



PETRONEFT RESOURCES PLC

Annual General Meeting, 15 September 2017



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

- Winter test production - S-373 delineation well >200 bopd
- Delineation well at Sibkrayevskoye S-375/S-375s
- Testing of S-375s well is underway
- Results end September

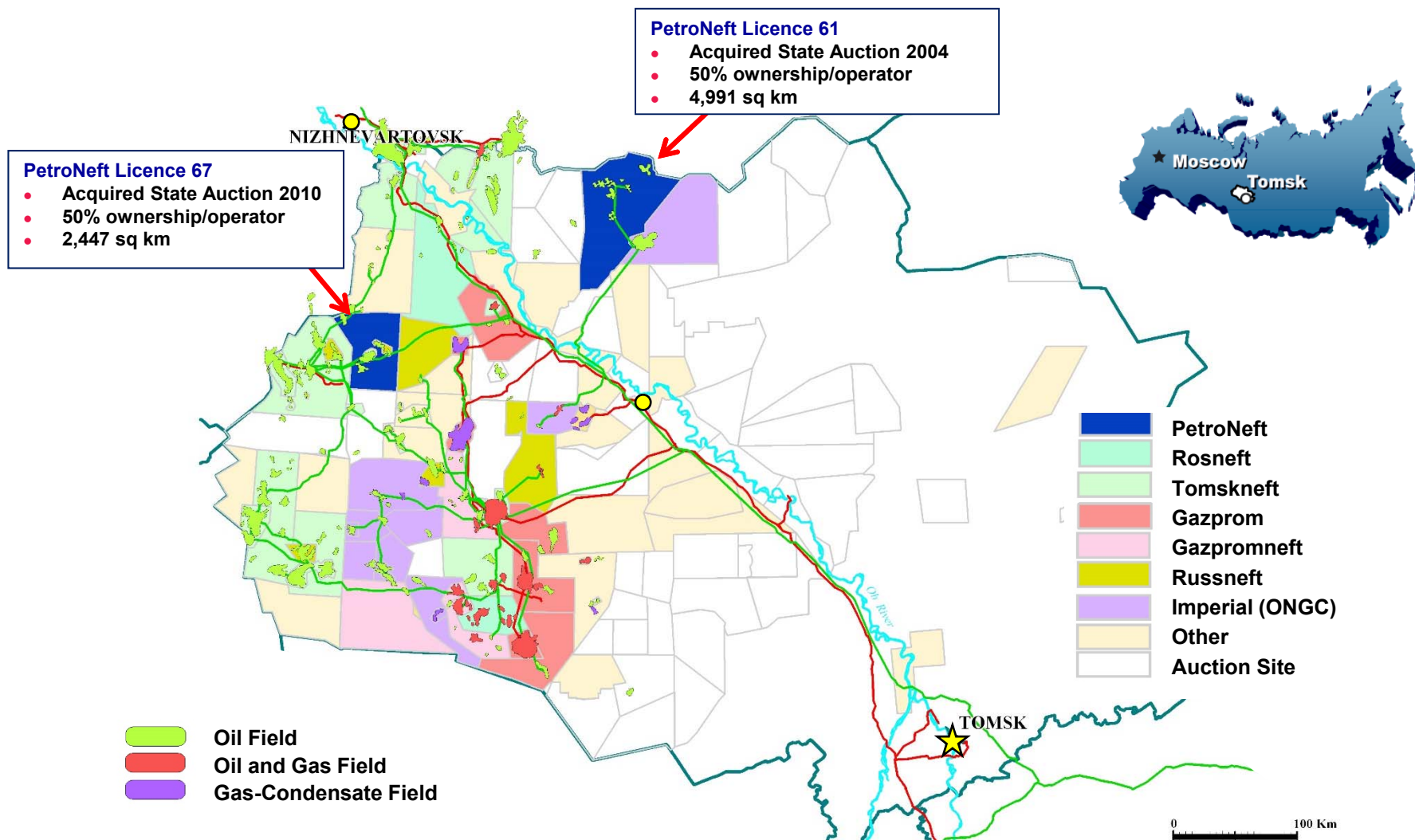
Production

- Current production about 2,200 bopd gross
- Excellent results from South Arbuzovskoye horizontal wells
- All major infrastructure already in place
- Central Processing Facility at Licence 61 with $\pm 14,800$ bpd design capacity
- Future developments on L61 are incremental in nature with good economics at today's oil price
- 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
- New Business Development structure to investigate opportunities for growth via M&A
- Extensive review of a number of opportunities

TOMSK OBLAST



Tomsk Oblast: Very active region with significant exploration upside
 Rosneft, Imperial Energy (ONGC), Gazprom, Gazpromneft, Russneft, local companies



LICENCE 61

Work Programme





Work Programme



2016

Sibkrayevskoye Delineation

- Q1 - Winter test production S-373 – 200 bopd on ESP
- Disappointing S- 374 well - 10 km step-out to determine full potential of field
- Requirement for further delineation

2017

Sibkrayevskoye Development

- Q1 - Winter test production S-373 – 200 bopd on ESP
- S-375/S-375s Delineation wells for Pad 2
- S-375s well currently being tested – good test would be 100 bopd inflow and 200 bopd on pump
- Development Plans being updated

2018 and later

- Q1 - Winter test production S-373 and S-375s wells
- Development decision pending flow rate and Joint Venture partner discussions
- Exploration and delineation of other targets such as Emtorskaya, Cheremshskoye (L67), Traverskaya and Tuganskoye



