

PetroNeft Resources plc

Exploration, Development & Production in Russia



Oil India Farmout EGM

May 9, 2014





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.



Licence 61 – Farmout of 50% to Oil India Limited





Farmout and Refinancing Process

- Evercore Partners managed Farmout – 59 companies contacted - detailed discussions with 10 companies
- Refinancing - 54 banks contacted – detailed discussions with 6 banks

Farmout Agreement with Oil India Limited (OIL)

- Farmout of 50% of Licence 61
- Culmination of extensive process
- Confidentiality Agreement signed – November 2012
- Extensive technical, tax, accounting and legal due diligence
- Binding agreement signed with OIL – 17 April 2014
- Total investment by OIL of up to \$85 million
- Materially strengthens PetroNeft financially and strategically
- Fully addresses PetroNeft's capital structure and long term investment requirements
- Introduces a strong industry partner seeking to build an oil and gas business and strategic position in Russia



Licence 61 Farmout Details



The Licence 61 Farmout

- US \$35 million upfront cash payment
 - Clears Macquarie debt of US \$8.4 million
 - Clears Arawak debt of US \$16.5 million
- US \$45 million of exploration and development expenditure on Licence 61.
 - Allows development of new fields at Licence 61
 - Until the US \$45 million is fully invested PetroNeft will not be obliged to invest any additional funds for Licence 61 exploration and development
- US \$5 million performance bonus, contingent upon gross production from the Sibkrayevskoye Field reaching 7,500 bopd within the next 5 years
- Positions PetroNeft to fully exploit the potential of all of its assets and opportunities and create value for all Shareholders



Licence 61 Farmout Details



The Licence 61 Farmout

- PetroNeft will remain as Operator of Licence 61,
 - OIL will have the right to second two technical experts into PetroNeft's Tomsk team to assist with the development
 - OIL also has the right to become the Operator of the Licence should there be a substantial change in the management team of PetroNeft within the first three years which OIL believes not to be in its interests

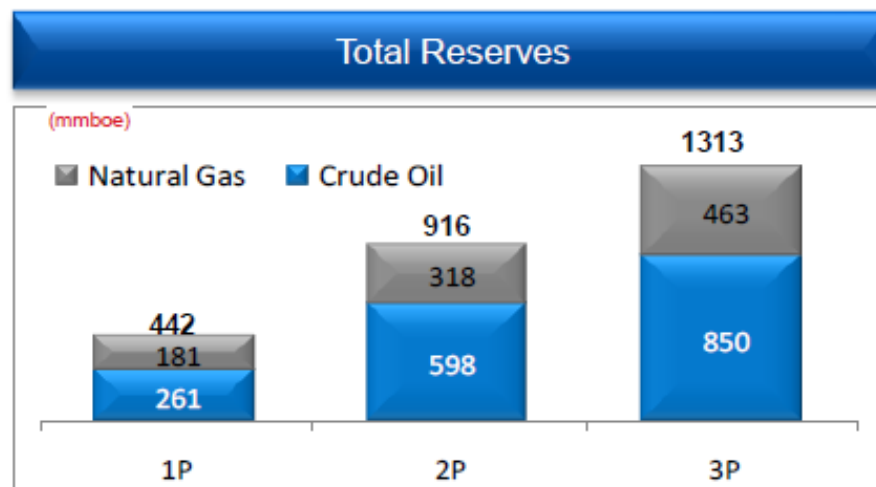
The Licence 61 Farmout is subject to:

- Shareholder approval of the Farmout – 10:30 am EGM 9 May 2014
- Shareholder rejection of Natlata Resolutions – 11:15 am EGM 9 May 2014
- Regulatory approvals expected around end-May/early June



About Oil India Limited (OIL)

- Oil India Limited (BSE: 533106, NSE: OIL) is one of the largest national oil and gas companies in India as measured by total proved plus probable oil and natural gas reserves and production. Initially formed as JV with Burmah Oil Company.
- It is engaged in the business of exploration for oil and gas, production of crude oil, natural gas and LPG and transportation of crude oil, natural gas and petroleum products. OIL has over 50 E&P blocks in India and an International presence spanning Egypt, Gabon, Libya, Mozambique, Nigeria, USA, Venezuela and Yemen.
- 2P Reserves = 916 million boe; 2013 production = ~130,000 boe/day. For further detail please refer to www.oil-india.com.





Post Completion Activities



- Once the Licence 61 Farmout is completed, PetroNeft will:
 - drill a delineation well at Tungolskoye, the Company's first horizontal well
 - drill up to five additional production wells at Arbuzovskoye
 - drill a delineation well at Sibkrayevskoye, where significant upside potential and near-term developments are possible.
 - acquire seismic data across Sibkrayevskoye, Emtorskaya and West Lineynoye and other leads and prospects in northern part of Licence 61
- The Tungolskoye No. 5 well will be the first horizontal well drilled on Licence 61. Oil services company, Halliburton, will provide technical assistance with the horizontal segment. It is anticipated that the Tungolskoye oil field will be brought into production in 2015.
- All necessary supplies and equipment for this year's work programme have already been purchased and moved to the field by winter roads to allow for operations to commence upon completion of the farmout, thus ensuring that PetroNeft did not lose a year in its work schedule.
- It is expected that drilling will recommence in July 2014.