

Official information about Zarubezhneft JSC

Full company name	Zarubezhneft Joint Stock Company
Number and date of issue of state registration certificate	Certification Series 77, No.003280973, dated October 22, 2004, PSRN 1047708046870
Entity of the Russian Federation	Moscow
Location	101990, Moscow, Armianskiy per., 9/1/1, building 1
Telephone (fax)	+7 (495) 748-65-00
E-mail	nestro@nestro.ru
Information on inclusion in the Strategic Joint-stock Companies List	Yes
Full name and address of the registrar	"Registrator R.O.S.T." JSC, 107996, Moscow, Staromyinka st., 18, buildinbuilding 13
Registered Charter Capital as of December 31, 2016, in RUB	50,729,067,000
Total issued shares	50,729,067
Ordinary shares	50,729,067
Stocks at par, RUB	1,000
State registration number of ordinary (preferred) share and state registration date	1-01-65072-D, dated December 9, 2004.
State registration number of the additional issue of ordinary (preferred) shares and the state registration date – in case, by the date of preliminary approval of the annual company report by the Board of Directors (supervisory authority), the registration authority had not performed the abolition of the company's ordinary (preferred) shares with an additional issue individual number (code)	1-01-65072-D, dated April 19, 2005. 1-01-65072-D, dated July 10, 2007. 1-01-65072-D, dated September 25, 2007. 1-01-65072-D-004D, dated April 24, 2012.

Full company name	Zarubezhneft Joint Stock Company
Preferred shares	None
Preferred shares at par, RUB	None
Shares in possession of the Russian Federation	50,729,067
Russian Federation's interest in the charter capital	100%
Company shareholders whose interest in the charter capital is more than 2 per cent	The Russian Federation, represented by the Federal State Assets Managements Agency
Availability of special rights for the Russian Federation to take part in a joint-stock company's management ("golden share")	None
Company auditor full name and address	Nexia Pacioli LLC 115184, Moscow, Bol'shaya Tatarskaya st., 7, bbld. 2

History of establishment of the Company



Signing of an Agreement between the Governments of the Russian Federation and the Socialist Republic of Vietnam on further cooperation.

2010

2013

Zarubezhneft commences a joint project with SPIMEX to commence stock trading of crude oil produced by the entities of Zarubezhneft Group of Companies at the domestic Russian market.

Establishment of an All-Union Association "Zarubezhneft" at the Ministry of Petroleum Industry of USSR acting as a General Directorate (decree of the Council of Ministers of USSR dated 30.09.1967 No. 2310 p).

Zarubezhneft is the main external policy agent of USSR in the petroleum industry abroad. The main regions of presence: Iraq, Angola, Algeria, Vietnam, India, Yemen, Libya, Syria, Cuba (the presence was maintained in 33 countries).

1967

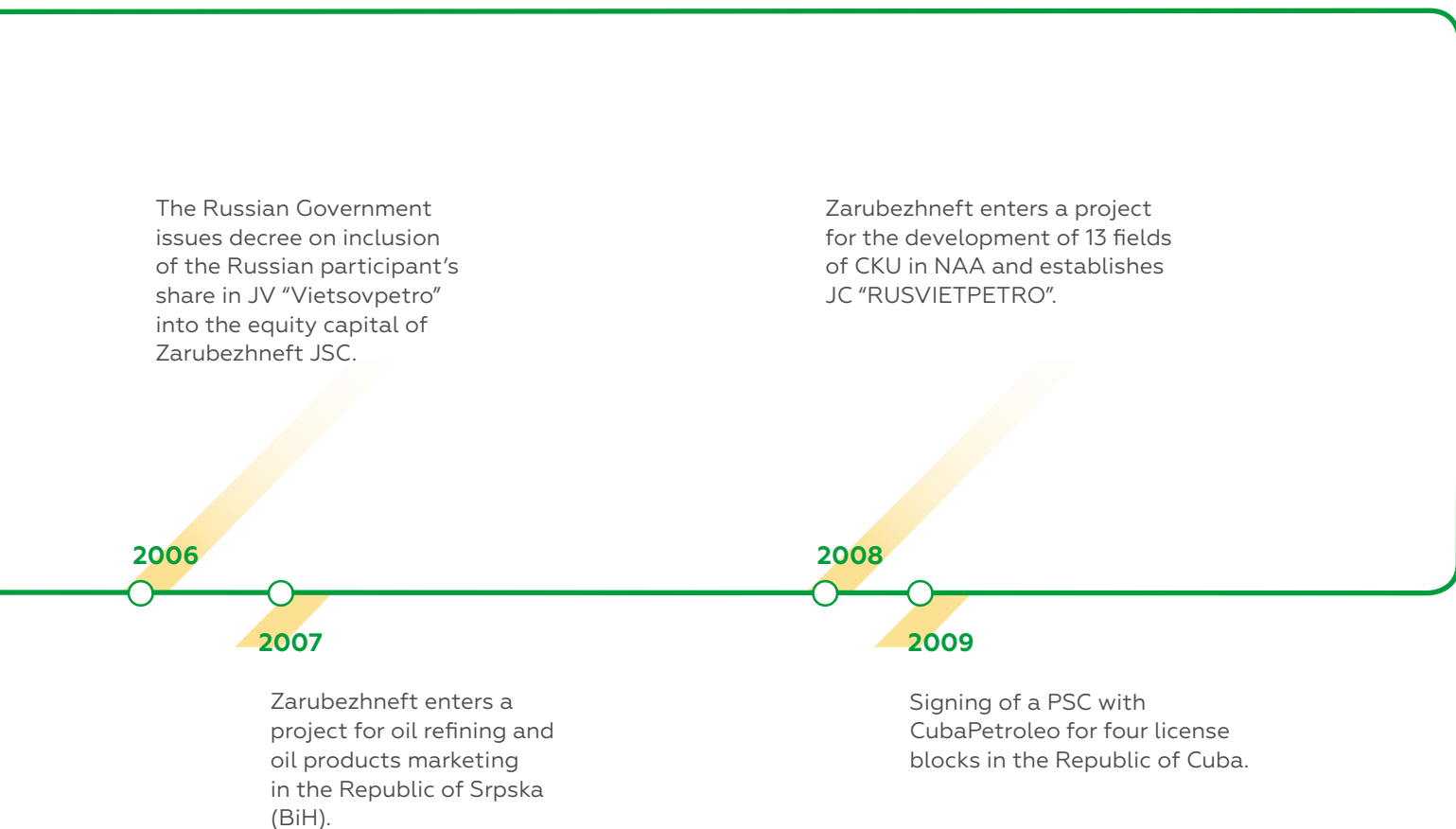
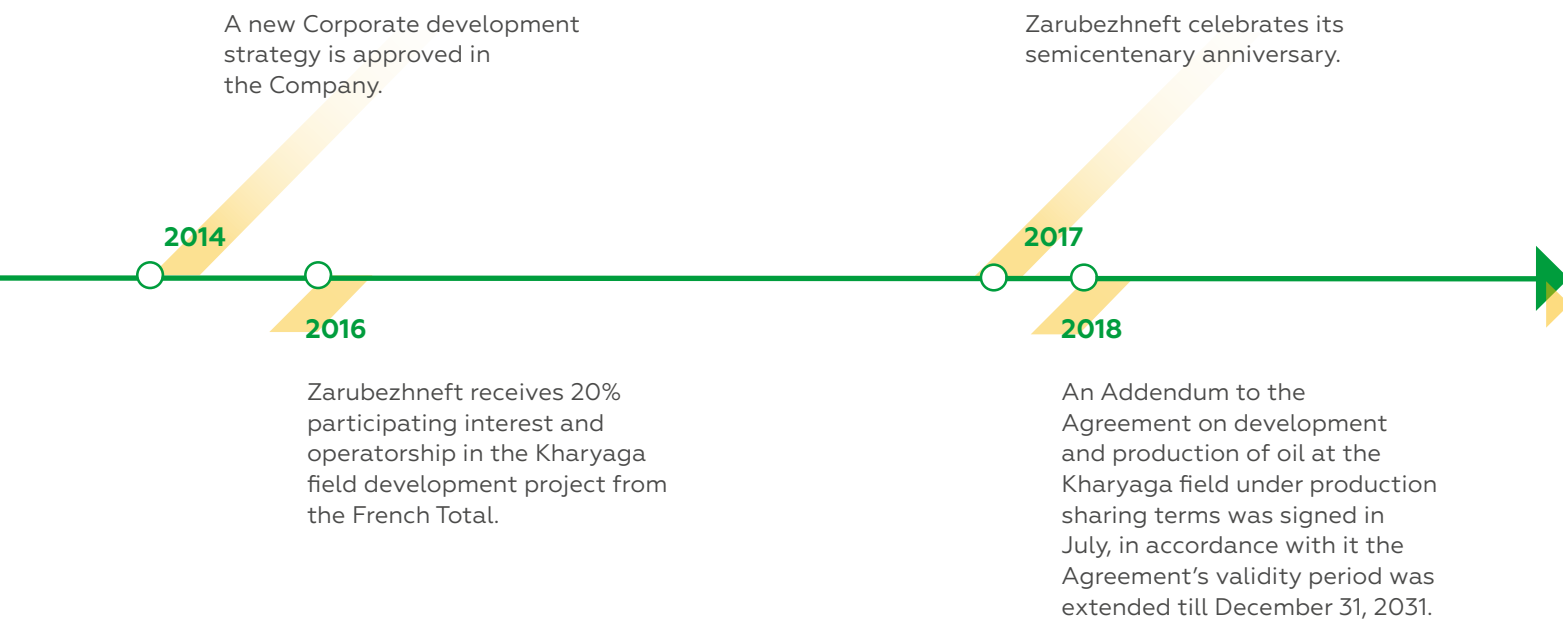
1981

Establishment of JV "Vietsovpetro".

