



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



Company Presentation
August 2008

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.

Table of Contents



Company Overview

Corporate Strategy

Field Development Programme

2005/06/07 Field Activities

2007/08 Work Programme

2008/09 Work Programme

Equity Placing and Debt

Investment Considerations

Appendices

Company Overview

- Established in 2005 to build a diversified E&P business in Russia and FSU
- AIM and IEX IPO in September 2006
- Management team combines international hydrocarbon evaluation, production, transactional and financial knowledge with experienced Russian management team
- Company's Licence Area (Licence 61) covers 4,991 km² in Tomsk Oblast, Western Siberia
- 2P reserves of 60.6 million bbls and 3P reserves of 350.1 million bbls
- New exploration discovery at Korchevskaya not yet included in 2P reserves

Growth Strategy

Develop

- Seek to monetise existing 2P reserves

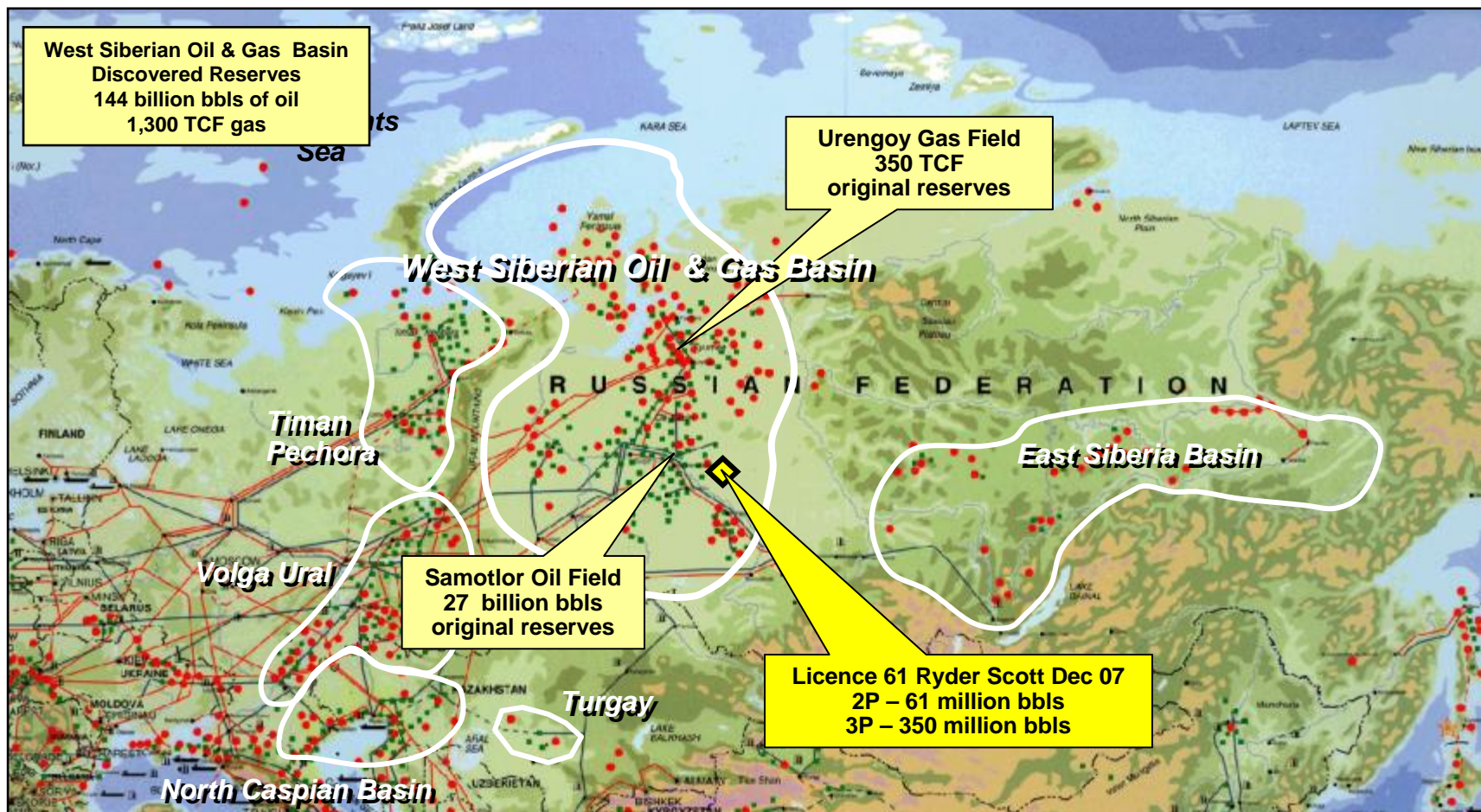
Explore

- Define full exploration potential of Licence 61

Acquire

- Build a diverse portfolio of exploration and production assets

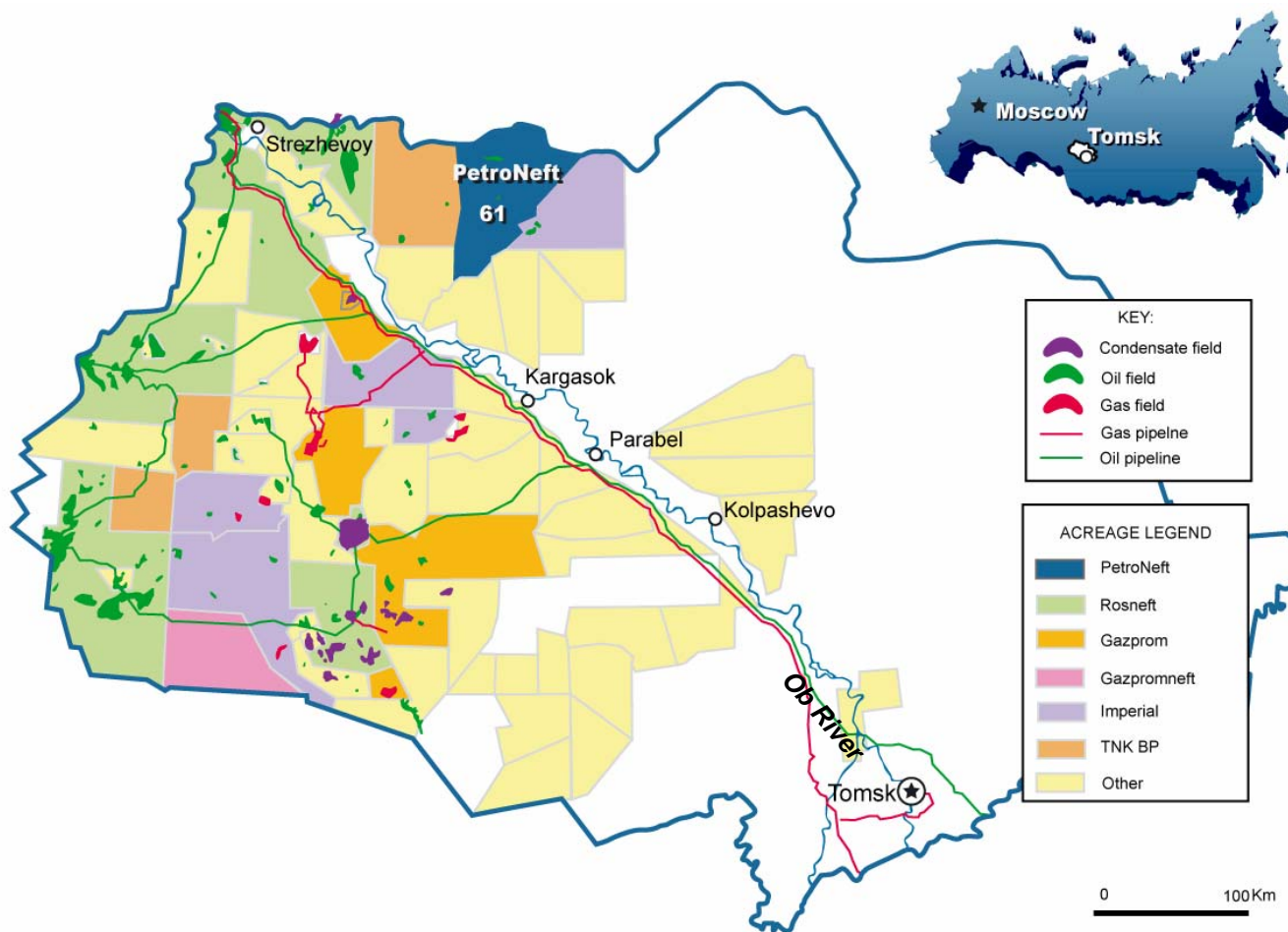
West Siberian Oil and Gas Basin



- Gas Pipeline
- Oil Pipeline
- Oil Fields
- Gas Fields
- Licence 61

Source – USGS

Tomsk Oblast



Very Active Region

Other companies include: Rosneft, Imperial Energy, TNK-BP, Gazprom, Gazpromneft, local companies

Licence 61 – Upper Jurassic

Oil Fields / Prospects / Potential Prospects

Oil Fields	Number	Name
	1.	Lineynoye Oil Field
	2.	Tungolskoye Oil Field
	3.	West Lineynoye Oil Field
	5.	Korchegskoye Oil Field

