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.

Oil India Limited has a 50% non-operated interest in Licence 61.
Arawak Energy has a 50% non-operated interest in Licence 67.
SIGNIFICANT ACTIVITY AND PROGRESS LAST 12 MONTHS

**Work Programme**
- Field optimization efforts to reduce decline.
- Winter test production - S-373 delineation well about 200 bopd
- Winter test production – S-375 delineation well about 90 bopd
- Cheremshanskaya No. 4 successful delineation well – open hole test of two intervals prorates to about 400 bfpd.
- Cased-hole testing underway

**Production**
- Current production about 1,800 bopd gross
- Excellent results from South Arbuzovskoye horizontal wells
- All major infrastructure already in place
- Central Processing Facility at Licence 61 with ±14,800 bpd design capacity
- Future developments on L61 are incremental in nature with good economics at today's oil price
- West Lineynoye “L-8 Lobe”, Sibkrayevskoye, Emtorskaya and Cheremshanskoye projects to come.

**Exploration & BD**
- Strong Reserve Base with material P3/P4 to 2P upgrades possible from future exploration programme
- Net 2P reserves of 65 million bbls and 3P/P4 reserves of > 300 million bbls
- Significant reserves upside potential following successful C4 well
- Testing the market with a view to selling L61 and/or L67
Tomsk Oblast: Very active region with significant exploration upside

Rosneft, Imperial Energy (ONGC), Gazprom, Gazpromneft, Russneft, local companies
2018

- Q1 - Winter test production S-373 and S-375s wells
- West Lineynoye “L-8” Lobe project” prioritized based on good Hz well results at Arbuzovskoye and existing infrastructure
- Drilled successful Cheremshanskoye No. 4 well in Licence 67
- On going corporate development activity has slowed based on good C-4 results
- Test Russian market regarding selling of Licence 61 and Licence 67

2019 and beyond

- Complete asset sale process for Licence 61 and/or Licence 67
- Progress West Lineynoye “L-8 Lobe Development”
- Q1 - Winter test production S-373 and S-375s
- Exploration and delineation of other targets such as Emtorskaya, Traverskaya and Tuganskoype
LICENCE 67
Cheremshanskoje No. 4 Well
**Major Activities 2014/2015**

- Ledovoye 3D Seismic
  - 61.68 sq km
- Cheremshanskoye 3D Seismic
  - 95.16 sq km
- Acquisition – primarily Q1 2014 – PITC Geofizika
- Processing and Interpretation – Tomsk Geophysical Company

**Current Status**

- Drilling of Cheremshanskoye No. 4 well in 2018
- P3 > 40 million bbls, 3D seismic, large area updip from well that tested oil in two intervals
- Very successful well – cumulative flow of open hole tests J1-1 and J1-3 intervals – 399 bfpd
- Way Forward Options under review

*Note – Arawak has 50% interest in Licence 67, PetroNeft is operator*
Lomovoye No. 208
J₁,₃ natural flow
240 bopd, 5 mm choke

Base Bazhenov
2,555.0 m tvdss prognosis
2,545.5 m tvdss actual
9.5 m high to prognosis

Cheremshanskoye No. 3
Oil tests in J1-3 and J14

Area structurally higher
than existing wells

C-4 Open hole test data – prorated inflow
J1-1 - 36.2 m³/day (228 bfpd), 84% oil, 16% mud/filtrate
J1-3 - 27.2 m³/day (171 bfpd), 70% oil, 30% mud/filtrate
Total - 63.2 m³/day (399 bfpd)

assumed owc -2,590 tvd ss
C-4 Well open hole test data – prorated inflow
J1-1 – 1.6 m net pay   36.2 m³/day (228 bfpd)
J1-3 - 8.8 m net pay   27.2 m³/day (171 bfpd),
Total - 10.4 m net pay   63.2 m³/day (399 bfpd)

TGK estimates C3 Reserves at 47.8 million bbls based on 30 % recovery for just J1-1 and J1-3

J13 interval 7.6 m oil interpreted in tight reservoir requiring stimulation

Base Bazhenov Structure
2014 - CI = 10 meters

0 5 km
Licence 61 Northern Infrastructure

Lineynoye No. 8 and L-10 Hz
- Temporary pipeline to Lineynoye
- Utility line to Lineynoye for ESPs
- Small operators quarters
- Heliport

Lineynoye Central Processing Facility
- Design Capacity - 14,800 bfpd
- Storage Capacity – 37,740 bbls
- Export Pipeline Capacity - 20,000 bopd
- Length 60 km

Arbuzovskoye Pad 1 Facilities “the Kit”
- Well Test Separator Module
- Water Injection Manifold Module
- Transformer Station
- ESP Control Modules
- Pipeline to Lineynoye
  - Length 10 km – Diameter 159 mm
  - Camp – up to 16 people

Base Bazhenov Horizon Structure Map
March 2012 – contour interval 10 m
ALL MAJOR INFRASTRUCTURE IN PLACE
DEVELOPMENTS
Arbuzovskoye, Lineynoye “L-8” Lobe, Sibkrayevskoye
Build on Lesson’s Learned

SGK - Production Drilling Rig
URALMASH 3000 EUK cluster drilling rig with top drive unit
Arbuzovskoye Development

Northern Lobe Development – 2012 - 2015
- Pilot production commenced on Pad 1 in Jan 2012 with Well A-1 brought online at >300 bopd
- 5 wells brought onstream winter 2012/13 (blue wells)
- Additional 5 wells drilled on Pad 1 during 2014/15 (yellow). All 5 wells successful.

