



PetroNeft Resources plc

Exploration, Development &
Production in Russia and the FSU

Oil Barrel Presentation

October 19, 2010





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

Production

- **Low risk, fully funded development project with significant production upside**
- Pipeline construction and development plan executed in time and on budget
- First pipeline production commenced in Q3 2010 with target rate of 4,000 bopd by the end 2010
- Development to continue in 2011 and beyond with target rate of 12,000 bopd by end 2012
- US\$30 million debt facility with Macquarie Bank

Exploration

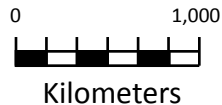
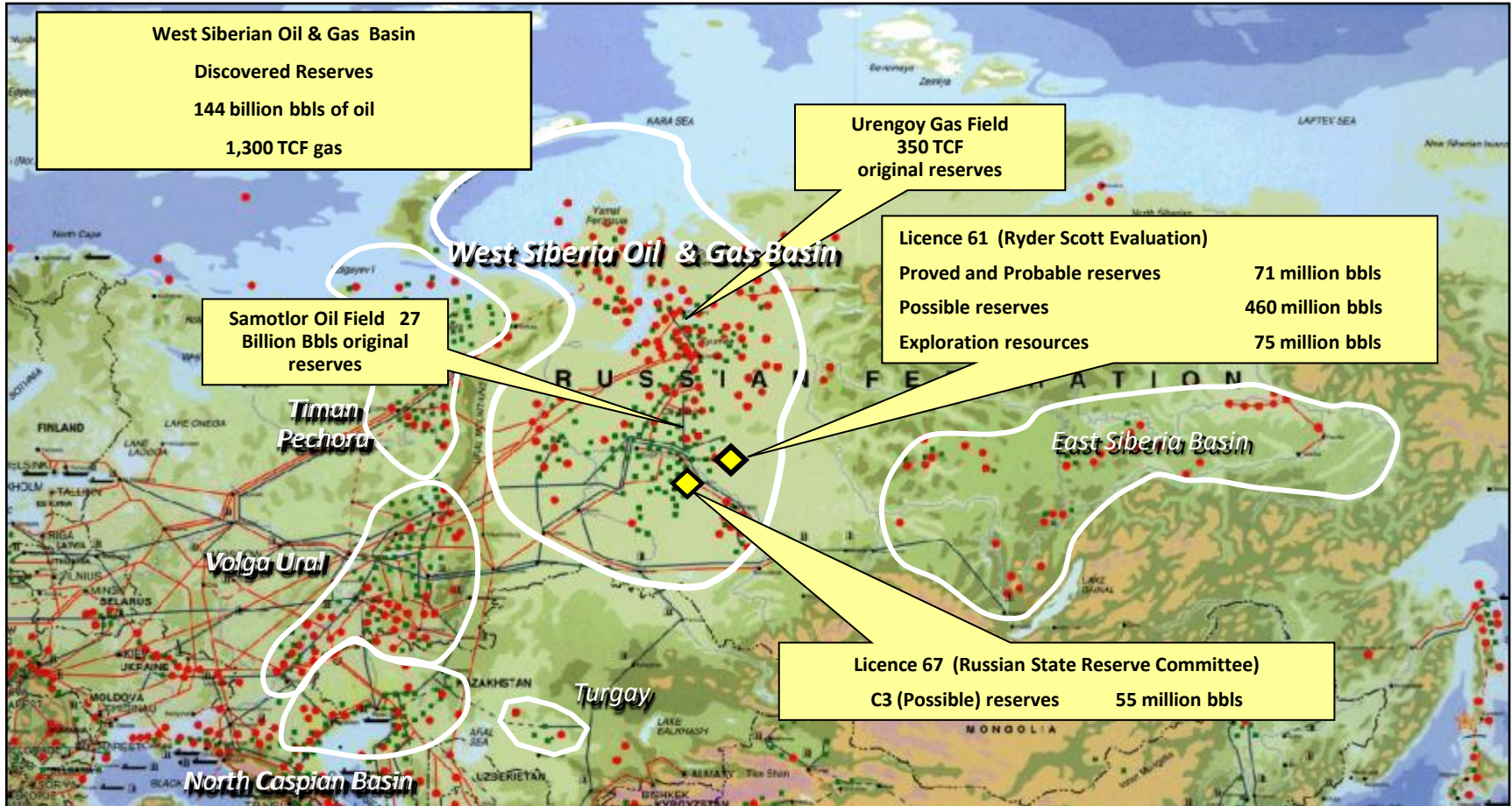
- **Strong Reserve Base with material P3 to 2P upgrades possible from planned exploration programme**
- 2P reserves of 70.8 mmbo and 3P reserves of 531.3 mmbo (Unrisked) [Jan 1, 2010 – L61 only]
- Exploration at Licence 61 in 2010 with full programme in 2011 from both Licence 61 and 67
- Reserve upgrade likely by the end of 2010 and 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



Regional Location Map



- Gas Pipeline
- Oil Pipeline
- Gas Fields
- Oil Fields

PN Licences

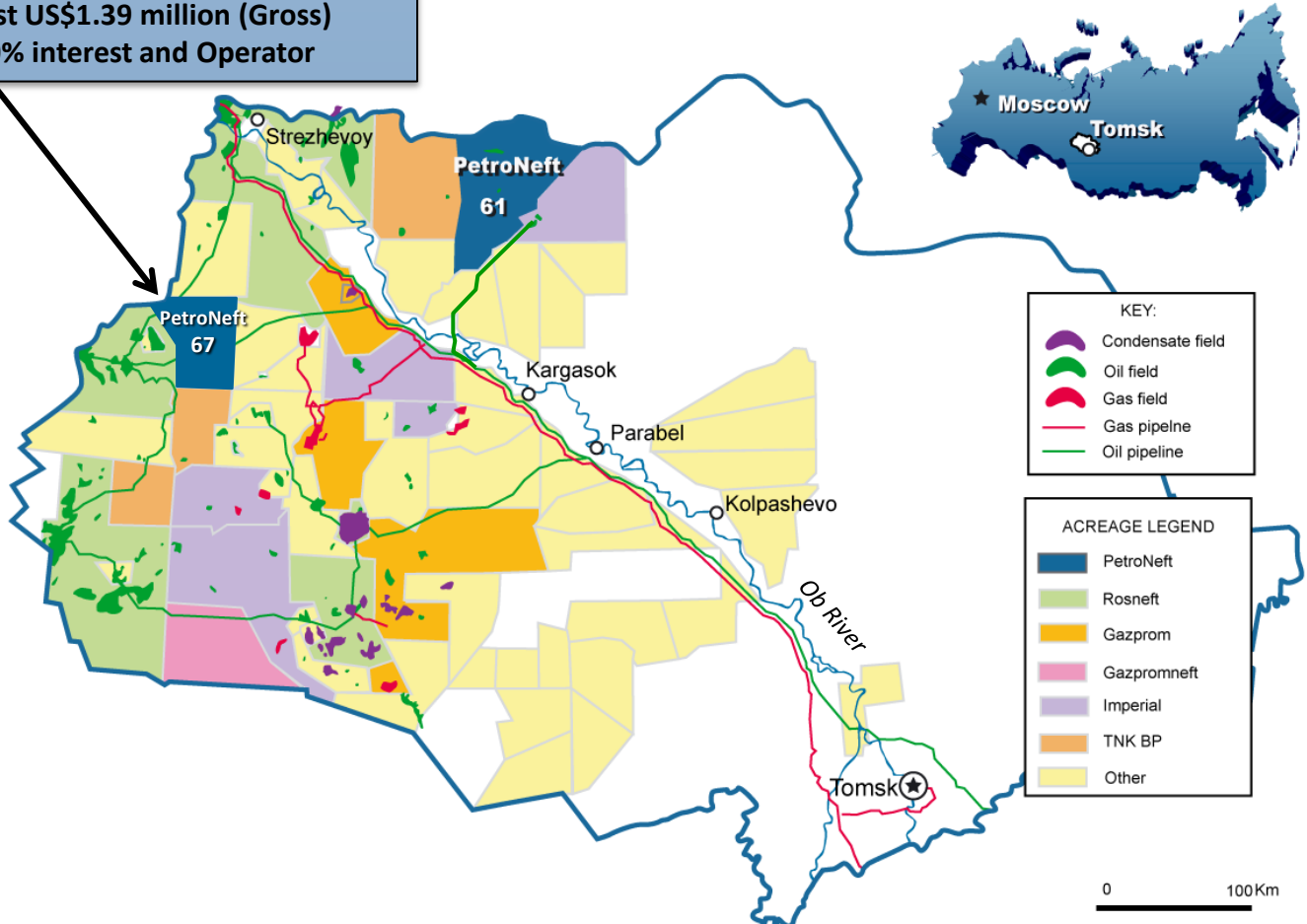
Source – USGS



Tomsk Oblast



Ledovy Block No. 67
 Russian C3 Reserves = 55 million bbls
Acquisition cost US\$1.39 million (Gross)
PetroNeft: 50% interest and Operator



