



PETRONEFT RESOURCES PLC

Annual General Meeting, 18 September 2015



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

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
- Farmout of 50% of Licence 61 to Oil India Limited (OIL) completed in July 2014
- Strategy focus on "low price oil environment"

Work Programme

- Drilling recommenced in late August 2014
- First horizontal well at Tungolskoye No. 5 location
- 5 vertical wells at Arbuzovskoye Pad 1
- 1,000 km 2D Seismic acquisition at Sibkrayevskoye and Emtorskaya,
- Delineation well at Sibkrayevskoye 373
- Tungolskoye pipeline and utility line 1Q 2015
- Tungolskoye development drilling 2 of 4 horizontal and 3 of 4 vertical wells completed
- Tungolskoye development pipeline production starting from Q2 2015

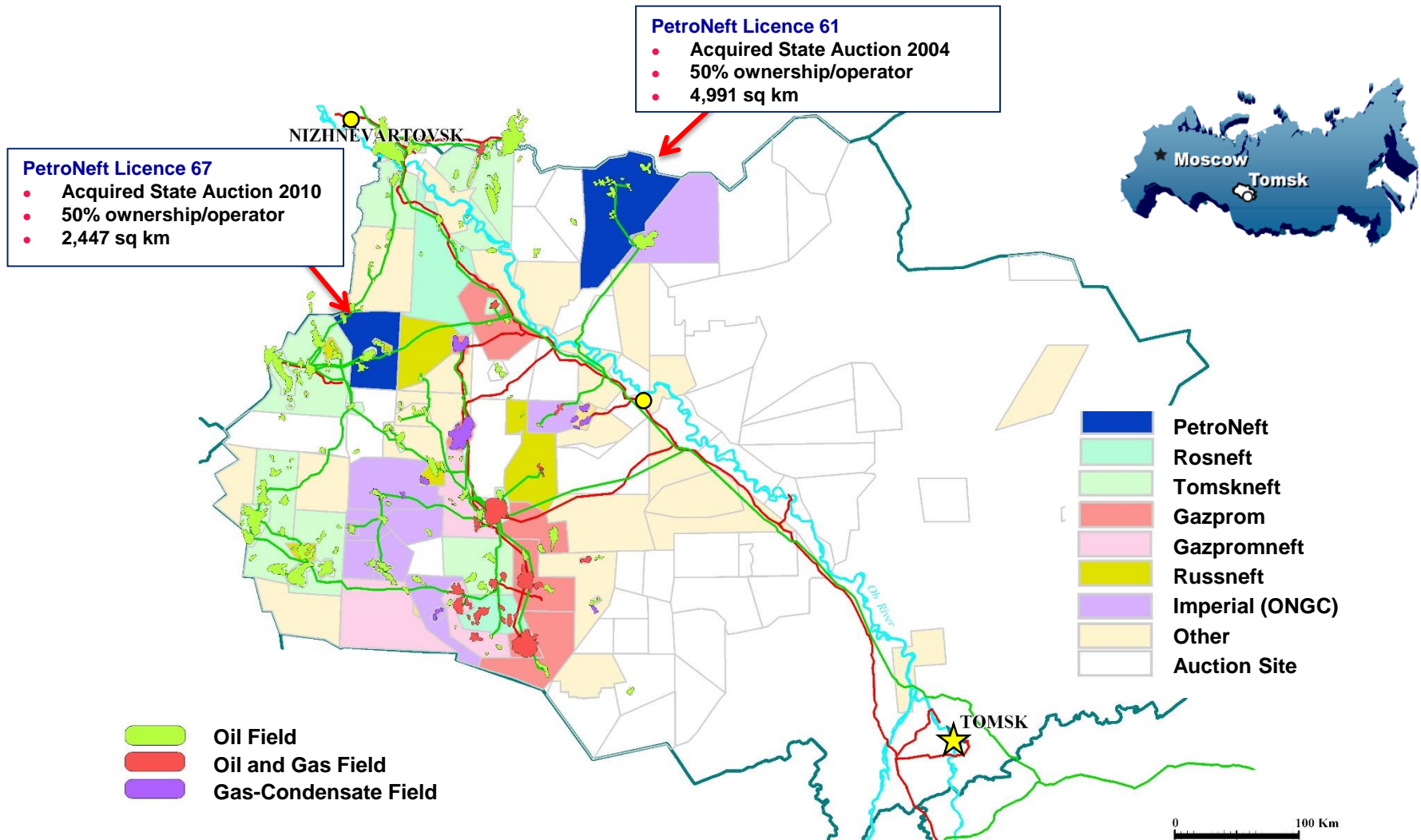
Production

- Current production ≈ 2,700 bopd
- All major infrastructure already in place
- Central Processing Facility at Licence 61 with ±14,800 bpd design capacity
- Future developments on L61 are incremental in nature with robust economics > \$50/bbl
- South Arbuzovskoye, Sibkrayevskoye, West Lineynoye and Emtorskoye projects to come.

Exploration

- Strong Reserve Base with material P3/P4 to 2P upgrades possible from future exploration programme
- Net 2P reserves of 72 mmbo and 3P/P4 reserves of > 300 mmbo (end 2013 post OIL farmout)
- Russian State (GKZ) Reserve update planned for Licence 67 in 2016 based on 3D seismic results
- New reserve report planned for Licence 61 as at end of 2015

