

Information on the non-core assets disposal program of Zarubezhneft JSC

In compliance with the requirements of the Decree of the President of the Russian Federation No. 596 dated May 7, 2012 and Order of the Government of the Russian Federation No. 894–p dated May 11, 2017,

On Non-Core Asset Identification and Sales, Zarubezhneft JSC carried out Zarubezhneft's non-core asset disposal measures in 2018.

Non-core asset sales measures

were carried out as per the following documents approved by the Zarubezhneft JSC Board of Directors:

- Non-Core Asset Disposal Program (Minutes of the Board of Directors No. 145 dated November 27, 2017);

Информация о реализации непрофильных активов за 2018 год

Item No.	Asset Description	Inventory Number (where applicable)	Balance sheet line code under which the asset was recorded as of the date preceding the asset sales	Bookkeeping accounts (including analytics), where asset retirement income and expenditure were recorded (91.1xxx/91.2xxx)
1	Chevrolet-Niva C494AC 73	599	1150	91.01-91.02
2	Freight tow-truck URAL 5451(C368AC73)	13	1150	91.01-91.02
3	Freight truck URAL-AC-8 4320 (C361AC73)	34	1150	91.01-91.02
4	URAL-4320 (C342AC73)	1000	1150	91.01-91.02
5	Bus GAZ 33081 (C337AC73)	768	1150	91.01-91.02
6	Nissan Teana (A998KT197)	019-566	1150	91.01-91.02
7	Nissan Sentra (K817MX777)	019-806	1150	91.01-91.02
8	Nissan Sentra (K785MX777)	019-807	1150	91.01-91.02
9	Toyota Corolla (H489KP197)	H489KP197	1150	91.01-91.02
10	Mercedes-BenzE3504M (Y187BH199)	Y187BH199	1150	91.01-91.02
11	Toyota Avensis (Y381BH199)	Y381BH199	1150	91.01-91.02
12	Toyota Camry (A735KA199)	A735KA199	1150	91.01-91.02

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- Non-Core Asset Register (Minutes of the Board of Directors dated March 3, 2018 № 151);
- Non-Core Asset Sales Plan (Minutes of the Board of Directors dated March 30, 2018 № 151);

In total, at the end of 2018, 49 non-core assets were sold (45 assets were sold through competitive procedures at open auctions, 4 non-core assets were liquidated) for a total of RUB 71,259 thousand, with a book value of RUB 52,374 thousand.

The positive economic effect from the sale of non-core assets amounted to RUB 18,885 thousand.

Book value of asset (th. RUB.)	Actual realizable value (th. RUB.)	Actual realizable value deviation from the book value of asset (th. RUB.)	Cause of actual realizable value deviation from the book value of asset
0	87	87	Sold under bidding process (long bid)
0	145	145	Sold under bidding process (long bid)
0	256	256	Sold under bidding process (long bid)
0	345	345	Sold under bidding process (to a sole participant)
0	140	140	Sold under bidding process (to a sole participant)
0	501,5	501,5	Sold under bidding process (to a sole participant)
17,6	590	590	Sold under bidding process (to a sole participant)
17,6	580,6	580,6	Sold under bidding process (to a sole participant)
0	540	540	Sold under bidding process (long bid)
0	620	620	Sold under bidding process (long bid)
0	500	500	Sold under bidding process (long bid)
0	510	510	Sold under bidding process (long bid)

Item No.	Asset Description	Inventory Number (where applicable)	Balance sheet line code under which the asset was recorded as of the date preceding the asset sales	Bookkeeping accounts (including analytics), where asset retirement income and expenditure were recorded (91.1xxx/91.2xxx)
13	Volkswagen Passat (X305CK199)	X305CK199	1150	91.01-91.02
14	Toyota Corolla (Y371KE197)	Y371KE197	1150	91.01-91.02
15	Chevrolet-Niva 2123 (M391OB 56)	14	1150	91.01-91.02
16	Tanje Admiral BQ2020Y2A1 (C515AC73)	47	1150	91.01-91.02
17	Freight tow car KRZAKRAZ 255 61(C362AC73)	65	1150	91.01-91.02
18	Bulldozer DT-75 (YO281173)	272	1150	91.01-91.02
19	KRAZ 6322 KC3575 (C336AC73)	236	1150	91.01-91.02
20	Tank-trailer SZAP 8551 (AEO20473)	213	1150	91.01-91.02
21	Tank semitrailer NEFAZ (AM391473)	214	1150	91.01-91.02
22	Tank semitrailer NEFAZ (AM391573)	272	1150	91.01-91.02
23	Chevrolet-Niva (B333OT)	236	1150	91.01-91.02
24	Hyundai Trajet 2.0 (B008XE)	213	1150	91.01-91.02
25	Subaru Impreza (E001CH)	550248	1150	91.01-91.02
26	VAZ 232900-014-41 (B712XK)	550247	1150	91.01-91.02
27	Toyota Avensis (A399CY)	485	1150	91.01-91.02
28	GAZ-2752-00298	478	1150	91.01-91.02
29	Bus Gaz 32213 (H624AY56)	517	1150	91.01-91.02
30	Tank truck KAMAZ 10C-43118	589	1150	91.01-91.02
31	Kia Carnival MV (M375CY)	256	1150	91.01-91.02
32	Kia Carnival (A398CY)	17053	1150	91.01-91.02
33	UAZ-39099 (E234CA)	17057	1150	91.01-91.02

