



# JV Poltava Petroleum Company

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Company presentation



# About PPC

**JV Poltava Petroleum Company** is a pioneer in Ukraine's energy sector operating since 1994. The company was established by JKC Oil & Gas plc and was the first successful foreign private investment project in the oil & gas industry in Ukraine. JV PPC is currently one of the leaders among private oil and gas producers.

## Our priorities and vision:

- HSE is our top priority
- dynamic progress and
- maximize cash flow and returns for investors
- implementation of advanced technologies
- constant improvement of operations and processes

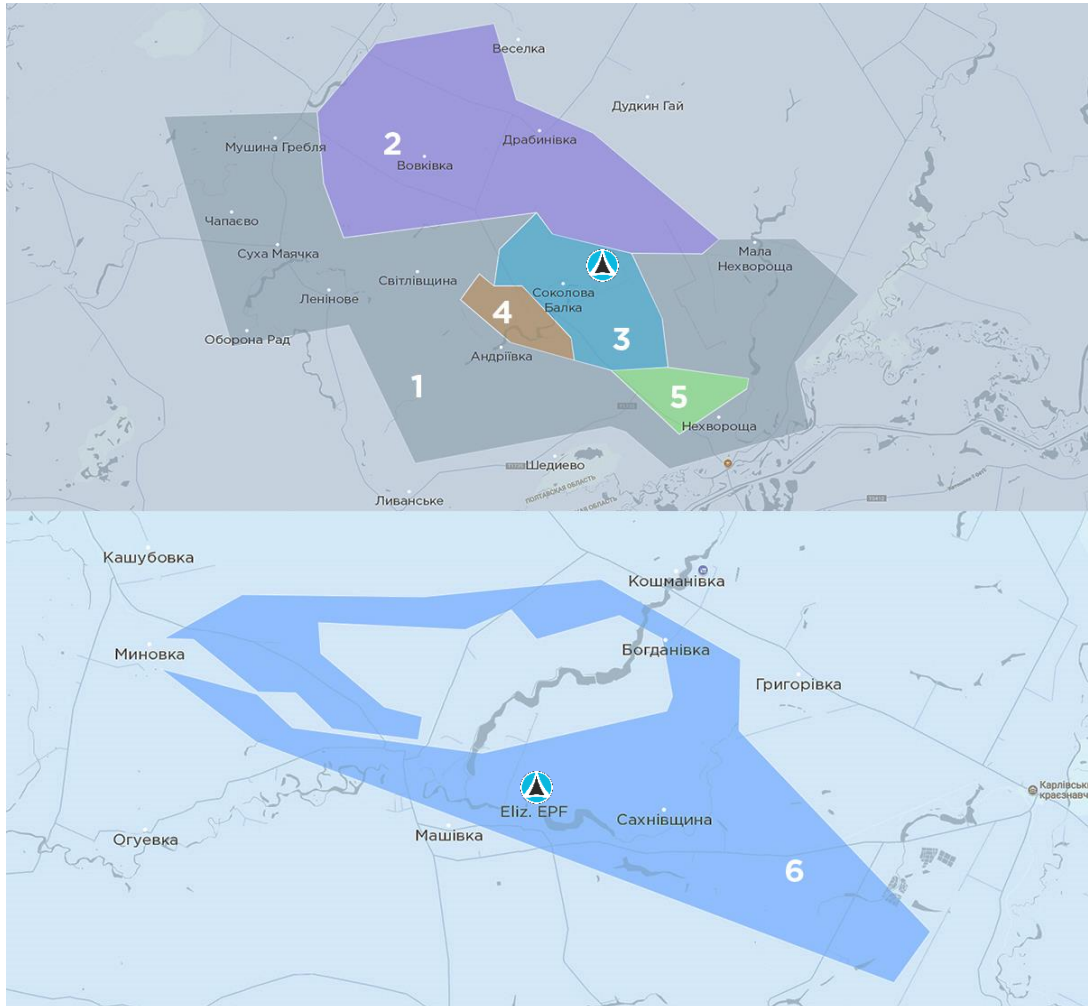
## Scope of JV PPC Activities and Key Projects