TOMSK OBLAST



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

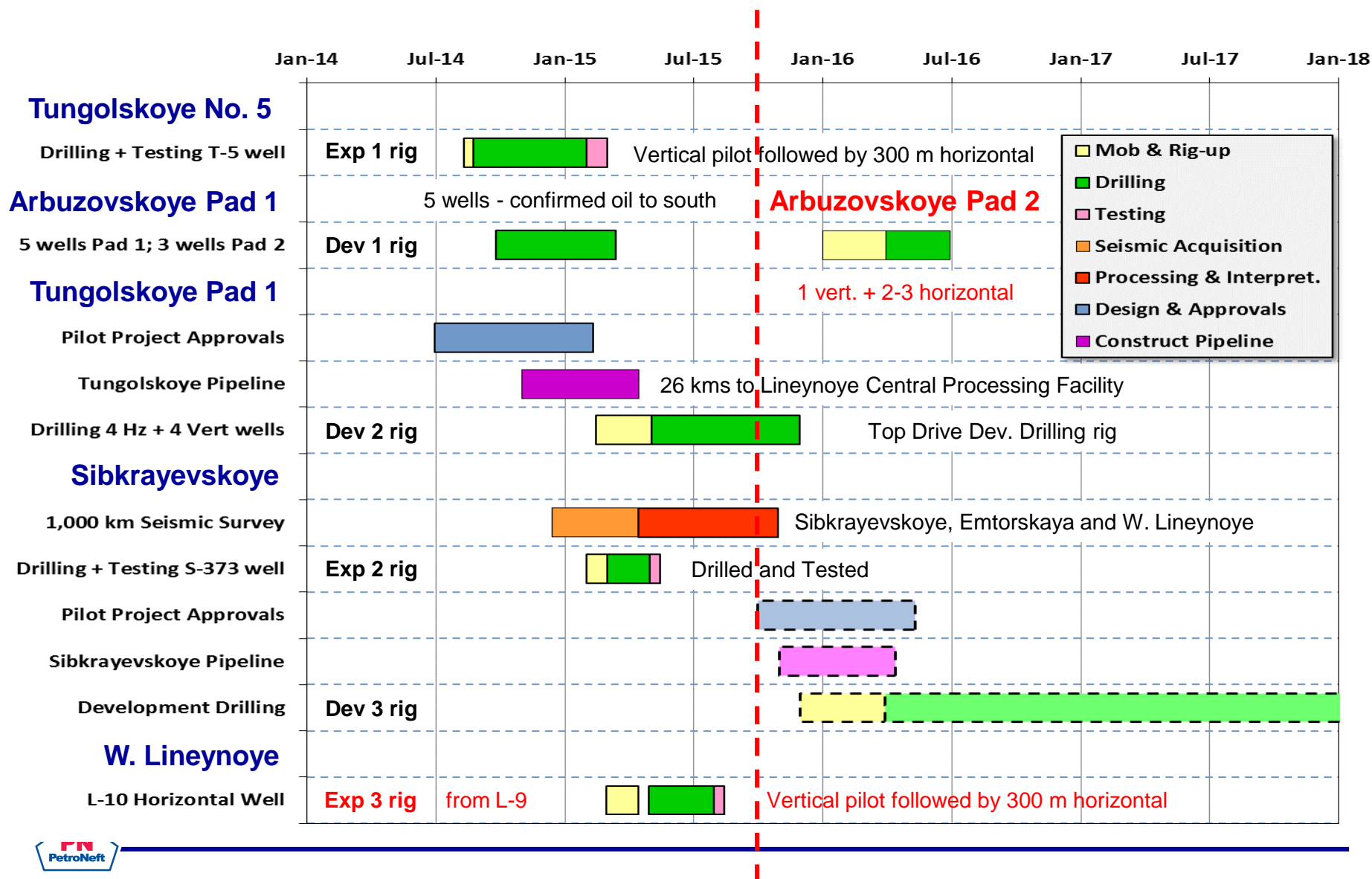


LICENCE 61

Schedule



DEVELOPMENT SCHEDULE FORECAST



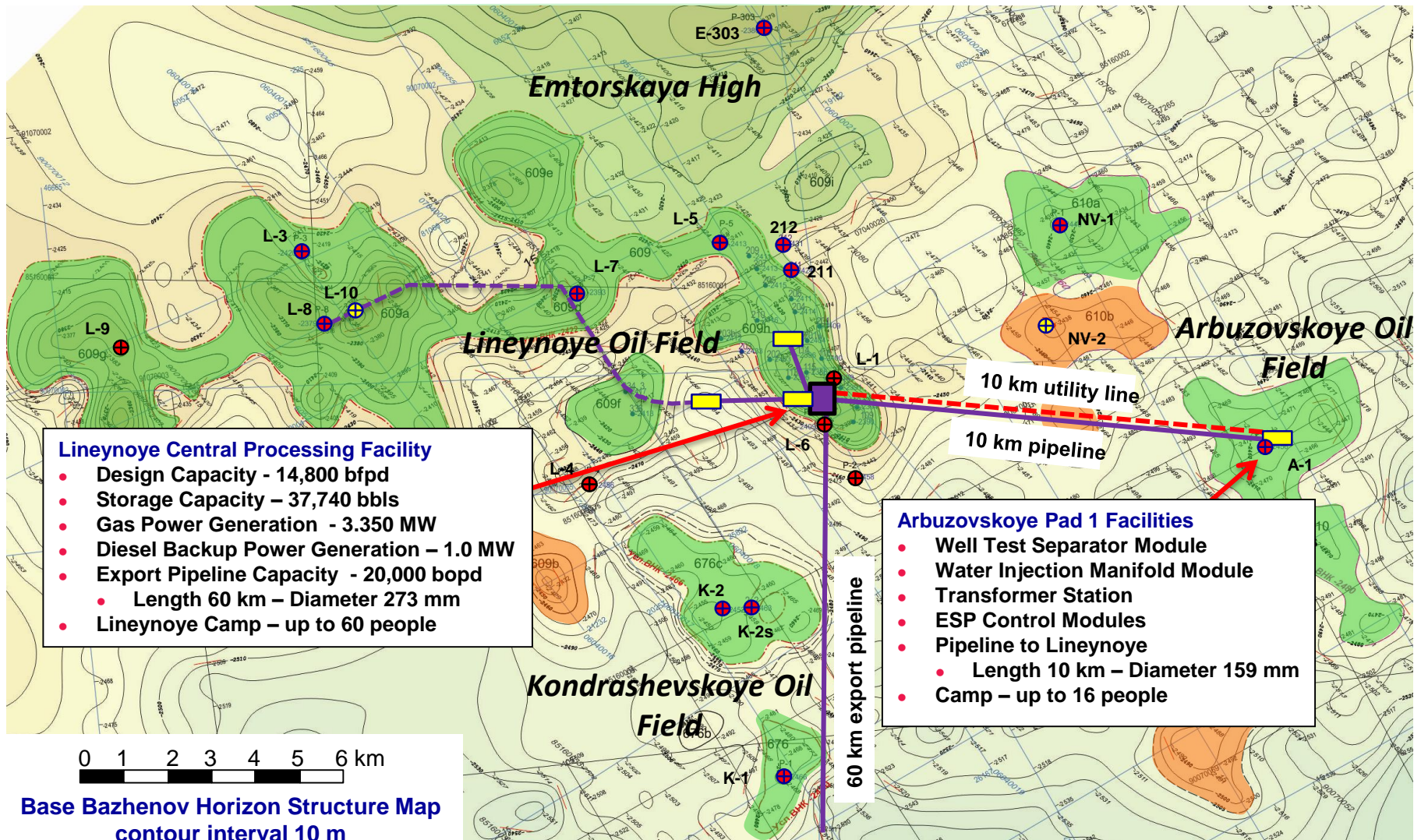


LICENCE 61

Infrastructure



LICENCE 61 NORTHERN INFRASTRUCTURE



ALL MAJOR INFRASTRUCTURE IN PLACE



LINEYNOYE CENTRAL PROCESSING FACILITY





ARBUZOVSKOYE

Pad 1 Drilling Complete



Typical Production Drilling Rig
URALMASH 3000 EUK cluster drilling rig

ARBUZOVSKOYE PAD 1 – “THE KIT”

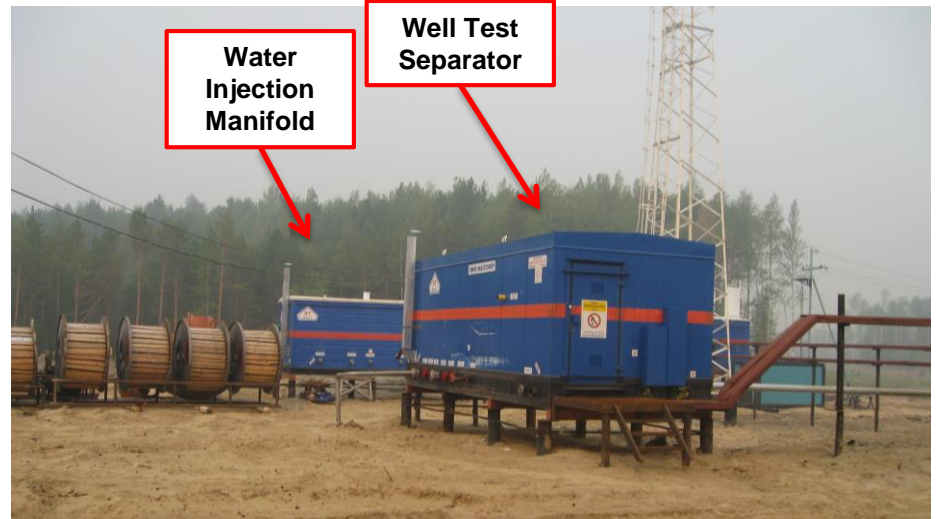


Living Quarters
& Canteen



Drilling
Camp

Test Separator
W.Inj. Manifold
Transformers



Water
Injection
Manifold

Well Test
Separator

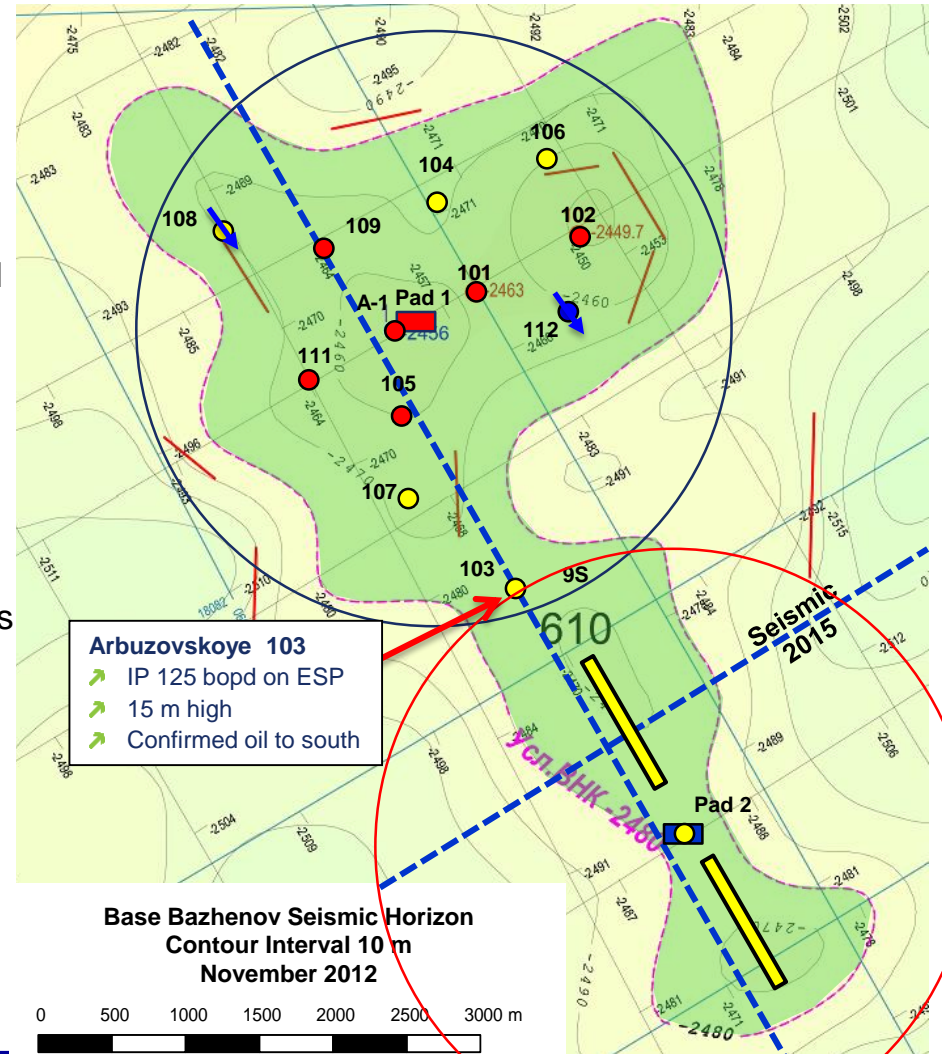
ARBUZOVSKOYE OIL FIELD DEVELOPMENT

Post OIL Farmout – 2014/2015

- Additional 5 wells drilled on Pad 1. **All 5 wells successful. Likely owc at 2479.3 m**
- Well 9s (A-103) strategically located to the south to maximise information gathering for Pad 2 well locations. **Well was 15 m high to prognosis. Confirmed reservoir and oil saturation to the south.**
- Seismic acquired along axis of southern lobe in Q1 2015 to better define structure for potential horizontal well development

Southern Lobe Development planned in 2016

- Location for Pad 2 has been selected
- Quick tie-in to Pad 1 and Lineynoye CPF
- Initial well will be vertical well with core at Pad 2 location
- Planned development will consist of 2 horizontal wells with up to 1,000 m horizontal segments
- Very good results expected due to good rock properties
- Updated seismic interpretation mid 2015



