Introduction

RNG is one of the leading oil and gas producers in the Far Eastern Federal District.

In 2014, the Company commenced active development of the license area designated Eastern Blocks of the Srednebotuobinsky Oil and Gas Condensate Field. In 2018, RNG is to start test production.

In just four years, Company employees managed to complete a huge scope of work in field exploration and infrastructure development. This was possible owing to three key factors:

- engaging major international and Russian contractors;
- utilizing state-of-the-art innovative technologies;
- the extensive experience possessed by corporate leadership in implementing large-scale oil and gas projects.

Despite the fast pace of its development, the Company takes the time to make sure strict safety standards are complied with; it also takes steps to protect the environment in the Republic of Sakha (Yakutia), and makes sure that its natural resources are utilized rationally, with no exceptions allowed for compliance with environmental regulations.

The Company also pays close attention to how it interacts with the indigenous minorities in Russia’s Far North, and takes efforts to preserve their national culture.

RNG, together with its shareholders and investors, apply a modern, efficient, and responsible approach to organizing how work is performed, thereby providing for the Company's sustainable growth, the well-being of its employees, and positive development for the entire East Siberian oil and gas industry.
MISSION AND GOALS

Mission

Developing the fuel and energy industry in Eastern Siberia

Goals

- Maximizing efficiency in development of Eastern blocks of the Srednebotuobinskoye oil and gas condensate field
- Protecting the environment and carrying out all social commitments
- Developing human resources, contributing to employment and welfare in the Republic of Sakha (Yakutia)
- Enhancing shareholder value and business performance of RNG

RNG TODAY

7,5 billion roubles capital

2,018 4Q start of production at the Eastern blocks of the Srednebotuobinskoye field

0,6 million tons of oil each year in the 1st stage

1,20 million tons of oil each year in the 2nd stage

28 million tons of oil reserves (official government figures as of 1/1/2018)

Photo: Searchlight tower
MAP OF LICENCE AREAS CONTROLLED BY RNG

- Eastern Siberia-Pacific Ocean pipeline
- TAAS-Yuryakh Neftegazodobyacha LLC pipeline
- Power of Siberia pipeline
- projected gas pipeline of RNG
- Sakha Transneftegaz gas pipeline
- year-round roadways
- winter road
Competitive advantages of the project:

1. The Srednebotuobinskoye oil and gas condensate field is one of the largest deposits in Eastern Siberia by explored oil reserves.

2. The eastern blocks of the Srednebotuobinskoye field are close to strategic pipelines:
   - the Eastern Siberia – Pacific Ocean trunk pipeline (distance to the connection point near the town of Lensk is 169 km);
   - the Power of Siberia trunk gas pipeline (distance to the connection point near the town of Lensk is 149 km).

3. The eastern blocks of the Srednebotuobinskoye field are adjacent to other major fields, which are already in development. So there is much opportunity for mobilizing a qualified workforce and equipment to create infrastructure (roads, pipelines, electric power).

4. A well-developed power infrastructure of the south-western part of Yakutia, where the field is located, and surplus electricity generated in the region provide up to 20 MW available for development and operation of the field.

5. Cargoes of equipment and materials for field development can be delivered almost year-round to the eastern blocks of the Srednebotuobinskoye field by road and river via the following routes:
   - from the town of Ust-Kut (1023 km by road);
   - from the city of Lensk (215 km by road);
   - between Ust-Kut and Lensk (982 km) by river and by road (the highway running alongside the East Siberia-Pacific Ocean pipeline).

6. A number of oilfield service contractors are already active in the region, so there is healthy competition and opportunity to reduce spending on oilfield services.
Project life cycle

1. DISCOVERY OF THE FIELD (1970)

2. PILOT PRODUCTION (2014-2018)
   Drilling the projected number of wells, achievement of annual production plateau, ramping up production to 1.2 million tons p/a.

3. EXPLORATION AND CONSTRUCTION (2019-2022)
   Exploration drilling, reserve evaluation, creation of infrastructure for annual production of 1.2 million tons of oil. Start of pilot production in Q4 2018.

Oil production profile (thousand tons)

- 2018: 247
- 2019: 1,092
- 2020: 1,229
- 2021: 1,292
- 2022: 1,292
- 2023: 1,532
- 2024: 1,517
- 2025: 1,239
- 2026: 1,030
- 2027: 904
- 2028: 798
- 2029: 722
- 2030: 656
- 2031: 603
- 2032: 555
- 2033: 514
- 2034: 514
Srednebotuobinskoye field

The Srednebotuobinskoye oil and gas condensate field (OGCF) is situated in Mirny District of the Republic of Sakha (Yakutia), 130 km south-west of Mirny and 140 km north-west of Lensk.

Produced oil will be delivered to the Eastern Siberia – Pacific Ocean (ESPO) pipeline system in accordance with the received tie-in specification.

The short-term plans call for the completion and start-up of the Power of Siberia gas pipeline, which will run 150 km from the Eastern Blocks of the Srednebotuobinskoye OGCF.

