

## Interim management information January-March 2016

Starting 2016 Petrosibir publish so called interim management statements per 31 March and 30 September instead of quarterly interim reports prepared in accordance with IAS 34. Petrosibir will continue to publish half yearly interim reports prepared in accordance with IAS 34. The consolidated financial information in this statement has been prepared in accordance with the same accounting principles, IFRS, that were applied for the financial year 2015 and as they are described in the annual report for 2015.

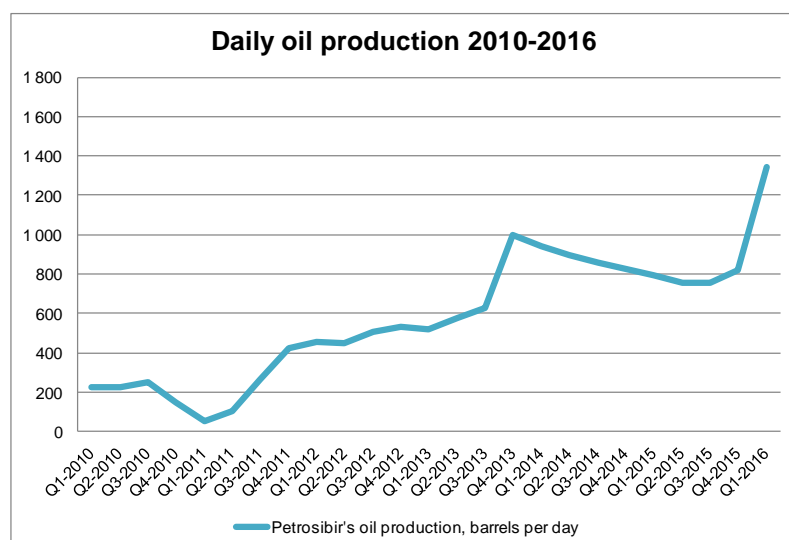
In December 2015 Petrosibir distributed its Ukrainian operations to its shareholders. The comparative income statement and cash flow statement for the period January – March 2015 have been recalculated to reflect the Ukrainian operations as discontinued operations.

### Highlights January – March 2016

(all numbers relates to continued operations)

- Revenue for the period SEK 4 (6) million
- Operating result SEK -4 (-1) million
- Net profit SEK 1 (-1) million
- Result from equity investments SEK 6 (-) million
- Earnings per share SEK 0.02 (-0.04)

<b>Oil production</b>	<b>Q1 2016</b>	<b>Q1 2015</b>	<b>Q1 2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Bashkiria	37 260	40 960	158 470	196 236	122 305	57 900
Komi	85 200	0	15 190	0	0	0
<b>Total barrels</b>	<b>122 460</b>	<b>40 960</b>	<b>173 660</b>	<b>196 236</b>	<b>122 305</b>	<b>57 900</b>
<i>Discontinued operations</i>						
Ukraine	0	30 800	112 430	125 141	126 565	119 950
<b>Total barrels</b>	<b>122 460</b>	<b>71 760</b>	<b>286 090</b>	<b>321 377</b>	<b>248 870</b>	<b>177 850</b>
<i>Discontinued operations</i>						
Bashkiria	409	455	434	538	335	159
Komi	936	0	42	0	0	0
<b>Total barrels per day</b>	<b>1 346</b>	<b>455</b>	<b>476</b>	<b>538</b>	<b>335</b>	<b>159</b>
<i>Discontinued operations</i>						
Ukraine	0	342	308	343	347	329
<b>Total barrels per day</b>	<b>1 346</b>	<b>797</b>	<b>784</b>	<b>880</b>	<b>682</b>	<b>486</b>



*The production numbers above for Komi and Ukraine for 2015 have been recalculated compared to what has been disclosed earlier. In the table and graph above the production for 2015 has been divided by 365 days whereas it previously was divided by the actual number of days that the operations were owned by Petrosibir.*

### Comments from the CEO

I have recently been appointed CEO of Petrosibir. I come from and have a long experience from the oil and gas industry in Russia.

