



PetroNeft Resources plc
Exploration, Development &
Production in Russia and the FSU

Oilbarrel Conference Presentation
December 6, 2011



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





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, with potential to increase to US\$75 million

Production

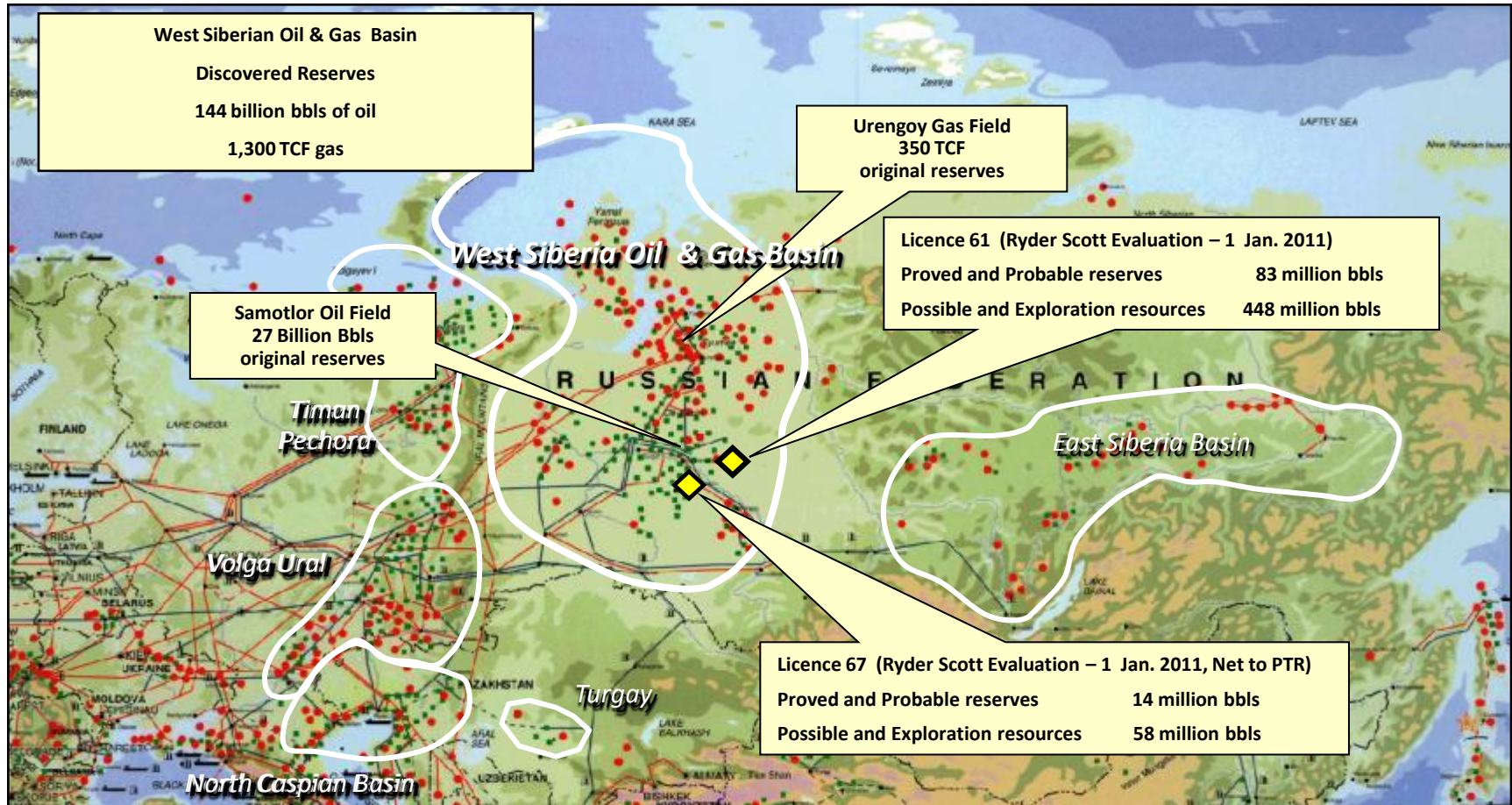
- **Production commenced on schedule in 2010, current production ≈ 2,500 bopd**
- Central Processing Facility at Lineynoye with ±14,800 bpd capacity
- Development to continue in 2012 with target rate of 4,000 to 5,000 bopd expected end Q1 2012 following fracture stimulation, and 7,000 to 9,000 bopd end Q1 2013

Exploration

- **Strong Reserve Base with material P3/P4 to 2P upgrades possible from planned exploration programme**
- 2P reserves of 96.9 mmbo and 3P/P4 reserves of > 600 mmbo (Unrisked) [Jan 1, 2011]
- 5 Exploration wells in 2011 from Licence 61 and 67
- New Oil Discoveries at Sibkrayevskaya, North Varyakhskaya and Cheremshanskaya (Licence 67)
- Reserve upgrade achieved at end of 2010 and more to come at end 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



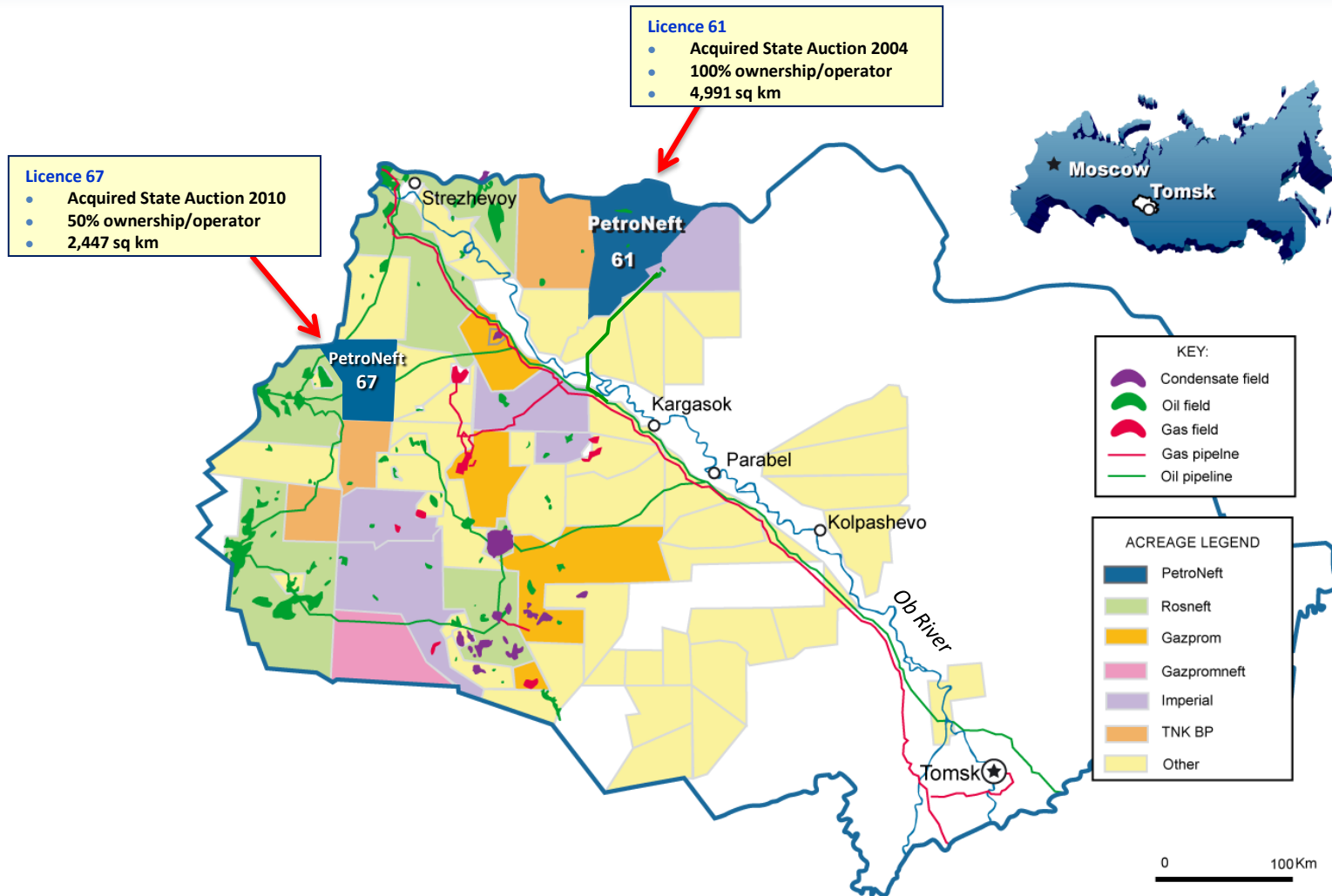
0 1,000
Kilometers

— Gas Pipeline
— Oil Pipeline

● Gas Fields
● Oil Fields

◆ PN Licences

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:

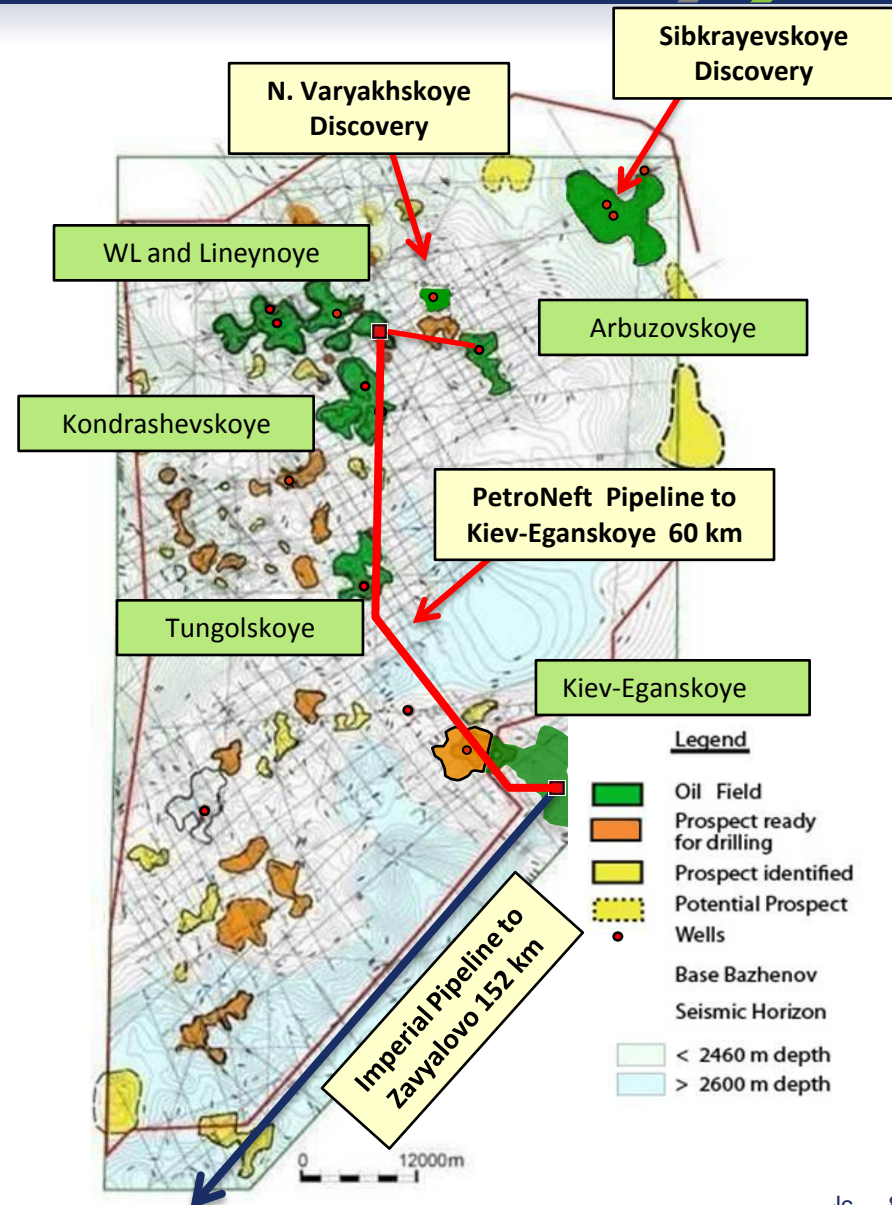
- Hydraulic Fracturing programme on 9 wells on Pad 1, 10 wells on Pad 2
- 12 new production wells drilled on Pad 2
- Process facilities expanded to $\pm 14,800$ bpd

