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Press Release

## **NEW OIL DEPOSIT OF PETROLINVEST**

***On 20 September 2010 Petroinvest S.A. signed a preliminary share purchase agreement concerning 50% of the shares in a Russian company, Bogordsknieft, that produces crude oil on an industrial scale in the area of Saratov in the Russian Federation. This company is currently producing approximately 1 million barrels annually and intends to increase production to 3 million barrels annually. The confirmed crude oil resources amount to approximately 45 million barrels, while the prospective resources are estimated at some additional 20 million barrels.***

Under the executed agreement Petroinvest will be authorized to conduct an additional due diligence of Bogorodsknieft regarding all of its corporate, legal and financial issues. The due diligence regarding the already owned and exploited crude oil deposits has been completed. The final decision on regarding the acquisition will be made by the end of 2010.

*“The acquisition of Bogorosknieft is of high interest for Petroinvest. Petroinvest’s experts have already visited the site where the oil is produced. Bogorodsknieft is a well-organized firm that has had stable crude oil production for several years now. The crude oil produced is, for the most part, exported on financially beneficial terms. Bogorodsknieft has a fully developed deposit infrastructure, including its own crude oil distribution centre to which the crude oil is transported via pipelines. This is a crucial element since commencement of production on an industrial scale in relation to subsequent wells will involve lower investment outlays. The potential acquisition of this firm constitutes a step towards the implementation of Petroinvest’s strategy in the area of crude oil production and sales.”*, said Bertrand Le Guern, President of the Management Board of Petroinvest S.A.

The closing of the transaction is conditional upon the completion of the due diligence process and the establishment of the final terms of the transaction, including the price.

Bogorodsknieft has been stably producing crude oil for a number of years. The production forecast for crude oil in 2010 will amount to approximately 1 million barrels. After the second deposit is developed and subsequent wells are included in the output, it is expected that the production will increase to approximately 3 million barrels annually. The manufactured crude oil is characterized by very good properties and is classified as light crude oil. The efficiency of the wells is stable and amounts to approximately 400 barrels from any single well daily.

The deposits are relatively shallow, from 800 to 1200 m, and are characterized by a simple geological structure, thus development of those deposits is not technically complex and does not require high financial outlays.

Bogorodsknieft has very good infrastructure in place for the industrial exploitation of crude oil, including its own distribution plant incorporating tanks for the storage of crude oil and cisterns for the transportation thereof. The specific deposits are linked with the distribution base via the company's own pipeline. The already existing infrastructure will allow the company to both accelerate the incorporation of subsequent wells to industrial production, and to decrease the investment outlays required for further development of the deposits to increase production to the level of 3 million barrels annually.

The crude oil is mostly exported and transported via the "Friendship" pipeline to Poland and Germany.

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