

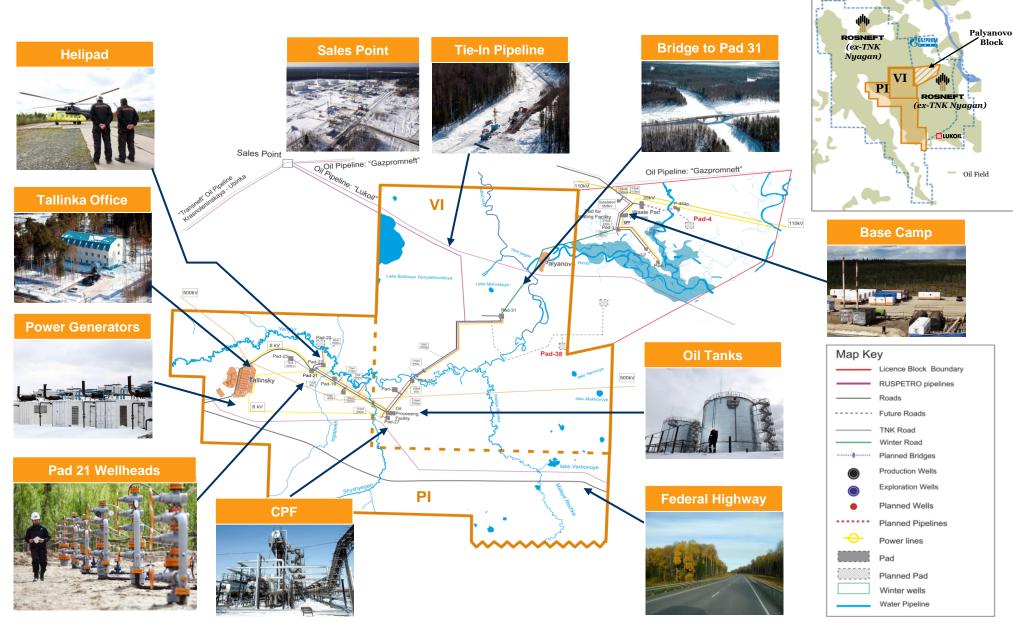
Annual General Meeting 9 June 2015



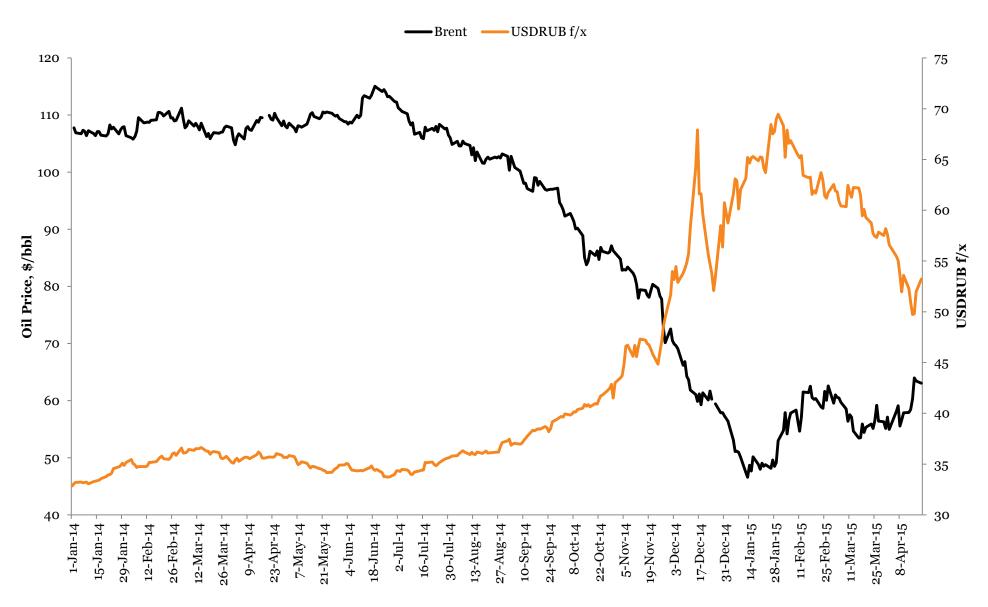


Ruspetro at a Glance

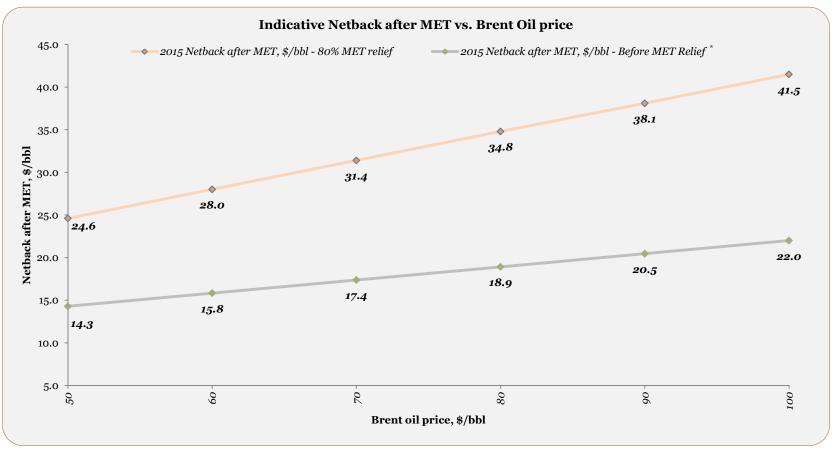












*as per the legislation prior to September 2013



Ruspetro's Technology Revolution





Philosophy Regarding Technology



- · Challenge hard the concept of "this is how we do it in Western Siberia"
- Aggressively adopt proven technology ideas mainly from the US in terms of fracking concepts but internationally in a number of key areas
- Core staff with international experience to mitigate risk of transfer of external ideas into our business
- Key focus areas for in-house skills