Southern Lobe Development - 2016 (red wells)
- Based on Tungolskoye Hz well experience
- 2 vertical and 2 horizontal wells with 1,000 m horizontal segments were drilled based on the experience gained at Tungolskoye.
- Pad 1 – 11 development wells – $12.2 million – total Initial Production rate of 1,965 bopd
- Pad 2 – 4 development wells - $6.0 million – total Initial Production rate of 2,120 bopd

The use of horizontal wells made the Pad 2 development much more efficient than the Pad 1 development. Continued good performance in 2018.

Top J1-1 Reservoir – 15 June 2016.

0 500 1,000 1,500 2,000 2,500 metres
West Lineynoye “L-8 Lobe” Development

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

**Lineynoye No. 8 and L-10 Hz**
- Temporary pipeline to Lineynoye
- Utility line to Lineynoye for ESPs
- Small operators quarters
- Heliport

**L-8 Lobe**

**L-9 Lobe**

**L-7 Lobe**

**West Lineynoye**

- Based on Hz well experience from Arbusovskoye Pad 2 and Tungolskoye
- 4 Hz wells with up to 1,000 m Hz segments
- Targeting 10 million bbls
- Low risk – superior economics
- Contingent of Financing
- Follow-up locations at L-9, L-7 and Emtroskaya high

**Arbusovskoye Pad 2 Development**
- Built on Tungolskoye experience
- Very successful using a mix of Hz and deviated wells
- Significantly reduced costs vs Pad 1
- Enhanced production

**Kondrashevskoye Oil Field**

**Emtorskaya High**

**Arbusovskoye Oil Field**

- 60 km export pipeline
- 10 km pipeline
- 10 km utility line

**Lineynoye “L-8 Lobe” Development**

- 4 Hz wells with up to 1,000 m Hz segments
- Targeting 10 million bbls
- Low risk – superior economics
- Contingent of Financing
- Follow-up locations at L-9, L-7 and Emtroskaya high
Major discovery

Four wells drilled in prior years
- Wells S-370 & S-371 drilled in early 1970s
- PN drilled well S-372 in 2011 parallel to S-370. Confirmed 12.3 m missed pay, 170 bopd open hole test, 37° API
- RS 2P reserves 53 million bbls (2013)
- Well S-373 – Net pay 11.5 m - 97 bopd natural flow, equates to over 200 bopd with ESP

2017 Work Activities
- Well S-373 – long term production test Q1 – stable flow at 200 bopd on ESP
- Drilled well S-375 & S-375s – mixed result
- S-375s – 14.8 m net pay – initial test 150 bopd on ESP
EXPLORATION POTENTIAL

Emtorskaya, Traverskaya, Tuganskaya Prospects

Typical Exploration Drilling Rig
URALMASH BU 3D 76
Oil Fields / Prospects / Potential Prospects

<table>
<thead>
<tr>
<th>Map ref. Field/Prospect</th>
<th>Horizon(s)</th>
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<tbody>
<tr>
<td><strong>Oil Fields</strong></td>
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<tr>
<td>1 Lineynoye Oil Field</td>
<td>UJ</td>
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<tr>
<td>2 Tungolskoye Oil Field</td>
<td>UJ</td>
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<tr>
<td>3 West Lineynoye Oil Field</td>
<td>UJ</td>
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<tr>
<td>5 Kondrashevskskoye Oil Field</td>
<td>UJ</td>
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<td>7 Arbusovskoye Oil Field</td>
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<tr>
<td>20 Sibkrayevskoye Oil Field</td>
<td>UJ</td>
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<tr>
<td>8 North Varyakhskoye Oil Field</td>
<td>UJ</td>
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<td><strong>Prospects</strong></td>
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<tr>
<td>2 Tungolskoye West Lobe and North (2)</td>
<td>UJ</td>
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<td>4 Lineynoye Lower</td>
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<td>9 Emtorskaya</td>
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<td>10 Emtorskaya Crown</td>
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<td>11 Sigayevskaya</td>
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<td>12 Sigayevskaya East</td>
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<td>13 Kulikovskaya Group (2)</td>
<td>UJ</td>
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<td>14 Kusinskiy Group (2)</td>
<td>C, UJ, LJ</td>
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<td>15 Tuganskaya Group (3)</td>
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<td>16 Kirillovskaya (4)</td>
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<td>17 North Balkinskaya</td>
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<td>18 Traverskaya</td>
<td>C, UJ, LJ</td>
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<td><strong>Potential Prospects</strong></td>
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<tr>
<td>21 Emtorskaya North</td>
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<td>22 Sobachya</td>
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<tr>
<td>23 West Balkinskaya</td>
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**Initial Focus on Northern Area**
- Sibkrayevskoye New Oil Field Discovery
  - 5-375s being tested
  - Development Plan being updated

