

Petrosibir



AGM 2016

24 May 2016

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Assets overview



Petrosibir AB

- 100% AO Ingeoholding
- 49% Ripiano Holdings Ltd
- 28% stake in Petrogrand was sold in May 2016 for SEK 8mln (\$1mln)
- Cash \$2.8mln (end of March)
- Debt free

Ripiano Holdings Ltd (100%)

- 100% LLC Dinyu
- 100% LLC CNPSEI
- Cash \$10.3mln (end of March)
- Debt \$0.6mln (end of March)

LLC DINYU + LLC CNPSEI (100%)

- 2P reserves 18 MMbbls* (gross)
- Current production 1.9 thd bopd (gross)
- Cash \$0.5mln (end of March)
- Debt \$14.5mln (external, end of March)

AO Ingeoholding

- 2P oil reserves 23 MMbbls**
- Current production 0.4 thd bopd
- Cash \$0.2mln (end of March)
- Debt free (external)

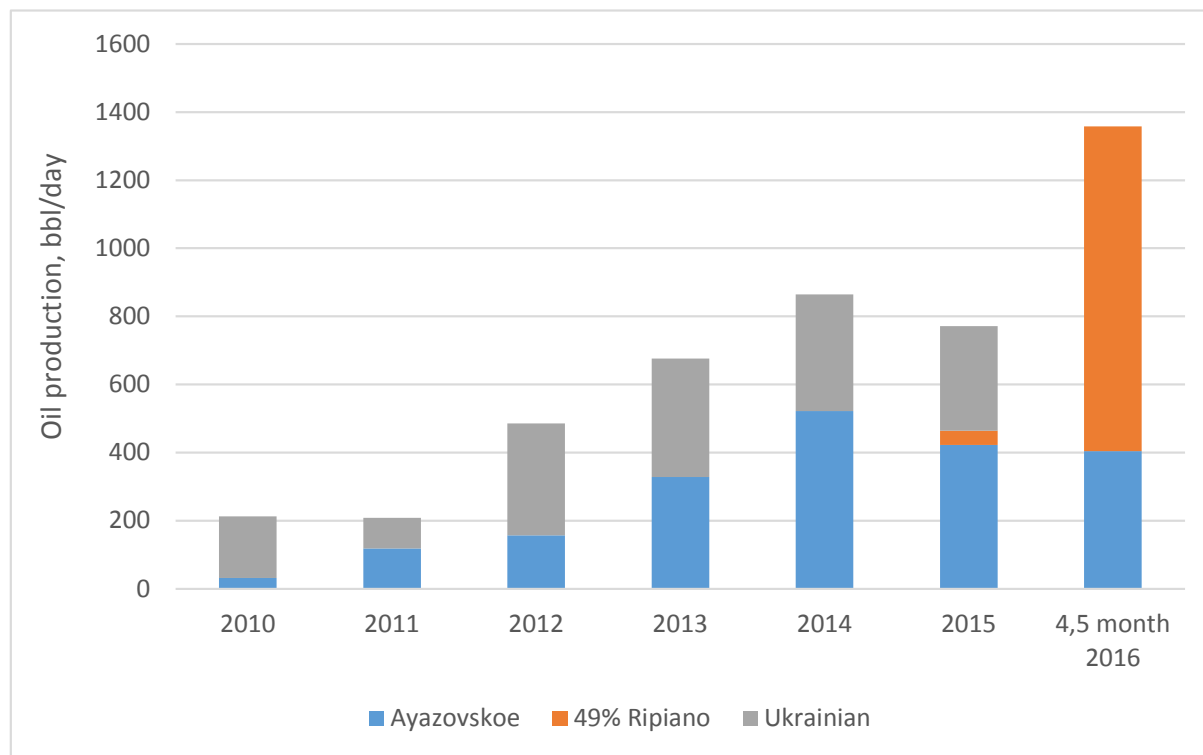
*Enconco report as of 1st July (production July 2014 – May 2016 1.2 MMbbls not adjusted)