➤ 2012 programme:

- Hydraulic Fracturing programme on Pad 2/Pad 1 wells to be completed by end Q1 2012
- Construction of 10 km pipeline to Arbuzovskoye and drilling of ± 14 new production wells

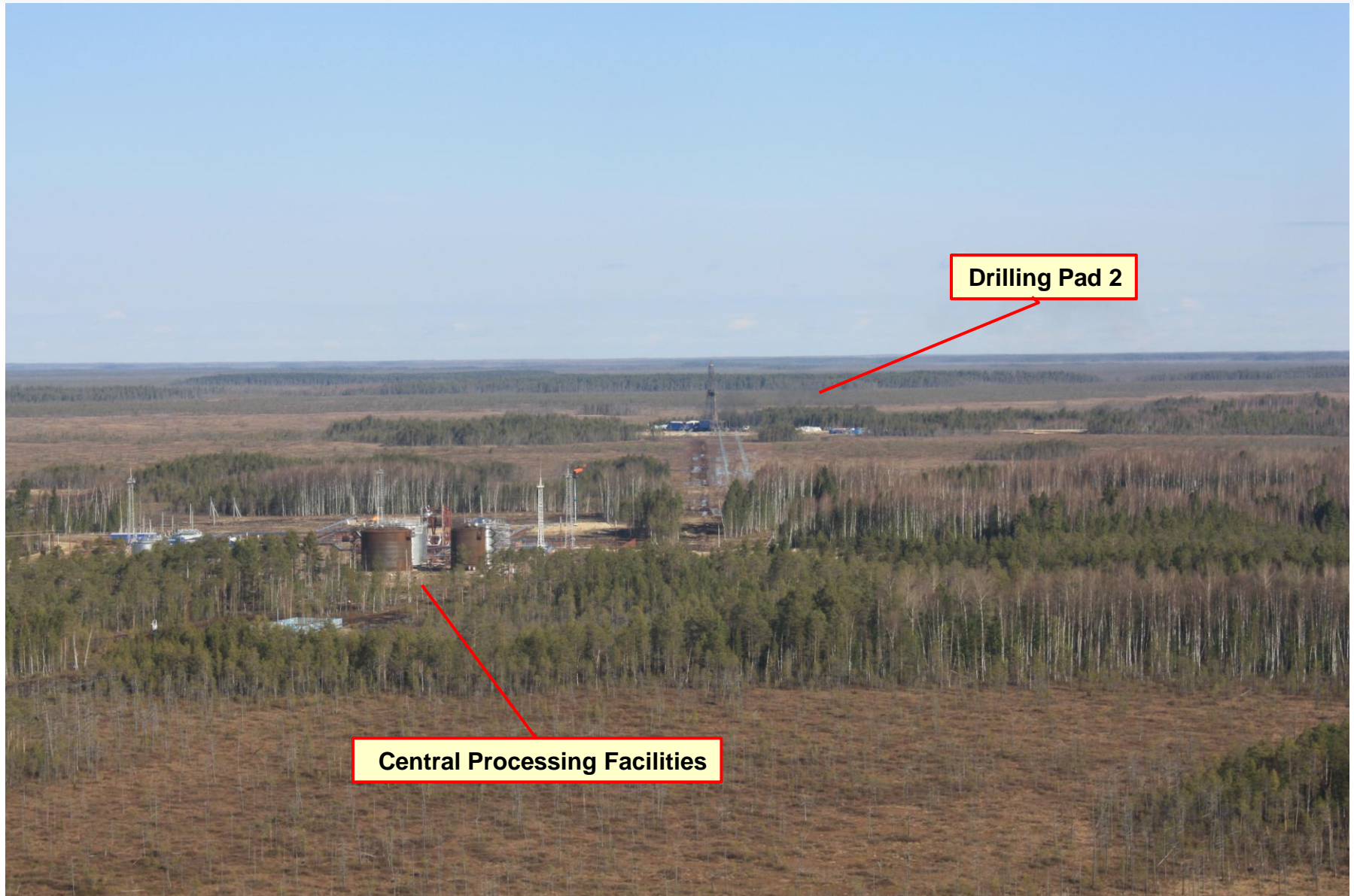
Future Plans

- Incremental addition based on NPV analysis of Sibkrayevskoye, Kondrashevskoye, Tungolskoye, N. Varyakhskoye and other discoveries





Lineynoye Field - May 2011



Drilling Pad 2

Central Processing Facilities

Pad 1 – Frac Design – Grouped by Size



Northwest



Southeast

Well	#	116	114	113	115	1	111	112	6	109	110	117
------	---	-----	-----	-----	-----	---	-----	-----	---	-----	-----	-----