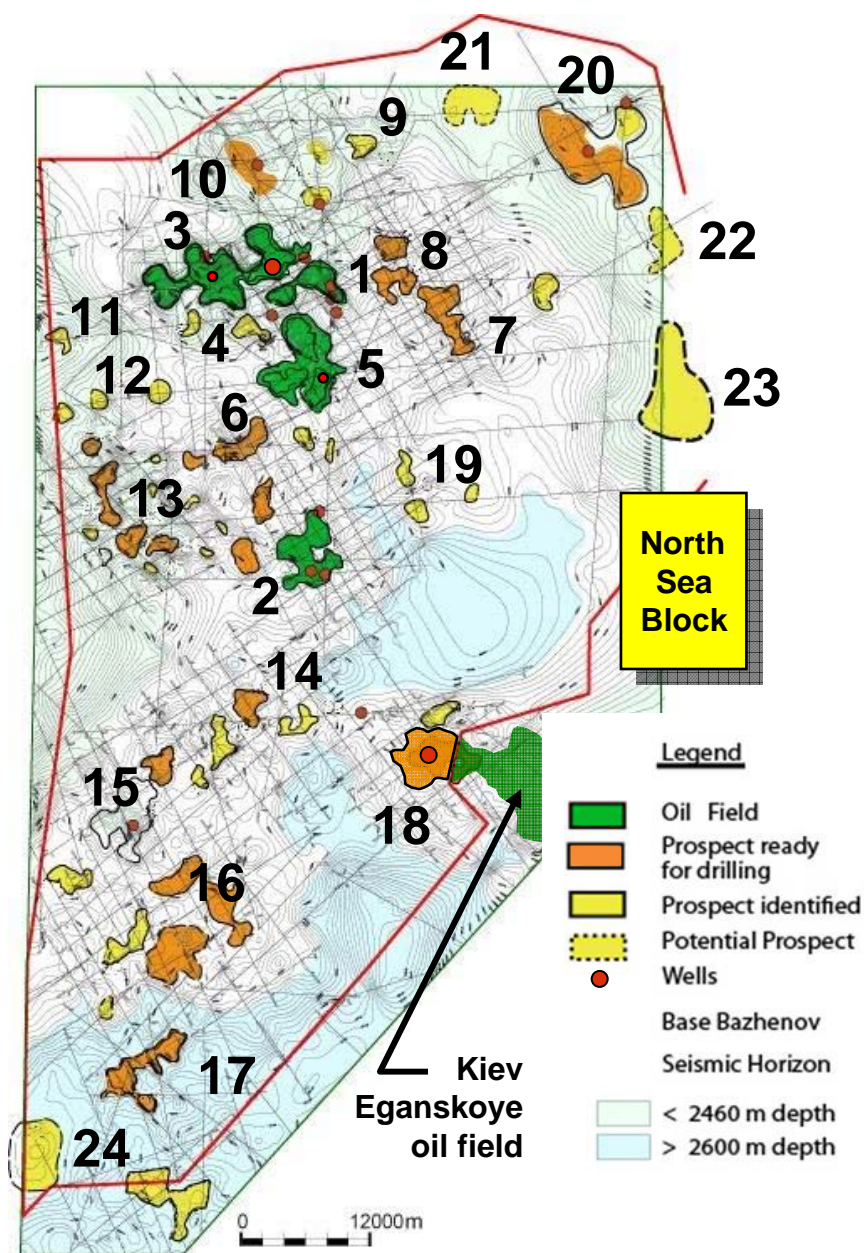
Prospects

25

2.	Tungolskoye West Lobe and North
4.	Lineynoye Lower
6.	West Korchegskaya
7.	Varyakhskaya
8.	Varyakhskaya North & Upper
9.	Emtorskaya East (1 of 2)
10.	Emtorskaya Crown
11.	Sigayevskaya
12.	Sigayevskaya East
13.	Kulikovskaya Group (2 of 6)
14.	Kusinskiy Group (2 of 3)
15.	Tuganskaya Group (2 of 4)
16.	Kirillovskaya (3 of 4)
17.	North Balkinskaya
18.	Traverskaya (1 of 2)
19.	Tungolskoye East
20.	Sibkrayevskaya Crown & North

Potential Prospects (Leads)

21.	Emtorskaya North
22.	Sibkrayevskaya East
23.	Sobachya
24.	West Balkinskaya



Corporate Strategy

Initial focus on development of Licence 61 as a Core Area

- Monetise the Lineynoye, W. Lineynoye, Tungolskoye and Korchevskaya Oil Fields
- Target Export Pipeline production 2009
- Determine full upside potential of Licence 61 Core Area
- Review all options for maximising asset value

Business Development activities accelerating

- Focused on Oil Fields with less than 100 million barrels and significant reserve upside which are below radar of Russian Majors.
- Evaluating Joint Venture and M&A opportunities.
- Engage smaller companies that have assets which they might want to divest or jointly develop.
- Participate in Russian Auction and Tender process.
- Commitment to developing western style alliances, providing added value through access to capital markets outside of Russia and western business processes

