

Petrosibir AB



AGM 2019

28 May 2019

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Assets overview (31.12.2018)



Petrosibir AB

- 100% AO Ingeoholding
- 49% Ripiano Holdings Ltd
- Cash \$0.1mln
- Debt free

AO Ingeoholding

- 2P reserves 22.3 MMbbls of oil*
- A+B1+B2 16.5 MMbbls of oil**
- Current production 0.4 th bopd
- Cash \$2.3mln
- Debt free (external)

Ripiano Holdings Ltd

- 100% LLC Dinyu
- 100% LLC CNPSEI
- Cash \$0.4mln
- Debt (interest free) \$0.3mln

LLC DINYU + LLC CNPSEI (100%)

- 2P reserves 18 MMbbls*** (gross)
- Current production 1.6 th bopd (gross)
- Cash \$1.3mln
- Debt \$8.9mln

*TRACS report as of 1st October 2014 (production adjusted, excluding new Ayskoye field)

** Russian classification (former ABC1+C2) as of 1st January 2018 (production adjusted, including new Ayskoye field)

*** DeGolyer& MacNaughton report as of 1st January 2017 (production adjusted)

Highlights 2018

FINANCIAL

- Oil production averaged 1,339 bopd in 2018 and 1,134 in Jan-Apr 2019
- Total production in Bashkiria 155 th bbl (158) and in Komi 333 th bbl (344)
- Average Brent price \$71 in 2018 compared to \$54 in 2017
- Revenue increased up to SEK 63 mln (43) as a result of higher oil prices
- Operating result SEK +9 mln (-2), excluding one off items
- Cash position SEK 22 mln (14), i.e. cash flow of SEK +8 mln (-2)
- Reduction of oil price discount in 2018 to 6.9% (3.7 \$/bbl incl. VAT) compared to average discount in 2017 of 11.1% (4.5 \$/bbl incl. VAT)
- Petrosibir's share of net income in Ripiano SEK 7 mln (7)

Highlights 2018 (continued)

OPERATIONAL - BASHKIRIA

- Production in 2018 reached 155ths bbl vs 158ths bbl in 2017. Stable production level was driven by:
 - Successful re-entry of old Soviet well #54 at the end of 2017
 - Constant optimisation of pump regimes and higher reservoir pressure maintenance with water injection in the well #11
 - Fracing wells #9 and #54 in the second half of 2018
- The new Ayskoye oil field was discovered after successful re-entry of old Soviet well #141 on Ayskiy licence resulting in additional recoverable AB1+B2 reserves of 7.3 MMbbls
- Fully operational oil processing center on Ayazovskoye enabling high pressure water injection, above 95% gas utilisation, sufficient oil storage facilities and compliance with technical laws and regulation
- For 2019 focus is on:
 - Slowing production decline by reinterpretation of all current geophysical information and developing sustainability action plan for Ayazovskoye field including a combination of improvement of water injection system, optimizing pump regimes, exploitation of adjacent intervals and further fracing opportunities
 - Exploitation of the new Ayskoye oil field by starting production in the well #141

Highlights 2018 (continued)

