

# Petrosibir AB



AGM 2020

25 June 2020

# Disclaimer

Statements and assumptions made in this Presentation with respect to Petrosibir AB's ("Petrosibir") current plans, estimates, strategies and beliefs, and other statements that are not historical facts, are forward-looking statements about the future performance of Petrosibir. Forward-looking statements include, but are not limited to, those using words such as "may", "might", "seeks", "expects", "anticipates", "estimates", "believes", "projects", "plans", "strategy", "forecast" and similar expressions. These statements reflect Petrosibir's management's expectations and assumptions in light of currently available information. However, forward-looking information is always subject to uncertainty.

In the light of the many risks and uncertainties surrounding any oil and/or gas production and exploration company at an early stage of its development, the actual results of Petrosibir could differ materially from those presented and forecasted in this Presentation. In furnishing the Presentation, Petrosibir do not assume any unconditional obligation to update any such statements and/or forecasts or to correct any inaccuracies therein or to provide the recipient with access to any additional information.

This Presentation is addressed to the shareholders of Petrosibir and potential shareholders of Petrosibir to whom it is supplied directly on behalf of Petrosibir, for their own use and benefit, and may not be relied upon by any other person or entity or for any other purposes than in connection with an investment in Petrosibir and planned capital market activities. Petrosibir does not assume any responsibility to any other third party to whom this Presentation is shown or in the hands of which it may come. Furthermore, Petrosibir's opinions are strictly limited to the matters specifically stated herein and are not to be read or construed as extended by implication to any other matters in connection with capital market activities. This Presentation may not be read or construed as constituting an offer under any applicable law, statute or regulation. The Presentation is not a prospectus under any law or regulation and has not been and will not be approved by or registered with any authority. Distribution of the Presentation in certain jurisdictions may be restricted by law. Accordingly, persons obtaining the Presentation are required to inform themselves about and to observe any such restrictions. This Presentation may particularly not be relied upon by prospective investors situated in Canada, Japan, Switzerland, United States of America or any other country where further acts of registration are required under the applicable law, statute or regulation in order to distribute this Presentation.

The Presentation is governed by and construed in accordance with Swedish law and any dispute arising out of or in connection with the Presentation shall be settled exclusively in accordance with Swedish laws and exclusively by competent Swedish courts.

# Assets overview (31.12.2019)



## Petrosibir AB

- 100% AO Ingeoholding
- 49% Ripiano Holdings Ltd
- Cash \$0.3mIn
- Debt free

## AO Ingeoholding

- 2P reserves 22.2 MMbbls of oil\*
- A+B1+B2 16.3 MMbbls of oil\*\*
- Current production 300 bopd
- Cash \$3.0mIn
- Debt free (external)

## Ripiano Holdings Ltd

- 100% LLC Dinyu
- 100% LLC CNPSEI
- Cash \$1.0mIn
- Debt (interest free) \$0.2mIn

## LLC DINYU + LLC CNPSEI (100%)

- 2P reserves 17.3 MMbbls\*\*\* (gross)
- Current production 1,000 bopd (gross)
- Cash \$0.4mIn
- Debt \$7.0mIn (external)

\*TRACS report as of 1<sup>st</sup> October 2014 (production adjusted, excluding new Ayskoye field)

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

\*\*\* DeGolyer& MacNaughton report as of 1<sup>st</sup> January 2017 (production adjusted)

# Highlights 2019

## FINANCIAL

- Oil production averaged 1,143 bopd in 2019 and 1,387 in Jan-May 2020
- Total production in Bashkiria 126k bbl (155) and in Komi 292k bbl (333)
- Average Brent price \$64 in 2019 compared to \$71 in 2018
- Revenue decreased to SEK 58 mln (63) as a result of lower oil prices and lower volumes
- Oil trading contributed a net of SEK 6 mln (2) to the net profit
- Operating result SEK +4 mln (+2)
- Cash position SEK 31 mln (22), i.e. cash flow of SEK +9 mln (+8), including fx effects
- Reduction of oil price discount in 2019 to 5.8% (3.0 \$/bbl incl. VAT) compared to average discount in 2018 of 7.2% (3.8 \$/bbl incl. VAT)

