

Petrosibir AB



AGM 2018

28 June 2018

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Assets overview



Petrosibir AB

- 100% AO Ingeoholding
- 49% Ripiano Holdings Ltd
- Cash \$0.1mln (31.12.2017)
- Debt free

AO Ingeoholding

- 2P reserves 23 MMbbls of oil*
- A+B1+B2 9.4 MMbbls of oil**
- Current production 0.4 th bopd
- Cash \$1.5mln (31.12.2017)
- Debt free (external)

Ripiano Holdings Ltd

- 100% LLC Dinyu
- 100% LLC CNPSEI
- Cash \$0.4mln (31.12.2017)
- Debt (interest free) \$0.3mln (31.12.2017)

LLC DINYU + LLC CNPSEI (100%)

- 2P reserves 18 MMbbls*** (gross)
- Current production 2.0 th bopd (gross)
- Cash \$0.7mln (31.12.2017)
- Debt \$2.9mln (31.12.2017)

*TRACS report as of 1st October 2014 (production October 2014 – May 2018 not adjusted)

** Russian classification (former ABC1+C2) as of 1st January 2018 (production January 2018 – May 2018 not adjusted)

*** DeGolyer& MacNaughton report as of 1st January 2017 (production January 2017 – May 2018 not adjusted)

Highlights 2017

FINANCIAL

- Oil production averaged 1,375 bopd in 2017 and 1,432 in Jan-May 2018
- Total production in Bashkiria 158 th bbl (153) and in Komi 344 th bbl (354)
- Average Brent price \$54 in 2017 compared to \$44 in 2016
- Revenue increased up to SEK 43 mln (27) as a result of higher oil prices and higher volumes in Bashkiria
- Operating result SEK -2 mln (-14), continued cost reduction. Operating result in the second half of 2017 was slightly positive
- Cash position SEK 14 mln (16), i.e. cash flow of SEK -2 mln (-20)
- Reduction of oil price discount in 2017 to 11% (4.5 \$/bbl incl. VAT) compared to average discount in 2016 of 18% (5.4 \$/bbl incl. VAT)
- Petrosibir's share of net income in Ripiano SEK 7 mln (8)

Highlights 2017 (continued)

OPERATIONAL - BASHKIRIA

- Production in 2017 reached 158.3ths bbl vs 152.5ths bbl n 2016. Increase was driven by:
 - Conversion of well #11 to a water injection well => higher pressure in the reservoir
 - Constant optimisation of pump regimes
 - Successful re-entry of old Soviet well #54. Produced 1,800 bbl in 2017
- Access to Transneft pipe in neighbouring Tatarstan has improved net back prices
- Gas utilisation facility enables avoidance of penalties and annual economy on electricity of 35%
- Registered and approved new technological development program for Ayazovskoye aimed to comply with technical laws, improve water injection process, provide oil storage facilities
- For 2018 focus is on:
 - Slowing production decline
 - Fracking two wells (9 and 54)
 - Improving and optimising the water injection system
 - Active management of pump regimes

Highlights 2017 (continued)