1967-1990

2004

Zarubezhneft is transformed into a joint stock company. The state assigns RMNTK Nefteotdacha, VNIIneft JSC and Giprovostokneft JSC to be part of Zarubezhneft.



Information on the participation of Zarubezhneft JSC in other entities (as of december 31, 2018)

Item No.	Entity name	Participating interest of Zarubezhneft JSC	Participating Interest of the Subsidiaries of Zarubezhneft JSC	Company's location of activities
1	JV "Vietsovetro" (SRV)	49 %	–	Vietnam
2	VRJ Petroleum Co (SRV)	50 %	–	Vietnam
3	LLC "JC "RUSVIETPETRO"	51 %	–	Russia
4	Arktikmorneftegazrazvedka JSC	100 % – 1 share	–	Russia
5	RMNTK Nefteotdacha JSC	100 % – 1 share	–	Russia
6	Ul'yanovskneftegaz LLC	99.9 %	RMNTK Nefteotdacha JSC – 0.1 %	Russia
7	Orenburgnefteotdacha JSC	100 % – 1 share	RMNTK Nefteotdacha JSC – 1 share	Russia
8	Neftegazincor JSC	95 %	–	Russia
9	Giprovostokneft JSC	22.09 %	RMNTK Nefteotdacha JSC – 38 %	Russia
10	VNIIneft JSC	32.27 %	RMNTK Nefteotdacha JSC – 38 %	Russia
11	VNIIneft-WestSiberia JSC	–	VNIIneft JSC – 51 %	Russia
12	Neftyanoye Khozaystvo CSJC	–	RMNTK Nefteotdacha JSC – 15 %	Russia
13	ZARUBEZHNEFT-Dobycha LLC	99.9 %	Oil and Gas Innovation Corporation JSC – 0,1 %	Russia
14	Zarnestservice LLC	80 %	Zarubezhneftestroyontazh LLC – 20 %	Russia
15	Zarubezhneftestroyontazh LLC	80 %	Zarnestservice LLC – 20 %	Russia
16	Zarubezhneft Holding&Services AG (Швейцария)	100 %	–	Switzerland
17	EXPLON LLC	80 %	Zarubezhneftestroyontazh LLC – 20 %	Russia
18	SPIMEX CJSC	10 %	–	Russia

Item No.	Entity name	Participating interest of Zarubezhneft JSC	Participating Interest of the Subsidiaries of Zarubezhneft JSC	Company's location of activities
19	OPTIMA Grupa d.o.o. (Republic of Srpska)	–	Neftegazincor JSC – 100 %	Republic of Srpska
20	Brod Refinery A.D. (Republic of Srpska)	–	Neftegazincor JSC – 79.99 %	Republic of Srpska
21	Modriča Motor Oil A.D. (Republic of Srpska)	–	Neftegazincor JSC– 75.65 % Nestro Petrol A.D. – 16.27 %	Republic of Srpska
22	Nestro Petrol A.D. (Republic of Srpska)	–	Neftegazincor JSC – 80 %	Republic of Srpska
23	Jadran-Naftagas d.o.o. (Republic of Srpska)	–	Neftegazincor JSC – 34 %	Republic of Srpska
24	OPTIMA-Modriča d.o.o. (Republic of Serbia)	–	Modriča Motor Oil A.D.– 100 %	Republic of Serbia
25	ZARUBEZHNEFT-Dobycha Samara LLC	–	ZARUBEZHNEFT-Dobycha LLC – 100 %	Russia
26	JV "Arctic Drilling Limited"	–	Arktikmorneftegazrazvedka JSC – 18 %	Bahamas
27	Zarubezhneft-Dobycha Kharyaga LLC	99,9832%	ZARUBEZHNEFT-Dobycha LLC - 0,0168 %	Russia
28	North-Karasyevskoye Petroleum Enterprise LLC	–	ZARUBEZHNEFT-Dobycha Samara LLC – 99.9 % Ul'yanovskneftegaz LLC – 0.1 %	Russia
29	ZN LA Ltd.	–	ZARUBEZHNEFT-Dobycha LLC – 100 %	Russia
30	ZN BV Ltd.	–	ZARUBEZHNEFT-Dobycha LLC – 100 %	Russia

In 2018, the following changes occurred in the Zarubezhneft Group of Companies' corporate structure:

- as part of the implementation of the Program for Disposal of Non-Core Assets of Zarubezhneft JSC, as per the directives of the Government of the Russian Federation No. 2302p-P13 dated March 26, 2018, East West Oil Limited (United Kingdom) was liquidated;
- as part of implementation of the Program for Disposal of Non-Core Assets of Zarubezhneft JSC, as per the directives of the Government of the Russian Federation No. 1753p-P13 dated March 17, 2017, ZarIT CJSC (Russia) was liquidated;
- as part of implementation of the Program for Disposal of Non-Core Assets of Zarubezhneft JSC, Zarubezhneft Exploration and Production limited liability company for oil and gas projects (the Republic of Croatia) and Nestro Sava LLC (the Republic of Croatia) were liquidated;
- a 100% stake in the authorized capital of ZN Vostok LLC (Russia) was sold;
- 3.22% of the shares of Modriča Motor Oil A.D. (the Republic of Srpska) were sold;
- to implement projects in Russia and abroad, ZN LA Ltd. and ZN BV Ltd. were established.

List of licenses of Zarubezhneft Group of companies in the Russian Federation

In 2018, Zarubezhneft Group of Companies possessed the following licenses in the Russian Federation:

- 9 licenses for the production of hydrocarbons;
- 5 licenses for the geologic study, exploration and production of hydrocarbons;
- 2 licenses for the search and appraisal of hydrocarbon deposits.

No.	License No.	Project Operator	Blocks, Areas, Fields	License Term
1	ОРБ 00896 НЭ	Orenburgnefteotdacha JSC	Kirsanovskoye	09/23/2009 – 05/31/2033
2	ОРБ 00898 НЭ		Pashkinskoye	09/23/2009 – 05/31/2033
3	ОРБ 03072 НЭ		Chernovskoye	09/14/2017 – 05/31/2033
4	УЛН 09132 НР	Ul'yanovskneftegaz LLC	Radischevskiy	04/30/2008 – 08/03/2030
5	УЛН 09135 НЭ		Slavkinskoye	04/30/2008 – 06/01/2018
6	УЛН 14582 НЭ		Kondakovskoye	10/01/2008 – 07/01/2018
7	УЛН 09133 НЭ		Ruzhevskoye	04/30/2008 - 09/10/2026
8	УЛН 09134 НЭ		Sulakskoye	04/30/2008 – 09/10/2026
9	УЛН 09223 НР	Zarubezhneft-Dobycha Samara LLC	Yuzhno-Pcheliniy	05/10/2017 – 05/10/2022
10	НРМ 00688 НР	LLC "JC "RUSVIETPETRO"	CKU-1, North-KhosedayunamedafterA.A. Slivka	08.09/08/2008 – 06/10/2033
11	НРМ 00689 НР		CKU-2, Visovoye	09/08/2008 – 06/10/2033
			CKU-2, Verkhnekolvinskoye	
12	НРМ 16167 НР		CKU-2, Visovoye	10/13/2016 – 10/02/2023
			CKU-2, Verkhnekolvinskoye	
13	НРМ 00690 НР		CKU-3, West-Khosedayu named after D.I. Sadetskiy	09/08/2008 – 06/10/2033
			CKU-3, Sikhoreyskoye	
			CKU-3, East-Sikhoreyskoye	
			CKU-3, North-Sikhoreyskoye	
14	НРМ 00691 НР		CKU-4, North-Oshkotynskoye	09/08/2008 – 06/10/2033
			CKU-4, Syurkharatinskoye	
			CKU-4, Pyuseyskoye	
			CKU-4, South-Syurkharatinskoye	
			CKU-4, Uerernyrdskoye	
			CKU-4, East-Yanemdeyskoye	
15	НРМ 16129 НЭ	Zarubezhneft-Dobycha Kharyaga LLC	Kharyaga	08/01/2016 – 12/31/2018
16	СЛХ 15508 НЭ	North Karasyevskoye Petroleum Enterprise LLC	Lutseyakhskoye	03/01/2013 -02/15/2033

Report on the performance of orders of the president of the Russian Federation and directives of the government of the Russian Federation

Orders of the President of the Russian Federation and Directives of the Government of the Russian Federation

Information on the Performance of Relevant Orders and Directives by Zarubezhneft JSC

On transition of the JSC to the prior use of domestic software.

In pursuance of the directives of the Government of the Russian Federation No. 10068p-P13 dated December 6, 2018

On the annual provision of information to the relevant federal executive bodies and the Government of the Russian Federation on the volume of contracts with defense contractors for the purchase of civilian products for the fuel and energy complex (job execution, service provision) not related to the state defense order (hereinafter – purchasing civilian products for the Fuel & Energy Complex from defense contractors).

