

Ukrnafta partnership opportunity: Development of Ukrainian Oil&Gas assets

October 2023

Ukrnafta has an extensive asset portfolio which has been significantly underinvested. Currently the Company offers to jointly develop several promising fields aiming to unlock the existing potential.

Areas of operation

- **EXPLORATION & PRODUCTION**

We are Ukraine's **largest oil producer** with **~60%** of country's production share.

- **RETAIL FUEL SALES**

We operate Ukraine's **largest chain** of mono-brand filling stations (**537 stations** across all regions of Ukraine).

- **FUEL WHOLESALES**

We sell light and dark liquids, LPG and natural gas in Ukraine. Share in **petroleum products** market **~5%**, share in **gas** market **~4%**.



Key facts

- **Reserves¹**
 - Oil – **434 mln bbl**
 - Gas – **3,002 bn ft³**
- **90** oil and gas **fields** covering **2,025 km²**
- Full **field breakeven** average of around **13 USD/bbl**
- **Depletion rates** to total proved reserves
 - Oil – **83%**
 - Gas – **73%**
- Well-established **partnership** with the country's **major refinery**

Ambitions for the next 5 years



DOUBLE OIL PRODUCTION



DOUBLE GAS PRODUCTION



INCREASE BY ~2 TIMES WHOLESALE SALES



INCREASE BY ~4 TIMES RETAIL SALES (GAS STATIONS)

Ukrnafta is the largest oil company in Ukraine

PJSC "Ukrnafta" is the largest oil production company in Ukraine with a share of oil and gas condensate production of more than 60% of the nation's production and significant reserves of both oil and natural gas.

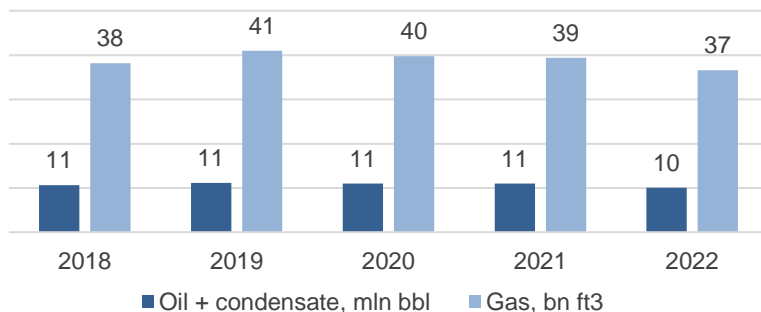
Key information:

- The Company is a **Public Joint Stock Company**
- Exploration and production is carried out in a few regions **in the West and East of Ukraine**, the filling station chain is represented almost throughout the whole country
- 50% + 1 share belongs to National Joint Stock Company Naftogaz of Ukraine, 50% - 1 share belongs to the **Ministry of Defense of Ukraine**

Company's structure:

- **Business units Ukrnafta-East and Ukrnafta-West**
 - 6 oil and gas production directorates
 - 3 gas processing plants
- **Oilfield Service Department** (full range of oilfield services)
- Separate unit for exploratory and operational drilling and well repairs