 - ✓ Top class reservoir geology
 - ✓ Well design
 - ✓ Frac design and execution
 - ✓ Reservoir management
 - Waterflooding tight reservoirs
 - Horizontal well evaluation and numerical modelling
 - ✓ Production well and system optimisation (oil/gas /water)/Production chemistry
 - ✓ Lean/flexible facilities

Geological Challenges

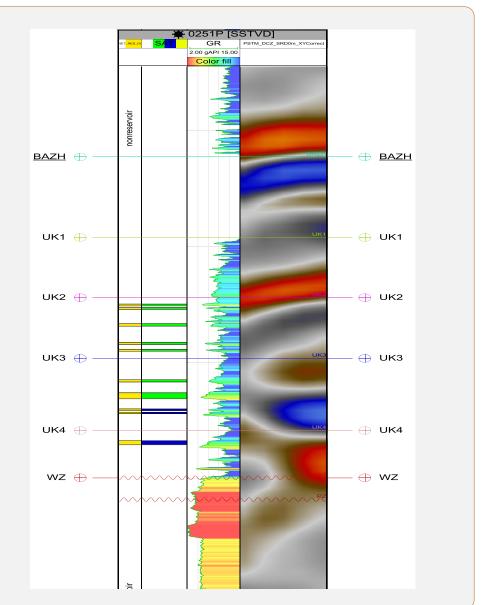


Reservoir and Stratigraphy

- Tight reservoirs giving subtle amplitude contrasts:
 Need for advanced seismic imaging methods
- Thin reservoirs: Often below seismic resolution, difficulty to predict on standard attributes
- Hydrocarbon accumulated in stratigraphic traps:
 Imaging lithological and stratigraphic boundaries is key to success