Since the end of 2015 Petrosibir has focused mainly on two Russian regions, Bashkiria and Komi, and no longer on Ukraine. The distribution of the Ukrainian operations to the shareholders and the acquisition of 49% of the Komi operations have had a significant impact on production numbers and further plans of development. The three license blocks in Komi currently provide more than 2/3 of Petrosibir's total oil production. In my view the license blocks in both Bashkiria and Komi have great potential but require additional investments and development.

The company has very strong operational teams in Ufa (Bashkiria) and Ukhta (Komi). The recent results prove that the operations are profitable even at relatively low oil prices. It is very important to note that the oil production has been stable over the period or even increased without drilling and other large investments. At the same time it is very important to continue preparations for a drilling campaign and further development of the license blocks.

I look forward to working with the local teams in Russia and developing the promising assets of Petrosibir.

Nikolay Millionshchikov  
CEO

## Financial information January- March 2016

### Consolidated information

During the first quarter 2016 revenue amounted to SEK 4,433 (6,324) thousand. The company's operating costs amounted to SEK -9,082 (-7,557) thousand and the company shows an operating result of SEK -4,214 (-823) thousand. A lower Brent oil price compared to 2015 led to lower revenue as well as lower production taxes. In the end of January 2016 the Board, in accordance with the agreement with Petrogrand, appointed Dmitry Zubatyuk CEO of Petrosibir and the previous CEO stepped down. As a result of this the first quarter includes personnel costs for the new CEO as well as the severance payment to the previous CEO and hence the operating costs are higher than in the same quarter 2015.

The company held a consolidated cash position of SEK 24,752 thousand at the end of the quarter compared to SEK 36,134 thousand at 31 December 2015. During the quarter the company repaid a short term loan of SEK 4,000 thousand from a credit institution and invested SEK 880 thousand in infrastructure and exploration in Bashkiria. The negative cash flow in the period is also due to payment of accounts payable from 2015.

On 31 December 2015 the company's shares in Petrogrand were valued at SEK 9,616 thousand or SEK 0.83 per share. The last day for trading the Petrogrand share on Nasdaq First North was 4 February 2016 and the closing price was SEK 0.45 per share. In May 2016 Petrosibir announced that the Petrogrand shares had been sold at a price of SEK 0.70 per share. Petrosibir consider this to be the fair value and has therefore adjusted the value of the Petrogrand shares to SEK 0.70 per share or SEK 8,029 thousand as of 31 March 2016 and the writedown of SEK 1,587 is included in financial items in the statement of comprehensive income.

Shareholders' equity per share at 31 March 2015 was SEK 8.62 (8.55) and the equity to assets ratio was 96 (94) %.

### Change of number of shares

In December 2015 Petrosibir received 6,387,385 shares of series B in Petrosibir as a result of a dividend from Petrogrand. These shares were cancelled in January 2016. Following the cancellation of shares the total number of shares of series A amount to 761,900 and the total number of shares of series B amount to 29,011,962. The total number of votes amounts to 36,630,962.

### Significant events occurring after the reporting period

On 1 April 2016 Petrosibir announced that Dmitry Zubatyuk had informed the board that he resigned as CEO and on 6 May 2016 Petrosibir announced that the Board had appointed Nikolayi Millionshchikov acting CEO. Nikolay Millionshchikov assumed the position on 9 May 2016.

On 11 May 2016 Petrosibir announced that it had sold all of its shares in Petrogrand which strengthened the cash position by SEK 8 million.

Due to a breach of a warranty in the Share and Purchase Agreement entered into between Petrosibir and Petrogrand in October 2015 Petrosibir has agreed to pay SEK 4,395 thousand to Petrogrand. The payment will be added to the cost of the acquisition of Sonoyta Ltd.