In pursuance of the directives of the Government of the Russian Federation No. 7923p-P13 dated September 26, 2018

- Decisions as per the directives were made by the Company's Board of Directors on January 28, 2019 (Minutes No. 163 dated January 28, 2019). The Company has approved the Action Plan for the Implementation of Directives, and measures have been taken under the approved Plan.

- The Company's Board of Directors adopted decisions as per the directives (Minutes No. 160 dated November 20, 2017). The Company has approved the Action Plan for the Implementation of Directives, and measures have been taken under the approved Plan.
- A report on purchasing civilian products for the Fuel & Energy Complex from defense contractors in 2017 was sent to the Government of the Russian Federation, the Ministry of Economic Development, the Ministry of Industry and Trade and the Ministry of Energy of Russia (letters from SK-25-5349 dated November 1, 2018).

Orders of the President of the Russian Federation and Directives of the Government of the Russian Federation

Information on the Performance of Relevant Orders and Directives by Zarubezhneft JSC

On performing an inventory of rights to intellectual deliverables rights with a view to subsequent organization of measures on providing the identified results owned by the joint-stock company by rights, with legal protection, entry the rights for them in the books as intangible assets for subsequent introduction into economic circulation and, if necessary, on estimating their cost.

In pursuance of the directives of the Government of the Russian Federation No.7050p-P13 dated August 30, 2018

On innovative development.

In pursuance of the directives of the Government of the Russian Federation No.3262p-P13 dated April 27, 2018

On making changes in the statutory documents providing for the possibility of creating all-Russian industry specific fitness and sports societies and corporate fitness and sports societies.

In pursuance of the Orders of the Government of the Russian Federation dated December 26, 2017 No.ISH-P13-8690

- Decisions as per the directives were taken by the Company's Board of Directors (Minutes No. 159 dated October 3, 2018). The Company has approved the Action Plan for the Implementation of Directives, and measures have been taken under the approved Plan.

- Decisions as per the directives were taken by the Company's Board of Directors (Minutes No. 155 dated May 30, 2018). The Company has approved the Action Plan for the Implementation of Directives, and measures have been taken under the approved Plan.
- Pursuant to the directives of the Government of the Russian Federation No. 3262p-P13 dated April 27, 2017 and as per the Letter of the Ministry of Economic Development of Russia No. 14587-OF/D01 dated May 29, 2018, on reviewing the draft Comparison of process development level and the values of key performance indicators (hereinafter referred to as KPIs) of Zarubezhneft JSC with the level of development and indicators of leading counterparts (hereinafter referred to as the Comparison), as well as in response to letters from the Ministry of Energy of Russia No. AT-7264/02 dated July 25, 2018 on providing the information and No. AT-8184/02 dated August 16, 2018 on examination of the Comparison Report, the draft Report adjusted as per the comments and proposals of the federal executive bodies was sent to the Ministry of Energy and the Ministry of Economic Development of Russia on the results of the Comparison and proposals on the composition and values of the integral KPI of innovative activities of Zarubezhneft JSC (hereinafter referred to as IPKE) for 2019, generated based on the Comparison, with the attached detailed answers to the comments and suggestions of the Ministry of Energy of Russia (Letter dated August 16, 2018 No. AT-8184/02) and the Ministry of Economic Development of Russia (Letter dated May 29, 2018 No. 14587-OF/D01i), prepared with the involvement of the developers of the Comparison Report.

- In pursuance of the Orders, the Company's Board of Directors considered the issue – Concerning Amendments to the Charter Documents Providing for the Possibility of Creating All-Russian Industry Specific Fitness and Sports Societies and Corporate Fitness and Sports Societies (Minutes No. 150 dated February 22, 2018).
- The new version of the Charter of Zarubezhneft JSC, taking into account the mentioned changes, was approved by the decision of the General Shareholders' Meeting of Zarubezhneft JSC (the order of Federal Property Management Agency No. 499-r dated June 30, 2018).

On implementation of recommendations on the management of intellectual deliverables rights
In pursuance of the directives of the Government of the Russian Federation No. 9177p-P13 dated December 12, 2017

On practicability of implementation of recommendations on the management of intellectual deliverables rights.
As per the Orders of the Government of the Russian Federation dated February 4, 2014 No. ISH-P8-800

On amending the employment contract together with the head of the JSC and on the practicability of amending the existing program and registry of non-core assets disposal.
In pursuance of the directives of the Government of the Russian Federation No. 6604p-P13 dated September 18, 2017

On submission by Zarubezhneft JSC of information to the Ministry of Economic Development of Russia on the ownership of assets located in the Russian Federation through foreign legal entities.
In pursuance of the directives of the Government of the Russian Federation No. 5945p-P13 dated August 25, 2017

On approval of the procedure for coordination with the Ministry for Development of Russian Far East of investment programs and other plans for the development of infrastructure implemented by joint stock companies with state participation in the Far Eastern Federal District.
In pursuance of the directives of the Government of the Russian Federation No. 3538p-P13 dated May 25, 2017

- By the decision of the Company's Board of Directors (Minutes No. 159 dated October 3, 2018), the Policy of management of the rights to the IARs in the Zarubezhneft JSC Group of Companies was developed and approved long with the Action Plan for policy implementation (posted at the LC of Zarubezhneft JSC on the MV portal of the Federal Property Management Agency on October 4, 2018).
- Decisions as per the directives were taken by the Company's Board of Directors on February 8, 2018 (Minutes No. 149).
- An issue On practicability of implementation of recommendations on the management of intellectual deliverables rights was considered at the meeting of the Zarubezhneft JSC Board of Directors on March 31, 2014 (Minutes No. 81 dated March 31, 2014). Pursuant to the Orders given at the meeting of the Board of Directors on March 31, 2014 (Minutes No. 81), the Main Provisions on the management of intellectual deliverables rights and the Action Plan for the implementation of the Regulations on the management of intellectual deliverables rights in Zarubezhneft Group of Companies were approved by the decision of Board of Directors (Minutes No. 86 dated August 11, 2014).
- The Regulation on the management of intellectual deliverables rights was approved by the Company's order No. 545 on December 1, 2014, updated by the Company's order No. 117 dated March 31, 2016.
- The Report on the Sale of NCAs for Q4 2017 was reviewed at the meeting of the BD February 8, 2018. (Minutes No.149), for Q1 2018 at the BD dated April 27, 2018 (Minutes No. 153), for Q2 2018 at the BD dated August 3, 2018 (Minutes No. 156), for Q3 2018 at the BD dated October 3, 2018 (Minutes No. 159).
- Decisions as per the directives were taken by the Company's Board of Directors on October 27, 2017 (Minutes No. 144).
- The Company has approved an Action Plan for the Implementation of Directives.
- As per the approved Plan:
 - Supplementary Agreement dated October 27, 2017 was signed to the Employment Contract with the General Director of Zarubezhneft JSC No. 764 dated December 28, 2012.
 - The updated Program for the disposal of non-core assets of Zarubezhneft JSC was approved (Minutes of the BD No. 145 dated November 27, 2017).
- Decisions as per the directives were taken by the Company's Board of Directors on October 27, 2017 (Minutes No. 144).
- Information was sent to the Ministry of Economic Development of Russia about the absence of assets in Zarubezhneft Group of Companies located in the Russian Federation through foreign legal entities in 2016 (Letter No.SK-46-4487 dated September 7, 2017), in 2017 (Letter No.CK-46-154 dated January 17, 2018) and in 2018 (Letter No. CK-46-540 dated February 12, 2019).
- Decisions as per the directives were taken by the Company's Board of Directors on June 23, 2017 (Minutes No. 140).
- The procedure of consideration of investment programs (plans) for the development of infrastructure implemented in the Far Eastern Federal District with the Ministry of the Russian Federation on the development of the Far East was approved by the Board of Directors on June 23, 2017 (Minutes No. 140). The procedure is placed in the Personal Cabinet of Zarubezhneft JSC on the Interagency portal of the Federal Property Management Agency on June 26, 2017.
- The Zarubezhneft JSC Long-term Development Program has a lack of funding for the tasks of socio-economic development in the Far Eastern Federal District. In 2017, the activities of the Zarubezhneft Group of Companies did not included expenses aimed at measures for outstripping development of the priority territory of the Far Eastern Federal District, the relevant information was sent to the Ministry of Energy of Russia (letters No. SK-25-2675 dated June 5, 2017, No. SK-25-468 dated January 31, 2018).

Orders of the President of the Russian Federation and Directives of the Government of the Russian Federation

Information on the Performance of Relevant Orders and Directives by Zarubezhneft JSC

On the development and implementation of import substitution plans.
In pursuance of the directives of the Government of the Russian Federation No. 830p-P13 dated February 6, 2017

- Decisions as per the directives were taken at a meeting of the Board of Directors on March 17, 2017 (Minutes No. 135).
- The Company has approved an Action Plan for the Implementation of Directives.
- As per the approved Plan:
 - changes were made to the Procurement Regulations, the new version of the Regulation on Procurement of Zarubezhneft JSC was approved by the decision of the Board of Directors on May 23, 2017 (Minutes No. 138);
 - an employee of the Production Department responsible for entering information into the automated information system "Technologies and Import Substitution Projects" was appointed by Order No. 125 dated May 17, 2017;
 - The Board of Directors has approved a new version of Appendix No. 8 – Measures Aimed at the Planned and Gradual Replacement of the Purchase of Foreign Products, Works and Services with Equivalent Domestic Products, Works and Services under the Zarubezhneft JSC Long-term Development Program (Minutes No. 147 dated December 19, 2017)
- The Company has developed and approved a regulatory document "Guidelines for the procedure of mandatory analysis of the possibility of replacing foreign products with domestic products equal by technical characteristics and consumer properties in the Russian segment of Zarubezhneft GC No. 426 dated December 19, 2018.

