

**NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO, THE UNITED STATES, AUSTRALIA, CANADA, JAPAN OR THE RUSSIAN FEDERATION**

**This announcement does not constitute or form part of any offer for sale or subscription of or solicitation of any offer or any invitation to buy or subscribe for any securities, and neither this announcement nor any part of it shall form the basis of or be relied on in connection with or act as an inducement to enter into any contract or commitment whatsoever.**

*This announcement is, for UK regulatory purposes, an advertisement and not a prospectus and investors should not subscribe for or purchase any shares referred to in this announcement except on the basis of information in the final prospectus (the “**Prospectus**”) to be published by RusPetro plc (“**RusPetro**” or the “**Company**” and, together with its subsidiaries, the “**Group**”) in due course in connection with the admission of its ordinary shares (the “**Shares**”) to the premium listing segment of the Official List of the Financial Services Authority (“**FSA**”) and to trading on the London Stock Exchange’s (“**LSE**”) main market for listed securities (together, the “**IPO**” or “**Admission**”). Copies of the Prospectus will, following publication, be available from the registered office of the Company at First Floor, 10 Dover Street, London W1S 4LQ.*

## **RUSPETRO ANNOUNCES PRICING OF INITIAL PUBLIC OFFERING**

18 January 2012 - RusPetro plc, an independent UK oil and gas exploration and production company with assets in Western Siberia, Russia, today announces the pricing of its IPO (the “**Offering**”).

- The Offering has been priced at 134 pence per share (the “**Offer Price**”), giving the Company an indicative market capitalisation of £441 million (\$676 million).
- Gross proceeds to the Company from the Offering amount to £163 million (\$250 million), including conversion of earlier existing debt.
- The Offering comprises 121,542,000 new ordinary shares representing approximately 59% of the Company’s Shares, with the post-offer free float expected to be 40%.
- Conditional dealings in the Shares will commence at 08.00 am (London time) on 19 January under the ticker “RPO”, and Admission and unconditional dealings in the Shares are expected to commence at 08:00 am (London time) on 24 January 2012.
- The Offering includes an over-allotment option of up to ten per cent. of new ordinary shares.
- RusPetro is expected to use the net proceeds from the Offering:
  - to implement the Group’s Development Plan, focusing on the following:
    - drilling over 100 wells by 2014
    - new infrastructure, including building a new 27 kilometre pipeline to the Transneft pipeline; installing electricity generating units that utilise associated gas, and initiating phase I of a new central processing facility
    - meeting other operational and financing costs

- to repay debts related to acquisitions and accrued interest due under a loan facility; and
  - for general corporate purposes.
- The Company appointed Merrill Lynch International ("**BofA Merrill Lynch**") as Sole Global Coordinator and Sponsor, and BofA Merrill Lynch, Mirabaud Securities LLP and Renaissance Securities (Cyprus) Limited as Joint Bookrunners (the "**Joint Bookrunners**").

RusPetro CEO, Donald Wolcott, said:

“I am extremely proud that RusPetro has completed a premium listing on the London Stock Exchange at this time. At a time when very few IPOs have been completed, our successful listing shows that investor demand is still there for high quality stories such as our own. The investment community’s support throughout this process adds further weight to our belief in the Company’s potential, which we will now be able to realise together with our new investors.”

### **Enquiries**

**RusPetro** +7 495 935-73-69  
Tom Reed

### **M: Communications**

Patrick D’Ancona +44 20 7920 2347  
Yulia Shmidt +7 495 663 8006

**BofA Merrill Lynch** +44 20 7996 1000  
Rupert Hume-Kendall  
Paul Frankfurt

**Mirabaud Securities LLP** +44 20 7878 3362  
Peter Krens

**Renaissance Securities** +7 495 258 7770  
John Porter

### **Key RusPetro Facts**

- An independent oil and gas producer in the central portion of the Krasnoleninsk field in Western Siberia, one of the largest oil producing regions in the Russian Federation.
- The Group owns three production licenses covering a contiguous area of approximately 1,205 square kilometres with well developed in-field infrastructure in an established petroleum province.

- The Group is currently producing approximately 4,500 barrels of oil per day. As at 31 August 2011, the Group had 157 million barrels of proven reserves and 1,279 million barrels of probable reserves, according to a report prepared by DeGolyer and MacNaughton.
- In June 2010, the Group installed new management with a strategy focused on accelerating production growth through investments in drilling, as well as on increasing the Group's existing reserves.
- The Company has a majority independent board led by Christopher Clark, currently Chairman of Severstal, who will serve as independent non-executive Chairman.
- RusPetro is fully compliant with the UK Corporate Governance Code and with the FTSE entry requirements.