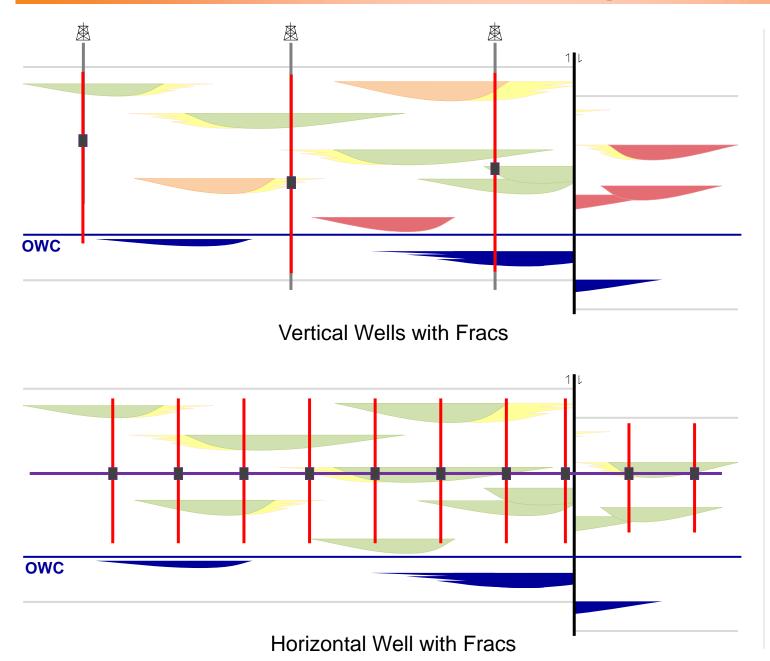
Structure and State of Stress

- Stress direction uncertain: Impact on the orientation of stimulated fractures
- Faults are mostly composed of small scale coalescing strike-slip faults with minor displacement: Mapping requires advanced seismic methods and integration with log correlation and pressure and fluid mapping

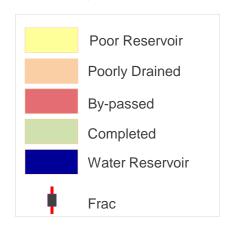


Benefits of Horizontal wells with Multistage Fracs





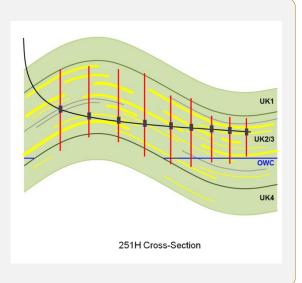
- Drilling horizontal well with multistage fracs will significantly improve connectivity to the reservoir volume
- It mitigates the risk of faulting and improves the chance to connect to the better quality part of the reservoir
- But there are more design variables in horizontal well execution: plane, frac size, number of fracs, etc.



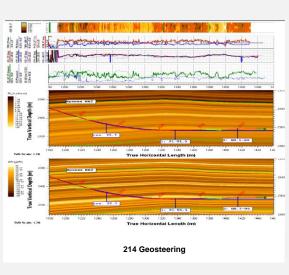
Technology Themes

RUSPETRO

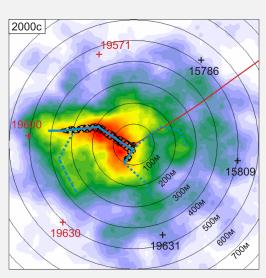
- Drilling long horizontal wells is critical to increase the odds of entering prolific reservoir zones
- Conducting multi-stage fracture stimulation will then ensure the reservoir volumes are effectively drained



- Geosteering helps to de-risk wells while drilling (not entering hazardous formations)
- Structure and reservoir distribution are better understood
- Horizontal sections can be maximized safely (example 251)

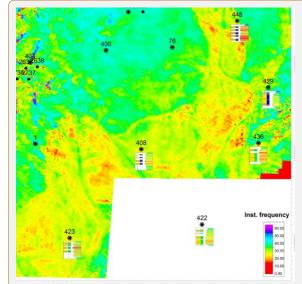


I - Drilling Horizontal Wells With Multistage Fracs



- Microseismic monitoring helps to understand frac growth and orientation so frac parameters and design can be tuned
- It is critical to understand whether frac grow in unwanted formation or fault zones
- As a consequence horizontal wells can be planned in optimal location and orientation

II - Geosteering of Horizontal Wells



 Advanced seismic interpretation techniques can help unravel detailed reservoir architecture

III - Microseismic Monitoring of Frac Stimulation

IV - Advanced Seismic Interpretation (QI)