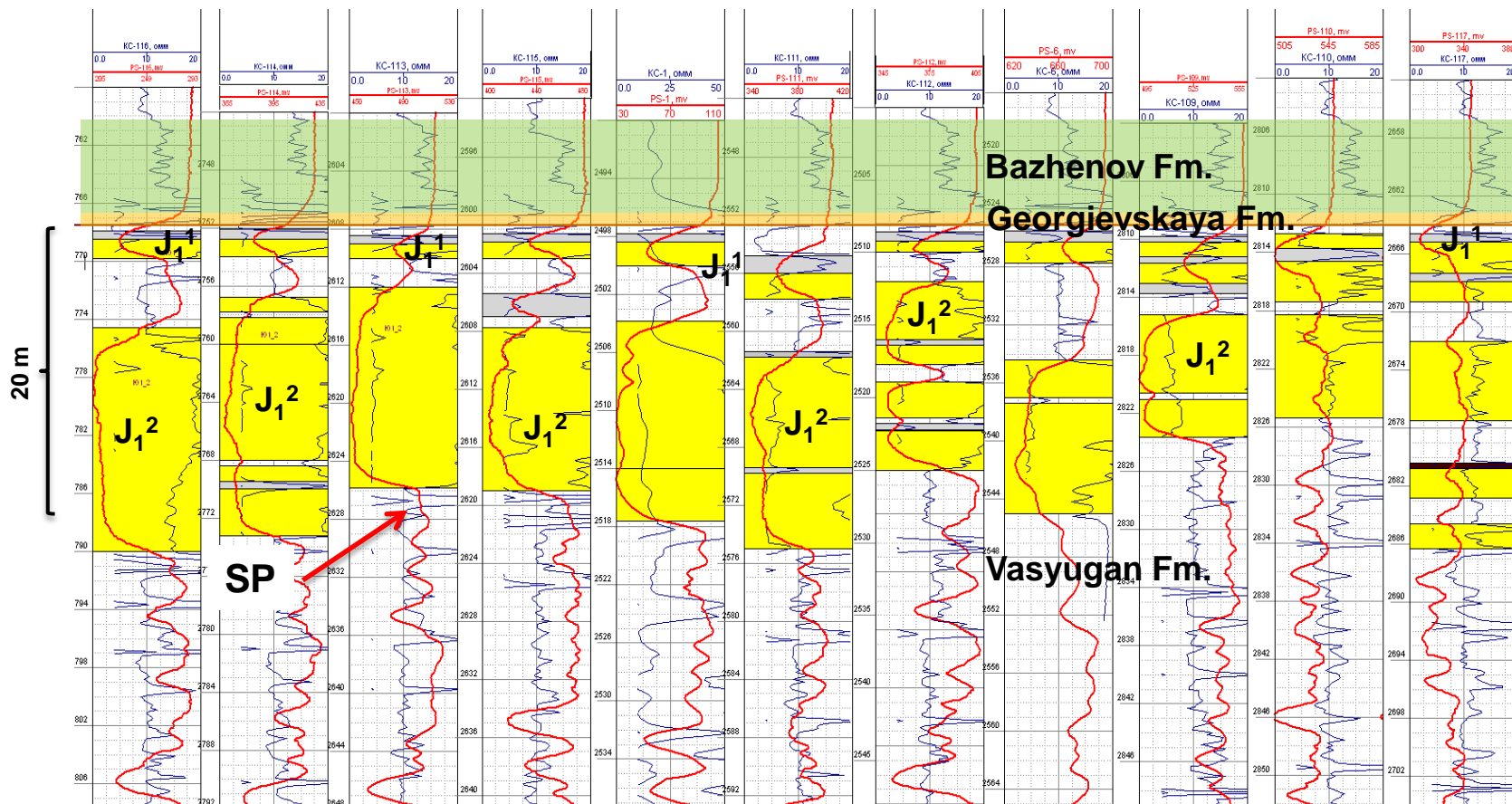
Frac Size
tons

50 to 80 t

30 to 35 t

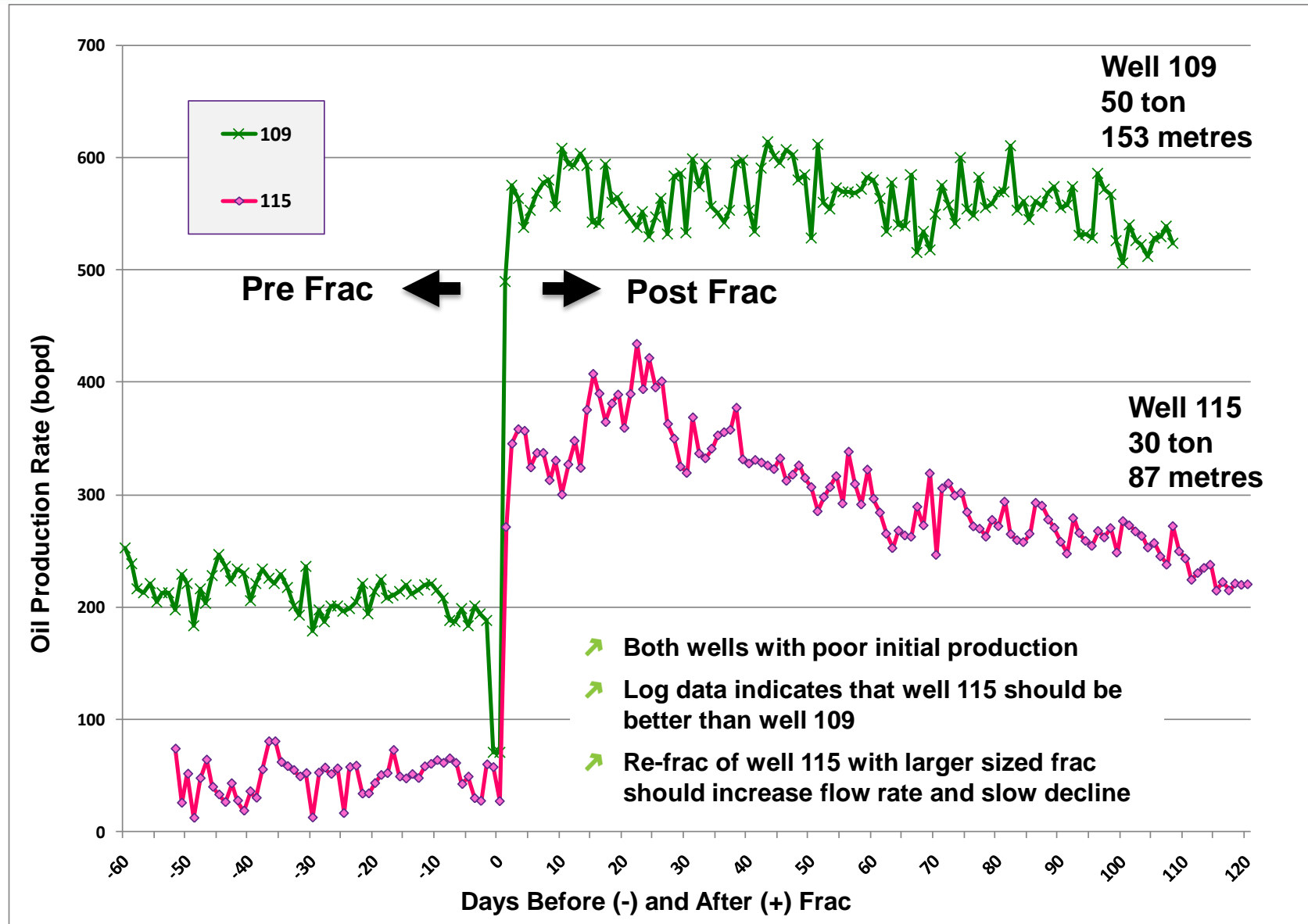
8 to 12 t

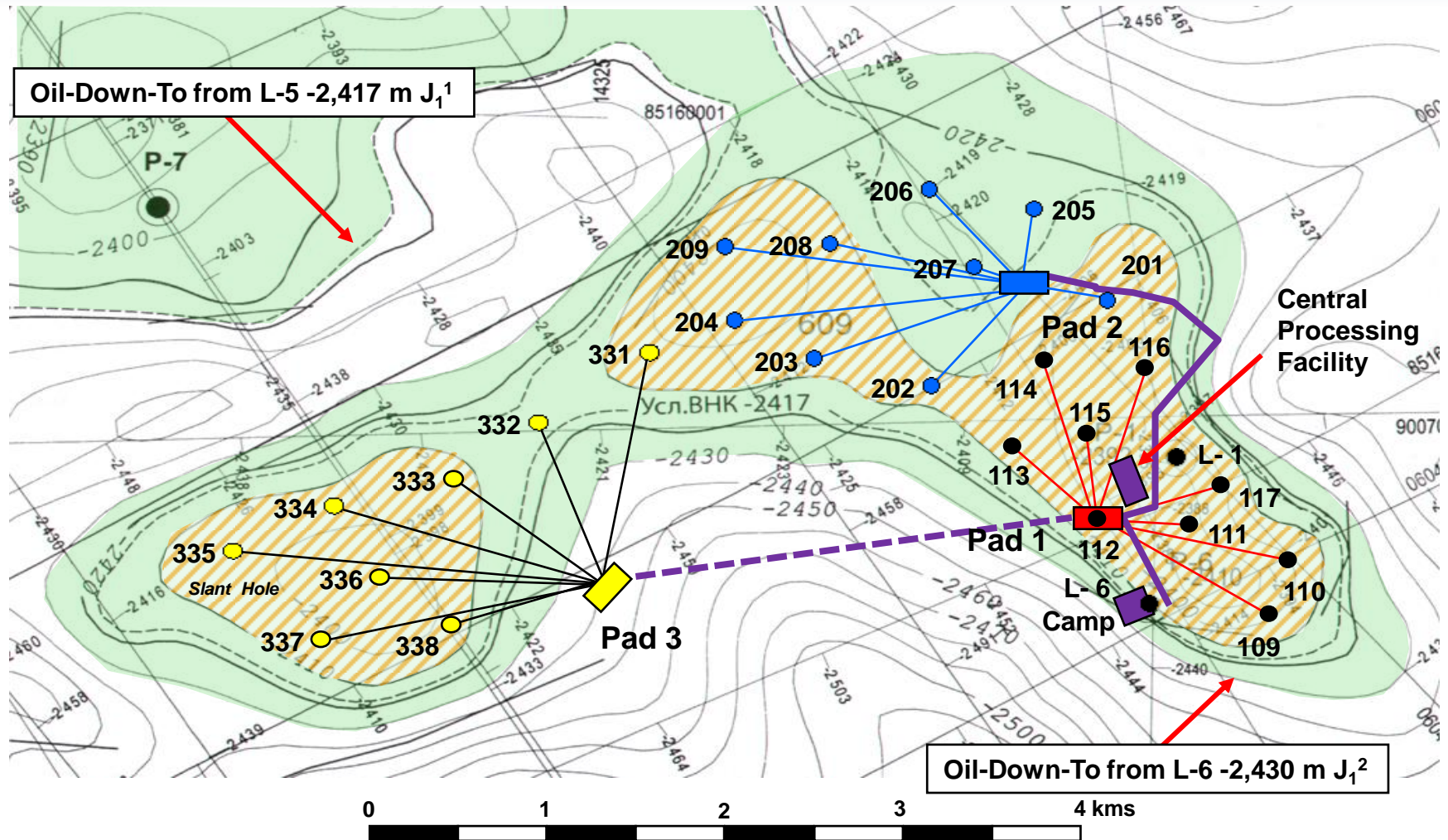
no frac



Pad 1 – drilling results very good and in line with expectations – thickest net pay of 17.9 m in northern most well No. 116; good indication for Pad 2 drilling programme in 2011 – all J₁ reservoirs completely saturated with oil.

Pad 1 – Frac Results – wells 109 and 115

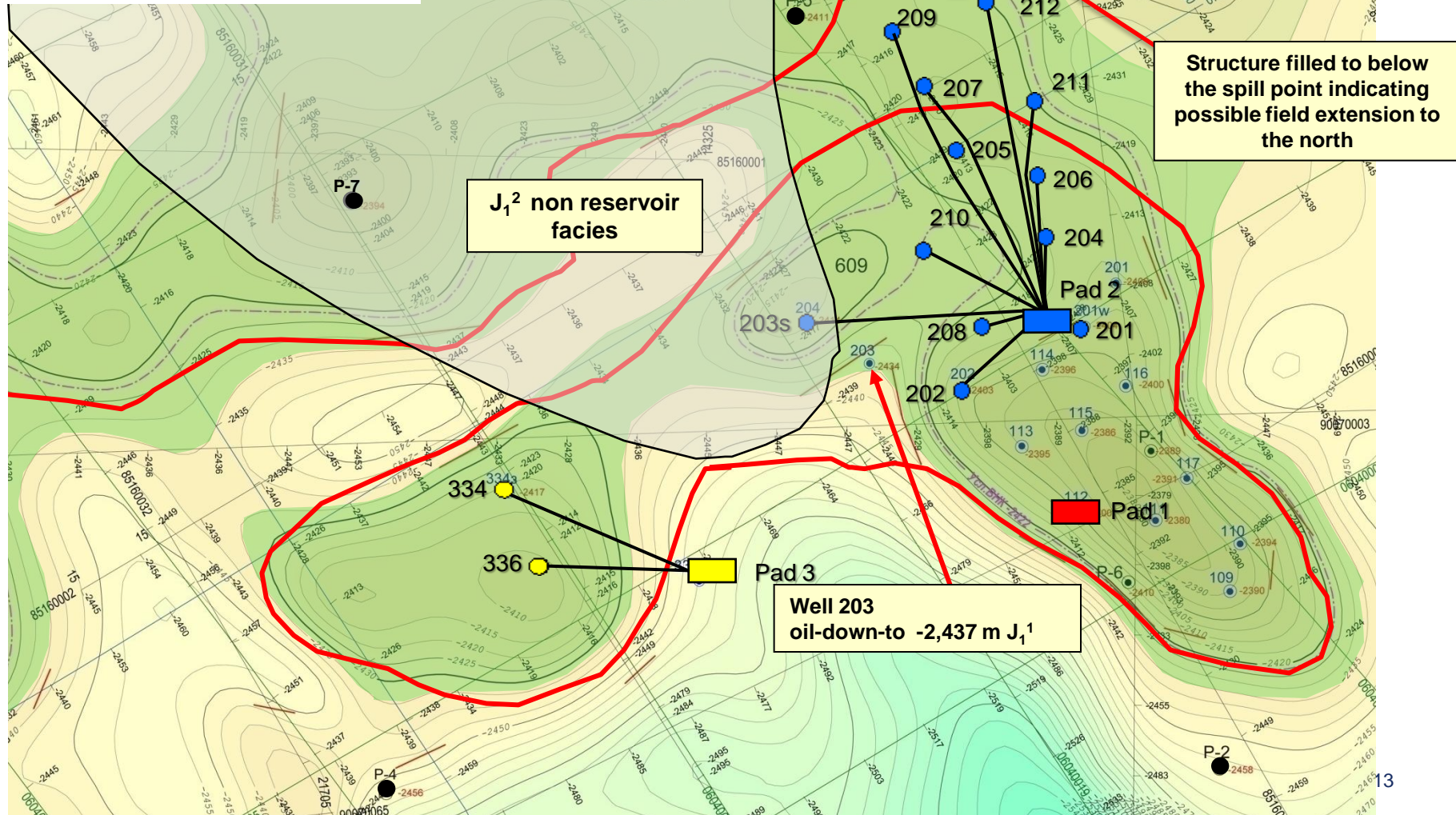




Structure Map at Top Reservoir showing area where Main Oil Sandstone is underlain by Shale
Contour Interval 10 m

0 500 1000 1500 2000 2500 3000
m

Base Bazhenov Horizon Structure Map
June 2011 – contour interval 5 m
Ryder Scott Field Limits – red outline
June 2011 Field Area – shown in green





Fracture Stimulation

- Hard to predict the initial production rate prior to fracture stimulation
- The Q1 2011 fracs were individually designed to avoid fracturing into possible underlying water sands
- Water handling capability no longer such a concern, now that we are re-injecting water for pressure maintenance
- Based on the well performance after fracture stimulation, we have learned that in the future we should err on the side of larger fracs where possible
 - This was applied in the frac design of the Pad 2 wells in November 2011
 - We will re-frac some of the intermediate frac wells (30 to 35 ton) with larger fracs (50+ tons) this winter (Q1 2012)
 - This should both boost and help maintain overall field production rate

