



Ruspetro AGM Presentation

June 2014





Disclaimer

This presentation and its contents are confidential and are not for release, publication or distribution in whole or in part, directly or indirectly, in or into or from the United States of America, Canada, Australia, Japan or any jurisdiction where such distribution is lawful.

This presentation is for informational purposes only and has been prepared by Ruspetro plc (the “Company”). For the purposes of this notice, “presentation” means this document, any oral presentation, any question and answer sections and any written or oral material discussed or distributed during the presentation meeting.

This presentation does not comprise an admission document, listing particulars or a prospectus relating to the Company or any of its subsidiary or associated companies (together, the “Group”) nor does it constitute or form part of any invitation, offer for sale or subscription or any solicitation for any offer to buy or subscribe for any securities in the Company nor shall it or any part of it form the basis of or be relied upon in connection therewith or act as any inducement to enter into any contract or commitment with respect to such securities. This presentation is an advertisement for the purposes of the United Kingdom Prospectus Rules and is not a prospectus. This presentation does not constitute a recommendation regarding any decision to sell or purchase securities in the Company.

The figures and projections in this presentation are based on internal assumptions of the Group and have not been reviewed or verified as to their accuracy by a third party or independent accountant. The information contained in this presentation is subject to updating, completion, revision and verification. None of the Company, any member of the Group, Renaissance Capital or any of their respective officers, directors, employees, representatives, agents or advisers makes or will make any representation, warranty or undertaking (express or implied) as to, or in relation to, the accuracy, reliability or completeness of the information or opinions contained in this presentation, or any revision thereof, or of any other written or oral information made available to any interested party or its advisers (all such information being referred to as “Information”) and liability for such information and opinions is expressly disclaimed. Accordingly, none of the Company, any member of the Group, Renaissance Capital or any of their respective officers, directors, employees, representatives, agents or advisers take any responsibility for, or accepts liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in respect of the accuracy or completeness of the Information or for any of the opinions contained herein or for any errors, omissions or misstatements in the Information and opinions contained in this presentation or for any liability, howsoever arising (directly or indirectly) from the use of this presentation or its content or otherwise in connection therewith. No member of the Group, Renaissance Capital nor their officers, directors, employees, agents, representatives or agents undertakes or agrees to any obligation to provide the recipient with access to any additional information or to update this presentation or to correct any inaccuracies in, or omissions from this presentation which may become apparent.

This communication does not constitute an offer of securities to the public in the United Kingdom. No prospectus has been or will be approved in the United Kingdom in respect of the securities. This presentation is being made available only to and is directed at (i) persons having professional experience in matters relating to investments i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “FPO”), (ii) high net-worth companies, unincorporated associations and other bodies within the meaning of Article 49(2)(a) to (d) of the FPO and (iii) persons to whom it is otherwise lawful to make this presentation available. The investment or investment activity to which this presentation relates is available only to such persons and will be engaged in only with such persons. Persons who fall outside categories (i)-(ii) above must check that they fall within category (iii). If they do not, they must return this presentation. Any person who does not fall within categories (i)-(iii) above may not rely on or act upon the matters communicated in this presentation.

This presentation contains certain forward-looking statements relating to the business, financial performance and results of the Company, members of the Group and/or the industry in which it or they operate. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words “believes”, “expects”, “predicts”, “intends”, “projects”, “plans”, “estimates”, “aims”, “foresees”, “anticipates”, “targets”, and similar expressions. The forward-looking statements contained in this presentation, including assumptions, opinions and views of the Company, members of the Group, Renaissance Capital or cited from third party sources are solely opinions and forecasts which are uncertain and subject to risks, including that the predictions, forecasts, projections and other forward-looking statements will not be achieved. You should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. Such forward-looking statements speak only as of the date on which they are made. None of the Company, members of the Group or any such person’s officers, directors, employees, agents, representatives or advisers or any other person makes any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. Any statements (including targets, projections or expectations or financial performance) regarding the financial position of the Company, its subsidiary or associated companies or its or their affiliates or their results are not and do not constitute a profit forecast for any period, nor should any statements be interpreted to give any indication of the future results or financial position of the Group.