### **Group Strengths**

The Directors believe that the Company's key strengths are:

- large certified reserve base of 1.4 billion barrels of 2P oil and gas reserves;
- high quality oil producing assets in a contiguous licence area;
- potential for near term production growth of over 10,000 barrels of oil per day in 2012;
- advantageous location in the Krasnoleninsk field with existing infrastructure and access to market; and
- experienced management team with expertise in developing similar assets.

### **Assets and Operations**

RusPetro operates three contiguous exploration and production licenses covering a total area of approximately 1,205 square kilometres located in the Krasnoleninsk field in the Khantiy-Mansiysk region of Western Siberia.

RusPetro's operations on the Krasnoleninsk field benefit from existing infrastructure including the Khantiy-Mansiysk – Nyagan federal highway (which passes through the licence area), a high capacity electricity grid and several oil and gas pipelines including the Transneft pipeline.

RusPetro employs advanced reservoir modelling, hydraulic fracturing techniques and water flooding technology to achieve optimum production and recovery rates from the field.

The contents of this announcement, which have been prepared by and are the sole responsibility of RusPetro, have been approved solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000 ("FSMA") by BofA Merrill Lynch of 2 King Edward Street, London EC1A 1HQ, United Kingdom.

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. The material set forth herein is for informational purposes only and is not intended, and should not be construed, as an offer of securities for sale in the United States, Canada, Japan, Australia or the Russian Federation, or any other jurisdiction in which such offer or solicitation is unlawful.

This announcement is not for publication or distribution, directly or indirectly, in or into the United States. The Shares described herein have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), or the laws of any state, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state laws. The distribution of this announcement may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This announcement does not contain or constitute an offer for sale or subscription of, or the solicitation of an offer or an invitation to buy or subscribe for securities, to any person in any jurisdiction. The offer and sale of the Shares referred to herein has not been and will not be registered under the Securities Act or under the applicable securities laws of Canada, Japan, Australia or the Russian Federation. Subject to certain exceptions, the Shares referred to herein may not be offered or sold in Canada, Japan, Australia or the Russian Federation or to, or for the account or benefit of, any national, resident or citizen of Canada, Japan, Australia or the Russian Federation. There will be no public offer of the Shares in the United States, Canada, Japan, Australia or the Russian Federation.

The information provided in this document is not an offer or advertisement of the Shares in the Russian Federation and is not an offer, or an invitation to make offers, sell, purchase, exchange or otherwise transfer any Shares in the Russian Federation or to or for the benefit of any Russian person or entity. The Shares are not being offered, sold or delivered in the Russian Federation or to or for the benefit of any persons (including legal entities) resident, incorporated, established or having their usual residence in the Russian Federation or to any person located within the territory of the Russian Federation except as may be permitted by Russian law. Neither the Shares nor any prospectus or other document relating to them have been or will be registered with the Federal Service for the Financial Markets of the Russian Federation and the Shares are not intended for "placement" or "circulation" in the Russian Federation, unless otherwise permitted under Russian law.

This announcement is an advertisement and not a prospectus and investors should not subscribe for any transferable securities referred to in this announcement except on the basis of information in the Prospectus. No reliance may or should be placed by any person for any purposes whatsoever on the information contained in this announcement or on its completeness, accuracy or fairness. The information in this announcement is subject to change. Copies of the Prospectus will, following publication, be available from RusPetro's registered office.

RusPetro accepts responsibility for the verification and accuracy of the information contained in this announcement.

The date of Admission may be influenced by factors such as market conditions. There is no guarantee that Admission will occur and you should not base your financial decisions on RusPetro's intentions in relation to Admission at this stage. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. Persons considering investment in such investments should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning the Offering. The value of shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of the Shares for the person concerned.

Each of Merrill Lynch International and Mirabaud Securities LLP is authorised and regulated in the United Kingdom by the FSA, Renaissance Securities (Cyprus) Limited is authorised and regulated in Cyprus by the Cyprus Securities and Exchange Commission, and each of the Joint Bookrunners is acting exclusively for RusPetro and no-one else in connection with the Offering and will not regard any other person (whether or not a recipient of this announcement) as its respective client in relation to the Offering and will not be responsible to anyone other than RusPetro for providing the protections afforded to their respective clients, nor for giving advice in relation to the IPO, the contents of this announcement or any transaction or arrangements referred to in this announcement.

Apart from the responsibilities and liabilities, if any, which may be imposed on each of the Joint Bookrunners and its respective directors, officers, employees, advisers, agents or affiliates, each of the Joint Bookrunners accepts no responsibility whatsoever for, or makes any representation or warranty expressed or implied as to, the contents of this announcement (or whether any information has been omitted from the announcement), including its accuracy, completeness or verification in connection with RusPetro, the Shares or the Offering. Each of the Joint Bookrunners and its respective affiliates accordingly disclaim all and any liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise have in respect of this announcement or its contents otherwise arising in connection herewith.