Table of Contents



Company Overview

Corporate Strategy

Field Development Programme

2005/06/07 Field Activities

2007/08 Work Programme

2008/09 Work Programme

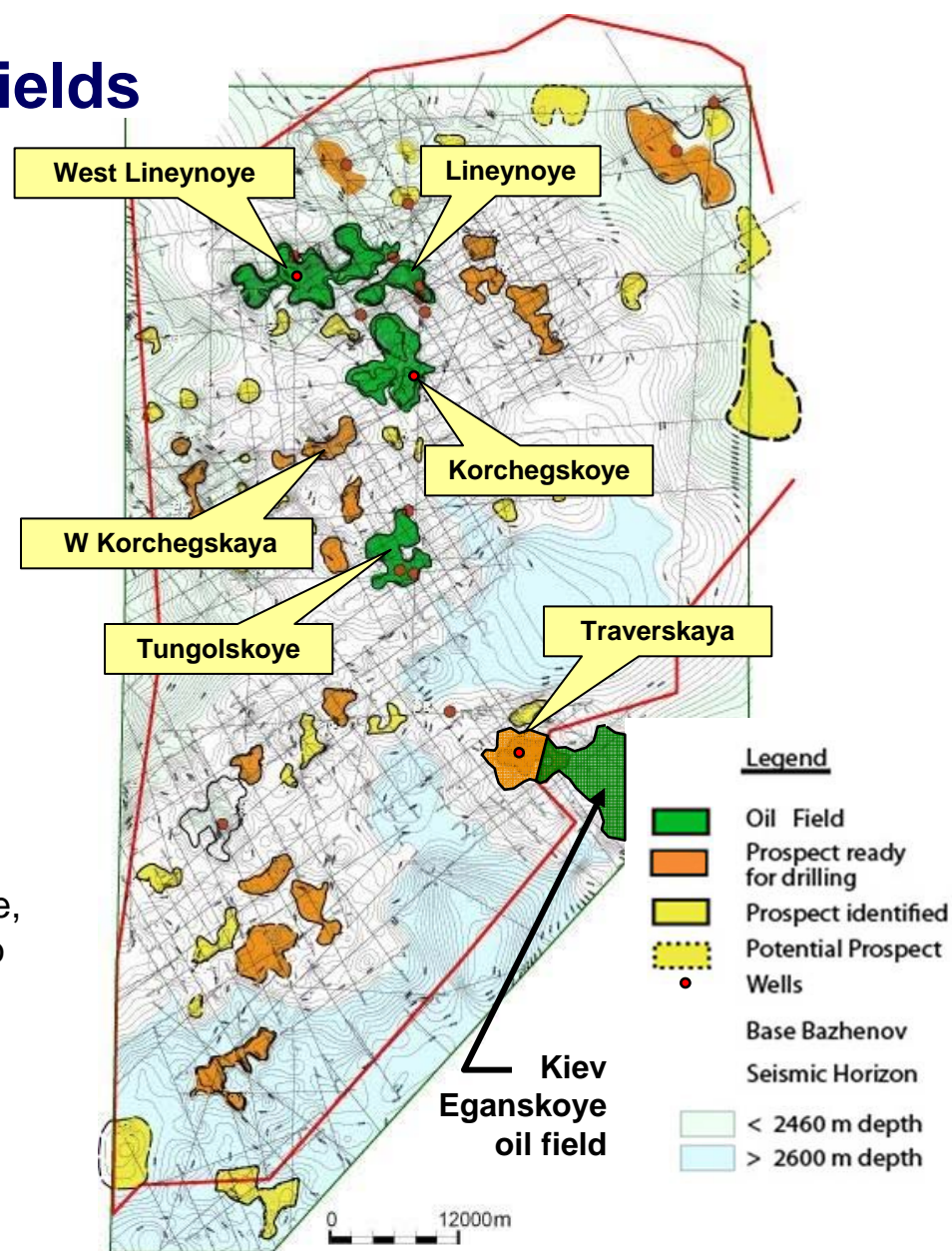
Equity Placing and Debt

Investment Considerations

Appendices

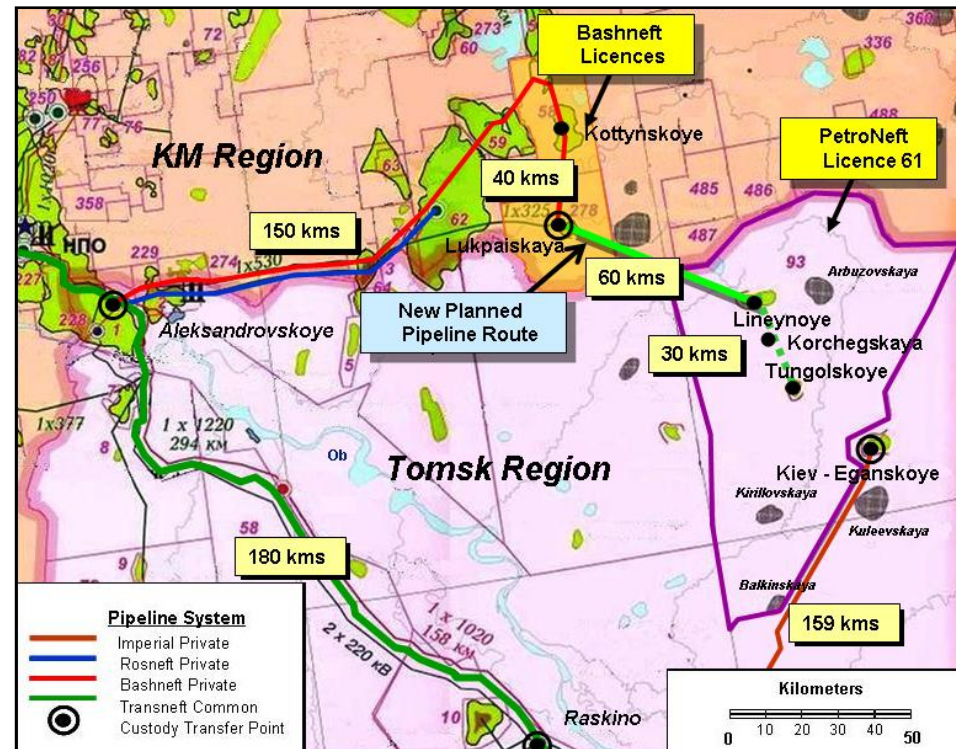
Development of Northern Fields

- Sanctioned in June 2008
- First Phase
 - Development of Lineynoye and West Lineynoye
 - Construction of 60 km production pipeline – tie asset into Bashneft pipeline at Lukpaiskaya
 - First year-round oil production in second half 2009
 - Production - 4,000 bopd end of 2009, 14,000 bopd in 2012
- Additional Phases
 - Incremental addition of Korchevskoye, Tungolskoye and other discoveries to the south and north