Tomsk Oblast Very Active Region

Rosneft, ONGC/Imperial Energy, TNK-BP, Gazprom, Gazpromneft, local companies



Licence 61 Field Development Programme



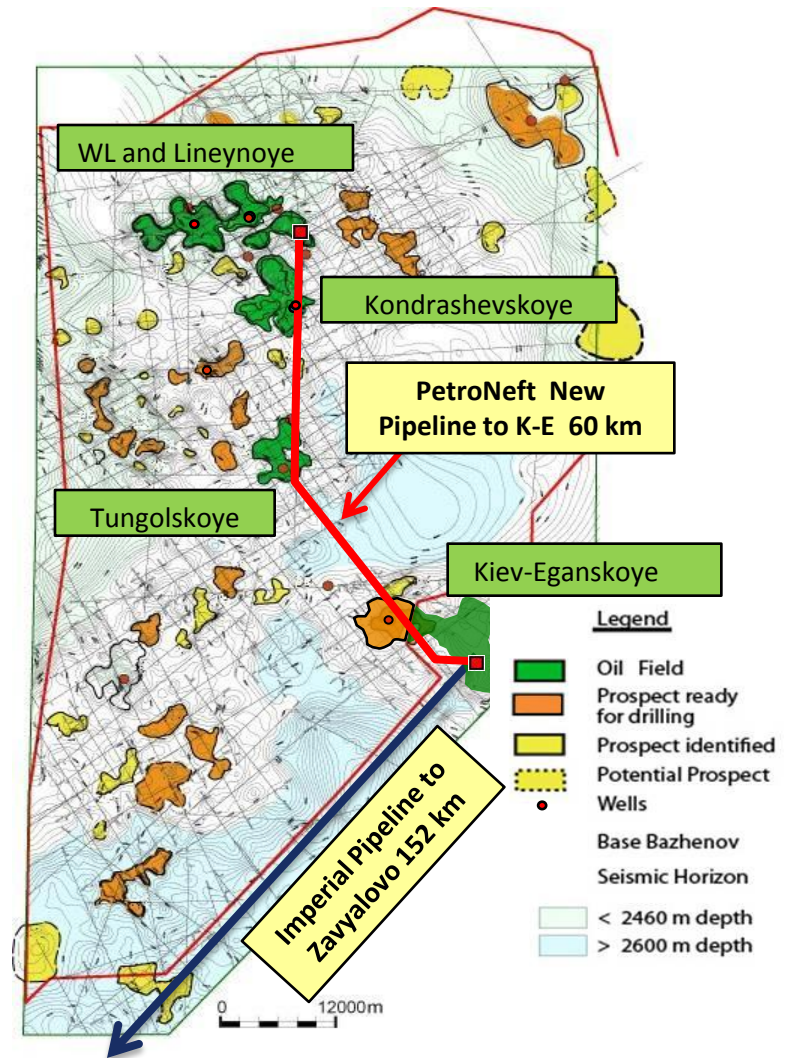


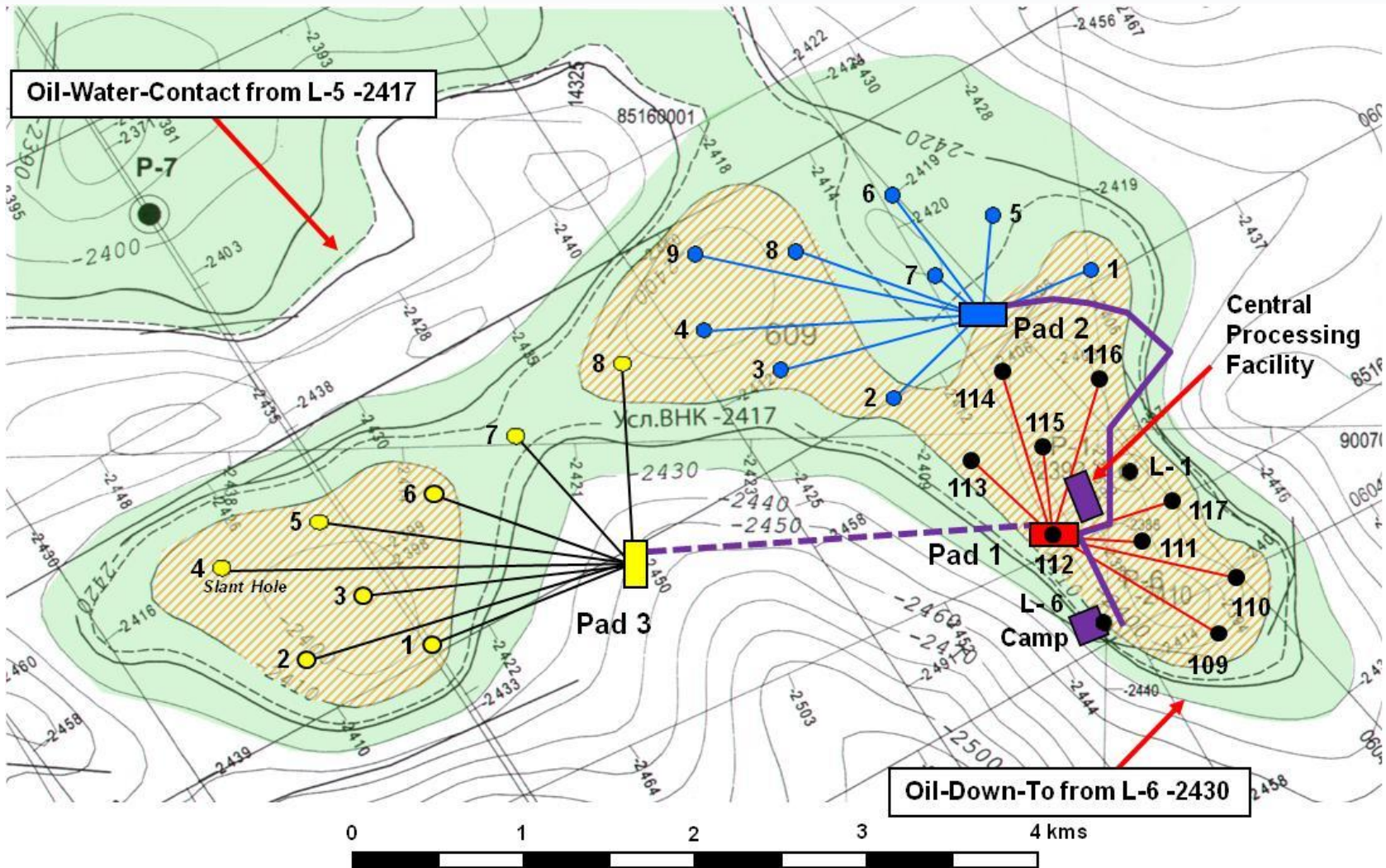
First Phase - Lineynoye and West Lineynoye

- Construction of 60 km pipeline, oil processing/storage facilities completed
- 9 oil production wells and 1 water source well drilled in 2010
- First pipeline oil production commenced in Aug 2010
- Hydraulic Fracturing programme on 9 wells to be completed by end Q1 2011
- 17 new production wells planned for 2011 followed by at least another 17 in 2012
- **Production Targets :**
 - 4,000 bopd end 2010
 - 8,000 bopd end 2011
 - 12,000 bopd end 2012
- All L61 Development now funded through debt and cashflows