On expansion of the practice of using factoring in performance of contracts for the supply of goods (performance of work, rendering of services).
In pursuance of the directives of the Government of the Russian Federation No. 7704p-P13 dated October 11, 2016

- Decisions as per the directives were taken at a meeting of the Board of Directors on November 11, 2016 (Minutes No. 129).
- In 2018, the subjects of small and medium-sized business did not establish requirements for the use of factoring in performance of contracts for the supply of goods (performance of works, rendering services).
- As per the approved Plan:
 - changes were made to the Procurement Regulations, the new version of the Regulation on Procurement of Zarubezhneft JSC was approved by the decision of the Board of Directors on December 27, 2016 (Minutes No. 133);
 - a new version of the Unified Provision on the procurement of goods, works, services for the needs of Zarubezhneft JSC subsidiaries was approved by Order No. 485 dated November 17, 2016;
 - the methodology of factoring by a counterparty was approved by Order No. 501 dated November 29, 2016
- A regulating document – Methodological guidelines for the procedure of mandatory analysis of the possibility for substitution of foreign products with the domestic products having similar technical characteristics and consumer properties in the Russian segment of Zarubezhneft Group of Companies – has been developed and approved by the Order No. 426 dated 19.12.2018.

On making changes in the company's procurement policy in terms of innovative building materials.
In pursuance of the directives of the Government of the Russian Federation No. 6558p-P13 dated September 5, 2016

- Decisions as per the directives were taken at a meeting of the Board of Directors on October 14, 2016 (Minutes No. 128).
- The Company has approved the Action Plan for the Implementation of Directives, and measures have been taken under the Plan.
- Including, as per the approved Plan:
 - changes were made to the Procurement Regulations, the new version of the Regulation on Procurement of Zarubezhneft JSC was approved by the decision of the Board of Directors on December 27, 2016 (Minutes No. 133);
 - a new version of the Unified Provision on the procurement of goods, works, services for the needs of Zarubezhneft JSC subsidiaries was approved by Order No. 485 dated November 17, 2016;
- In 2018, the procurement of innovative building materials was not carried out.

On conclusion of agreements on the priority attraction of vessels built at Russian shipyards.
In pursuance of the directives of the Government of the Russian Federation No. 5059p-P13 dated July 13, 2016

- Decisions as per the directives were taken at a meeting of the Board of Directors on August 8, 2016 (Minutes No. 126).
- The Company has approved an Action Plan for the Implementation of Directives.
- As per the approved Plan:
 - a Standard contractual stipulation was developed on the priority engagement of vessels built at Russian shipyards for export deliveries of goods (cargo) using water transport;
 - Order No. 354 of August 19, 2016 approved the Standard contractual stipulation on the priority engagement of vessels built at Russian shipyards for the export of goods (cargo) using water transport;
 - there has been monitoring of conclusion of contracts of Zarubezhneft JSC and its subsidiaries for the supply of oil, containing a standard contractual condition on the priority engagement of vessels built at Russian shipyards for export of goods (cargo) using water transport.
- In 2018, 6 contracts were concluded using the Standard contractual stipulation.

On the implementation of professional standards in the Company's activities. In pursuance of the directives of the Government of the Russian Federation No. 5119p-P13 dated July 14, 2016

- Decisions as per the directives were taken at a meeting of the Board of Directors on August 8, 2016 (Minutes No. 126).
- The Company has approved an Action Plan for the Implementation of Directives.
- As per the approved Plan, the Company carried out a number of events to implement professional standards.
- The report on the measures taken to implement professional standards was reviewed at a meeting of the Zarubezhneft JSC Board of Directors (Minutes No. 133 dated December 27, 2016).
- In 2018, pursuant to the directives, Reports on the activities undertaken to introduce professional standards in Zarubezhneft JSC were considered at the Board of Directors on March 30, 2018 and October 3, 2017 (Minutes No. 151 dated March 3, 2018, No. 159 dated October 3, 2018)

On the implementation of non-core asset disposal programs. In pursuance of the directives of the Government of the Russian Federation No. 4863p-P13 dated July 7, 2016
On amending the employment contract together with the head of the JSC and on the practicability of amending the existing program and registry of non-core assets disposal. In pursuance of the directives of the Government of the Russian Federation No. 6604p-P13 dated September 18, 2017

- See the section "Information on the non-core asset disposal program".
- In 2018 at the meetings of the Board of Directors:
 - quarterly reports on the sale of non-core assets of Zarubezhneft JSC were reviewed: for the 4th quarter of 2017 was reviewed at the meeting of the BD February 8, 2018. (Minutes No.149), for the 1st quarter 2018 at the BD dated April 27, 2018 (Minutes No. 153), for the 2nd quarter 2018 at the BD dated August 3, 2018 (Minutes No. 156), for the 3rd quarter 2018 at the BD dated October 3, 2018 (Minutes No. 159).
 - at the meeting of the Board of Directors on March 30, 2018 (Minutes No. 151), the updated Register of non-core assets of Zarubezhneft JSC and the Sale Plan of non-core assets of Zarubezhneft JSC for 2018 were approved.
 - In pursuance of the directives, an Additional Agreement to the Employment Agreement dated October 27, 2017 was signed with the General Director of Zarubezhneft JSC No. 764 dated December 28, 2012.
 - The updated Program for the disposal of non-core assets of Zarubezhneft JSC was approved by the Zarubezhneft JSC Board of Directors (Minutes No. 145 dated November 27, 2017).

On the procurement of domestic competitive software necessary for JSC activities. In pursuance of the directives of the Government of the Russian Federation No. №4972p-P13 dated July 11, 2016

- Decisions as per the directives were taken at a meeting of the Board of Directors on August 8, 2016 (Minutes No. 126).
- The Company has approved an Action Plan for the Implementation of Directives.
- As per the approved Plan:
 - changes were made to the Procurement Regulations, the new version of the Regulation on Procurement of Zarubezhneft JSC was approved by the decision of the Board of Directors on October 14, 2016 (Minutes No. 128);
 - a new version of the Unified Provision on the procurement of goods, works, services for the needs of Zarubezhneft JSC subsidiaries was approved by Order No. 397 dated September 20, 2016.

On the regulatory acts of the Company establishing the rationing of purchases of certain types of goods, works, and services. In pursuance of the directives of the Government of the Russian Federation No. 2793p-P13 dated April 19, 2016.

- Decisions as per the directives were taken at a meeting of the Board of Directors on May 31, 2016 (Minutes No. 124).
In 2018, the procurement standards for the mandatory list of certain types of goods, works and services were updated by Order No. 182 dated June 22, 2018. Procurement standards are placed on the Company's official website.
The procurement standards are applied in the Company from the moment of their approval.

On approval of the investment projects accounting. In pursuance of the directives of the Government of the Russian Federation No. 1659p-P13 dated March 15, 2016

- Decisions as per the directives were taken at a meeting of the Board of Directors on March 30, 2016 (Minutes No. 120).
- The procedure for accounting high-priority investment projects of Zarubezhneft Group of Companies was approved by a decision of the Board of Directors on May 13, 2016 (Minutes No. 122).

On innovative development. In pursuance of the directives of the Government of the Russian Federation No. 1471p-P13 dated March 3, 2016

- Decisions as per the directives were taken at a meeting of the Board of Directors on March 15, 2016 (Minutes No. 119).
 - By the decision of the Board of Directors of September 14, 2016 (Minutes No. 127), the updated Innovative Development Program of Zarubezhneft JSC for 2016–2020 was approved (with a view to 2030).
- In 2018:
- The Report on the Results of the Implementation of the Innovative Development Program of Zarubezhneft JSC for 2017 was approved at a meeting of the Board of Directors on April 5, 2018 (Minutes No. 152)

Orders of the President of the Russian Federation and Directives of the Government of the Russian Federation

Information on the Performance of Relevant Orders and Directives by Zarubezhneft JSC

On innovative development. In pursuance of the directives of the Government of the Russian Federation No. 1472p-P13 dated March 3, 2016

- Decisions as per the directives were taken at a meeting of the Board of Directors on March 15, 2016 (Minutes No. 119), where:
 - the passport and target values of the integral KPI of innovation activities were approved, the weights of corporate KPIs for 2016–2018 were re-approved
 - Appendix No. 7 to the LTDP was updated, taking into account the inclusion in the KPIs of the Long-term Development Programs of the integral key indicator of innovation activity effectiveness.

On optimizing and increasing the effectiveness of expenditures on charity and sponsorship. In pursuance of the directives of the Government of the Russian Federation No. 5024p-P13 dated July 31, 2015

- Decisions as per the directives were taken at a meeting of the Board of Directors on September 4, 2015 (Minutes No. 109).
- At the Zarubezhneft JSC Board of Directors' meeting on January 14, 2016 (Minutes No. 116), Regulations of Charity and Sponsorship of Zarubezhneft JSC were approved.
- LC of Zarubezhneft JSC in 2018 quarterly posted information on charity and sponsorship activities.
- At the meeting of the Board of Directors on November 27, 2017 (Minutes No. 145), pursuant to recommendations based on the results of testing the effectiveness of procedures for organizing a risk management and internal control system in the area of preventing and combating corruption, the Rules for Charitable and Sponsorship Activities of the Zarubezhneft JSC Group of Companies were approved in a new version.
- The budget for sponsorship and charitable activities of Zarubezhneft Group of Companies for 2019 was approved by the Board of Directors on December 20, 2018 (Protocol No. 162) as part of the 2019 Business Plan.

