

Urals Energy Value and Performance vs the AIM E&P Market and Russian Peer Group Q2 2018

Contents

	Page
1. Summary	2
2. AIM E&P Market Overview Q2 2018	4
3. Urals vs the AIM E&P Market and its Russian Peer Group	9
4. Urals Trading Multiples vs the Russian / FSU Peer Group	17
5. Urals Annual Performance vs the AIM E&P Market and its AIM listed Russian Peer Group for Shareholder Returns, Enterprise Value, Production, Reserves & Resources	21
6. Appendix	23

AIM E&P Market Performance Q2 2017– Q2 2018

- The AIM E&P market comprised 81 companies in Q2 2018 (76 common to both Q2 2017 & 18).
- Enterprise Value was £6.6bn (\$8.7bn), representing a 6% rise from the previous quarter while Brent rose by 14%
- Year-on-year value rose by 26% vs Brent which rose by 61%
- Companies dominated by oil increased in value by 43%¹ vs 5% for gas
- Market shareholder returns (SHR) were calculated in two ways i) weighting by company value and ii) equally weighted SHR weighted by company size was -2% and 8% when equally weighted.
- North Sea companies showed the largest annual growth in value rising 140% while Russian companies fell by -6%.
- AIM E&P production grew by 42% Reserves by 36% and Contingent Resources by 49%
- Reported market revenue was £0.85bn (\$1.1bn) for 2017, 17% up from 2016
- Over the same period total reported expenditure rose by 14% to £1.9bn

¹Change in value for companies common to Q2 2017 & Q2 2018

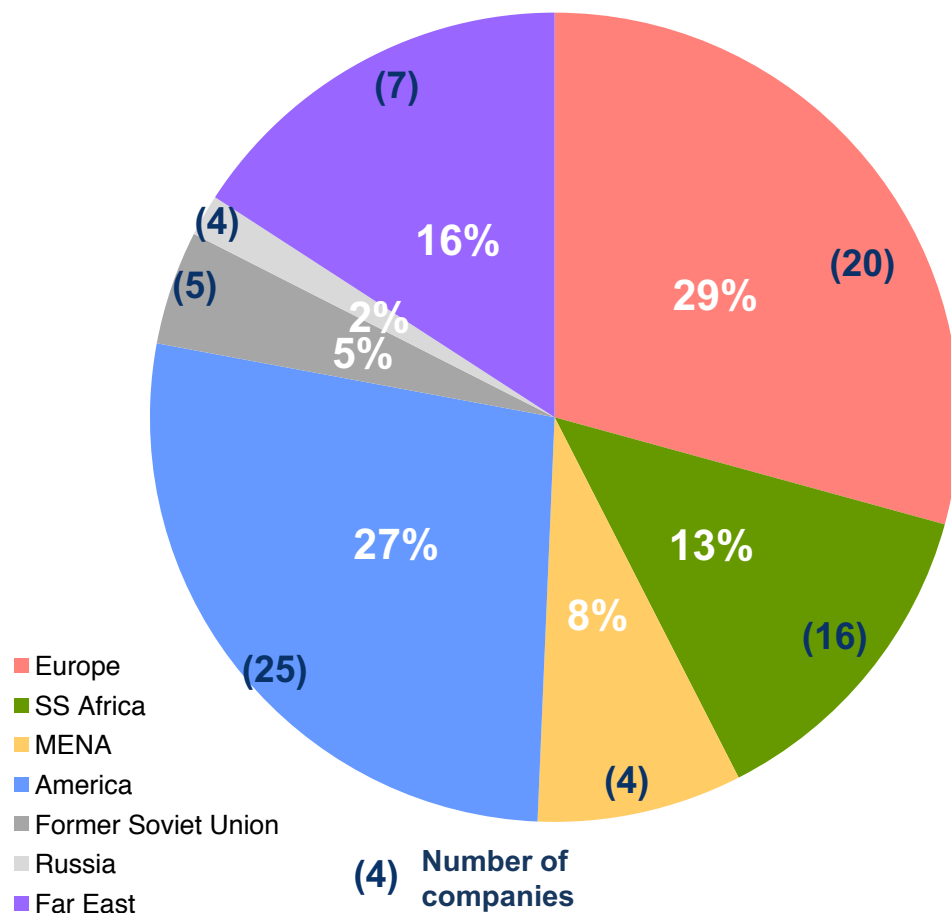
Urals vs the Market Q2 2017 – Q2 2018

- Urals value grew by 2%, outperforming its Russian peers by 8% which fell by -6%. However, Urals under-performed the AIM E&P market by 24%
- Annual shareholder returns were similar to its Russian peers (-11.6% vs -12% respectively) both underperforming the AIM market
- Urals operating cash flow¹ of \$9/boe in 2017 was significantly greater than its Russian peers which reported \$5.5/boe
- Urals was one of only two AIM E&P companies that paid a dividend over the reporting period
- Urals remains one of the highest ranked companies by 2P reserves (5th) and continues to trade at a discount to its Russian and FSU peer group on an EV\$/boe basis.
- FSU 2C Contingent Resources trade at higher multiples than Urals Reserves