In connection with the Offering, each of the Joint Bookrunners and any of its respective affiliates, acting as investors for their own accounts, may subscribe for or purchase Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Shares and other securities of the Company or related investments in connection with the Offering or otherwise. Accordingly, references in the Prospectus, once published, to the Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by any of the Joint Bookrunners and any of its affiliates acting as investors for their own accounts. None of the Joint Bookrunners intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Members of the public are not eligible to take part in the Offering. This announcement and the terms and conditions set out in this announcement are for information purposes only and are directed only at persons who are: (a) (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), or (ii) persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc") of the order, or (iii) persons to whom it may otherwise be lawfully communicated; and (b) (i) persons in member states of the European Economic Area who are qualified investors (as defined in Article 2(1)(e) of EU Directive 2003/71/EC (the "Prospectus Directive")), and/or (ii) persons in the United Kingdom who are qualified investors (all such persons together being referred to as "relevant persons"). This announcement and the terms and conditions set out in this announcement must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this announcement and the terms and conditions set out in this announcement relate is available only to relevant persons and will be engaged in only with relevant persons. This announcement does not itself constitute an offer for sale or subscription of any securities in RusPetro.

Any purchase of Shares in the Offering should be made solely on the basis of the information contained in the Prospectus to be issued by the Company in connection with the Offering.

Information contained in this announcement may include 'forward-looking statements'. All statements other than statements of historical facts included herein, including, without limitation, those regarding RusPetro's intentions, beliefs or current expectations concerning, amongst other things, RusPetro's results of operations, financial position, liquidity, prospects, growth, and strategies are forward-looking statements. Such forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of RusPetro's operations, financial position and liquidity, and the development of the markets and the industry in which RusPetro operates, may differ materially from those described in, or suggested by, the forward-looking statements contained in this announcement. In addition, even if the results of operations, financial position and liquidity, and the development of the markets and the industry in which RusPetro operates are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods. A number of factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, commodity prices, changes in regulation, currency fluctuations (including the Russian rouble: euro exchange rates), RusPetro's ability to complete its expansion projects, changes in its business strategy and political and economic uncertainty.

Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this announcement speak only as of the date of this announcement, reflect RusPetro's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to RusPetro's operations, results of operations, growth strategy and liquidity. Investors should specifically consider the factors identified in this announcement which could cause actual results to differ before making an investment decision. Subject to the requirements of the Prospectus Rules, the Disclosure and Transparency Rules and the Listing Rules or applicable law, RusPetro explicitly disclaims any obligation or

undertaking publicly to release the result of any revisions to any forward-looking statements in this announcement that may occur due to any change in RusPetro's expectations or to reflect events or circumstances after the date of this announcement.

Each of the Joint Bookrunners and its respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward looking statement contained in this announcement whether as a result of new information, future developments or otherwise.

In connection with the Offering, BofA Merrill Lynch, as Stabilising Manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Shares or effect other transactions with a view to supporting the market price of the Shares at a higher level than that which might otherwise prevail in the open market. The Stabilisation Manager is not required to enter into such transactions and such transactions may be effected on any stock market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings of the Shares on the LSE and ending no later than 30 calendar days thereafter. However, there will be no obligation on the Stabilising Manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilising measures, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken to stabilise the market price of the Shares above the Offer Price. Save as required by law or regulation, neither the Stabilising Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions conducted in relation to the Offering.

In connection with the Offering, the Stabilising Manager, may, for stabilisation purposes, over-allot shares up to a maximum of ten per cent. of the new ordinary shares comprised in the Offering. For the purposes of allowing the Stabilising Manager to cover short positions resulting from any such over-allotments and/or from sales of Shares effected by it during the stabilisation period, it is expected that the Company will grant it an Over-Allotment Option, pursuant to which the Stabilising Manager may purchase or procure purchasers for additional shares up to a maximum of ten per cent. of the new ordinary shares comprised in the Offering (the "**Over-Allotment Shares**") at the Offer Price. The Over-Allotment Option will be exercisable in whole or in part, upon notice by the Stabilising Manager, at any time on or before the 30th calendar day after the commencement of conditional trading of the Shares on the LSE. Any Over-Allotment Shares made available pursuant to the Over-Allotment Option will rank *pari passu* in all respects with the Shares, including for all dividends and other distributions declared, made or paid on the Shares, will be purchased on the same terms and conditions as the Shares being issued or sold in the Offering and will form a single class for all purposes with the other Shares.