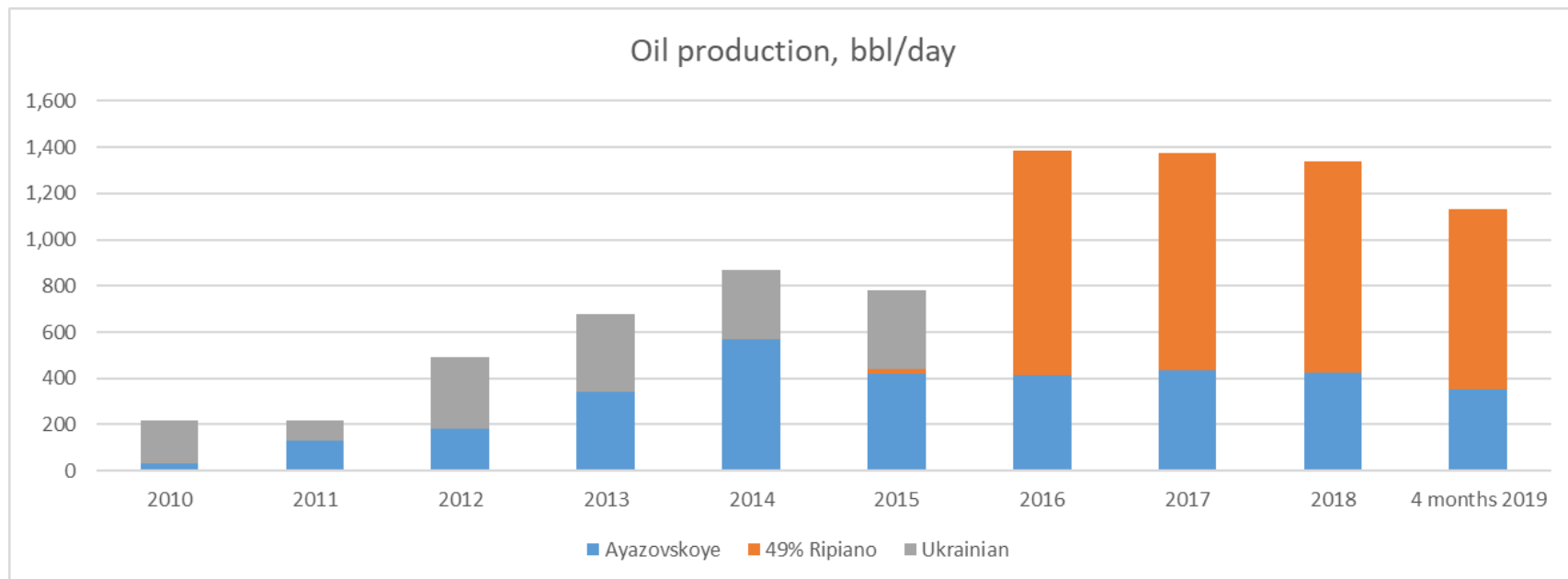
OPERATIONAL - KOMI

- Six wells drilled and fraced in Sosnovskoye with good results

Well	Post drilling Initial flow rate, bopd	Post fracing Initial flow rate, bopd	Current flow rate, bopd
Sosnovskaya #33	145	217	65
Sosnovskaya #34	4	213	99
Sosnovskaya #35	19	163	0
Sosnovskaya #36	no flow	43	0
Sosnovskaya #39	7	213	117
Sosnovskaya #40	not tested	121	173
TOTAL		970	453

- Dinyu-Savinoborskoye wells #30 and #53 watercut level increased from 18% and 14% in 2016 to 84% and 74% respectively in 2018 contributing to overall field's production decline
- Drilling program of 12 new wells on Sosnovskoye pad #3 commenced in April 2019
- Project to upgrade oil treatment facilities in Sosnovskoye and Yuzhno-Tebukskoye to connect the fields to Transneft is place subject to production increase following drilling on Sosnovskoye

Reserves and oil production



2P Reserves, MMbbls	AO Ingeoholding*	49% Ripiano Holdings Ltd (LLC Dinyu and LLC CNPSEI)**	Total net to Petrosibir AB
Not production adjusted	23.0	9.6	32.6
Production adjusted	22.3	8.8	31.1