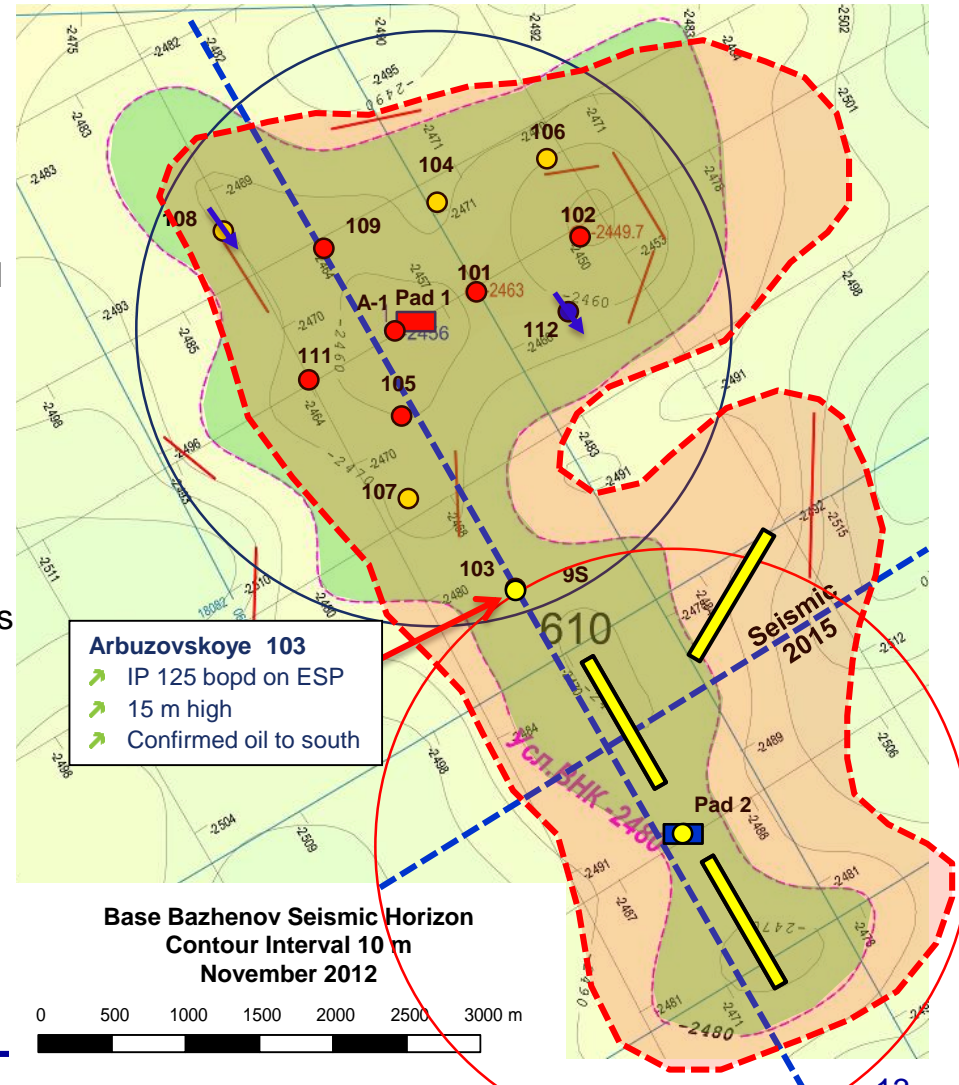
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- Very good results expected due to good rock properties
- Updated seismic interpretation mid 2015
- **Preliminary seismic interpretation incorporating new seismic data and A-103 well results indicates southern lobe is larger with possibility of 3 horizontal wells for development**





TUNGOLSKOYE

Development underway



Typical Production Drilling Rig
URALMASH 3000 EUK cluster drilling rig

TUNGOLSKOYE PIPELINE CONSTRUCTION



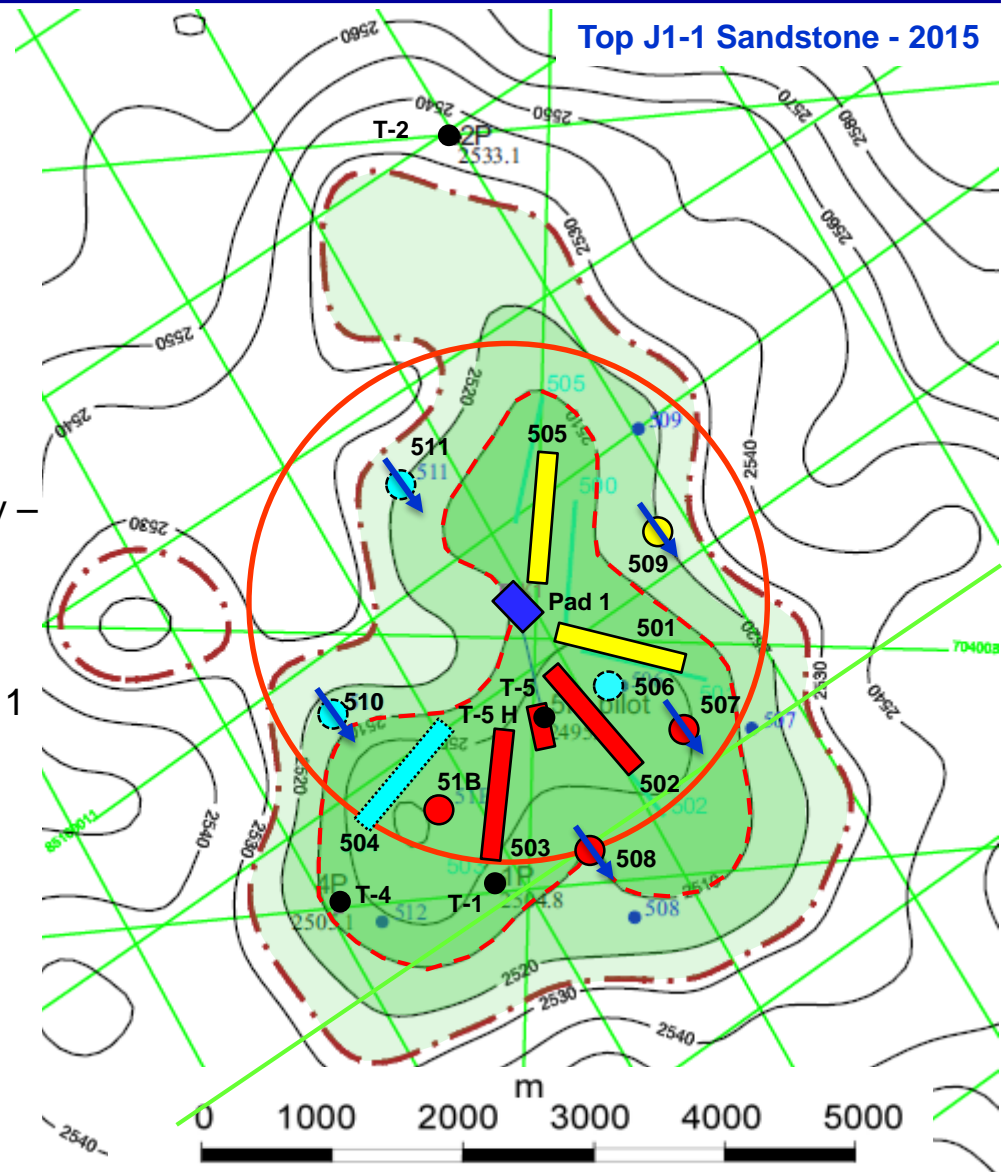
TUNGOLSKOYE DEVELOPMENT

2014/2015 programme:

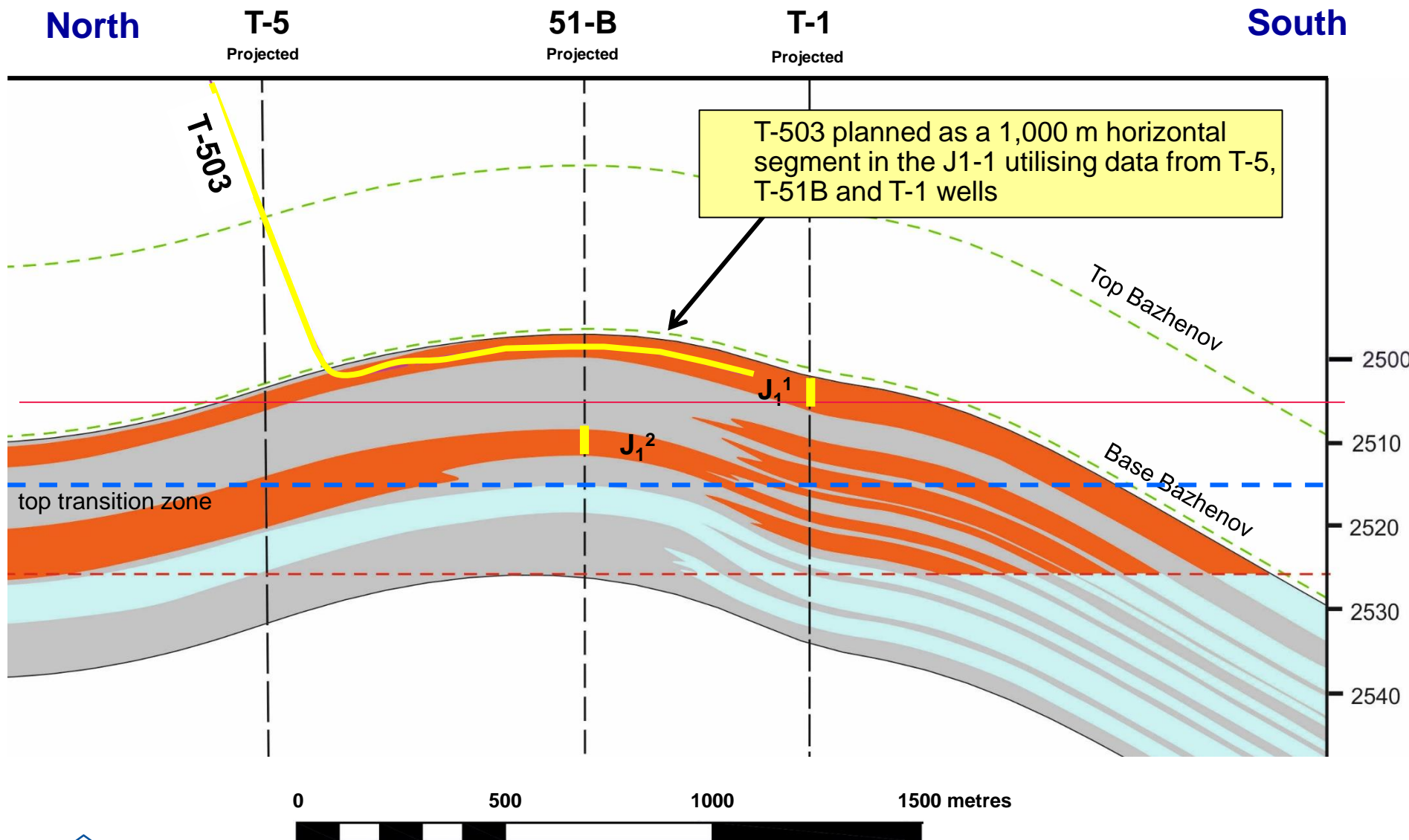
- Q1 mobilise rig for T-5 well
- Drill, core and test T-5 well with horizontal segment using Baker Hughes
- Confirmed structural crest and viability of horizontal wells for development