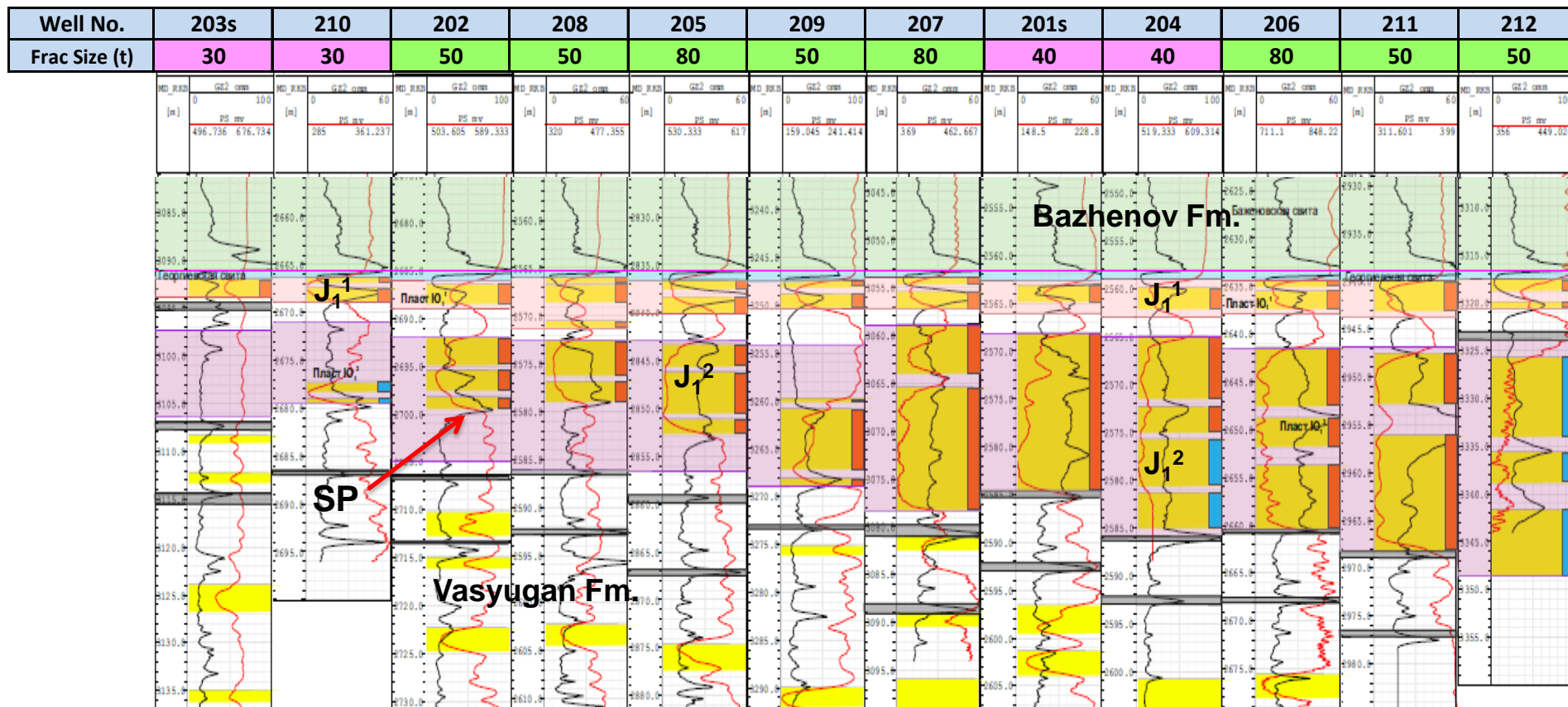
Production Forecast

- We moved production guidance to end of first quarter each year to allow for all wells to be fracture stimulated and returned to production



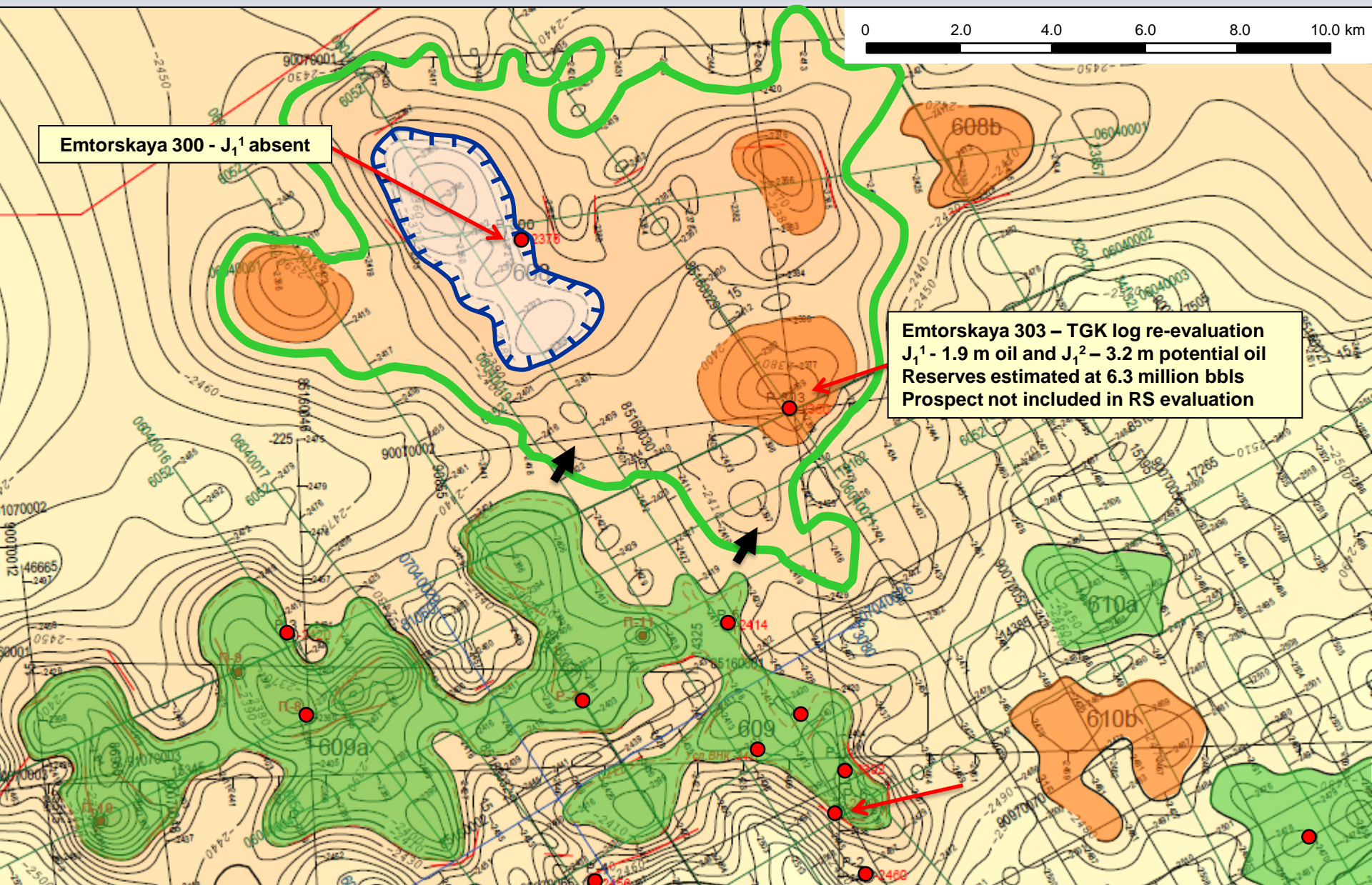
West

East



Note – All wells fracture stimulated in November 2011 except for wells 210 and 212 which will be fracture stimulated in Q1 2012

Emtorskaya High Prospects



Emtorskaya 300 - J₁¹ absent

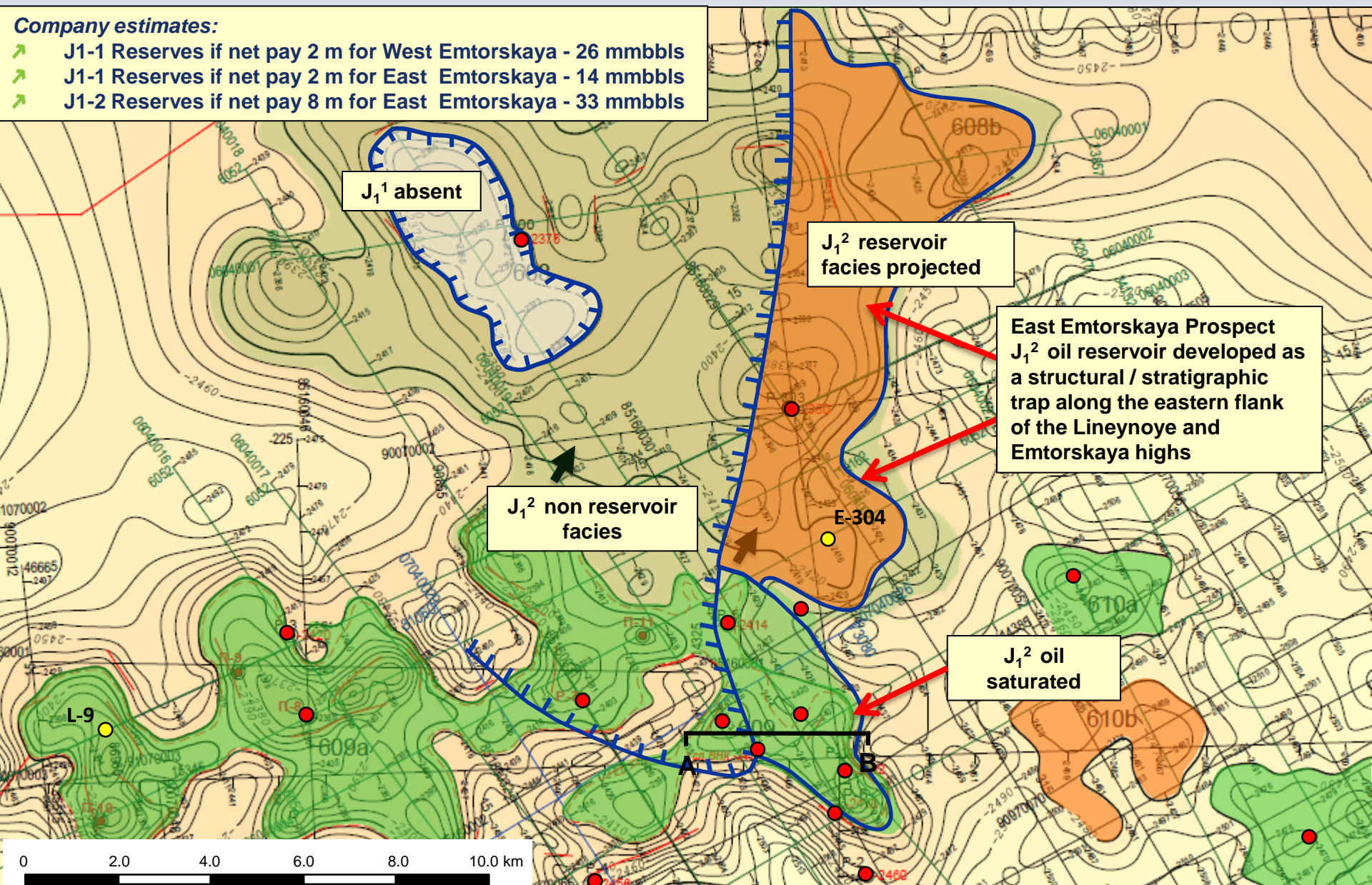
Emtorskaya 303 - TGK log re-evaluation
J₁¹ - 1.9 m oil and J₁² - 3.2 m potential oil
Reserves estimated at 6.3 million bbls
Prospect not included in RS evaluation