**Arbusovskoye New Development**
- 2P Reserves 9.0 million bbls
- Under development

**Tungoldkoye Oil Field**
- 2P Reserves 5.9 million bbls
- T-5 Horizontal well

**Southern Prospects**
- 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

**Followed by Southern Area**
- Sibkrayevskoye New Oil Field Discovery
  - 5-375s being tested
  - Development Plan being updated

**North Sea Block**
- Sibkrayevskoye New Oil Field Discovery
  - 5-375s being tested
  - Development Plan being updated
Numerous prospects north and south...

PetroNeft’s Exploration focus has been thus far directed towards the Northern Portion of Licence 61 where newly discovered fields can quickly and cheaply be tied-in to the Central Processing Facility at Lineynoye:

**Northern Area**

- **Emtorskaya High** – low risk continuation of the Lineynoye oil field to the north at the Upper Jurassic J1-1 reservoir. Re-interpretation of Soviet wells indicates potential missed pay. Crest of structure is 65 m higher than Lineynoye. Sibneftegeofizika calculated C3 > 100 million bbls.

- **Sobachya** – potentially large lead on trend with Sibkrayskoye oil field. New seismic confirms structure. Estimated potential > 20 million bbls.

**Southern Area**

- **Traverskaya** – Low risk structure adjacent to Kiev-Eganskoye oil field. Log reinterpretation shows potential missed pay in C, UJ and MJ intervals. Core of J1-1 interval has oil shows. Reservoir quality and thickness of J1-1 reservoir may increase based on 2013 seismic study. Potential reserves > 20 million bbls

- **Tuganskaya** – Log reinterpretation shows missed pay at Cretaceous and Middle Jurassic levels. Potential reserves > 40 million bbls

- **Kirillovskaya Group** – Group of structures located in drainage area immediately out of the basin. Multiple pays with significant reserve potential >100 million bbls
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 -2,320 m J₁₁
- 60 m high to Lineynoye Crest

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

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

Base Bazhenov Horizon Structure Map
September 2015 – contour interval 10m

0 1 2 3 4 5 6 km
Lineynoye drilling programme determined the oil-water-contact to be about -2,435 m tvd.

This indicated that the structure was filled with hydrocarbons below the spill point of -2,422 m and that Lineynoye and Emtorskaya are one continuous oil field at the J1-1 interval. Emtorskaya is both larger in area and higher structurally than Lineynoye (65 m).

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

The 2015 seismic programme confirmed 75 sq km of structure higher that wells E-300 and E-303.
Lineynoye and Emtorskaya

- **Extension of Lineynoye Field**
- **Huge unbooked reserve potential**
- **Better definition after 2015 seismic**

**J₁** oil down to -2,383 m tvdss in E-300 and E-303
Area = 75.8 km²

**J₁** Spill Point -2,430 m tvdss

**Likely Field Extension to the North**
- Well 212 oil-down-to -2,434 m J₁
- Well 211 owc -2,436 m J₂

**Base Bazhenov Horizon 2015**

- September 2015 – contour interval 10 m
INVESTMENT HIGHLIGHTS
Summary – 2018 Activities

2018 Activities

- L61 - Plans based on Lower Forecast 2018 Oil Prices
  - The Company continues to review and cut costs where possible
  - Extensive review of projects to mitigate risks
  - Lineynoye L-8 Lobe Project as follow-on to successful development of South Arbuzovskoye using horizontal wells for J1-1 interval – low risk - superior economics – contingent of financing
  - Sibkryayevskoye Development to follow – will continue winter production
  - Emtorskaya exploration to come
- L67 - Cheremshanskoye No. 4 successful delineation well
  - Register Russian Reserves
  - Testing the market with a view to selling L61 and/or L67
Way Forward Strategy – Achieving value for Shareholders

The geo-political and investment climate for Russia, along with other emerging markets, remains challenging and this combined with the current shareholding structure has resulted in a significant difference between the market capitalization of the company and the true value of its assets.

In view of this the Company has engaged financial advisers in Russia to test the market and gauge appetite for a sale of Licence 61. Once the testing of the C-4 well at Licence 67 is complete we will consider a similar process for Licence 67.

While we are only in the early stages of this process for L-61, we have seen a high level of interest from a range of well-financed industry players.

Given the good result of the C-4 well, we would expect a similar high level of interest in Licence 67. Especially from operators currently active in the immediate area with existing infrastructure and declining production.