¹Figures quoted before changes in working capital

AIM E&P Market Overview Q2 2018

AIM Enterprise Value / Region Q2 2018



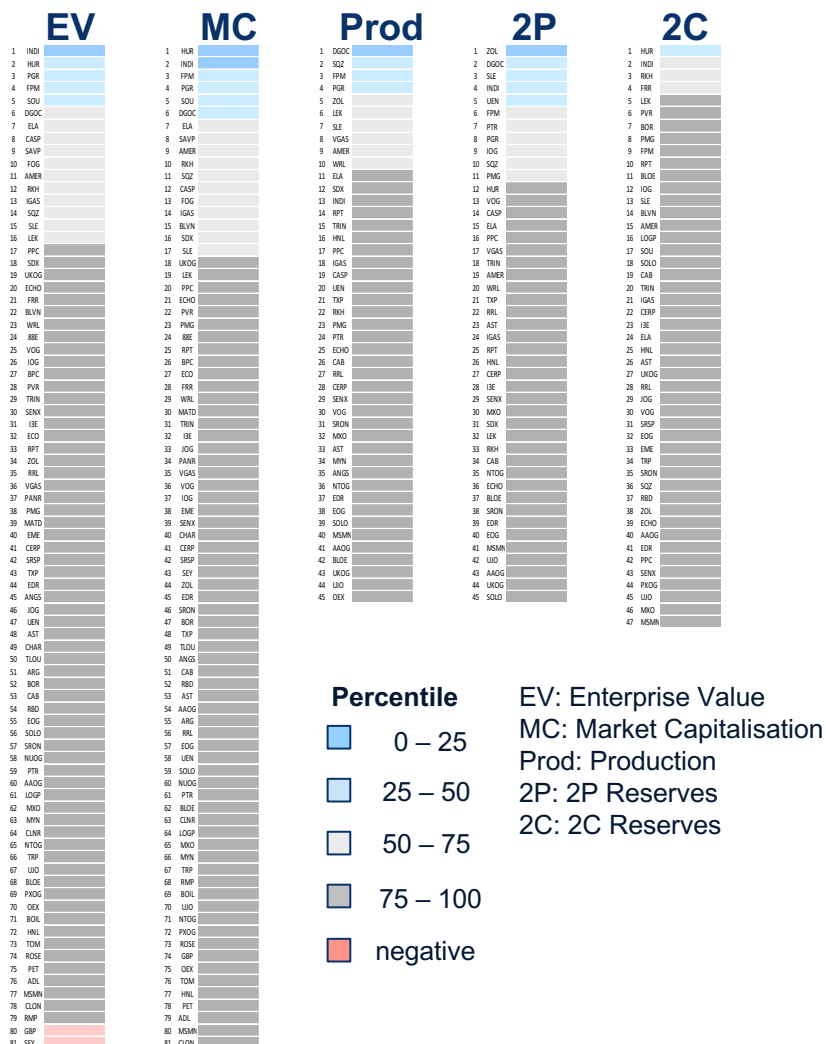
- 81 companies
- Enterprise Value (EV): £6.6 billion (bn)
- Market Capitalisation: £6.9bn
- Production: 141,364 boe¹ /day
- 2P Reserves: 1.5 bn boe
- 2C Resources: 5.35 bn boe

Top 20 companies by Enterprise Value Average:

- Enterprise Value: £265million (mm)
- Market Capitalisation: £268 mm
- Production: 5,300 boe/d
- 2P Reserves: 40 mm boe
- 2C Resources: 202 mm boe

¹boe: barrels of oil equivalent

AIM E&P Company Value and Asset Ranking Q2 2018



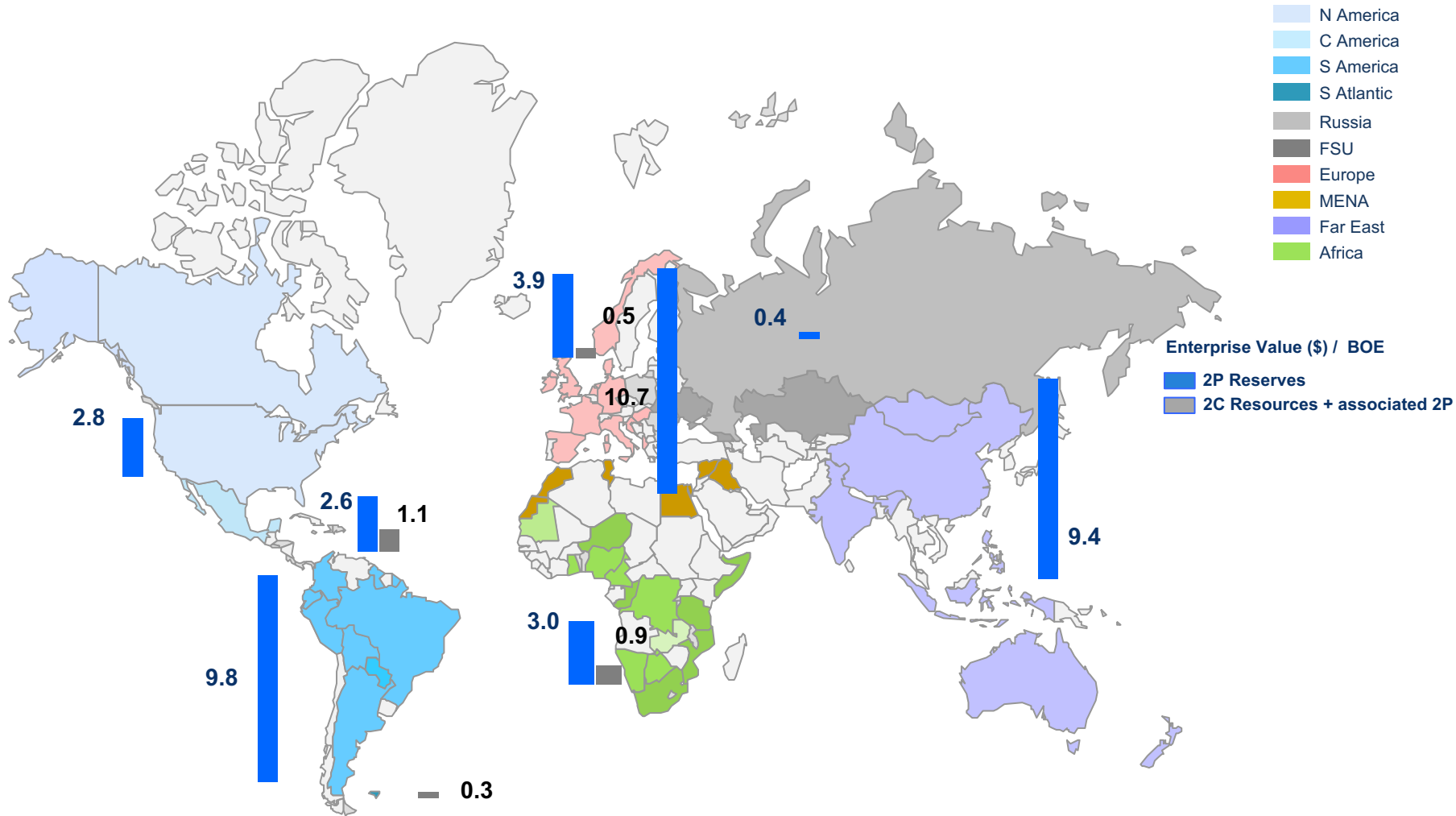
- 81 companies
- 56 % companies with production
- Average production: 3,141 boepd¹
- 56% companies with 2P Reserves
- Average 2P Reserves: 33 mm boe²
- 58 % companies with 2C Resources
- Average 2C resources: 114 mm boe³
- EV / boe 2P = \$3.6
- EV / boe 2C = \$0.5

¹ Average for companies with production
² Average for companies with reserves
³ Average for companies with resources