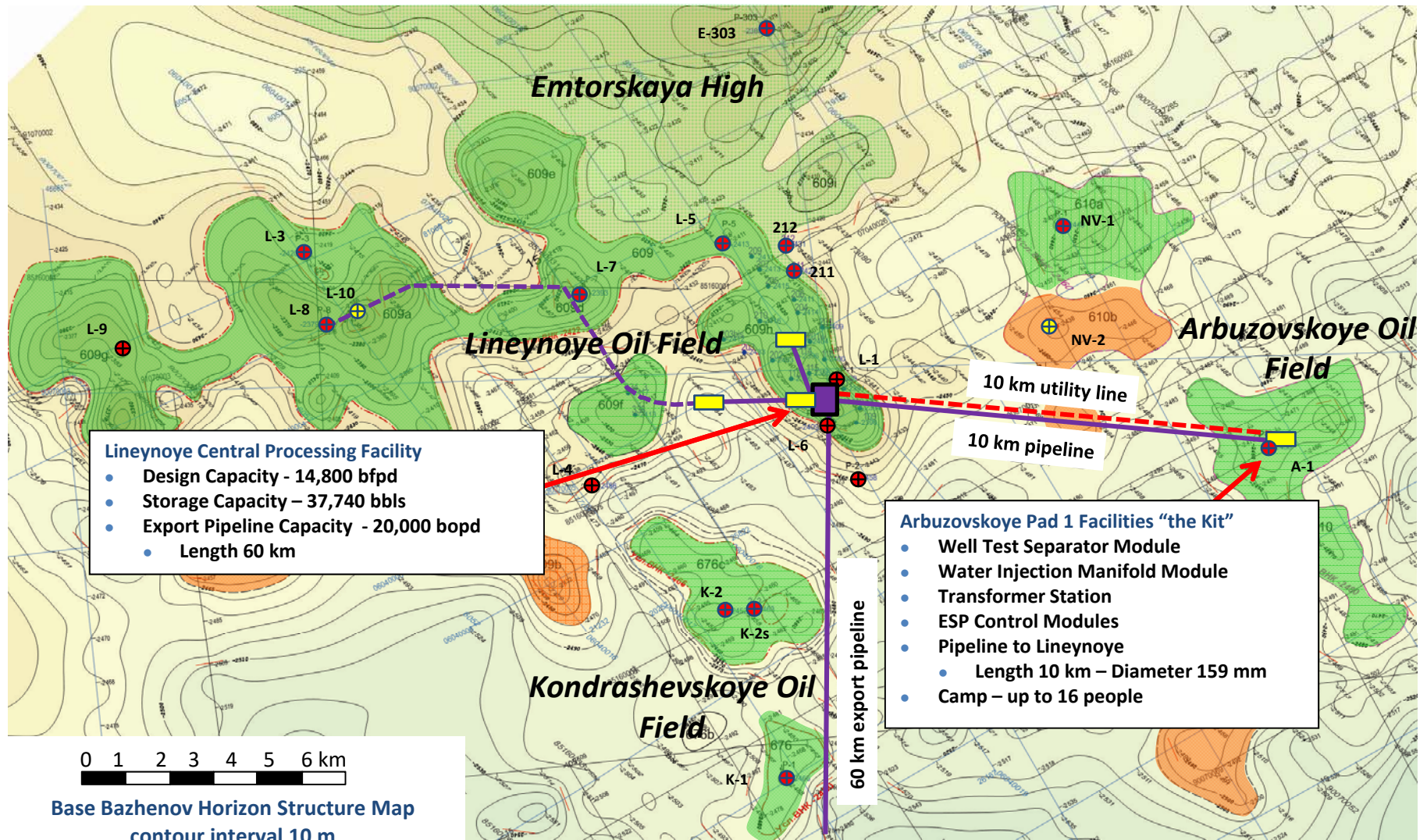
LICENCE 61

Infrastructure





Licence 61 Northern Infrastructure



ALL MAJOR INFRASTRUCTURE IN PLACE





ARBUZOVSKOYE

Pad 2 Drilling Complete in 2016

Continued good production from horizontal wells

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





Arbuzovskoye Development

Northern Lobe Development – 2012 - 2015

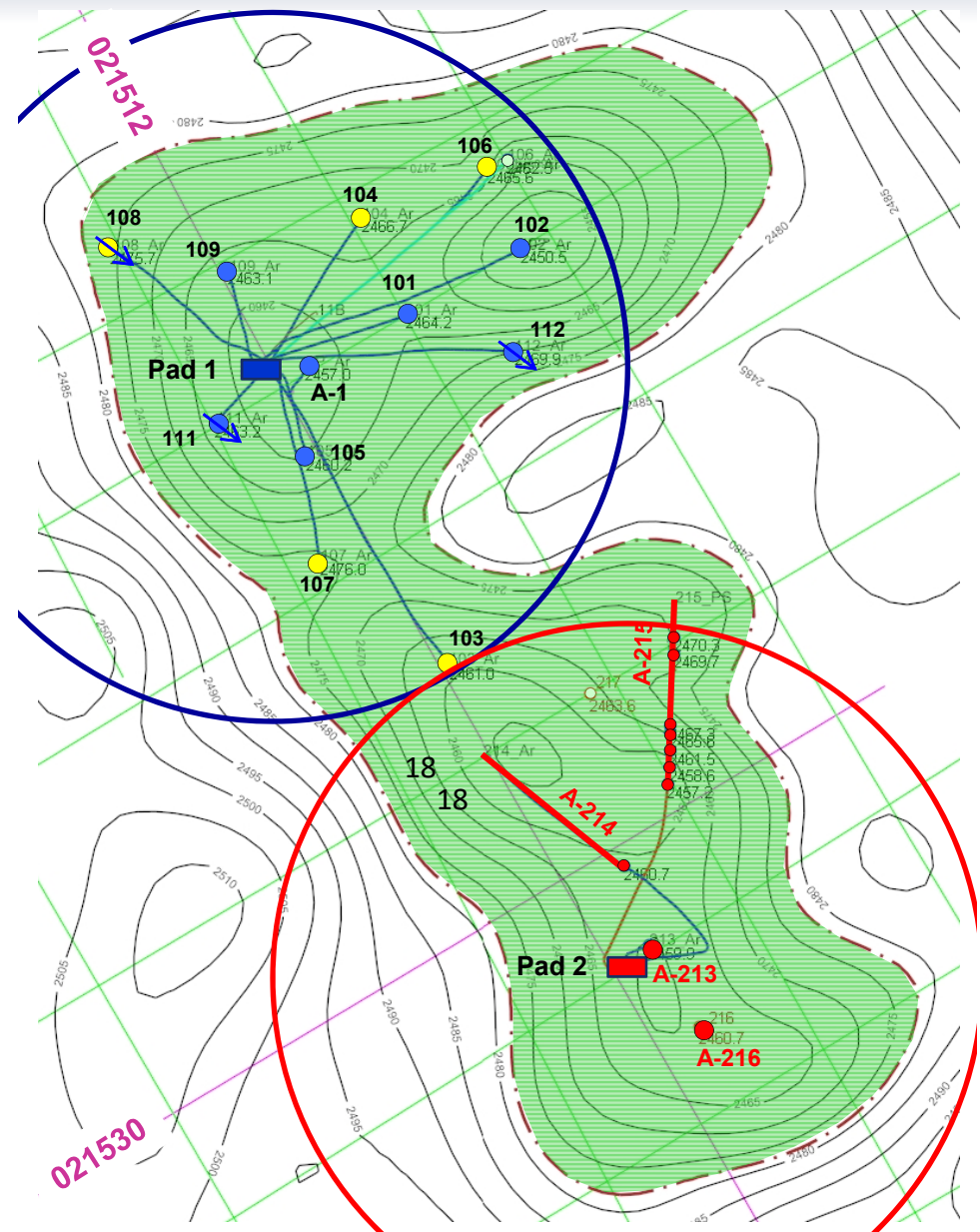
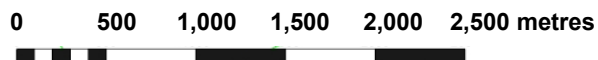
- Pilot production commenced on Pad 1 in Jan 2012 with Well A-1 brought online at >300 bopd
- 5 wells brought onstream winter 2012/13 (blue wells)
- Additional 5 wells drilled on Pad 1 during 2014/15 (yellow). All 5 wells successful.

Southern Lobe Development - 2016 (red wells)

- 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 – total Initial Production rate of 1,965 bopd
- Pad 2 – 4 development wells – 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 2017.

Top J1-1 Reservoir – 15 June 2016.

