

PERSPECTIVE AND EXPANSION OF THE ACTIVITY AREA

Entering new projects and expanding Zarubezhneft's JSC areas of activity are the key strategic goals of the Company. Activities are ongoing in searching, evaluation and entering new oil and gas projects in Russia and abroad. Apart from the operating countries conventional for the Company (Vietnam and Cuba), Zarubezhneft JSC has signed a concession for the blocks SEREU and EGZ in Egypt, and for oil fields South Alamyshyk, Khartoum and East Khartoum in Uzbekistan. The development of projects and expansion of the operating area in the MENA region, including

Egypt, is one of the key areas of Zarubezhneft's JSC international activities. Forming a cluster in Egypt allowed for the expansion in the region and evaluation of new fields.

We continue consistently searching for new foreign assets. The main tasks are as follows:

- forming a production center in the MENA region (Iraq/Kurdistan, Oman, Algeria);
- the Russian Federation cluster (Volga and Ural Region);
- a cluster in Africa (Gabon, Congo);

- entering projects in the CIS countries;
- entering a project in the area of new technologies (high-viscosity oils, difficult-to-recover oil).

New projects in the Russian Federation are also considered. It is planned to expand the resource base near the existing assets. The Company considers procuring a gas asset in the Orenburg Region, a strategic region for the Company. A joint venture is being arranged with Gazpromneft to work with difficult reserves in the Khanty-Mansi Autonomous Area. Entering the assets will make it possible to cover new regions in the Russian Federation and substantially increase the Company's resource.

As part of the current innovative development of the global energy sector, our Company constantly strives to accumulate expertise in all areas of its activities (exploration and production, project management, technological leadership, etc.).

Primary focus and development of the Company are based on the following key principles:

- focus on key clusters/regions;
- synergy with existing assets;
- comprehensive integration into the region (entering projects of various scales and in different areas – conventional reserves, difficult-to-recover reserves, servicing, onshore/offshore, access and propagation of technologies), and creation of price clusters;
- application of advanced technologies (unconventional, difficult-to-recover reserves) and their propagation (EOR, carbonates).