2015 programme:

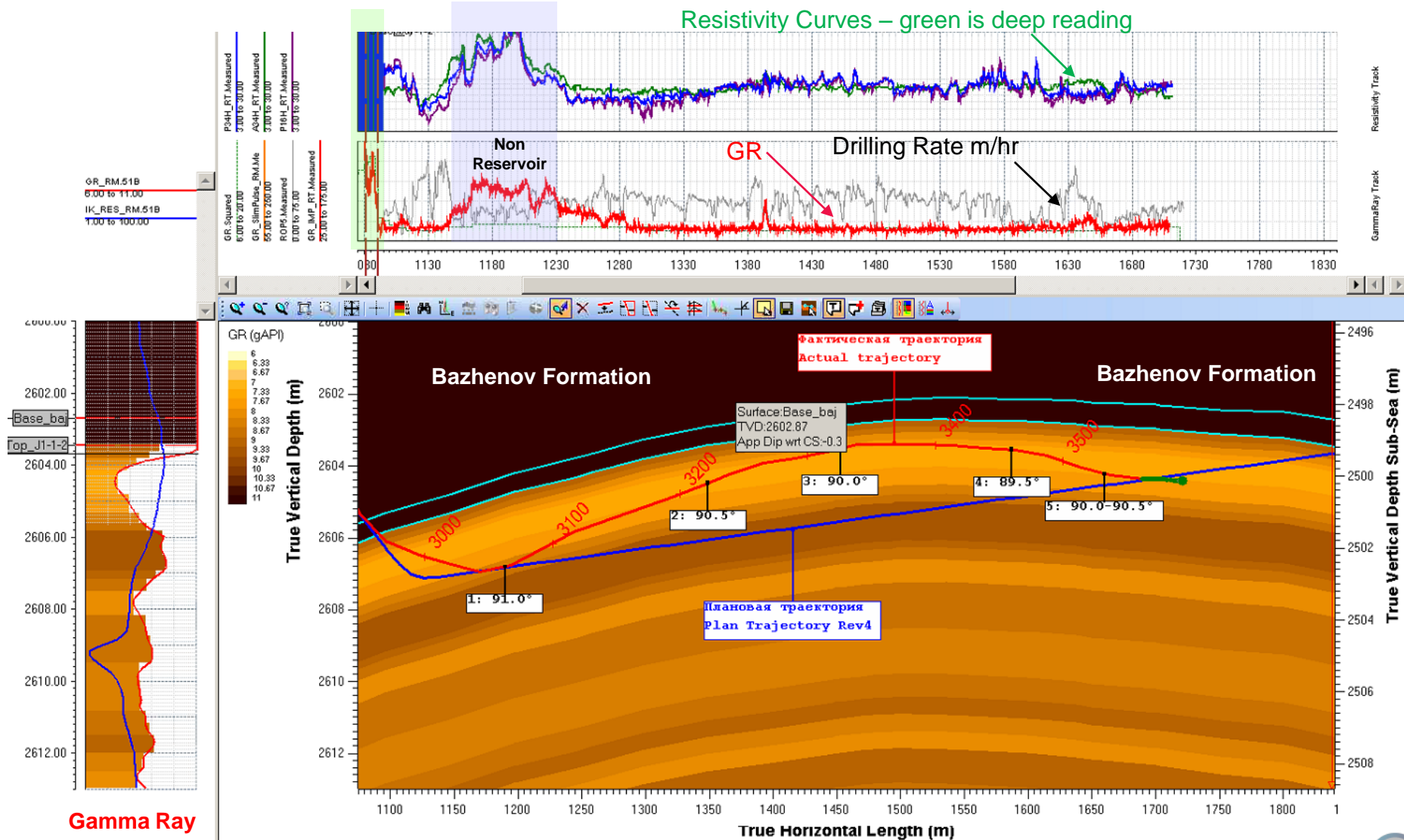
- Construction of 26 km pipeline/utility line from Lineynoye Central Processing Facility – Q1
- Construction of Pad 1 and mobilisation of development drilling rig and supplies – Q1
- Commence development drilling from Pad 1 and start of pipeline production – Q2
- Drilled 2 of 4 horizontal wells and 3 of 4 vertical wells to date.
- Good results from horizontal wells – about 500 bopd initial production



TUNGOLSKOYE 503 WELL TRAJECTORY



TUNGOLSKOYE NO. 503



HORIZONTAL WELL RESULTS

Tungolskoye Pad 1 (Exploration Rig without Top Drive)

- T-5 – Pilot – confirmed structure, 8.2 m net pay, 100 bopd open hole test
- T-5 – Horizontal (J1²) - 352 m, 282 m net pay estimate, Initial flow rate >600 bopd. The well subsequently started producing water at >50% water cut from an interval below the target zone. Current flow rate is about 60 bopd
- Confirmed technical viability of horizontal wells. Future development wells will be drilled to avoid the lower J1² interval.

Tungolskoye Pad 1 (Production Rig with Top Drive)

- T-503 – Horizontal (J1¹) 1,003 m, 663 m net pay, 14 day ave. after cleanup – 499 bopd
- T-502 – Horizontal (J1¹) 982 m, 624 m net pay, 14 day ave. after cleanup – 481 bopd
- T-501 – Horizontal (J1¹) drilling in progress

West Lineynoye – L-10 (Exploration Rig without Top Drive)

- L-10 – Horizontal (J1¹) 265 m, 55 m net pay, 14 day ave. after cleanup – 189 bopd
- Results can be improved with Lessons Learned



SIBKRAYEVSKOYE

1,000 km 2D seismic acquisition 2014-15



SIBKRAYEVSKOYE OIL FIELD OVERVIEW

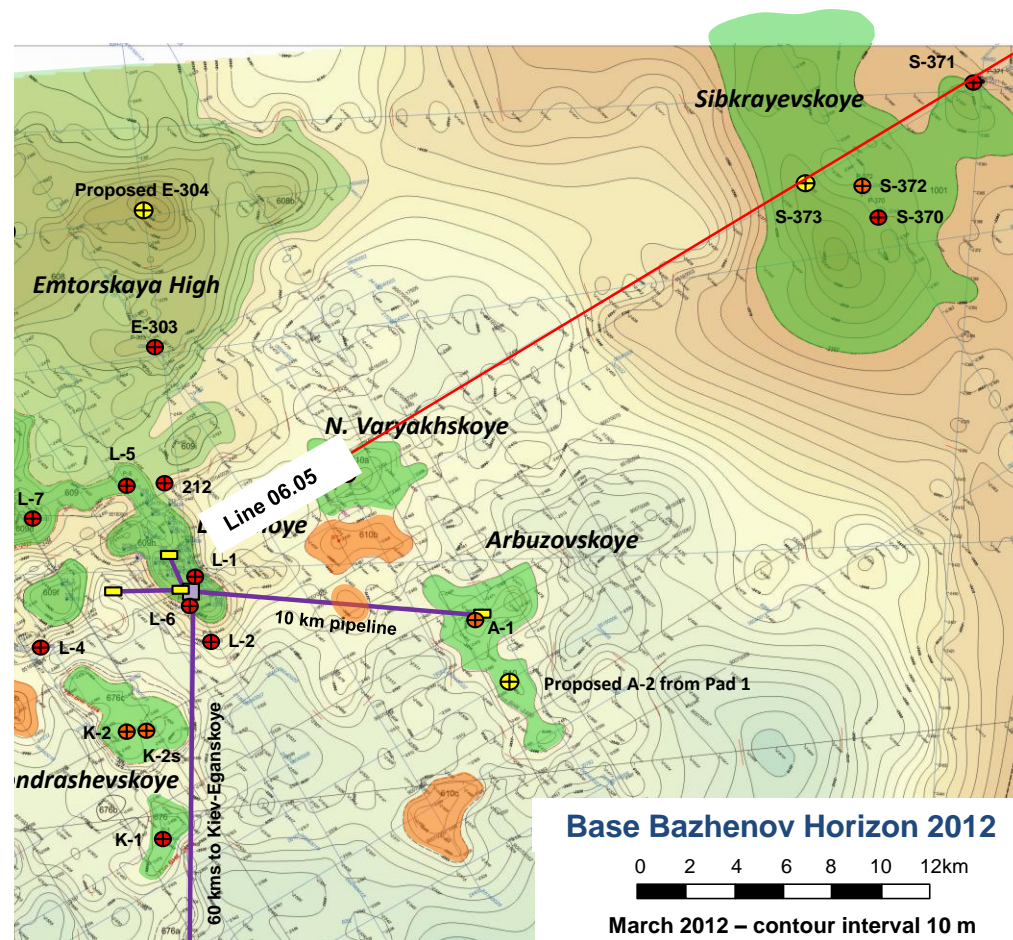
50 million bbls plus – expected on-stream 2016/2017