Ukrnafta production, 2018-2022

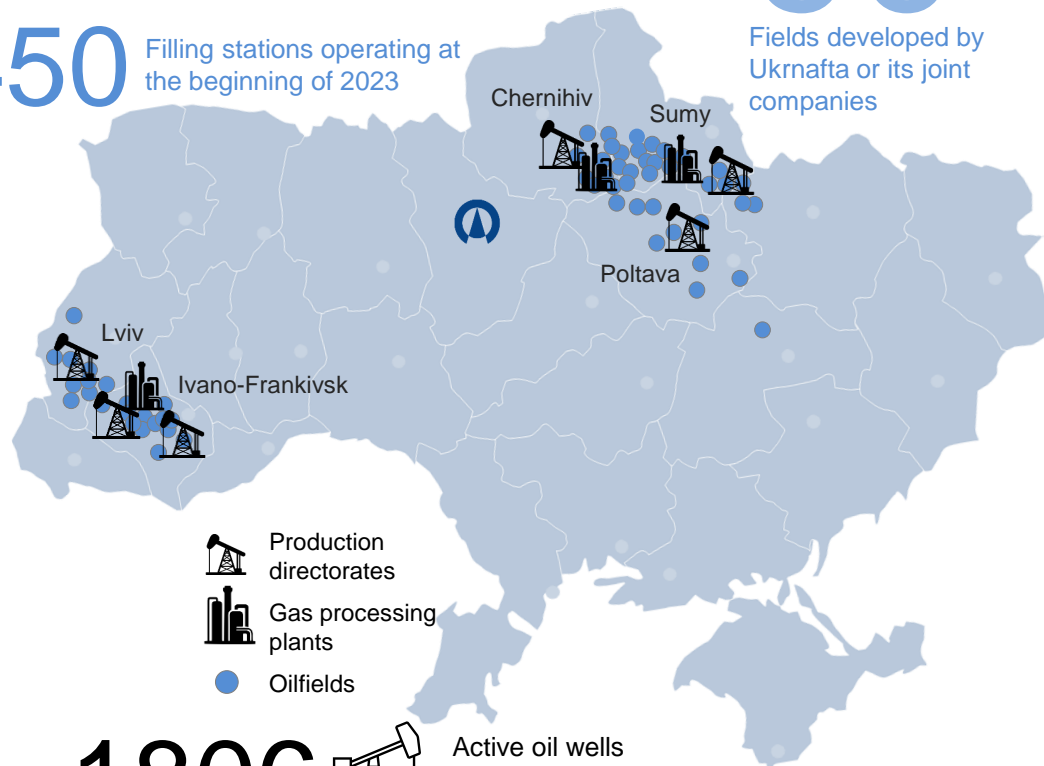


The decline in 2022 is mostly due to the war-caused production disruptions

10 mln barrels of oil and condensate were produced in 2022


90 Fields developed by Ukrnafta or its joint companies

450 Filling stations operating at the beginning of 2023



1806 Active oil wells (as of the end of 2022)

152 Active gas wells (as of the end of 2022)



1. Reduce environmental impact and the carbon footprint:
Focus on improving energy efficiency, reducing emissions, minimizing waste and pollution, and preserving ecosystems.

2. Engage local communities
Prioritize engagement with local communities to address their concerns and build long-term relationships based on trust and mutual benefit.

3. Ensure employee safety and well-being:
Provide a safe work environment, promote safety culture, and offer healthcare and benefits.

4. Uphold high ethical and governance standards:
Maintain high standards of transparency, accountability, and ethical business practices.

5. Promote social and economic development
Invest in programs that support local communities, such as education, job training, and entrepreneurship initiatives.



General overview of available fields

Ukrnafta-West

10 Number of fields available for joint development

66.7 MMbbl -- oil reserves¹ for these fields
0.3 MMbbl of oil were extracted from these fields in 2022

418.6 Bft³ -- gas reserves¹ for these fields
2.1 Bft³ of gas were extracted from these fields in 2022

Boryslavske
Dovbushansko-Bystrytske
Kokhanivske
Lopushnyanske
Melnychynske
Pasichnyanske
Rozhnyativske
Skhidnytske
Vyhoda-Vytvytske
Zavodivske

Lviv
Ivano-Frankivsk

Ukrnafta-East

11 Number of fields available for joint development

24.0 MMbbl -- oil reserves¹ for these fields
0.12 MMbbl of oil were extracted from these fields in 2022






691.2 Bft³ -- gas reserves¹ for these fields
4.1 Bft³ of gas were extracted from these fields in 2022

Chernihiv

Sumy

Poltava

Andriyashivske
Hoholivske
Kharkivtsivske
Klynsko-Krasnoznamenske
Kompanske
Lypovodolynske
Sahaydatske
Serednyakivske
Vasylivske
Voloshkivske
Yarmolyntsvivske

-  Production directorates
-  Gas processing plants
-  Oil & gas basins
-  Russian-occupied territories
-  Available oilfields

The oilfields are located at a significant distance from the battlefield and Russian-occupied territories (please see map)

It may be possible to consider the involvement of MIGA, DFC, and other international institutions to insure the investments.