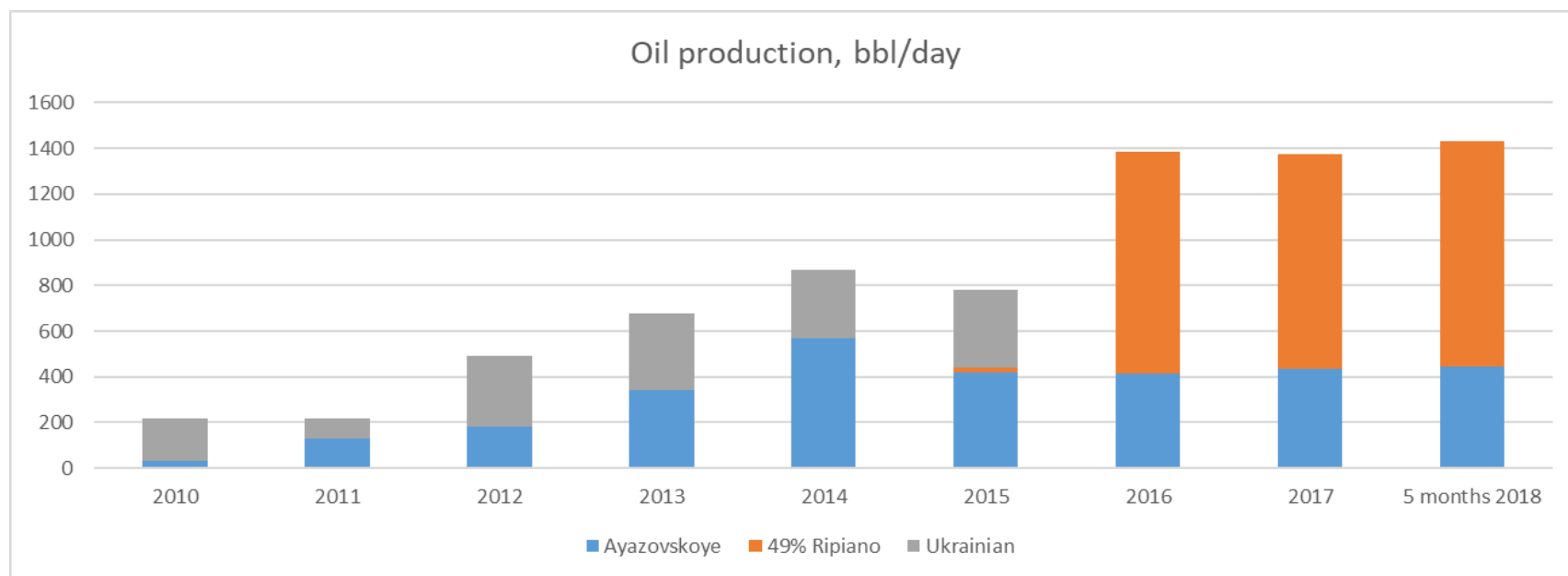
OPERATIONAL - KOMI

- Six wells drilled and fraced in Sosnovskoye with encouraging results

Well		Post drilling Initial flow rate, bopd	Post fracing Initial flow rate, bopd	Current flow rate, bopd
Sosnovskaya	#33	145	217	282
Sosnovskaya	#34	4	213	108
Sosnovskaya	#35	19	163	108
Sosnovskaya	#36	no flow	43	14
Sosnovskaya	#39	7	213	188
Sosnovskaya	#40	not tested	121	282
TOTAL			970	983

- Dinyu-Savinoborskoye wells #30 and #53 watercut level increased from 18% and 14% in 2016 to 42% and 36% respectively in 2017 contributing to overall field's production decline
- Project to upgrade oil treatment facilities in Sosnovskoye and Yuzhno-Tebukskoye to connect the fields to Transneft is in progcess
- Focus for 2018 is made on evaluating further drilling opportunities in Sosnovskoye and Dinyu-Savinoborskoye fields

