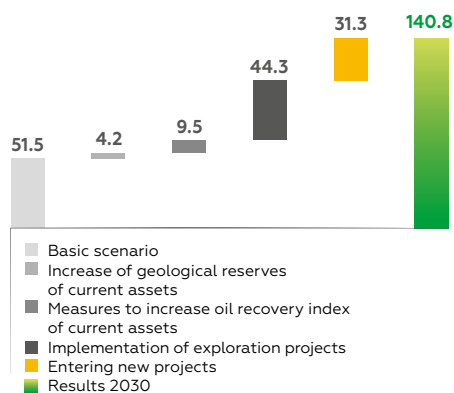


Long-term development program

Accumulated hydrocarbons production, million tons



The Zarubezhneft JSC Long-term Development Program was formed in furtherance of the guidelines of the Government of the Russian Federation dated July 17, 2014 No 4955p-P13.

The Zarubezhneft JSC Long-term Development Program (hereinafter – LDP) was approved by the Board of Directors of Zarubezhneft JSC on November 20, 2014 (Minutes No 91).

The LDP was approved by the following supervisory bodies:

- Strategic Planning Committee under the Zarubezhneft JSC Board of Directors, Minutes No 1 dated September 19, 2014.
- Expert Council under the Government of the Russian Federation, Letter No ES-2909/02 dated September 29, 2014, and No ES-1211/02 dated November 12, 2014.
- Federal State Property Management state property management agency (Rosimuschestvo), Letter No 05/43392 dated October 10, 2014.
- Ministry of Energy of the Russian Federation, Letter No KM-11835/05 dated October 20, 2014.
- Ministry of Economic Development of the Russian Federation, Letter No 26273-НПДиНП/Д07и dated October 24, 2014.
- Russian Federation State Committee for the Development of the Fuel and Energy Complex, Mineral Raw Material Base Replacement and Energy Efficient Economy, Minutes No 2 dated October 23, 2014.

contemplated: geologic exploration projects in which Zarubezhneft JSC participates directly or indirectly, as well as potentially attractive major investment projects.

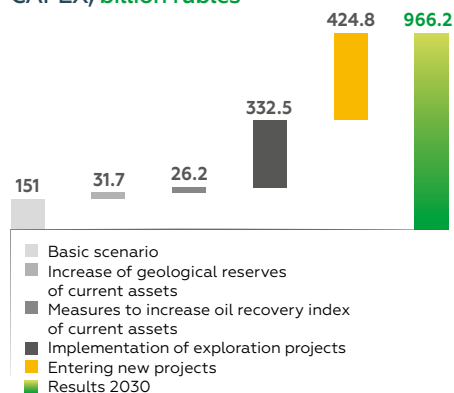
A priority goal for the Company's future development includes intensive development of current production assets (especially LLC "JC "RUSVIETPETRO" and JV "Vietsovpetro") and active search for and entry into prospective major oil and gas-production investment projects.

The potential regions in which the Company has accumulated significant experience in project implementation, particularly Vietnam, the Russian Federation and the Middle East, are of top priority for consideration. The significant accumulated experience in increasing the current value using the current assets' resource base incrementing and improving its development efficiency by increasing the oil recovery factor for the fractured basement deposits as well as active engagement of terrigenous block structures of low thickness into development allow outlining the advantages of the available competencies of the Company.

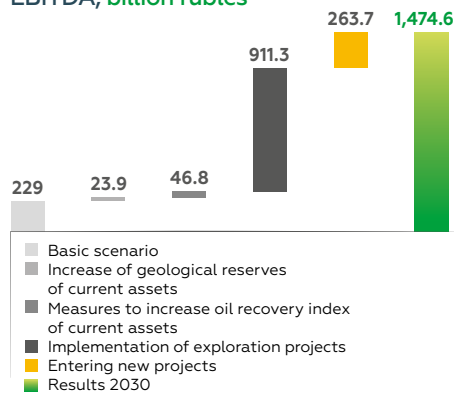
To improve performance in the major Upstream segment, Zarubezhneft JSC is making target-oriented efforts in several key areas:

