

MAJOR EVENTS OF 2020

June

Zarubezhneft and DEME Concessions Wind NV signed a cooperation agreement on marine wind generation in South Vietnam for the 1-GW Vinh Phong offshore wind farm project. Zarubezhneft became the first Russian company to take a practical step towards participating in large-scale offshore wind generation projects.

June

ZARUBEZHNEFT-Dobycha Samara launched construction on Well 5VP at the Lutseyakhskoye field. This is the first of six planned wells during the project's pilot operation period. Testing was successfully conducted on an overlying new bituminous object of reservoir M at the Boca de Jaruco field in Cuba and a free flow of super-viscous oil was obtained for the first time.

April

Downhole equipment was assembled without repairs at the Boca de Jaruco field in Cuba.

January

ZARUBEZHNEFT-Dobycha Samara won an auction for the right to use subsurface resources for the geological exploration of the Turgaysky site in the Orenburg Region.

September

Zarubezhneft sold a consignment of crude oil for export in an online auction for the first time ever. It sold 300,000 tons of Urals oil via the electronic platform of the St. Petersburg International Mercantile Exchange (SPIMEX). Since 2014, the Company has carried out procedures for the export sale of more than 9.2 mln tons of crude oil.

Zarubezhneft's project 'Introduction of the IFRS and Other Reporting Consolidation System Based on 1C: Holding Management' won the category 'Best Project in the Domain Area – Management and Financial Accounting (FRP)' at the 1C: Project of the Year corporate automation competition.

September

On September 25, 2020, Premier Oil Tuna B.V. and ZN Asia LLC signed an agreement to transfer a stake in a production sharing agreement (PSA) (FOA) for the Tuna Block. The Tuna Block is located in the Indonesia offshore economic zone 13 km from the border of the Vietnam offshore economic zone and includes two gas fields: Kuda Laut and Singa Laut.

(For reference: the Indonesian government, as represented by the Ministry of Energy and Mineral Resources, approved the transfer of a 50% stake in the Tuna Block PSA on December 22, 2020, and SKK Migas, the state regulator for the management of oil and gas exploration and production activities, gave approval on January 4, 2021).

August

The Ministry of Energy presented awards to Zarubezhneft subsidiaries as part of a contest for the best socially-oriented company in the oil and gas industry:

- ▶ JV RUSVIETPETRO
 - Creation of living conditions at remote production sites
 - Implementation of measures to prevent accidents and occupational diseases
 - Best project – Implementation of the Vision Zero concept
- ▶ Zarubezhneft
 - Intra-company training (advanced training)
- ▶ Arktikmorneftegazrazvedka
 - Occupational safety organization
- ▶ ZARUBEZHNEFT-Dobycha Samara
 - Active implementation of social policy

September

The first multi-lateral well, E2-21, was put into operation at Kharyaga oilfield. The bottom-hole depth of the well holes was 3,647 and 3,790 meters.

- Operating
- International cooperation
- Corporate events

October

Zarubezhneft launched its Business Service Center. Its goal is to make major changes to internal processes, reduce operating expenses, and improve the Company's process efficiency and competitiveness.

October

Drilling of a well at the Sadetsky Zapadno-Khosedayskoye oil field was completed at a record schedule speed. Despite a planned drilling time of 45 days, the well was drilled in 34 days. The projected bottom hole was 3,267 meters.

A new drilling achievement occurred at the Kharyaga oil field with the drilling of a controlled directional well. The W1-07 producing well was drilled in 32 days. The schedule speed was 3,321 m/machine-month and exceeded the planned target by more than 50%.

The Operational Monitoring Center began operating on a pilot basis at the Zarubezhneft Communication Center. The OMC helps to promptly monitor the operation of subsidiaries and platforms based on oil, liquid, and gas production indicators and build dependence diagrams based on production indicators with a daily/monthly/yearly breakdown.

November

Zarubezhneft held its first seminar for the federal executive authorities on searching for and evaluating projects. The event was attended by most of the Russian authorities: the Russian government, the Ministry of Energy, the Ministry of Foreign Affairs, the Ministry of Economic Development, the Ministry of Finance, the Ministry of Industry and Trade, and the Ministry of Natural Resources and Environment as well as Russia's embassies and trade promotion offices abroad.

November

A solar power plant was installed and commissioned at the Brod Refinery. The solar power plant has 2,724 solar panels and can generate at least 1,05MW of electricity per year.

A new line for packaging finished products was launched at the Modriča Motor Oil Plant, which will increase output, provide an opportunity to expand the range of packaging, improve the quality of group packaging, reduce the line changeover time when switching to another type of packaging, and ensure increased bottling efficiency.

December

Zarubezhneft finished first in the environmental responsibility rating of Russian oil and gas companies.

Tests of catalytic aquathermolysis technology were successfully completed, and a patent was obtained for the technology.

The Expert RA rating agency assigned Zarubezhneft a 'ruAAA' credit rating with a stable outlook. The credit rating was assigned to Zarubezhneft for the first time. The 'ruAAA' rating is the highest national credit rating and indicates Zarubezhneft has the highest borrowing capacity level.

December

Zarubezhneft concluded a transaction to acquire a 56.17% share in UNGP from Trust Bank. UNGP owns three license areas in the south of the Orenburg Region. The fields have been put into operation, and current output is around 200,000 tons of oil equivalent per year.

A Zarubezhneft and Gazprom Neft joint venture opened a new hard-to-recover hydrocarbon field in the Khanty-Mansi Autonomous District-Yugra. The first oil was obtained during well flowback operations at the Salymsky 3 license area.