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	22.4	9.1	31.5

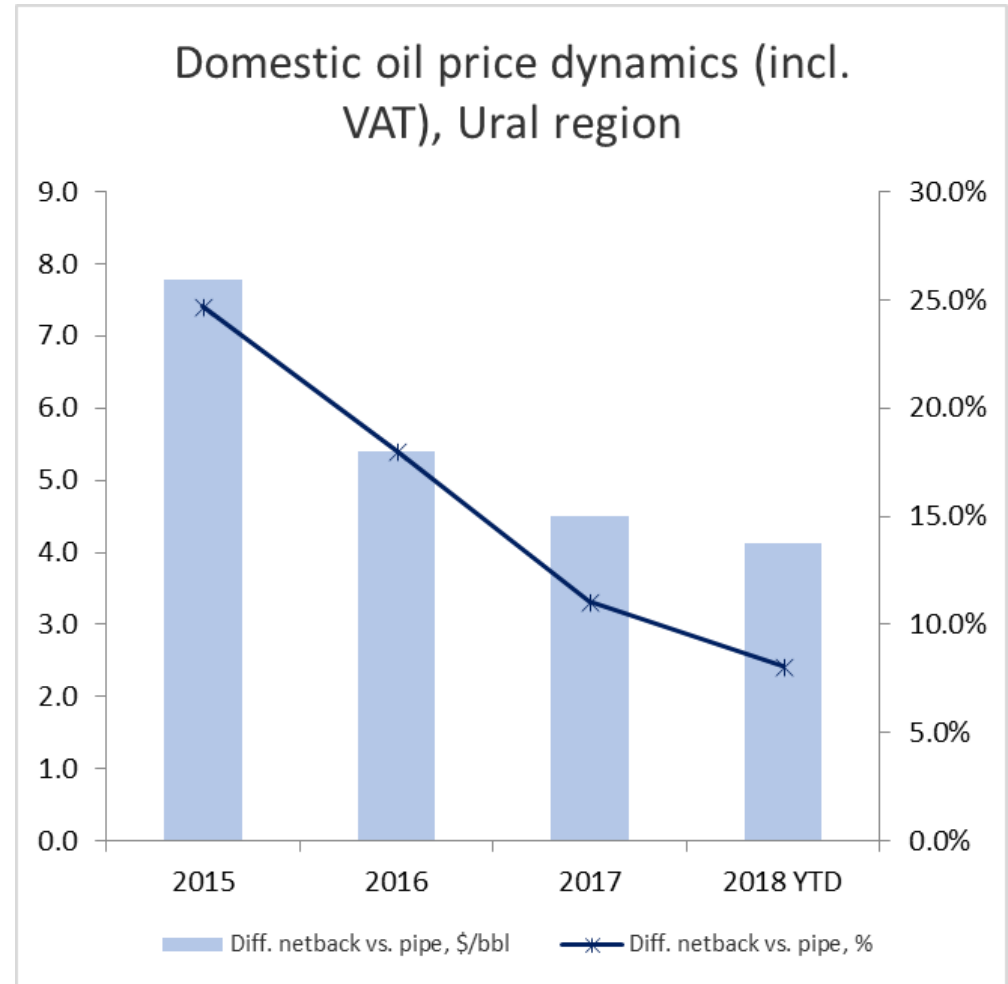
*TRACS report as of 1st October 2014

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