Book value of asset (th. RUB.)	Actual realizable value (th. RUB.)	Actual realizable value deviation from the book value of asset (th. RUB.)	Cause of actual realizable value deviation from the book value of asset
0	380	380	Sold under bidding process (long bid)
0	502	502	Sold under bidding process (long bid)
0	103,9	103,9	Sold under bidding process (long bid)
0	145	145	Sold under bidding process (long bid)
0	80	80	Sold under bidding process (long bid)
0	90	90	Sold under bidding process (long bid)
0	234	234	Sold under bidding process (public offering procedure)
0	30,3	30,3	Sold under bidding process (long bid)
0	27,2	27,2	Sold under bidding process (long bid)
0	27	27	Sold under bidding process (long bid)
0	195	195	Sold under bidding process (long bid)
0	217,5	217,5	Sold under bidding process (long bid)
0	346	346	Sold under bidding process (long bid)
0	98	98	Sold under bidding process (public offering procedure)
0	230	230	Sold under bidding process (long bid)
0	154	154	Sold under bidding process (long bid)
0	20	20	Sold under bidding process (public offering procedure)
0	518,6	518,6	Sold under bidding process (public offering procedure)
0	455	455	Sold under bidding process (public offering procedure)
0	260,2	260,2	Sold under bidding process (public offering procedure)
0	47	47	Sold under bidding process (public offering procedure)

Item No.	Asset Description	Inventory Number (where applicable)	Balance sheet line code under which the asset was recorded as of the date preceding the asset sales	Bookkeeping accounts (including analytics), where asset retirement income and expenditure were recorded (91.1xxx/91.2xxx)
34	UAZ-39099 (E236CA)	17058	1150	91.01-91.02
35	Drilling truck KAMAZ (E845KX)	550201	1150	91.01-91.02
36	Toyota Avensis 2.2	512000114	143100	601502
37	Skoda Octavia (K70-T-509)	701203402	143100	601502
38	Skoda Octavia (K70-T-510)	100011251	143100	601502
39	Skoda Octavia 1.9 TDI (749)	200001291	143100	601502
40	Volkswagen Golf 4(M31-M-723)	521101387	143100	601502
41	Audi A-4 M62-J-206 (№ 446)	400007508	143100	601502
42	Volkswagen Vento (E09-T-948)	400009311	143100	601502
43	Audi A4 (761-J-376)	710107995	143100	601502
44	Skoda Octavia (K70-T-371)	200004942	143100	601502
45	Jahorina hotel	9610001	1150	91.01-91.02
46	Nestro Sava d.o.o. (Republic of Croatia)	–	143100	601502
47	ZarIT CJSC	1-01-36167	1170	91.01-91.02
48	EAST-WEST Oil Limited (UK)	–	1170	91.01-91.02
49	Zarubezhneft Exploration&Production (Croatia)	–	143100	601502
Total:				

BTo structure the non-core assets' sales process, Zarubezhneft JSC has approved the Non-Core Asset Sales Management Regulation of the Zarubezhneft Group of Companies (Order No. 127 dated May 17, 2017) stipulating a detailed and gradual

non-core asset sales-procedure with bidding as per the laws of the Russian Federation:

- Stage 1: holding auctions / competitive tenders;
- Stage 2: selling by public offering;
- Stage 3: selling with no price declared
- Stage 4: preparation of further proposals for non-core asset sales (when no purchaser was identified at the above mentioned three stages, various proposals for potential lease or pledge, transfer without charge, etc. will be prepared).

Book value of asset (th. RUB.)	Actual realizable value (th. RUB.)	Actual realizable value deviation from the book value of asset (th. RUB.)	Cause of actual realizable value deviation from the book value of asset
0	27	27	Sold under bidding process (public offering procedure)
0	954,6	954,6	Sold under bidding process (public offering procedure)
0	481,8	481,8	Sold under bidding process (foreign tender)
0	309,9	309,9	Sold under bidding process (foreign tender)
0	309	309	Sold under bidding process (foreign tender)
0	186,1	186,1	Sold under bidding process (foreign tender)
0	92,6	92,6	Sold under bidding process (foreign tender)
0	52,2	52,2	Sold under bidding process (foreign tender)
0	40,5	40,5	Sold under bidding process (foreign tender)
0	48,8	48,8	Sold under bidding process (foreign tender)
0	322,2	322,2	Sold under bidding process (foreign tender)
52 338,8	59 458,6	+7 119,8	Sold under bidding process (long bid)
N/a	N/a	N/a	Non-core asset liquidated
N/a	N/a	N/a	Non-core asset liquidated
N/a	N/a	N/a	Non-core asset liquidated
N/a	N/a	N/a	Non-core asset liquidated
52 374	71 259,1	+18 885,1	

Reports on non-core asset sales across the Zarubezhneft Group of Companies were discussed at the meetings of the Zarubezhneft JSC Board of Directors on a quarterly basis..