# Highlights 2019 (continued)

## OPERATIONAL - BASHKIRIA

- Production in 2019 was 126k bbl vs 155k bbl in 2018.
- The discovery of the new Ayskoye oil field on Ayskaya licence resulted in additional recoverable AB1+B2 reserves of 7.3 MMbbls. Total production up to date is 3.4k bbl.
- Fully operational oil processing centre in Ayazovskoye field enables above 95% gas utilisation, sufficient oil storage facilities and compliance with technical laws and regulations.
- For 2020 focus is on:
  - Slowing production decline by fine tuning of pump regimes and adding new producing intervals.
  - Further exploration in Ayskaya and Suyanovskaya licences.

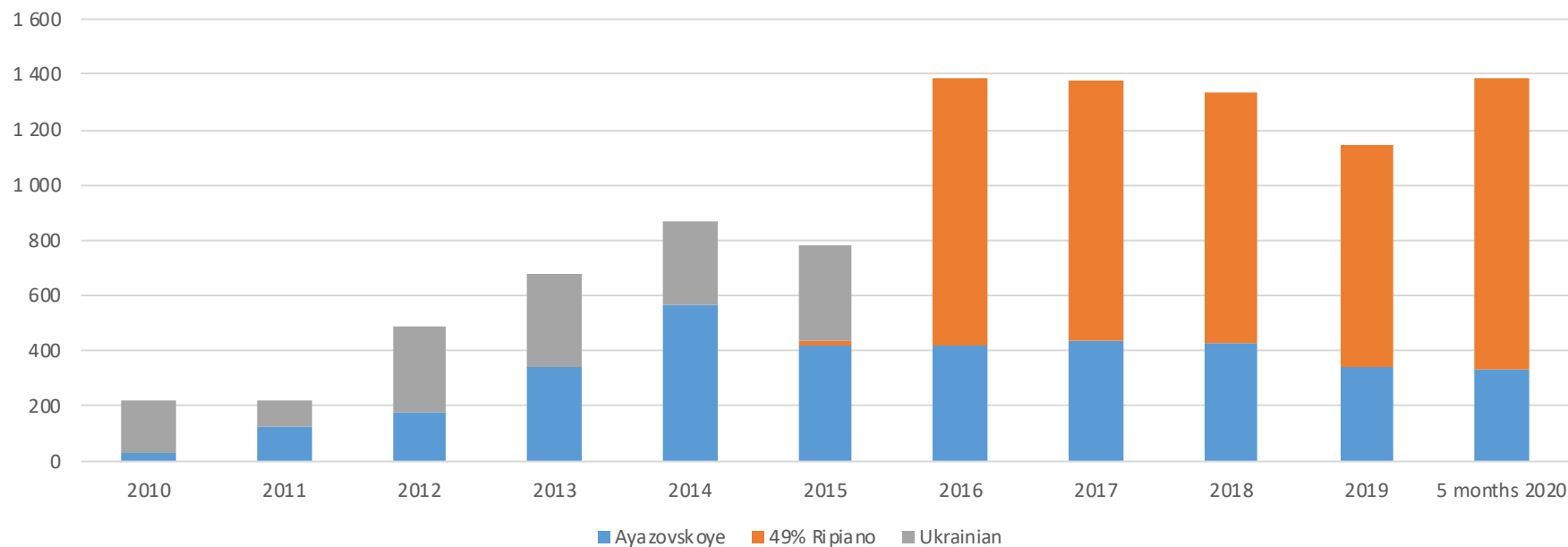
# Highlights 2019 (continued)

## OPERATIONAL - KOMI

- Six wells were drilled in Sosnovskoye over 2019-20, five of them were successfully fraced.
- Dinyu-Savinoborskoye wells #30 and #53 watercut level increased from 18% and 14% in 2016 to 92% and 60% respectively in March 2020 contributing to overall field's production decline.
- In April 2020 Dinyu-Savinoborskoye production was temporarily stopped due to economic reasons.
- Drilling program of 8 new wells on Sosnovskoye pad #3 commenced in April 2019.
- For 2020 focus is on:
  - Stabilising production from the new Sosnovskoye wells and preparing for the next drilling round of three wells in 2021.
  - Updating the project of oil treatment facility and oil pipeline construction depending on the market conditions.