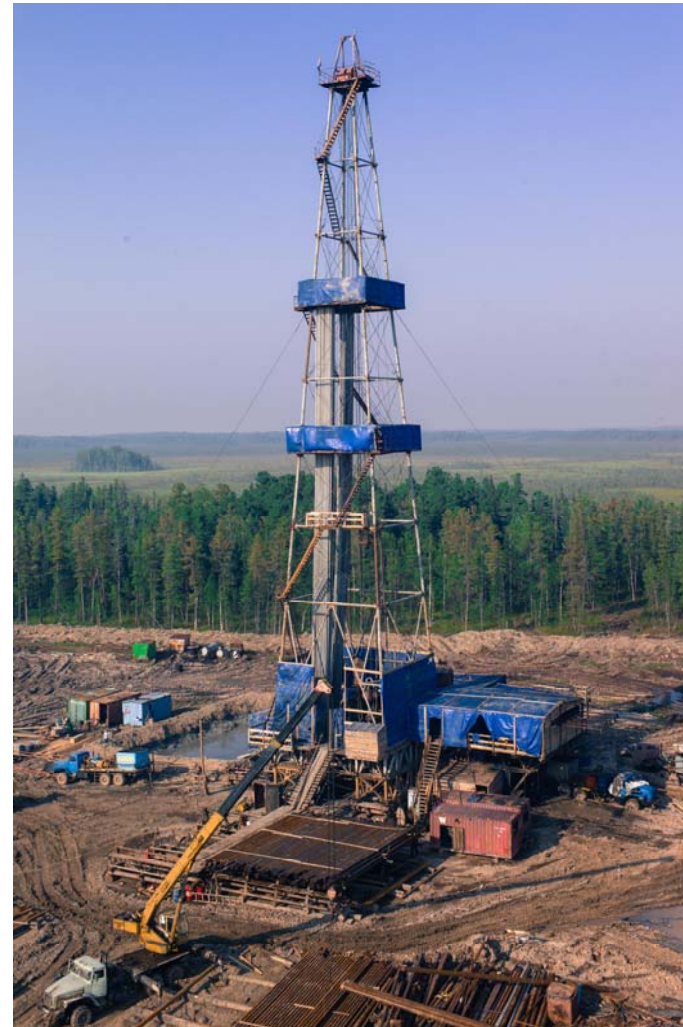




SIBKRAYEVSKOYE

1,000 km 2D seismic acquisition 2014-15

S-374 Exploration Well in 2016 – S-375/S-375s Delineation Wells in 2017





Sibkrayevskoye Development



Major discovery

Three 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)

2015 Work Activities

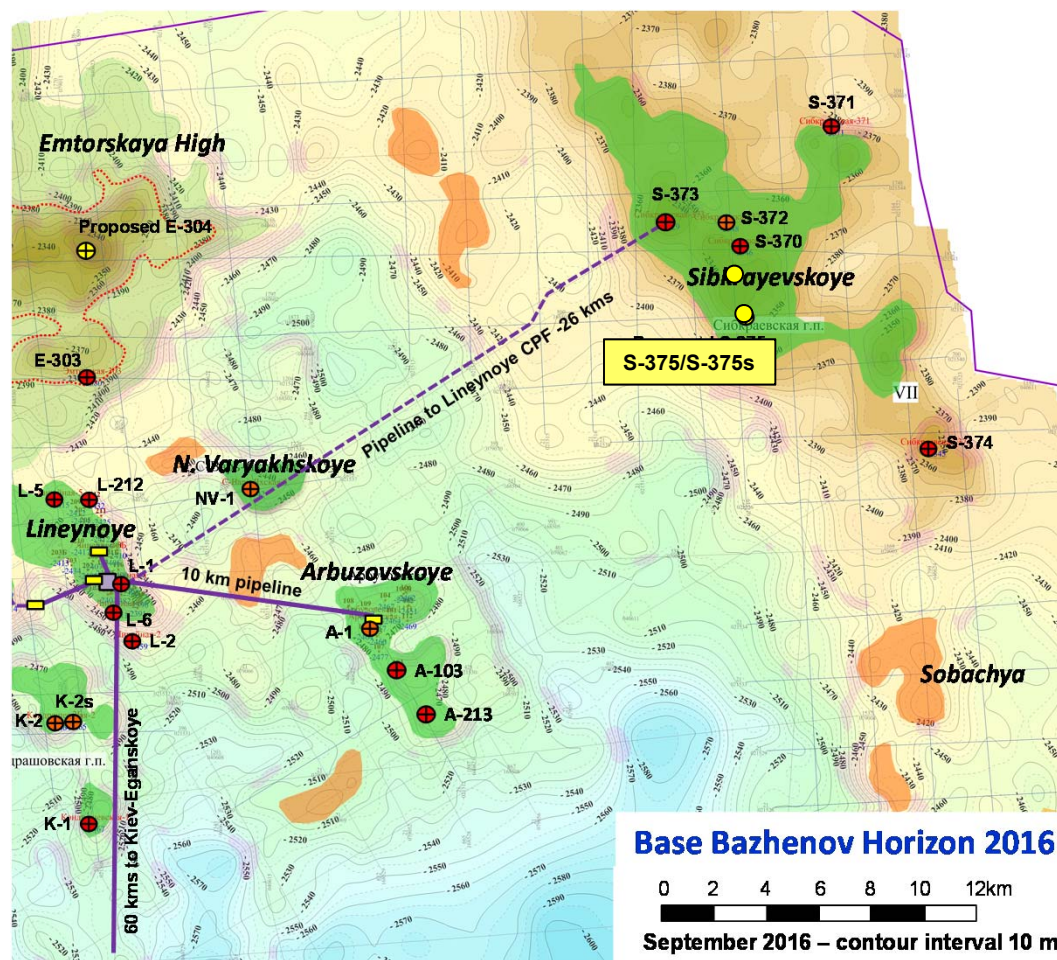
- Well S-373 – Net pay 11.5 m - 97 bopd natural flow, equates to over 200 bopd with ESP
- Additional 2D Seismic acquisition in Q1 2015
- Significant increase in size of structure and C3 resources

2016 Work Activities

- Well S-373 – long term production test Q1 – stable flow at 200 bopd on ESP
- Drilled unsuccessful well S-374 – 10 km step-out to determine full potential of field
- Development Decision deferred to drill S-375

2017 Work Activities

- Well S-373 – long term production test Q1 – stable flow at 200 bopd on ESP
- Drilled well S-375 & S-375s
- Currently flow testing S-375s well, results end Sept.





