

Notice to Annual General Meeting of shareholders in Petrosibir AB (publ)

The shareholders of Petrosibir AB (publ) (hereinafter the “Company”) are hereby given notice to attend the Annual General Meeting to be held at 10 AM on 30 June 2023 at Nybrogatan Business Center, Nybrogatan 34 in Stockholm.

General information

Due to travelling restrictions Petrosibir does not at this point know who or how many from the board of directors or management that will be able to participate in person or via link at the Extraordinary General Meeting.

Notification and right to participate

The right to participate at the general meeting vests in a person who: is registered as a shareholder in the share register maintained by Euroclear Sweden AB regarding circumstances pertaining on 21 June 2023; and not later than 26 June 2023 notifies the Company of their intention to participate at the general meeting.

Notice of participation may be given by post to Petrosibir AB, P O Box 5216, 102 45 Stockholm or by e-mail to jesper.sevelin@petrosibir.com. The notification should state the name, personal ID or registration number, address, daytime telephone number and shareholding of the shareholder. Authorization documents such as power of attorney and registration certificates should, where appropriate, be submitted to the Company prior to the general meeting. Shareholders who wish to be accompanied by one or two assistants may give notice thereof within the time and in the manner applicable to shareholders. A power of attorney form is available on www.petrosibir.com. A power of attorney may not be older than five years.

Shareholders with nominee-registered shares must, in order to be entitled to participate at the general meeting, request that the nominee effects a temporary re-registration (voting right registration) of the shares in ample time prior to 21 June 2023. Registration that has been requested by shareholders in such a time that the registration has been made by the nominee no later than June 26, 2023 will, however, be taken into account when preparing the share register.

Proposed agenda

1. Opening of the meeting and election of the chairman of the meeting
2. Preparation and approval of the list of shareholders entitled to vote at the meeting
3. Appointment of one or two persons to verify the minutes of the meeting
4. Determination of whether the meeting has been properly convened
5. Approval of the agenda
6. Presentation of the annual report and auditor’s report and the consolidated annual report and the auditor’s report for the group
7. Adoption of resolutions concerning:
 - a) the adoption of the company’s income statement and balance sheet and, the consolidated income statement and the consolidated balance sheet
 - b) the appropriation of the company’s profit or loss result, in accordance with the adopted balance sheet; and
 - c) granting of a discharge from liability for the members of the board and the managing director.

8. Determination of the number of board members and, where applicable, the auditor and any deputies to be elected at the meeting
9. Setting of remuneration for the board members and the auditors
10. Declaration of board candidates' commitments and positions in other companies; election of board members and the auditor and any deputies.
11. Presentation of the balance sheet for liquidation purposes and auditor's report
12. Decision as to whether the company is to enter into liquidation or continue operations
13. Decision on the divestment of shares held in:
 - a) The wholly (100%) owned subsidiary JSC Ingeo Holding
 - b) The 51 % owned subsidiary LLC Company UFA Petroleum
14. Decision on the exit of participation in Ripiano Holdings
15. Closure of the meeting.

Allocation of the Company's earnings (item 7 b)

The Board proposes that no dividend is paid for the financial year 2022.

Proposals regarding liquidation or continuation of operations (item 12)

On 23 November 2022 the company held an Extraordinary General Meeting where a balance sheet for liquidation purposes was presented showing that the equity of the company were less than a half of the registered share capital. The shareholders then decided to continue operations. Following the decision to continue operations the Board of Directors were obliged to, within eight (8) months of the first general meeting present a second balance sheet for liquidation purposes to the shareholders showing that the share capital deficit has been restored in full. This Annual General Meeting will in this case function as such secondary general meeting and the shareholder once again have to decide on the continuation or liquidation of the operations.

Primary proposal – continuation of operations:

The board primarily proposes to continue operations. The company will present a second balance sheet for liquidation purposes that together with the auditor's statement will be available at the Company's office and on www.petrosibir.com. Since the first general meeting where the first balance sheet for liquidation purposes was presented the registered share capital of Petrosibir was lowered to 500 000 SEK and it is the assessment of the company that the second balance sheet for liquidation purposes will show that the equity compared to the registered share capital has been fully restored. The shareholders should however pay attention to items 13-14 below, that, upon the approval of the shareholders, will result in the divestment of the operational subsidiaries. By continuing operations, the board and management, if the shareholders so decide, can execute these transactions while being provided with some time to continue evaluate alternative options. However, the company can not rule out that the shareholders during an upcoming extraordinary general meeting may have to decide on a new proposal of liquidation following the transactions of items 13-14.

Secondary proposal – liquidation

Should the general meeting decide not to continue operations the board secondly proposes to enter into

liquidation. The decision to liquidate the company would be valid from the date it is registered with the Swedish Companies Registration Office. Distribution of any assets is estimated to occur in the first half of 2024 and the amount to distribute is cautiously estimated to be 0 SEK. The board has no proposal for who to appoint as liquidator.