The operations carried out by the Company and members of the Group involve significant risks, including among others, risks or uncertainties associated with the business, segments, developments, resources, management, financing of the Group and, more generally, general economic and business conditions, changes in commodity prices, changes in laws and regulations, taxes, fluctuations in currency exchange rates and other factors, could have a material negative impact on the future performance, results and financial standing of the Company and members of the Group.

This presentation is confidential and is being supplied to you for your own information and may not be reproduced, further distributed, passed on, or the contents otherwise divulged, directly or indirectly, to any other person or published, in whole or in part, by any means or media, for any purpose whatsoever. In particular, this presentation does not constitute an offer of securities for sale in the United States of America, Canada, Japan, or Australia nor must it be distributed to persons with addresses in the United States of America, Canada, Japan or Australia, or to any national or distribution could result in a violation of US, Canadian, Japanese or Australian.

This presentation may not be further published, distributed or transmitted by any means or media, directly or indirectly, in whole or in part, in or into the United States. This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Securities may not be offered or sold in the United States absent (i) registration under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or (ii) an available exemption from registration under the Securities Act. The securities of the Company (as defined below) have not been, and will not be, registered under the Securities Act. No federal or state securities commission or similar authority in the United States has in any way passed upon the accuracy or adequacy of this presentation nor is it intended that the U.S. Securities and Exchange Commission or any such authority will do so. Any representation to the contrary is a criminal offence.

It is the responsibility of each recipient of this presentation outside the United Kingdom to ensure compliance with the laws and regulations of any relevant jurisdiction.

This presentation includes information which may be material non-public information that is price-sensitive in nature (“Inside Information”). By receiving this presentation, you agree that you may be given inside information and that you may be considered an “insider”, and may have legal or regulatory obligations which may extend to restrictions on your ability to (i) trade in the Company’s securities (or related investments, such as derivatives, whose price or value depends on the price or value of the Company’s securities), (ii) disclose the Inside Information to anyone else, (iii) use the Inside Information, or (iv) do anything whilst in possession of it that encourages someone else to deal in the relevant securities (or related investments). Any such disclosure, dealing or encouraging others to deal on the basis of Inside Information, any amount to insider dealings under the Criminal Justice Act 1993 and market abuse under the Financial Services and Markets Act 2000 or other applicable laws and/or regulations in other jurisdictions. These restrictions will continue until the information contained herein that is Inside Information is made publicly available or is no longer material or price sensitive.

Board of Directors



Name	Title	Previous Experience	
Alexander Chistyakov	Executive Chairman	<ul style="list-style-type: none"> Formerly First Deputy Chairman of the Russian Federal Grid Company and Head of Economic Analysis and Deputy Director of Finance at Rosprom Previously Deputy Director of Investment Management at Menatep and Deputy General Director of Alliance Menatep 	
John Conlin	Chief Executive Officer	<ul style="list-style-type: none"> Former Chairman of Aurelian Oil & Gas; petroleum engineer with 28 years' experience at Shell and a variety of secondments Previously a Director of Hardman Resources and Chairman of Nautical Petroleum 	
Thomas Reed	Chief Financial Officer	<ul style="list-style-type: none"> Co-founder of Ruspetro Adviser at VR Capital and Raven Russia in Moscow, working in private equity and M&A. Previously with both Menatep (Head of International Capital Markets) and Alliance Menatep (Deputy General Director) 	
Kirill Androssov	Non-Executive Director	<ul style="list-style-type: none"> Co-founded Altera Investment which, via Limolines, holds 27% of Ruspetro Currently Chairman of Aeroflot and Russian Railways Formerly Deputy Chief of Staff to the Russian Prime Minister Vladimir Putin and Deputy Minister of Economic Development and Trade Served on the Boards of RAO UES, Rosneft, Zarubezhneft, Bank VTB and Svyazinvest 	
Mark Pearson	Independent Non-Executive Director	<ul style="list-style-type: none"> Founding shareholder and President of Liberty Resources II LLC, a US based E&P company with 53,000 net acres in North Dakota's Williston Basin producing over 4,000 boepd from the Bakken and Three Forks formations Has over 30 years of industry experience during which time he was President and CEO of CARBO Ceramics Inc., President and CEO of Golden Energy LLC., and led the production enhancement technology team at Atlantic Richfield Company 	
Frank Monstrey	Independent Non-Executive Director	<ul style="list-style-type: none"> Founder and Chairman of Zhaikmunai, an LSE-listed Kazakhstan E&P company with ~50,000 boepd production CEO of Probel Capital Management, an investment company 	
Robert Jenkins	Independent Non-Executive Director	<ul style="list-style-type: none"> Qualified as a chartered accountant with KPMG and has over 18 years' Russia-related investment experience Previously co-managed two Russian private equity funds for Framlington and subsequently became Finance Director of Eurasia Mining and Urals Energy Currently a Partner at Northstar Corporate Finance, a Russian investment bank 	
Maurice Dijols	Independent Non-Executive Director	<ul style="list-style-type: none"> Formerly President of Schlumberger Russia and currently a Non-Executive Director of IGSS and Eurasia Drilling Company 	