Sibkrayevskoye S-375/S-375s

Sibkrayevskoye Conceptual Development

Legend

- Existing wells
- Delineation wells 2017
- Vertical/Slant wells

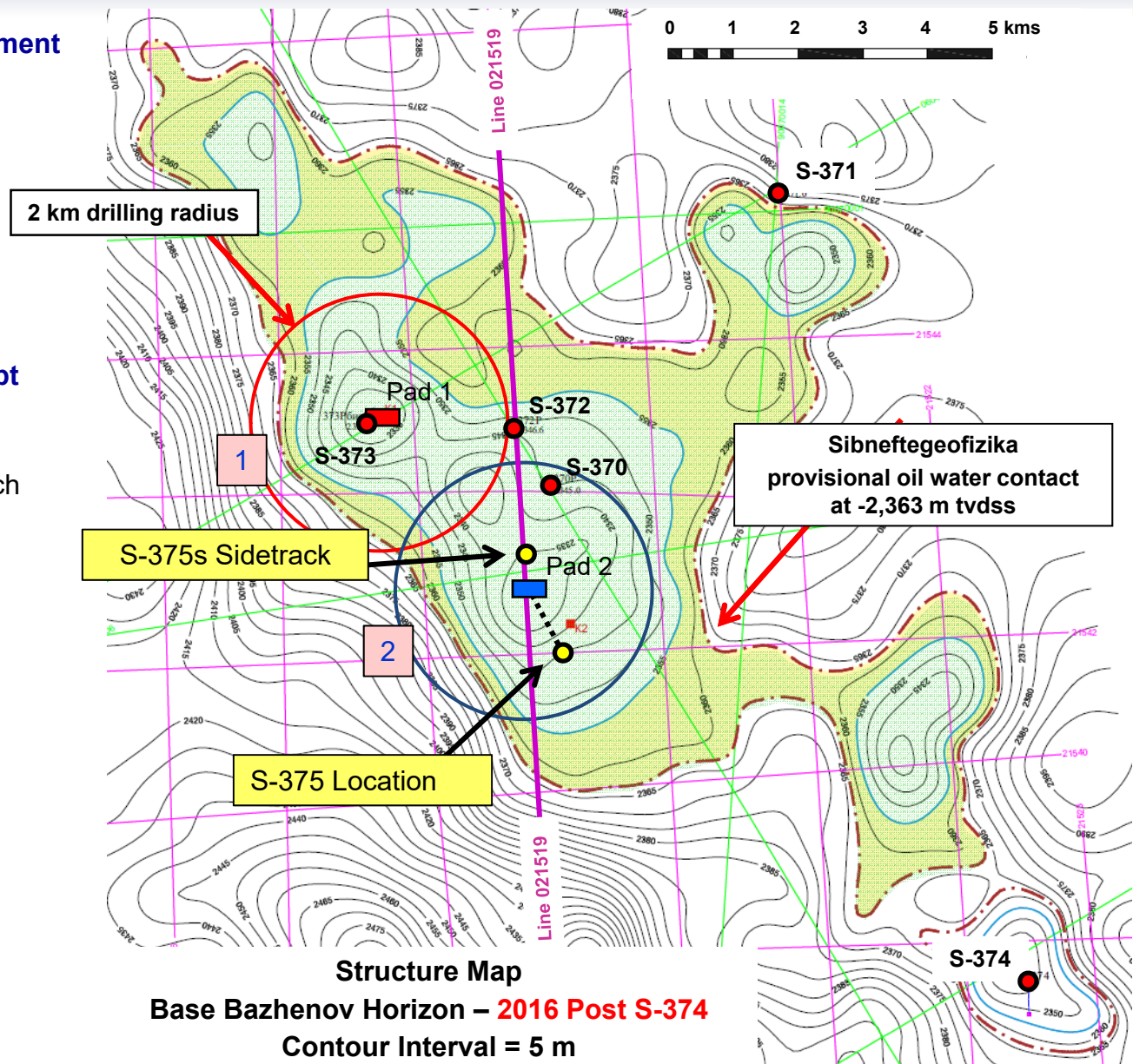
1 Pad Number

Sibkrayevskoye Development Concept

- Initial 2 pads highlighted in red/blue
- Reserves at pads 1 & 2 ~ originally estimated at about 20 million bbls each
- Pad 2 currently being updated

S-375/S-375s Well Results

- 4.8 m of net pay in thin sandstones
- Defined oil-down-to at -2,357 m tvdss
- Sidetrack from surface casing
- 14.8 m of net pay – thickest to date
- Currently testing





Sibkrayevskoye 373 Winter Production 2016/17



- Diesel Fuel Tank
- Diesel Generator Module
- ESP Control Module

- S-373 Well Head
- ESP Cable
- Temporary Flowline to Storage Tank





Sibkrayevskoye 373 Winter Production 2016/17



- Living Quarters, Diesel Fuel Tank, Diesel Generator Module and ESP Control Module
- Recently dismantled exploration rig modules in background