1 - Calculated in accordance with the national regulations as of 1 January 2023 and include 111, 121, 122 classes (close equivalent of 2P reserves by PRMS methodology).

Western cluster outlook

Ukrnafta presents a selection of notable oil&gas fields in the west of the country, each with its own unique features and significant reserves of recoverable hydrocarbons. These fields might be a promising investment opportunity for the interested investors.

Field	Average depth ³ , ft	# of wells (total)	# of producing wells	Liquids prod ² , th bbl	Oil reserves ¹ , th bbl	Oil R/P ² , years	Gas prod ² , MMft ³	Gas reserves ¹ , MMft ³	Gas R/P ² , years
Boryslavske	4 003	325	279	210	2 977	14	463	20 165	44
Dovbushansko-Bystrytske	6 875	39	38	52	7 982	153	124	47 639	386
Kokhanivske	3 839	2	2	8	206	25	1	35	24
Lopushnyanske	13 779	3	3	8	27 945	3 527	3	83 908	27 270
Melnychynske	14 773	2	2	5	5 726	1 058	6	29 346	5 149
Pasichnyanske	13 222	13	13	19	6 564	355	1 446	169 970	118
Rozhnyativske	15 010	1	1	3	7 622	2 714	13	42 448	3 151
Skhidnytske	1 476	183	57	1	110	78	0	35	9 346
Vyhoda-Vytyvtske	11 483	3	3	2	1 676	993	0	10 948	27 203
Zavodivske	15 026	11	9	23	5 858	251	34	14 091	410
Total Western cluster		582	407	332	66 665	201	2 092	418 585	200

1 - Calculated in accordance with the national regulations as of 1 January 2023 and include 111, 121, 122 classes (close equivalent of 2P reserves by PRMS methodology).

2 - The indicator is calculated based on 2022 data; 3 - Average depth of the main horizons.

