- Licence 67; 2P Reserves of 14 mmbo (net), 3P/P4 reserves/resources 110 mmbo (unrisk)
- Significant Reserve additions from 2011 exploration programme

**Significant Exploration Upside**
- 2011 Exploration/Delineation Programme: 3 new discoveries
- Further reserve additions possible in 2012 from following up on 2011 successes
- Licence 67 has added significant additional upside potential

**Ongoing Corporate Development**
- Seeking to develop a diverse portfolio of exploration and production assets
- Significant opportunities for participation in expected licence auctions and corporate / asset acquisitions
- Evaluating a number of exciting corporate acquisitions

**Management**
- Proven track record
- Motivated Management team with proven experience of exploration, production and corporate development in the Russian oil industry and abroad
- Experienced local management with strong relationships
Building our Reserve base

Track record of Reserve Growth:

 Licence 61 & 67 2P Reserve Growth

![Graph showing Reserve Growth over years for different fields: Ledovoye, North Varyakhskoye, Sibkrayevskoye, Arbuzovskoye, Kondrashevskoye, West Lineynoye, Lineynoye, Tungolskoye.]

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

Lineynoye and West Lineynoye confirmed as one field in 2011
Summary

Now a producing company with all necessary infrastructure in place
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 this year’s exploration programme – particularly Sibkrayevskoye, more to come
Corporate Information

Share Capital *

- Ordinary Shares in issue: 416,356,432
- Share options outstanding: 16,544,000
- Warrants outstanding: 6,700,000
- Fully diluted share capital: 439,600,432
- Market Capitalisation: £37 million

*As at 29 February 2012

Trading details

- Exchanges:
  - AIM Market (London Stock Exchange)
  - ESM Market (Irish Stock Exchange)
- Free float: 87.20%
- Tickers: PTR (AIM) & P8ET (ESM)

Major Shareholders*

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<th>Shareholder</th>
<th>Percentage</th>
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<tr>
<td>Directors</td>
<td>7.25%</td>
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<tr>
<td>Ali Sobraliev</td>
<td>5.54%</td>
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<td>Macquarie Bank†</td>
<td>7.30%</td>
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<td>Pictet &amp; Cie</td>
<td>3.41%</td>
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<td>Arawak Energy Limited</td>
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<td>Davycrest Nominees Ltd</td>
<td>9.48%</td>
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</tbody>
</table>

*As at 29 February 2012 or latest shareholder declarations
† Also Holds 6.7m warrants

Sources: Irish Stock Exchange, AR 2010
G. David Golder
- Non-Executive Chairman
- 34 years’ industry experience with Marathon Oil Company, Sakhalin Energy and others

Dennis C. Francis
- Chief Executive Officer and co-founder
- Headed Marathon’s Business Development Activities in Russia from 1989 to 2003

Paul Dowling
- Chief Financial Officer
- Former partner accounting firm LHM Casey McGrath, 17 years experience in Financial arena

David E. Sanders
- Executive Director, Secretary and General Counsel and co-founder
- 15 years’ experience doing business in Russia, Sakhalin II Project, Priobskoye, KMOC

Thomas G. Hickey
- Non-Executive Director
- Commercial Director Petroceltic International, formerly CFO of Tullow Oil plc

Vakha A. Sobralieev
- Non-Executive Director
- 30 years’ experience in West Siberian Petroleum Industry – GD Tomskburneftegaz, LLC

Gerry Fagan
- Non-Executive Director
- Former Group Financial Controller of Smurfit Kappa Group plc
Experienced Management Team

Karl Johnson (Houston)
- Vice President of Business Development and Operations
- 30 years’ experience in oil and gas business internationally including Russia
- Formerly with Marathon Oil

Alexey Balyasnikov (Moscow)
- General Director
- 35 years’ experience in Russian oil and gas business
- Former Head of Representation for Marathon Oil in Moscow

Alexander Frenovsky (Tomsk)
- Executive Director
- 37 years’ experience in Russian oil and gas industry
- Former General Director and Chief Engineer – JSC Tomskneftegazgeologia
- Directly participated in the development of 15 oil fields in the Tomsk Oblast

Nikolay Karapuzov (Tomsk)
- Chief Geophysicist/Geologist of Stimul-T
- 38 years’ experience in Russian oil and gas industry
- Former Chief Geophysicist/Geologist – JSC Tomskneftegazgeologia
- Directly participated in discovery of 17 oil fields in the Tomsk Oblast
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ESM Market – Irish Stock Exchange (P8ET)