Sibkrayevskoye 373 Winter Production 2016/17

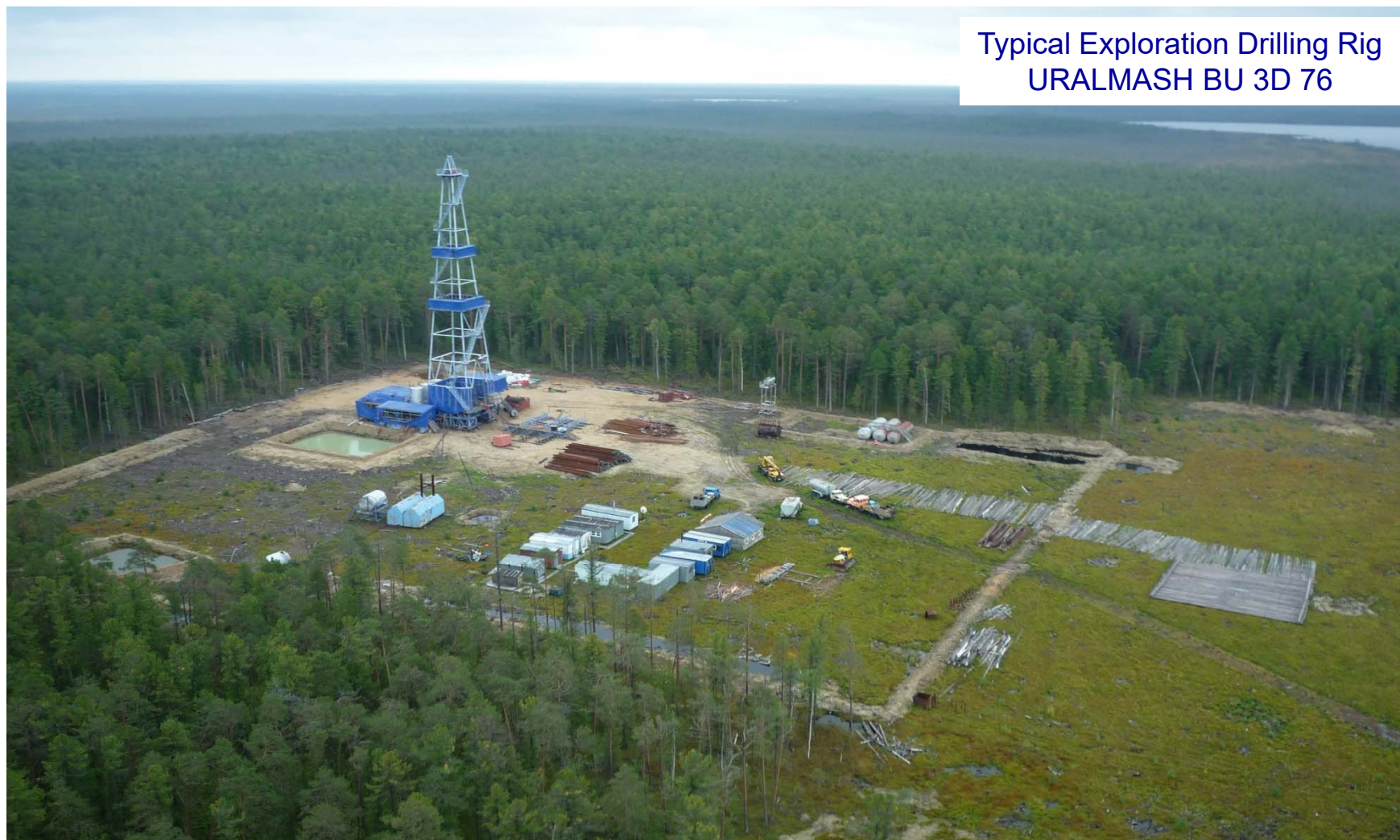


- **Raised Oil Storage Tank (capacity: 75 m³ – 472 bbls)**
- **Loading of Vacuum Truck (capacity: 9 m³ – 57 bbls) – Truck to Lineynoye CPF (26 km)**
- **We've produced the S-373 well and trucked the oil for several months each of the last two winters, and it has maintained a solid production rate of about 200 bopd.**



EMTORSKAYA

Future Exploration Prospect



Typical Exploration Drilling Rig
URALMASH BU 3D 76



Licence 61 – Exploration Potential

Oil Fields / Prospects / Potential Prospects

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

Initial Focus on Northern Area

Sibkrayevskoye New Oil Field Discovery

- S-375s being tested
- Development Plan being updated

Arbuzovskoye New Development

- 2P Reserves 9.0 million bbls
- Under development

Tungolskoye Oil Field

- 2P Reserves 5.9 million bbls
- T-5 Horizontal well

Followed by Southern Area

North Sea Block

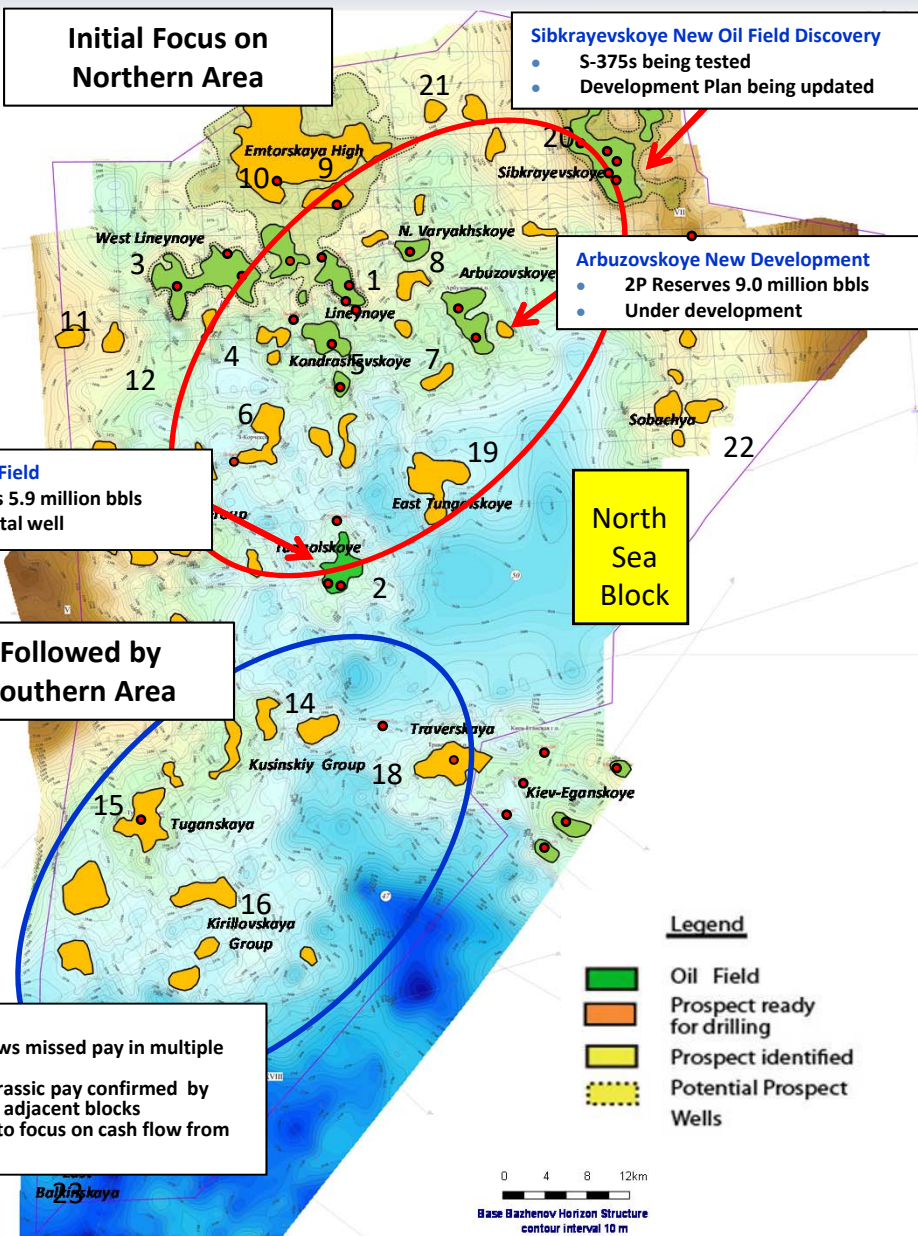
Southern Prospects

- 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

Legend

- Oil Field
- Prospect ready for drilling
- Prospect identified
- Potential Prospect Wells

0 4 8 12km
Base Bazhenov Horizon Structure
contour interval 10 m





Overview of Key Prospects L61



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 E-300 and E-303 indicates potential missed pay. Crest of structure is 65 m higher than Lineynoye. Ryder Scott P3 of 63.9 million bbls updip from existing wells with interpreted missed pay. 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 of flanks of structure 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