Additional Phases – commencing 2012

- Incremental addition of Kondrashevskoye, Tungolskoye and other discoveries

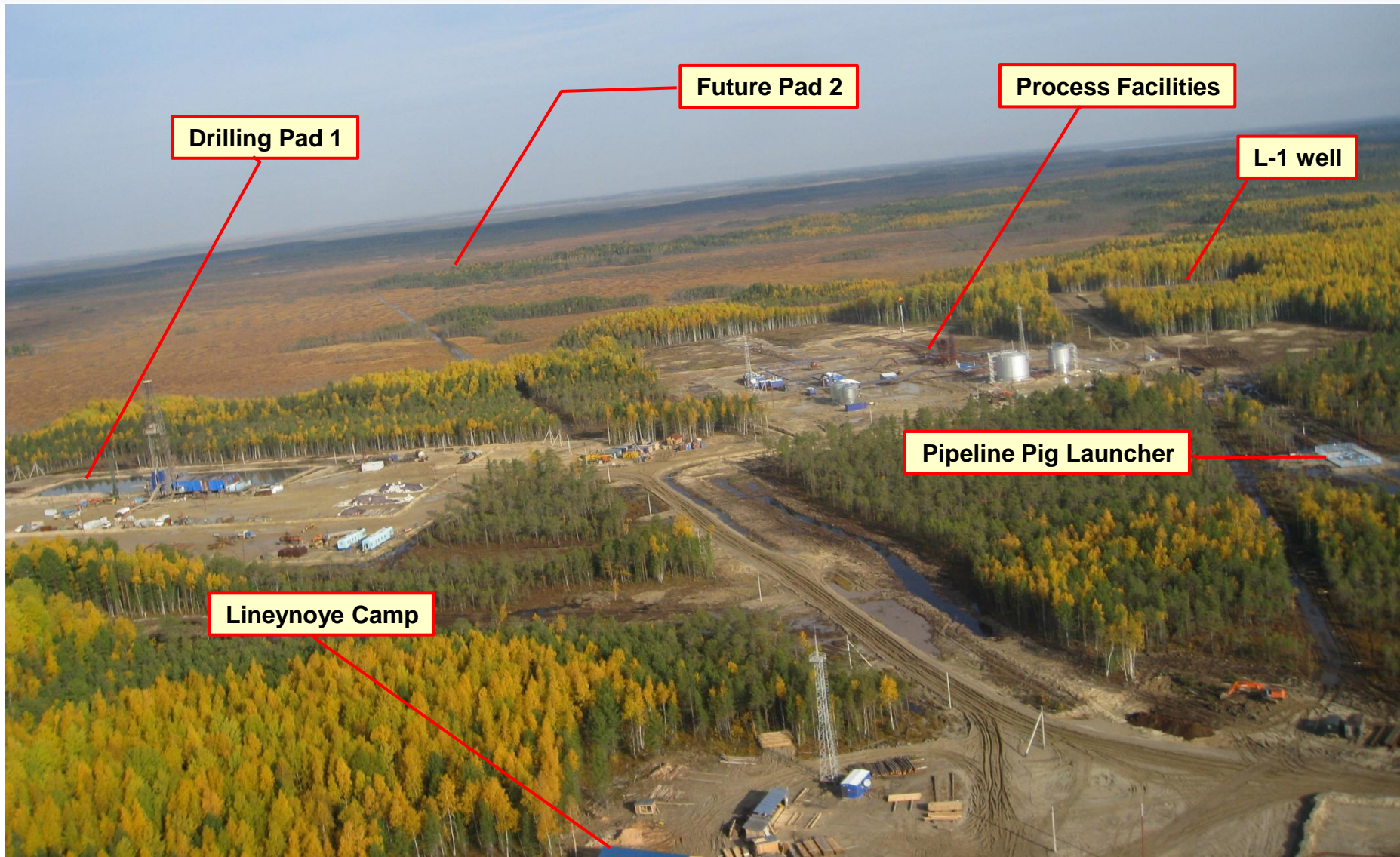




Structure Map at Top Reservoir showing area where Main Oil Sandstone is underlain by Shale