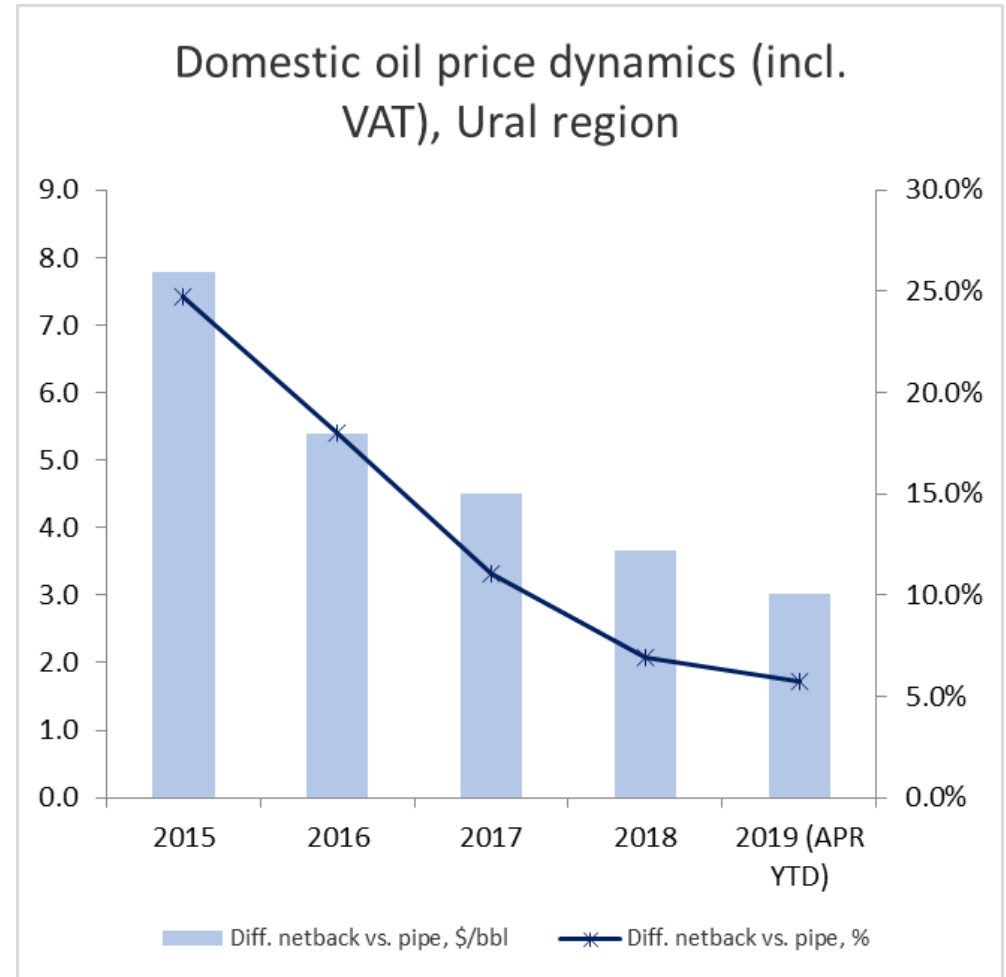
*TRACS report as of 1st October 2014. Excluding additional AB1+B2 reserves of 7.3 MMbbls from new Ayskoye field

** DeGolyer& MacNaughton report as of 1st January 2017

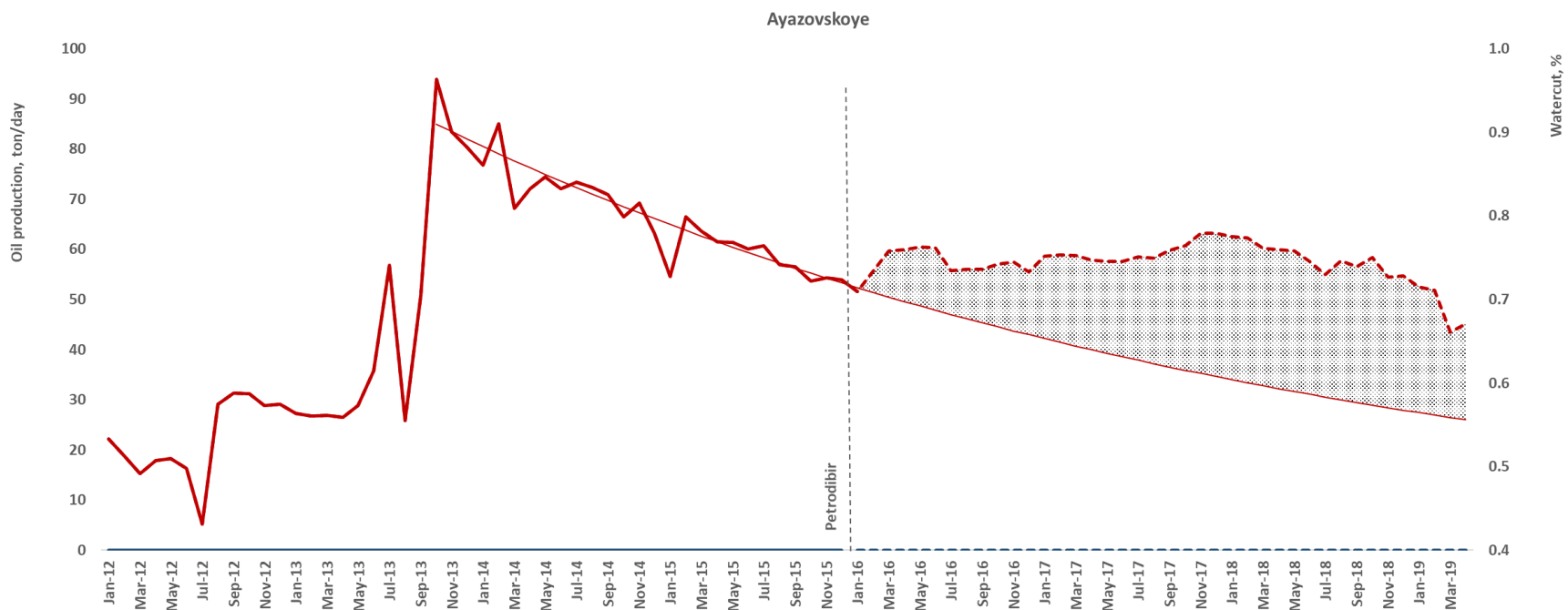
In December 2015 Petrosibir distributed its Ukrainian operations to its shareholders and acquired its 49% share of the Komi operations (Ripiano)