On the procedure for payments under export contracts. In pursuance of the directives of the Government of the Russian Federation No. 4807p-P13 dated July 23, 2015

- Decisions as per the directives were taken at a meeting of the Board of Directors on September 4, 2015 (Minutes No. 109).
- As per the approved Plan:
 - a standard contractual clause has been developed for export contracts on the possibility of settlements in rubles;
 - the minimum share of calculations on export settlements made in Russian rubles was determined;
 - a new standard form of a contract for supply of oil for export, containing a standard contractual condition on the possibility of making settlements in rubles was approved by Order No. 497 of October 12, 2015;
 - in 2018, 6 contracts for oil supply were concluded, containing a standard contractual condition on the possibility of settlements in rubles.

On the implementation of a bonus system for managers based on key performance indicators of their activities based on the need to reduce operating expenses (costs) by 2-3% annually. In pursuance of the directives of the Government of the Russian Federation No. 2303p-P13 dated April 16, 2015.

- At the meeting of the Board of Directors on May 29, 2018 (Minutes No. 139), a Report on the Achievement of Target Values of Corporate KPIs was approved, including the "Decrease in Operating Expenses" indicator for 2017 (amounted to 3.7%).
- At the meeting of the Board of Directors on May 29, 2017 (Minutes No. 139), a decision was made to pay remuneration to the General Director of Zarubezhneft JSC based on the results of achieving corporate KPIs in 2017.

On ensuring the creation of common treasuries of parent, subsidiary and affiliated organizations. In pursuance of the directives of the Government of the Russian Federation No. 5110p-P13 dated August 8, 2014, No. 1796p-P13 dated March 26, 2015

- From July 01, 2015, the United Treasury of the Zarubezhneft Group of Companies has been operated.
- To create a single treasury the following was approved:
 - Regulations for making payments in Zarubezhneft Group of Companies (order No. 270 dated September 18, 2017);
 - Regulations for the attraction and placement of funds in Zarubezhneft Group of Companies (Order No. 231 dated May 20, 2015);
 - Unified financial and credit policy in the Group of Companies
 - Zarubezhneft JSC in a new version (order No. 58 dated March 31, 2017);
 - Regulations for intra-group financing in the Group of Companies
- Zarubezhneft JSC in a new version (order No. 315 dated October 31, 2017).
- The report Economic Effect of the Creation of the Single Treasury at Zarubezhneft JSC Group of Companies was sent to the Financial Services Authority and the Ministry of Finance of Russia (letters ref. Nos. SK-24-4537 and SK-24-4538 dated September 14, 2018).

In pursue of changing the structure of the Company's annual report. In pursuance of the directives of the Government of the Russian Federation No. 2007p-P13 dated April 6, 2015

- Decisions as per the directives were taken at a meeting of the Board of Directors on April 15, 2015 (Minutes No. 100).
- The annual report prepared in compliance with the requirements of the directives was preliminarily approved by the Zarubezhneft JSC Board of Directors (Minutes No. 154 dated May 29, 2017), approved by the decision of the annual General Shareholders' Meeting (Federal Property Management Order No. 499-r dated June 30, 2017).
- A Report on the LTDP Implementation and Achievement of the KPIs of 2017 was sent to the Federal Property Management Agency (Letter dated May 21, 2018 ref. No. SK-46-2426).

On approval by the JSC of Long-term Development Programs and the audit of such programs.
In pursuance of the directives of the Government of the Russian Federation No. 4955p-P13 dated July 17, 2014

The LTDP was approved by the decision of the Zarubezhneft JSC Board of Directors (No. 91 dated November 20, 2014).

- The procedure for conducting an audit of LTDP implementation is approved by the order of Zarubezhneft JS (No. 507 dated November 11, 2014).
- The Terms of Reference for Auditing the Implementation of the LTDP was approved by the Board of Directors (Minutes No. 134 dated February 16, 2017).
- An audit of LTDP implementation for 2016 was conducted, an audit report on LTDP implementation for 2016 was reviewed by the Board of Directors (Minutes No. 138 dated May 23, 2017), preliminarily reviewed at a joint meeting of the Strategic Planning Committee and the Human Resources and Compensation Committee of the Zarubezhneft JSC Board of Directors dated May 22, 2017 (Minutes No. 24).
- To update the LTDP at meetings of the Zarubezhneft JSC Board of Directors, the following was approved:
 - Appendices Nos. 5,6,7,8,9 to LTDP (protocols No. 97 dated February 27, 2015, № 101 dated April 30, 2015, No. 111 dated October 29, 2015).
 - Section 1 of Appendix No. 7 to the LTDP (Minutes No. 119 March 15, 2016) in a new version;
 - new version of Appendix No. 9 "Reduction of Operating Expenses" to LTDP (Minutes No. 127 dated September 14, 2016).
 - Appendix No. 7.1 (Minutes No. 132 dated December 22, 2016);
 - In 2017, the Zarubezhneft JSC Board of Directors approved:
 - Appendix No. 10 – Actualization of Measures to Ensure the Implementation of the Zarubezhneft JSC Long-term Development Program (Minutes No. 135 dated March 17, 2017);
 - Appendix No. 11 – Long-term Forecast of the Development of the Oil Refining and Sales Segment and Appendix No. 12 – Long-term Forecast of Development of AMNGR JSC (Minutes No. 140 of June 23, 2017);
 - a new version of Appendix No. 8 – Measures Aimed at the Planned and Gradual Replacement of the Purchase of Foreign Products, Works and Services with Equivalent Domestic products, Works and Services (Minutes No. 147 dated December 19, 2017);
 - new versions of Appendices Nos. 2, 3, 5, 6, 7, 9, 10 (Minutes No. 150 dated February 22, 2018).

On the level of net foreign exchange assets.
In pursuance of the directives of the Government of the Russian Federation No. 8495p-P13 dated December 17, 2014

- Guidelines for the calculation and monitoring of net foreign exchange assets in the Group of Companies were approved by Order No. 280 of July 5, 2016. Zarubezhneft JSC.
- At a meeting of the Board of Directors on August 8, 2016 (Minutes No. 126), a decision was made on providing a monthly reporting form to the Bank of Russia.

B 2018 году:

- the updated Guidelines for the calculation and monitoring of net foreign currency assets in Zarubezhneft Group of Companies were approved by Order No. 32 dated March 1, 2017 ;
- In 2018, the responsible structural unit of the Company sent monthly information to the Bank of Russia on the amount of net foreign currency assets of Zarubezhneft JSC.

On increasing productivity, creating and upgrading high-performance jobs.
In pursuance of the directives of the Government of the Russian Federation No. 7389p-P13 dated October 31, 2014

- Annex No. 6 to the LTDP "Program for Increasing Labor Productivity for 2015–2018" was drawn up, approved by a decision of the Zarubezhneft JSC Board of Directors (Minutes No. 9 dated February 27, 2015).
- Amendments have been made provided in the directives to the employment contract with the General Director (supplement to the employment contract dated December 26, 2014).
- In Zarubezhneft JSC Personal Cabinet on the Interagency portal of the Federal Agency for State Property Management, information on increasing labor productivity is annually filled out. For 2017, the information was posted on March 19, 2018.

On ensuring the adoption of key performance indicators by the JSC.
In pursuance of the directives of the Government of the Russian Federation No. 2579p-P13 dated April 25, 2014

- Pursuant to the recommendations of the Inspection Committee, following the results of the audit of the Company's financial and economic activities in 2015, the Regulations on the KPI system and corporate KPIs of Zarubezhneft JSC were developed and agreed with the Federal Property Management Agency (Letter No. DP-05/44755 dated October 28, 2016).
- By the decision of the Zarubezhneft JSC Board of Directors dated November 25, 2016 (Minutes No. 131), the updated version of the Regulation on key performance indicators of Zarubezhneft JSC, updated corporate KPI passports were approved by the Federal Property Management Agency (Letter No. DP-05/44755 dated October 28, 2016).
- By the decision of the Zarubezhneft JSC Board of Directors (Minutes No. 162 dated December 20, 2017), KPI target values for 2019 were approved.

On the implementation of process and price audit of investment projects.
In pursuance of the directives of the Government of the Russian Federation No. 2988p-P13 dated May 30, 2013

- By the decision of the Zarubezhneft JSC Board of Directors (Minutes No. 110 of September 30, 2015) the Standard for Process and Price Audit of Investment Projects of Zarubezhneft Group of Companies was approved. The standard for process and price audit of investment projects of the Zarubezhneft Group of Companies takes into account the recommendations of the Expert Council of the Government of the Russian Federation, and also the updated regulatory framework in terms of investment and project activities.
- In 2018, investment projects that fall under the criteria included in the process and price audit (worth more than 1.5 billion rubles) were not identified.