Lineynoye Field September 2010



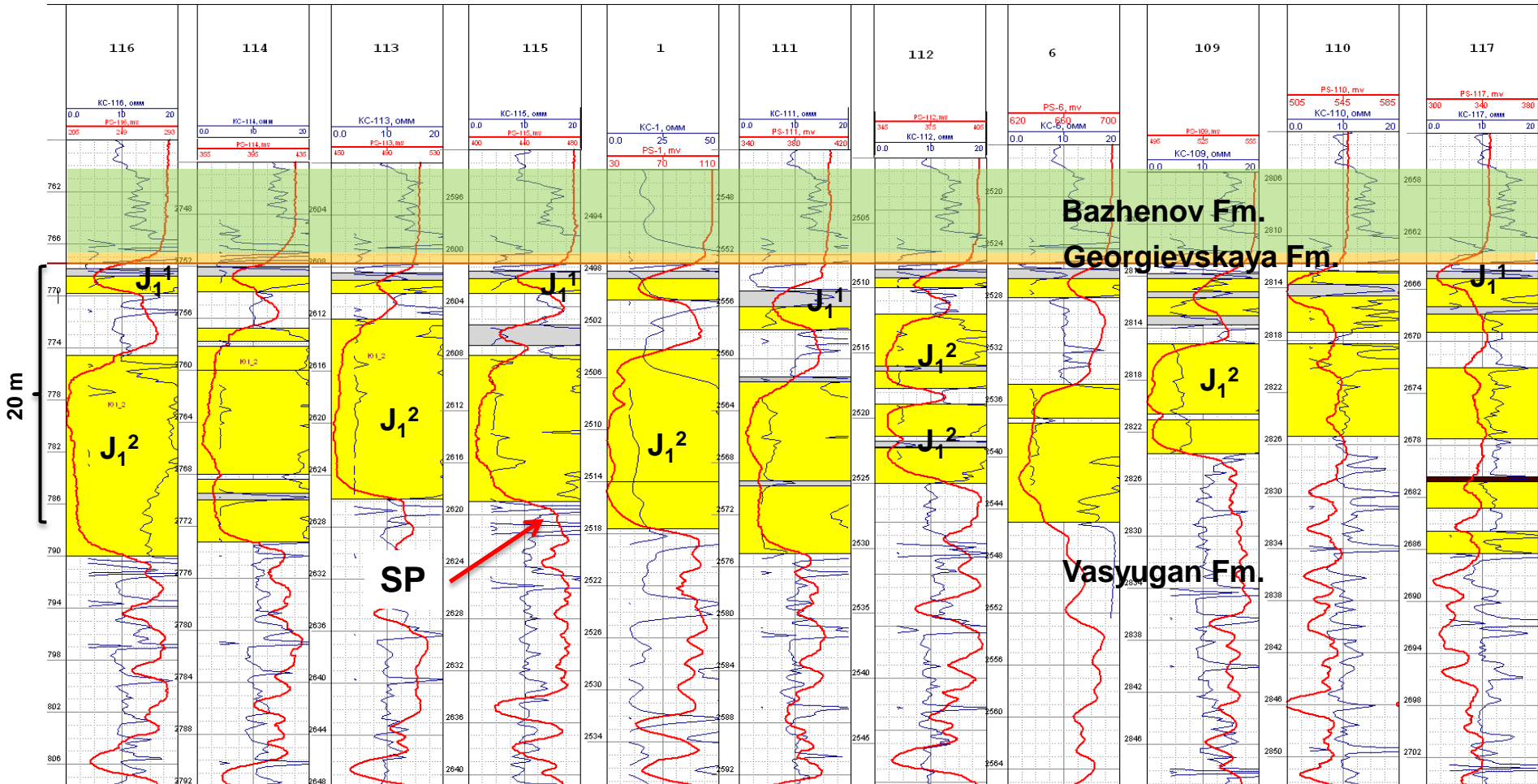


Pad 1 - Vasyugan J1 Formation Correlation



Northwest

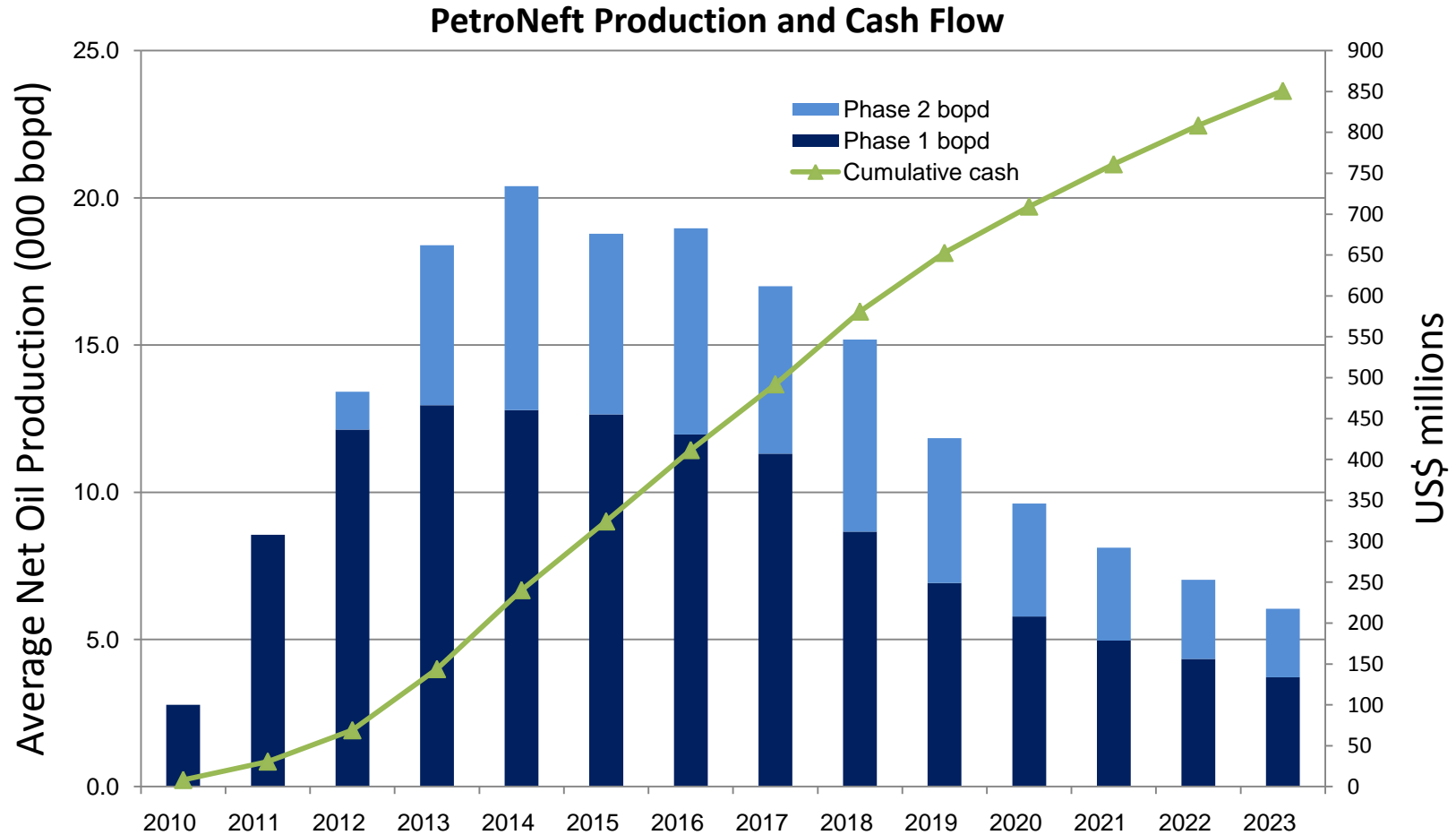
Southeast



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.



Production and Cash Forecast – Licence 61



- The forecast is based on the Company's 2P reserves of 70.8 mmbbls – four existing oil fields only
- The 2P reserves remaining after 2023 are 6.6 mmbbls

Source: Petroleum Consultants Report by Ryder Scott Company, January 1, 2010.

Note 2010 Average production assumed 1 July 2010 commencement – Actually commenced end August 2010.



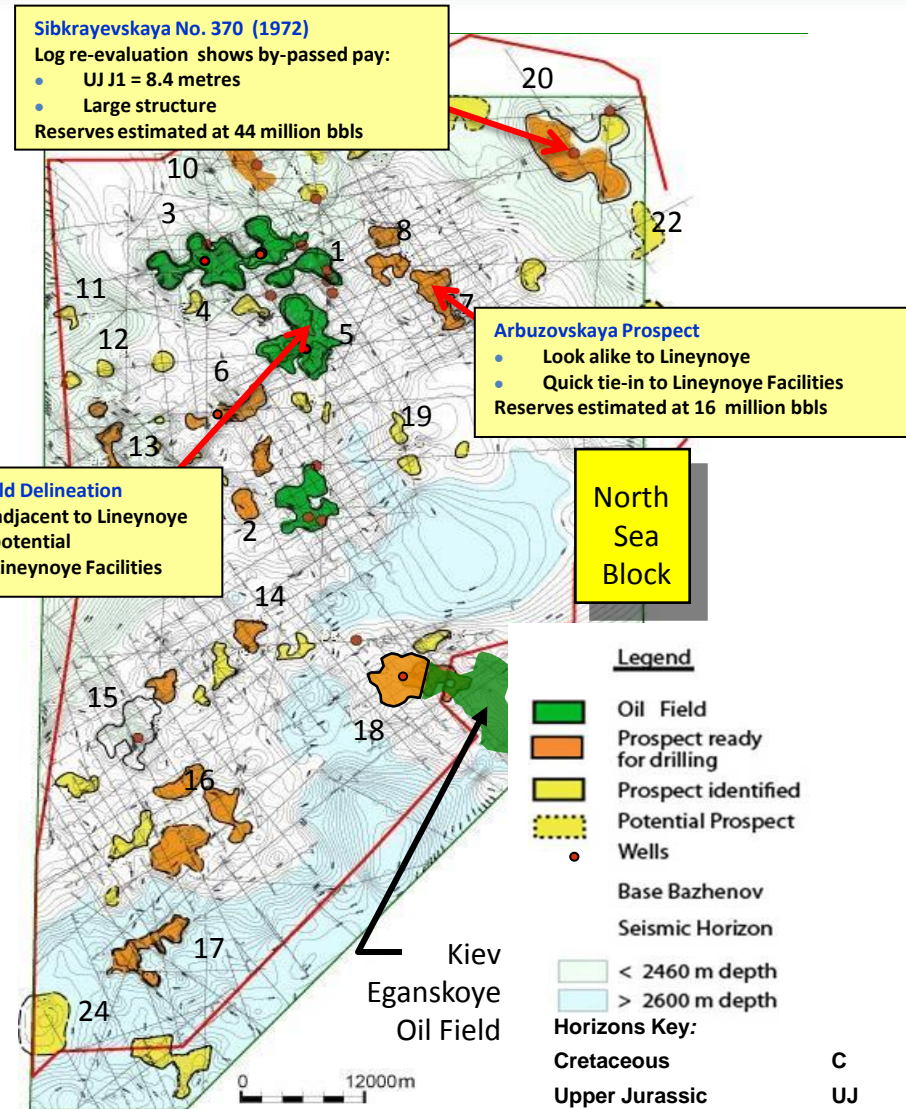
Exploration programme 2010 and beyond





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
Prospects	2	Tungolskoye West Lobe and North (2)	UJ
	4	Lineynoye Lower	UJ
	6	West Korchevskaya	LJ
	7	Arbuzovskaya (Varyakhskaya)	UJ
	8	Arbuzovskaya North & Upper (2)	
	9	Emtorskaya	
	10	Emtorskaya Crown	
	11	Sigayevskaya	
	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
	19	Tungolskoye East	UJ
20	Sibkrayevskaya Crown & North	UJ	
Potential Prospects (Leads)	21	Emtorskaya North	UJ
	22	Sibkrayevskaya East	UJ
	23	Sobachya	UJ
	24	West Balkinskaya	UJ