**TRACS report as of 1st October 2014 (production October 2014 – May 2016 0.3 MMbbls not adjusted)

Highlights 2016

- Daily production of over 1380 barrels
- Significantly strengthened reserves base
- Reduction of oil prices suspended but tough geopolitical situation and slowed economic growth in China may trigger adverse impact
- Positive operating margin despite low oil prices: 24% in Bashkiria and 6% in Komi in Q1 2016

Oil production in barrels per day and reserves



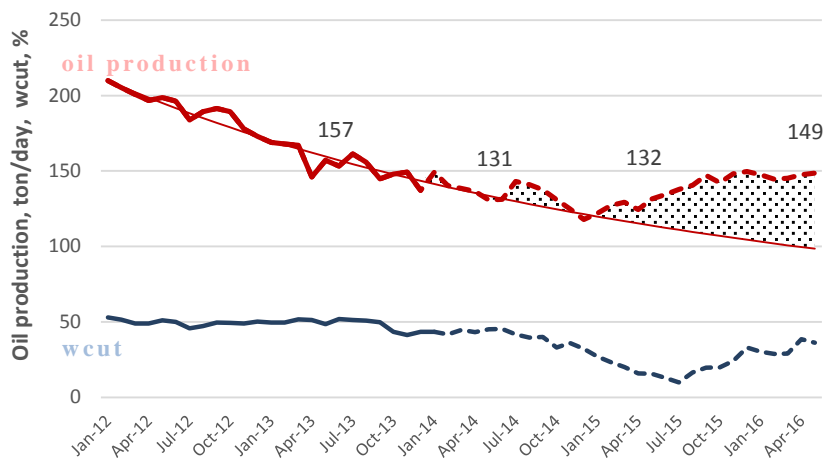
	49% Ripiano Holdings Ltd (LLC Dinyu and LLC CNPSEI)*	AO Ingeoholding**	Total net to Petrosibir AB
2P Reserves, MMbbls*	9	23	32

*Enconco report as of 1st July (production July 2014 – May 2016 1.2 MMbbls not adjusted)

**TRACS report as of 1st October 2014 (production October 2014 – May 2016 0.3 MMbbls not adjusted)

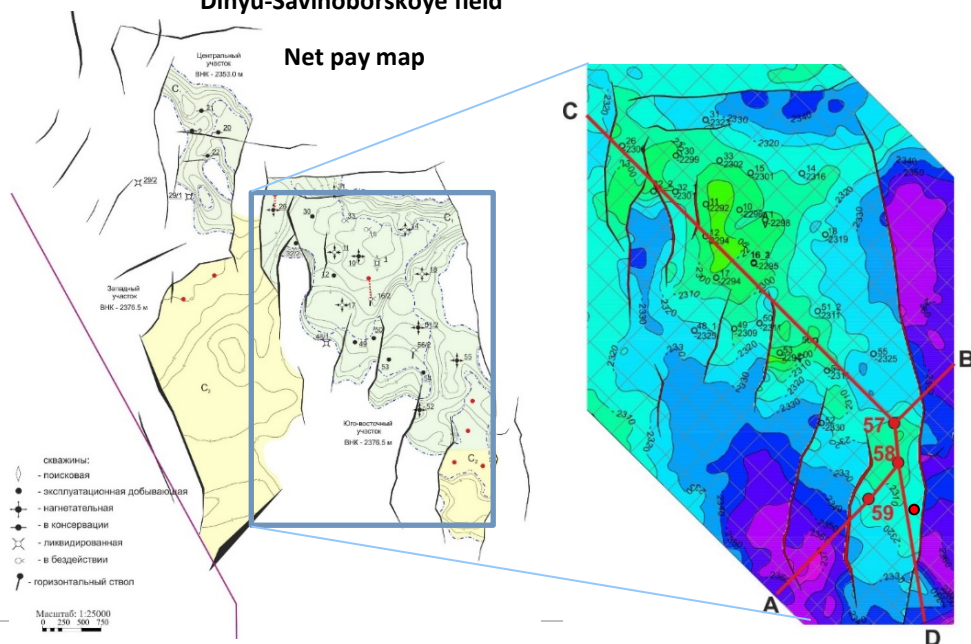
***In December 2015 Petrosibir distributed its Ukrainian operations to its shareholders and acquired its 49% share of the Komi operations (Ripiano)