Emtorskaya High Prospects



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



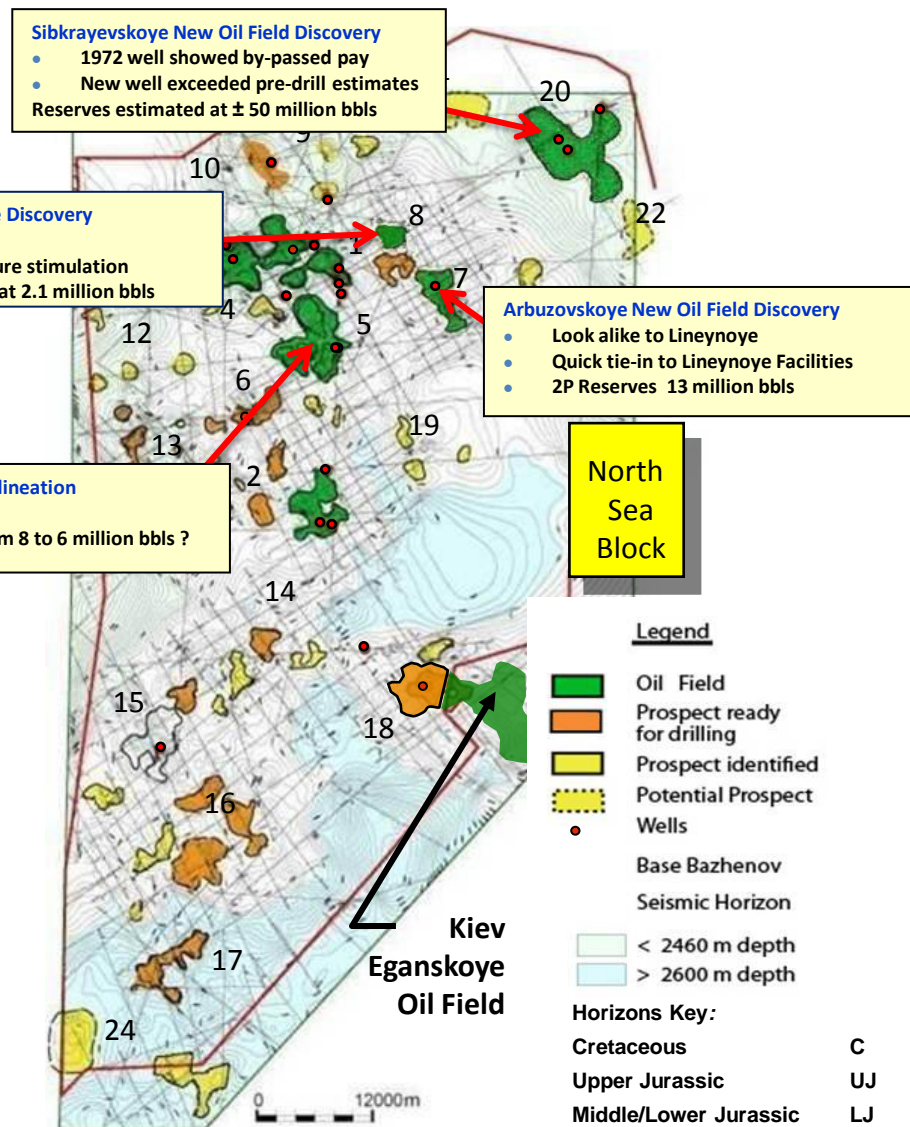


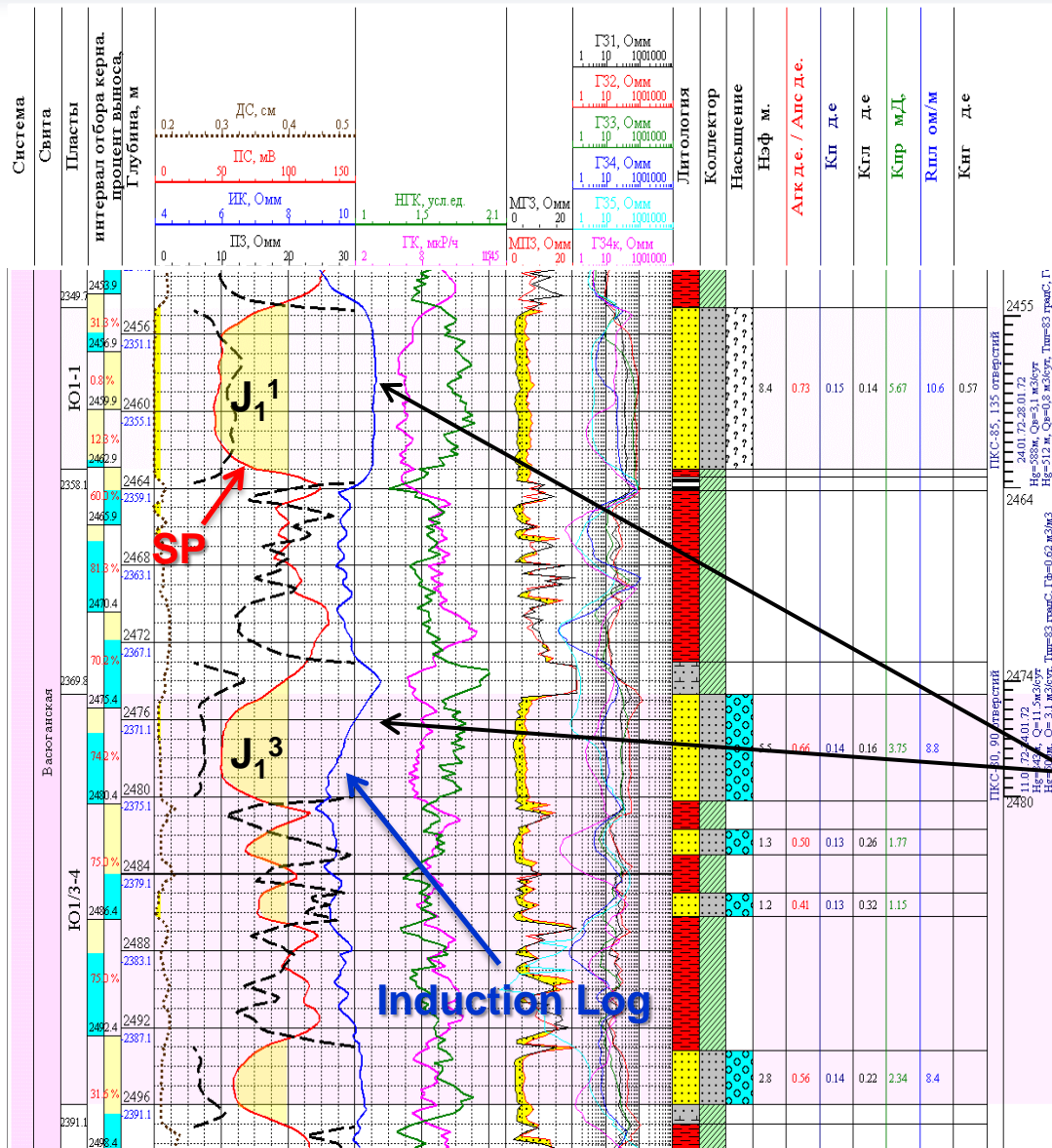
Licence 61 Exploration Programme 2011



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	
	5	Kondrashevskoye Oil Field	
	7	Arbuzovskoye Oil Field	
	20	Sibkrayevskoye Oil Field	UJ
	8	North Varyakhskoye Oil Field	UJ
Prospects	2	Tungolskoye West Lobe and North (2)	UJ
	4	Lineynoye Lower	UJ
	6	West Korchegskaya	
	8	Upper Varyakhskaya	
	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
	16	Kirillovskaya (4)	C, UJ, LJ
	17	North Balkinskaya	UJ, LJ
	18	Traverskaya	C, UJ, LJ
Potential Prospects (Leads)	19	Tungolskoye East	UJ
	21	Emtorskaya North	UJ
	22	Sibkrayevskaya East	UJ
	23	Sobachya	UJ
	24	West Balkinskaya	UJ





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.

- **J₁¹** 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 **J₁¹** sandstone with **J₁³** sandstone strongly supports presence of hydrocarbons in **J₁¹** 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 J₁¹**

Structure Map on Base Bazhenov Horizon

Sibkrayevskaya No. 373 Proposed Delineation Objectives

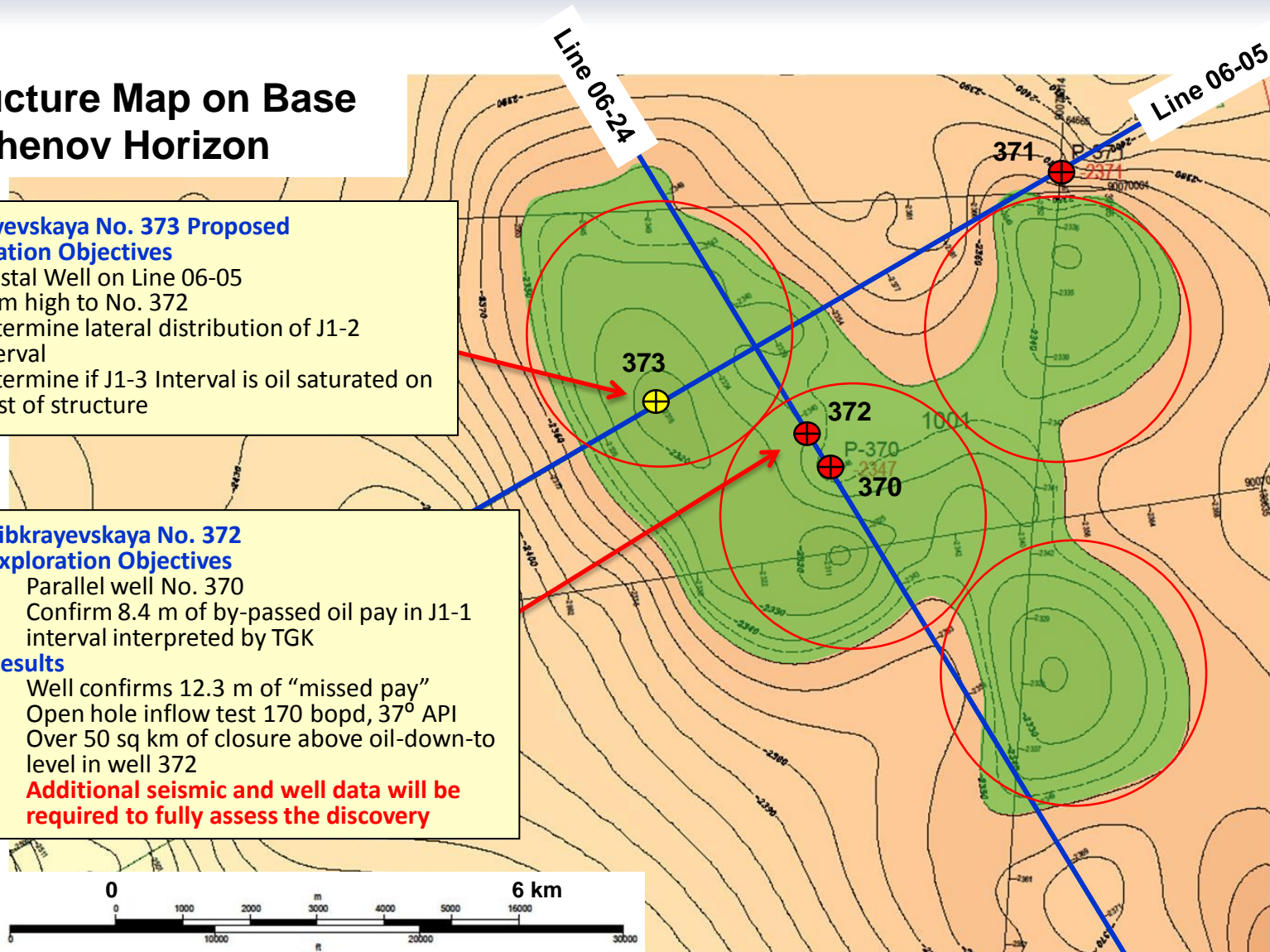
- Crestal Well on Line 06-05
- 25 m high to No. 372
- Determine lateral distribution of J1-2 Interval
- Determine if J1-3 Interval is oil saturated on crest of structure

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, 37° 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**