Decisions regarding the sale of the Russian subsidiaries of Petrosibir AB (publ) (item 13 a-b)

Petrosibir AB (publ) is the owner of 100% of the shares in Ingeo Holding and 51% of the shares in UFA Petroleum. Both companies are incorporated in Russia and constitute subsidiaries of Petrosibir and carry out all operational activities within the group.

The Company has received an offer from CEO Pavel Tetyakov to acquire the wholly owned subsidiary JSC Ingeo Holding and the 51 % owned subsidiary LLC Company UFA Petroleum for a consideration of, 10 000 RUB for Ingeo Holding and 5 001 RUB for Ufa Petroleum whereby the subsidiaries are obliged to repay 30 000 000 RUB of the intra group loans in connection with the transaction. The transactions would fall within the scope of the 16 chap. of the Swedish Companies Act and must be approved at a general meeting.

An independent financial advisor has provided a fairness opinion on the envisaged transactions. The fairness opinion will be published on www.petrosibir.com. The fairness opinion will be published on www.petrosibir.com. The fairness opinion was issued in November 2022 and was based on the circumstances known to the company at that point in time. The market situation is volatile and has changed as of the publication of this notice. Factors that have affected and continues to affect the operational activities of Petrosibir are described in the Annual Report of 2022 and further in the "Background" section of this decision item.

The Board shall have the right to deviate from this offer in the event a more profitable alternative emerge between the date of this general meeting and the conclusion of the transaction, including the sale of the assets to another party. In such case Pavel Tetyakov shall be compensated for any costs related to the preparation of the transaction.

A decision under this item must be supported by at least 90 % of both the votes cast and shares represented at the general meeting and are contingent on relevant Russia government approvals. It is the assessment of the company that the forgiving of the remaining loan balances between Petrosibir and the Russian subsidiaries may be subject to approval by the relevant Swedish authorities in accordance with applicable sanctions regulations. If the shareholders vote in accordance with the offer the company will apply for such approvals.

On 24 April 2023 the Board decided, in accordance with the 16 chap. of the Swedish Companies Act to refer the offer to the Annual General Meeting for the shareholders to decide upon.

Background:

The entire asset base of Petrosibir is located in Russia where operations are conducted through its Russian subsidiaries. During the first half of 2022 the geopolitical climate deteriorated as the conflict in Ukraine significantly escalated. An unprecedented package of sanctions was introduced by both the United Kingdom, United States and European Union against Russia. Russia has during the same period introduced a number of counter sanctions and imposed financial restrictions on cross border transactions and introduced various currency restrictions.

While the Russian subsidiaries of Petrosibir are independent entities of the parent company and not directly affected by sanctions introduced by the European Union, the group as a whole is indirectly affected and severely restricted in terms of ability to further develop and even sustain the assets of the company. The Russian subsidiaries are experiencing issues as independent entities in Russia due to the Swedish parent company and are unable to raise any financing domestically under the current corporate structure.

The most significant sanction for the company is Article 3a of Council Regulation (EU) 2022/428 which prohibits any acquisition or extension of participation in a company active within the energy sector in Russia. This prohibition also applies to any new financing arrangements or issuance of loans to such

entities. The provisions are subject to certain derogations. This adversely affects the ability of Petrosibir to finance its Russian subsidiaries. It also prohibits equity deals involving such entities. New joint venture arrangements in Russia are prohibited, which could otherwise have been an alternative financing option.

In Russia the subsidiaries are experiencing financial restrictions due to both the European sanctions and the restrictions introduced by Russia. The subsidiaries can only hold accounts in RUB and can only transfer a maximum of 10 000 000 RUB monthly to its European parent company Petrosibir as loan repayment. Some types of payments out of Russia, such as dividends, are completely forbidden. The access to capital, for example bank financing, is limited not only due to the turbulent internal market but also due to hesitance to provide financing to a Russian company with a European ownership.

The combination of the harsh sanctions' environment and the current corporate structure, with a Swedish parent company and two Russian subsidiaries, the group is cut off from any external financing options. The group is therefore relying on its cash flows to be sufficient to develop the assets of the company. Unfortunately, the group is currently operating at a loss and is burning through its available cash.

URALS, the reference brand used for oil pricing in Russia, is currently at a 30-35\$/barrel discount to BRENT. The local oil market in Bashkiria, where Ingeo Holding and UFA Petroleum operate, experiences further discounts when selling oil domestically or for export. On produced oil mineral extraction tax ("MET") is applied. This tax is based on the URALS pricing and adversely affect cash flows when oil is sold at a further local discount. On comparable basis in 2022 MET rate increased by 3\$/barrel and effective 2023 by more 4\$/bbl with further negative outlook towards mid 2023 following recently announced tax code changes. In addition, double-digit inflation has increased the fixed costs of the operations, which are believed to increase further. The above factors adversely affect the profitability of each produced barrel. The subsidiaries are dependent on the cash flows from oil production and associated oil trading to cover the fixed costs of the company and to generate a sufficient surplus to sustain a stable oil production and on external cash injection to increase the production.