Assets in Komi. Dinyu. Key achievements and plans



Dinyu-Savinoborskoye field

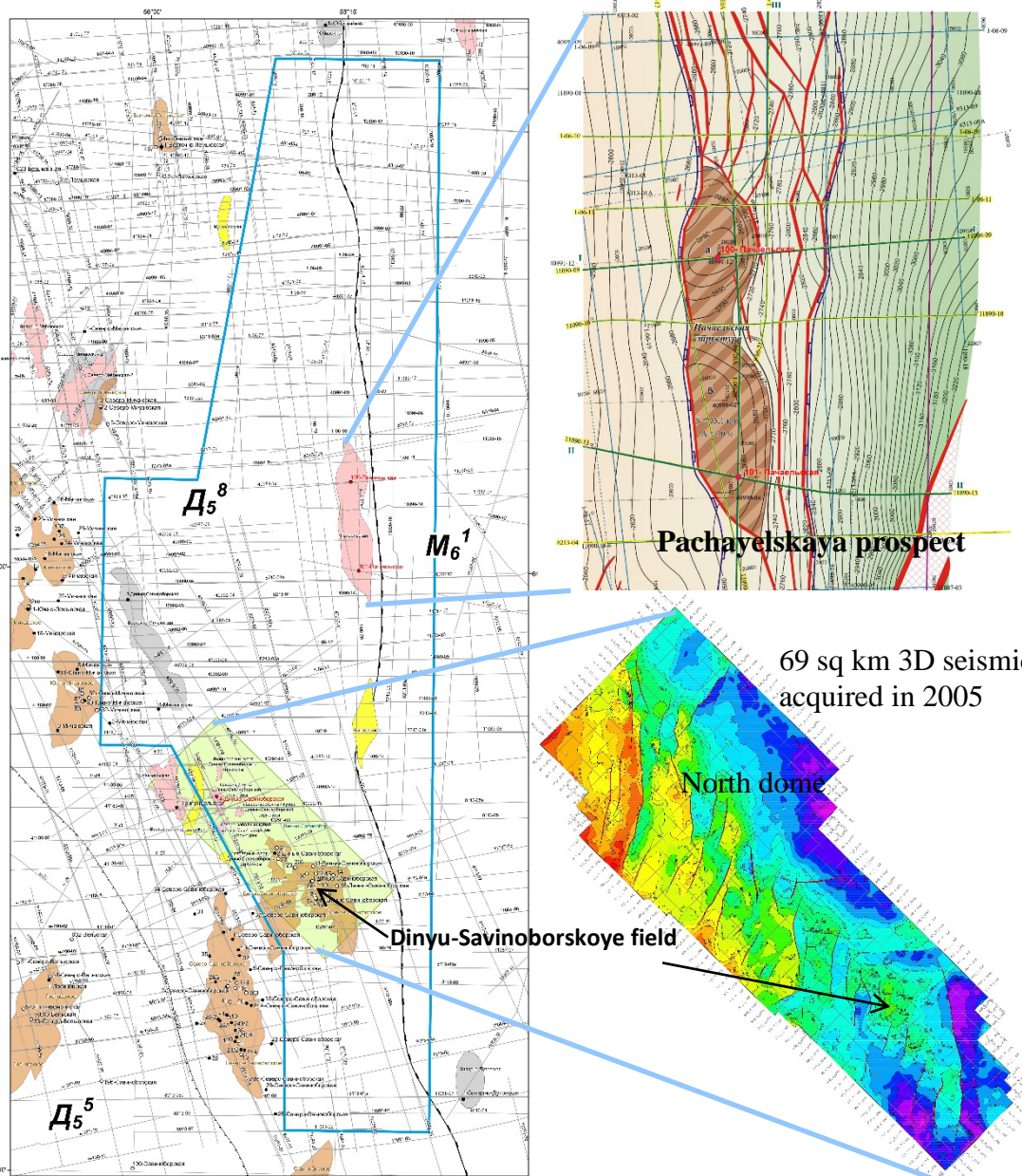
Net pay map



- ✓ Water injection optimization and reservoir pressure maintenance (shut in inefficient and putting new injectors; change of pumps; putting of inactive wells on production after reservoir pressure growth).
- ✓ Gas-burning power plant construction completed. It gives 95% of gas utilization and 95% of electricity demand.
 - Total investments \$1.6 mln (without VAT) *
 - Gas flaring penalties 2015 \$0.34 mln*
 - Consumed electricity 2015 \$0.3 mln*
 - Power plant expected Opex \$0.06 mln per year*
- ✓ Pad #8 drilling site and a road construction completed.
 - Total investments \$0.3 mln (without VAT)*.
- ✓ The company can drill up to 4 wells from pad #8. Expected initial flow rates 30-40 tones per day. To reduce risks the decision to drill each new well will be based on log analysis from previous wells.