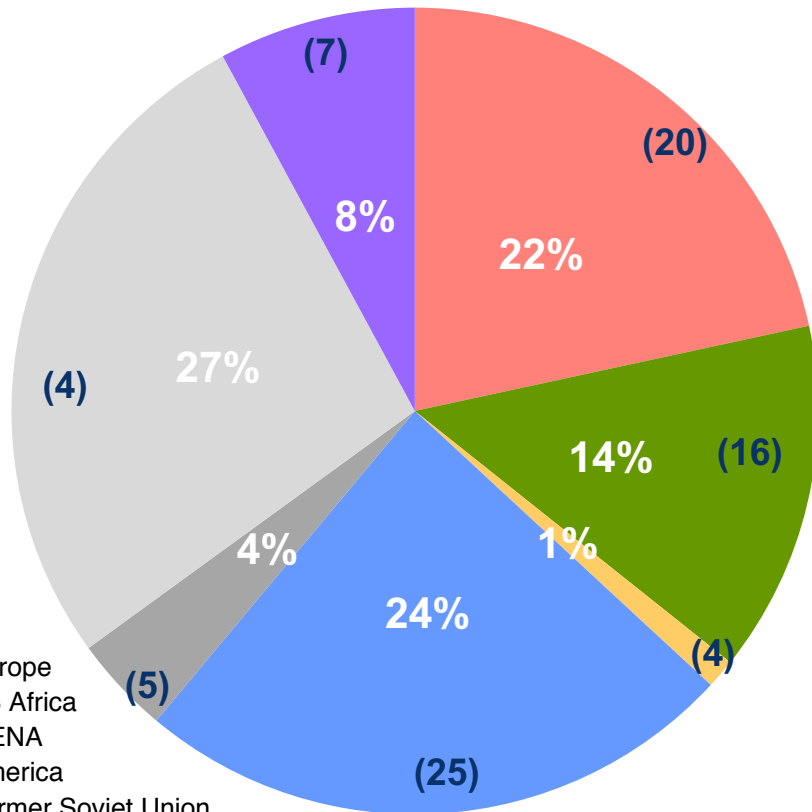
Regional Value of 2P Reserves & 2C Resource (EV \$ / BOE) Q2 2018