Oil production naturally decreases over time which is also a major contributing factor to the reduced cash flows of the company. In 2022 Petrosibir's production declined by 18% and the trend continues. Although production decline is a natural phenomenon in case of Petrosibir the decline is accelerating.

With the current production volumes and market prices the subsidiaries are operating at a loss. While certain factors that affect the economy of produced oil may improve going forward, most of the potential gains would be offset by the declining production. In the current geopolitical and adverse economic environment Petrosibir need to increase oil production to operate with a profit.

In 2021 and 2022 the company implemented lower cost measures, such as fracking, in an attempt to increase and stabilise production. While the fracking was successful the increase in volumes was below expectations. The company has exhausted all options to boost and stabilise production from the existing wells, and the only way to reverse the trend and increase production requires drilling new production wells. Taking into account that the subsidiaries' cash flow is too small and continues shrinking, such program requires external financing that is now impossible due to the reasons discussed above.

With the current production level the Group is expected to run into cash deficit within 9-15 months. It should however be noted that the costs to liquidate the oil producing subsidiaries and restore the well sites in accordance with the applicable legislation amount to almost all of the cash on. This means that unless the subsidiaries are provided funds for development they need to start the liquidation process immediately to avoid bankruptcy and forced liquidation that may result in liability for the management and the parent company.

The group in 2022 reactivated its efforts to sell the Russian assets, also involving professional consultants. Companies that earlier expressed some interest were contacted as well as multiple new target companies. Very little interest was expressed, and most companies are unwilling to invest in the current climate. In 2022 Russia introduced restrictions on certain security transactions which might affect the sale of the Russian subsidiaries of Petrosibir. When the owner is an European company the potential buyer needs to apply for a derogation with the Russian state committee. This process caused difficulties

for western companies to even forfeit their Russian assets and similarly caused hesitation among potential buyers even to enter into a zero-consideration transaction.

During the second half of 2022 and beginning of 2023 the number of banks that were able to facilitate cross border transactions between EU and Russia decreased significantly. The Russian subsidiaries have therefore during the same time period actively had to open new accounts in other banks. The European bank used by the parent company is, as far as the company knows, the only remaining bank facilitating conventional transfers from Russia to companies established within the EU. As the bank of the parent company has announced its intention to divest its Russian operations the company cannot guarantee that cross border transfers will be possible in the future. In the event cross border transfers become impossible the parent company Petrosibir will no longer have access to financing.

Other risks that the group is exposed to are described in the annual report for 2022, which will be published at latest 9 June 2023.

Proposals regarding the voluntary exit of 49 % interest in Ripiano Holdings (item 14)

Following the sale of the two subsidiaries, should the shareholders vote in accordance with the offer in item 13, Petrosibir will no longer have any operations within the group and will lose its ability to finance the running costs of the parent company. The subsidiaries of Ripiano Holding are suffering from similar problems as described above for Ingeo Holding and Company UFA Petroleum. All subsidiaries of Ripiano in Russia were loss making in 2022 as per audited local accounting financial statements. The 51 % owner of Ripiano Holdings has been considering a process of transferring the operational subsidiaries of Ripiano to Russia. It is currently unclear whether Petrosibir due to applicable sanctions regulations will be able to participate in a new Russian group structure. As numerous attempts have been made to divest the 49 % holding with no success and with no other ability to extract value out of the ownership and annual costs to maintain the ownership through the subsidiary Sonoyta it is proposed to voluntarily exit, whenever possible, the 49 % ownership in Sonoyta, involving the sale to a third party.

Majority requirements

The decisions under item 13 must be supported by at least 9/10 (90%) of both the votes cast and shares represented at the general meeting.

Miscellaneous

The Annual report of 2022 together with the second balance sheet for liquidation purposes will be available at the Company's office and on www.petrosibir.com for at least three weeks prior to the meeting. Board's complete proposals for resolutions and other documents pending the general meeting will be available at the Company's office at the latest two weeks before the meeting. All documents will be sent free-of-charge to shareholders who so request and provide their mailing address. The documents also will be presented at the general meeting.

If requested by a shareholder and provided that the Board deems that it can take place without causing material damage to the Company, the Board and the CEO shall provide information about circumstances that may affect the assessment of an item on the agenda, circumstances that may affect the assessment of the Company's or its subsidiaries' financial situation, and the Company's relationship with another company within the Group.

Stockholm, June 2023

Petrosibir AB (publ)

The Board of Directors

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