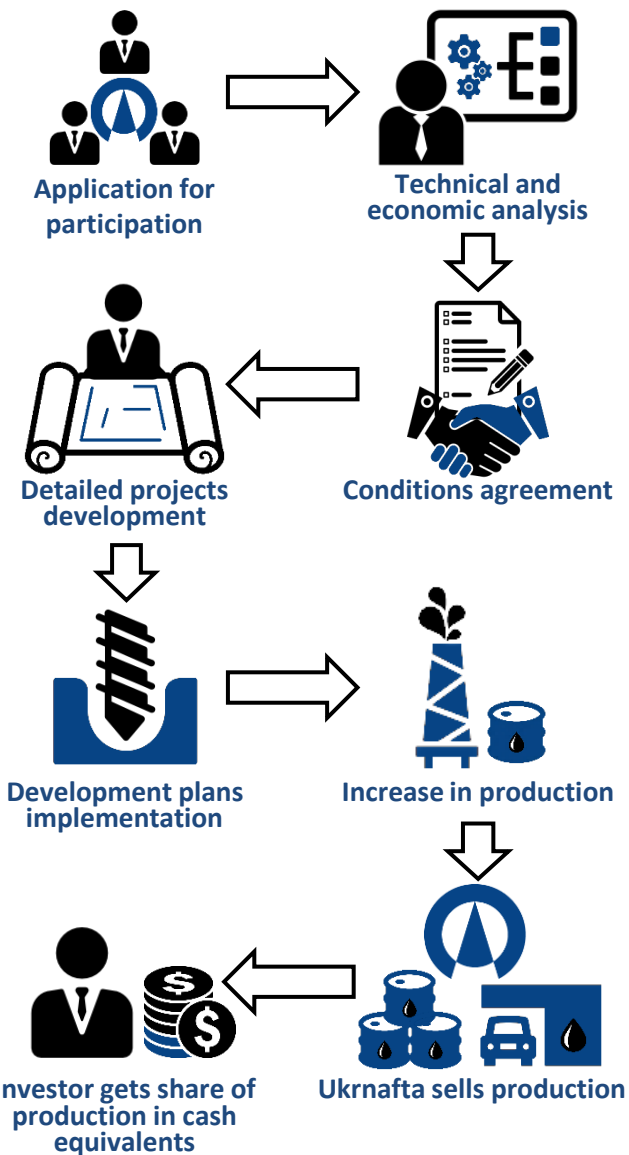
Eastern cluster outlook

Ukrnafta presents a selection of notable oil&gas fields in the east of the country, each with its own unique features and significant reserves of recoverable hydrocarbons. These fields might be a promising investment opportunity for the interested investors.

Field	Average depth ³ , ft	# of wells (total)	# of producing wells	Liquids prod ² , th bbl	Oil reserves ¹ , th bbl	Oil R/P ² , years	Gas prod ² , MMft ³	Gas reserves ¹ , MMft ³	Gas R/P ² , years
Andriyashivske	15 315	38	6	16	5 623	358	1	177 597	160 601
Hoholivske	15 996	1	4	2	1 117	649	105	85 038	809
Kharkivtsivske	16 160	18	8	29	5 579	191	843	158 775	188
Klynsko-Krasnoznamenske	16 640	23	1	58	1 301	23	1 980	85 002	43
Kompanske	15 544	6	1	6	1 014	163	1	8 052	5 522
Lypovodolynske	15 453	1	4	4	1 110	258	7	6 780	924
Sahaydatske	2 904	26	2	4	147	37	0	35	273
Serednyakivske	14 982	2	1	0	434	21 431	2	35 774	18 186
Vasylivske	14 875	1	4	2	2 058	1 046	19	40 682	2 183
Voloshkivske	16 550	13	1	1	2 837	2 269	11	62 013	5 690
Yarmolyntsivske	14 964	11	2	0	2 764	0	1	31 571	26 774
Total Eastern cluster		188	34	122	23 983	196	2 972	691 320	233