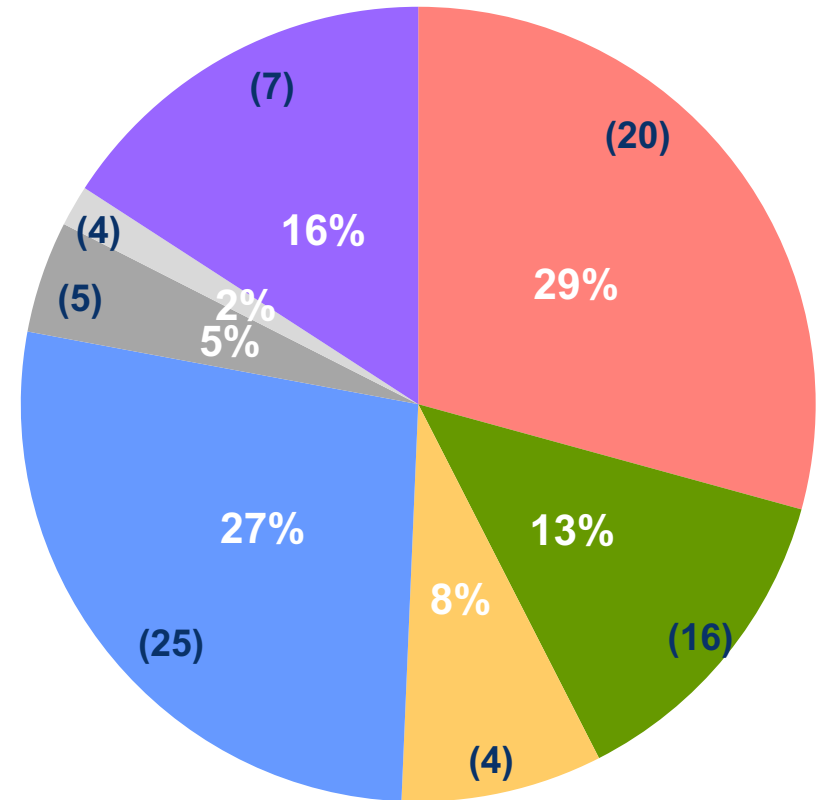
AIM Operating Countries



AIM 2P / Region Volumes Q2 2018



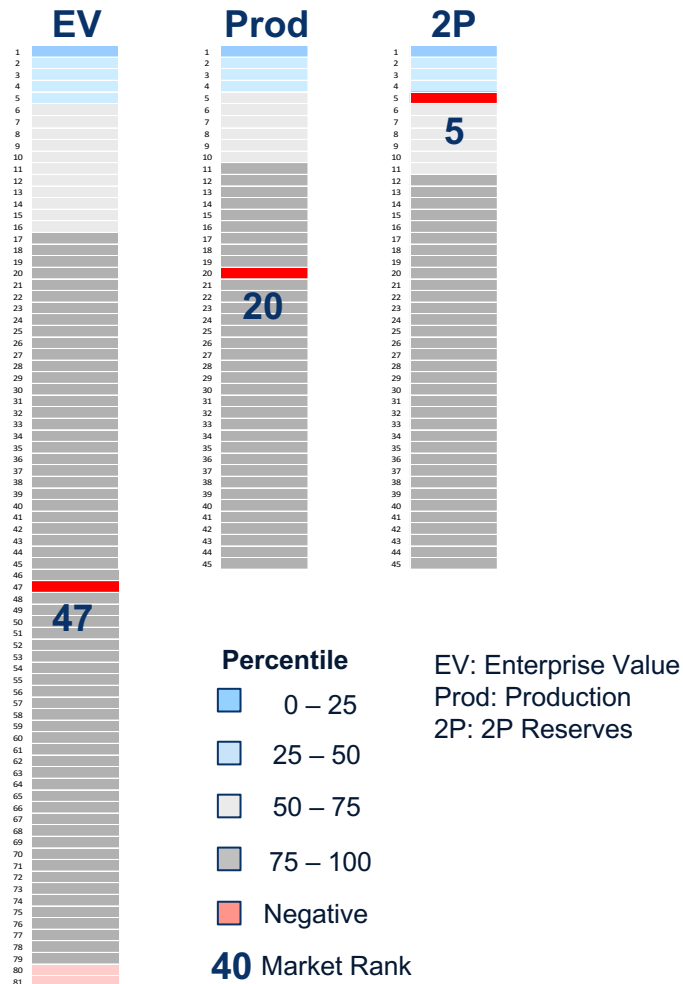
AIM Enterprise Value / Region Q2 2018



(4) Number of companies

Urals vs the AIM E&P Market and its Russian AIM Peer Group

Urals AIM E&P Market Ranking Q2 2018

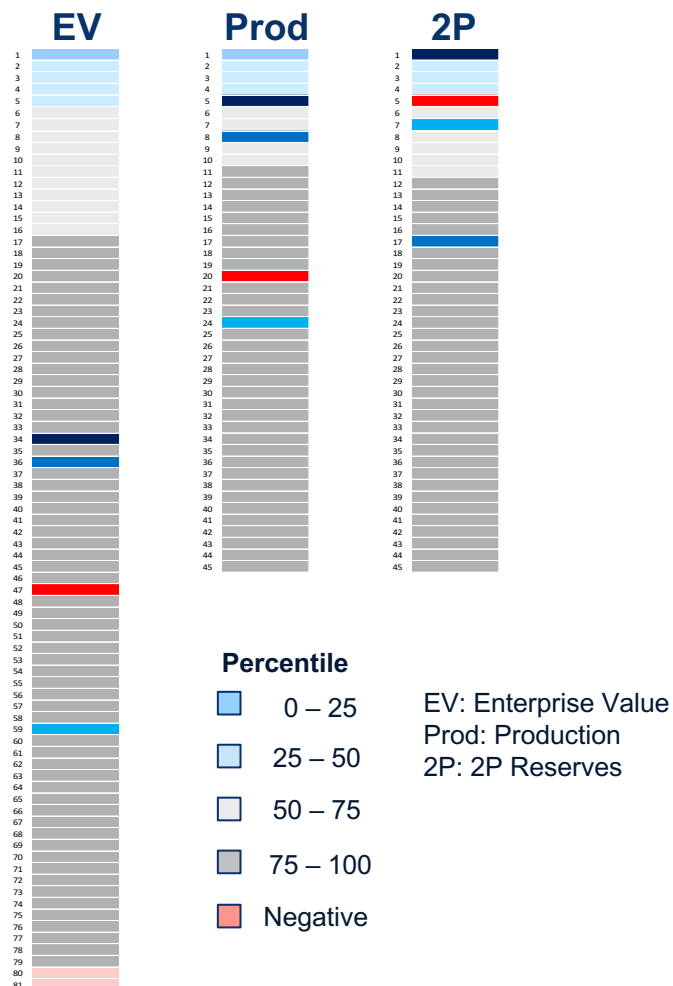


	Urals	Russia	Market
Number of companies		4	81
Production ¹ (boepd)	1,834	3,989	3,141
2P Reserves ¹ (mmboe)	107	102	33
2C Resources ¹ (mmboe)	0	5	114
2P Reserves EV \$ / boe	0.2	0.4	3.6

- Urals Energy AIM E&P market ranking value improved from 51 in Q1 2018 to 47

¹Average for companies with production, Reserves and Resources respectively

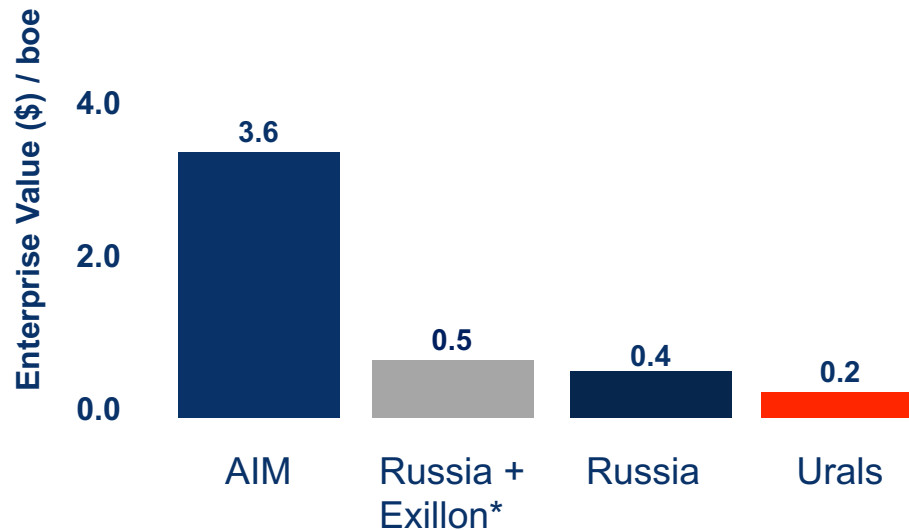
Urals AIM Russian Peer Group Ranking Q2 2018



	Urals	Petroneft	Volga	Zoltav
Enterprise Value £	20	9	40	42
Production (boepd)	1,834	1,128	5,919	7,075
2P Reserves (mmboe)	107	65	26	210
EV change¹ %	2	-37	18	-16
SHR change¹ %	-12	-38	-5	-10

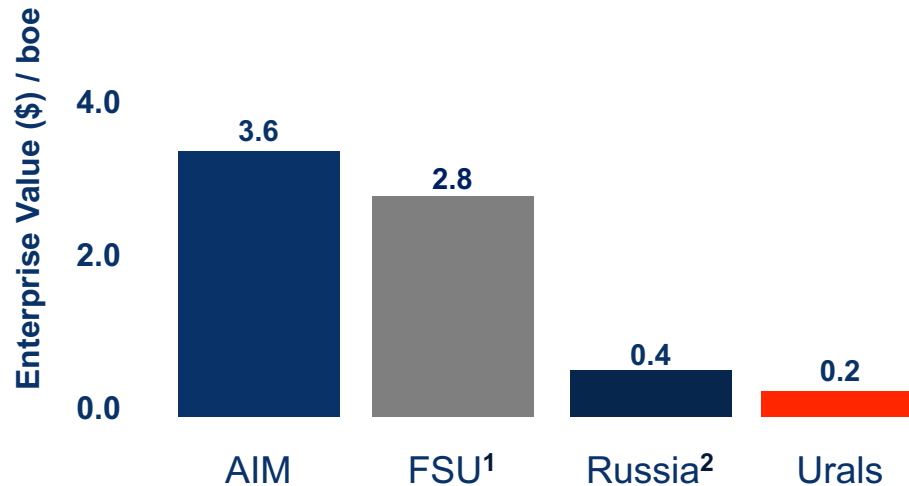
EV, SHR:¹ : Enterprise Value change & Share holder returns for Q2 2017-2018

Urals 2P Reserves Trading Value per Barrel vs the AIM E&P Market and Russian Company Peer Group, Q2 2018



* Includes all AIM listed Russian E&P companies and Exillon trading on the main market