- oil and gas production from core assets
- prospecting and exploration within existing licenses
- identification of growth opportunities and business development





# Our Licenses



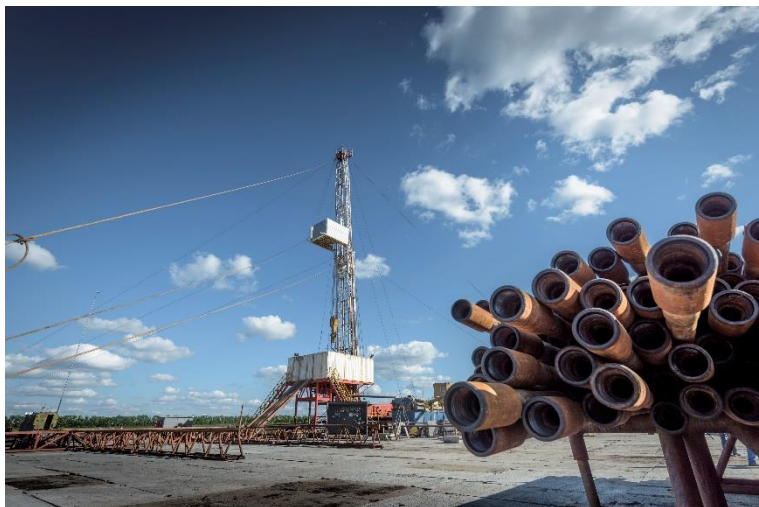
PPC holds 100% interest in five production licenses and one exploration license in the Poltava region of Ukraine:

#	Licence	Type	Expiry	2P Reserves, mmboe	Area
1	Zaplavske prospect	Exploration	2019	-	197.5sq.km.
2	Rudenkivske field	Production	2024	22.2	127sq.km.
3	Ignativike field	Production	2024	3.9	
4	Novonick field	Production	2024	0.7	
5	Movchanivske field	Production	2024	0.6	
6	Elizavetivske field West Mashivska area	Production	2034	1.7	104.7sq.km.