Oil sales

- Steady trend of improving oil price discount since 2015 YTD achieving record 3.0 \$/bbl incl. VAT or 5.7% in 2019
- 2017 was a step-change year from selling at the well-head towards selling to customers in the pipe
- 2018 was the start of external oil trading contributing +1.3\$/bbl incl. VAT to group income
- Current choice of customers allows to sell oil at higher than average pipe price before deduction of transportation and processing fees

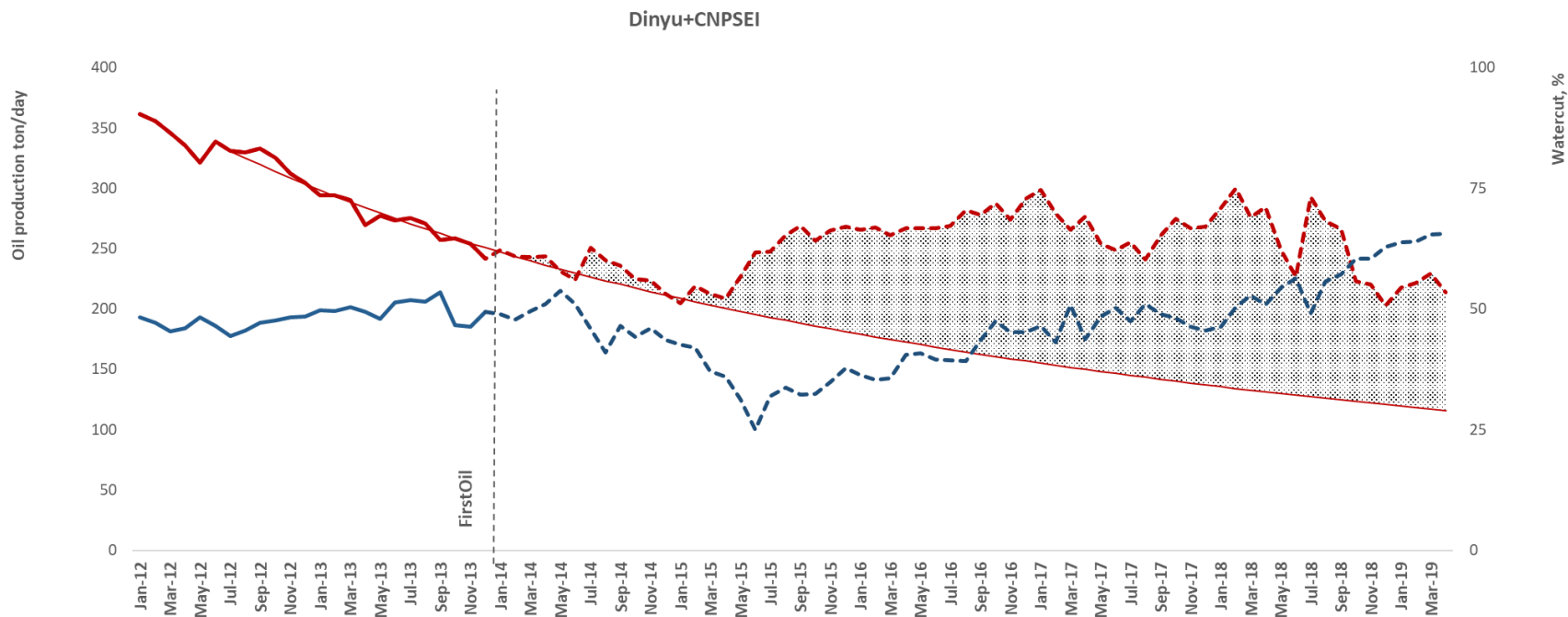


Ingeoholding. Key achievements and plans