# Reserves and oil production

Oil production, bbl/day



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	22.2	8.5	30.6

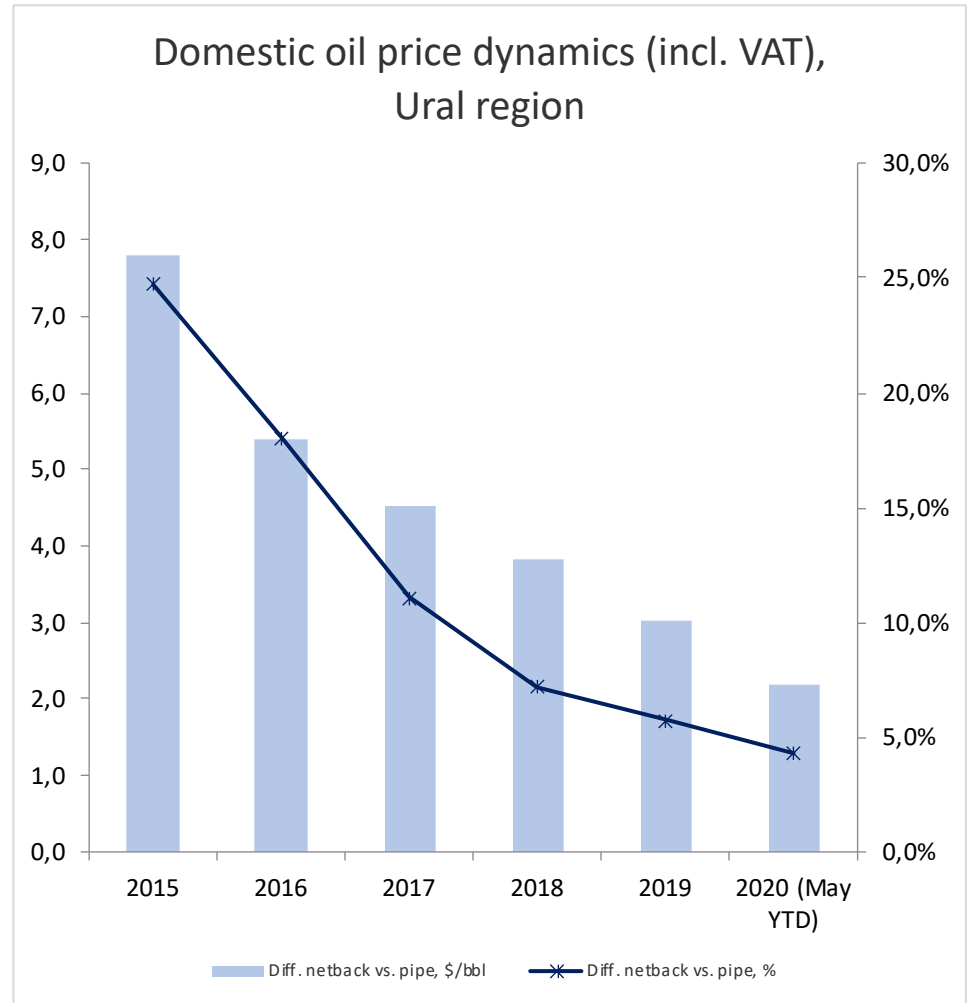
\*TRACS report as of 1<sup>st</sup> October 2014. Excluding additional AB1+B2 reserves of 7.3 MMbbls from new Ayskoye field