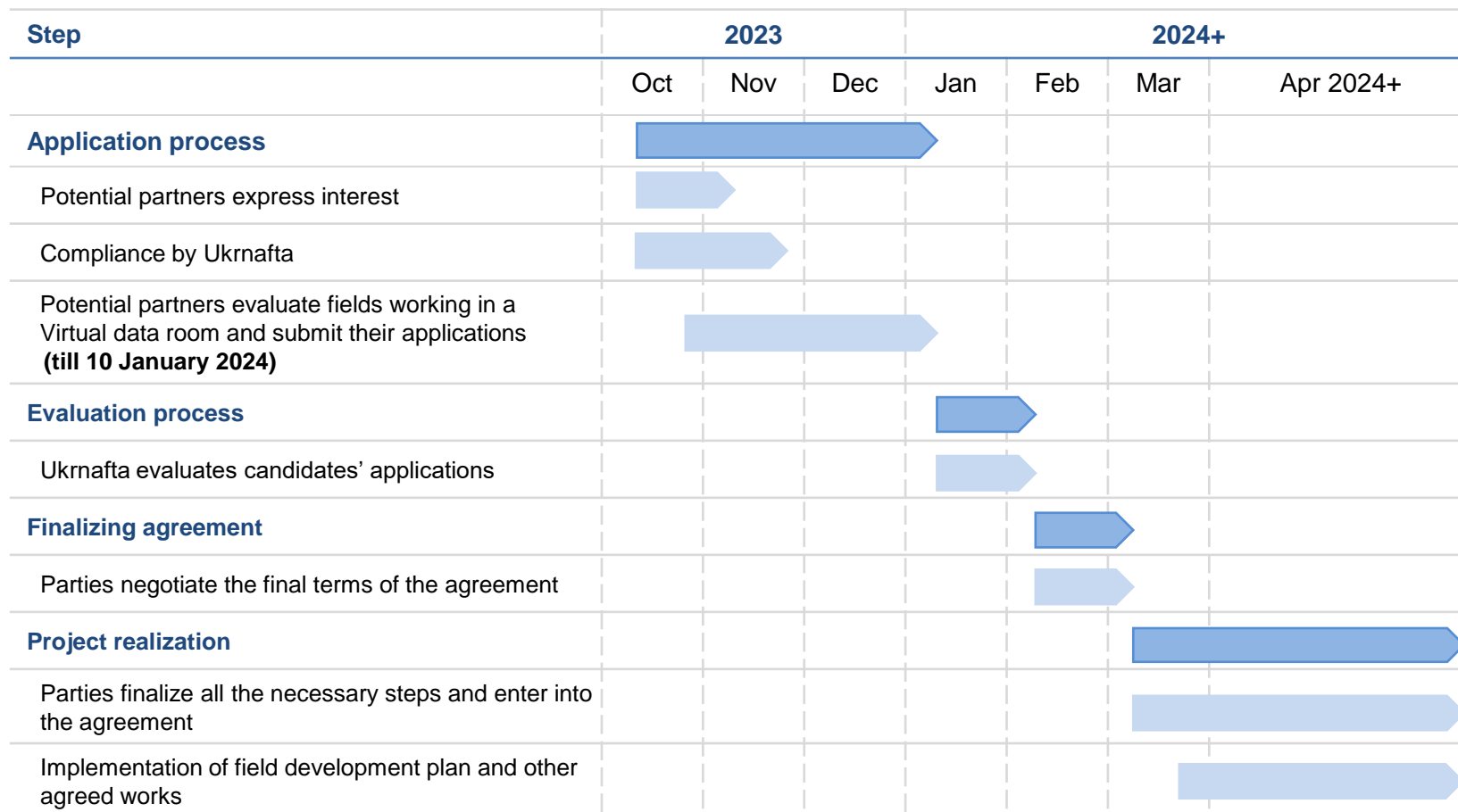
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- **Objective:** To attract investors to the exploration and development of the oil and gas fields to achieve the **largest economically viable** hydrocarbon production **volumes**. Having 90 licenses, we would like to involve experienced partners to fully unleash the potential of fields.
- **Partner’s role:** To provide **investments and expertise** to explore and develop Ukrnafta’s licensed oil and gas fields.
- **Contractual framework:** We are open to negotiating **different contract structures**, primarily production-sharing agreements and risk-service contracts.
- **Operations:** The partner will execute the proposed field development program, while Ukrnafta maintains operational control over the assets and infrastructure. Ukrnafta may act as the operator for the wells, although the investor can propose to assume operatorship within their investment proposal.
- **Application & Selection process**
 - Potential investors express their interest and after the compliance procedures get access to a Virtual data room summarizing all the detailed information on available fields;
 - If interested, candidates submit their offers of field development plans and cooperation terms;
 - Ukrnafta evaluates the offers and selects the winner;
 - Parties negotiate a final agreement and, after approval by the Cabinet of Ministry of Ukraine, start implementing the development plan;
 - Financial gains from cooperation are distributed according to the agreed terms.
- An offtake contract shall be concluded between an investor and Ukrnafta for the entire period to sell their share in production of oil/condensate at the market price. An offtake contact on natural gas is negotiable.

Preliminary project timeline



For inquiries, applications, or any questions, please feel free to contact us using the following details:

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We look forward to hearing from you and providing any information or assistance you may need.