## Russian operations

### *Bashkiria*

Revenue in the period amounted to SEK 4,312 (6,324) thousand. The lower revenue is due to lower production as well as a lower oil price. During the quarter 37,800 (41,200) barrels of oil were sold in Bashkiria. The average Brent price of oil was \$34 per barrel compared \$54 per barrel in the first quarter 2015. The production in the first quarter amounted to 37,260 (40,960) barrels which corresponds to an average daily production of 409 (455) barrels.

The operating costs amounted to SEK -3,712 (-5,459) thousand. The largest item in operating costs is the production tax and since the production volumes and the oil prices were lower in 2016 compared to 2015 the production taxes were lower.

The operating margin in the operations in Bashkiria amounted to 24% (20%). Below are the income statements for the operations in Bashkiria for the period January – March 2016 and 2015, amounts in SEK thousand.

#### **Bashkirian operations**

<b>January - March</b>	<b>2016</b>	<b>2015</b>
Revenue	4 312	6 324
Capitalized own work	435	410
Raw materials and consumables	-2 273	-4 200
Other operating expenses	-1 439	-1 259
<b>Operating profit</b>	<b>1 035</b>	<b>1 275</b>
<b>Operating margin</b>	<b>24%</b>	<b>20%</b>

The production in the first quarter 2016 increased somewhat compared to the fourth quarter of 2015 due to adjusting the pumping regimes on the wells. The company will continue to work with production increasing measures as well as stabilizing the oil pressure by converting one of the wells into a water injection well.

During the first quarter the company completed the interpretation of the seismic data collected in 2015 on Ayazovskoye and Suyanovskoye. The company has gained a more detailed perspective on future drilling locations on Ayazovskoye and also identified four different possible drilling structures on Suyanovskoye. Under the license agreement exploration wells have to be drilled initially on Suyanovskoye. The exact timing of this has not been set yet.

The oil treatment center which was constructed during 2015 has been inspected and approved by the authorities and a permission to launch the equipment has been received.

Going forward the company is reviewing the possibilities of drilling new production wells and in the long term an exploration well on Suyanovskoye. Investments will however continue to be balanced against the company's financial situation.

### **Komi**

In mid-December 2015 Petrosibir acquired 49% of Ripiano Holdings Ltd which in turn owns 100% of certain oil and gas assets in the Russian republic of Komi. January – March 2016 is therefore the first full quarter that the Komi operations are included in Petrosibir's financial statements.

Revenue in the period amounted to SEK 25,827 thousand and the operating costs to SEK -24,405 thousand which resulted in an operating profit of SEK 1,422 which corresponds to an operating margin of 6%. Petrosibir's 49% share of the operating profit amounts to SEK 697.

Ripiano Holdings showed a net profit for the first quarter of SEK 12,969 thousand and Petrosibir's 49% share of the net profit is SEK 6,355 thousand. Ripiano Holdings' Russian subsidiaries has loans denominated in USD and during the quarter the ruble appreciated against the USD which resulted in significant unrealized exchange gains on the USD loans which in turn resulted in the net profit of SEK 12,969 thousand.

The production in the first quarter in Komi amounted to 173,900 barrels which corresponds to an average daily production of 1,910 barrels. Petrosibir's 49% share of total production and average daily production amounts to 85,200 barrels and 936 barrels respectively.

Below is the income statement for the Komi operations for the first quarter 2016, amounts in SEK thousand.

#### **Komi operations**

<b>January - March</b>	<b>2016</b>
Revenue	25 827
Raw materials and consumables	-19 620
Other operating expenses	<u>-4 785</u>
<b>Operating profit</b>	<b>1 422</b>
<b>Operating margin</b>	<b>6%</b>
<b>Petrosibir's share of operating profit, 49%</b>	<b>697</b>

During the first quarter the company has initiated geological and technical projects with the objective of increasing production volumes across all production wells. The company has also initiated an overview of the cost structure in order to reduce the operating expenses which would result in an improvement of the operating margin.