2015 Programme





2015 Drilling Programme



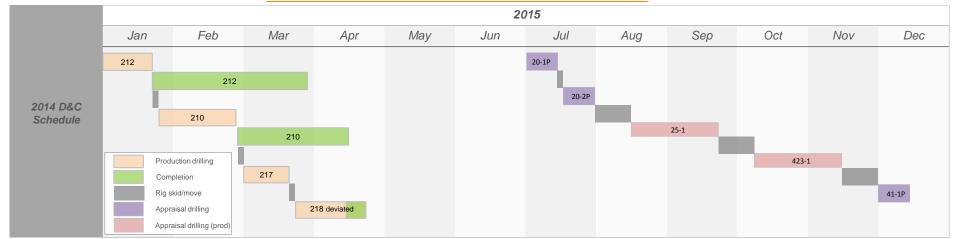
Two Distinct Phases

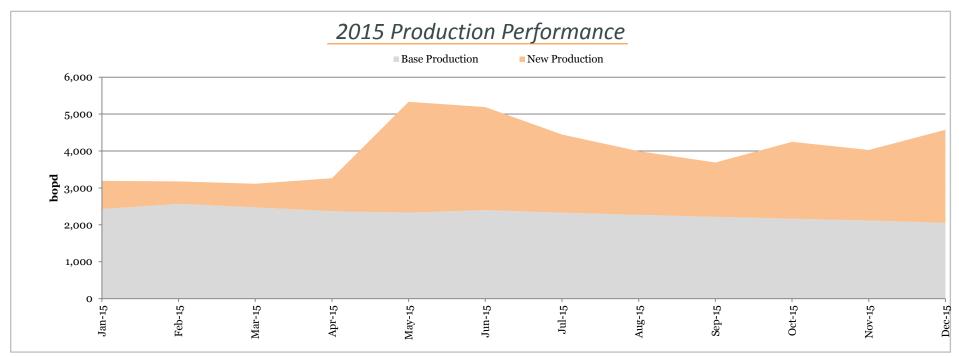
- A **development phase** in the early part of 2015, involving horizontal development drilling from Pad 23b focus on building production and maturing our horizontal well development concept.
- An **appraisal phase** in the second half of 2015 (comprising both conventional vertical wells and horizontal test wells), focused on maturing a portfolio of development wells to be drilled from 2016 onwards. Four concepts under consideration:
 - ✓ Pad 20 to develop a structural play similar to the one developed by pad 23b wells in the North of the PI License Area
 - ✓ Pad 25 area to test horizontal development of UK1 (primary target) and UK2/3 on structural highs in VI License Area
 - ✓ Pad 423 to test a large UK3 channel complex in the central part of the PI License Area using horizontal wells
 - ✓ Pad 41 to test fluvial reservoir development on a newly mapped structural high in the Southwestern corner of the PI License Area