- ✓ Base case assumes drilling of 2 wells. Drilling prices in USD have been changing significantly since 2014 due to RUR exchange rate:

\$MM	2014	2015	2016 (15 may)
2 wells	5.3	3.7	2.8
4 wells	10.4	7.2	5.5

Assets in Komi. Dinyu. Upside potential



- ✓ Dinyu-Svainoborskoye field is located within huge (>900 sq km) Ivanshorskiy block (license SYK 01081 NR to perform exploration works and produce oil).
- ✓ In December 2015 LLC Dinyu confirmed that it fulfilled all obligations and the license was extended till February 2038.
- ✓ All exploration works should be performed in accordance with Exploration works project. The company plans to approve the project in 2016. The project assumes drilling of at least two X-wells (two prospects with prospective resources 29 MMbbls*). Total resources within the block are estimated at 73 MMbbls*.

69 sq km 3D seismic acquired in 2005

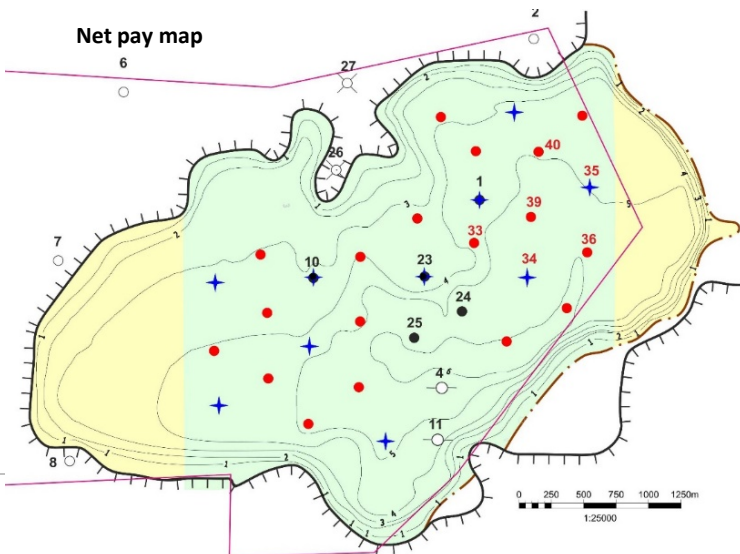
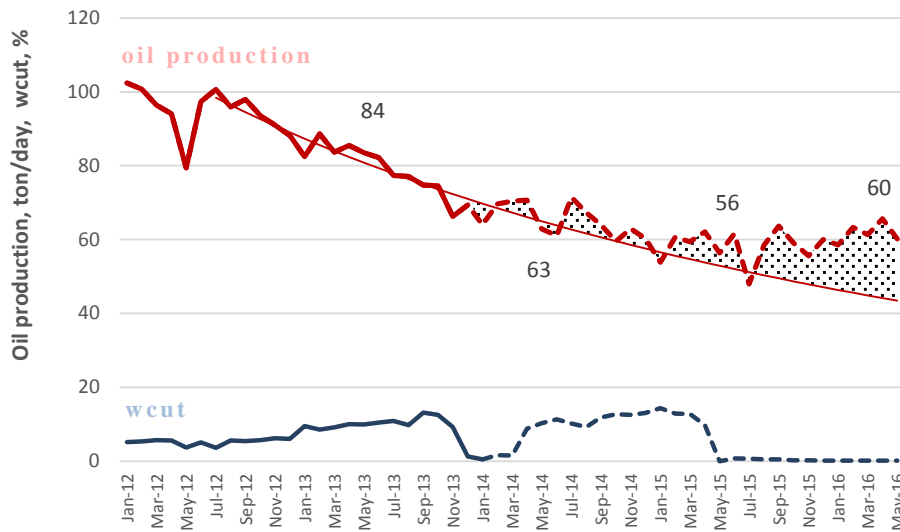
North dome