85 km south-west of SB OGCF is the Chayandinskoye field, which is of strategic importance for the creation of the Yakut center for gas production and supply of gas to China via the Power of Siberia gas pipeline.

Tectonically, the field is divided into three large blocks: Central Block, Northern Block, and Eastern Blocks. The field is divided into four license areas.

Licence

RNG holds Subsoil Use License No. YaKU 04493 NE issued September 3, 2015 for the exploration and production of hydrocarbons within the Eastern Blocks of SB OGCF.

The license is valid till December 31, 2117.

The licensed area is 385.5 sq. km.

Eastern blocks overview

The Botuobinsky horizon of the Vendian terrigenous complex is a major productive zone of the Srednebotuobinskoye field, spreading over the entire area of the Central, Northern and Eastern Blocks.
**Site preparation and land development**

The scope of site preparation and land development has reached 3,320 mln m³, including:

- 6 pads - 837,000 m³;
- 14 single well pads - 233,000 m³;
- 135 km of intra-field service roads - 1,307,000 m³;
- CGF, FSB, energy facilities and other on-site facilities - 943,000 m³.

A bridge across the Taas-Yurekh River is built to enable year-round traffic from Tas-Yuryakh village to the Lensk-Mirny federal highway.

SB OGCF Eastern Blocks field facilities:

- wellsite pads;
- single wells;
- integrated crude oil treatment site and associated facilities: crude oil treatment and transfer department, crude oil treatment unit, CGF, integrated gathering facility, booster pump, booster pump with free water knockout unit, etc.

**Water intake at the Taas-Yurekh River**

The effective foundation pit volume is 500,000 m³

- working fluid injection areas for reservoir pressure maintenance, including cluster pump stations;
- integrated or preliminary gas and condensate treatment unit and related facilities: booster compressor, condensate de-ethanizer, etc.;
- intra-field oil, gas, and condensate transfer lines from sites to pipeline tie-in points (or to other treatment sites);
- auxiliary facilities associated with the above facilities, such as: metering units, brine plants, oil sludge pits, firefighting facilities, water supply and disposal facilities, other process facilities supporting the operation of field production facilities;
- water mains;
- water intake;
- service roads;
- high-voltage power transmission lines;
- transformer substations;
- utility complex;
- other infrastructure facilities (landfill, firefighting depot, construction camp, etc.).

From 1984 to 1986 Mr. Ponsonby was Petroleum Engineer at Charterhouse Petroleum. From 1989 to 1992 he held the position of Senior Petroleum Engineer at LASMO PLC.

From 1994 to 1998 he was the chief engineer in charge of international research and production projects at Phibro Energy.

Lord Ponsonby was Non-Executive Director at Emerald Energy PLC from August 15, 2003 to December 1, 2008 and Chairman of the Board of Directors of Yakut Energy Limited (formerly major shareholder of Taas-Yuryakh Neftegazodobyachaya) from January 2013 to the end of 2013 and Aladdin Oil & Gas AS since July 20, 2010.

Lord Frederick Matthew Thomas Ponsonby was once the Board Chairman and Chief Executive Officer at Rosehill Energy Plc, and was also delegated to some EU authorities, including the Council of Europe in 1997-2001 and the Organization for Security and Cooperation in Europe in 2001-2010.

He is the President of a British-Uzbek non-governmental humanitarian organization.

Currently, Lord Ponsonby is the Board Chairman at Ostsisib Holding group of companies and RNG, its 100% subsidiary.

Mr. Menshikov was born in 1956 in Moscow. In 1980 he graduated from Lomonosov Moscow State University (Institute of Asian and African Studies) with a degree in International Economic Relations. In 2007 I. Menshikov got the Master of Business Administration (MBA) degree at the Open University (UK). Holds a postgraduate degree of Candidate of Science in Economics.

From 1997 to 2003 he held positions of Vice President, Head of Investment Department, Deputy Director and Head of Project Finance (Corporate Finance Department) at Tyumen Oil Company OJSC. From 2003 to 2008 I. Menshikov held the position of Deputy Director of Corporate Finance in the Finance and Treasury Administration at TNK-BP Management OJSC. From 2008 to 2013 he held office of Chief Executive Officer at Taas-Yuryakh Neftegazodobyachaya.

In December 2013 he was appointed Chairman of the Board of Directors at RNG.

In June 2014 he was appointed Chief Executive Officer and Member of the Board of Directors at RNG.

In 2016 he was awarded the Honoured Oilman title for his remarkable personal contribution to the development of the energy sector. Awarded a distinction of the Russian Ministry of Natural Resources and the Environment for excellence in exploration of mineral resources in 2016.
MANAGEMENT

IVAN MENSHIKOV
Chief Executive Officer
Member of the Board of Directors
Member of Investment Committee

Konstantin Shikin
Deputy CEO and Head of Construction & Transport Office

He has vast experience in the construction of oil and gas facilities in Eastern Siberia; a holder of personal awards, such as the Order of Friendship, the Order of Honour, and the title of Merited Builder of the Russian Federation. In 2005 he was elected CEO at Vostoksibelektromontazh. Board director at Vostoksibelektromontazh. Board director at Elektromontazh.