Three wells were drilled in prior years:

- Wells 370 and 371 drilled in early 1970s
- PetroNeft drilled well 372 in 2011 parallel to well 370
- Well confirmed 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
- RS 2P reserves 53 million bbls (gross)
- Additional seismic and well data needed to fully assess the discovery and register reserves for development

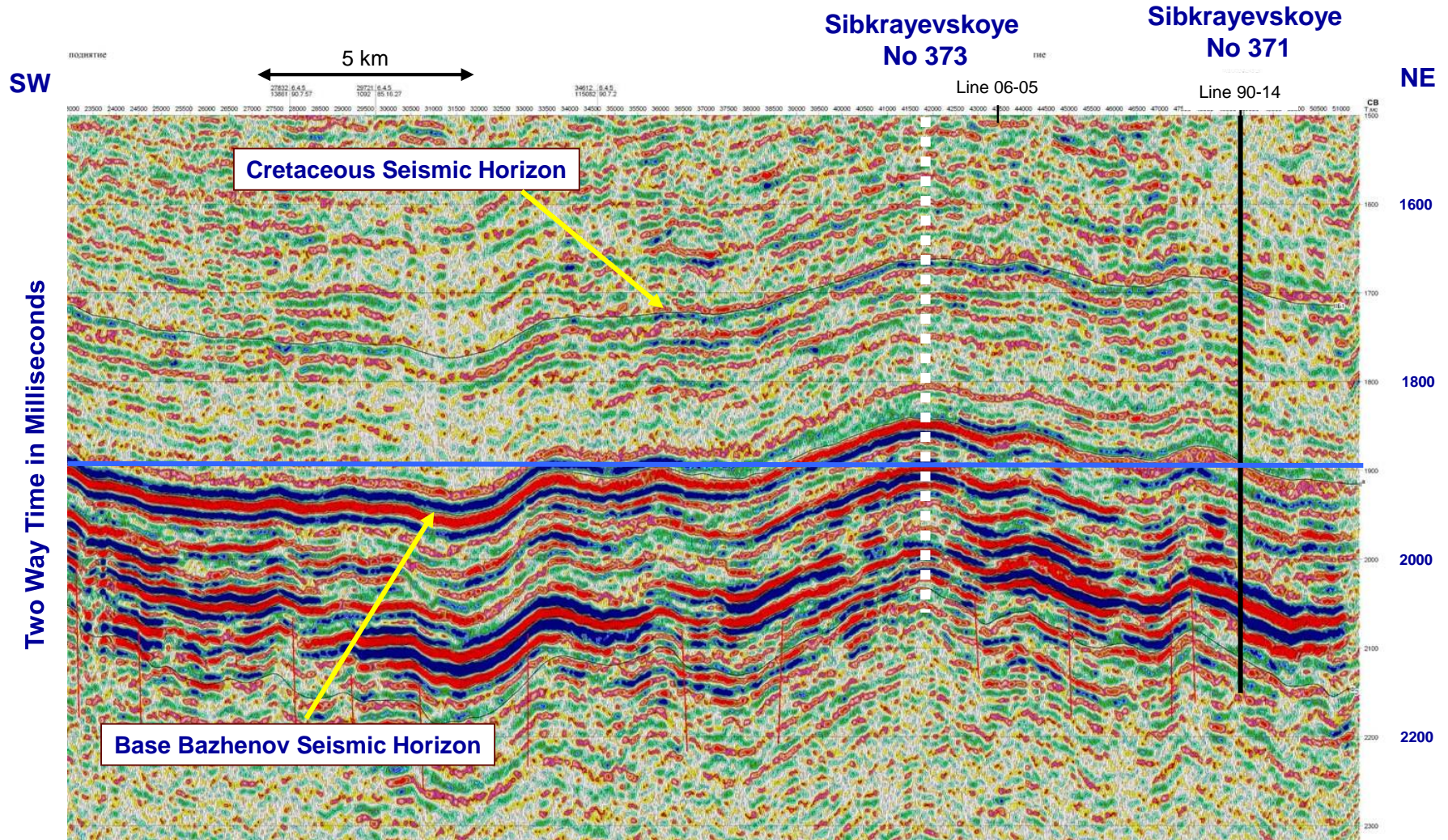
Sibkrayevskoye No. 373 (2015):

- Crestal Well on Line 06-05
- 18.8 m high to No. 372 – per prognosis
- Total net pay 11.5 m
- Cased hole test – 97 bopd on 5 mm choke
- Equates to about 283 bopd with ESP



SIBKRAYEVSKOYE NO. 373 DELINEATION WELL

Seismic Line 06-05 – Sibkrayevskoye is very large high amplitude structure



SIBKRAYEVSKOYE STRUCTURE 2007

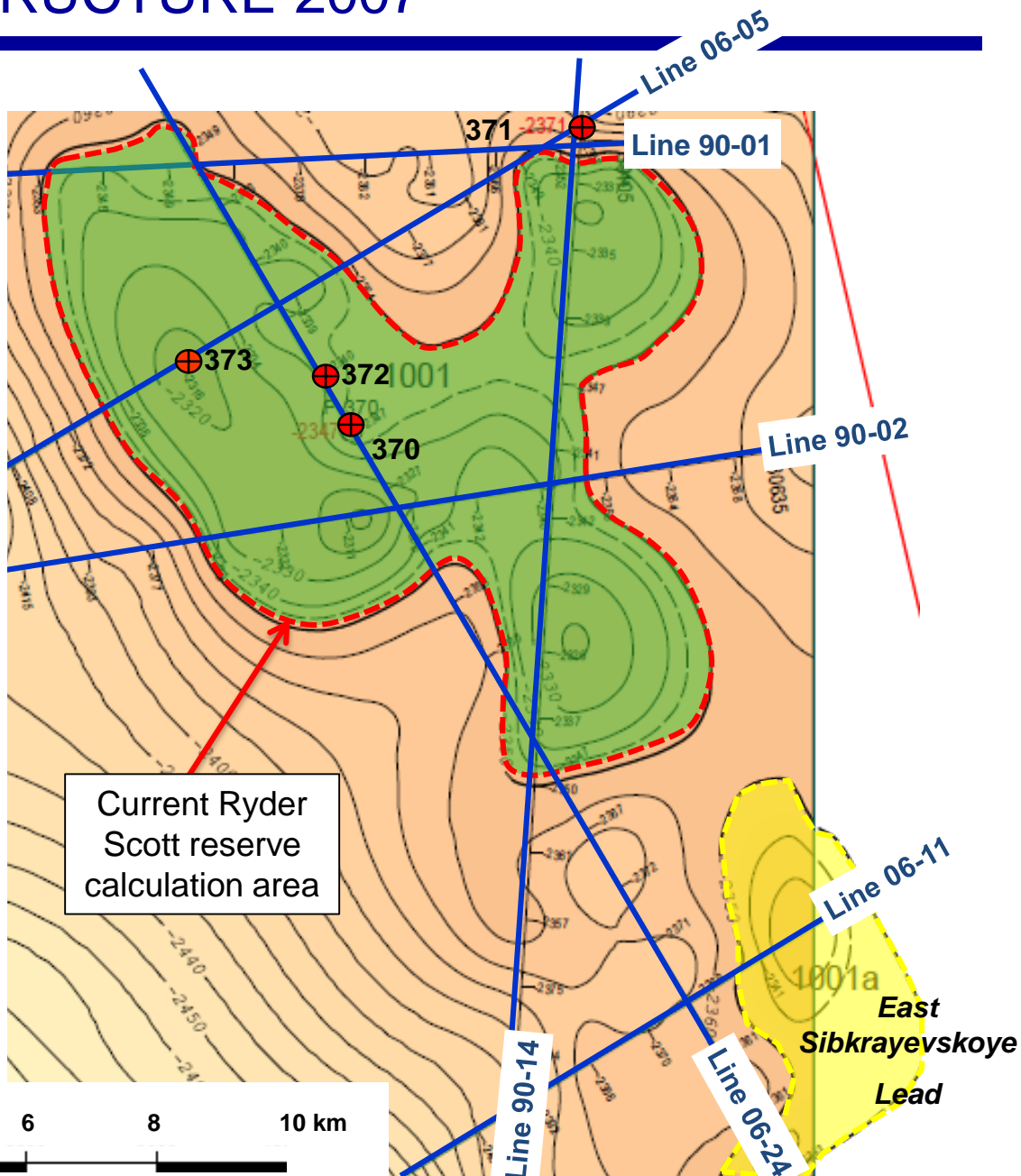
Structure Map Base Bazhenov Horizon – 2007 Contour Interval = 10 m

Sibkrayevskoye No. 372 (2011)