Dinyu-Svainoborskoye field

*D1 category under Russian standards of resources assessment

Assets in Komi. CNPSEI. Key achievements and plans

Sosnovskoye filed



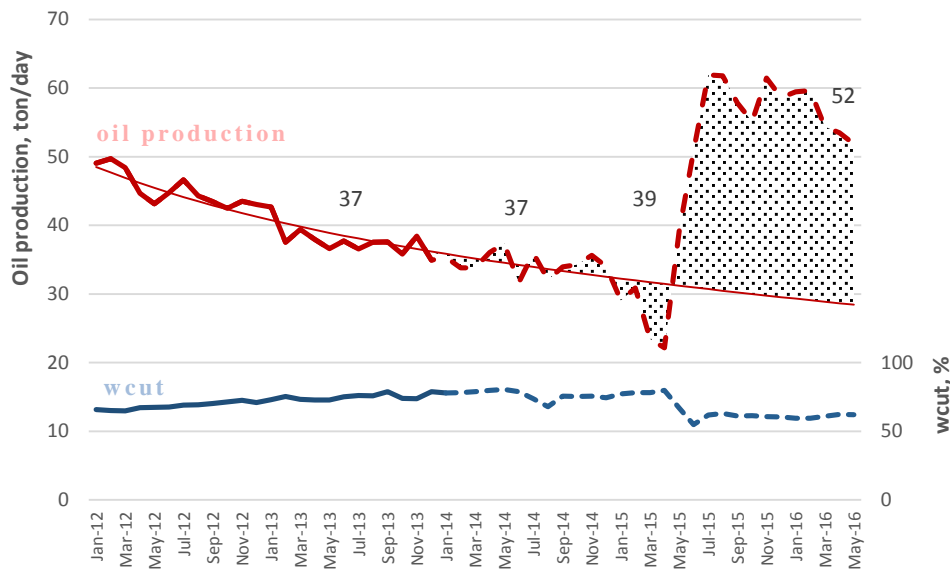
- ✓ Water injection optimization and reservoir pressure maintenance (shut in inefficient and putting new injectors).
- ✓ At the moment one gas engine gen set is working at the field. It provides gas utilization and electricity supply. With the growth of production it will be necessary to construct a new gas-burning power plant. Expected investments \$1.2 mln (2016-2017).
- ✓ Currently the company have to truck oil to Lukoil's pipeline. With an oil production growth the company plans to build a pipeline from Sosnovskoe field to Lukoil's pipeline. It will reduce transport costs by \$1.4 per barrel.
- ✓ Pad #1 drilling site and a road construction completed.
 - Total investments \$0.35 mln (without VAT)*.
- ✓ From pad #1 it is possible to drill at least 6 wells. Drilling prices in USD have been changing significantly since 2014 due to exchange rate:

\$MM	2014	2015	2016 (15 may)
6 wells	13.3	9.2	7.1

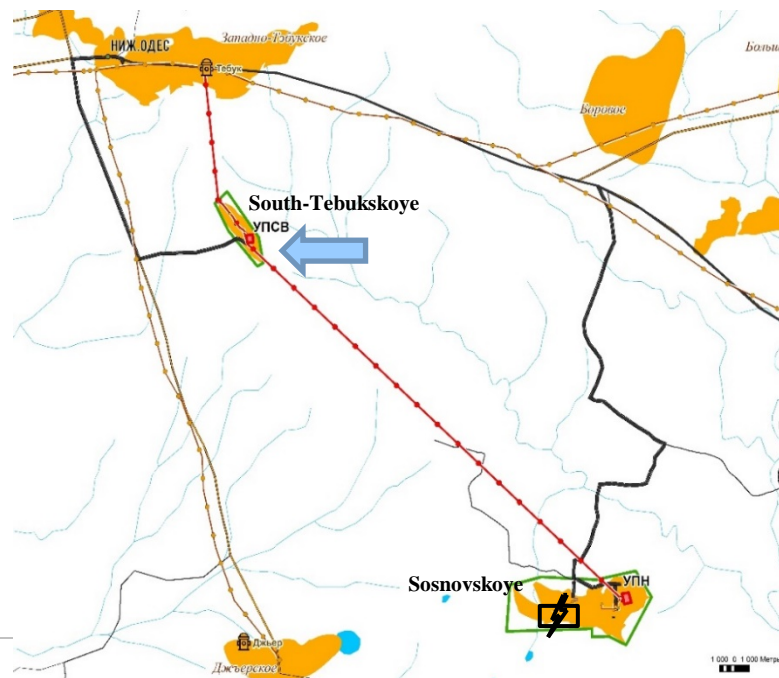
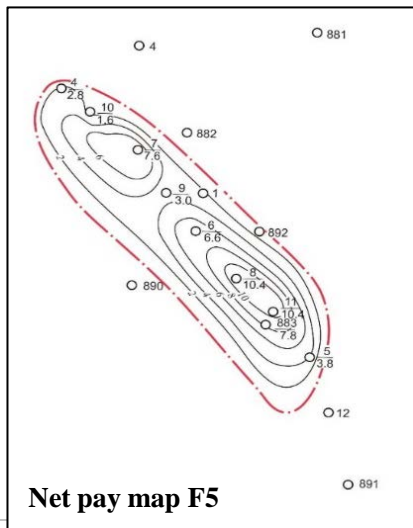
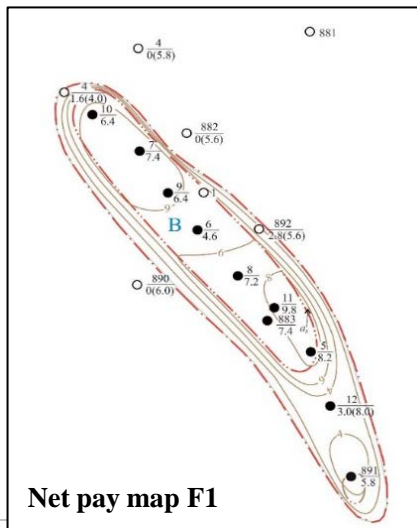
*Average exchange rate 60 USD/RUR was used to get prices in USD

Assets in Komi. CNPSEI. Key achievements and plans.