L61 – Lineynoye, Kondrashevskoye & Arbuzovskaya

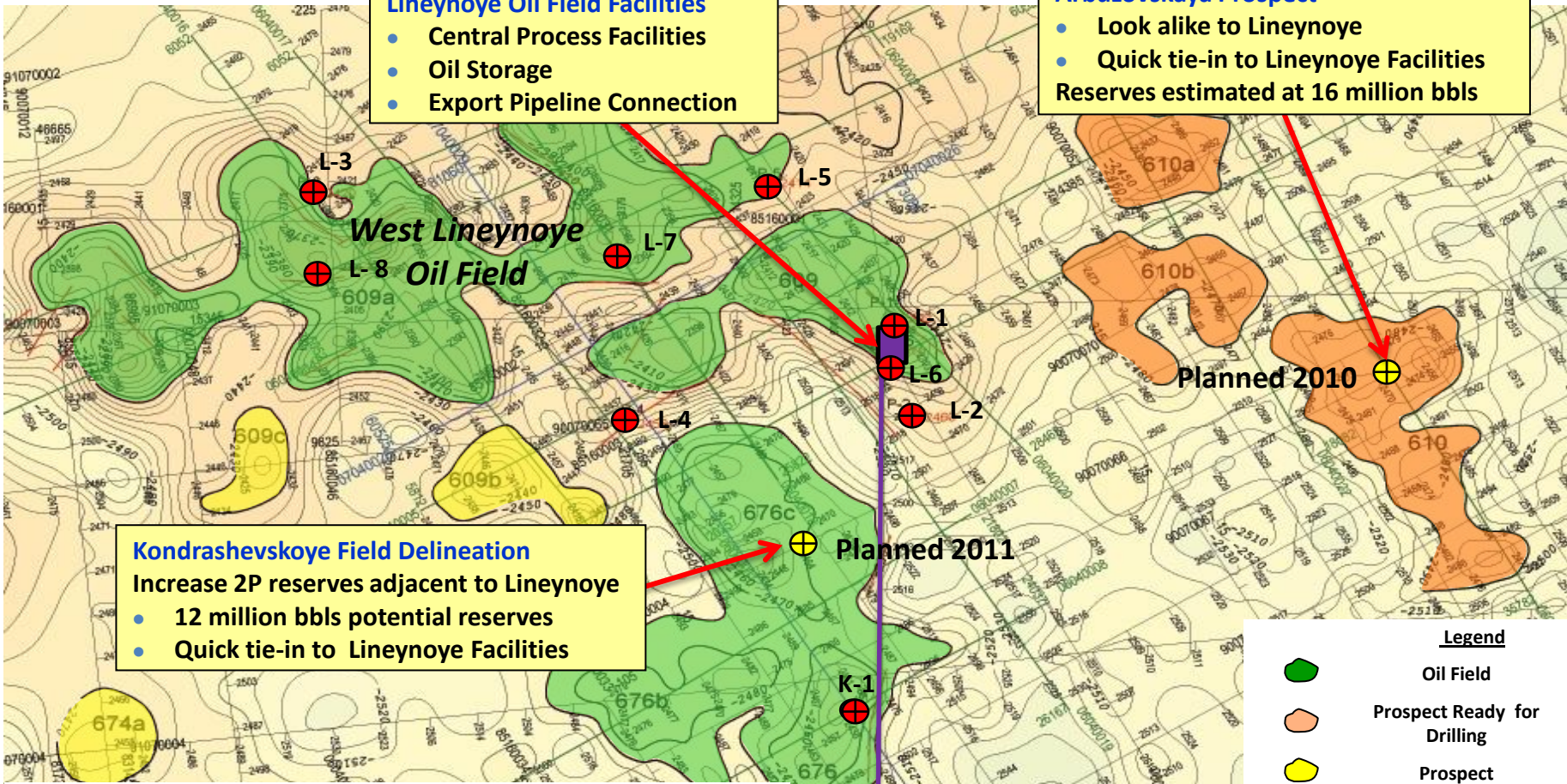
Lineynoye Oil Field Facilities

- Central Process Facilities
- Oil Storage
- Export Pipeline Connection

Arbuzovskaya Prospect

- Look alike to Lineynoye
- Quick tie-in to Lineynoye Facilities

Reserves estimated at 16 million bbls



Kondrashevskoye Field Delineation

Increase 2P reserves adjacent to Lineynoye

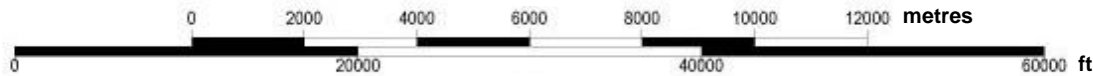
- 12 million bbls potential reserves
- Quick tie-in to Lineynoye Facilities

Legend

- Oil Field
- Prospect Ready for Drilling
- Prospect
- Potential Prospect
- Wells

CI = 10 meters

Structure Map on Base Bazhenov Horizon





Ledovy Block Structures and Traps

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

#	Structure Name	Main Objectives
Drilled Structures		
1	Cheremshanskaya	UJ, MJ, 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

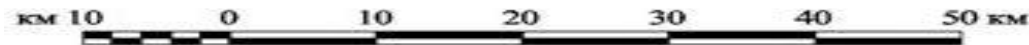
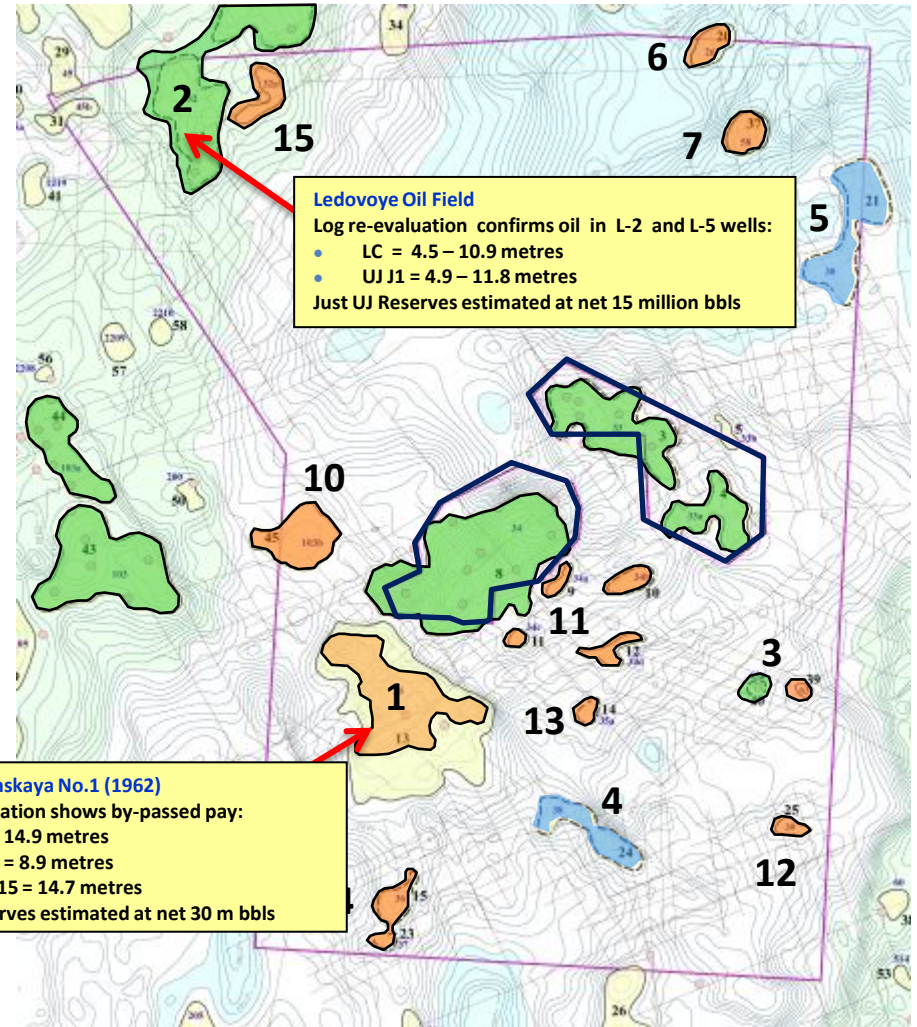
Base Bazhenov Seismic Horizon

