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

<table>
<thead>
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<th><strong>Work Programme</strong></th>
<th><strong>Production</strong></th>
<th><strong>Exploration &amp; BD</strong></th>
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<tr>
<td>- Winter test production - S-373 delineation well &gt;200 bopd&lt;br&gt;- Delineation well at Sibkrayevskoye S-375/S-375s&lt;br&gt;- Testing of S-375s well is underway&lt;br&gt;- Results end September</td>
<td>- Current production about 2,200 bopd gross&lt;br&gt;- Excellent results from South Arbuzovskoye horizontal wells&lt;br&gt;- All major infrastructure already in place&lt;br&gt;- Central Processing Facility at Licence 61 with ±14,800 bpd design capacity&lt;br&gt;- Future developments on L61 are incremental in nature with good economics at today’s oil price&lt;br&gt;- Sibkrayevskoye, Emtorskaya and Cheremshanskooye projects to come.</td>
<td>- Strong Reserve Base with material P3/P4 to 2P upgrades possible from future exploration programme&lt;br&gt;- Net 2P reserves of 65 million bbls and 3P/P4 reserves of &gt; 300 million bbls&lt;br&gt;- New Business Development structure to investigate opportunities for growth via M&amp;A&lt;br&gt;- Extensive review of a number of opportunities</td>
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TOMSK OBLAST

Tomsk Oblast: Very active region with significant exploration upside
Rosneft, Imperial Energy (ONGC), Gazprom, Gazpromneft, Russneft, local companies
LICENCE 61
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 Northern Infrastructure

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

Arbusovskoye 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
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
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
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 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

Structure Map
Base Bazhenov Horizon – 2016 Post S-374
Contour Interval = 5 m
Seismic Line 021519 acquired in 2015

- S-375 Projected
- S-375S Sidetrack
- S-370
- S-372

- Flexure Zone
- Base Bazhenov

South to North: 5 km
Sibkayevskoye 373 Winter Production 2016/17

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

- Diesel Fuel Tank
- Diesel Generator Module
- ESP Control Module
Living Quarters, Diesel Fuel Tank, Diesel Generator Module and ESP Control Module

Recently dismantled exploration rig modules in background
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
**License 61 – Exploration Potential**

### Oil Fields / Prospects / Potential Prospects

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<th>Horizon(s)</th>
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<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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<td>3 West Lineynoye Oil Field</td>
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<td>5 Kondrashevskoye Oil Field</td>
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<td>7 Arbusovskoye Oil Field</td>
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<tr>
<td>20 Sibkrayevskoye Oil Field</td>
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<td>8 North Varyakhskoye Oil Field</td>
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<td><strong>Prospects</strong></td>
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<td>2 Tungolskoye West Lobe and North (2)</td>
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<td>4 Lineynoye Lower</td>
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<td>13 Kulikovskaya Group (2)</td>
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<td>14 Kusinskiy Group (2)</td>
<td>C, UJ, LJ</td>
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<td>C, UJ, LJ</td>
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<td>17 North Balkinskaya</td>
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<td>18 Traverskaya</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
    - S-375s being tested
    - Development Plan being updated
  - Arbusovskoye New Development
    - 2P Reserves 9.0 million bbls
    - Under development

- **Followed by Southern Area**
  - 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

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**Legend**
- Green: Oil Field
- Orange: Prospect ready for drilling
- Yellow: Prospect identified
- Green: Potential Prospect
- Black: Wells
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

- **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 J2

- **Emtorskaya 304 - Proposed**
  - Crestal high -2,320 m J1
  - 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
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.
As a result of the Lineynoye Pad 1 and Pad 2 drilling programs, 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. 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.
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
Lomovoye No. 208
J₁³ natural flow
240 bopd, 5 mm choke

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

Oil-down-to -2,580 tvd ss
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
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