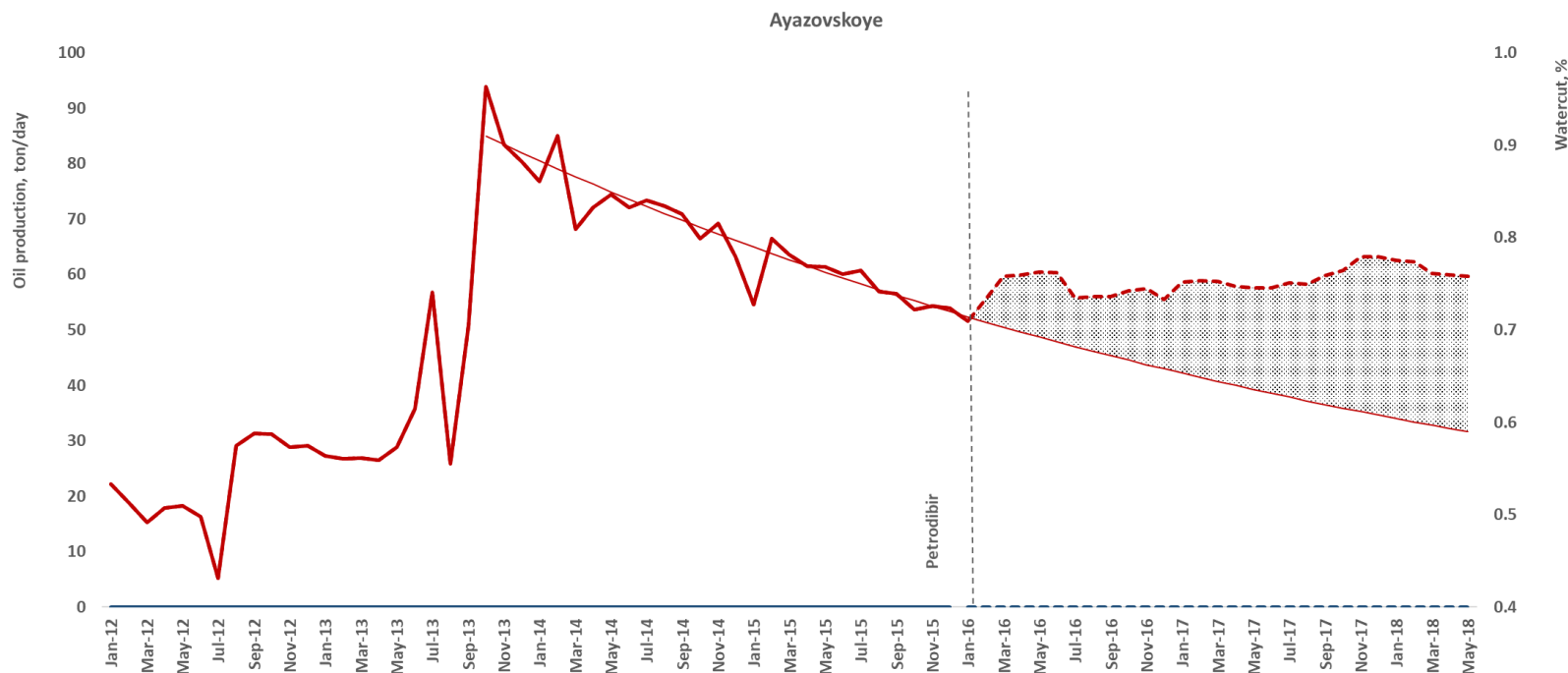
In December 2015 Petrosibir distributed its Ukrainian operations to its shareholders and acquired its 49% share of the Komi operations (Ripiano)