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

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

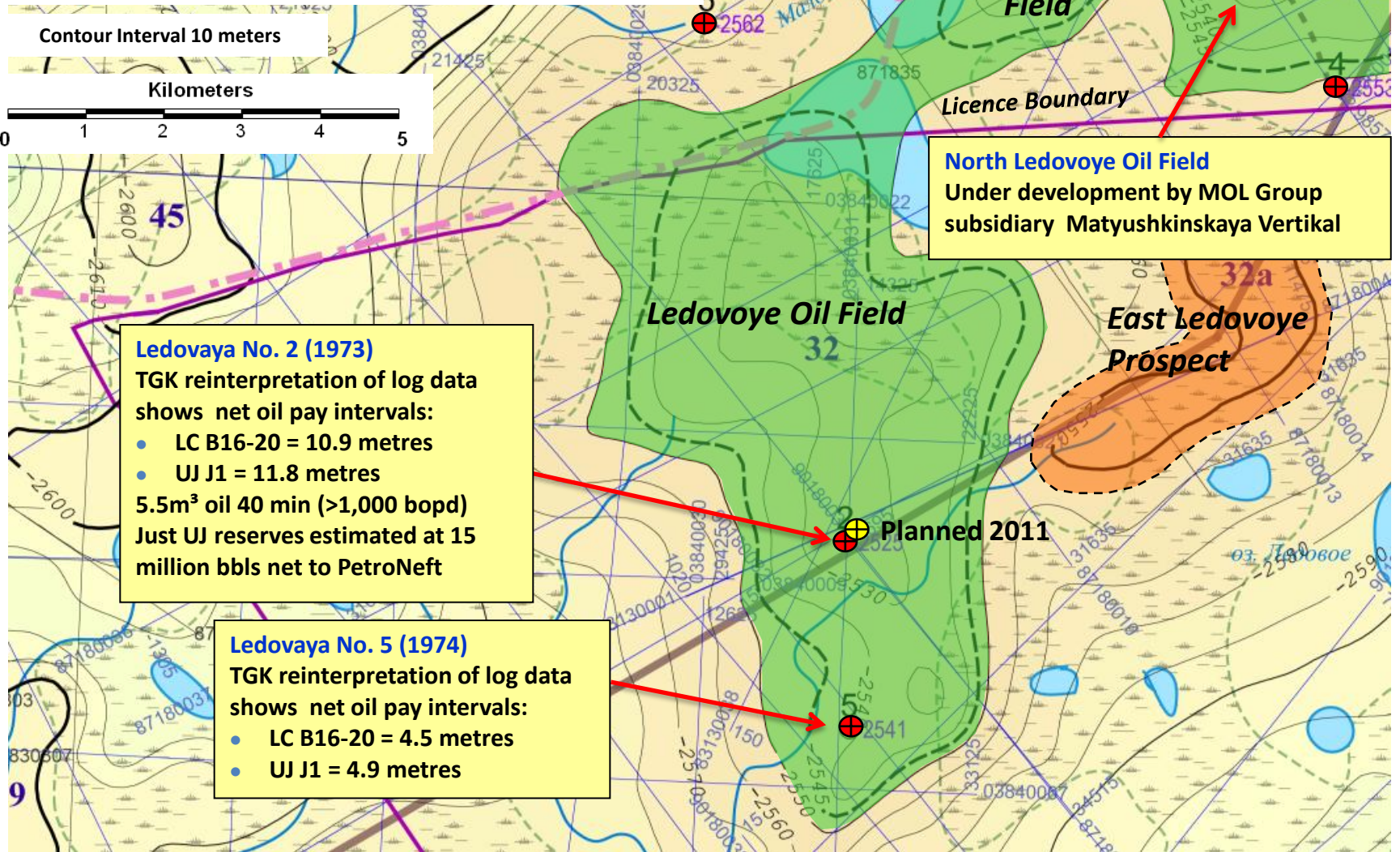


Excluded areas





Structure Map on Base Bazhenov Horizon



North Ledovoye Oil Field
Under development by MOL Group subsidiary Matyushkinskaya Vertikal

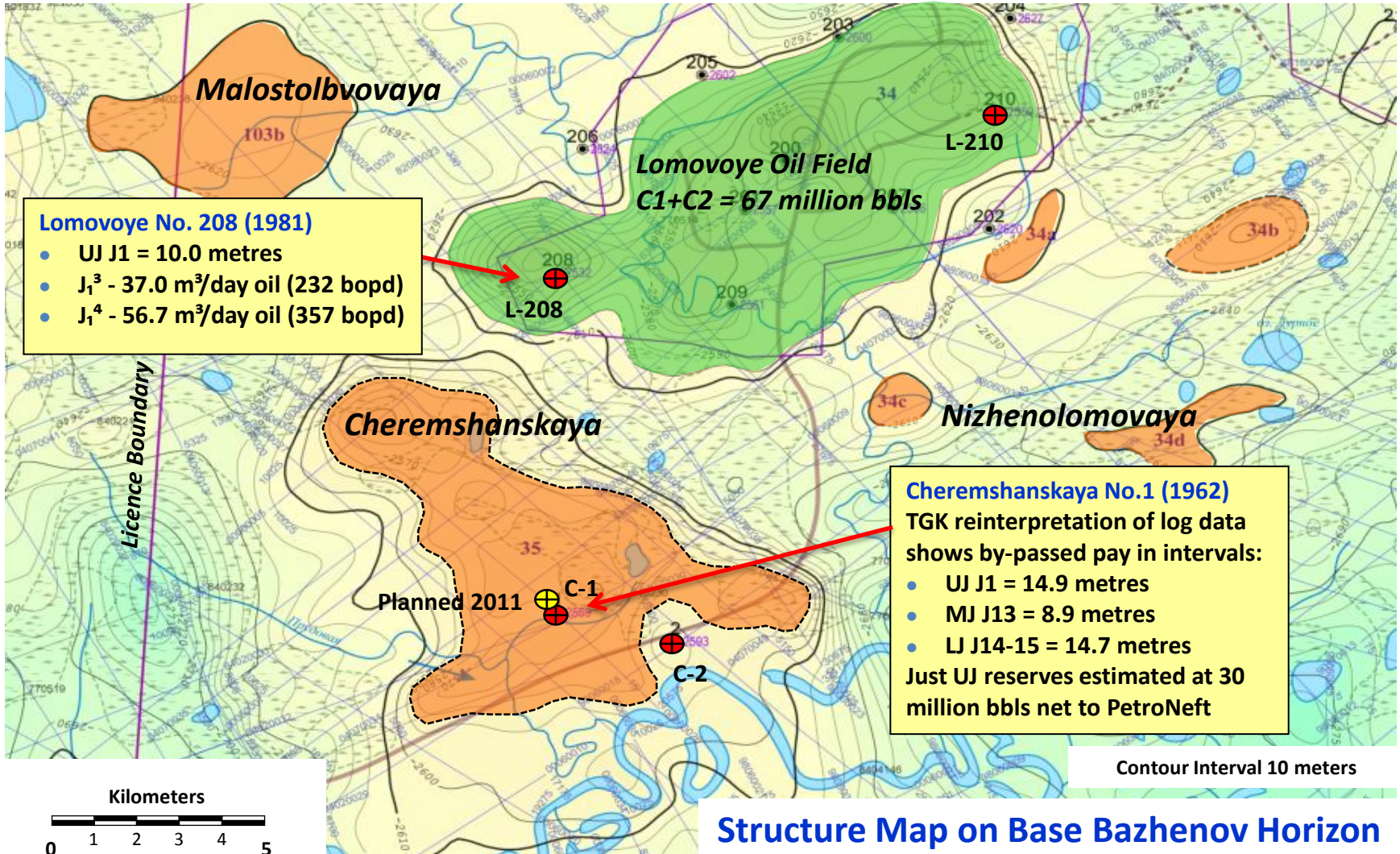
Ledovaya No. 2 (1973)
TGK reinterpretation of log data shows net oil pay intervals:

- LC B16-20 = 10.9 metres
- UJ J1 = 11.8 metres

5.5m³ oil 40 min (>1,000 bopd)
Just UJ reserves estimated at 15 million bbls net to PetroNeft

Ledovaya No. 5 (1974)
TGK reinterpretation of log data shows net oil pay intervals:

- LC B16-20 = 4.5 metres
- UJ J1 = 4.9 metres

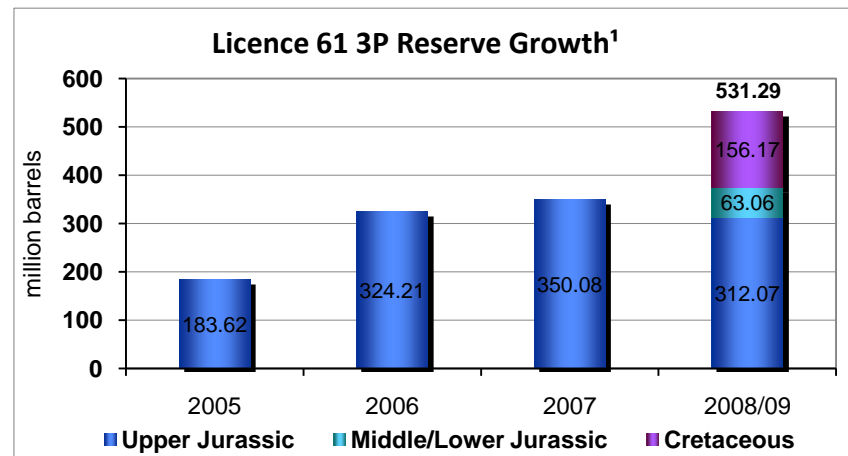
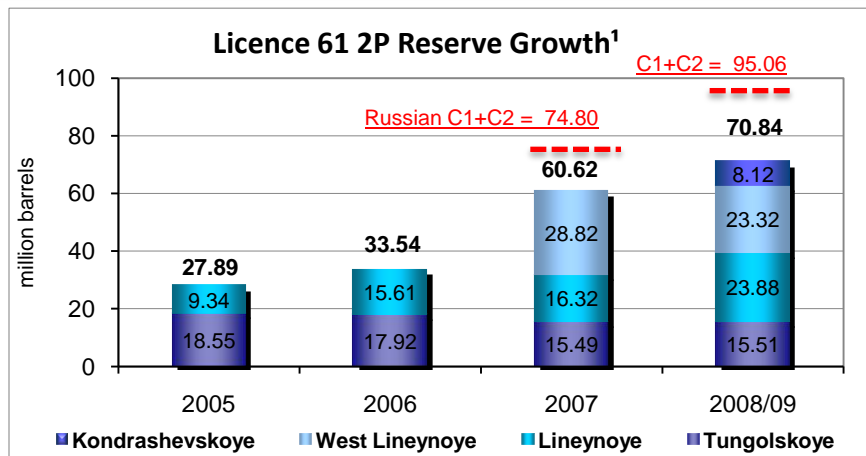