Indicative 2015 Plan and Production Performance



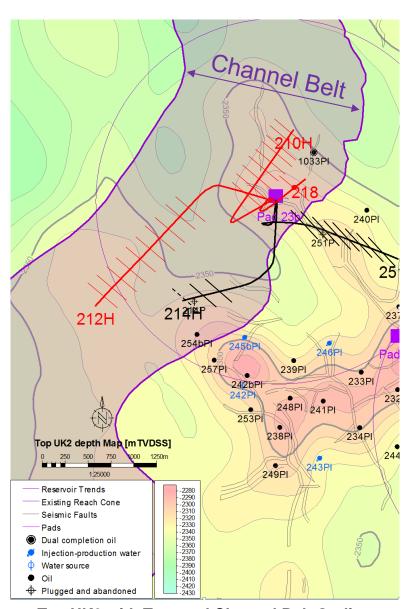
2015 Drilling and Completion Schedule





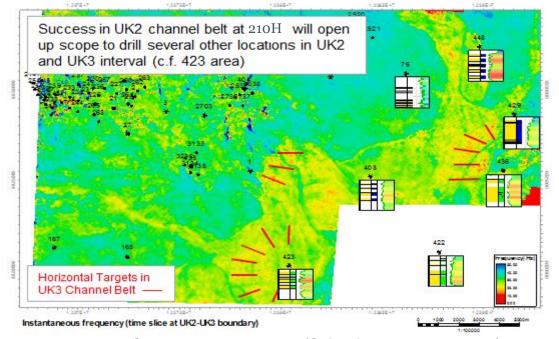
Pad 23b – Targeted UK2 Channel Belt





Lower Bar Sand Upper Bar Silts

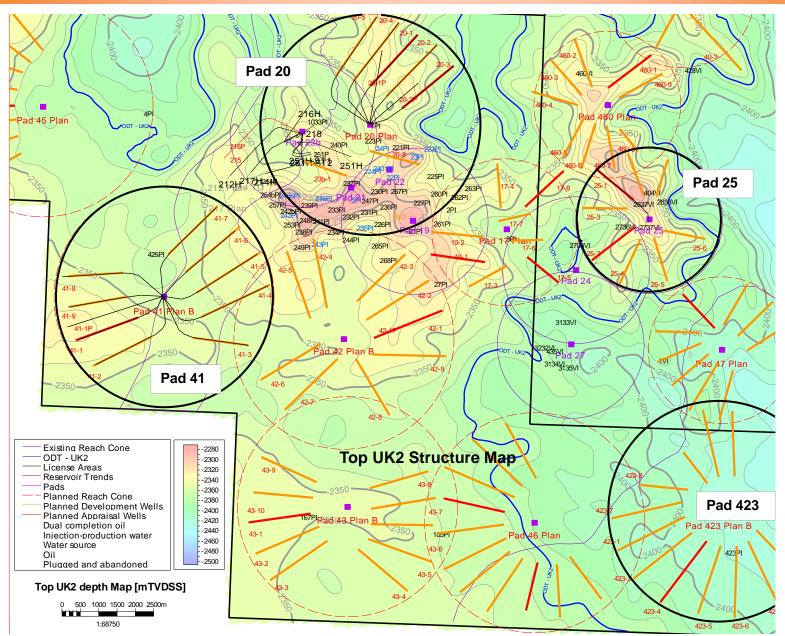
Channel Belt Architecture (Conceptual Analogue)



Top UK2 with Targeted Channel Belt Outline

UK3 Channel Belt 423 Area (Seismic Image Analogue)







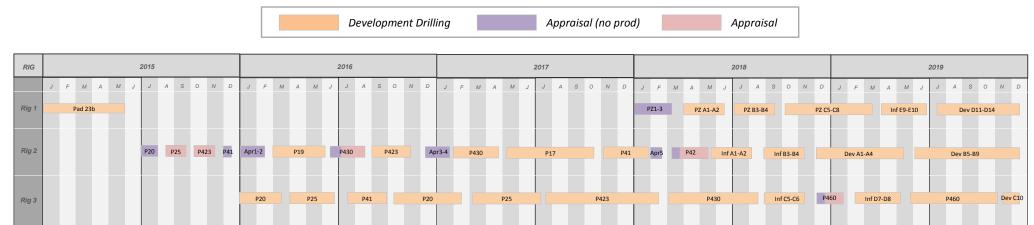
Indicative Five-Year Plan

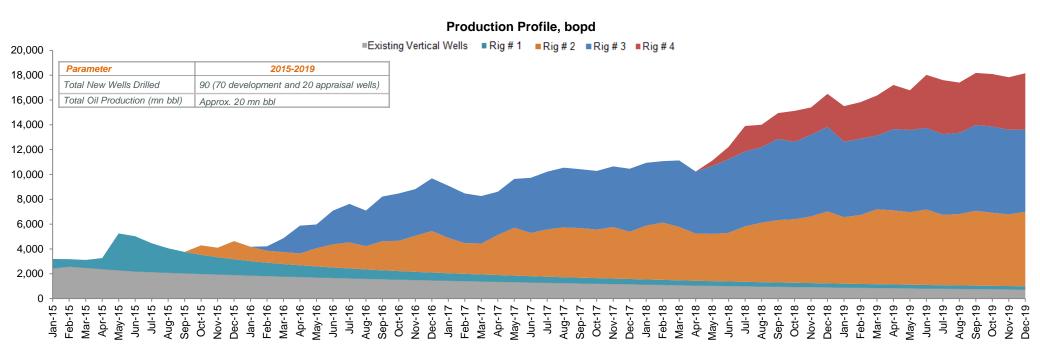




Indicative 2015-2019 Look-ahead









Horizontal Well Learning Curve





Horizontal Well Learning Curve: Key Highlights

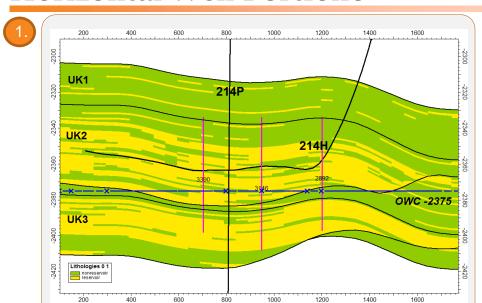


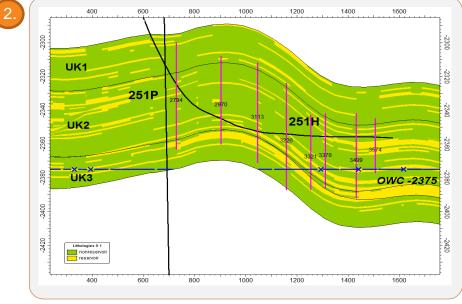
Key Breakthroughs:

- ✓ Integration of seismic imaging with geology to improve understanding of play concepts and thus high grade targeting.
- ✓ Appraisal integrated in horizontal well design saves on pre-drilled pilot well cost.
- ✓ Rapid evolution of frac design (10-15 stages of small ~50 ton fracs) customised to our reservoir distribution and oil column. Several reliable technologies now available to implement.
- ✓ Implementation of coiled tubing delivery technology for frac operations.
- ✓ World class cost benchmark achieved after four wells (drilling operations, frac design and execution, contracting philosophy, ruble depreciation).

Horizontal Well Portfolio

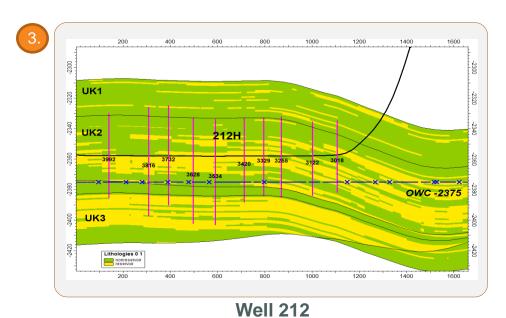


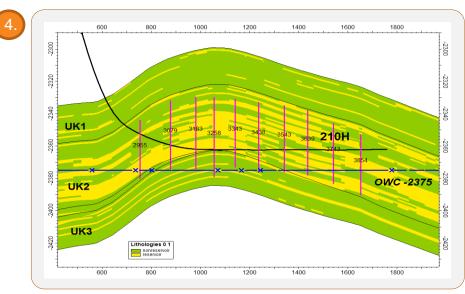




Well 214

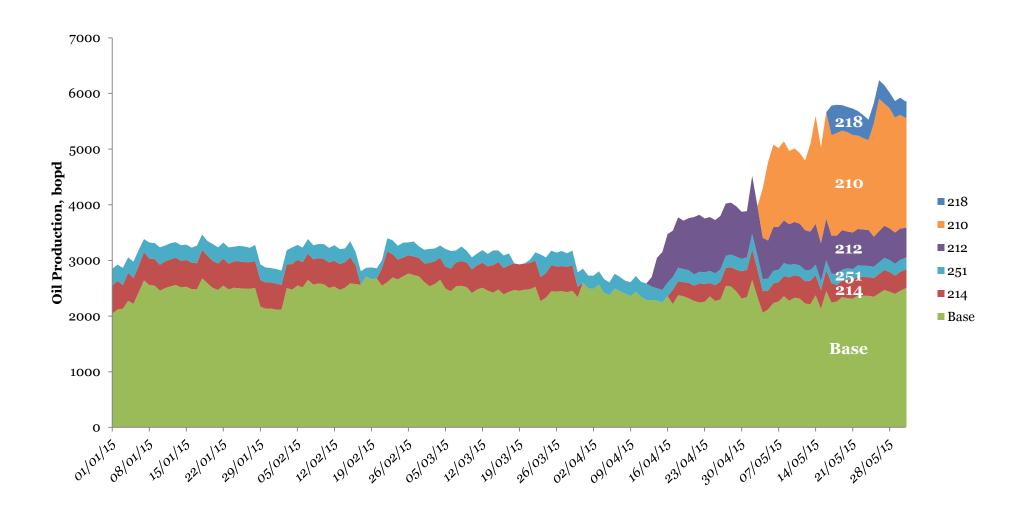
Well 251





Well 210





^{* -} standard conditions

What We Achieved



- ✓ 6000 b/d oil production end May a record for the Company
- ✓ Restructured Balance sheet net assets increased by US\$250 mln
- ✓ Access to development and working capital funding of US\$144 mln
- ✓ Innovative and rapid evolution of our horizontal well concept
- ✓ World class horizontal well cost benchmark delivered
- ✓ Top class core technology team in place with extremely effective discipline integration

And (at last) .. Geology at the centre of our development thinking