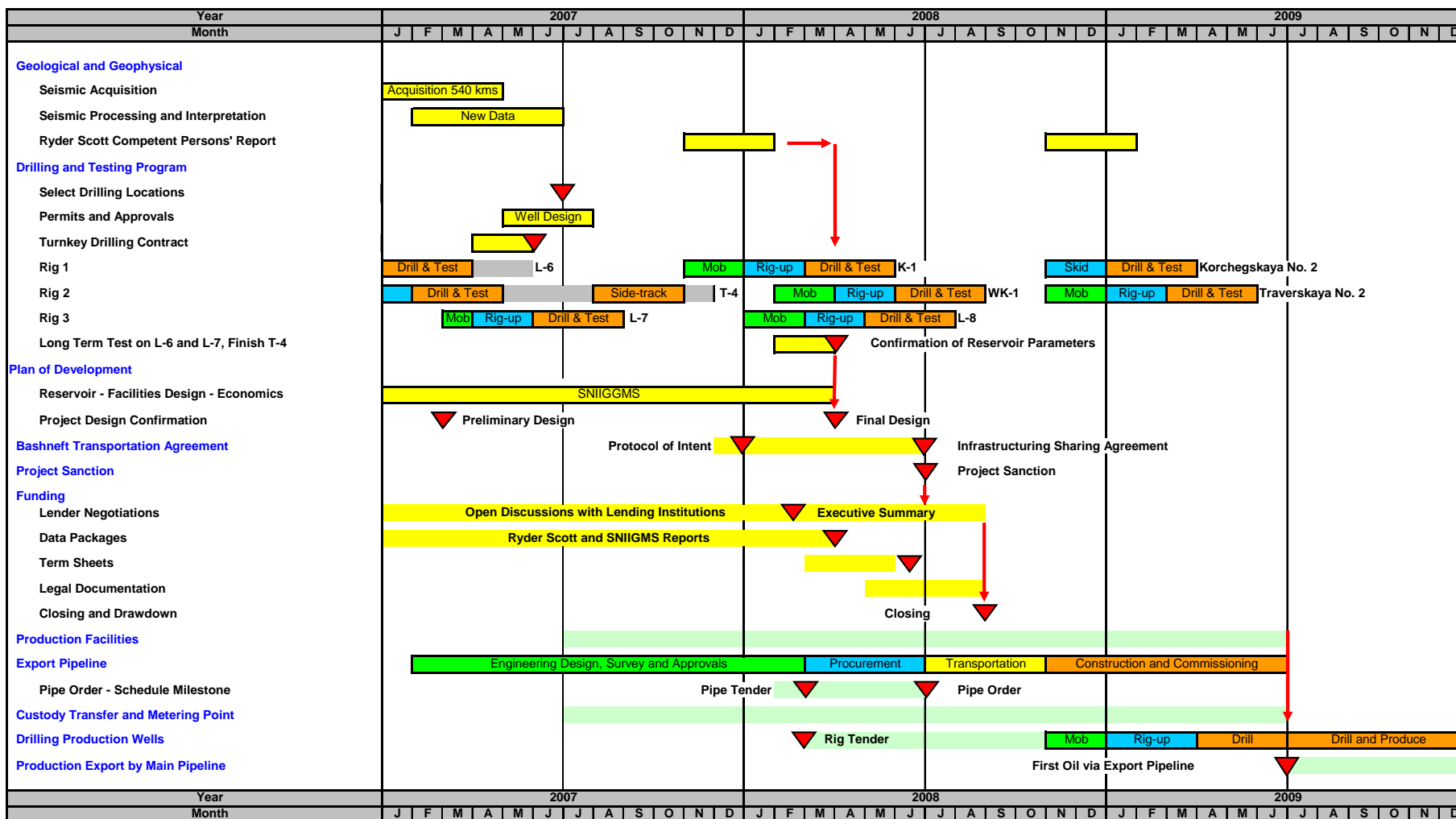


Pipeline Construction

- Pipeline Sharing Protocol agreed with Bashneft in December 2007 (significantly lowering capex requirement)
- Engineering survey and environmental studies completed. Pipeline design being finalised. Approvals in process.
- Construction of 60 km pipeline to commence in winter 08/09
- Initial pipe order in July 08



Licence 61 Project Milestones and Schedule



Major Dependencies →

Jun-08



Schedule Milestones

2008

- West Korchevskaya No. 1 well results
- Closing of project loan facility
- Start of pipeline construction

2009

- Korchevskaya No. 2 well results
- Completion of pipeline construction – start commissioning
- Commencement of development drilling
- Traverskaya No. 2 well results
- Finish pipeline commissioning
- Start year-round pipeline production

Reserves and NPV

Gross Reserves Summary (mmbbls)			Baseline oil price (1)	Current oil price (2)
	1P	2P	2P NPV10%	2P NPV 10%
Lineynoye	4.29	16.32	\$159 MM	\$232 MM
West Lineynoye	0.90	28.82		
Tungolskoye	1.50	15.49	\$ 74 MM	\$111 MM
Total		60.62	\$247 MM	\$343 MM
Korchegskaya		12 to 25	\$ 57 to \$120 MM	\$ 86 to \$179 MM
Total		72 to 85	\$301 to \$367 MM	\$429 to \$522 MM

(1) Base Case Domestic crude oil price \$52/bbl w/VAT, export \$80/bbl, export 33%, WL reserves reduced 3.6 million bbls based on preliminary L-8 results, includes pending MET tax changes (Company estimate)

(2) Same as (1) with Current domestic crude oil price \$68/bbl w/VAT, export \$120/bbl (Company estimate)

- Does not include potential upside from 25 existing prospects with +/- 350 million possible reserves estimated for Upper Jurassic reservoirs
- Does not include any potential upside from Cretaceous reservoirs under review