Management Team



Highly experienced management and operational team with a proven track record in Russia

Name	Title	Previous Experience
 <p>John Conlin</p>	CEO	<ul style="list-style-type: none"> Former Chairman of Aurelian Oil & Gas; petroleum engineer with 28 years' experience at Shell and a variety of secondments Previously a Director of Hardman Resources and Chairman of Nautical Petroleum 
 <p>Alexander Chistyakov</p>	Executive Chairman	<ul style="list-style-type: none"> Former First Deputy Chairman of the Russian Federal Grid Company and former Head of Economic Analysis and Deputy Director of Finance at Rosprom Previously Deputy Director of Investment Management at Menatep and Deputy General Director of Alliance Menatep 
 <p>Thomas Reed</p>	CFO	<ul style="list-style-type: none"> Co-founder of Ruspetro Adviser at VR Capital and Raven Russia in Moscow, working in private equity and M&A. Previously with both Menatep (Head of International Capital Markets) and Alliance Menatep (Deputy General Director) 
 <p>Arno Vervoort</p>	Drilling and Completions Operations Manager	<ul style="list-style-type: none"> Over 35 years of experience in drilling, completions and interventions for a multiple of operating companies, including Statoil, Shell, Repsol, Agip, Total, Exxon among others. 
 <p>Robert Stewart</p>	Director, Field Operations	<ul style="list-style-type: none"> Spent 28 years at Conoco Phillips, where he worked in Russia (for over 6 years), the Gulf of Mexico and Dubai as Production Supervisor 

Ruspetro Today and 2013-2014 Highlights

Production

- ✓ 1st horizontal well spud 9 April 2014. The pilot vertical well for this has now been successfully completed and horizontal drilling phase has commenced
- ✓ April 2014 average production of 3,277 bopd; 1Q 2014 average production of 3,496 bopd; 2013 average daily production was 4,797 bopd (+3% y-o-y)

Reserves

- ✓ Proved and probable reserves are 1.89 bn bbl as at 31 December 2013
- ✓ 300,000 acre Bazhenov shale formation reported by DeGolyer and MacNaughton for the first time as a contingent resource with estimated oil in place of 3.53 bn bbl

Financial Update

- ✓ 2013 EBITDA of US\$13.0 mn vs. negative EBITDA of US\$6.2 mn in 2012; cash balance as at 30 April 2014 of US\$8.0 mn
- ✓ MET relief of 80% is estimated to be applicable to c. 97% of RPO's current crude oil production, effective 1 September 2013 and has lifted Crude Oil Netback from US\$21.3/bbl to US\$38.6/bbl at US\$100 Brent (+81%)
- ✓ Sberbank loan restructured, maturity extended to 2018. Sberbank put option exercise period postponed until April 2015
- ✓ US\$30 mn prepayment facility secured with Glencore Energy UK Ltd. in August 2013 and renewed in March 2014
- ✓ RUR750 mn domestic prepayment facility signed with Energo Resurs LLC, a subsidiary of Glencore International AG, in May 2014
- ✓ On-going discussions regarding balance sheet restructuring and financing options