- Drilled parallel to well 370 (1972)
- Well confirmed 12.3 m of “missed pay”
- Open hole inflow test 170 bopd, 37° API
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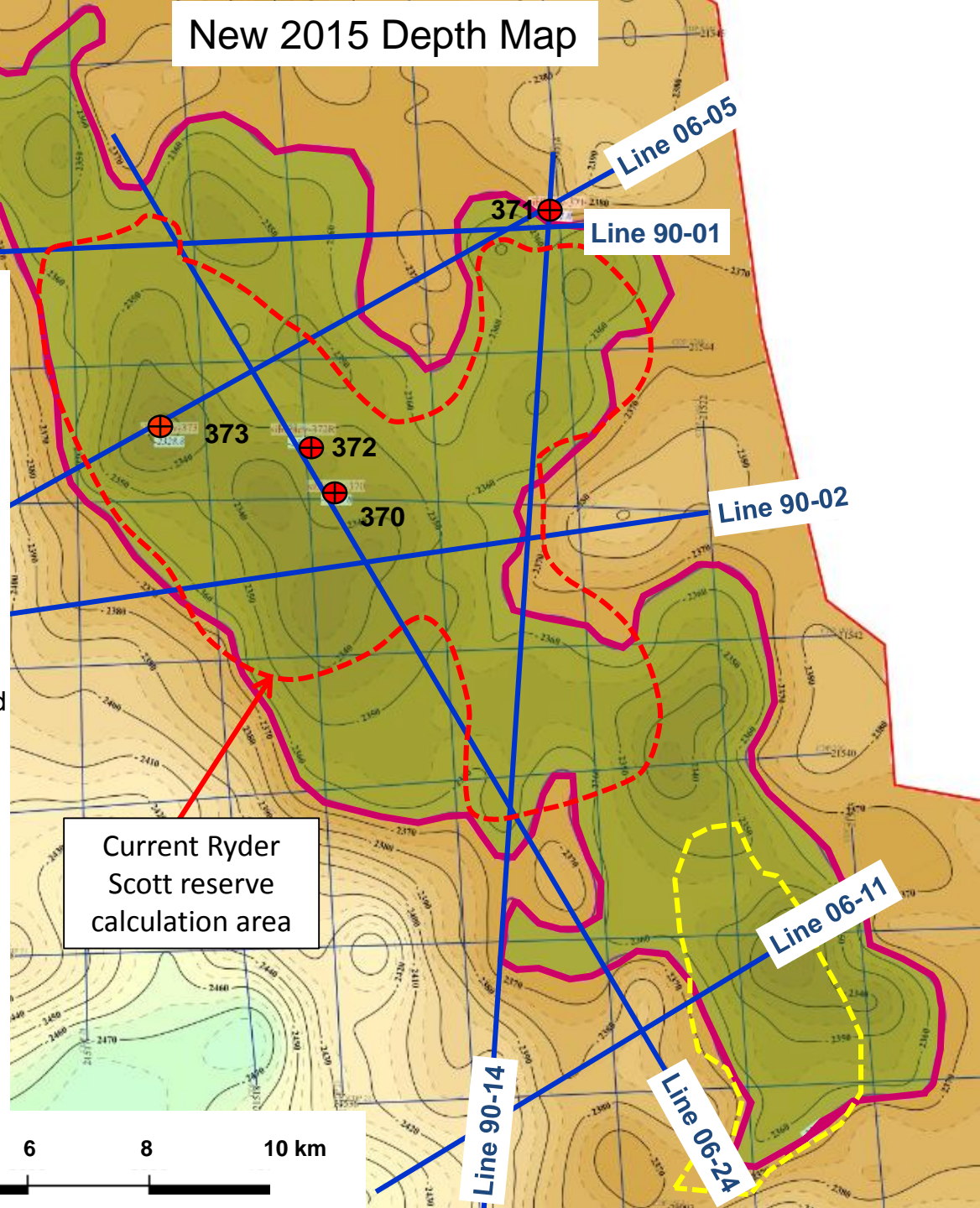


New 2015 Depth Map

Structure Map Base Bazhenov Horizon – 2015 Contour Interval = 10 m

New Seismic

- High Resolution 2D data in Q1 2015
- Extends the structure to southeast to include East Sibkrayevskoye Lead
- Reserve calculation area will increase from about 50 km² to over 100 km²
- Internal estimate up to 100 million bbls based on new seismic
- Ryder Scott will do new reserve report as at end of 2015



0 2 4 6 8 10 km



EMTORSKAYA

Future Exploration Prospect



Typical Exploration Drilling Rig
URALMASH BU 3D 76

0 1 2 3 4 5 6 km

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

Emtorskaya 304 - Proposed

- Crestal high -2,320 m J_1^1
- 60 m high to Lineynoye Crest

Emtorskaya 303 - Reinterpretation

- J_1^1 - 1.9 m oil
- J_1^2 - 3.2 m potential oil
- 5.7 km² closure updip

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 J_1^1
- Well 211 owc -2,436 m J_1^2