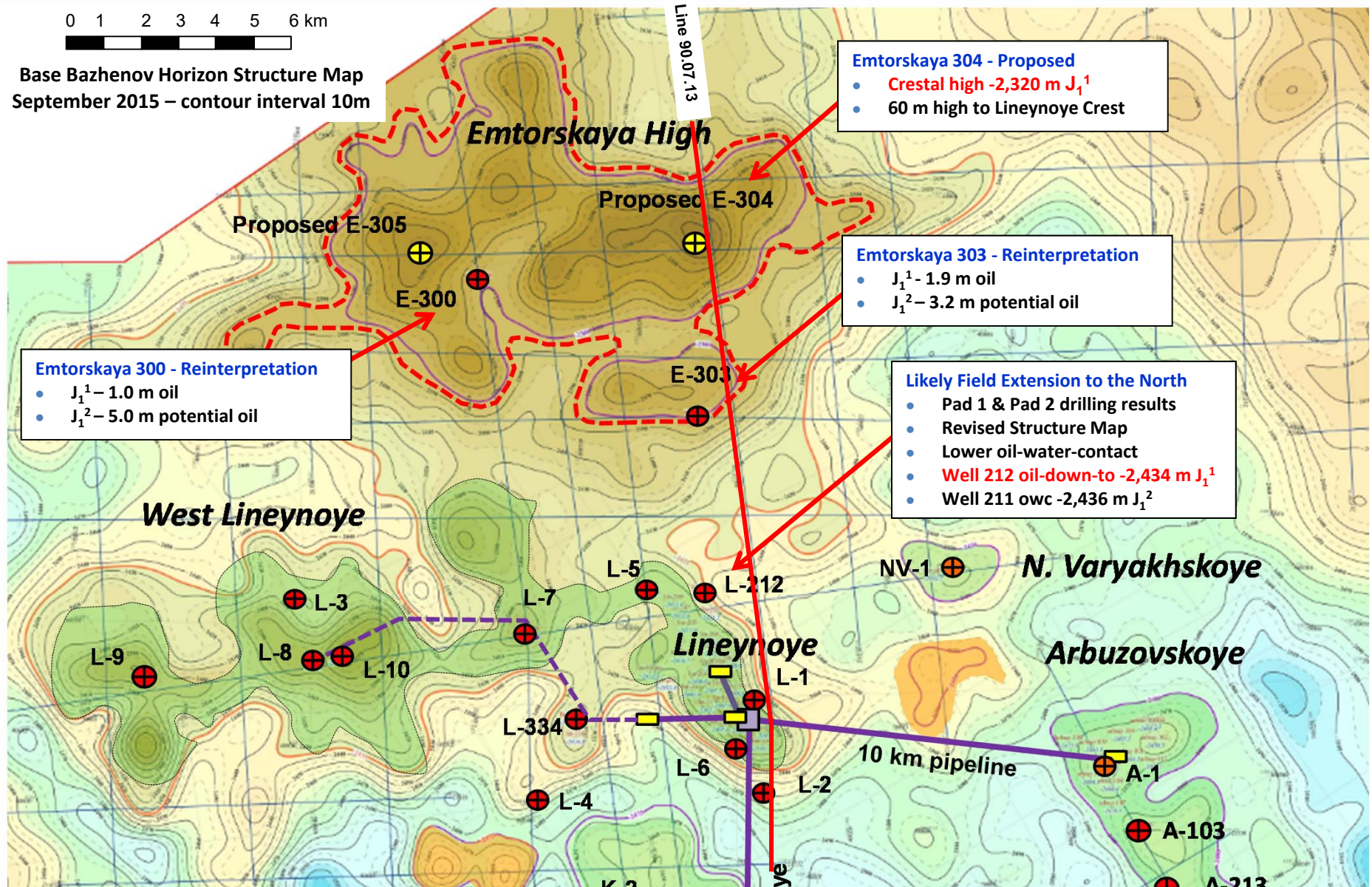


Lineynoye and Emtorskaya High 2015



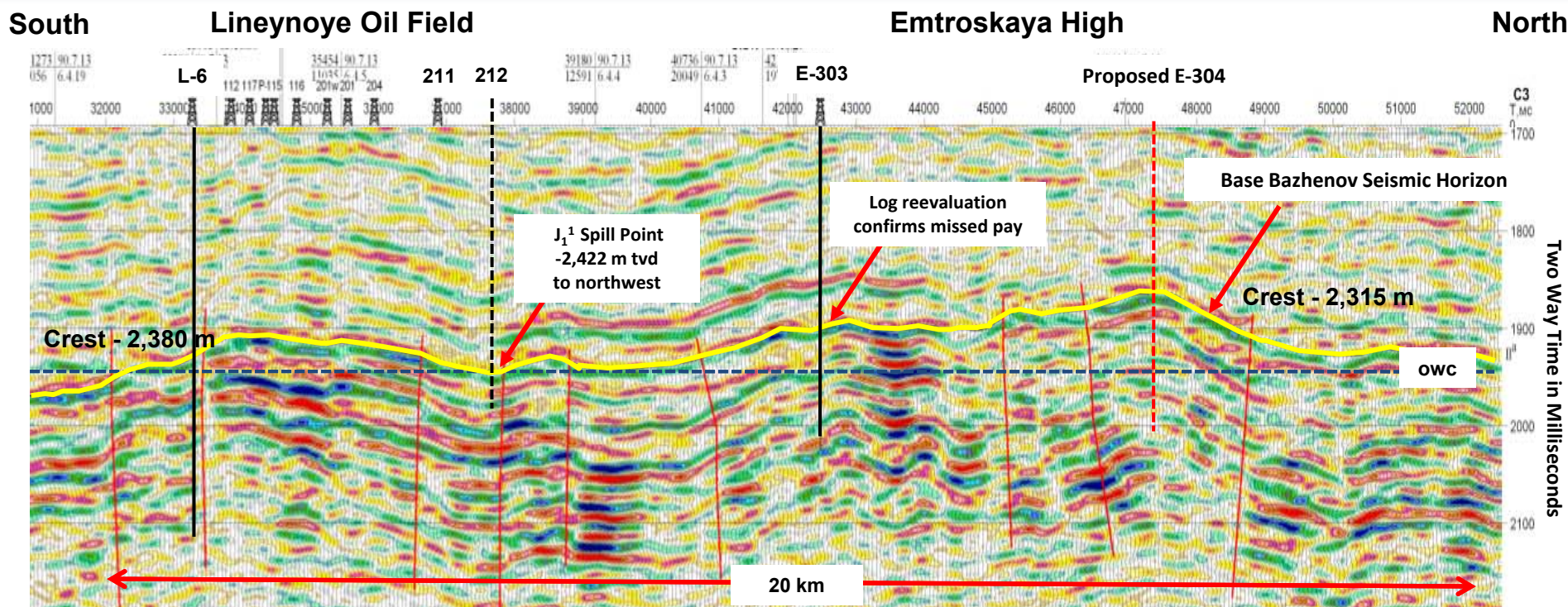
0 1 2 3 4 5 6 km

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





Seismic Line 90.7.13



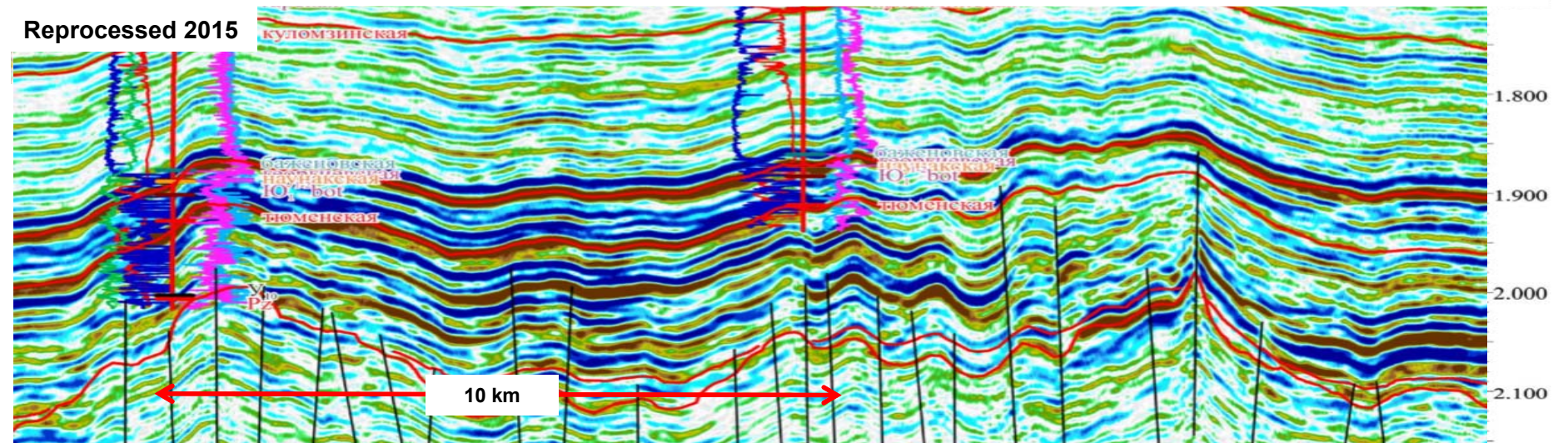
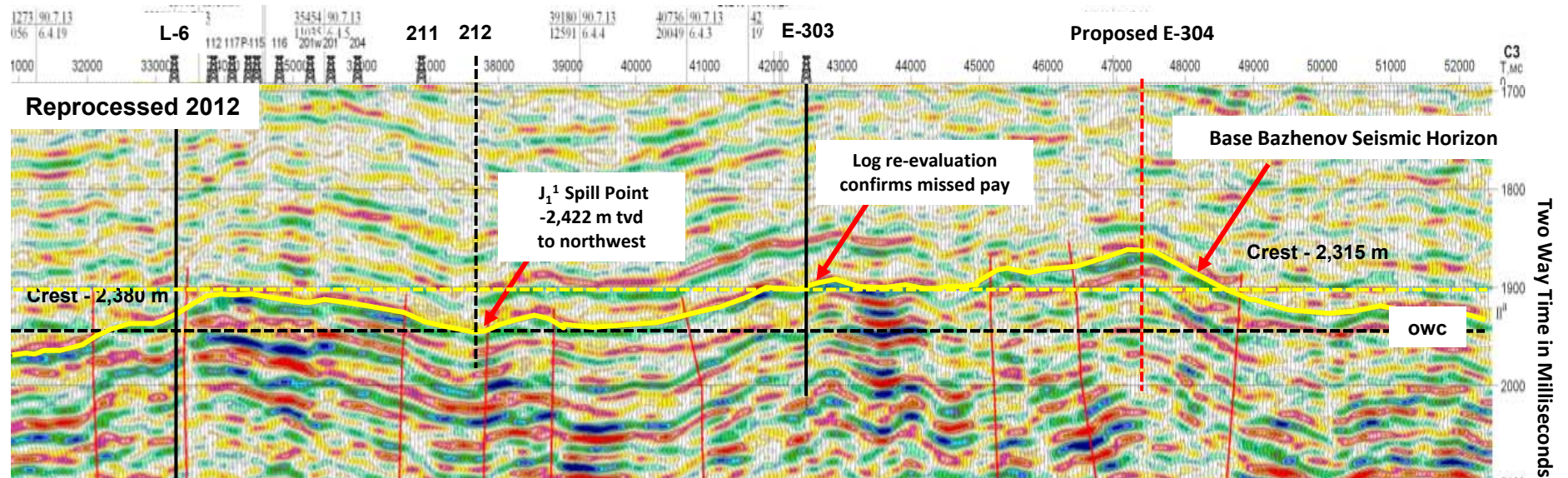
- Lineynoye drilling programme determined the oil-water-contact to be about -2,435 m tvd.
- This indicated that the structure was filled with hydrocarbons below the spill point of -2,422 m and that Lineynoye and Emtorskaya are one continuous oil field at the J1-1 interval. Emtorskaya is both larger in 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 than wells E-300 and E-303