Strategic Update

- ✓ Continue to assess opportunities to monetise the gas reserve base in the Palyanovo Licence block
- ✓ Potential collaboration within the industry to develop the Bazhenov shale

Licence

- ✓ Vostochno-Inginsky licence extended for 20 years until June 2034

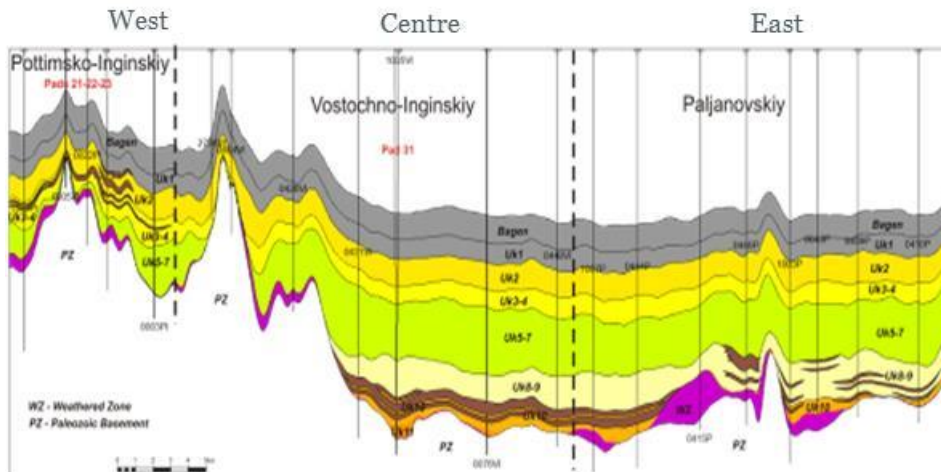
Geological Overview

Substantial tight oil reserve base in a prolific petroleum province; development underway

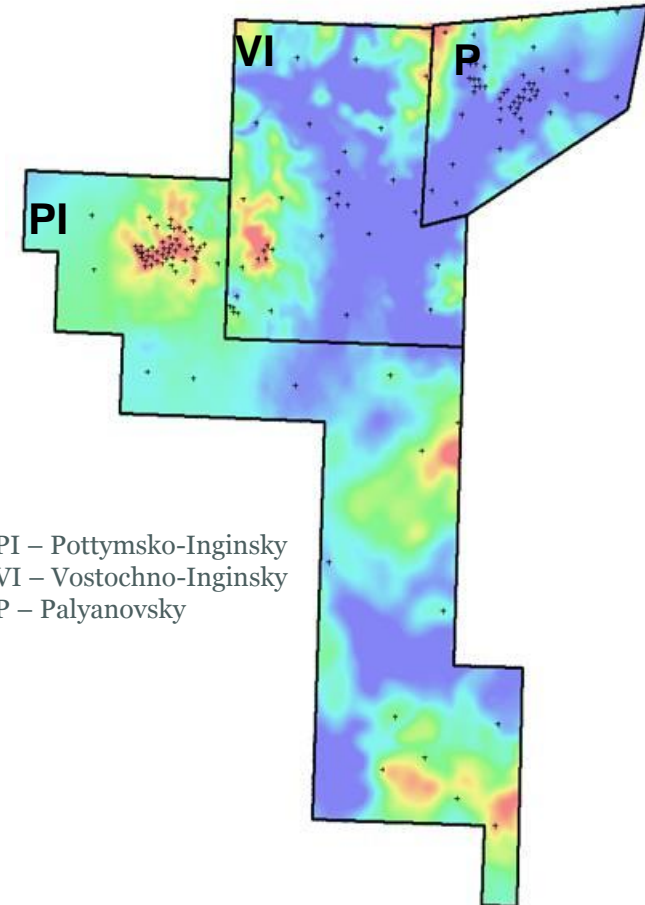
Overview

- Source rocks: shales of Bazhenov, Tyumen and Sherkalyn formations
- Reservoir rocks: sandstones of Tyumen, Sherkalyn, Vikulov and fractured shales of Abalak formations
- Unconventional reservoirs in fractured shales of Bazhenov formations
- Traps: Structural (PI, VI), stratigraphic (PI, VI, P)

