

EXPANSION PROGRAM

As regards its Corporate Strategy, the Company continues to actively seek out, evaluate, and join new oil and gas projects in Russia and abroad.

Given the current circumstances, the Company has taken a more cautious approach to new projects, weighing risks more carefully and sharing them with partners whenever possible. At the same time, we understand that any crisis, and this one is no exception, contains potential opportunities. For example, the terms for joining numerous projects have become more attractive.

Despite the pandemic, the Company continues to be active within its corporate footprint and is working on joining new foreign projects, with Southeast Asia and countries such as Egypt, Algeria, Iraq, and Kazakhstan remaining priorities in this regard.

When looking for potential assets, the Company is driven by the following principles:

- ▶ Cluster approach — synergy with existing assets
- ▶ Comprehensive integration into a region
- ▶ Portfolio strategy

The following priority areas have been identified for the Company's investment project portfolio:

- ▶ The establishment of production clusters in countries of the Middle East and North Africa
- ▶ A cluster of projects in the Ural-Volga region
- ▶ The establishment of a cluster — an investment project portfolio for the development of activities in Kazakhstan
- ▶ Joining renewable energy source (RES) projects

PRINCIPLES FOR SELECTING NEW COUNTRIES FOR EXPANSION

Stage I

Screening of countries according to primary criteria

- ▶ Proven reserves of less than 10 mln tons in the countries
- ▶ Unfavorable foreign policy relations with Russia
- ▶ Availability of projects only in deep water (more than 100 m)

Stage II

Ranking

- ▶ Ranking of countries by rating business and technology factors



New targets

- ▶ Kazakhstan
- ▶ Iraq (Kurdistan)
- ▶ Algeria



Business development

- ▶ Egypt



Developing a strategy for entering countries



Selection of in-country projects based on criteria



The project is rated by 16 points



Based on the rating results, the project is assigned a final score