Table of Contents

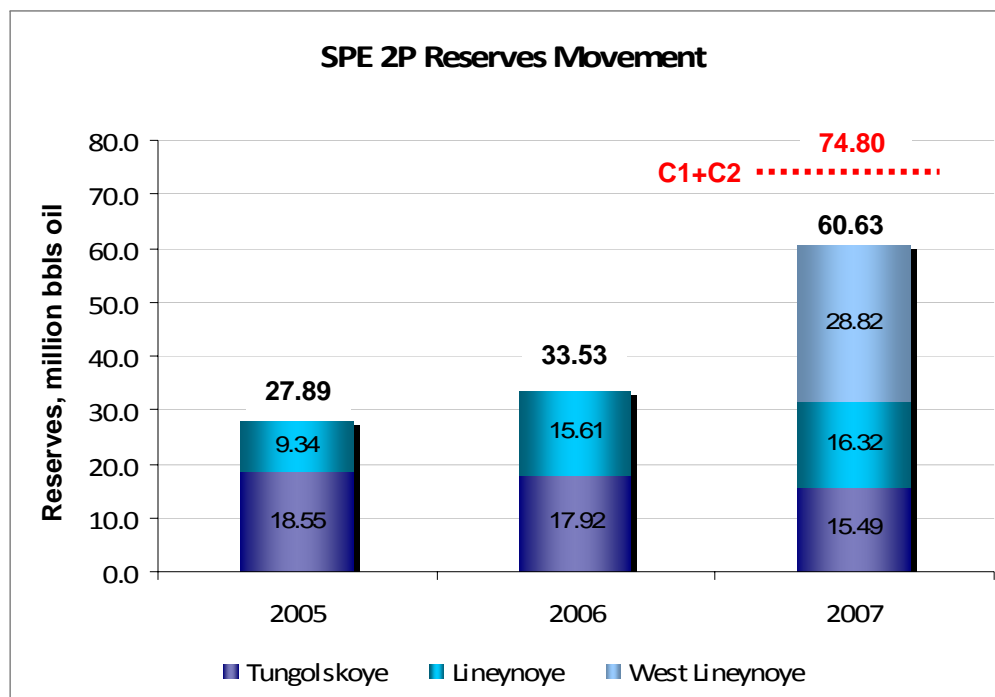


- Company Overview
- Corporate Strategy
- Field Development Programme
- 2005/06/07 Field Activities**
- 2007/08 Work Programme**
- 2008/09 Work Programme**
- Equity Placing and Debt
- Investment Considerations
- Appendices

2005/06/07 Field Activities

Exploration and Delineation Activities

- Reprocessing and reinterpretation of 14 wells and 2,654 kms of vintage 2D seismic data
- Acquisition and interpretation of 1,055 kms of high resolution 2D seismic data
- Drilling of one exploration and two delineation wells
- 117% growth in 2P reserves to 60.6 million bbls (*as audited by Ryder Scott*)
- First oil sales achieved
- Russian C1 + C2 Reserves equal 74.8 million bbls based on Russian State Reserve Expertise Committee



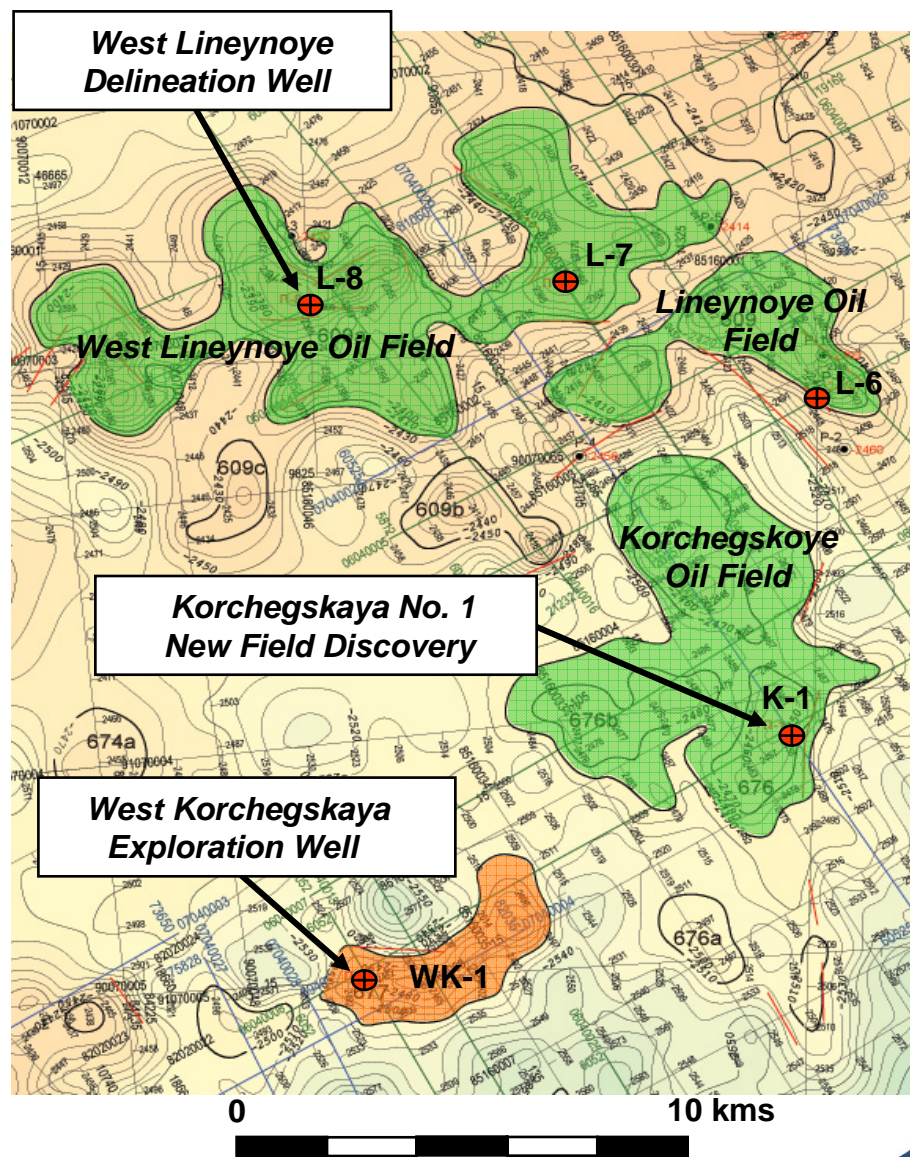
2007/2008 Work Programme

Three Well Drilling Program

- **Korchegskaya No. 1**
 - new field discovery
 - confirmed 3.25 metres net pay
 - Oil water contact – not defined
 - 12 to 25 million bbls (Company estimate)
 - Test inflow rate 125 bopd non stimulated
- **Lineynoye No. 8**
 - successful confirmation on West Lineynoye oil field
 - confirmed 5 metres gross pay
 - Test inflow rate 120 bopd non stimulated
- **West Korchegskaya Prospect**
 - exploration well commenced in July – targeting 10 million bbls