Jurassic Cross-Section



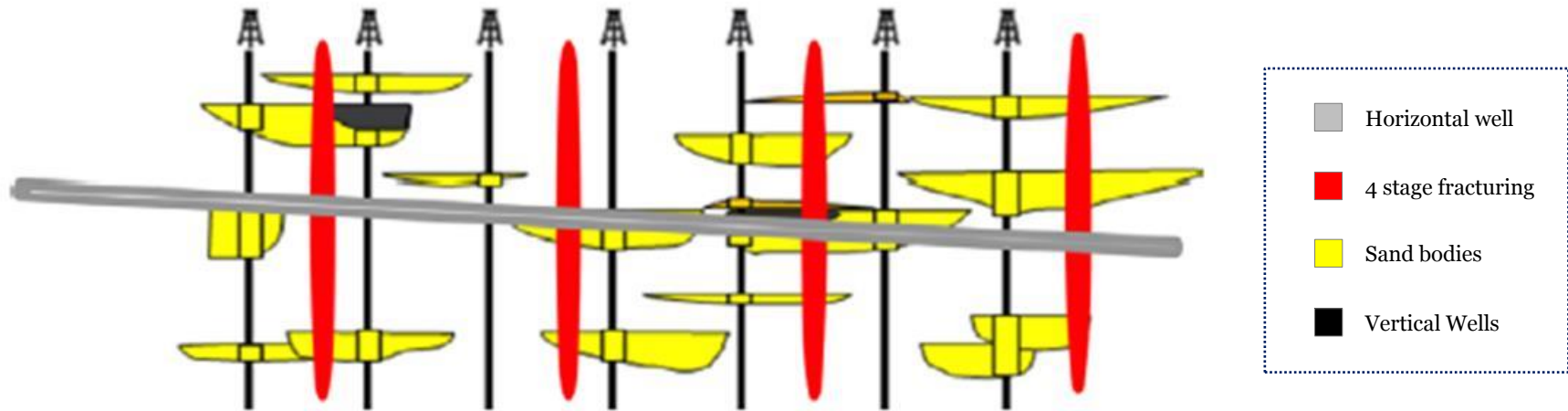
Top of Basement Structure



PI – Pottymsko-Inginskiy
 VI – Vostochno-Inginskiy
 P – Palyanovskiy

