

# INVESTMENT ACTIVITIES OF ZARUBEZHNEFT

*Zarubezhneft's projects are funded in accordance with investment decisions and aim to ensure the Company's development in accordance with the approved Long-Term Development Program. In 2020, Zarubezhneft's investment activities were associated with the continued implementation of investment projects that had previously been initiated, such as the prospecting and development of fields in Vietnam, Cuba, Egypt, and Uzbekistan.*

*The investment program for 2020 was approved by a resolution of the Zarubezhneft Board of Directors in Minutes No. 175 dated December 26, 2019.*

**6.1 RUB BLN**

*Invested in 2020*

*Intragroup borrowings amounted to*

**4.6 RUB BLN**

*The investment program was funded taking into account optimization measures and the current needs of subsidiaries.*



## FUNDING OF ZARUBEZHNEFT'S INVESTMENT PLAN, RUB mln

Investment target	2020 Plan	2020 Actual	+/-	%
<b>Exploration projects</b>	<b>3,479</b>	<b>2,202</b>	<b>-1,277</b>	<b>-37</b>
Block 12/11	2,344	1,298	-1,046	-45
Boca de Jaruco	1,135	904	-232	-20
<b>Corporate Center investments</b>	<b>10,394</b>	<b>3,900</b>	<b>-6,494</b>	<b>-62</b>
Expansion of the business function	10,000	3,543	-6,457	-65
R&D	338	188	-150	-44
Other	56	169	113	202
<b>TOTAL</b>	<b>13,874</b>	<b>6,102</b>	<b>-7,771</b>	<b>-56</b>
<b>Intra-group loan program</b>	<b>2020 Plan</b>	<b>2020 Actual</b>	<b>+/-</b>	<b>%</b>
<b>Exploration and production segment</b>	<b>4,373</b>	<b>3,198</b>	<b>-1,175</b>	<b>-27</b>
Severo-Karasevskoye Oil and Gas Production Enterprise	3,603	1,417	-2,185	-61
ZN Dobycha	6	6	1	9
ZN LA	300	573	273	91
ZN BV	465	1,130	665	143
ZN Development	0	71	71	-
<b>Service and other assets segment</b>	<b>662</b>	<b>1,400</b>	<b>738</b>	<b>111</b>
Arktikmorneftegazrazvedka JSC	422	346	-76	-18
SPK	240	1,024	784	327
EXPLON	0	1	1	-
Zarnestservice	0	14	14	-
Nestro	0	15	15	-
<b>TOTAL</b>	<b>5,035</b>	<b>4,598</b>	<b>-437</b>	<b>-9</b>
<b>INVESTMENT PLAN TOTAL</b>	<b>18,909</b>	<b>10,701</b>	<b>-8,209</b>	<b>-43</b>

In addition, the Company continued to develop the Orenburg cluster. In December 2020, it acquired a 56.17% stake in Uralneftegazprom JSC (UNGP), which owns three license areas in the southern Orenburg region, where three oil and gas condensate fields have been discovered.

ZARUBEZHNEFT GROUP's assets in 2020 also included its own pipeline system in the Nenets Autonomous Area, whose further development will help to maximize synergy with producing assets in the district.

We also continued to modernize our assets in Russia.

The actual funding of the investment program amounted to RUB 6.1 billion, including:

- ▶ Funding of RUB 2.2 billion for Zarubezhneft's exploration projects
- ▶ Investments of RUB 3.9 billion in the Corporate Center (expansion of the area of operations and modernization of the Corporate Center's fixed assets)