\*\* DeGolyer& MacNaughton report as of 1<sup>st</sup> January 2017

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

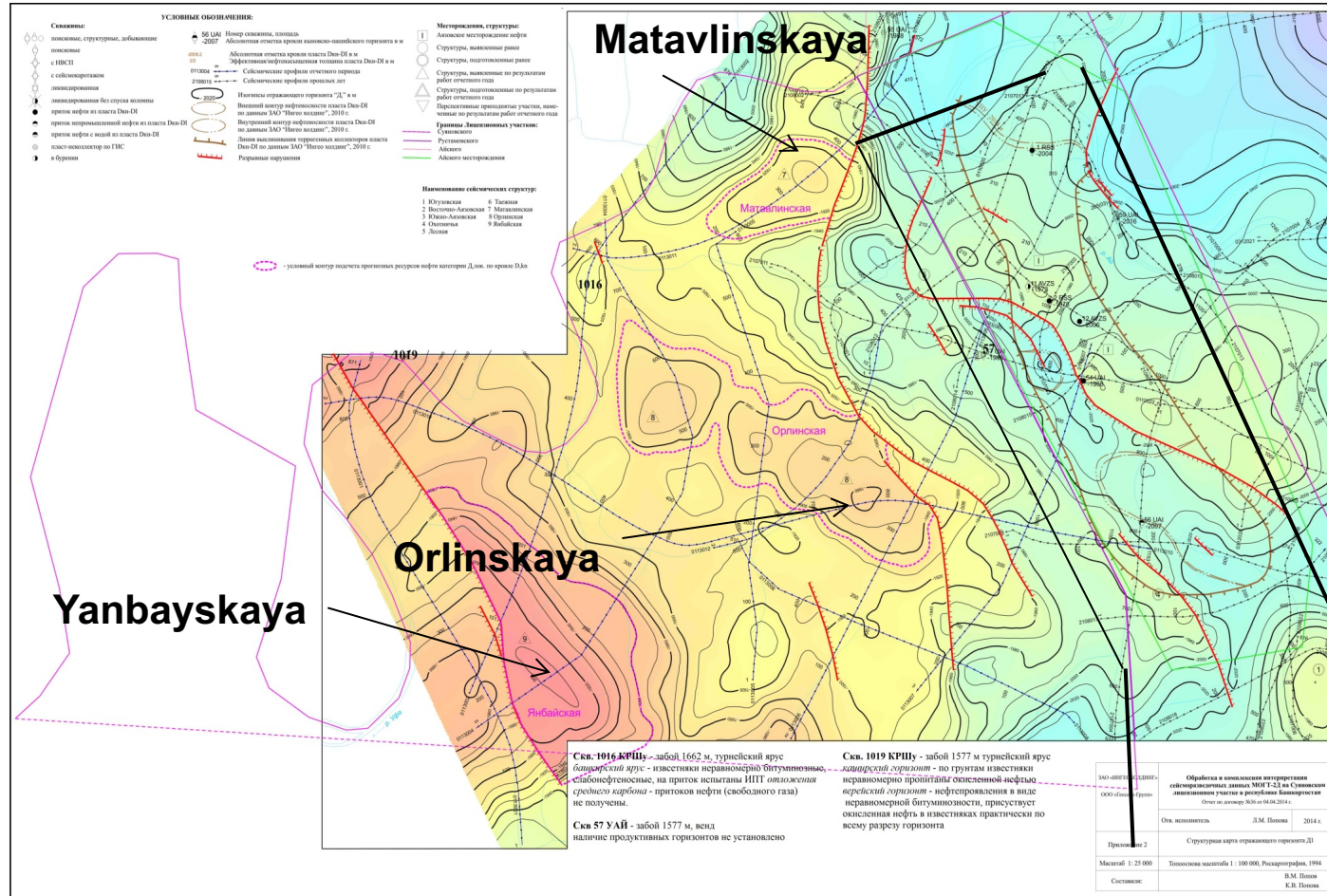
# Oil sales

- Steady trend of improving oil price discount since 2015 YTD achieving record 2.2 \$/bbl incl. VAT or 4.3% in Q1 2020.
- 2017 was a step-change year from selling at the well head towards selling to customers in the pipeline.
- 2018 was the start of external oil trading contributing +1.3\$/bbl incl. VAT to group income.
- Current choice of customers allows to promptly switch from pipeline sales to wellhead sales depending on the market offering better terms.