Horizontal Well Development Concept

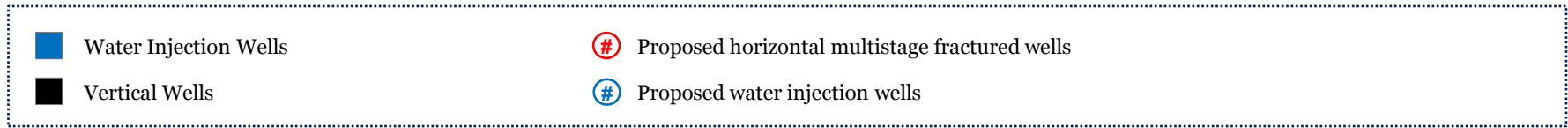
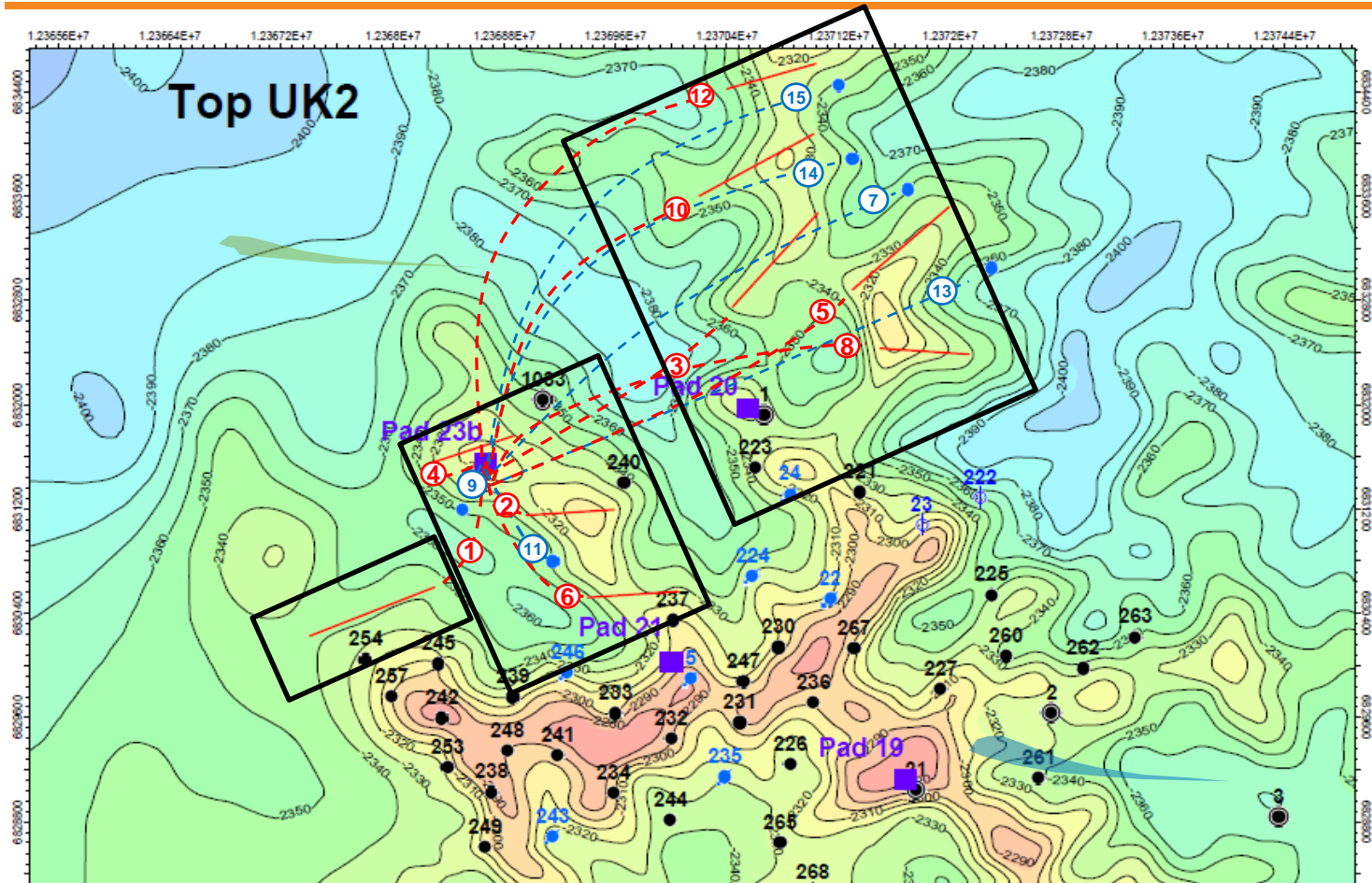
Horizontal Completion Illustration