Orders of the President of the Russian Federation and Directives of the Government of the Russian Federation

On non-financial statements preparation. In pursuance of the directives No. 1710p-P13 dated March 30, 2012

On the implementation of investment programs (Orders made by the First Deputy Prime Minister of the Russian Federation No. ISH-P13-5361 dated September 18, 2009, fax report of the Federal Property Management Agency No. GN-13/8809 dated April 1, 2011)

On the implementation of measures aimed at ensuring the information openness of procurement activities and the transition to procurement in electronic form, including the provisions regulating the procurement of goods, works and services. In pursuance of the directives of the Government of the Russian Federation No. 6464p-P13 dated December 16, 2010, the Orders of the Government of the Russian Federation No. ISH-P13-8685 dated December 17, 2010, the letter of the Federal Property Management Agency No. GN-13/1416 dated January 25, 2011

On accession to the Russian business Anti-Corruption Charter (Letter of the Federal Property Management Agency No. 11/53971 dated November 20, 2013)

Information regarding the activities aimed at developing the innovative development programs for joint-stock companies included in the list of organizations developing innovative development programs, approved by the decision of the Government Commission on High Technologies and Innovations dated August 3, 2010, Minutes No. 4.

Pursuant to the letters of Federal Property Management Agency No. GN-13/32160 and No. GN-13/32156 dated October 29, 2010, On the development of the organization medium-term development strategy and innovative development program (Minutes of the meeting with the Chairman of the Government of the Russian Federation No. 4 dated August 3, 2010)

Information on the Performance of Relevant Orders and Directives by Zarubezhneft JSC

In 2018, a Report on Sustainable Development of Zarubezhneft JSC for 2017 was prepared. The report is posted on the Company's official website.

Information on the implementation of investment programs Zarubezhneft JSC was quarterly updated in the Personal Cabinet of Zarubezhneft JSC on the MV Portal of Federal Property Management Agency.

See the section "Report on Procurement Activities of Zarubezhneft Group of Companies".

- The Partnership Program of Zarubezhneft JSC with small and medium-sized businesses was approved by the Order of Zarubezhneft JSC No. 544 dated December 1, 2014, on the Company's website in "Information Disclosure" section the Partnership Program is placed, as well as the Register of small and medium-sized businesses that have joined the Program partnerships.
- In 2017, at the meeting of the Zarubezhneft JSC Board of Directors, the updated Regulation of Procurement at Zarubezhneft JSC was approved (Minutes No. 138 dated May 23, 2017).
- Quarterly reports on the results of procurement activities were reviewed at meetings of the Zarubezhneft JSC Board of Directors (Report for 4th quarter 2017 reviewed at the BD dated March 30, 2018 (Minutes No. 151), report for the 1st quarter 2018 reviewed at the BD dated May 30, 2018 (Minutes No. 155), report for the 2nd quarter 2018 reviewed at the BD dated (Minutes No. 157), report for the 3rd quarter 2018 (DZ 25/4397 dated October 22, 2018) reviewed at the DB dated November 20, 2018 (Minutes No. 160 dated November 20, 2018).

In 2014, Zarubezhneft JSC joined the Russian business Anti-Corruption Charter (certificate of the Chamber of Commerce and Industry of the Russian Federation No. 0275 dated March 19, 2014).

- The innovation development program is integrated and form an integral part of the Company's key strategic programs, which were approved by the Board of Directors and agreed by the government of the Russian Federation: "Long-term Company Development Program" and "Zarubezhneft JSC Development Strategy".
- The Report on the Implementation of the Innovative Development Program of Zarubezhneft JSC in 2016 was approved at a meeting of the Board of Directors on April 7, 2017 (Minutes No. 136).
- At the meeting of the Board of Directors on June 23, 2017 (Minutes No. 140) the rating of joint-stock companies with state participation was reviewed, prepared based on the results of an independent assessment of the quality of updating the innovative development programs (Zarubezhneft JSC - first place in the Rating), as well as proposals for improving the quality of preparation and implementation of the Innovative Development Program of Zarubezhneft JSC.

On implementation of company's joint-stock strategy in the field of energy saving and energy efficiency as per Clause 8 of the Orders of the Government of the Russian Federation dated June 18, 2008 No. ISH-P9-3772 on the implementation of the Decree of the President of the Russian Federation No. 889 dated June 4, 2008 – Concerning Some Measures on Increasing the Energy and Ecological Efficiency of the Russian Economy.

See "Energy Efficiency" section.

On proposals and recommendations aimed at stimulating the development of environmental responsibility mechanisms based on international standards, including non-financial reporting and voluntary certification and labeling systems that are subject to independent verification and certification (paragraphs "L" p. 1 of the list of Orders issued by the President of the Russian Federation No. Pr-1640 dated June 6, 2010, letter of the Federal Property Management Agency No. GN-13/37524 dated December 5, 2011).

See the "Environmental Protection" section.

- At the meeting of the Board of Directors on April 20, 2012 (Minutes No. 59), the Environmental Program of the Zarubezhneft Group of Companies was approved. To control the implementation of the Program, Zarubezhneft JSC has created a specialized unit - the Office of Occupational Safety and Health and Environmental Protection.
- In 2018, a Report on the Sustainable Development of Zarubezhneft JSC for 2017 was prepared. The report is posted on Zarubezhneft JSC official website.

The decree of the Government of the Russian Federation of December No. 1214 dated December 31, 2010 – Concerning Improvement of the Procedure for Management of Open Joint Stock Companies With Shares in Federal Ownership and Federal State Enterprises

At the meeting of the Company's Board of Directors on June 10, 2013 (Minutes No. 72), the "Regulation of Zarubezhneft OJSC" on the organization of information interaction through the Interagency Portal on State Property Management on the Internet" was approved in a new version. As per this Regulation in 2018, Zarubezhneft JSC regularly posted relevant information in the Personal Cabinet on the Interagency Portal.

On implementation of recommendations on the management of intellectual deliverables rights In pursuance of the directives of the Government of the Russian Federation No. 9177p-P13 dated December 12, 2017

- Decisions as per Directives No. 9177p-P13 dated December 12, 2017 – Concerning the Implementation of Recommendations on the Management of Intellectual Deliverables Rights were adopted at a meeting of the Board of Directors on February 8, 2017 (Minutes No. 149).
- According to the decision of the Board of Directors dated October 3, 2018 (Minutes No. 159) the Policy of controlling the rights for intellectual deliverables in Zarubezhneft Group of Companies and the Action Plan for its implementation were approved.

Orders of the President of the Russian Federation and Directives of the Government of the Russian Federation

On the implementation of the provisions of the Corporate Governance Code in the activities of joint stock companies as per the Orders of the Government of the Russian Federation No. ISH-P13-5859 dated July 31, 2014.

On the development and approval of the list of internal regulatory documents regulating the activities of the company, as well as provision of submission of reports on the execution of Long-term Development Programs and on the achievement of the approved key performance indicators as per paragraphs 2 and 3 of the assignment of the President of the Russian Federation No. Pr-3013 dated December 27, 2014

Information on the Performance of Relevant Orders and Directives by Zarubezhneft JSC

As part of the implementation of the provisions of the Corporate Governance Code as per the directives of the Government of the Russian Federation No. 225p-P13 dated January 21, 2015:

- The Corporate Governance Code of Zarubezhneft JSC was approved (Order No. 385 date August 29, 2014).
- The company has developed a draft Roadmap for review by the Federal Property Management Agency (No. SK-46-1442 of March 25, 2015) and the Ministry of Energy (No. SK-46-1441 of March 25, 2015). The plan of measures aimed at improving the efficiency of corporate governance was approved by the decision of the Zarubezhneft JSC Board of Directors as part of Appendix No. 7 "Measures on Improving the Efficiency and Transparency of Zarubezhneft JSC Activities" to LTDP (Minutes No. 97 dated February 27, 2015). As part of the implementation of the measures provided for in Appendix No. 7 to the LTDP of Zarubezhneft JSC:
 - the Standard for the business process "Corporate Governance of Subsidiaries of Zarubezhneft JSC" was approved and implemented (Order No. 320 dated October 12, 2017);
 - a new version of the Regulation on the Corporate Secretary of Zarubezhneft OJSC was approved (Order No. 126 dated March 25, 2015);
 - the Risk Management Policy of Zarubezhneft JSC was approved (by a decision of the Zarubezhneft JSC Board of Directors, Minutes No. 125 dated June 27, 2016, previous versions – Minutes No. 117 dated January 29, 2016, Minutes No. 112 dated November 11, 2015);
 - the competence of the Board of Directors of was expanded (Order of the Federal Property Management Agency No. 522-p dated June 30, 2016);
 - the Regulation on an individual executive body (General Director) of Zarubezhneft JSC was approved (Order of the Federal Property Management Agency No. 522-p June 30, 2016);
 - a new version of the Regulation on Internal Audit at Zarubezhneft JSC was approved (by decision of the Zarubezhneft JSC Board of Directors, Minutes No. 128 dated October 14, 2016).