Development Programme

- Pilot Production Test L-6 and L-7
- Plan of Development Completed
- Pipeline Survey Completed



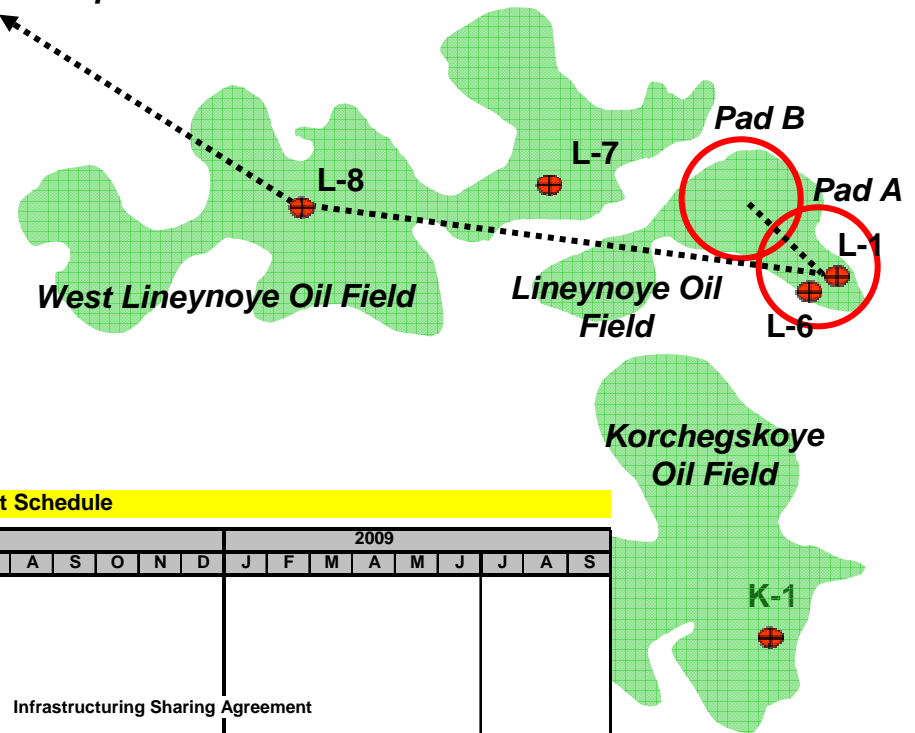
2008/09 Development Work Programme



Lineynoye Development Programme

- Export pipeline procurement and construction
- Custody transfer point
- Field production facilities & infrastructure
- 2 production pads at Lineynoye
- 18 development wells at Lineynoye
- Target year-round production second half 09

Export Pipeline to Bashneft 60 kms



		Licence 61 - Plan of Development Schedule																							
Year	Month	2008												2009											
		O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S
Plan of Development																									
Reservoir - Facilities Design - Economics																									
Project Design Confirmation																									
Bashneft Transportation Agreement	Protocol																								
Project Sanction																									
Production Facilities																									
Export Pipeline																									
Pipe Order - Schedule Milestone	Pipe Tender																								
Custody Transfer and Metering Point																									
Drilling Production Wells																									
Production Export by Main Pipeline																									

2008/09 Exploration/Delineation Work Programme

Two Well Exp/Delineation Program

- **Traverskaya No. 2 – low risk exploration**

- **Upper Jurassic Reservoir**

- Located adjacent to Kiev-Eganskoye (KE) oil field under development by Imperial Energy
 - Appears to be in oil column of KE field at Upper Jurassic reservoir level – supported by core and log data
 - 19.5 million bbls 3P in Upper Jurassic (Ryder Scott)

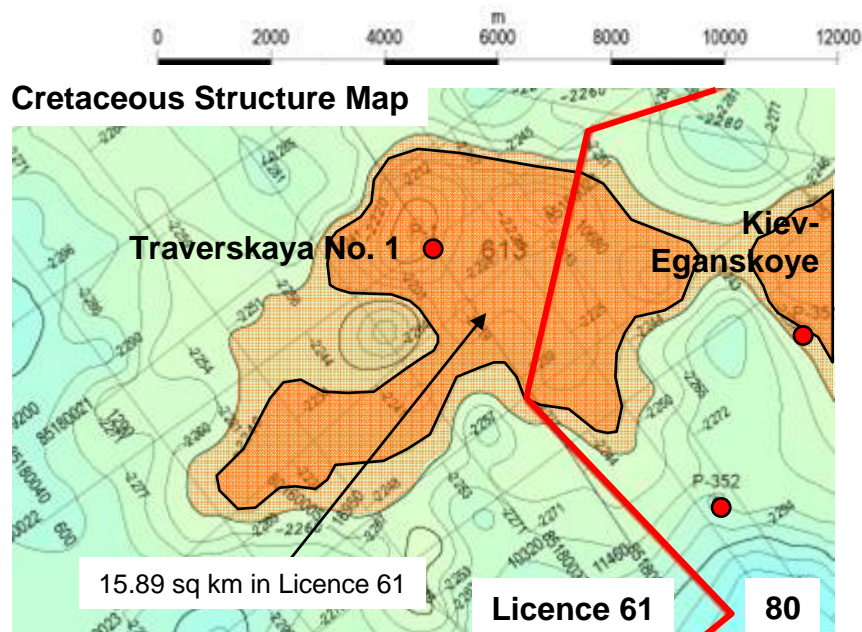
- **Cretaceous Reservoir**

- Recent Imperial Energy well 361 tested over 1,500 bopd in Cretaceous sandstone above Upper Jurassic target
 - Bypassed by Soviet era exploration
 - 22 million bbls plus 3P in Cretaceous (Company estimate at 7 m net pay)