Seismic Line 90.7.13



South Lineynoye Oil Field Emtroskaya High North





LICENCE 67





Licence 67

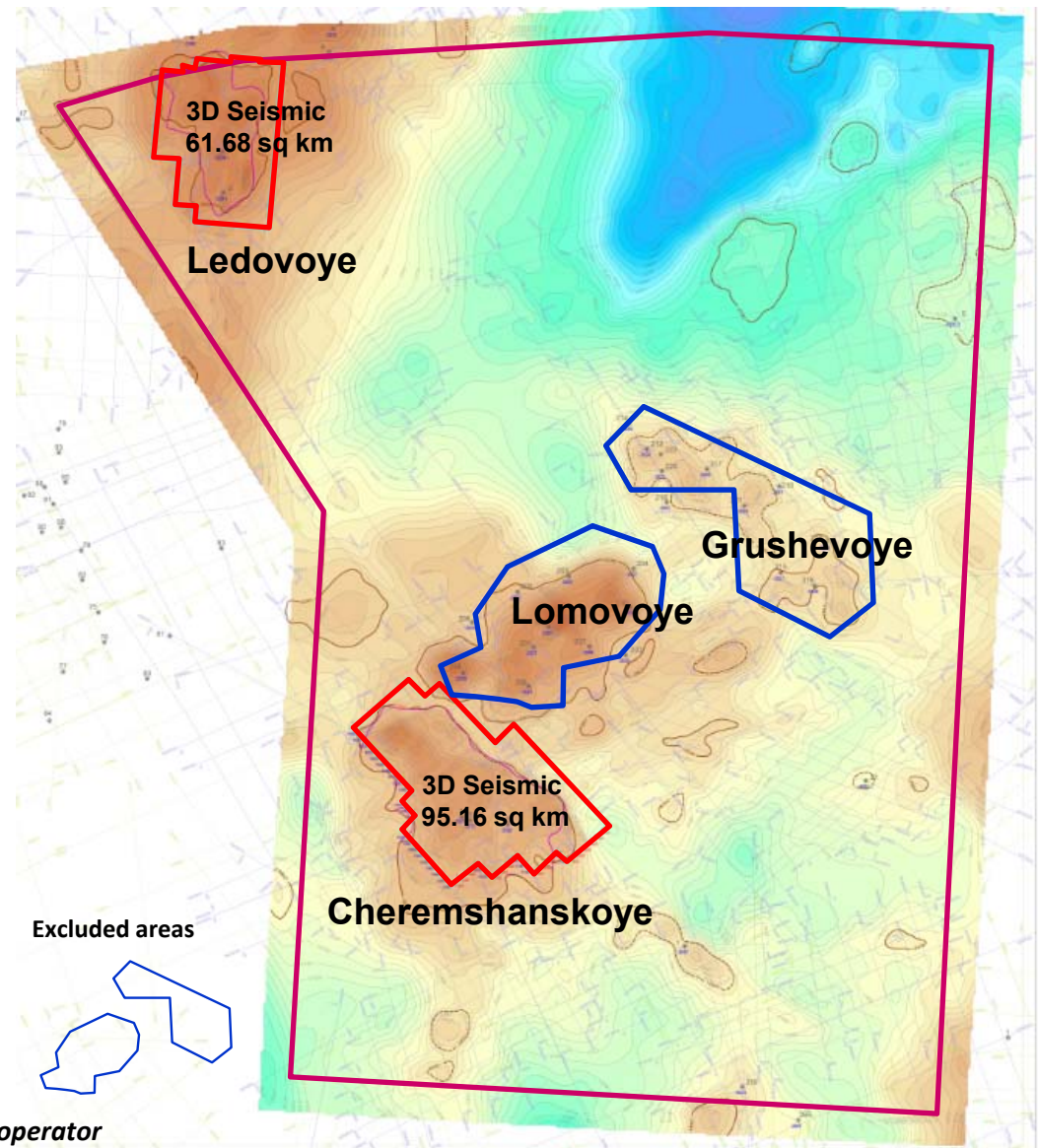


Major Activities 2014/2015

- 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

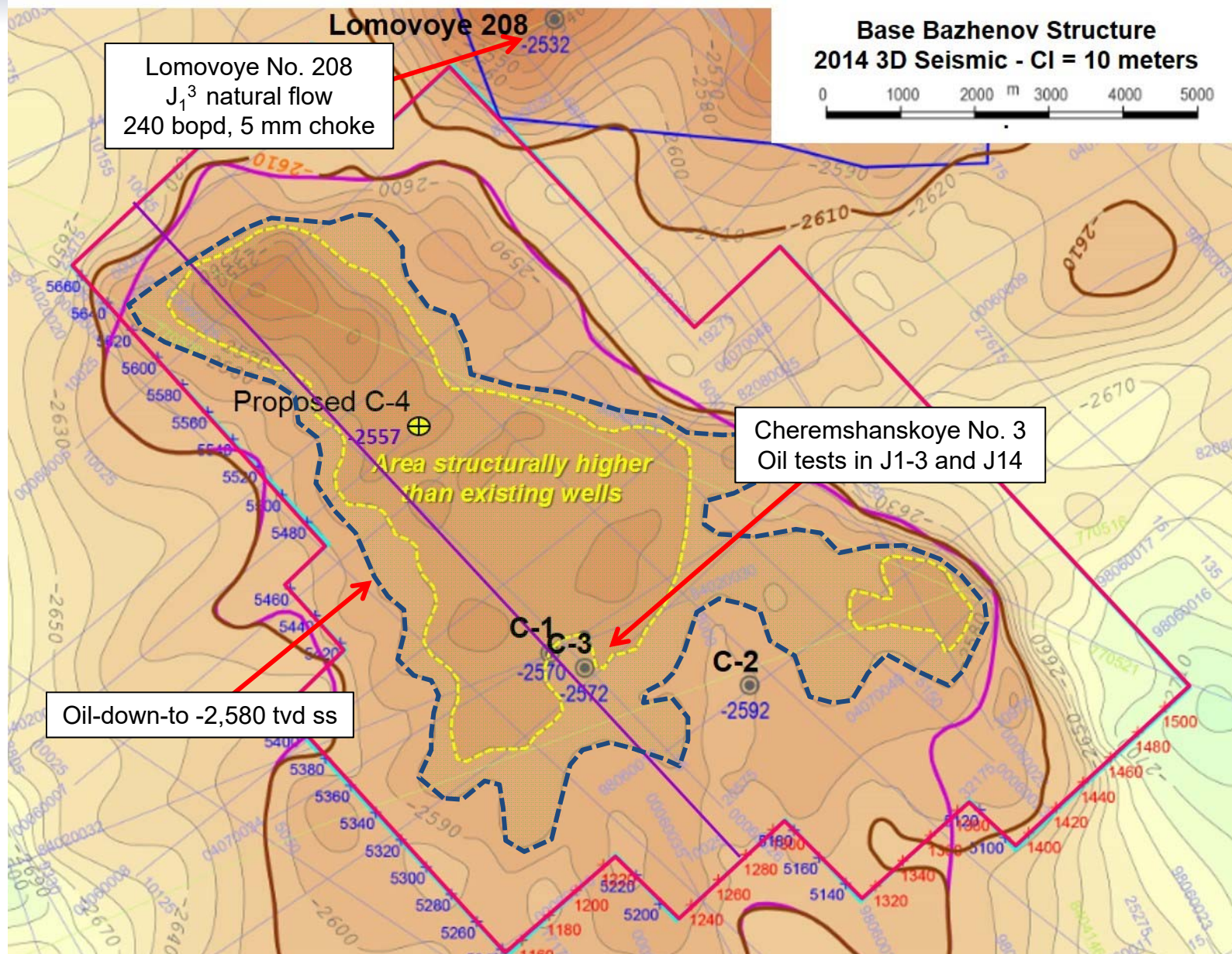
- No work requirements in 2017
- Investigating way forward options with Joint Venture Partner for 2018
- Including possibility of drilling additional well at Cheremshanskoye
- P3 > 60 million bbls, 3D seismic, large area updip from well that tested oil in two intervals



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



Cheremshanskoye Oil Field





INVESTMENT HIGHLIGHTS





Summary L-61



Production

- Producing asset with major infrastructure in place
- Newest field brought into production with outstanding success
 - South Arbuzovskoye High flow rates achieved from horizontal wells
- Two large northern fields/prospects have existing wells with good oil columns
 - Sibkrayevskoye Two to three delineation wells to be produced this winter
Newest well (S-375s) has 14.8 m net pay, now being tested
 - Emtorskaya High 63.9 million bbls of P3 updip from interpreted missed pay in 2 wells
Needs further delineation

Exploration and Reserve Upside

- Strong Reserve Growth; very significant reserve additions from exploration to date
- Prospects still to explore especially in southern area.
 - Traverskaya Potential reserves > 20 million bbls - oil in core, missed pay on logs
 - Tuganskaya Potential reserves > 40 million bbls – missed pay on logs
- Latest reserve report as at end 2015 – RS 2P > 100 million bbls gross for L61
- **Strong horizontal well performance at South Arbuzovskoye and new seismic technology should help us to make future development projects more economic**



Summary



Way Forward Strategy

- Given the current low oil price environment
 - The Company continues to review and cut costs where possible
 - Extensive review of projects to mitigate risks
 - South Arbuzovskoye successfully developed using horizontal wells
- Sibkrayevskoye Development
 - Delayed pending further delineation following S-374 – 10 km step-out
 - S-375 and S-375s sidetrack delineation wells had mixed results
 - Interpreted net pay of 4.8 and 14.8 m respectively
 - S-375s well currently being tested and Development Plan revised
- Emtorskaya (L61) and Cheremshanskoye (L67) to come
- Restructured Business Development
 - Additional emphasis on M&A as growth opportunity in current market
 - Extensive review of a number of opportunities this past year
 - Negotiations to add value in progress