- Well #9 was fraced in H2 2018, post-frac monthly average flow rate is 10bpd
- Well #54 was fraced in H2 2018, post-frac monthly average flow rate is 15bpd
- Well #141 on Aysky licence was successfully re-entered in Q4 2018 with 150 barrels of oil produced during the testing period
- Exploration licence development project on Suyanovsky block is being actualized, well pad and access road are in process of construction. Further exploitation is a subject to financing availability

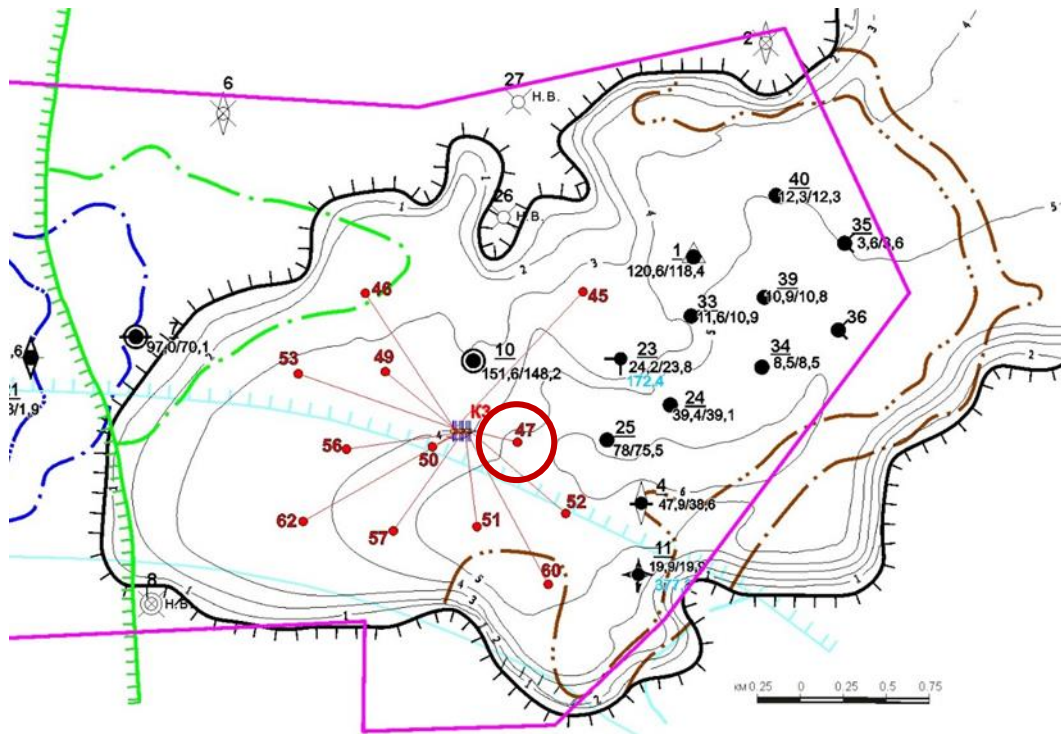
Assets in Komi. Key achievements and plans