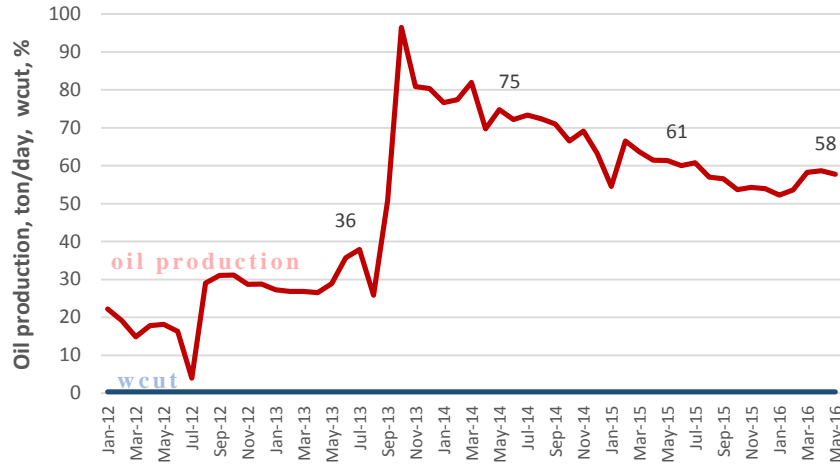
Yuzhno-Tebukskoye filed



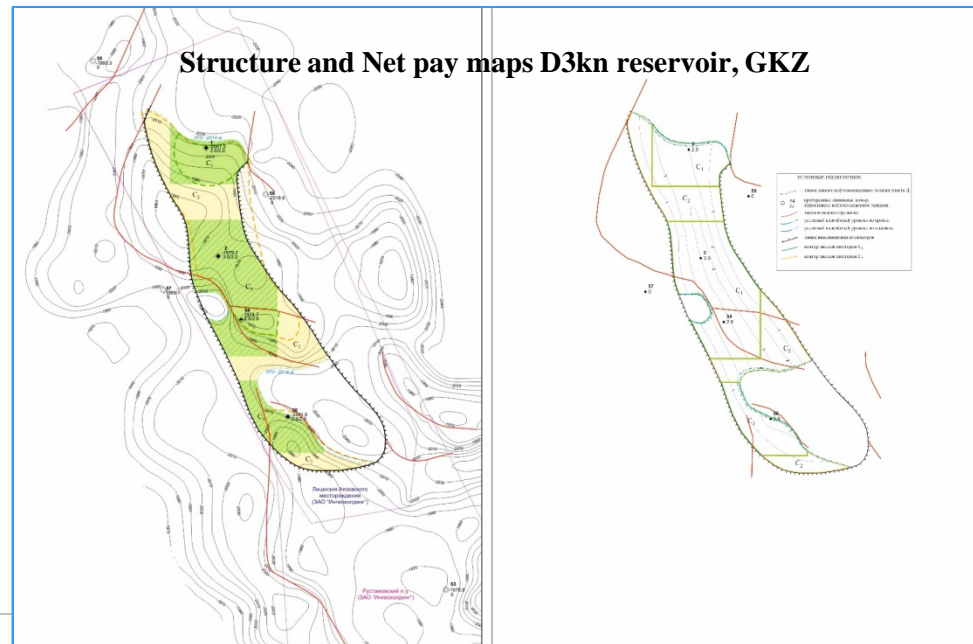
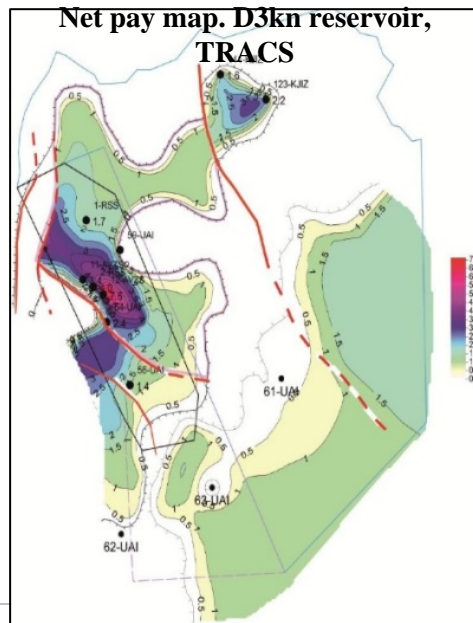
- ✓ Commingling of the F5 reservoir workovers in 2015. Additional 2P reserves expected at 291 thd. tones.
- ✓ Still to complete several workovers at F5 reservoir.
- ✓ The company is completing tender procedures to make a project of a new oil preliminary treatment plant and a pipeline to Lukoil's pipeline. It will help to reduce transportation costs by \$1.1 per barrel. Also it will take off all risks connected with trucking (weather, fuel pricing, damages).