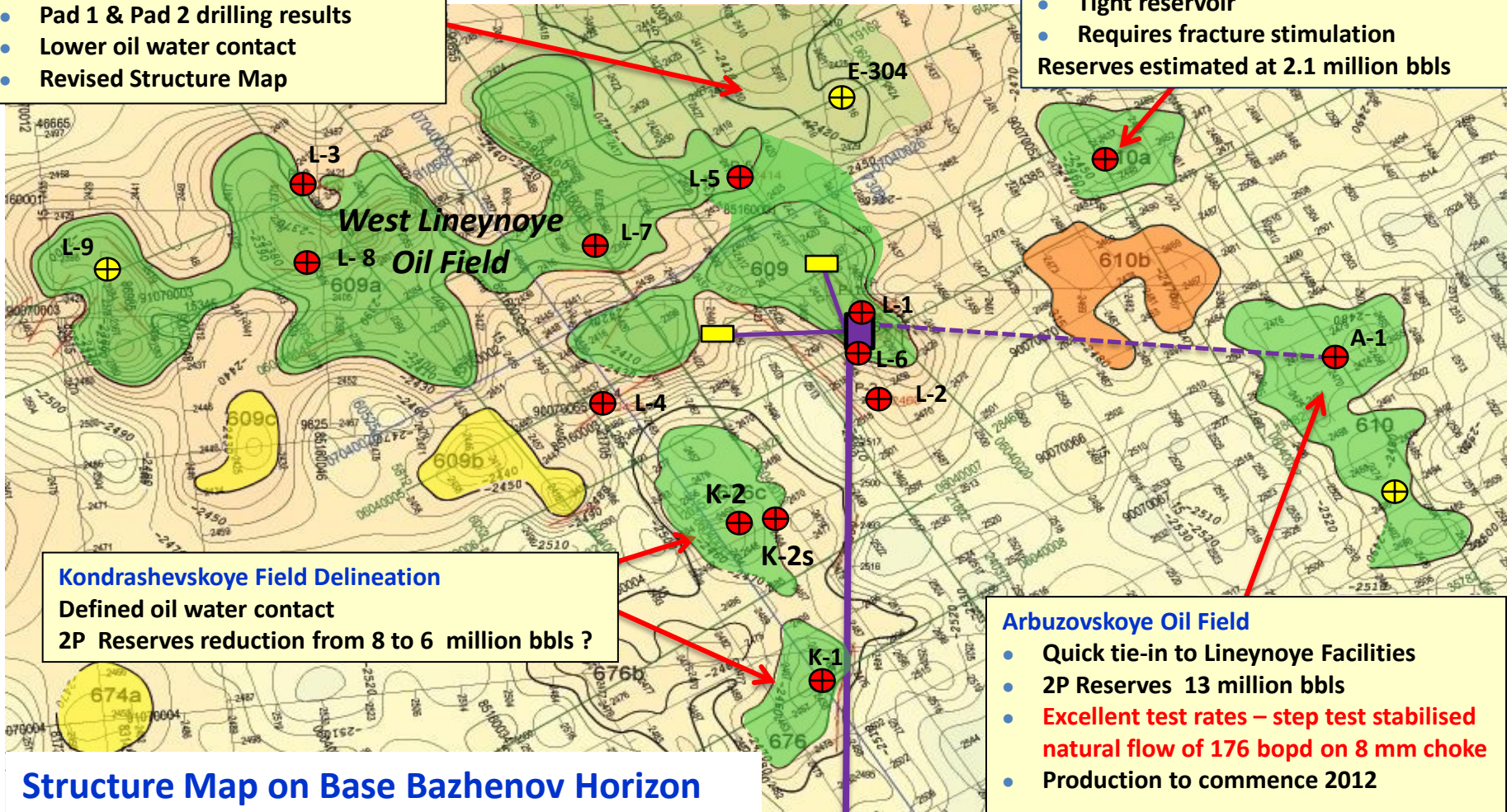


Likely Field Extension to the North

- Pad 1 & Pad 2 drilling results
- Lower oil water contact
- Revised Structure Map

North Varyakhskoye Discovery

- Tight reservoir
 - Requires fracture stimulation
- Reserves estimated at 2.1 million bbls



Kondrashevskoye Field Delineation

Defined oil water contact
2P Reserves reduction from 8 to 6 million bbls ?

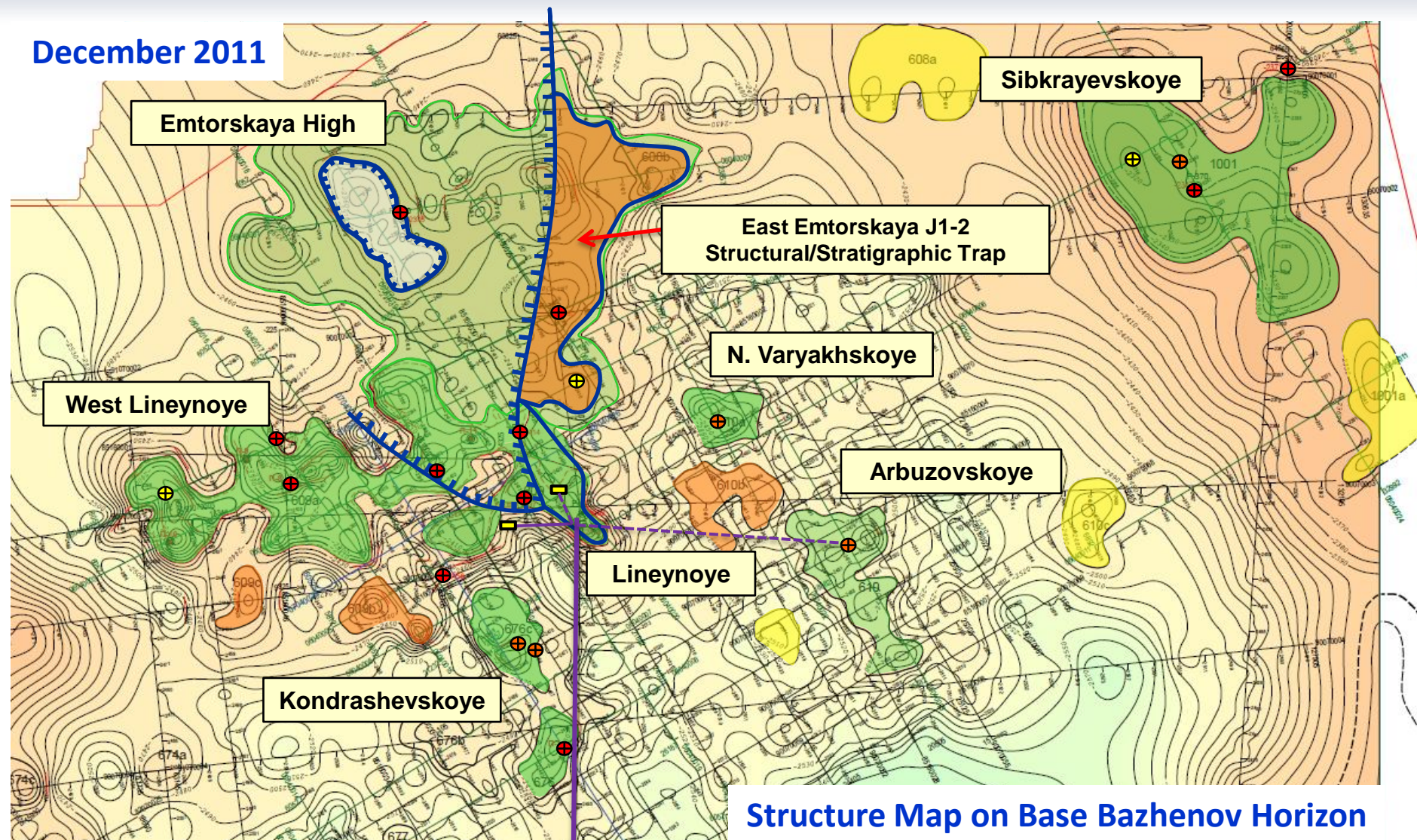
Arbuzovskoye Oil Field

- 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

December 2011



Structure Map on Base Bazhenov Horizon

0 5 10 15 20km



Production

- Q1 2012 Production target is 4,000 to 5,000 bopd,
- 10 wells on Pad 2 were fracture stimulated in November using a heli-frac crew. These wells are now being completed. 5 additional wells on Pad 2 and Pad 1 will be fracture stimulated in Q1 2012 using a winter frac crew.

Licence 61 Reserves

- We expect a major reserve addition this year for Licence 61
- The new field discovery at Sibkrayevskoye and North Varyakhskoye
- Reserves at Sibkrayevskoye are estimated to be > 50 million bbls
- A small reserve reduction is expected for Lineynoye because of the thinner net oil pays at Pad 3 which will only be partially offset by additional Pad 2 reserves.
- Over time we expect these reserves will be more than made up with the extension of the field with thicker net oil pays to the north of Pad 2 onto the Emtorskaya High area.

Further Exploration Upside

- Current focus is on northern area where infrastructure is already in place
- Significant upside in southern part of Licence for future development



Licence 67 Exploration Programme 2011





Summary

- Auction Block acquired in 2010 for \$1.42 million
- 25 year Exploration and Production Licence - expires 2035
- Large 2,447 sq. km. Block surrounded by oil and gas fields including two producing fields within the block that belong to Rosneft and Russneft are excluded.
- Oil pipelines, electric power lines and all weather roads are located on the Licence area
- Develop 50:50 with Arawak – PetroNeft is operator

2010 Work Programme

- Reprocessed and reinterpreted 4,300 km of vintage 2D seismic data (+/- 15 surveys)
- Reprocessed and reinterpreted data from 21 vintage wells in and around licence
- Ryder Scott evaluation based on integrated re-evaluation of vintage data
 - Booked 14 million net 2P at Ledovoye
 - Identified 92.5 million bbls in low risk multiple reservoir objective prospects

2011 Work Programme

- Drill 2 wells on multiple objective high impact prospects with identified by-passed pay
- Cheremanshanskaya No. 3
 - targeting > 60 net bbls in Upper, Middle and Lower Jurassic intervals
- Ledovoye 2a
 - further evaluation of Upper Jurassic 2P reserves
 - targeting additional 15 million bbls net reserves in Lower Cretaceous interval



Ledovy Block Structures and Traps

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

##	Structure Name	Main Objectives
Drilled Structures		
1	Cheremshanskoye Oil Field	UJ, LJ
2	Ledovoye Oil Field	UJ, C
3	Sklonovaya	UJ
4	North Pionerskaya	UJ
5	Bolotninskaya	UJ
Identified Prospects and Leads		
6	Levo-Ilyakskaya	UJ
7	Syglynigaiskaya	UJ
8	Grushevaya	UJ
9	Grushevaya Stratigraphic Trap	LJ
10	Malostolbovaya	UJ, C
11	Nizhenolomovaya Terrasa Gp.	UJ
12	Baikalskaya	UJ
13	Malocheremshanskaya	UJ
14	East Chermshanskaya	UJ, C
15	East Ledovoye	UJ, C

Base Bazhenov Seismic Horizon

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

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



Excluded areas

Ledovoye Oil Field

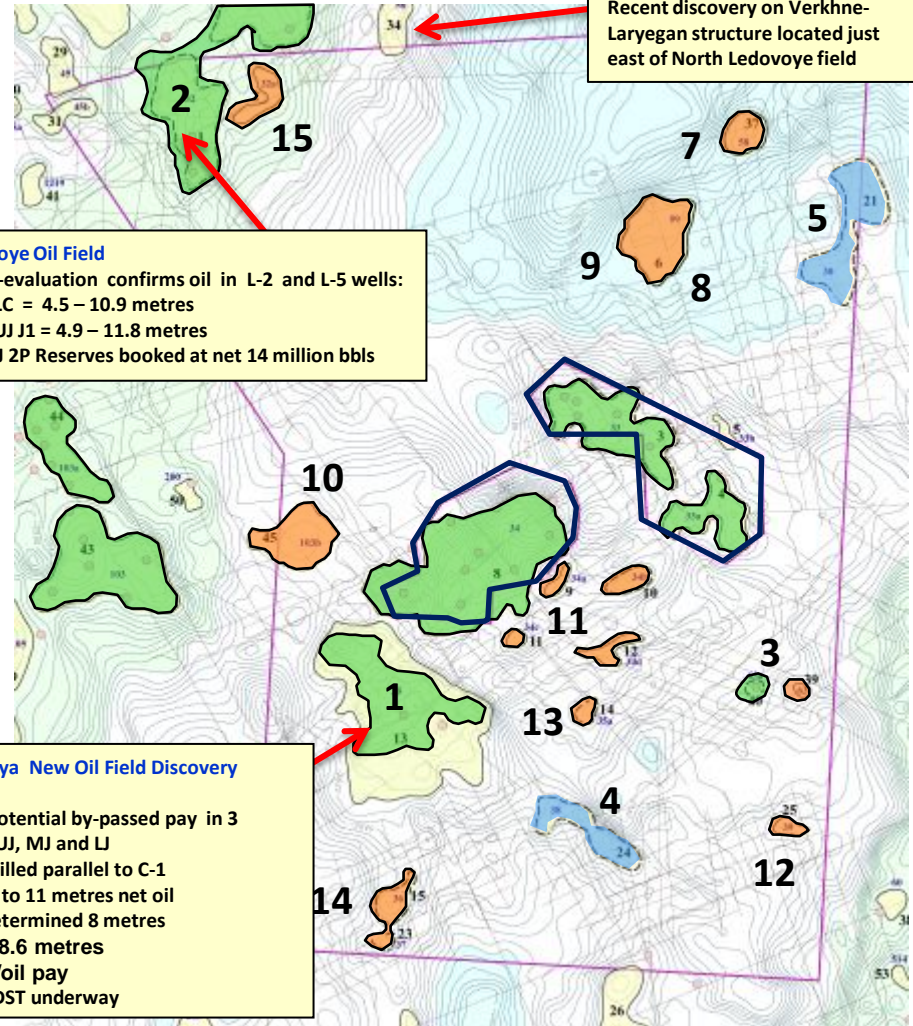
- Log re-evaluation confirms oil in L-2 and L-5 wells:
- LC = 4.5 – 10.9 metres
- UJ J1 = 4.9 – 11.8 metres
- Just UJ 2P Reserves booked at net 14 million bbls