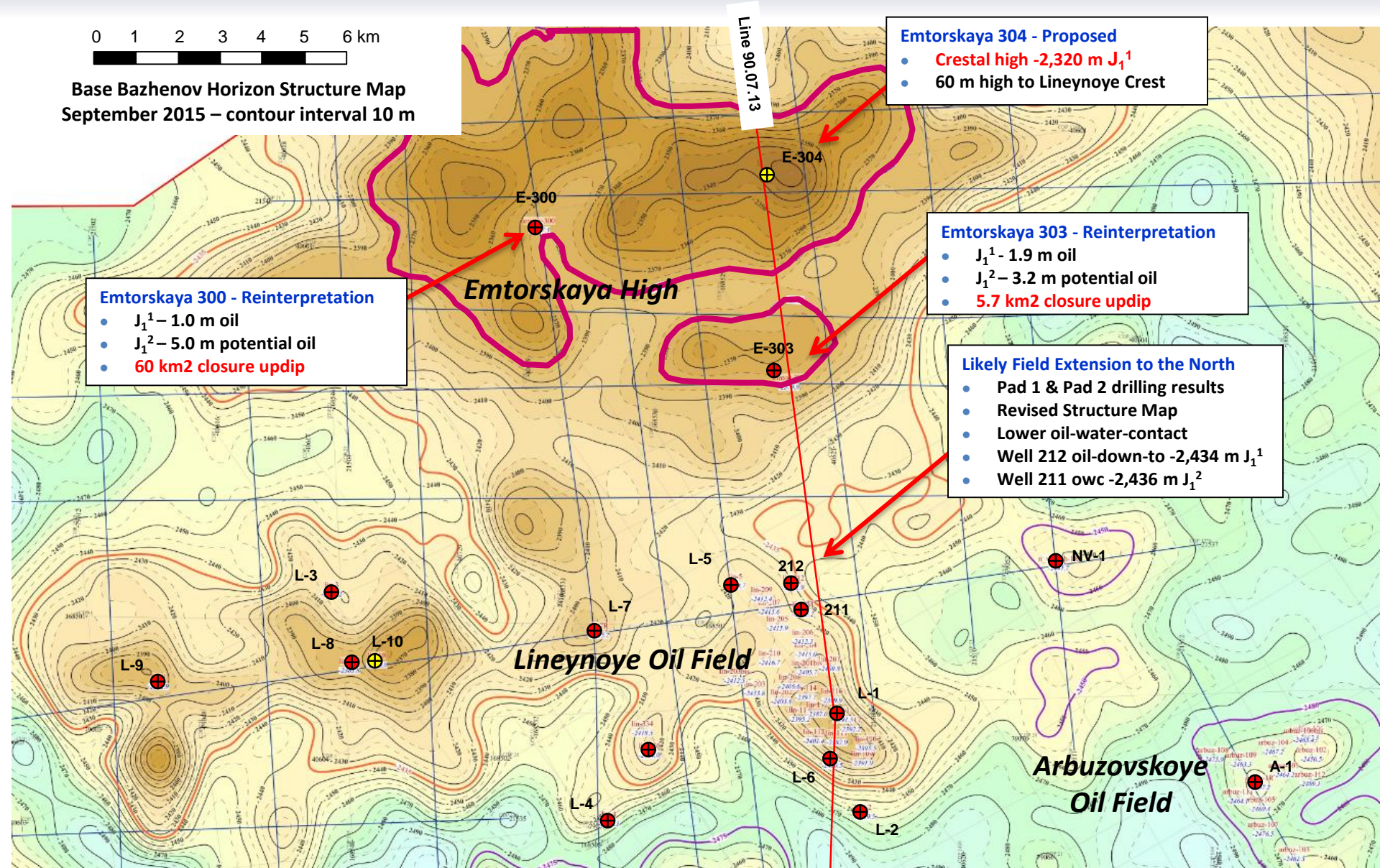
Emtorskaya 300 - Reinterpretation

- J_1^1 - 1.0 m oil
- J_1^2 - 5.0 m potential oil
- 60 km² closure updip

Emtorskaya High

Lineynoye Oil Field

**Arbuzovskoye
Oil Field**



Emtorskaya High – 2012/2015 Compare

0 1 2 3 4 5 6 km

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

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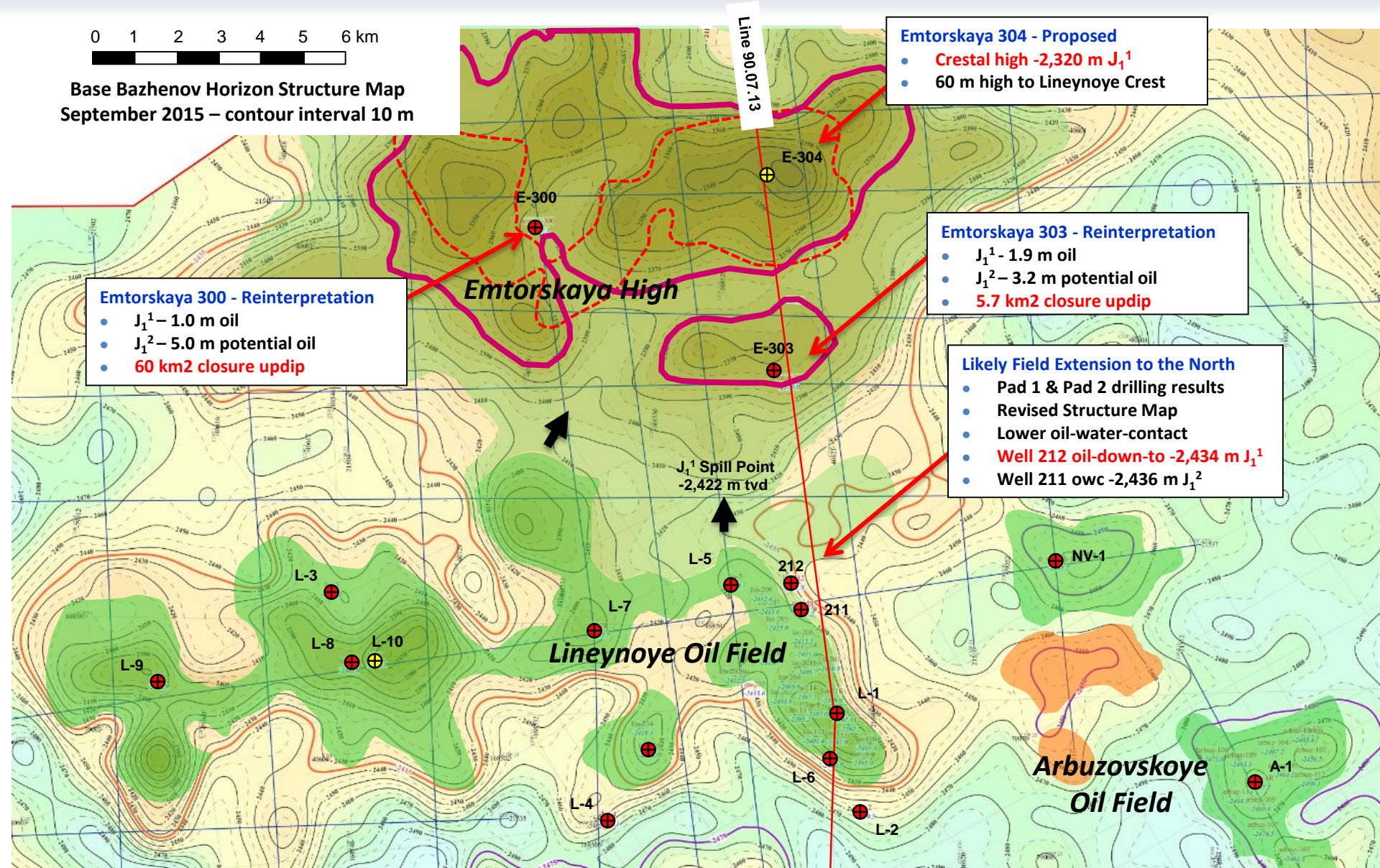
Emtorskaya High

Lineynoye Oil Field

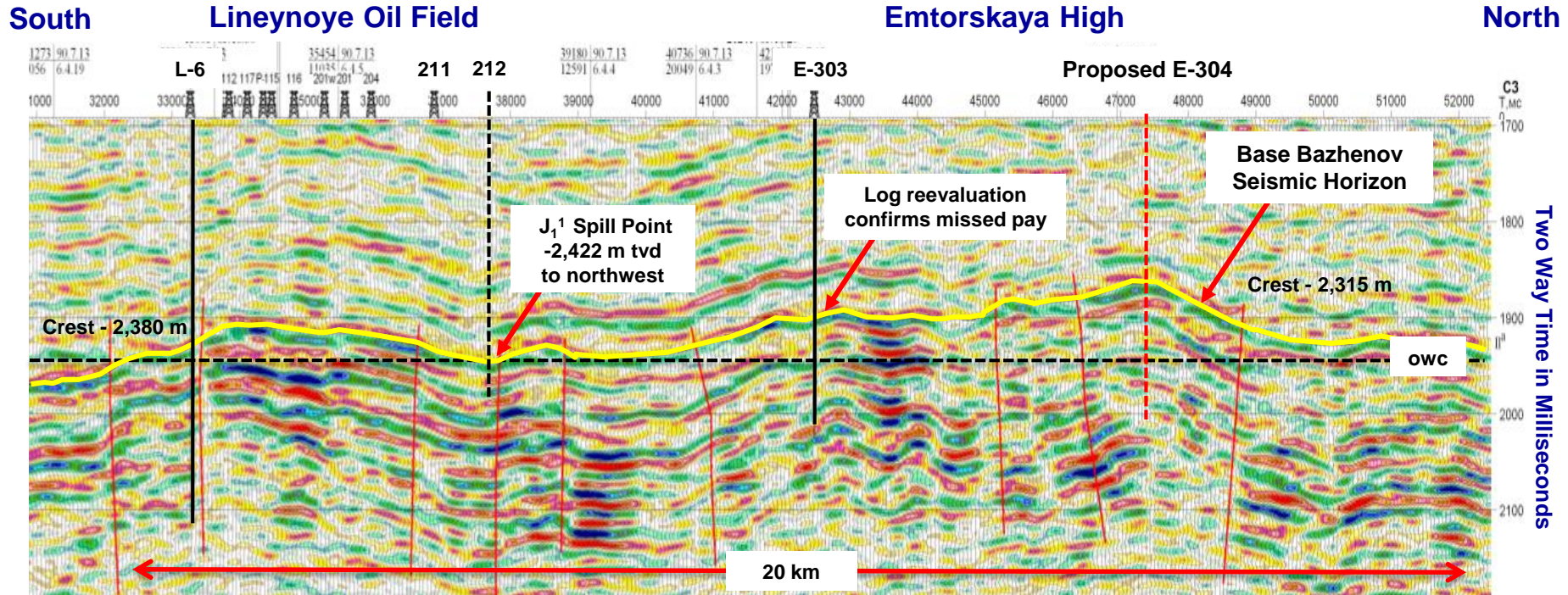
Arbuzovskoye Oil Field

J_1^1 Spill Point
-2,422 m tvd

Line 90.07.13



EMTORSKAYA HIGH



- As a result of the Lineynoye drilling programme the oil-water-contact was determined to be about -2,435 m tvd.
- The interpreted spill point of the Lineynoye structure is -2,422 m and this indicates that Lineynoye and Emtorskaya are likely one continuous oil field at the J1-1 interval.
- Emtorskaya is both larger in area and higher structurally than Lineynoye.
- The potential reserves associated with this play could be large, > 40 million bbls for just the J1-1 interval. Over 100 million bbls for J1-1 and J1-2 intervals

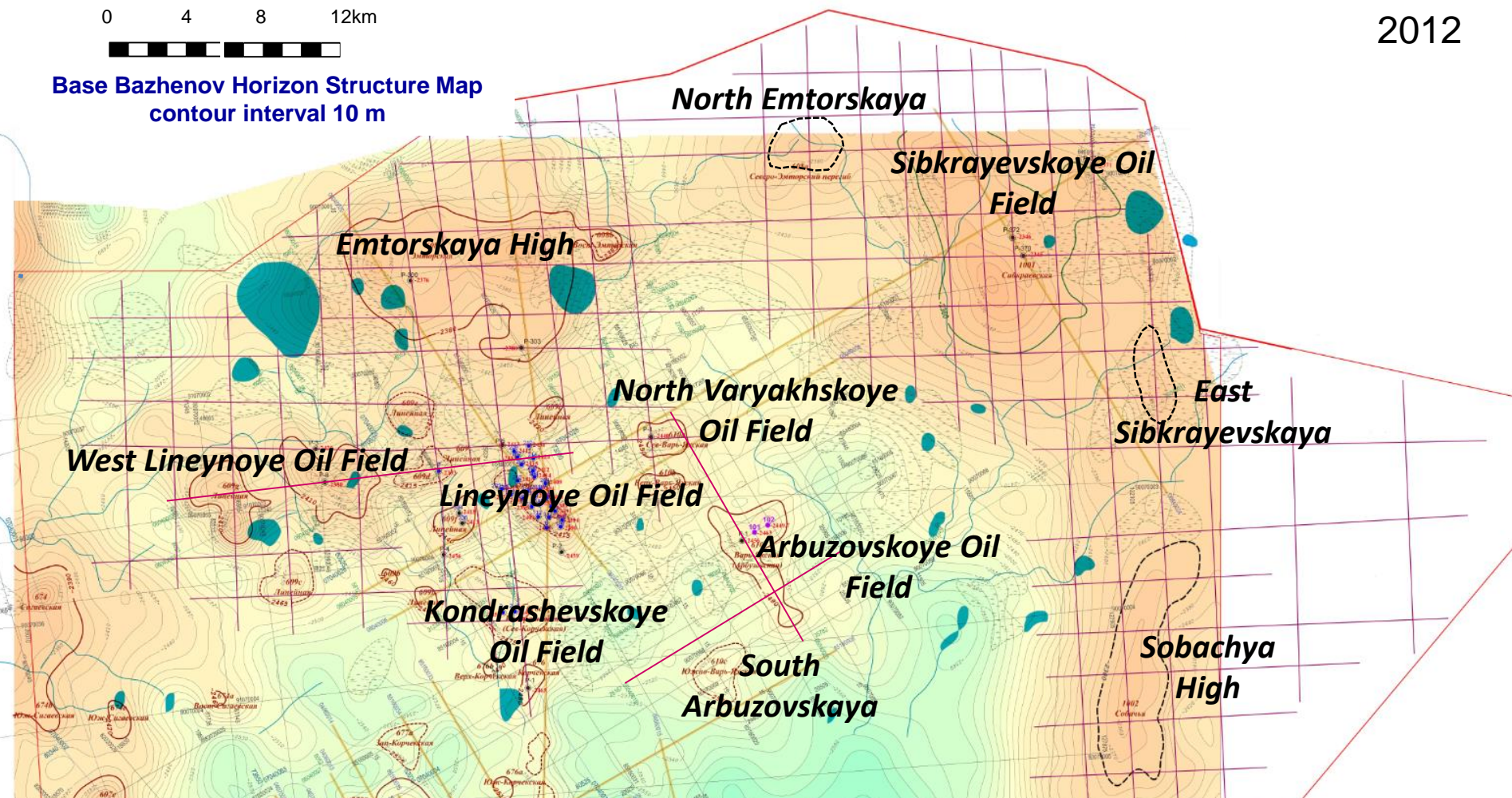


0 4 8 12km



Base Bazhenov Horizon Structure Map
contour interval 10 m

2012



➤ Primary Goal - better definition of Sibkrayevskoye and Emtorskaya for development