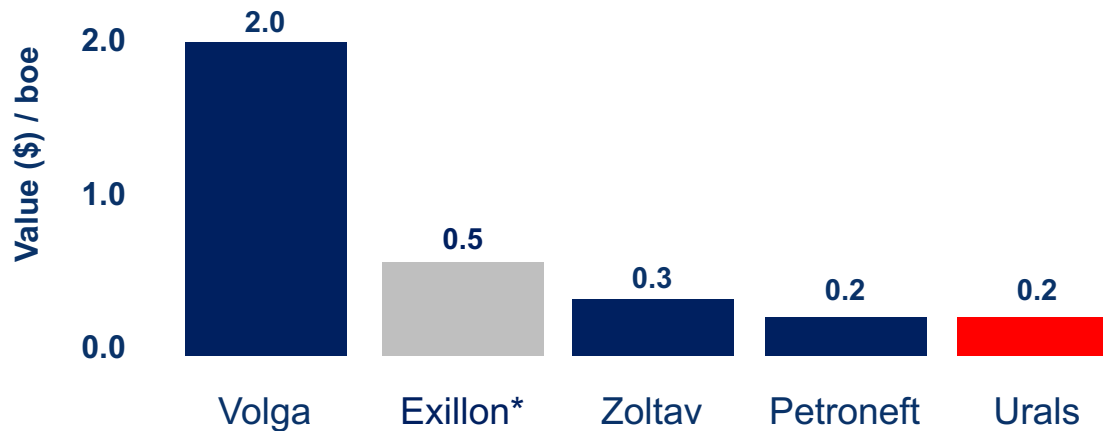
Urals 2P Reserves Trading Value per Barrel vs the AIM E&P Market FSU and Russian Company Peer Group, Q2 2018



FSU¹ : Excludes Russian focused companies, Includes: Ascent, Caspian Sunrise, Zenith, JKX, Nostrum, Reach Energy
Russia² = Zoltav, Volga, Petroneft, Urals, Exillon

Urals Reserves are Trading at a Discount to its Russian Peers

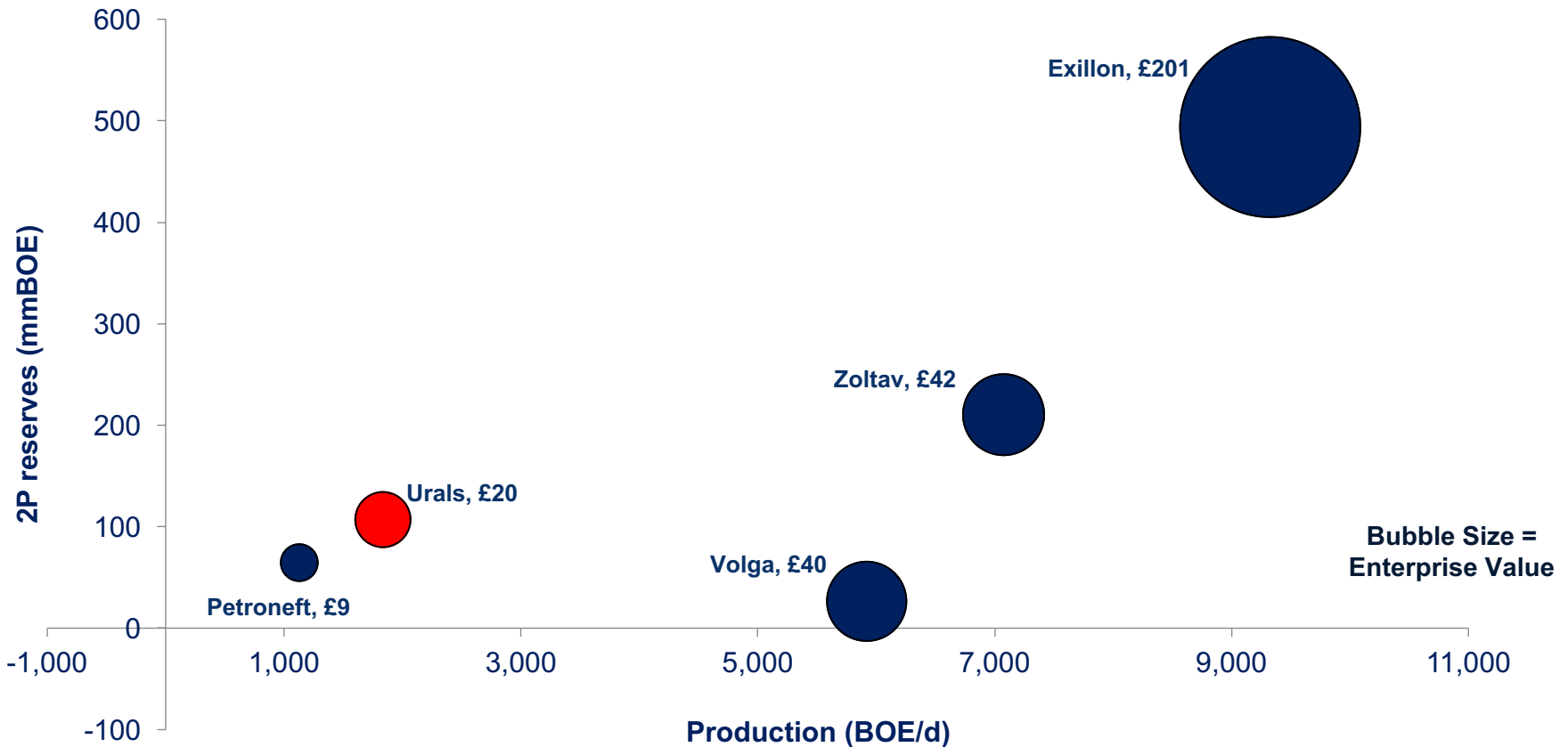
Urals 2P Reserves Trading Value / Barrel vs its Russian Peer Group, Q2 2018



