

INFORMATION ABOUT THE NON-CORE ASSET DISPOSITION PROGRAM OF ZARUBEZHNEFT JSC

In pursuance of the requirements set forth in Decree No. 596 of the President of the Russian Federation dated May 7, 2012, as well as Decree No. 894-p(r) of the Government of the Russian Federation dated May 11, 2017 "On Identification and Sale of Non-Core Assets", in 2019, Zarubezhneft JSC took measures on disposition of the non-core assets possessed by Zarubezhneft JSC.

Information about Sales of Non-Core Assets for 2019

Item No.	Asset name	Asset inventory number (if applicable)	The balance sheet line the asset was recorded under on the reporting date prior to the sale of the asset
1	Track-type snow/marsh vehicle ZVM 2411GP Uzola	004075	1150
2	Tank semi-trailer NEFAZ (AE020373)	00000236	1150
3	Tank semi-trailer NEFAZ (AE020273)	00-000319	1150
4	Special-purpose bus, GAZ VM-3284	769	1150
5	Motor vehicle UAZ-390945-360	00-000394	1150
6	Motor vehicle UAZ-390995 E251M073	000-00000-000427	1150
7	Cable winding machine (trailer unit 8341(4333US73))	00-000318	1150
8	Hyundai IX 35 351	000-00000-000491	1150
9	Ford Cargo 901	00000271	1150
10	Ural PPU 344	00000012	1150
11	Ural-ADPM 346	00000010	1150
12	FORD CARGO 709	00000229	1150
13	UAZ-120290 763	00-000394	1150
14	GAZ 2705-505	00000180	1150
15	Kamaz 65116-62-418	101264	1150
16	Bus Peugeot 591	101316	1150
17	UAZ-390945 695	101203	1150
18	Chevrolet Niva 697	101372	1150
19	Lowboy ChM ZAP 0201	00000088	1150
20	KAMAZ 53504-46 779	00-000309	1150
21	VAZ LADA 4x4 2131 A313TP73	00000273	1150
22	UAZ Patriot, with cargo box, 390	000-101389	1150
23	Honda CR-V (Amer.) 181	101326	1150
24	GAZ articulating crane 335	00000048	1150
25	Honda CR-V 877	101248	1150
26	Mitsubishi Pajero 817	101178	1150
27	Heavy-duty semi-trailer 0917	101329	1150
28	KAMAZ 65116 tractor 374	101251	1150

The measures on sale of the non-core assets were taken on the basis of the documents approved by the Board of Directors of Zarubezhneft JSC, as follows:

- Non-Core Asset Disposition Program (Minutes No. 145 of the BD meeting dated November 27, 2017);
- Register of Non-Core Assets (Minutes No. 166 of the BD meeting dated March 29, 2019);
- Plan for Sale of Non-Core Assets (Minutes No. 166 of the BD meeting dated March 29, 2019).

In total, as of the end of 2019, 49 non-core assets were sold for a total amount of over 28.5 MM RUB (48 assets were sold through competitive bidding at public auctions and 1 non-core asset was liquidated).

Balance value of the asset (thous RUB)	Actual sales value (thous RUB)	Deviation of actual cost of sales from the asset balance value (thous RUB)	The reason for the deviation of actual cost of sales from the asset balance value
0	331	+331	Sold by auction
0	57	+57	Sold by auction
0	61	+61	Sold by auction
169.3	169.3	0	Sold by auction
0	29	+29	Sold by auction
131.7	132	+0.3	Sold by auction
84.7	92	+7.3	Sold by auction
0	750	+750	Sold by auction
1,031.6	1,031.6	0	Sold by auction
0	255	+255	Sold by auction
0	185	+185	Sold by auction
643.4	668	+24.6	Sold by auction
88.5	93.5	+5	Sold by auction
0	42	+42	Sold by auction
229.6	570	+340.4	Sold by auction
0	585	+585	Sold by auction
0	80	+80	Sold by auction
0	260	+260	Sold by auction
0	130	+130	Sold by auction
466.7	880	+413	Sold by auction
0	70	+70	Sold by auction
227.2	267.2	+40	Sold by auction
0	805	+805	Sold by auction
0	305	+305	Sold by auction
0	315	+315	Sold by auction
0	605	+605	Sold by auction
274	395	+121	Sold by auction
132	260	+128	Sold by auction

