



Press release  
Stockholm, 20 October 2020

## Drilling of two exploration wells in Bashkiria

**Petrosibir is pleased to announce that it has entered into an agreement to drill two exploration wells on the Suyanovskoye licence block in Bashkiria. The drilling of these wells will be financed by the partner in exchange for a 49% interest in the licence block.**

The Suyanovskoye licence, issued on October 16, 2015 and valid until December 31, 2035, is located in the area adjacent to the Company's main oil field – Ayazovskoye. The total licence area is 300km<sup>2</sup> and includes multiple exploration prospects. Petrosibir has now entered into an agreement with Geoservice LLC, a local player owning a drilling company and a few oil fields in the neighbouring regions, to drill two exploration wells in exchange for 49% equity in the licence holder Company Ufa Petroleum LLC, a subsidiary of Petrosibir. The partner will fully finance the drilling of the wells. Petrosibir is financing all preparatory works such as pad and road construction, permitting documentation, water supply, etc. All future work, including wells testing, production infrastructure, seismic and new drilling, will be funded in accordance with the equity split – 51/49. Petrosibir also retains an option to buy out the partner's interest within 12 months after the drilling is completed.

All preparatory works have been completed, the drilling rig is already mobilised and set up. Exploration wells require significantly more testing and sampling during the drilling phase and therefore take longer to complete compared to production wells. The first well is planned to be completed towards the end of the year while the second well is expected to be completed in Q2 2021.

The first exploration well will be drilled on the Yanbayskaya structure in the south-western part of the licence, and the second one on the Orlinskaya prospect in the eastern part of the block. Each well has several targets including Bobrikovsky and Kyn-Pashyisky horizons.

Pavel Tetyakov, CEO, comments: "I am very pleased to announce the transaction and look forward to drilling the first well immediately. In addition to funding our new partner is bringing technical expertise and successful experience of discovering and developing oil fields in the region. I hope this deal will mark a new era in the development of our assets and therefore will benefit Petrosibir and its shareholders."

*For more information, please contact:*

Pavel Tetyakov, CEO, Petrosibir, tel +46 8 407 1850

ptetyakov@petrosibir.com

Gunnar Danielsson, dep CEO / CFO Petrosibir, tel +46 70 738 0585

gunnar.danielsson@petrosibir.com

www.petrosibir.com

### **About Petrosibir**

Petrosibir is a Swedish company focused on exploring and developing concessions in Russia. The company holds licences in the Russian republics of Bashkiria and Komi. Petrosibir's 2P oil and gas reserves amount to 35 million barrels of oil equivalent. The Petrosibir share is traded on the OTC-list at beQuoted under the symbol PSIB-B.

*This is an English translation of the Swedish original. In case of discrepancies, the Swedish original shall prevail.*