- **Korchevskoye No. 2 – delineation well**

- Define structure and oil water contact
 - 12 to 25 million bbls 2P (Company estimate)

Traverskaya Prospect



Potential Cretaceous Prospects in Southern part of Licence 61

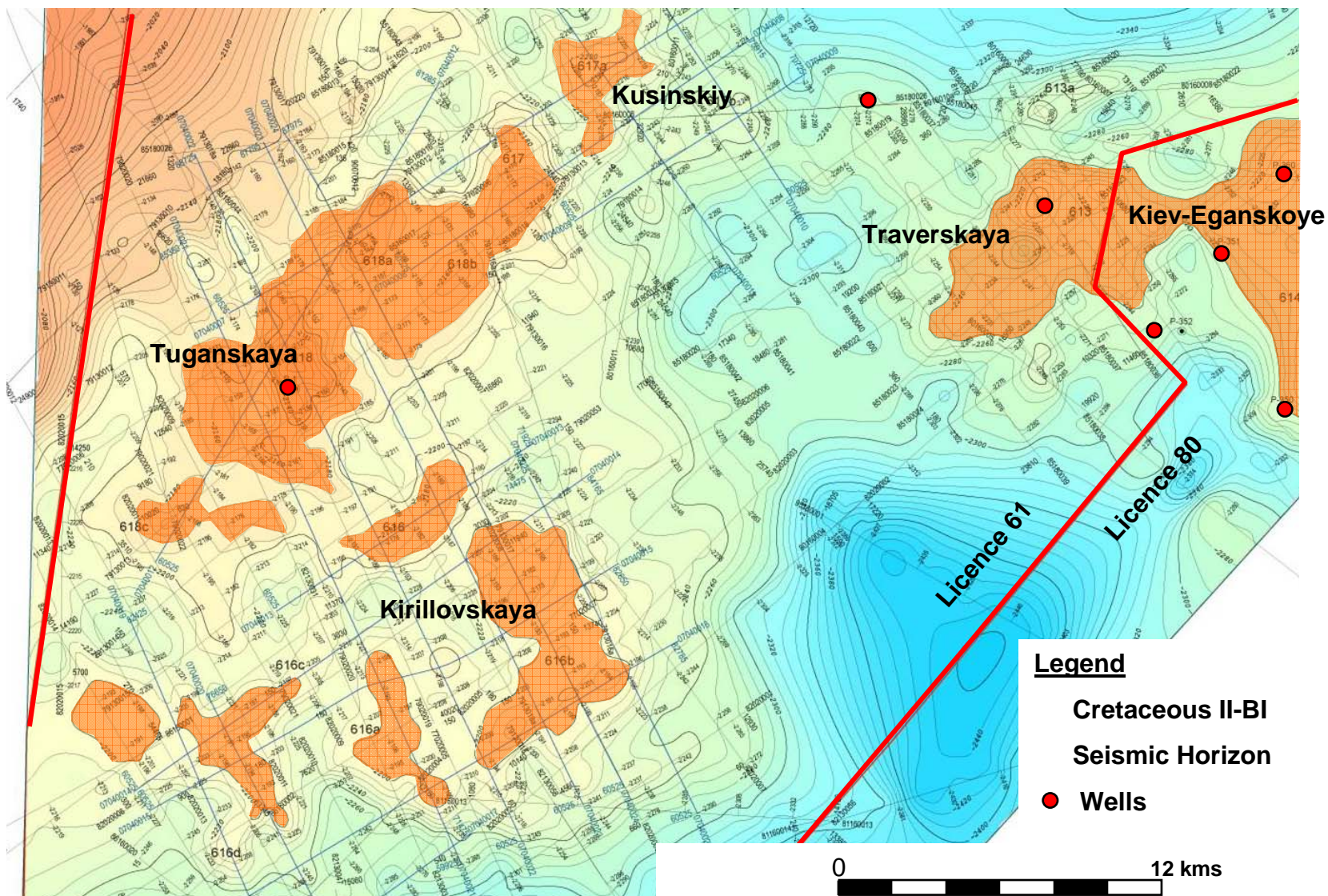


Table of Contents



- Company Overview
- Corporate Strategy
- Field Development Programme
 - 2005/06/07 Field Activities
 - 2007/08 Work Programme
 - 2008/09 Work Programme
- Equity Placing and Debt**
- Investment Considerations**
- Appendices

Equity Placing and Debt

Equity Placing US \$17.3 million

- US \$17.3 million Placing announced on July 18th (executed in two tranches)

Debt Financing (up to US \$80 million)

- Mandate Letter agreed with Standard Bank on July 9th 2008
- Funds initially applied to the development of the Lineynoye and West Lineynoye Fields

Investment Considerations

- Management with extensive experience of exploration, production and corporate development in the Russian Oil Industry.
- Reserve portfolio, prospects of Licence 61 Core Area and activities in surrounding area.
- Monetising appraisal assets - year round production scheduled for second half 2009.
- Bankable Field Development Programme.
- Strong reserve growth expected from relatively low-risk exploration.
- Seeking to develop a diverse portfolio of exploration and production assets.



Appendices

Board of Directors

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, 16 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

Desmond J. Burke

- Executive Director – Planning and Investor Relations
- 30 years' minerals industry experience & 20 years' experience in international equity markets

G. David Golder

- Non-Executive Chairman
- 34 years' industry experience with Marathon Oil Company, Sakhalin Energy and others

Thomas G. Hickey

- Non-Executive Director
- 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

Experienced Russian Management Team

Alexey Balyasnikov (Moscow)

- General Director
- 32 years' experience in Russian oil and gas business
- Former Head of Representation for Marathon Oil in Moscow

Alexander Frenovsky (Tomsk)

- Executive Director
- 34 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
- 35 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