Item No.	Asset name	Asset inventory number (if applicable)	The balance sheet line the asset was recorded under on the reporting date prior to the sale of the asset
29	Vacuum truck AKN (OSR; Oil Spill Recovery), on undercarriage, KAMAZ 284	000-101427	1150
30	Steam generating unit, on undercarriage, KAMAZ 43118-15	101200	1150
31	Suzuki Grand Vitara 313	00000253	1150
32	Toyota Avensis 619	Y(U) 619 YP (UR) 199	1150
33	Toyota Avensis 380	000y(u)380вн(vn) 199	1150
34	Toyota Avensis 156	H(N)156KP(KR)197	1150
35	Opel Insignia 612	000-01409	1150
36	Skoda Octavia (A32-M-840)	A(A)32-M(M)-840	143100
37	Skoda Octavia (A24-O-374)	A(A)24-O(O)-374	143100
38	Toyota Avensis	Y(U) 620 YP(UR) 199	1150
39	Toyota Avensis	Y(U) 621 YP(UR) 199	1150
40	Bus Mercedes 2008	0041514	143100
41	Bolster-type haulage tractor MAZ, E368M073	000-00000-000442	1150
42	Cementing truck TsA-320, with pump TsN-26-32, on undercarriage, E911M073	000-00000-000508	1150
43	Tractor with dozer blade attachment B10M.	101371	1150
44	Bolster-type haulage tractor MAZ No. E367M073	000-00000-000444	1150
45	Health complex, bathhouse/sauna, 27 km.	64420	1150
46	Bolster-type haulage tractor MAZ-6430V9-1420-010	00-000351	1150
47	Semitrailer MAZ AE02-07	00000064	1150
48	URAL 4320 ATs10 01S389 AS	00000019	1150
49	Arktik Drilling Limited Inc. (18% of the authorized capital owned by AMNGR LLC)	-	1170

In order to structure the sale of non-core assets, Zarubezhneft JSC approved the Regulations on the Organization of Sale of Non-Core Assets of Zarubezhneft Group (Order No. 127 dated May 17, 2017), which provides for a detailed and phased

way of sale of the non-core assets through competitive procedures subject to the requirements of the legislation of the Russian Federation, as follows:

- Stage 1: Holding auctions/tenders;
- Stage 2: Sale by public offering;
- Stage 3: Sale with no price declared;

- Stage 4: Preparation of further proposals for sale of non-core assets (in the event if the above 3 stages have not identified a purchaser, a range of proposals will be prepared for possible transfer of the non-core asset for rent or pledge, gratuitous transfer thereof, etc.).

Balance value of the asset (thous RUB)	Actual sales value (thous RUB)	Deviation of actual cost of sales from the asset balance value (thous RUB)	The reason for the deviation of actual cost of sales from the asset balance value
1,341	1,595	+254	Sold by auction
0	935	+935	Sold by auction
0	465	+465	Sold by auction
0	670	+670	Sold by auction
0	556	+556	Sold by auction
0	693	+693	Sold by auction
0	419	+419	Sold by auction
96	339.5	+243.5	Sold by auction
0	293.4	+293.4	Sold by auction
0	616	+616	Sold by auction
0	614	+614	Sold by auction
551	1,372	+821	Sold by auction
1,500	640	-860	Sold by open auction (the sale below the balance value was approved by the BD of Zarubezhneft JSC, Minutes No. 166 dated March 29, 2019)
1 429	2,053	+624	Sold by auction
562	805	+243	Sold by auction
1,500	700	-900	Sold by open auction (the sale below the balance value was approved by the BD of Zarubezhneft JSC, Minutes No. 166 dated March 29, 2019)
11,687	5,662	-6,025	Sold by open auction (the sale below the balance value was approved by the BD of Zarubezhneft JSC, Minutes No. 166 dated March 29, 2019)
1,041.8	535	-506.8	Sold by open auction (the sale below the balance value was approved by the BD of Zarubezhneft JSC, Minutes No. 166 dated March 29, 2019)
0	48	+48	Sold by auction
0	181	+181	Sold by auction
Not applicable	Not applicable	Not applicable	Non-core asset was liquidated

Reports on sale of non-core assets across Zarubezhneft Group were considered quarterly at the meetings of the Board of Directors of Zarubezhneft JSC.