Oil sales

- Steady trend of improving oil price discount since 2015 YTD achieving record 4.1 \$/bbl incl. VAT or 8.1%
- 2017 was a step-change year from selling at the well-head towards selling to customers in the pipe
- Current choice of customers allows to sell oil at higher than average pipe price before deduction of transportation and processing fees

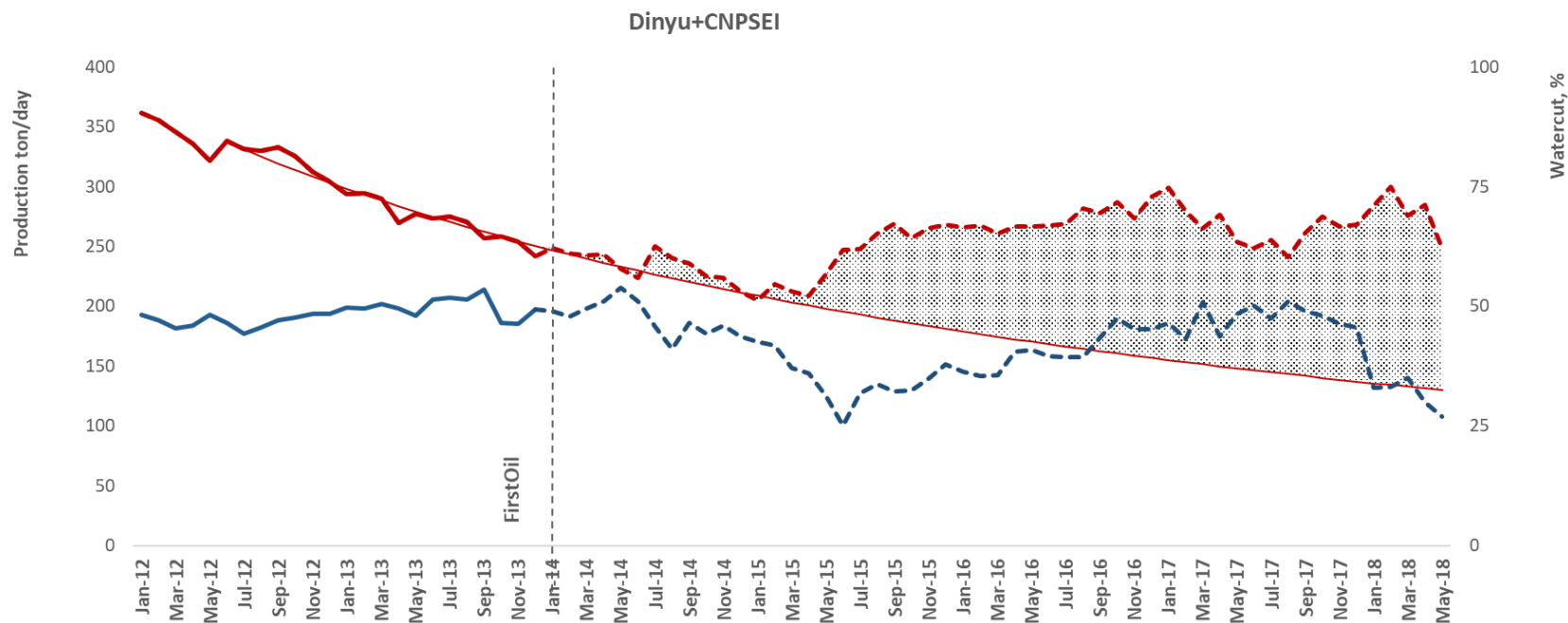


Ingeoholding. Key achievements and plans



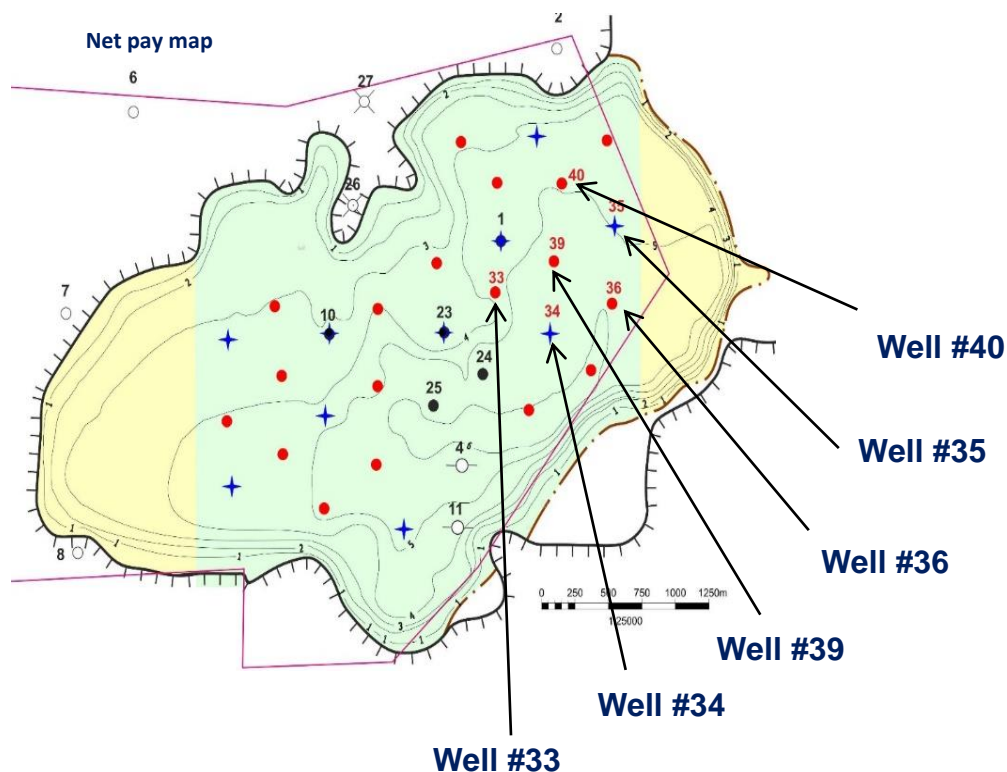
- Well #11 was converted to injector in July 2016 leading to increase in well #2 flow rates
- Well #9 was drilled from pad #1 to the end of 2016. Initial flow rate <30 bpd was below expectations. A frac job is planned for H2 2018
- Construction of surface facilities in Ayazovskoye field (DNS 1st phase) was completed including installation of a gas generator set
- Well #54 was put into production at the end of 2017. Current production rate is 18 bbl/day. A frac job is planned for H2 2018
- Looking at options for financing the Suyanovsky block to ensure further exploration