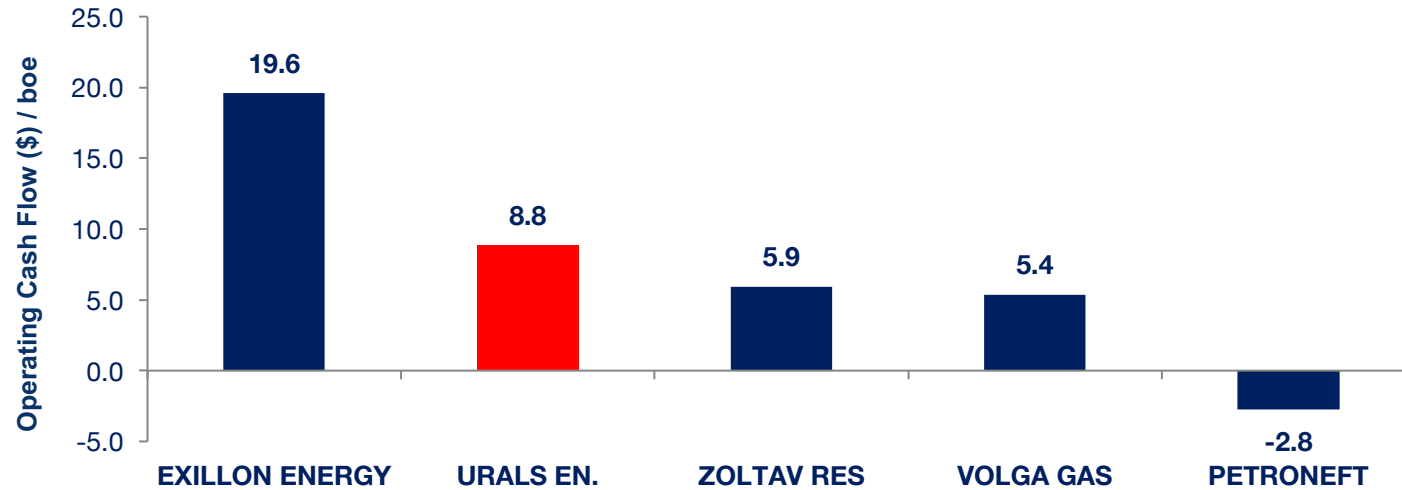
Note: Volga and Zoltav 2P is mostly gas

* Listed on London main market – not part of Urals AIM peer group

Urals Value vs Reserves & Production vs its Russian Peer Group Q2 2018

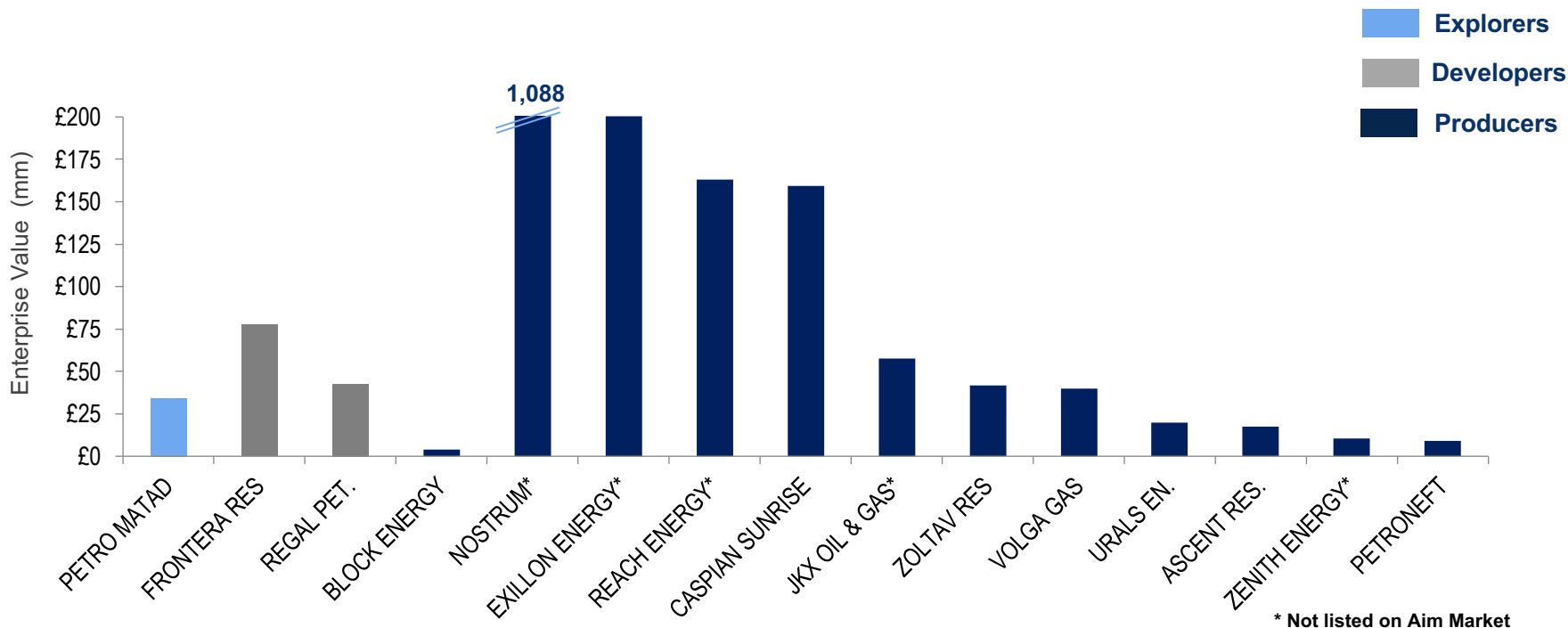


Operating Cash Flow \$/boe 2017 (Before Working Capital Changes)