Assets in Bashkiriya. Ingeoholding. Plans

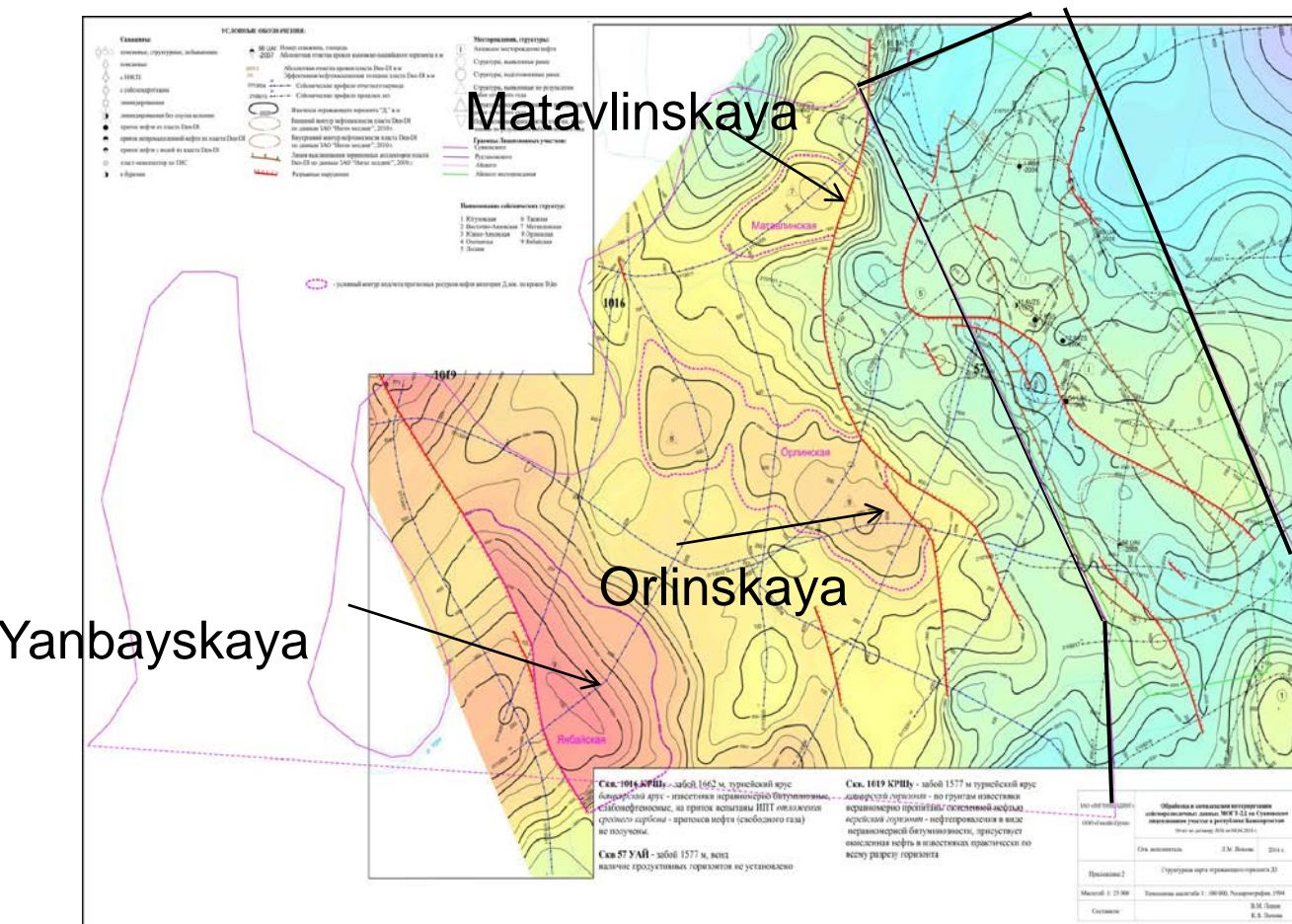


- ✓ The company plans to start water injection for reservoir pressure maintenance (H2 2016).
- ✓ The company plans to construct a gas-burning power plant in 2016-2017 (critical license obligation to consume not less than 95% of associated gas) First investments \$0.3 mln.
- ✓ Drilling plans: 2 wells from pad #1 (\$2.5 mln).
- ✓ For further development it is proposed to acquire 3D seismic that may give more confidence in further drilling campaign results.



Seismic program on neighboring Suyanovskoye

Three structures and 47 million barrels of oil resources



- ✓ Yanbayskaya prospect (17 MMbbls) looks to be the most interesting and ready for drilling.
- ✓ 3D seismic at Suyanovskiy block and Ayazovskoye field may give more spots to drill X-wells and producers.

Conclusions

- ✓ The company have sufficient funds for basic development of the assets and positive cash flow even at low oil prices
- ✓ Strong teams in place and clear understanding of first steps to develop the assets
- ✓ Positive impact of exchange rates on drilling prices and other Capex in USD
- ✓ Huge upside potential
- ✓ More investments (debt, industrial partnership etc.) can provide a faster and more effective development