Assets in Komi. Key achievements and plans



- 2015-2016 workover programme had a great impact on production
- In 2017 Dinyu had to change and repair pumps in several wells. Additional workovers to increase production in H2 2017
- Gas generator sets work at Dinyu-Savinoborskoye and Sosnovskoye fields. In 2017 CNPSEI connected to local electric network and started selling excess of produced power
- Pad #1 site was constructed at Sosnovskoye field and 6 new wells have been drilled and fraced
- Development of a new infrastructure project was commenced to construct pipelines from Sosnovskoye and Yuzhno-Tebukskoye fields
- Water injection enhancement and workovers in Dinyu-Savinoborskoye are planned to restrain watering out wells #30 and #53

Sosnovskoye new wells

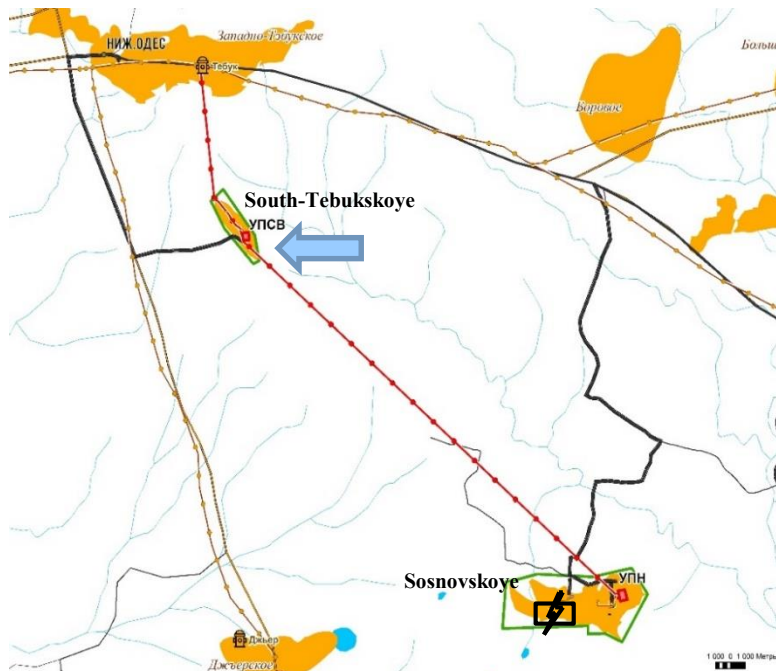


Netpay of the new wells

Well #	Netpay, m
33	7.3
34	6.2
35	4.7
36	4.9
39	5.7
40	6.0

- The wells confirmed our structure map based on 3D seismic (+/-2 meters)