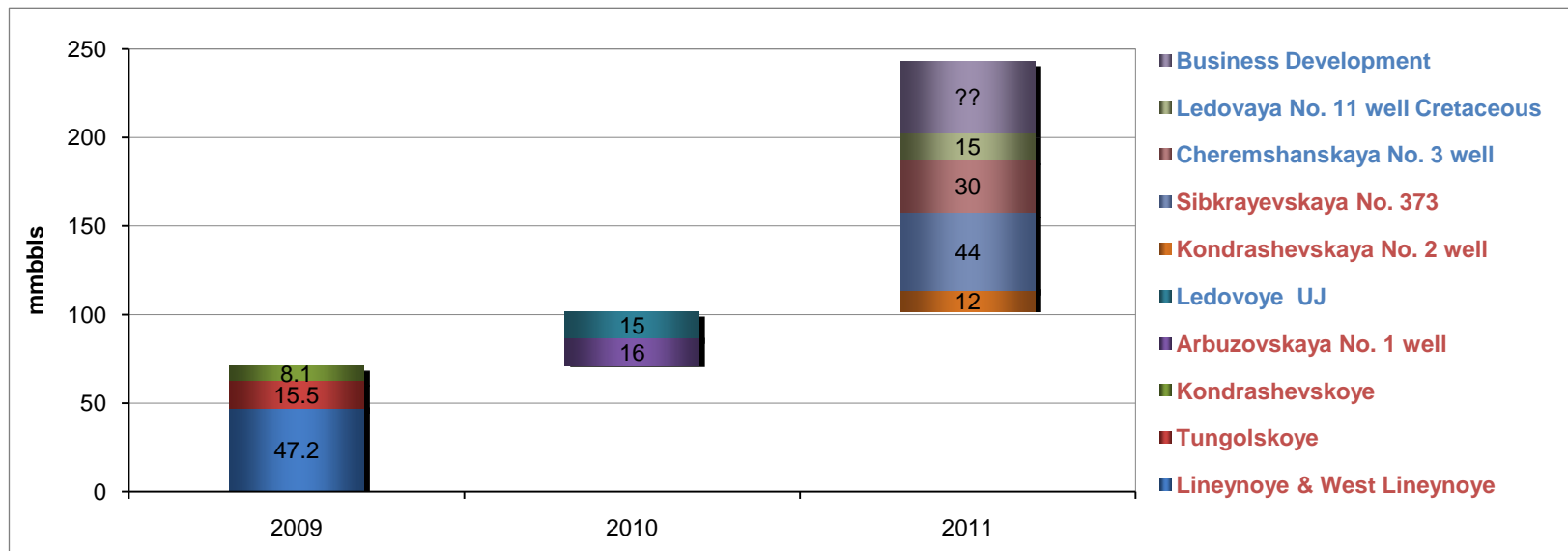
Building our Reserve base - Moving 3P To 2P



Track record of Reserve Growth:



Targeting 2P Reserve Growth from Low Risk Exploration and Acquisition²:



¹ Source: Ryder Scott – Petroleum Consultants report as at 1 January 2010

² Source: Ryder Scott (Jan 2010) & Company Estimates



News Flow – 2010/2011 Investment Highlights





Significant news flow planned every 6 – 8 weeks:

Date	Event
October 2010	2011 Exploration and Development Programme
November 2010	Operations update - Production update
November 2010	Arbuzovskaya Exploration result
January 2011	Y/end 2010 production update and progress on winter schedule including commencement of Hydraulic Fracturing programme
February 2011	Updated reserves from Ryder Scott - Arbuzovskaya and Ledovoye
March 2011	Completion of Hydraulic Fracturing programme and resulting increased production, Spud Kondrashevskoye No. 2 Delineation well
April 2011	2010 Annual Report
May 2011	Results Kondrashevskoye No. 2 Delineation well, Spud Sibkrayevskaya Exploration well, Update on 2011 Production Drilling
June 2011	Results Sibkrayevskaya Exploration well, Spud Cheremshanskaya No. 3 well, Update on 2011 Production Drilling
July 2011	2011 Production wells starting to come online
September 2011	Results Cheremshanskaya No. 3 well, Spud Ledovoye No.11 well
November 2011	Results Ledovoye No.11 well



Investment Highlights



Fully Funded Development

- Development Project now funded through cash flows and debt facility
- Year-round production commenced in August 2010
- Production Drilling Programme continuing in 2011 and beyond (17 new wells in 2011)
- Production Targets - 4,000 bopd end 2010, 12,000 bopd end 2012

Superb Asset Base

- Total Licence 61; 2P Reserves of 71 mmbo, 3P oil reserves of 531 mmbo (unrisked) provides platform for strong reserve growth
- Licence 67 likely to contain significant reserves
- Reserve upgrades in 2010 likely from Licence 67 and Arbuzovskaya exploration well

Significant Exploration Upside

- Low Risk Exploration Programme 2010 and 2011
- Top 5 Licence 61 prospects targeting over 200 mmbo
- Newly acquired Licence 67 adds 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



Appendices

- Directors and Senior Management
- Corporate Information
- Long Term Drilling Schedule
- Proven Track Record
- L61 Top Five Prospects
- Contacts





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
- Former Chief Financial Officer and Director 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



Corporate Information



Share Capital *

- Ordinary Shares in issue: 350,587,711
- Share options outstanding: 13,537,000
- Warrants outstanding: 6,200,000
- Fully diluted share capital: 370,324,711
- Market Capitalisation: £160 million

*As at 30 September 2010

Major Shareholders*

Directors	8.53%
JP Morgan Asset Mgmt	6.74%
Ali Sobraliev	6.57%
Macquarie Bank†	3.44%
RAB Octane Fund Limited	4.96%
Arawak Energy Limited	3.82%
Amiya Capital LLP	3.75%
UFG Asset Management	3.11%
Davycrest Nominees Ltd	9.48%

*As at 30 September 2010 or latest shareholder declarations

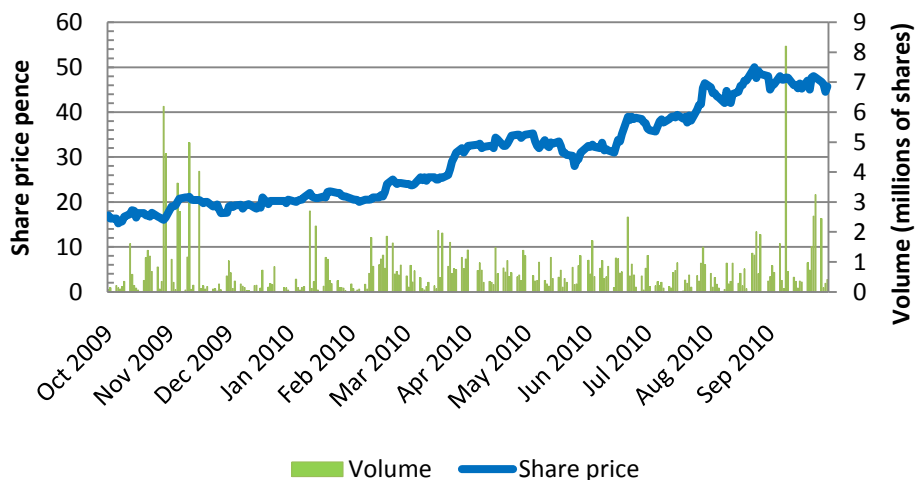
† Also Holds 6.2m warrants

Sources: Irish Stock Exchange, AR 2009

Trading details

- Exchanges:
 - AIM Market (London Stock Exchange)
 - ESM Market (Irish Stock Exchange)
- Free float: 84.90%
- Tickers: P8ET (ESM) & PTR (AIM)

PetroNeft share price performance





Long Term Drilling Schedule



Licence 61 - Project Schedule - Exploration & Development Wells

Year	2010												2011												2012												2013											
	Month	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J					
Arbuzovskaya (Varyakhskaya)																																																
Arbuzovskaya No. 1 Well			M	R/U								Drill & Test																																				
Production Drilling																																																
Sibkrayevskaya																																																
Sibkrayevskaya No. 1 Well													Mob	Rig-up	Drill & Test																																	
Seismic Data Acquisition																																																
Sibkrayevskaya No. 2 Well																																																
Mob																																																
Rig-up																																																
Drill & Test																																																
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Kondrashevskoye No. 2																																																
Kondrashevskoye No. 2 Well																																																
Mob																																																
Rig-up																																																
Drill & Test																																																
Drill and Complete																																																
Lineynoye Field Development																																																
Pad 1 - Production Drilling	M	Rig-up	Drill and Complete																																													
Pad 2 - Production Drilling																																																
Mob																																																
Rig-up																																																
Drill and Complete																																																
W.Lineynoye Field Development																																																
Pad L-8 - Production Drilling																																																
Mob																																																
Rig-up																																																
Drill and Complete																																																

Indicative timetable.