## Upcoming financial reporting

Interim Report January – June 2016

24 August 2016

Interim Management Information July – September 2016

18 November 2016

Annual General Meeting 2016

24 May 2016

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

SEK thousand	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015
<i>Continuing operations</i>			
<b>Revenue</b>	<b>4 433</b>	<b>6 324</b>	<b>28 649</b>
Work performed by the company for its own use and capitalized	435	410	1 890
Raw material and consumables	-2 273	-4 200	-15 746
Negative goodwill	0	0	34 261
Personnel costs	-4 434	-1 629	-8 480
Other external expenses	-2 225	-1 544	-6 559
Depreciation	-150	-184	-7 557
<b>Operating expenses</b>	<b>-9 082</b>	<b>-7 557</b>	<b>-4 081</b>
<b>Operating profit</b>	<b>-4 214</b>	<b>-823</b>	<b>26 458</b>
Financial income	22	48	229
Financial expenses	-1 593	-14	-74 522
Share of result from equity investments	6 355	0	-1 620
<b>Total financial items</b>	<b>4 784</b>	<b>34</b>	<b>-75 913</b>
<b>Profit before tax</b>	<b>570</b>	<b>-789</b>	<b>-49 455</b>
Income tax	6	6	23
<b>Profit for the period</b>	<b>576</b>	<b>-783</b>	<b>-49 432</b>
<b>Result discontinued operations</b>	<b>0</b>	<b>1 510</b>	<b>-110 193</b>
<b>Result for the period, total for the Group</b>	<b>576</b>	<b>727</b>	<b>-159 625</b>
<b>Other comprehensive income</b>			
Financial assets available for sale	0	5 097	36 102
Translation differences	1 547	-13 332	42 818
<b>Total items which may be or have been re-classified to result for the period</b>	<b>1 547</b>	<b>-8 235</b>	<b>78 920</b>
<b>Total other comprehensive income</b>	<b>2 123</b>	<b>-7 508</b>	<b>-80 705</b>
<b>Earnings per share</b>			
Continuing operations	0,02	-0,04	-2,57
Discontinued operations	0,00	0,08	-5,73
Average number of shares	29 773 862	18 661 247	19 222 928

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

SEK thousand	Mar 31 2016	Mar 31 2015	Dec 31 2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	0	6 807	0
Exploration and evaluation assets	47 963	59 749	45 429
Oil and gas assets	87 898	145 218	83 660
Other fixed assets	728	1 053	711
Financial assets available for sale	0	53 061	0
Equity investments	96 952	0	95 009
<b>Total non-current assets</b>	<b>233 541</b>	<b>265 888</b>	<b>224 809</b>
<b>Current assets</b>			
Inventory	24	55	132
Other short-term receivables	680	49 476	1 245
Cash and cash equivalents	24 752	12 553	36 134
<b>Total current assets</b>	<b>25 456</b>	<b>62 084</b>	<b>37 511</b>
<b>Assets held for sale</b>	<b>8 029</b>	<b>0</b>	<b>9 616</b>
<b>Total ASSETS</b>	<b>267 026</b>	<b>327 972</b>	<b>271 936</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>256 637</b>	<b>278 790</b>	<b>254 530</b>
<b>Non-current liabilities</b>			
Deferred income tax liabilities	5 450	14 084	5 341
Other provisions	240	294	240
<b>Total non-current liabilities</b>	<b>5 690</b>	<b>14 378</b>	<b>5 581</b>
<b>Current liabilities</b>			
Convertible loan	0	0	4 000
Accounts payable	667	16 497	4 050
Other current liabilities	4 032	18 307	3 775
<b>Total current liabilities</b>	<b>4 699</b>	<b>34 804</b>	<b>11 825</b>
<b>Total EQUITY AND LIABILITIES</b>	<b>267 026</b>	<b>327 972</b>	<b>271 936</b>