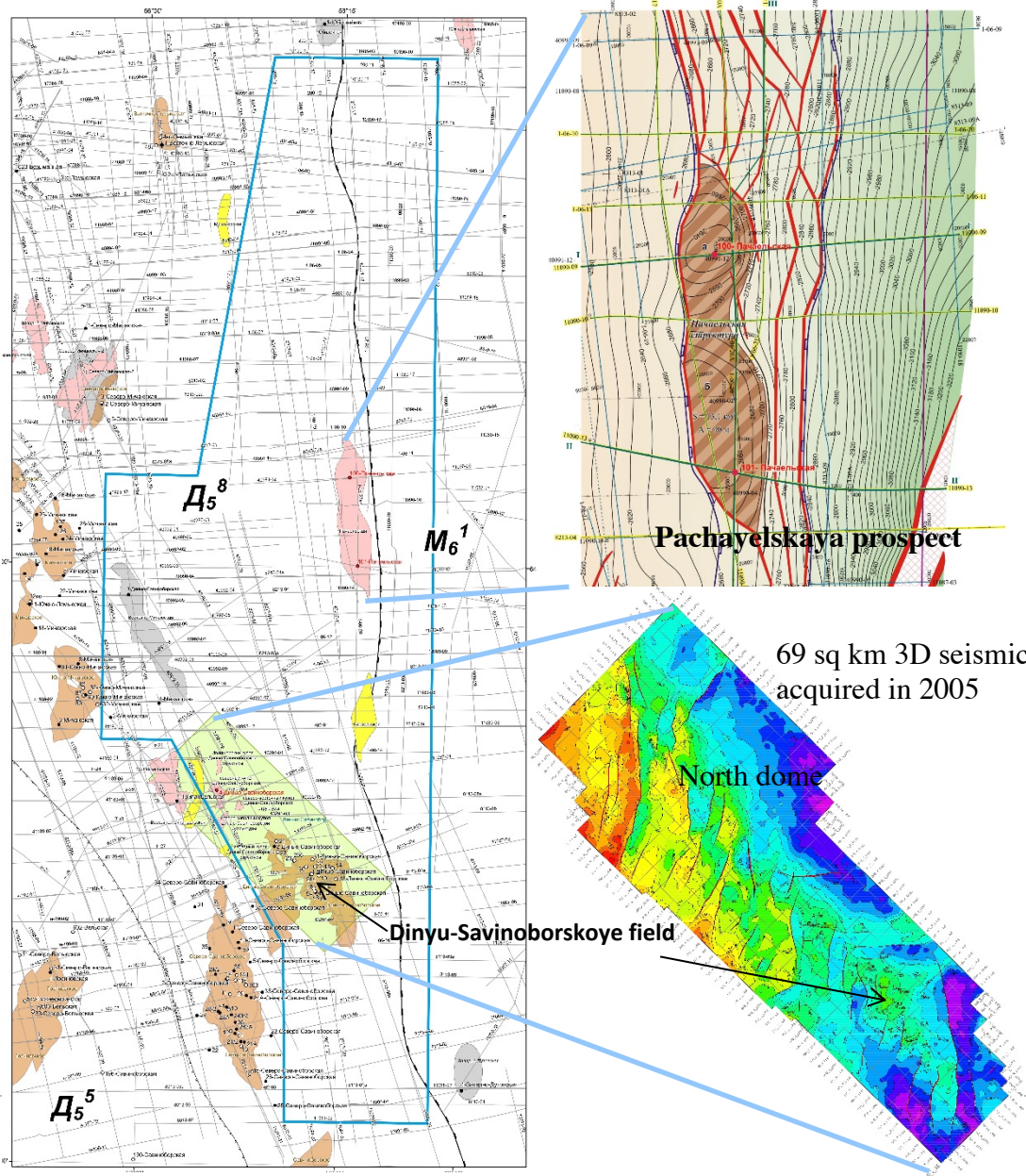


# Suyanovskoye potential



- Three prospects with 47 million barrels of recoverable C3 oil resources.
- Cost of one exploration well construction and testing is estimated around \$2.2 mln.
- Discussing options for financing further exploration.

# Assets in Komi. Upside potential



- Dinyu-Savinoborskoye field is located within huge (>900 sq km) Ivanshorskii licence block.
- 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

- 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 yet affected by recent changes in the oil market.
- List the Company and raise funds to enable further exploration and development of the assets.

## Komi

- Sell the 49% stake – the discussions are in process.
- Hold the 49% stake expecting future dividends.

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