Long Term Drilling Schedule



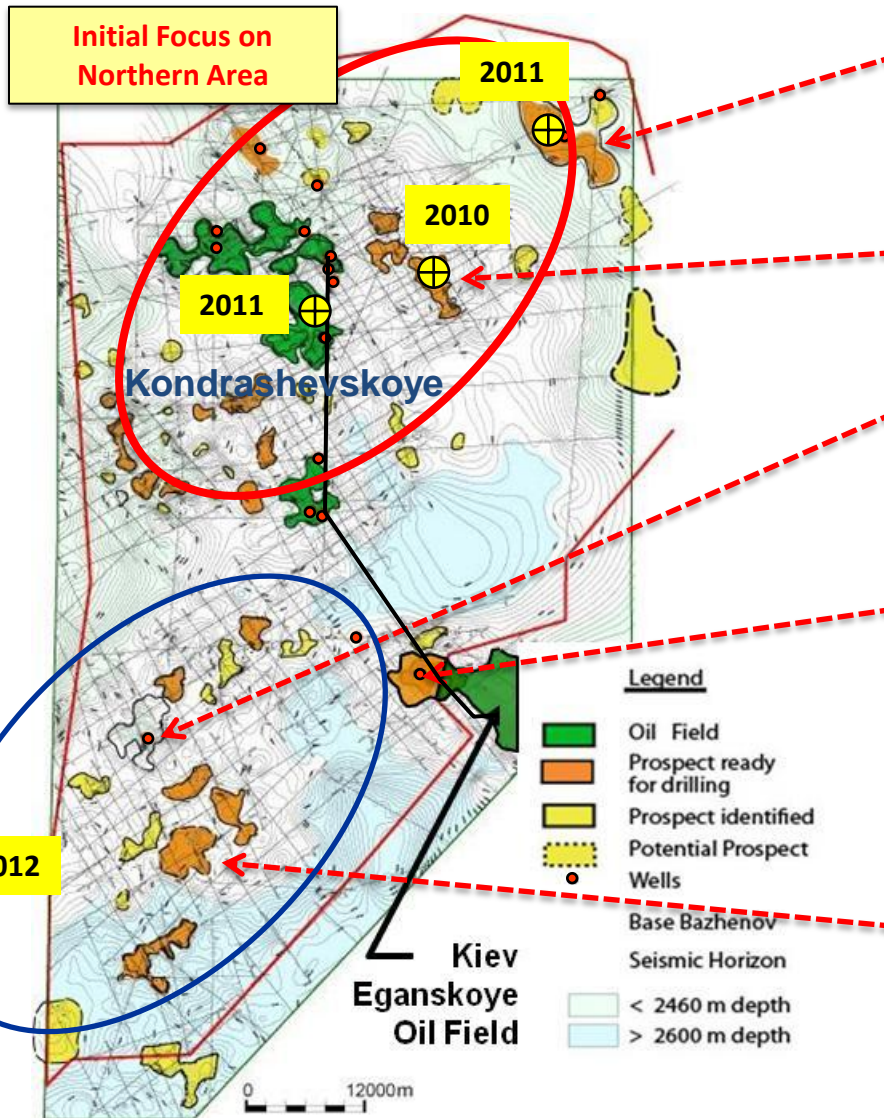
Licence 67 - Project Schedule - Exploration & Development Wells

Year	2010												2011												2012												2013											
Month	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
General Studies																																																
Seismic and Well Studies																																																
Seismic Data Acquisition																																																
Cheremshanskaya Prospect																																																
Cheremshanskaya No. 3 Well																																																
Delineation Well No. 1																																																
Ledovoye Oil Field																																																
Ledovaya No. 11 Well																																																
Delineation Well No. 1																																																
Delineation Well No. 2																																																
Pilot Production																																																
Year	2010												2011												2012												2013											
Month	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D

Indicative timetable.



	2005/2006	2007/2008	2009	2010
Exploration	<ul style="list-style-type: none"> ➤ 2,654 km vintage seismic data reprocessed ➤ Reprocessing of 14 vintage wells ➤ Acquisition and interpretation of 515 km of high resolution 2D data in northern area ➤ 2P reserves of 27.9 million bbls in two oil fields 	<ul style="list-style-type: none"> ➤ Acquisition and interpretation of 540 km of high resolution 2D data ➤ Drilling of three delineation and three exploration wells ➤ New West Lineynoye field & Kondrashevskoye Field discoveries ➤ Potential untested Lower Jurassic discovery at West Korchevskaya 	<ul style="list-style-type: none"> ➤ 2P reserves 70 million bbls ➤ Russian C1 + C2 reserves equal 95 million bbls ➤ L61 Exploration work obligations complete ➤ Acquired Ledovy Licence 67 (will be developed jointly with Arawak) 	<ul style="list-style-type: none"> ➤ Exploration programme @ Licence 61 to recommence with Arbuzovskaya prospect in Q4 2010 ➤ Reprocessing of 21 vintage wells @ Licence 67 ➤ 4,432 kms vintage seismic data to be reprocessed @ Licence 67
Corporate	<ul style="list-style-type: none"> ➤ \$14.5m Fundraising Pre IPO ➤ Licence 61 acquired at Public Auction ➤ IPO with \$15.5m Fundraising 	<ul style="list-style-type: none"> ➤ \$15.2m Fundraising ➤ \$17.3m Fundraising ➤ AMI signed with Arawak Energy for Western Siberia 	<ul style="list-style-type: none"> ➤ \$27.5m Fundraising ➤ Phase 1 Project is fully funded to point where project is self funding 	<ul style="list-style-type: none"> ➤ \$30m debt facility agreed with Macquarie
Production		<ul style="list-style-type: none"> ➤ Winter production commences ➤ First oil sales ➤ Phase 1 Project sanctioned ➤ Pipe procured 	<ul style="list-style-type: none"> ➤ Transportation agreement with Imperial Energy ➤ Significant optimisation and cost reductions ➤ First pipeline production targeted for 2H 2010 	<ul style="list-style-type: none"> ➤ Pipeline construction completed ➤ Project substantially within budget ➤ First year-round production commenced in Aug 2010 ➤ On track for 4,000 bopd by end 2010



- **Sibkrayevskaya**
 - Large structure with potential by-passed pay
 - Upper Jurassic J1 – 8.4 m, porosity 15 %
 - 44 million bbls
 - Follow-up seismic required
- **Arbuzovskaya (Varyakhsakya) Group**
 - Ready to drill trend with very good Upper Jurassic Prospects – 31 million bbls for Group
 - Quick tie-in to Lineynoye Facilities
- **Tuganskaya Group**
 - Cretaceous – 12.8 m, porosity 23%
 - Upper Jurassic may be present on flanks of structure
 - Middle Jurassic J2 – 7.2 m, porosity 13-15%
- **Traverskaya**
 - Low risk – 24 million bbls plus – by passed pay
 - Part of KE structure
 - Cretaceous – 3.4 m, porosity 21-24%
 - Upper Jurassic J1 – 1.1+ m, oil in tight core, reservoir quality and thickness may increase of flanks of structure – extension of Kiev-Eganskoye oil field – frac required
 - Middle Jurassic J2 – 6.7 m, porosity 12-13%
- **Kirillovskaya Group**
 - Multiple pay potential
 - Significant reserve potential – 118 million bbls



Contacts



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AIM Market – London Stock Exchange (PTR)

ESM Market – Irish Stock Exchange (P8ET)