

LONG-TERM DEVELOPMENT PROGRAM

THE ZARUBEZHNEFT JSC LONG-TERM DEVELOPMENT PROGRAM (LDP) WAS ELABORATED PURSUANT TO DIRECTIVES FROM THE GOVERNMENT OF THE RUSSIAN FEDERATION DATED JULY 17, 2014, NO. 4955П-П13. THE ZARUBEZHNEFT JSC BOARD OF DIRECTORS APPROVED THE LDP ON NOVEMBER 20, 2014 (MINUTES OF MEETING NO. 91).

The LDP was agreed upon with the following supervisory bodies:

1. The Strategic Planning Committee of the Zarubezhneft JSC Board of Directors, Minutes of Meeting No. 1, dated September 19, 2014.
2. The Expert Council of the Government of the Russian Federation, Letters No. ЭС-2909/02 dated September 29, 2014, and No. ЭС-1211/02 dated November 12, 2014.
3. The Federal Agency for State Property Management (Rosimushchestvo), Letter No. 05/43392 dated October 10, 2014.
4. The Ministry of Energy of the Russian Federation, Letter No. KM-11835/05 (KM) dated October 20, 2014.
5. The Ministry of Economic Development of the Russian Federation, Letter No. 26273 НП/Д07 (NP/D07) dated October 24, 2014.
6. The Government Commission on the Fuel and Energy Complex, the Reserve Replacement, and Improving the Economy's Energy Performance, Minutes of Meeting No. 2 dated October 23, 2014.

It is envisaged to develop the existing enterprises with an outlook up to 2030 and two perspective development options (upside), with the purpose of a comprehensive evaluation of the Company's assets under the LDP: geological exploration projects in which Zarubezhneft JSC participates, either directly or indirectly, and potentially attractive investment projects.

Zarubezhneft carries out targeted work in several key areas intended to improve performance in the main Geological Exploration and Production segment:

- Maximizing synergy of the Group's existing assets with new projects.
- Expertise enhancement in efficient development of complex reservoirs through development of scientific assets of the Company, VNIIneft JSC, and Giprovostokneft JSC.
- Development of a full cycle service for fields at any development stage by arranging for appropriate full-scale internal construction and drilling contractors based on the service segment. Zarubezhneftestroyontazh LLC has continued operating as a full-scale construction contractor for Zarubezhneft Group, and work on expanding its own capacities is in process. RMNTK Nefteotdacha JSC is proceeding with projects to develop services for sidetracking operations, with further replacement of third-party contractors and supervision of JC RUSVIETPETRO LLC remote fields and other assets of the Group of Companies.

The primary task for the Company's future development is not only intensive development of current production assets but also active exploration of and joining promising large oil and gas production investment projects.

First of all, potential regions are considered in which the Company has accumulated significant experience

in integrated project implementation, namely Southeast Asia, the Russian Federation, and the Middle East.

The strong points of existing Company expertise are the considerable experience gained in increasing current assets value by expanding the current assets resource base, enhancing development performance by increasing the oil recovery factor for fractured basement deposits, and active involvement in development of terrigenous block structures of low thickness.