1. After the preliminary approval of the Strategic Planning Committee under the Board of Directors (Minutes No. 1 dated September 19, 2014), the Zarubezhneft JSC Long-term Development Program was agreed with the Expert Council under the Government of the Russian Federation (letters No. ES-2909/02 dated September 29, 2014 and EC-1211/02 dated November 12, 2014) and approved by the decision of the Company's Board of Directors. (Minutes No. 91 dated November 20, 2014) see the Section "Long-term Development Program". The Regulation on key performance indicators and passports of corporate KPIs was approved by a decision of the Board of Directors (Minutes No. 94 dated December 24, 2014).
2. In 2016, after coordination with the Federal Property Management Agency (Letter No. DP-05/44755 dated October 28, 2016), the updated versions of the Regulation on key performance indicators and passports of corporate KPIs were approved by the decision of the Company's Board of Directors. In 2017, at the meeting of the Board of Directors on August 21, 2017 (Minutes No. 141), a new version of the Passport of the integral key indicator of the efficiency of innovation activities of Zarubezhneft JSC was approved
3. The Regulation on increasing investment and operating efficiency and reducing costs was approved by the decision of the Zarubezhneft JSC Board of Directors (Minutes No. 117 dated January 29, 2016, previous edition dated November 11, 2015, Minutes No. 112).
4. The Regulation on Internal Audit was approved by a decision of the Board of Directors (Minutes No. 97 dated February 27, 2015). As per the Guidelines for the preparation of the Regulations on Internal Audit, the Company developed a new version of the Regulations on Internal Audit at Zarubezhneft JSC (approved by a decision of the Board of Directors (Minutes No. 110 of September 30, 2015). In 2016, the Regulation on Internal Audit in Zarubezhneft JSC was updated taking into account the Methodological Recommendations on the organization of risk management and internal control in the field of anti-corruption management and approved by the decision of the Zarubezhneft JSC Board of Directors on October 14, 2016 (Protocol No. 128 dated October 14, 2016).
5. The Regulation on the quality management system of Zarubezhneft JSC was approved by the decision of the Zarubezhneft JSC Board of Directors (Minutes No. 112 dated November 11, 2015). In 2016, an updated version of the Regulations on the Quality Management System of Zarubezhneft JSC was approved (Protocol No. 133 dated December 27, 2016)
6. The risk management policy of Zarubezhneft JSC was approved by the decision of the Zarubezhneft JSC Board of Directors (Minutes No. 112 dated November 11, 2015). In 2016, the Risk Policy of Zarubezhneft JSC was updated taking into account the Guidelines on the organization of risk management and internal control in the field of anti-corruption management and was approved by the decision of the Zarubezhneft JSC Board of Directors (Protocol No. 125 dated June 27, 2016).
7. The Regulation on the procedure for the development and implementation of the innovation development program of Zarubezhneft JSC was approved by the order of Zarubezhneft JSC No. 262 dated September 6, 2017 (previous versions dated December 30, 2015, Order No. 623; dated November 16, 2015, Order No. 541).

On inclusion in the Company's Long-term Development Program of the list of measures aimed at the planned and gradual replacement of the purchase of foreign products (works, services) with the purchase of Russian products (works, services) equal in technical characteristics and consumer properties, as per the Orders dated December 8, 2014 No. AD-P9-9176

Concerning the Development and Implementation of Import Substitution Plans.

In pursuance of the directives of the Government of the Russian Federation No. 830p-P13 dated February 6, 2017

See "Procurement".

- Pursuant to Directives of the Government of the Russian Federation No. 1346P-P13 dated March 5, 2015, by the decision of the Zarubezhneft JSC Board of Directors on April 30, 2015 (Minutes No. 101), an Appendix to the Zarubezhneft JSC Long-term Development Program No. 8 was approved – Activities Aimed at Planned and Gradual Replacement of the Purchase of Foreign Products, Work and Services with Equivalent Russian Products, Work and Services.
- Decisions as per the directives No. 830p-P13 dated February 6, 2017 were taken at a meeting of the Board of Directors on March 17, 2017 (Minutes No. 135).
- The Company has approved an Action Plan for the Implementation of Directives.
- As per the approved Plan:
 - changes were made to the Procurement Regulations, the new version of the Regulation on Procurement of Zarubezhneft JSC was approved by the decision of the Board of Directors on May 23, 2017 (Minutes No. 138);
 - an employee of the Production Department responsible for entering information into the AIDS "Technologies and Import Substitution Projects" was appointed by Order No. 125 dated May 17, 2017;
 - The Board of Directors has approved a new version of Appendix No. 8 "Measures aimed at the planned and gradual replacement of the purchase of foreign products, works and services with equivalent domestic products, works and services" under the Zarubezhneft JSC Long-term Development Program (Minutes No. 147 dated December 19, 2017)

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

- 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..

Information on claims related to Zarubezhneft JSC's operations

In 2018, Zarubezhneft JSC participated as a defendant in two legal procedures involving claims of former employees for the recovery of wages and material remuneration totaling RUB 3,744,708. The claims of the plaintiffs to Zarubezhneft JSC in these cases were denied in full. There were no economic disputes involving Zarubezhneft JSC during the reporting period.

The outcomes of several court cases for large sums should also be noted, where in 2018, the subsidiaries of the Zarubezhneft Group of Companies participated:

- The decision of the Arbitration Court of the Samara Region dated July 18, 2018 refused to satisfy the claims of Zempromproekt LLC (claimant) to Giprovostokneft LLC (defendant) for recovery of debt and a penalty under a contracting agreement and a penalty in an amount of RUB 38,004, 721.38 of the agreement (Case No. A55-3510/2018). The decision came into force.
- By the decision of the Arbitration Court of the city of Moscow dated June 22, 2019, a decision of the Ninth Arbitration Court of Appeal dated September 04, 2018, which left unchanged, and the decision of the Arbitration Court of the Moscow District dated December 18, 2017, the claims of ZNSM LLC (claimant)

to recover from GRASYS LLC (defendant) arrears and penalties under the construction contract in the amount of RUB 44,816,708 (RUB 35,337,098 from the stated claims were satisfied, the rest of the claim was rejected) were partially satisfied. The judicial acts in case A40-223945/2016 entered into legal force, the case was completed, the satisfied requirements were fulfilled.

Also worth noting are the litigations in the field of corporate relations conducted with the participation of the BiH Group Subsidiaries, continuing since 2013 and currently not considered factually. In particular, the District Economic Court and the Main Court of Banja Luka deal with 7 claims of minority shareholders (legal entities and natural persons) to Nestro-Petrol JSC and Neftegazinkor LLC for the compulsory redemption of shares of Modriča Motor Oil A.D. for the total amount 2,444,538.97 KM. The reason for the filing of such claims was the fact that at the time of their filling, Nestro Petrol JSC and Neftegazinkor LLC (as affiliates) jointly owned more than 90% o of shares of Modriča Motor Oil A.D.

In addition, in 2018, with the participation of subsidiaries of the Zarubezhneft Group of Companies, measures were taken

for out-of-court settlement of disputes, including claims filed against commercial organizations and administratively disputed acts of state bodies.

Thus, as a result of appeals in October 2019, Zarnestservis LLC (supplier) with claim letters to Neftegazindustriya LLC (buyer), in favor of the Subsidiary Company the debts were recovered on oil payments for September and October 2019 and a penalty for late payment in a total amount of RUB 348,261,975.17.

As a result of the objections of AMNGR JSC to the field tax audit report for 2014–2015 dated February 27, 2018 to the Interdistrict Inspectorate for the largest taxpayers of the Murmansk Region, the decision dated May 25, 2018 removed the original tax payment claims in the amount of RUB 191,615,628.

Court cases involving the Zarubezhneft Group of Companies' enterprises are mainly related to ordinary business activities and do not pose a significant risk to the financial and economic activities of the Zarubezhneft Group of Companies.

Information on major deals made by Zarubezhneft JSC in the reporting year

As per the Zarubezhneft JSC Charter, with consideration of the data from the Company's accounting (financial) statements, any deal concluded in 2018 could be deemed to be a major deal if its value exceeded RUB 41.88 billion.

No deals that could be classified as major were made in 2018.

Information on the interested parties' transactions made by Zarubezhneft JSC in the reporting year

In 2018, the Company made no deals to which the provisions of the law on

interested parties' transactions could be applied.

List of programs implemented by Zarubezhneft JSC under the Zarubezhneft JSC long-term development program

- The updated Zarubezhneft JSC Innovative Development Program for 2016-2020 (with an outlook until 2030) was approved by the Zarubezhneft JSC Board of Directors (Minutes of Meeting No. 127, dated September 14, 2016).
- The Zarubezhneft JSC Occupational Health, Industrial Safety, Environment Protection and Social Responsibility Policy (Minutes of Meeting of the Zarubezhneft JSC Board of Directors No. 133 dated December 27, 2016).
- Zarubezhneft Group of Companies' Efficiency Increase and Cost Optimization Program was approved by the Zarubezhneft JSC Board of Directors (Minutes of Meeting No. 127, dated September 14, 2016, No. 134, dated February 16, 2017, No. 150 dated February 22, 2018).
- The Labor Efficiency Increase Program was formulated and included into the LDP of Zarubezhneft JSC based on Order No 7389п – П13 dated October 31, 2014, and approved by the Board of Directors (Minutes of Meeting No. 97, dated February 27, 2015, No. 150 dated February 22, 2018).
- A series of Measures aimed at scheduled and gradual replacement of procurement of foreign goods, works and services with procurement of equivalent Russian goods, works and services was approved as part of Appendix No. 8 to the LDP of Zarubezhneft JSC by decision of the Zarubezhneft JSC Board of Directors (Minutes of Meeting No. 147, dated December 19, 2017, No. 150 dated February 22, 2018).