 - PPC plants



# Key Achievements

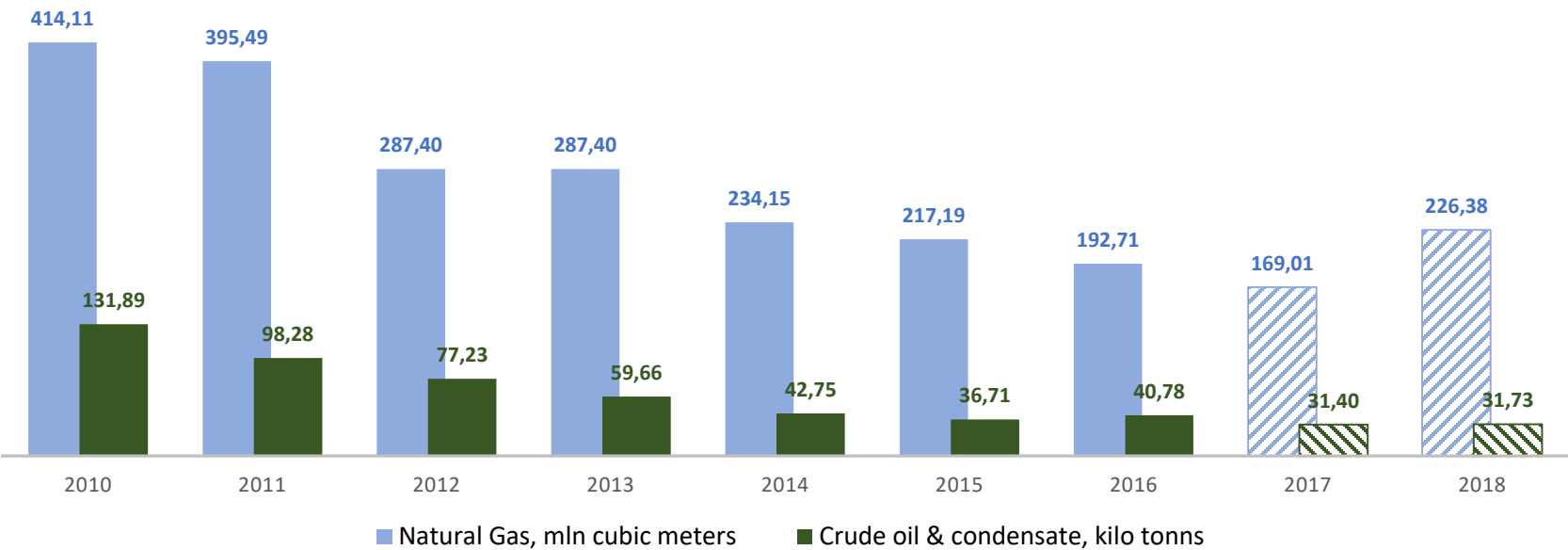


During the company's activity:

- 7 000 000 000 cubic meter of gas produced
- \$ 900 000 000 paid in taxes from 1994 till 2016
- \$ 500 000 000 paid as dividends to JKC Oil & Gas
- \$ 10 000 000 Invested in philanthropy, social and charitable projects

- 141 old wells repaired and put into operation
- 79 new wells drilled
- 49 wells in operation
- 2 State-of-the-art processing facilities
- 1 LPG plant

Production







# LPG Plant

- Before 2011 sales gas contained significant amount of C2+ fractions which may be extracted and sold separately
- PPC invested more than US\$10 million in construction of the LPG plant in 2011
- This project turned into a major success for the company:
  - Project payback period was less **than 1 year**
  - More than **80,000 tons** of PLG produces and sold to date
  - More than **US\$60 million** in revenues to date
- Currently we are evaluating options to fully utilize plant capacity and expand its operations





# Innovations and Partners

## Innovations

- First private oil & gas Joint Venture in Ukraine 1994
- First and longest horizontal well in Ukraine 2010
- First multistage frac in Ukraine 2013
- First major gas producer selling through UEXX 2016