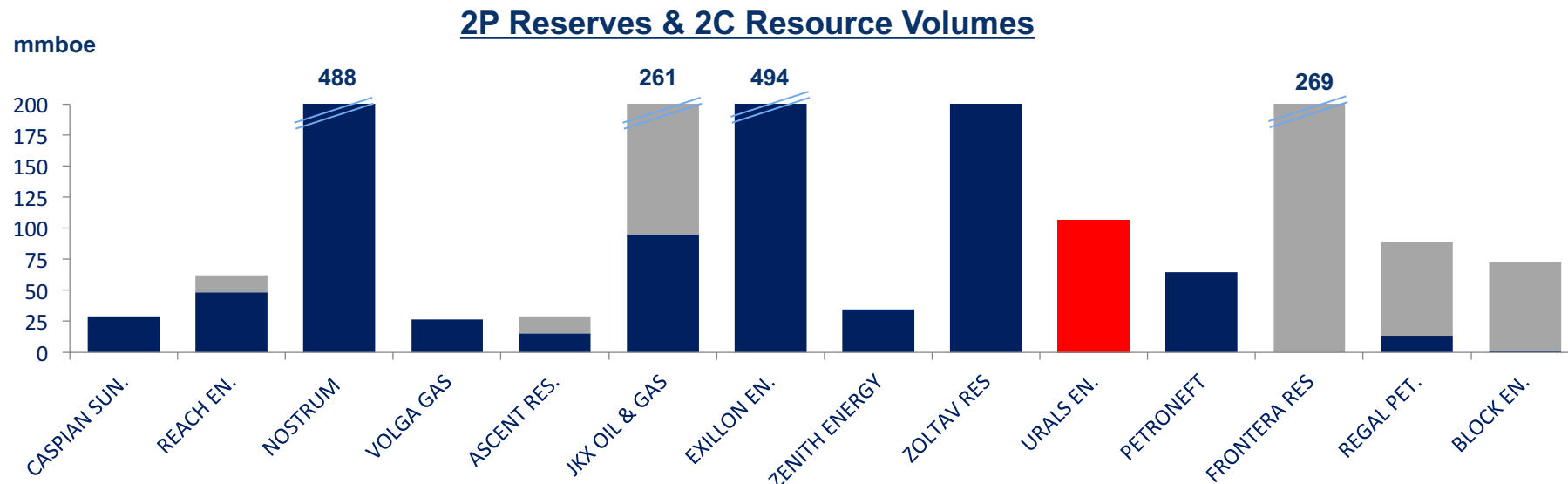
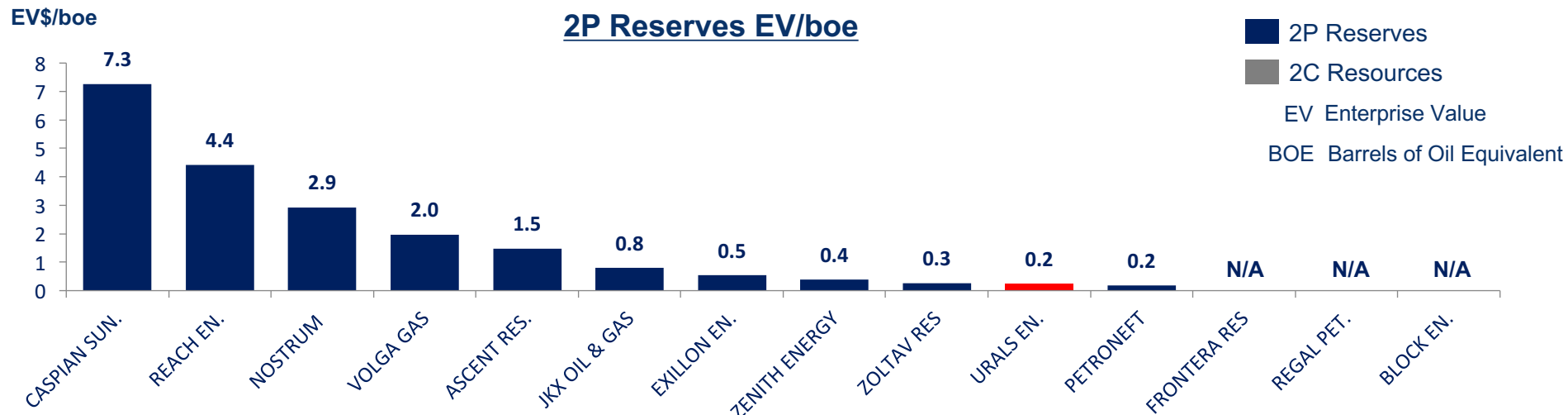
Urals vs the FSU Peer Group

Listed Junior E&P Companies with Russia/FSU Dominated Assets – Grouped by Main Reserve / Resource Type¹ – Q2 2018



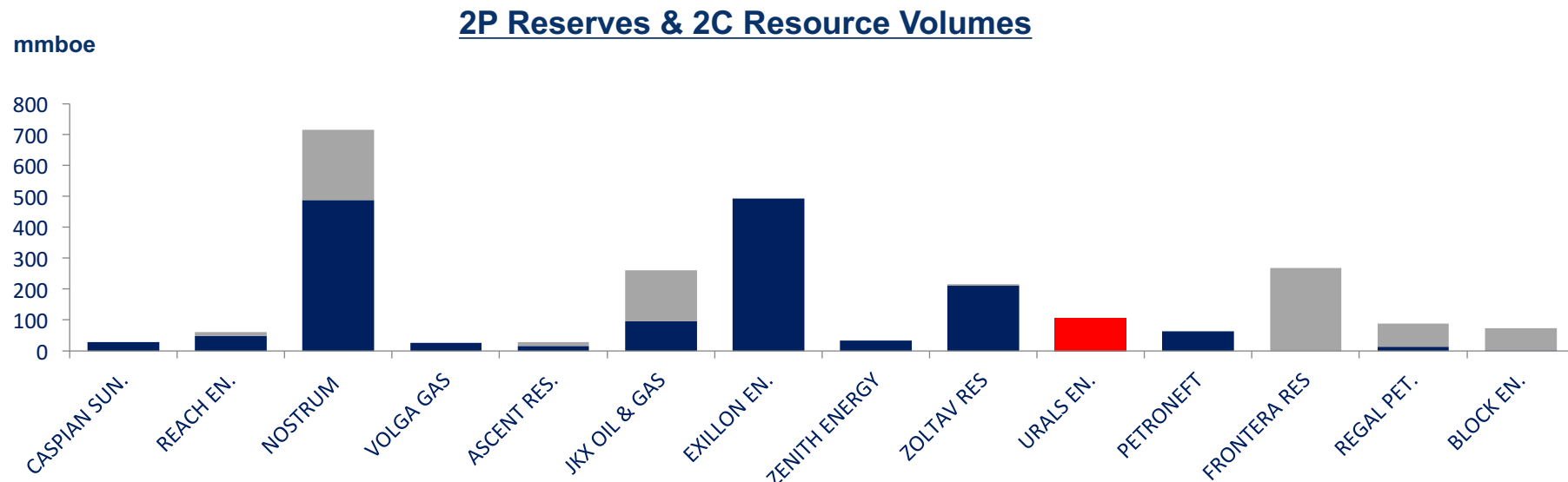
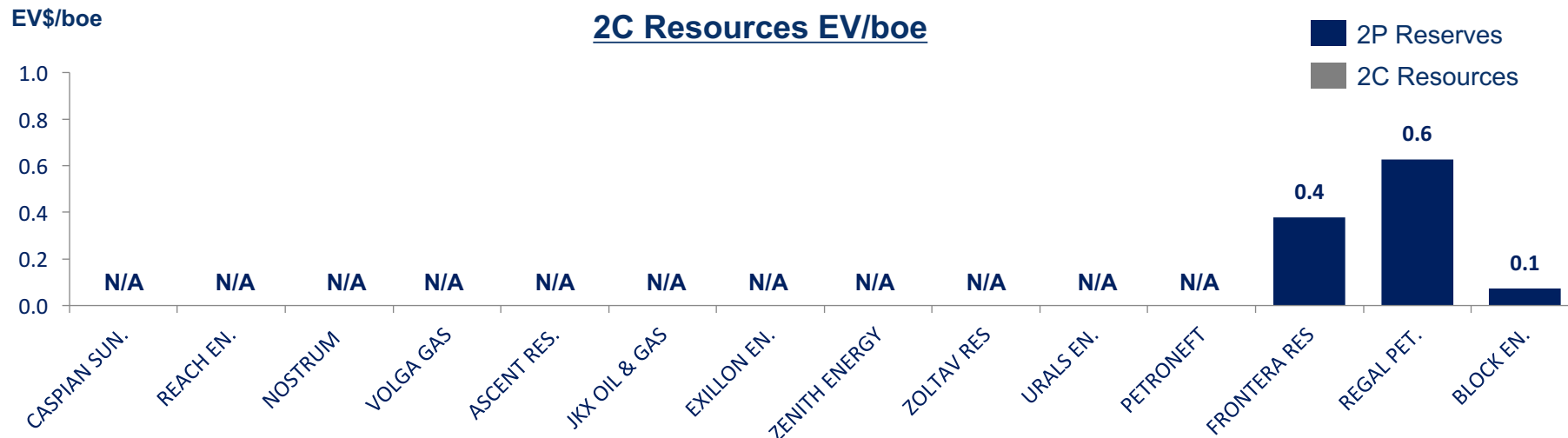
¹Producers = Dominated by Reserves
 Developers: Dominated by 2C Resources
 Explorers: Dominated by Prospective Resources