Alexander Uskov
Deputy CEO & Head of Capital Construction Office

In 2002 through 2007 Mr. Uskov was Lead Engineer in Pipeline Construction at Surgutneftegaz’ Fedorovskneft Field Office. 2007 through 2012: Head of Technical Supervision in Construction for Uvat Project by TNK-Uvat. 2012 through 2014: head of a separate Tyumen division of Taas-Yuryakh Neftegazodobycha.

Mikhail Soloshchak
Deputy CEO & Chief Geologist


Sergey Nazarov
Advisor to CEO, Geology

In 1986 through 2000, Mr. Nazarov held positions ranging from production shop Lead Geologist to the Head of Exploration Division at Samotlor Field Office 2 (SNGDU-2). In 2001 through 2005 he worked at Orenburgneft TNK-BP Management JSC, and held the position of Field Office Chief Geologist, Chief Geologist at Orenburgneft. 2005 through 2010: Deputy General Director and Chief Geologist at Chepakovsky NGDP. 2010 through 2011: Deputy General Director and Chief Geologist at RN-Sakhalinmorneftegaz. 2012 through 2014: Chief Geologist at Taas-Yuryakh Neftegazodobycha.

Vladimir Rakitin
Chief Financial Officer

Graduated in 2008 from the Plekhanov Russian Economic University, majoring in finance and credit. Defended a thesis for the degree of Candidate of Economic Science in 2013. From 2007 to 2010 Mr. Rakitin held the position of the Head of the direct investment department at Eurofinance Mosnarbank. 2010 through 2014: Senior tax consultant at the Moscow office of Lawrence Graham (CIS) LLP.

Evgeny Cherykayev
Deputy CEO & Chief Engineer

From 1998 to 2011 Mr. Cherykayev held the position of Oil & Gas Production Foreman, Lead Technologist of Oil & Gas Production Shop, Shift Supervisor of Central Dispatch Office, Deputy, Head of Central Dispatch Office at Orenburgneft. He held the position of Chief Engineer at Taas-Yuryakh Neftegazodobycha.

In 1986 through 2000, Mr. Cherykayev held the position of Oil & Gas Production Foreman, Lead Technologist of Oil & Gas Production Shop, Shift Supervisor of Central Dispatch Office, Deputy, Head of Central Dispatch Office at Orenburgneft. He held the position of Chief Engineer at Taas-Yuryakh Neftegazodobycha.

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INVESTMENT COMMITTEE OF THE BOARD OF DIRECTORS

The Investment Committee is entitled to develop and issue recommendations to the Board of Directors on the investment development of the Company:

1. Assessing the Company’s policy in relations with investors and shareholders and submitting own recommendations for consideration by the Board of Directors.
2. Developing recommendations for the Company’s Board of Directors in respect of the Company’s priority areas of business.
3. Developing recommendations for the Company’s Board of Directors regarding the amount of dividends on shares and payment procedure.
4. Developing recommendations for the Company’s Board of Directors regarding Company’s profit and loss distribution based on financial year results.
5. Developing recommendations for the Company’s Board of Directors regarding Company’s policy towards its own securities.


From 2000 to April 2014 he held the positions of Senior Vice President, Deputy President and Chairman of the Management Board at EVROFINANCE MOSNARBANK.

Since 2009 to date, he has been Partner at Wragge Lawrence Graham CIS LLP.


2010 through 2011: Member of the Moscow Exchange (MOEX) Board’s Corporate Governance Committee and Member of the National Settlement Depository Board’s Internal Audit Commission. June 2013 through June 2014: member of the Supervisory Board at EVROFINANCE MOSNARBANK.

2008 through 2013: Board Chairman and Board director at Taas-Yuryakh Neftegazodobycha.

A. Bondarenko is a member of Association of International Petroleum Negotiators (AIPN), Chartered Institute of supply and procurement (CISP) and Guild of Investment and Financial Analysts (GIFA).

AGREEMENT & CONTRACT COMMISSION (ACC)

A permanent commission established for the purpose of arranging and holding bids to award contracts for rendering services, performing work, and delivering sellable inventories.

ACC Functions:

- conducts the bidder pre-qualification process
- collects, stores, and evaluates proposals submitted by bidders
- selects potential contractors
- awards contracts or makes other decisions after bidding, submitting decisions to the CEO for approval.

* The Commission is an advisory body of the Board of Directors. ACC resolutions are of an advisory nature.

Photo: Tank farm at the Central Gathering Facility
Member of the Independent Oil and Gas Companies’ Association

Member of the Chamber of Commerce and Industry of the Republic of Sakha, Yakutia

Member of the U.S. - Russia Chamber of Commerce

Certificate GOST ISO 9001-2011 of the Quality Management System

Certificate GOST R 54934-2012 (OHSAS 18001:2007) of the Management System of the Occupational Safety and Health


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