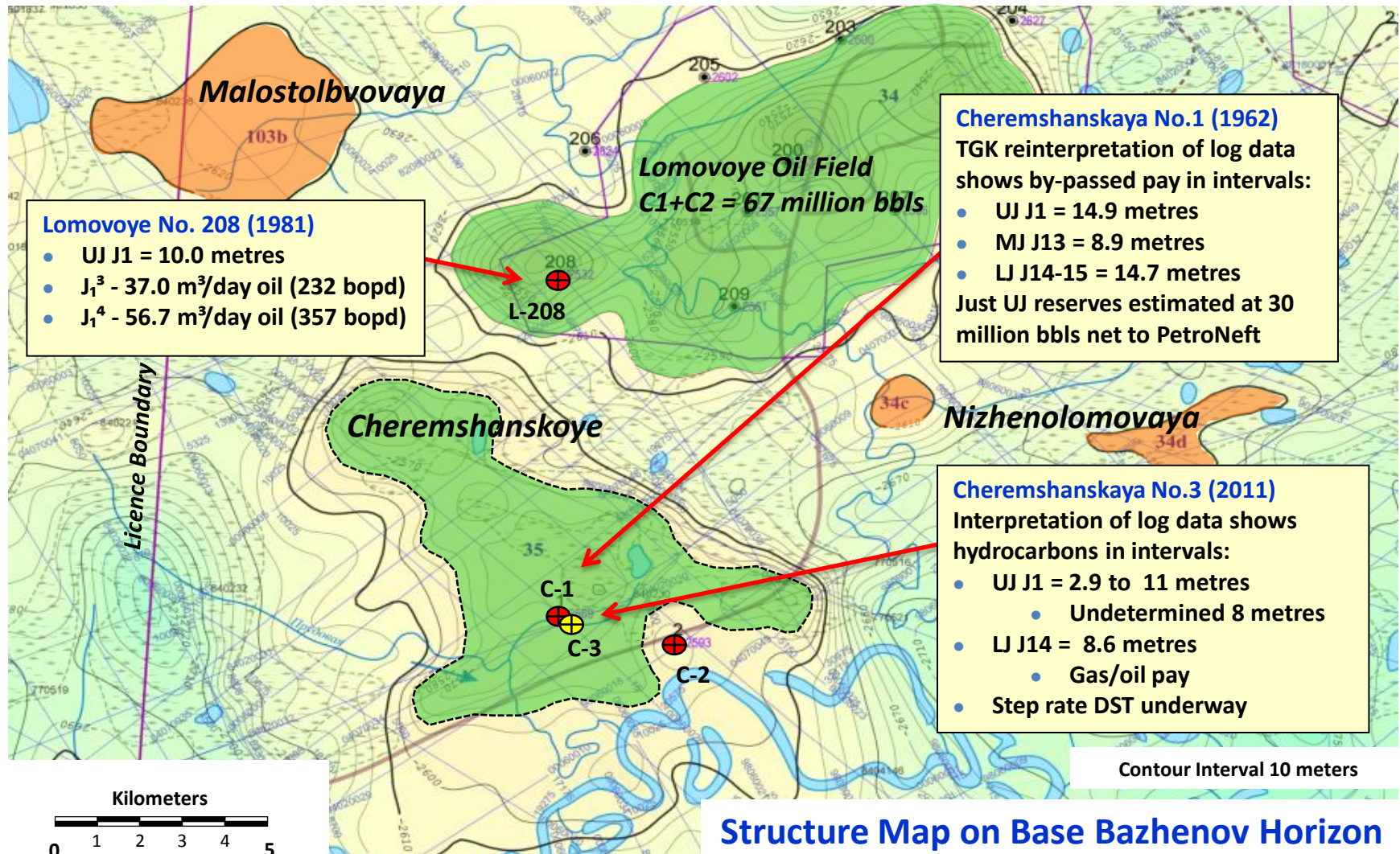
Cheremshanskaya New Oil Field Discovery

- 1962 well C-1
- showed potential by-passed pay in 3 intervals; UJ, MJ and UJ
- 2011 well C-3 drilled parallel to C-1
- UJ J1 = 2.9 to 11 metres net oil
- Undetermined 8 metres
- LJ J14 = 8.6 metres
- Gas/oil pay
- Step rate DST underway

Just UJ Reserves estimated at net 30 m bbls

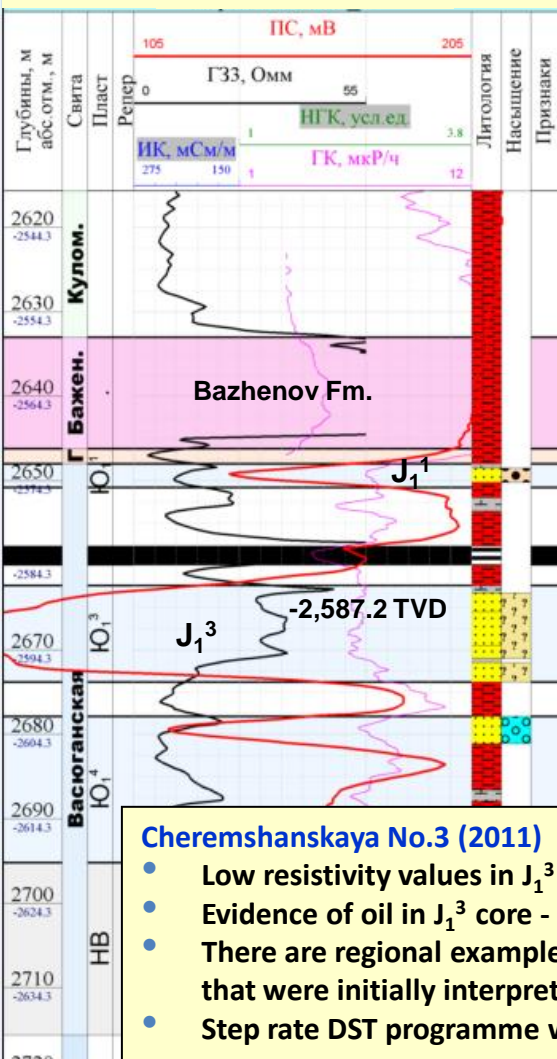
MOL Group Licence 55
Recent discovery on Verkhne-Laryegan structure located just east of North Ledovoye field