- Maximization of synergy of the Group of Companies' current projects with the new projects.
- Competency development for efficient development of complex reservoirs by expansion of the Company's, VNIIlneft JSC and Giprovostokneft JSC scientific assets.
- Development of full-range service package for fields at any development stage by establishing

CAPEX, billion rubles



EBITDA, billion rubles



To evaluate the Company's assets under the LDP comprehensively, three main development scenarios for the existing entities with an outlook until 2030 and two prospective development options were

full-scale construction and drilling contractors on the service segment basis. Zarubezhneftstroyontazh LLC continued its work as a full-scale construction contractor for the Group with expansion of its own capacities. RMNTK Neftetodacha JSC launched the projects for sidetracking service development and further replacement of third-party contractors for performance of work and supervising at LLC JC RUSVIETPETRO remote fields.

ZARUBEZHNEFT JSC LONG-TERM DEVELOPMENT PROGRAM AUDIT

In furtherance of guidelines of the Government of the Russian Federation dated July 17, 2014, No 4955п-П13, two audits of the Long-term Development Program by different independent auditors were carried out since 2014:

- In 2015 by "Finance and Tax Audit" LLC, being a division of the WiseAdvise group of companies, that has confirmed the achievement of the Long-term Development Program's goals for 2014, as stated in the report "Zarubezhneft JSC Long-term Development Program Audit Results" dated July 1, 2015.
- Results of the 2014 LDP Audit were submitted for consideration by the Strategic Planning Committee of the Zarubezhneft JSC Board of Directors (Minutes No 7 dated September 21, 2015) and also sent to the Ministry of Energy of the Russian Federation on October 5, 2015.
- In 2016, Nexia Pacioli LLC confirmed the accuracy of the values of the actual Zarubezhneft JSC Group of Companies performance indicators for 2015 under results of its audit and AS PER the Report on the Long-term Development Program Implementation Audit Results for 2015 dated April 28, 2016.
- In 2017, Nexia Pacioli LLC confirmed the accuracy of the values of the actual Zarubezhneft JSC Group of Companies performance indicators for 2016 under results of its audit and as per the report on the results of consultation services' provision in the framework of the Zarubezhneft JSC Long-term Development Program Implementation Audit for 2016 dated April 15, 2017. The data of the financial and economic model of the Long-term Development Program are confirmed by financial statements of Zarubezhneft Group of Companies and audited consolidated financial statements of Zarubezhneft Group of Companies and comply with the initial data for calculation of actual target KPIs of Zarubezhneft JSC for 2016. The target nature of funds' application in the framework of the approved investment budgets as per the scheduled "Development Projects" events is confirmed.
- Following the 2016 audit, several Appendices to the Long-term Development Program were reviewed and updated in terms of the Group's activities in innovation, labor productivity increase, operating expenditure optimization and import substitution areas and the Group's readiness for privatization.
- The updated Appendices to the Long-term Development Program were approved by the Company Board of Directors (Minutes No. 147 dated December 19, 2017 and No. 150 dated February 22, 2018).
- In 2018 Nexia Pacioli LLC confirmed the accuracy of the values of the actual Zarubezhneft JSC Group of Companies performance indicators for 2017 under results of its audit and as per the report on the results of consultation services' provision in

the framework of the Zarubezhneft JSC Long-term Development Program Implementation Audit for 2016 dated April 20, 2018. The independent auditor has also noted the performance of measures significant of the achievement of the Group of Companies' Long-term Development Program tasks.

- The positive summary of the LDP Audit confirming the actual implementation of the Long-term Development Program measures in 2018 was received on April 20, 2019.

To comply with the global trends of digital transformation and for the purpose of further optimization of activities of the Group of Companies' assets the development of the digitalization strategy, provisions and tasks of which are determined in the Appendix No. 13 to the Long-term Development Program approved by the Minutes of Meeting of the Zarubezhneft JSC Board of Directors No. 163 dated January 28, 2019, has commenced. The application of these scenarios makes it possible to develop each of the above mentioned assets with a maximum possible performance.