

OPPORTUNITIES AND EXPANDING THE SCOPE OF OPERATIONS

Joining new projects and expanding Zarubezhneft's scope of operations is a key strategic task for the Company. The Company focuses on gas assets and assets in the early stages of the life cycle.

The company joined

6 new projects
in 2020

As part of its corporate strategy, the Company continues to actively seek out, evaluate, and join new oil & gas projects in Russia and abroad. In accordance with the Company's strategic goals in the medium term, new projects should account for about half of all production.

In 2020, the Company joined 6 projects:

- ▶ The TUNA Block in Indonesia
- ▶ Block 09-2/09 in Vietnam
- ▶ Binding documents were signed with Trust Bank to acquire shares UNGP, which is viewed as a new project in the Orenburg cluster — an additional anchor asset for ZARUBEZHNEFT-Dobycha Samara
- ▶ Zarubezhneft acquired the Turgaiskii license area in the Orenburg Region, Severnoye Siyanie in the Nenets Autonomous Area, and Salymskii 3.5 in the Khanty-Mansi Autonomous Area

In 2020, the Company paid special attention to the process of directly searching for new projects. Work in the 'Expansion' segment identified the following countries in which the Company should search for and join new projects:

- ▶ Kazakhstan, Egypt, Iraq (including Kurdistan), and Algeria

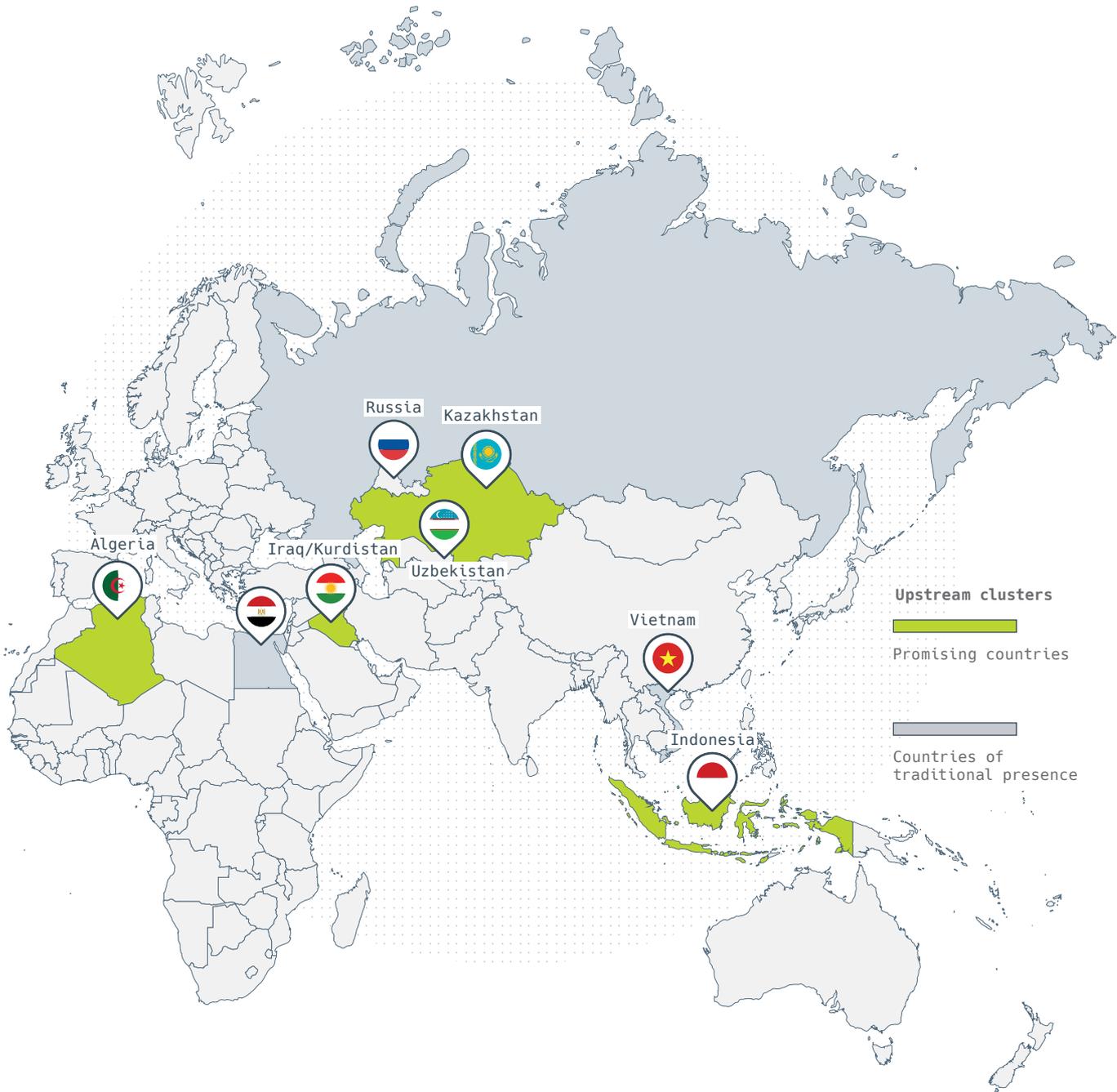
Along with these top five countries, and in addition to the countries where the Company traditionally has a presence (Vietnam and Cuba), Zarubezhneft's business development activities focused on countries which the Company plans to enter in the coming years:

- ▶ Uzbekistan, Egypt, and Indonesia

In addition, the search, assessment, and study of projects is carried out:

- ▶ in countries of the Middle East, Africa, CIS, and Southeast Asia

The Company sees the cluster approach, which is used to search for and evaluate assets in Russia and CIS countries, as a key focus for its development. New projects in the Ural-Volga cluster are being considered, and active work is underway to create a cluster in Kazakhstan.



Operational results
for the reporting period

Development opportunities

In 2021, the Company began implementing the third stage of its development strategy — the Intensive Growth stage. The stage is based on the following key principles:

- ▶ Developing production clusters to ensure the Company's further growth
- ▶ Comprehensive integration into the regions (service + RES)
- ▶ Synergy with current assets;
- ▶ Focus on gas assets with production or assets that are ready to be launched
- ▶ Focus on oil assets with current production

Transitioning to the intensive growth stage in 2021 will make it possible to acquire additional assets in relatively large-scale projects in jurisdictions that are completely new to the Company as well as in the Russian Federation, achieve production targets, and increase reserves from new projects — the implementation of strategic goals aims to achieve production levels of 15 million tons of oil equivalent by 2030.