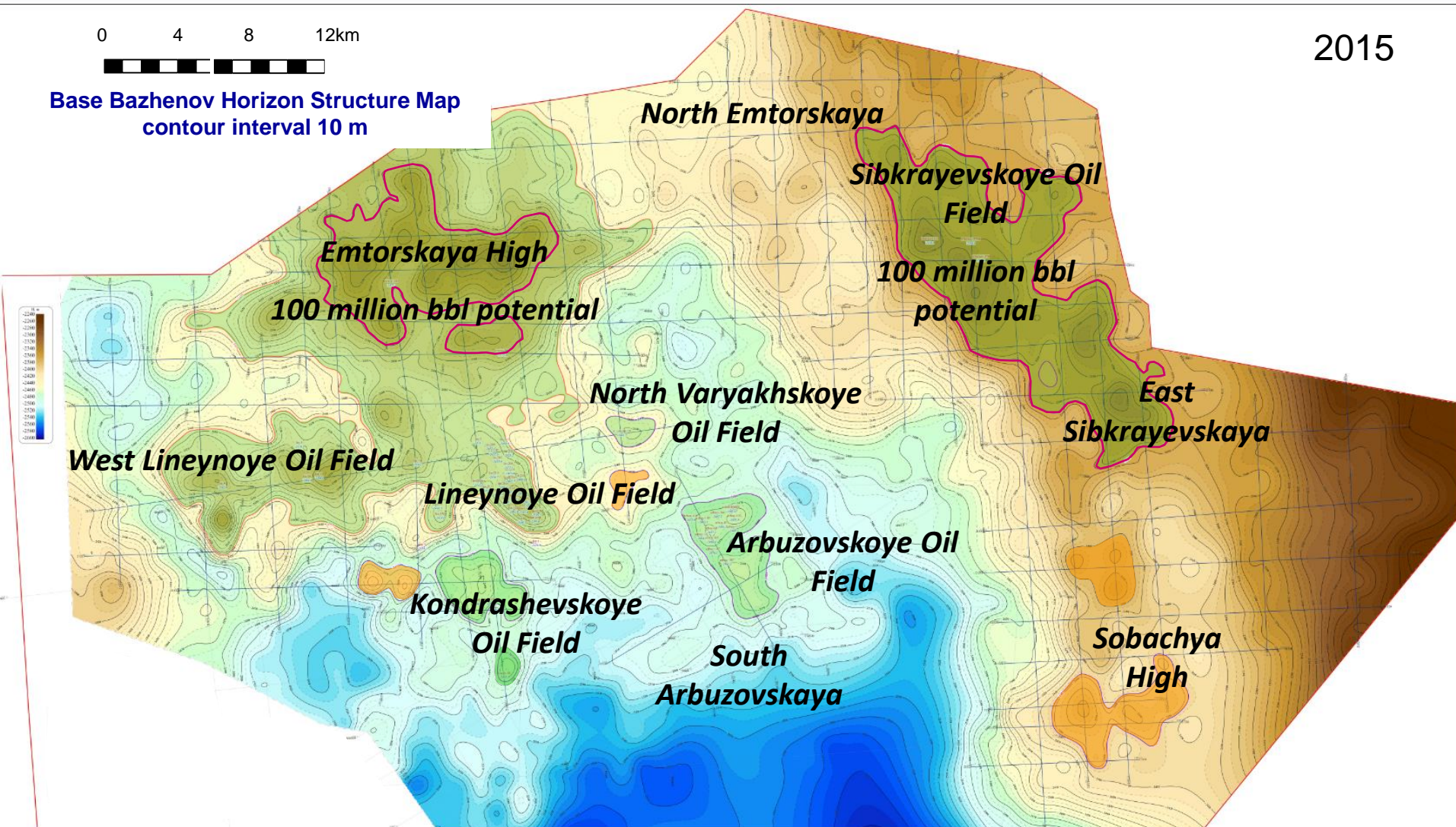


0 4 8 12km



Base Bazhenov Horizon Structure Map
contour interval 10 m

2015





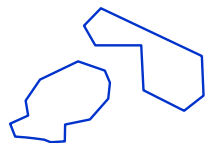
LICENCE 67



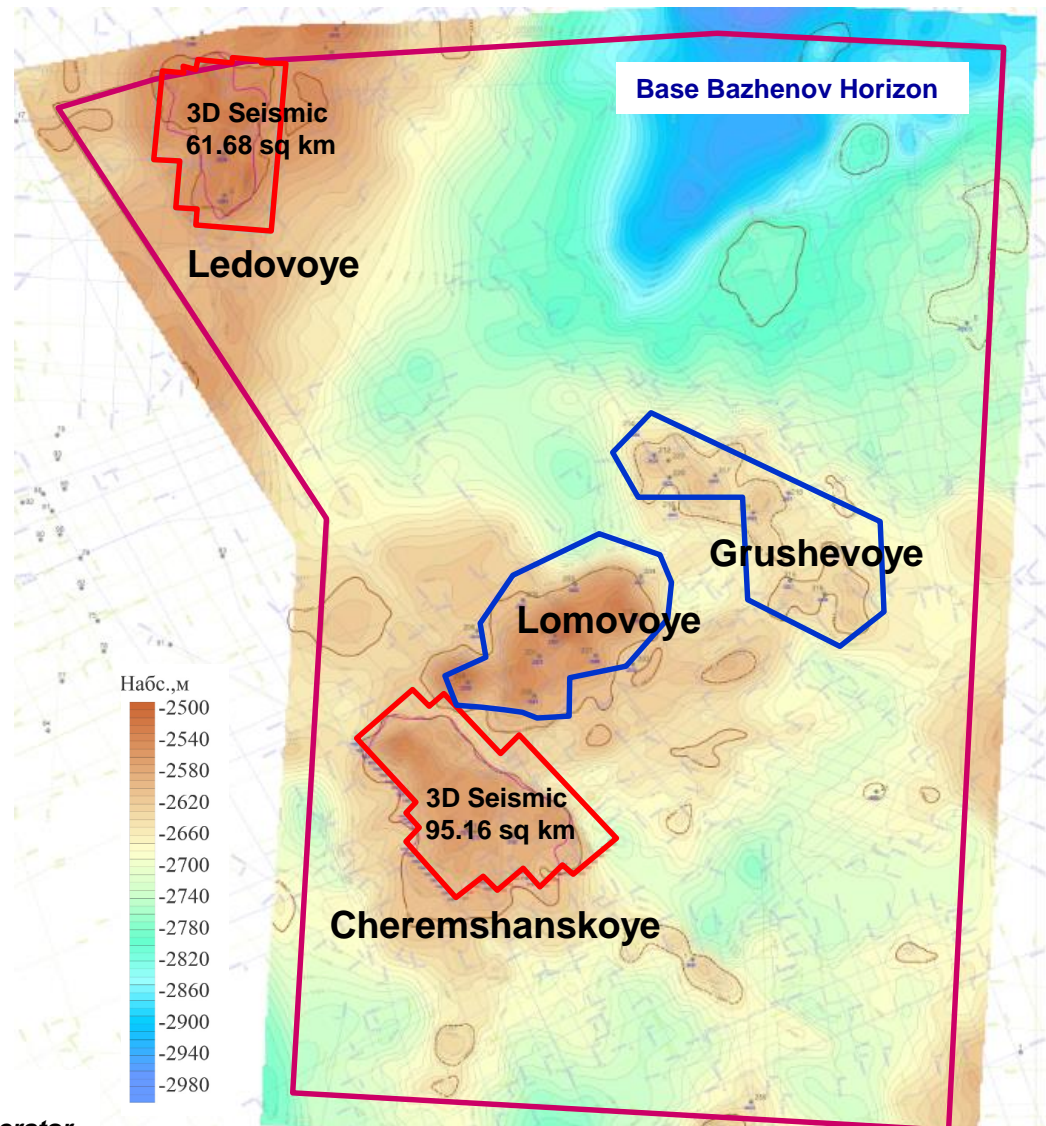
LICENCE 67 - 3D SEISMIC 2014

Major Activities 2014/15

- Ledovoye 3D Seismic
 - 61.68 sq km
- Cheremshanskoye 3D Seismic
 - 95.16 sq km
- Acquisition – primarily Q1 2014
– PITC Geofizika
- Processing and Interpretation ongoing
– Tomsk Geophysical Company
- Final Report – December 2014
- Next 5 year exploration extension
approved end of 2014
- GKZ Reserve update for Ledovoye and
Cheremshanskoye based on new 3D
seismic in Q1 2016
- No significant expenditures required
until 2017



Excluded areas



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



INVESTMENT HIGHLIGHTS



INVESTMENTS HIGHLIGHTS

Business and Strategy

- Adjust plans for “low oil price environment”
- Focus on near term production growth and cash flow
- Apply transformative potential of horizontal wells
- Prioritize inventory of projects based on economic merits
- Plan to develop 200+ million bbls
- Delineate and certify full extent of Sibkrayevskoye and Emtorskaya High Accumulations
- Build on experienced and motivated management with strong local relationships
- Build on solid joint-venture relationship with Oil India

INVESTMENT HIGHLIGHTS

Production Growth

- Producing company with major infrastructure in place at L-61
- Producing from less than 20% of our reserve base – currently about 2,700 bopd
- Fields being brought into production
 - Tungolskoye 20 mm bbls of 2P reserves (will reduce)
- Quality Northern fields still to bring to production in near term:
 - South Arbuzovskoye high flow rates expected
 - Sibkrayevskoye 53 mm bbls of 2P reserves (up to 100 mm bbls*)
 - Emtorskaya High Potentially 20-40 mmbbls (up to 100 mm bbls*)

Exploration and Reserve Upside

- Strong Reserve Growth; very significant reserve additions from exploration to date
- New reserve report as at end 2015 will show net increase
- Horizontal well results and new seismic provide solid inventory of future of projects

** Internal estimate based on new seismic*