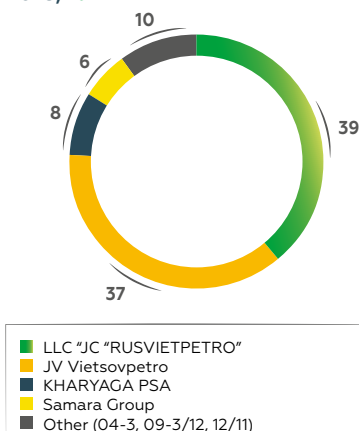


STATUS OF THE RESOURCES AND RAW MATERIALS BASE

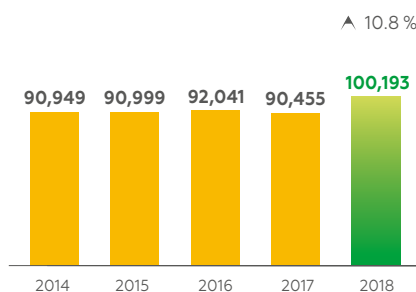
The total initial geological reserves of hydrocarbons of A+B1+C1 and B2+C2 category of Zarubezhneft Group of Companies in Russia and abroad, excluding the Company's ownership interest as of January 1, 2019, amount to 1,302.22 million tons of oil equivalent, the total initial recoverable reserves of hydrocarbons 477.1 million tons of oil equivalent. The total recoverable reserves of hydrocarbons, taking into account the Company's ownership interest at the beginning of 2019, as for AB1+C1 category (for SRV fields, 2P category is taken into account) are 100,193 thousand tons of oil equivalent.

As of January 1, 2019, Zarubezhneft JSC has reserves of oil, gas and condensate of 21 developed fields on its balance: White Tiger, Dragon, Southern Dragon Sea Turtle, Polar Bear, White Hare, North-Khosedayu, Visovoye, East-Yanemdeyskoye, West-Khosedayu, North-Oshkotynskoye, Sikhoreyskoye, Urrernyrdszkoye, Syurkharatinskoye, Pashkinskoye, Kirsanovskoye, Chernovskoye, Kondakovskoye, Ruzhevskoye, Slavkinskoye, Sulakskoye, Kharyaga and 11 explored fields: White Cat, Beluga, Thien Ung, Thien-Nga, Verkhnekolvinskoye, East-Sikhoreyskoye, North-Sikhoreyskoye, Pyuseyskoye, South-Syurkharatinskoye, Nizhnemazinskoye, Lutseyakhskoye.

Reserves structure as of December 31, 2018, %



Current recoverable reserves (A+B1+C1) trend for Zarubezhneft Group of Companies, including the interest, MTOE



In the structure of reserves of A+B1+C1 category, 39% are the reserves of LLC "JC "RUSVIETPETRO". The main share of hydrocarbon reserves is concentrated in the North-Khosedayu and the West-Khosedayu fields.

The share of reserves of JV "Vietsovpetro" is 37%, the main concentration is on the White Tiger and Dragon fields.

10.8%

was the growth of the recoverable reserves in the Group in 2018 compared to 2017 which also accounts for the over-performance of the value planned for 2018 by 8 046 thousand t.o.e.

Current recoverable reserves (A+B1+C1) structure of Zarubezhneft Group of Companies, including the interest, MTOE

Company	Plan 2018	Actual 2018	Deviation plan/actual
Russia	52,855	52,914	59
Vietnam	34,514	47,279	12,765
Other countries	4,778	—	-4,778
Total	92,147	100,193	8,046

In 2018, pilot works were carried out at Boca de Jaruco field to implement methods for enhancing reservoir recovery.

As a result of exploratory drilling in 2018, the increase in hydrocarbon reserves, taking into account Zarubezhneft JSC share totaled to:

- 1,011.8 thousand tons of oil equivalent at JV "Vietsovpetro", based on the results of drilling the appraisal wells VN-1803, VN-49, VN-1903, MTD-2X (South-West section) and exploration wells VN-56 and VN-20V at White Tiger field;
- 83.64 thousand tons of oil equivalent in LLC "JC "RUSVIETPETRO" based on the results of drilling 2 holes of 5R exploration well and testing in lateral well No. 5_1, examination of the core from the previously drilled well No. 14R at South-Syurkharatinskoye field;
- 470 thousand tons of oil equivalent in Orenburgnefteotdacha JSC according to the results of drilling and testing an exploration well No. 3P at Pashkinskoye field.

Based on exploration and production wells drilling data for a period 2012-2017 of JV "Vietsovpetro" fields (White Tiger, Dragon, White Hare, Southern Dragon-Sea Turtle) a planned reassessment of hydrocarbon reserves was performed. According to the reassessment results, hydrocarbon reserves increment in category 2P amounted to 17 499 thousand tons of oil equivalent in total. In general, taking into account the reassessment carried out for East-Yanemdeyskoye and Sikhoreyskoye fields of LLC "JC "RUSVIETPETRO" and Kharyaga PSA, the reserves increment amounted to 12,783 million tons of oil equivalent in the reporting year.