CNPSEI. New infrastructure development programme



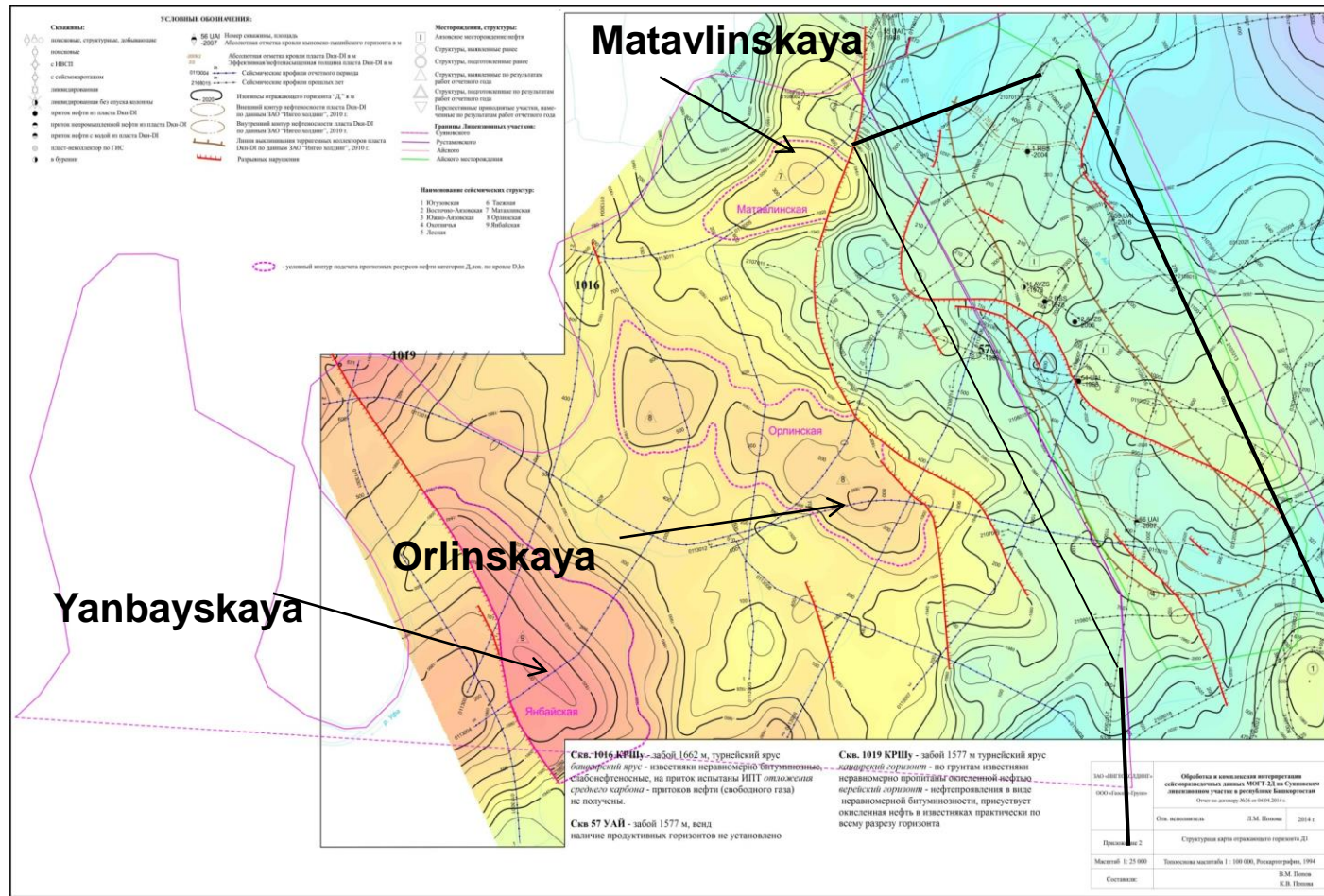
- CNPSEI plans to construct a pipeline connecting Sosnovskoye and Yuzhno-Tebukskoye fields with Lukoil's pipeline. It will reduce transportation costs and investments in storage facilities at Sosnovskoye field. The decision will be made by end of 2018 upon production trend following the latest drilling campaign
- We expect significant increase in production in Sosnovskoye field as a result of a new drilling campaign planned for 2019
- More gas generator sets are planned to be installed in the field in 2018-19 and the company will be able to generate and sell more electricity