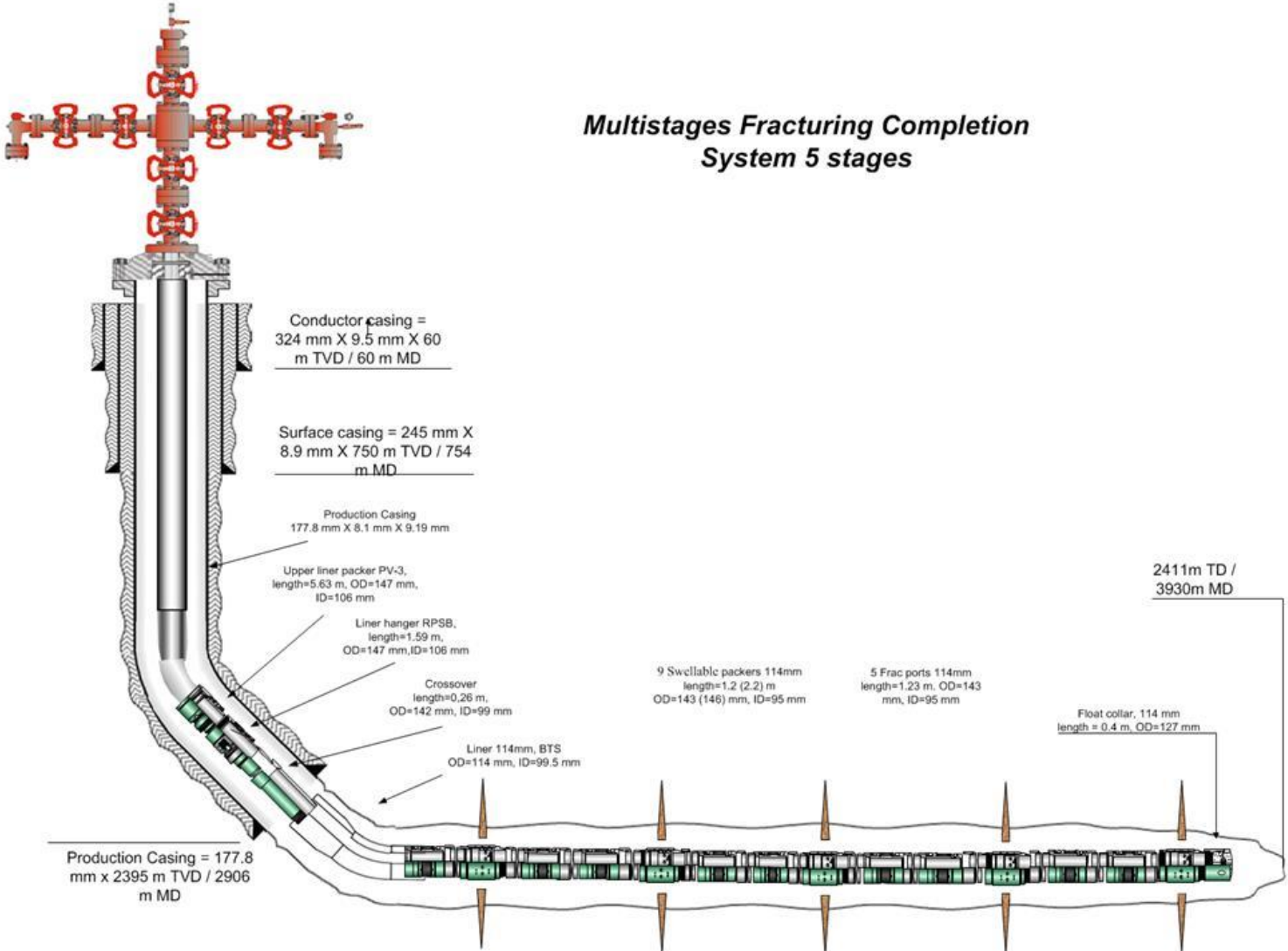
Description

- Horizontal drilling has two objectives:
 - Improving connectivity
 - Capex efficiency

Ruspetro's Conceptual Horizontal Drilling Plan



Horizontal Schematic of Well 214



Source: Company information

Illustrative Crude Oil Netback post New Tax Regime



Netback uplift of ~92% from recent changes to the Russian tax regime

- 1 In July 2013, President Putin signed a law to reduce Mineral Extraction Tax (MET) for low permeability (<2mD) formations
 - Legislation is aimed at reservoirs with <3% depletion (Inginsky Licences qualify with less than 2% reserves depletion as at 1 January 2014)
- Fiscal changes resulted in 80% MET relief for 10 years for Ruspetro's existing and new production commencing on 1 Sep 2013
- Additionally, the new law granted zero MET on oil production from the Bazhenov and Abalak formations for 15 years
- 2 In October 2013, President Putin signed into law further amendments to the Russian Tax Code:
 - 2a Staged decrease in the Export Duty Rate from 60% currently to 59% in 2014, 57% in 2015, and 55% from 2016 onwards
 - 2b Staged increase in the MET Base Rate from RUR 470/t in 2013 to RUR 493/t in 2014, RUR 530/t in 2015, RUR 559/t from 2016 onwards
 - 2c As Ruspetro benefits from 80% MET relief over the majority of its production, the net effect is a netback uplift of ~US\$3/bbl

Illustrative Crude Oil Netback – New Tax Regime