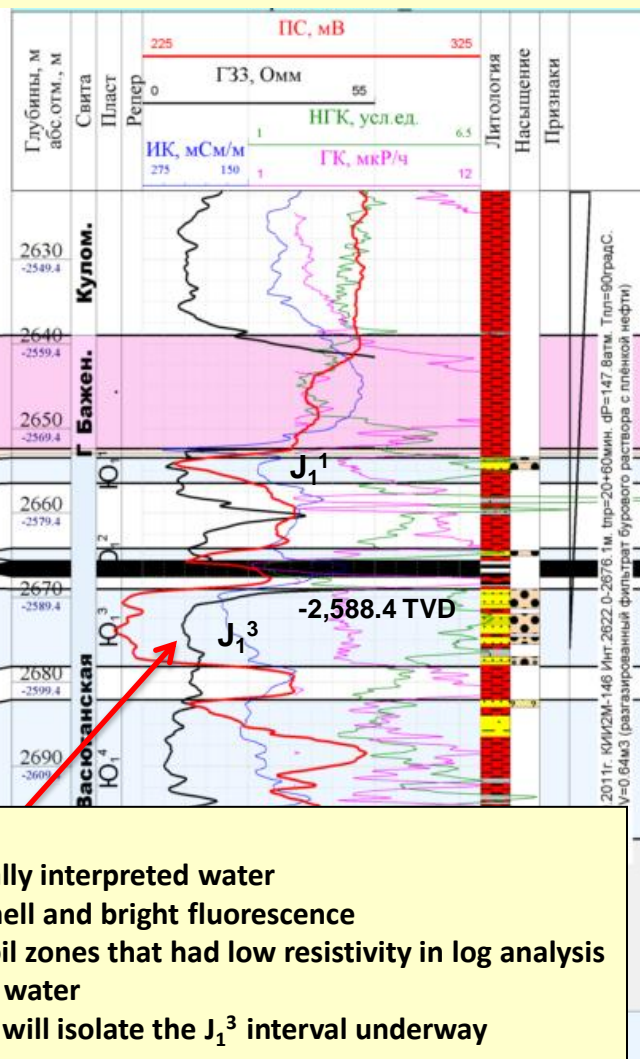




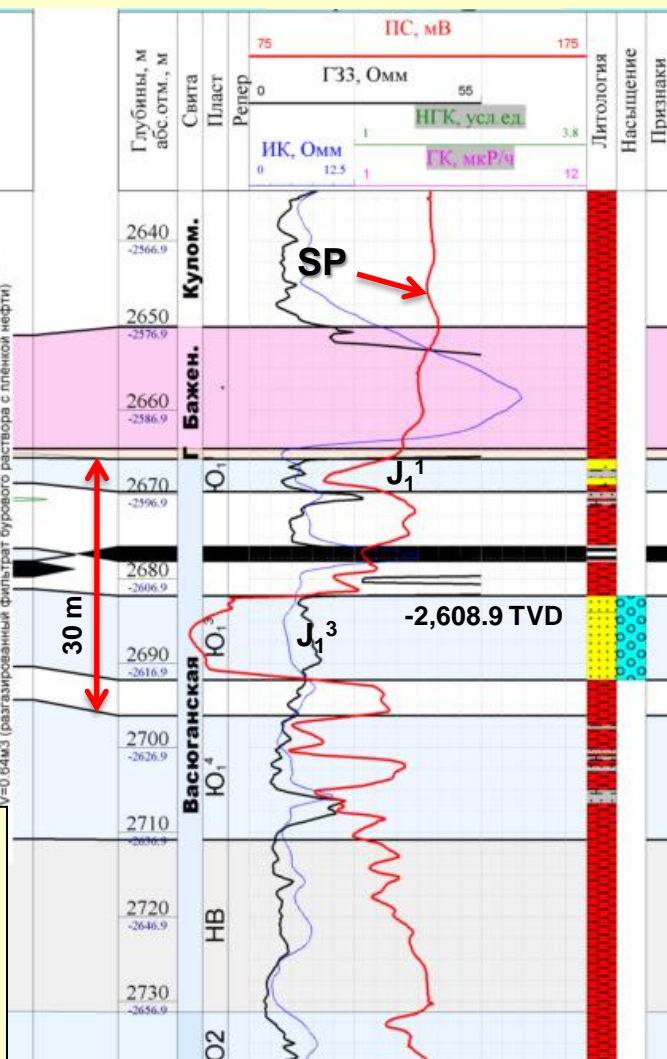
Cheremshanskaya 1



Cheremshanskaya 3



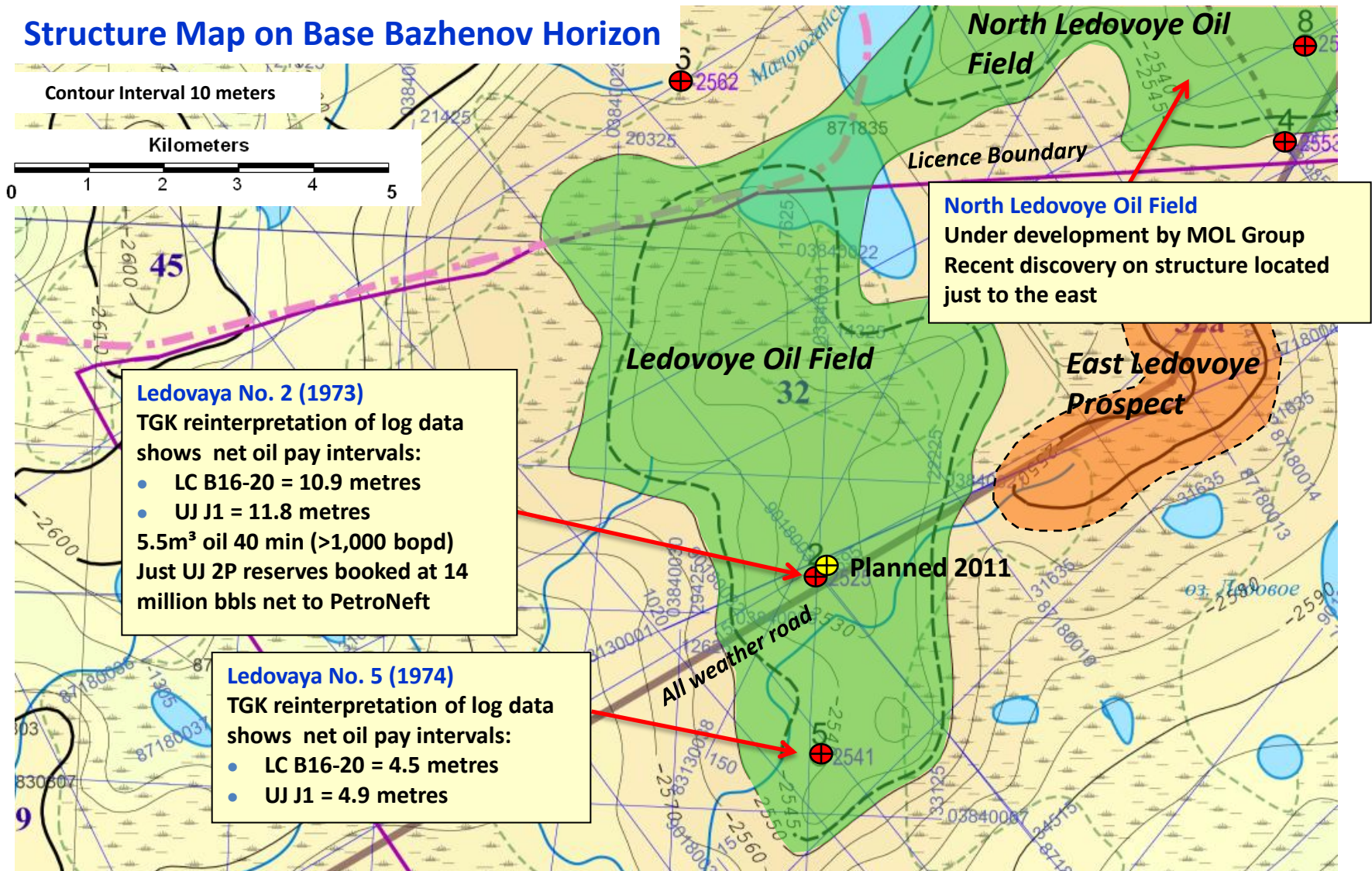
Cheremshanskaya 2



Cheremshanskaya No.3 (2011)

- Low resistivity values in J_1^3 initially interpreted water
- Evidence of oil in J_1^3 core - oil smell and bright fluorescence
- There are regional examples of oil zones that had low resistivity in log analysis that were initially interpreted as water
- Step rate DST programme which will isolate the J_1^3 interval underway

Structure Map on Base Bazhenov Horizon



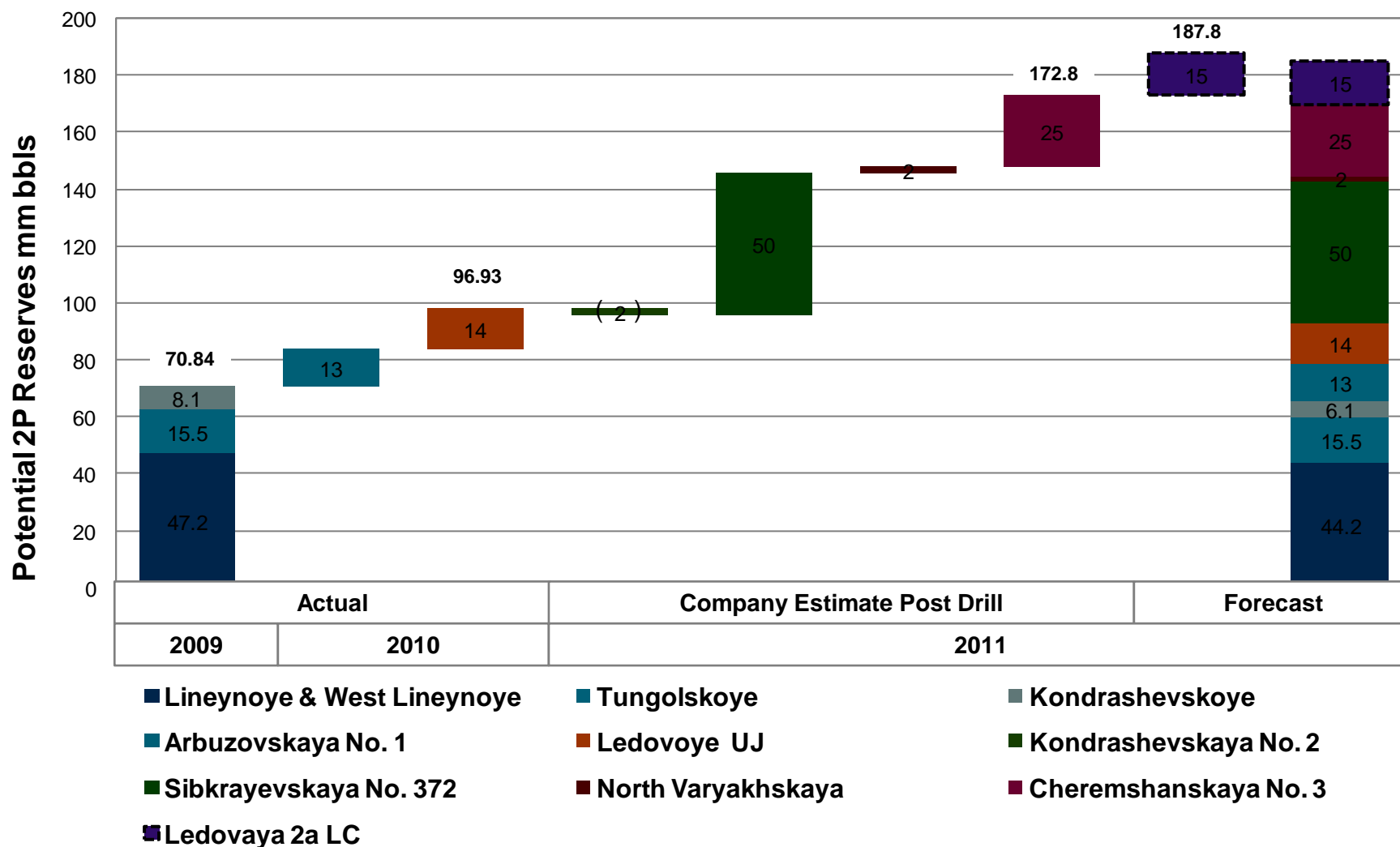


Investment Highlights





Moving Exploration Resources and 3P to 2P





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 83 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 thus far, one well remaining
- Further reserve additions likely 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



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 years exploration programme – particularly Sibkrayevskoye and Cheremshanskoye, more to come
- Very significant reserve upside to the north of the Lineynoye field on the Emtorskaya High based on this years development drilling programme



Appendices





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: £85 million

*As at 30 November 2011

Major Shareholders*

Directors	7.25%
JP Morgan Asset Mgmt	8.98%
Ali Sobraliev	5.54%
Macquarie Bank†	7.30%
Bluegold Capital Management LLP	5.04%
Pictet & Cie	3.41%
Wasatch Advisers	3.38%
Arawak Energy Limited	3.23%
Davycrest Nominees Ltd	9.48%

*As at 30 November 2011 or latest shareholder declarations

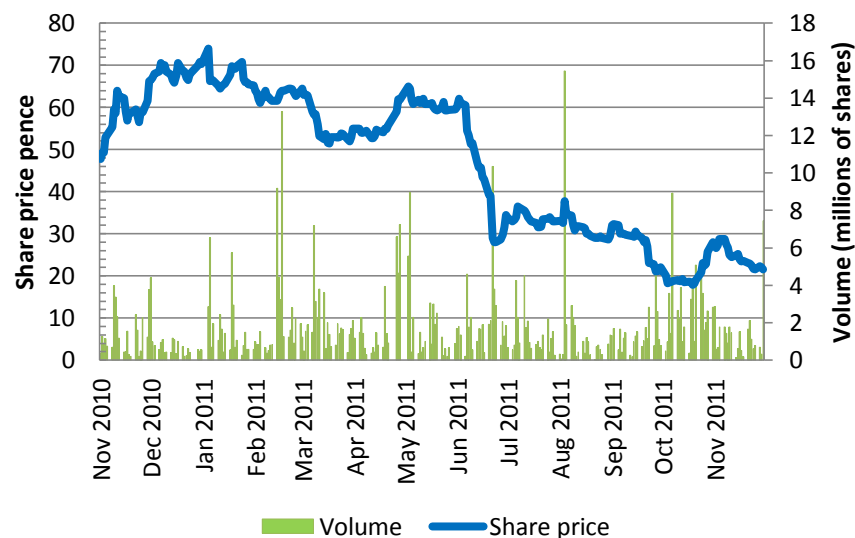
† Also Holds 6.7m warrants

Sources: Irish Stock Exchange, AR 2010

Trading details

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

PetroNeft share price performance





Board of Directors



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. Sobraliev

- 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



Contacts



PetroNeft Resources plc

Dennis Francis, CEO
10333 Harwin Drive, Suite 518
Houston, TX 77479, USA
dcfrancis@petroneft.com
+1 713 988 2500

Paul Dowling, CFO
20 Holles Street
Dublin 2
Ireland
pdowling@petroneft.com
+353 1 6470280
+353 86 2958845

DAVY

Nominated Advisor and Co-Broker

John Frain john.frain@davy.ie
+353 1 614 8761

Brian Garrahy brian.garrahy@davy.ie
+353 1 614 9074

Canaccord Genuity

Co-Broker

Charles Berkeley
cberkeley@canaccordgenuity.com
+44 (0) 207 050 6770

Henry Fitzgerald-O'Connor
hfitzgerald-oconnor@canaccordgenuity.com
+44 (0) 207 050 6541

Website – www.petroneft.com

AIM Market – London Stock Exchange (PTR)

ESM Market – Irish Stock Exchange (P8ET)