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	<b>Jan-Mar 2016</b>	<b>Jan-Mar 2015</b>	<b>Jan-Dec 2015</b>
<i>Continuing operations</i>			
<b>Cash flow from operating activities</b>			
Before change in working capital	-3 501	-949	-2 054
Change in working capital	-2 809	814	4 331
<b>Cash flow from operating activities</b>	<b>-6 310</b>	<b>-135</b>	<b>2 277</b>
Investment in oil and gas assets	-755	-1 750	-6 646
Investment in exploration and evaluation assets	-125	-1 776	-4 539
Investment in equity investee	0	0	29 977
<b>Cash flow from investing activities</b>	<b>-880</b>	<b>-3 526</b>	<b>18 792</b>
<b>Cash flow from financing activities</b>	<b>-4 016</b>	<b>0</b>	<b>3 750</b>
<b>Cash flow for the period</b>	<b>-11 206</b>	<b>-3 661</b>	<b>24 819</b>
<i>Cash flow from discontinued operations</i>	<i>0</i>	<i>2 802</i>	<i>-2 134</i>
<b>Cash and cash equivalents at beginning of the period</b>	<b>36 134</b>	<b>13 674</b>	<b>13 674</b>
Cash flow for the period	-11 206	-859	22 685
Exchange differences in cash and cash equivalents	-176	-262	-225
<b>Cash and cash equivalents at end of the period</b>	<b>24 752</b>	<b>12 553</b>	<b>36 134</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

<b>SEK thousand</b>	<b>2016</b>	<b>2015</b>
<b>Opening balance January 1</b>	<b>254 530</b>	<b>286 298</b>
Total comprehensive income for the period	2 123	-7 508
Issue costs	-16	0
<b>Closing balance March 31</b>	<b>256 637</b>	<b>278 790</b>

## About Petrosibir

Petrosibir is a Swedish company focused on exploring and developing concessions in Russia. Petrosibir's Ukrainian operations have been distributed to its shareholders. The company holds licenses in the Russian republics of Bashkiria and Komi. Petrosibir's 2P oil and gas reserves amount to 35 million barrels of oil equivalent. The Petrosibir share is traded on the OTC-list at beQuoted starting from 17 February 2016 under the symbol PSIB-B.

## Petrosibir's exploration and production portfolio

Production onshore					
License	Product	Reserves			Working interest
		1P	2P	3P	
Rustamovskoye / Ayazovskoye	Oil	7	23	41	100%
Rustamovskoye / Ayazovskoye	Gas	1	4	7	100%
Dinyu-Savinoborskoye	Oil	1	3	3	49%
Sosnovskoye	Oil	1	6	6	49%
Yuzhno-Tebukskoye	Oil	0	0	0	49%
<b>Total</b>		<b>10</b>	<b>35</b>	<b>57</b>	

Exploration onshore					
License	Product	Contingent and risked prospective resources			Working interest
		L	M	H	
Rustamovskoye	Oil	1	4	6	100%
Aysky	Oil	4	13	20	100%
Suyanovskoye	Oil	47	47	47	100%
<b>Total</b>		<b>52</b>	<b>64</b>	<b>73</b>	

## Note on the reserves and resources calculation

Amounts are reported in millions of barrels of oil equivalent. Reserves and resources refer to the amounts of oil and gas attributable to Petrosibir's share in the fields where the company conducts joint operations via joint ventures and joint investment agreements. Calculations in the assessments have been made in accordance with SPE PRMS with the exception of Suyanovskoye resources, which are of category D according to Russian standards. AGR TRACS has made the assessment for Rustamovskoye and Aysky (2014). GeoSeis Group has made the assessment for Suyanovskoye (2014). Enkonko GeoStream Service Group, part of Key Energy Services, made assessment of the Dinyu-Savinoborskoye, Sosnovskoye and Yuzhno-Tebukskoye licenses (2014).

Resources have a lower probability of extraction than reserves.