- 2015-2017 workover programme had a great impact on production
- Well #35 was shifted to injection in April 2019 resulting in stabilization of production from pad # 1.
- Starting April 2019 drilling of new 12 wells on the pad #3 of Sosnovskoye field commenced targeting completion by November 2020
- Development of a new infrastructure project to construct pipelines from Sosnovskoye and Yuzhno-Tebukskoye fields is planned for 2020-21
- Water injection enhancement and workovers in Dinyu-Savinoborskoye were commenced to restrain watering out wells #30 and #53

Sosnovskoye new wells (pad #3)

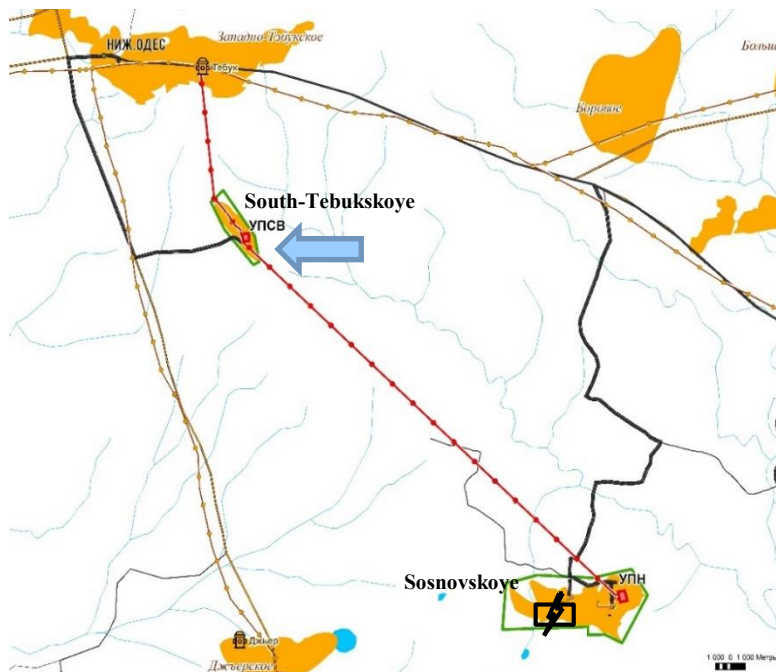
Placing on production schedule Pad #3
(without reference to fracking)



Well #	Date
47	28.07.19
52	08.09.19
56	19.10.19
60	04.11.19
51	11.01.20
57	22.02.20
62	05.04.20
50	21.04.20
53	27.06.20
49	08.08.20
46	20.09.20
45	06.10.20