## Key partners

Schlumberger

Petroleum & Energy Technology Advisors, Inc

TRAFIGURA

Weatherford

DE GOLYER  
AND  
MACNAUGHTON  
EST. 1936

USAID  
U.S. AID



ACC  
THE CHAMBER OF COMMERCE

Асоціація  
газовидобувних  
компаній України

PROPAK  
Engineers, Fabricators & Constructors to the Energy Processing Industry

EBA  
European Business Association

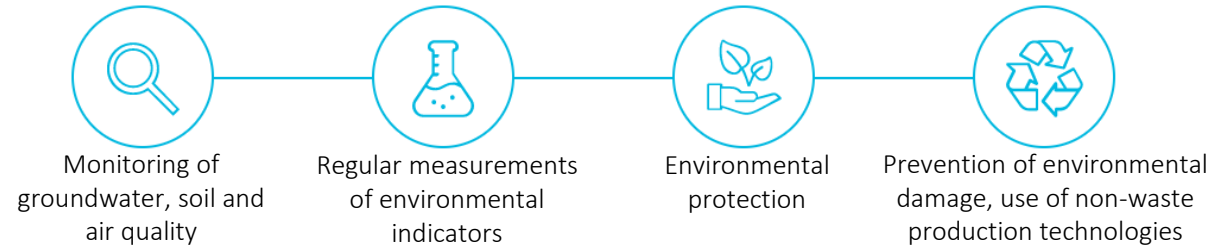
British Embassy  
Kyiv



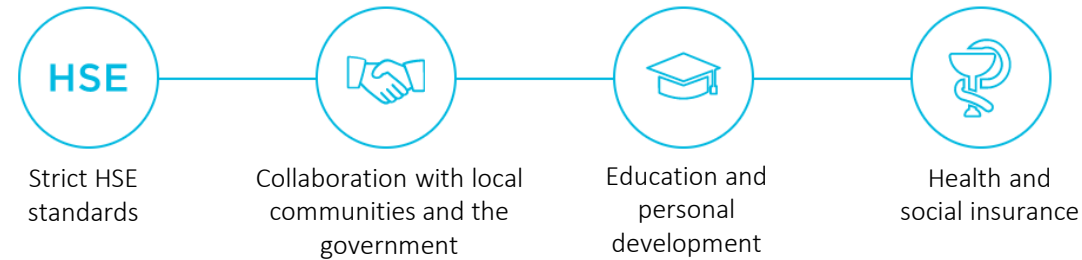


# HSE and Community Development

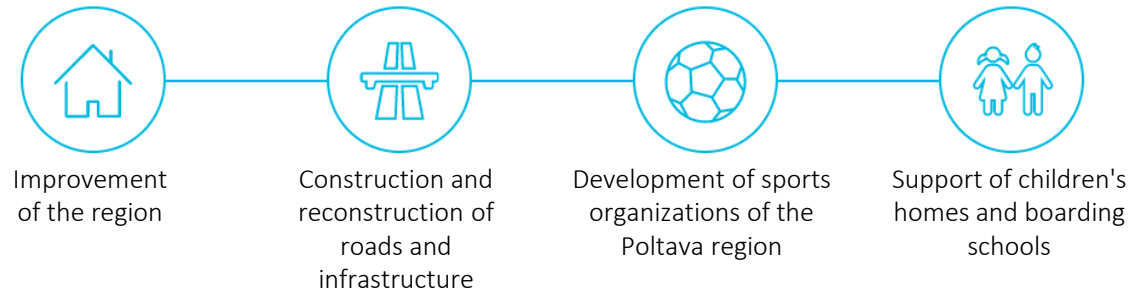
## Environment



## People



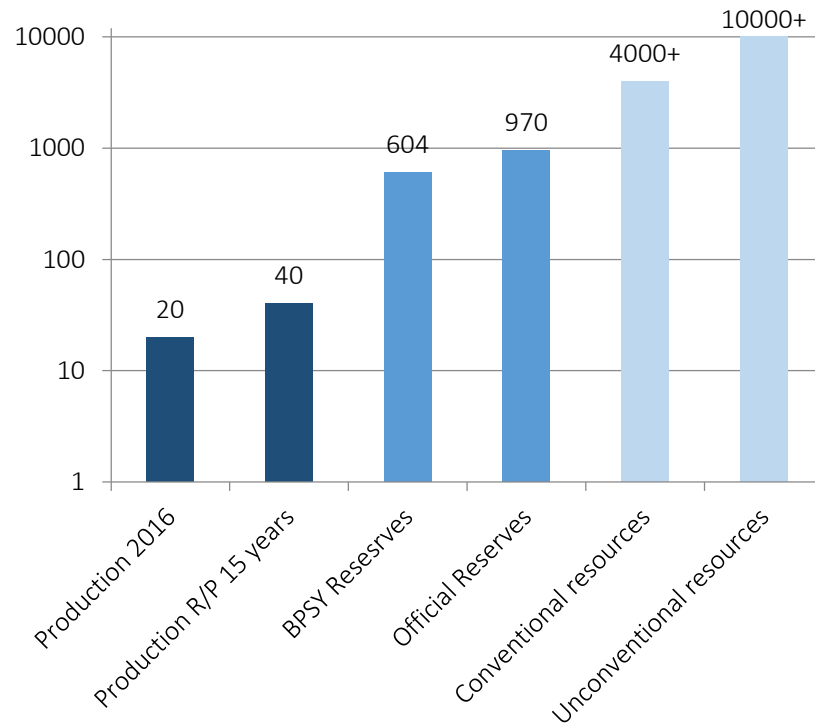
## Community





# Growth potential

Ukraine Retains Significant Upstream Potential



## Ukraine retains significant hydrocarbon potential

- Currently producing only 2% of proved reserves (vs. 10-15% in Europe and US)
- Large on-shore and off-shore exploration potential
- Large unconventional potential (poorly understood)

## Government focused on achieving energy independence (increase production by 40%) by 2020

- Upstream regulatory reform underway
- Prospect of significant reduction of royalty on new wells (from 29 to 12%) in 2018
- New licensing round in 2018 likely

Existing PPC assets either mature (limited upside potential) or require significant additional study

## Upstream business development opportunities for PPC:

- M&A: Find attractive and accessible existing private licenses
- Zaplavaska license expansion
- Licensing of new appraisal/exploration areas