Ingeoholding. Surface facilities construction



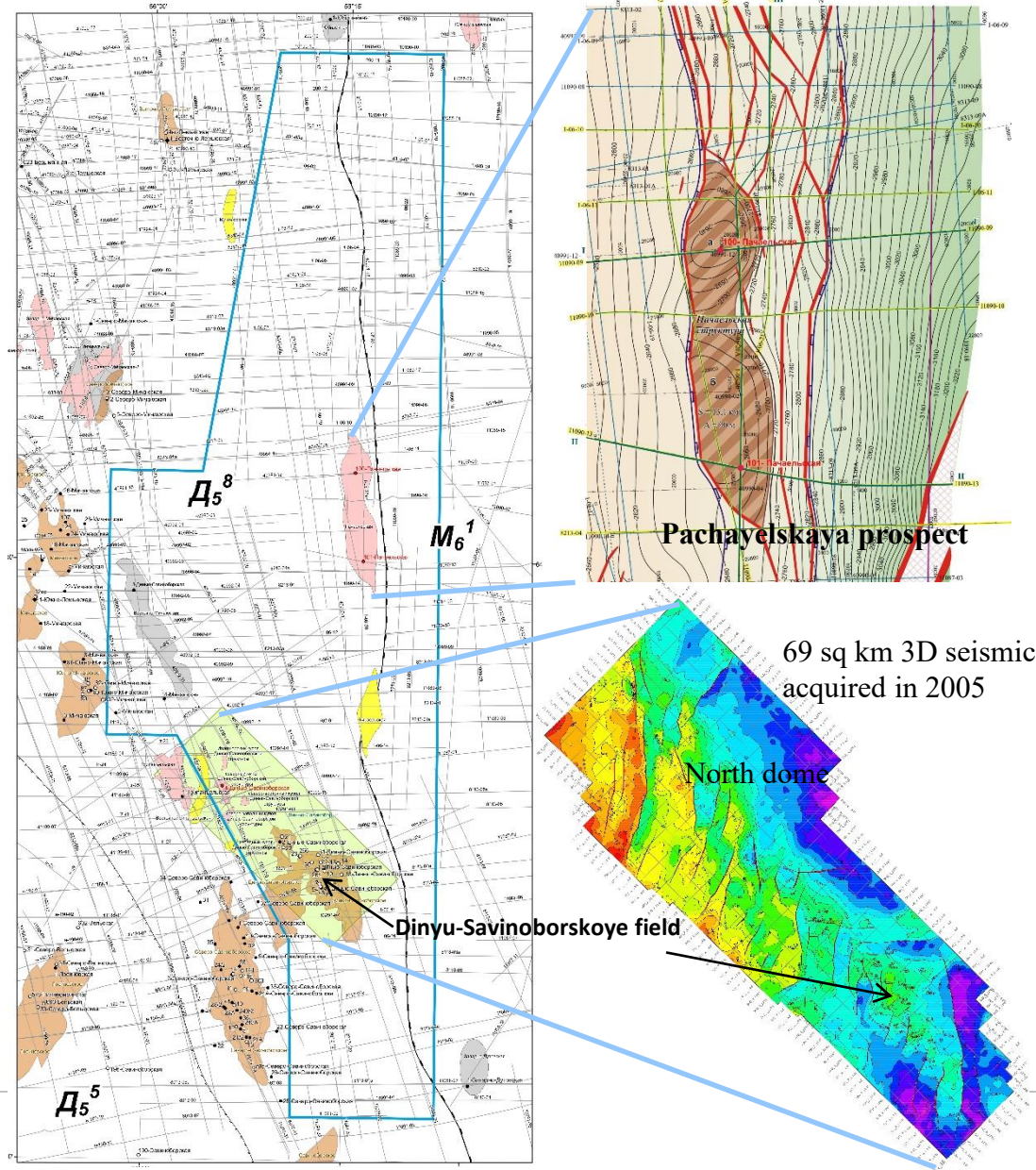
- Construction of surface facilities in Ayazovskoye field (DNS 1st phase) was completed in 2017
- Gas generator set was installed in Ayazovskoye field allowing full compliance with ecological laws and saving 35% electricity cost over 2017
- Pipe connecting well #1 with the DNS was constructed and put into operation in the first half of 2017

Suyanovskoye potential



- Three prospects with 47 million barrels of recoverable C3 oil resources
- Cost of one exploration well is around \$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)
- In December 2015 LLC Dinyu confirmed that it fulfilled all obligations and the licence was extended till February 2038
- All exploration works should be performed in accordance with Exploration works project. The new exploration project approved in 2017 assumes drilling of at least two exploration wells (two prospects with prospective resources 29 MMbbls)

Conclusions

- Experienced management and operational team
- Profitable business with substantial funds and positive cash flow
- Significant upside potential
- A strong positive track record to be used as a platform for forward development