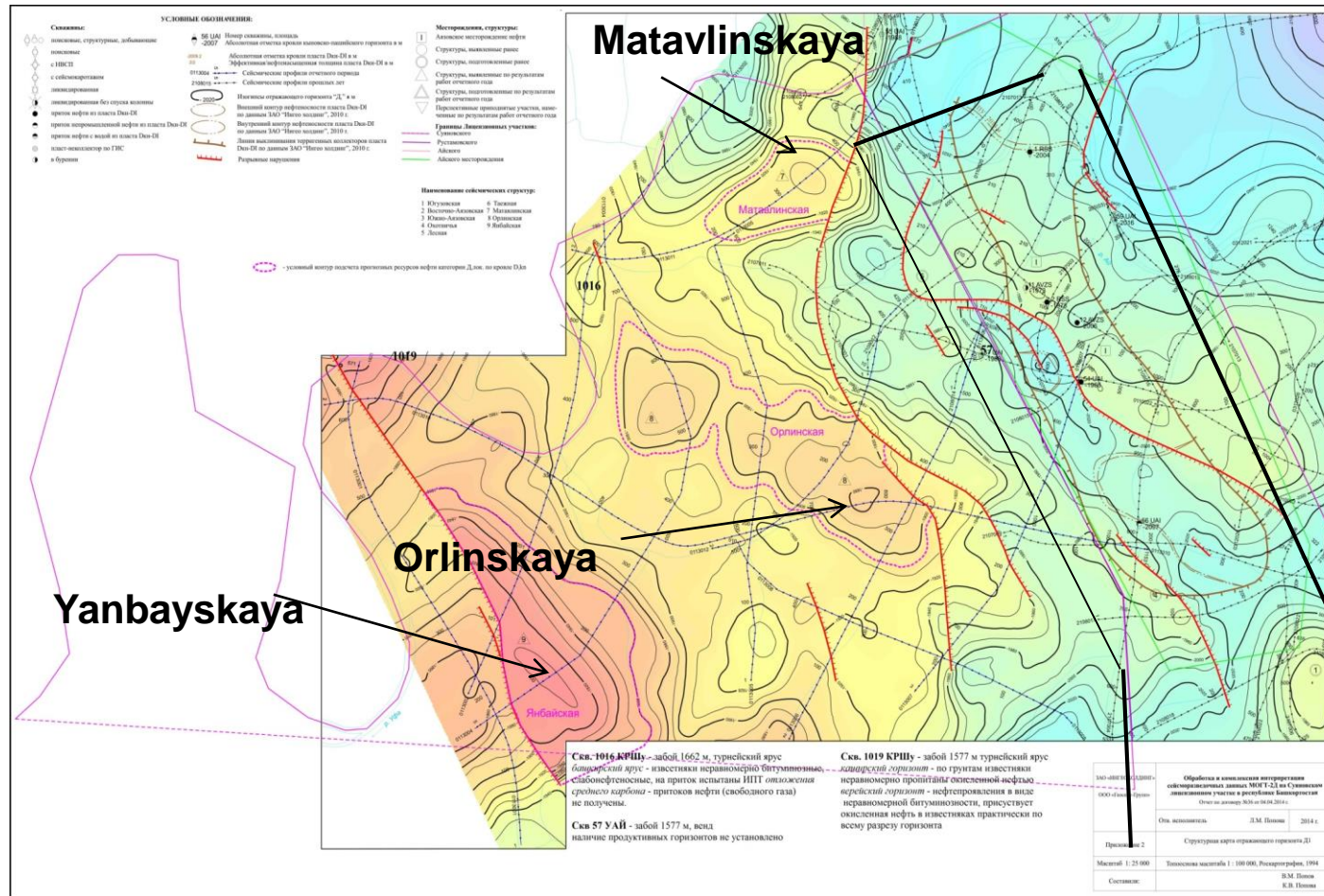
- The new well #47 (being drilled in May 2019) confirmed a structure map based on 3D seismic with netpay of 5.8 m
- The calculated flow rate of new wells after fracking (on average) – 250 bopd
- The average cost of drilling is \$1.2 mln (excl. VAT) per well including testing and fracking