Listed Junior Russia / FSU Reserves Trading Multiples /boe (Q2 2018)



Source: LSE, E&P Company reports, presentations
 Analysts: C Barnes, J Bedford
 Date: 3 Sep 2018

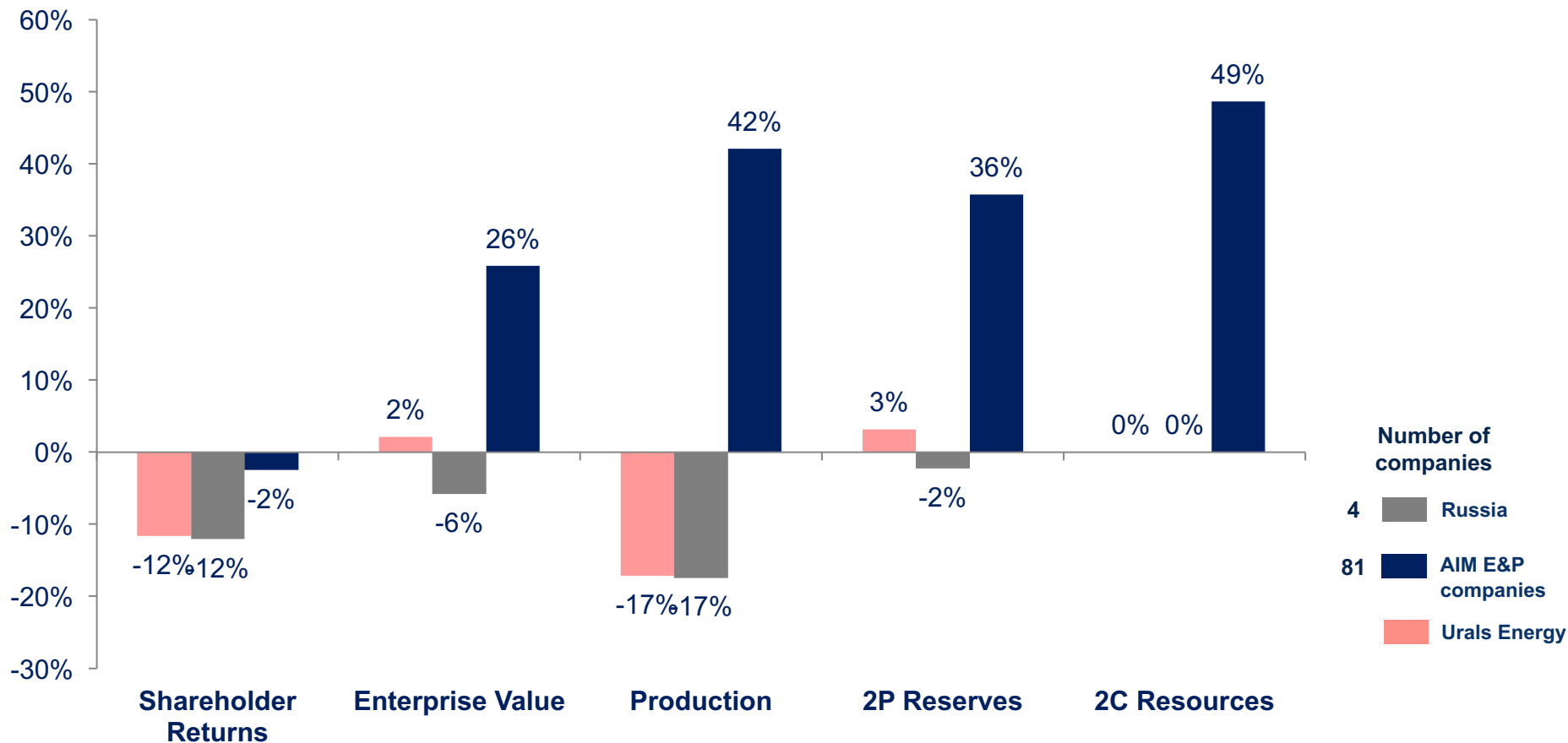
Listed Junior Russia / FSU Resources Trading Multiples /boe (Q2 2018)



Urals Annual Performance Q2 2017 – Q2 2018 vs the AIM E&P Market and its Russian AIM Peer Group

Urals Outperformed its Russian Peers Though both Underperformed the AIM E&P Market

Urals Performance vs the AIM E&P Market & Russian Peer Group Q2 2017 – Q2 2018



Note: Share holder returns corrected for share consolidations and dividend

Appendix

Russia Operating Cash Flow Data Table

Company	Region	HC Type	12 Month Production	Operating Cash Flow (\$mm)	Operating Cash Flow before WC changes (\$mm)	OCF / Produced Barrel (\$)	OCF / Produced Barrel (\$) before WC changes
EXILLON ENERGY	Russia	Oil	3,874,390	50.32	75.95	13.0	19.6
URALS EN.	Russia	Oil	756,717	-6.32	6.68	-8.4	8.8
ZOLTAV RES	Russia	Gas	2,582,375	12.30	15.36	4.8	5.9
VOLGA GAS	Russia	Gas	1,707,000	6.35	9.15	3.7	5.4
PETRONEFT	Russia	Oil	408,238	-0.28	-1.13	-0.7	-2.8
Total AIM Russia			5,454,330	12.1	30.1	2.2	5.5
AIM Russia + Exillon			9,328,720	62.4	106.0	6.7	11.4