List of internal regulatory documents governing the preparation of the Annual Report

- Regulation on Preparation and Publication of the Zarubezhneft JSC Annual Report No. 290 dated September 21, 2018.
- Regulation on Zarubezhneft JSC's Internal Audit (Approved by Decision of the Zarubezhneft JSC Board of Directors, Minutes of Meeting No. 160 dated November 20, 2018).
- Policy of Interaction Between the Audit Committee at the Zarubezhneft JSC Board of Directors and the External Auditor (Approved by Decision of the Zarubezhneft JSC Board of Directors, Minutes of Meeting No. 131 dated November 24, 2016).
- Policy of Internal Control in Zarubezhneft JSC (Approved by Decision of the Zarubezhneft JSC Board of Directors, Minutes of Meeting No. 125 dated June 26, 2016).
- Regulation on Inspections of the Subsidiaries of Zarubezhneft JSC (Approved by Order dated December 21, 2017 No.409).
- Regulation on the Audit Committee (Approved by Decision of the Zarubezhneft JSC Board of Directors, Minutes of Meeting No. 120 Dated March 30, 2016).

Information on the auditor of the accounting statements of Zarubezhneft JSC for the reporting year

Zarubezhneft JSC annually engages external auditors for the audit of its accounting (financial) statements under Russian accounting reporting standards.

The audit firm for performing a mandatory audit of Zarubezhneft JSC's 2018-2019 accounting (financial) statements under RAS was selected by holding an open tender as per the requirements of the Russian Federal Law dated April 5, 2013, No 44-FZ – Concerning the Contractual System for the Procurement of

Goods, Performance of Works and the Provision of Services for State and Municipal Needs.

Nexia Pacioli LLC won the 2018 tender and was the auditor of the statements under RAS. Nexia Pacioli LLC quoted a total amount of RUB 708,000 for the 2017 accounting (financial) statements' audit. The company also provided auditor services for Zarubezhneft JSC's special purpose statements for 2015-2017 audit at RUB 531,000 and services for the audit of the

implementation of the Zarubezhneft JSC Long-term Development Program in 2017 for RUB 1,103,600.

The Russian Federal Treasury and the Self-Regulating Organization of Auditors in which the auditor is a member regularly monitor the auditor's activities.

Consolidated financial statements of the Zarubezhneft Group of companies and information on the auditor for the reporting year

Zarubezhneft JSC annually engages external auditors to audit its consolidated financial statements made under IFRS. The selection of an audit firm to perform the mandatory audit of Zarubezhneft JSC's 2017-2018 accounting (financial) statements under IFRS through holding an open invitation to tender as per the requirements of the Federal law dated July 18, 2011, No 223-FZ – Concerning the Procurement of

Goods, Performance of works and the Provision of Services for the Specific Types of Legal Entities.

ZAO Deloitte & Touche CIS won the tender and was the auditor of consolidated financial statements of Zarubezhneft JSC for 2017-2018. ZAO Deloitte & Touche CIS performs annual assessment reviews of the audit's quality, as of and before the auditor's opinion issue date, as well

as inspects and monitors the audit's paperwork regarding completed audits. The cost of ZAO Deloitte & Touche CIS's services for the audit of consolidated financial statements for 2018 was RUB 13,134 thousand.

The auditors' independence is annually confirmed by regular inspections of the Federal Treasury and self-regulating organizations to which the listed auditors belong.

EXTRACT FROM THE CONSOLIDATED FINANCIAL STATEMENTS OF ZARUBEZHNEFT JSC GROUP OF COMPANIES COMPILED UNDER IFRS FOR THE YEAR ENDING DECEMBER 31, 2018, MM RUB.

Consolidated statement of profit and loss and other comprehensive income for the year ending december 31, 2018

In millions of Russian Rubles	2018	2017
Revenue from sales and income from joint operations		
Sales of oil, gas and oil products	58 521	41 950
Auxiliary services and other sales	10 996	9 221
Income from joint ventures	22 526	18 878
Total revenue from sales and income from joint operations	92 043	70 049
Expenses and costs		
Cost of purchased oil, gas and oil products	-35 953	-27 697
Production and operational costs	-15 715	-9 034
Commercial, general and administrative costs	-6 188	-5 383
Taxes, excluding profit tax	-5 336	-3 674
Wear, depletion and amortization	-3 525	-2 686
Transportation costs	-2 244	-2 087
Geologic exploration costs	-118	-124
Export duty	-655	-480
Other revenue/(costs), net	-544	-9
Profit from operational activities	21 765	18 875
Assets depreciation costs, net	-6 977	-3 756
Financial income	595	956
Financial costs	-1 862	-1 744

In millions of Russian Rubles	2018	2017
Exchange differences, net	4 042	-2 724
Profit before profit tax	17 563	11 607
Current profit tax	-4 030	-1 831
Deferred profit tax	-1 943	-838
NET ANNUAL PROFIT	11 590	8 938
Net annual profit / (loss) belonging to:		
Shareholders of the parent company	11 837	9 297
Minority ownership interest	(247)	-359
	11 590	8 938
OTHER AGGREGATE REVENUE / (COSTS)		
Articles subject to subsequent reclassification to profits and losses		
Effect from conversion to the presentation currency	12 246	-4 902
Result of the cash flows hedging	323	-323
Other aggregate revenue/(costs) for the year excluding profit tax	12 569	-5 225
TOTAL AGGREGATE REVENUE FOR THE YEAR	24 159	3 713
Aggregate (costs)/revenues for the year belonging to:		
Shareholders of the parent company	24 960	4 349
Minority ownership interest	-801	-636
	24 159	3 713

Consolidated statement of financial position as of december 31, 2018

In millions of Russian Rubles	December 31, 2018	December 31, 2017
ASSETS		
Non-current assets		
Fixed assets	38 583	39 707
Investments in joint ventures	87 653	81 842
Loans granted	173	4 435
Deferred tax assets	1 629	4 622
Other non-current assets	2 123	1 648
	130 161	132 254
Current assets		
Reserves	8 943	9 455
Trade and other accounts receivable	4 773	6 039
Dividends debt	9 383	6 680
Loans granted	4 458	362
Deposits	27 354	4 992
Taxes for recovery and pre-payment of taxes	1 139	1 087
Cash and cash equivalent	5 482	15 879
Other current assets	2 148	1 979
	63 680	46 473
TOTAL ASSETS	193 841	178 727
EQUITY CAPITAL AND LIABILITIES		
Capital and reserves		
Equity capital	50 729	50 729
Other reserves	13 243	12 076
Reserves for conversion to the presentation currency	30 168	17 368

In millions of Russian Rubles	December 31, 2018	December 31, 2017
Undistributed profit	51 873	46 450
Parent company's shareholders capital	146 013	126 623
Minority ownership interest	-9 485	-8 571
TOTAL CAPITAL AND RESERVES	136 528	118 052
Long-term liabilities		
Long-term credit liabilities	15 231	19 087
Long-term estimated liabilities	10 195	5 598
Deferred tax liabilities	5 320	6 735
Other long-term liabilities	22	465
	30 768	31 885
Short-term liabilities		
Short-term credit liabilities	10 975	10 744
Trade and other accounts payable	8 555	11 564
Short-term estimated liabilities	1 448	1 643
Tax liabilities	2 871	2 186
Derivative financial instruments	1 327	232
Other short-term liabilities	1 369	2 421
	26 545	28 790
TOTAL LIABILITIES	57 313	60 675
TOTAL CAPITAL AND LIABILITIES	193 841	178 727

Glossary

AIS – Automated information system	IFRS – International Financial Reporting Standards	MODU – Mobile offshore drilling unit
FS – Fuel Station	MTR – Material and technical resources	MPC – Maximum permissible concentrations
JSC – Joint Stock Company	MPWUDU – Modular preliminary water discharge unit	IDP – Innovative development program
AWPD – Asphalt, wax and paraffin deposits	MET – Minerals extraction tax	APG – Associated petroleum gas
WHP – Wellhead platform	VAT – Value-added tax	FPI – Formation pressure increase
IRD – Internal regulatory documents	PIT – Personal income tax	OSCP – Oil spill contingency plan
HFF – Hydraulic formation fracturing	R&D – Research and development works	ERP – Emergency response plan
GEW – Geologic exploration works	OP – Oil products	RMNTK – Russian Inter-industry Scientific and Technical Complex
AIR – Additional items range	ORF – Oil refinery	Rosimuschestvo – Federal State Property Management Agency
VMI – Voluntary medical insurance	STP – Scientific and technical products	RAS – Russian Accounting Standards
SE – Subsidiary entity	STC – Scientific and technical center	JU – Jack-up MODU
LDP – Long-term Development Program	UN – United Nations	Oil products spread – Difference between the quotation of the oil product and the quotation of oil for the relevant period.
ORF – Oil Recovery Factor	EP – Environmental protection	SRV – Socialist Republic of Vietnam
KPI – Key performance indexes	HPF – Hazardous production facilities	SRE – Self-regulating organization (of auditors)
WVO – Well workover	PPW – Pilot production works	PSA – Production sharing agreement
KFU – Kazan Federal University	DIO – Dual injection operations	
Russian Development Ministry – Ministry of Economic Development of the Russian Federation	IS – Industrial safety	
MOP – Motor oil plant		

NTS – New Technologies System

TOE – Ton of oil equivalent

TEFS – Technical and economic feasibility study

PWDU – Preliminary water discharge unit

ECPU – Electrical centrifugal pump unit

Freight – Transportation rate paid for the transportation of cargo or the use of a vessel

KhPSA – Kharyaga Product Sharing Agreement

CPF – Central Production Facility (oil)

CKU – Central Khoreyver Uplift

ES – Emergency situations

Upstream (segment) – Production, in-field transportation and primary processing of hydrocarbons

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