CNPSEI. New infrastructure development programme



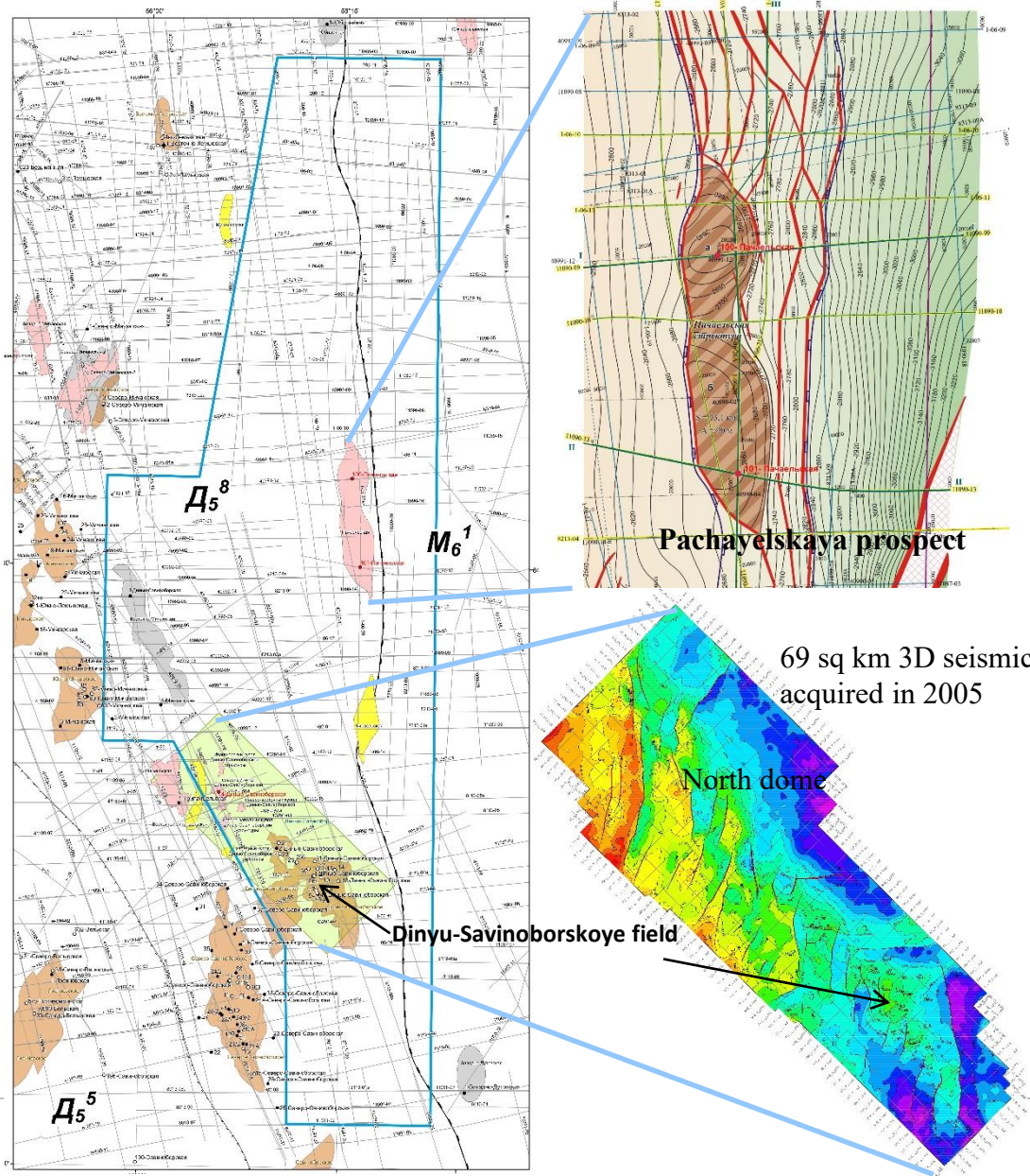
- CNPSEI plans to construct a pipeline connecting Sosnovskoye and Yuzhno-Tebukskoye fields with Lukoil's pipeline. It will reduce transportation costs and investments in storage facilities at Sosnovskoye field. The decision will be made by the end of drilling Pad#3 on Sosnovskoye field
- We expect significant increase in production in Sosnovskoye field as a result of a new drilling campaign planned for 2019-20
- More gas generator sets are planned to be installed in the field in 2019 and the company will be able to generate and sell more electricity

Suyanovskoye potential



- Three prospects with 47 million barrels of recoverable C3 oil resources
- Cost of one exploration well construction and testing is around \$2.2 mln
- Looking at options for financing further exploration with the Suyanovsky block

Assets in Komi. Upside potential



- Dinyu-Svainoborskoye field is located within huge (>900 sq km) Ivanshorskii block (license SYK 01081 NR to perform exploration works and produce oil)
- The new exploration project approved in 2017 assumes drilling of at least two exploration wells (two prospects with prospective resources 29 MMbbls)

69 sq km 3D seismic
acquired in 2005

North dome

Dinyu-Savinoborskoye field

Strategic options

Bashkiria

- Long-term view – list the Company and raise funds to support further exploration and development of the assets
- Sell the assets to one of the buyers who have recently approached us and expressed interest in acquiring 100% of the assets – the negotiations are progressing

Komi

- Long-term view - conclude a SHA that ensures our representation in the JV management and distribution of dividends in the future
- Sell the 49% stake to the JV partner – the discussions are continuing

Depending on the outcome – reinvest the cash or distribute the proceeds to the shareholders