



YUG-NEFTEGAZ



YUG-NEFTEGAZ NEW INVESTMENTS IN THE OIL & GAS SECTOR OF TURKMENISTAN

Prospects for 2024-2026



Gaffney
Cline

TURKMEN NEFTEGAZ KORPMASY
NaPeCo

**XXVIII INTERNATIONAL CONFERENCE & EXHIBITION
«OIL & GAS OF TURKMENISTAN - 2023»**

YNG at Glance



YUG - NEFTEGAZ – oilfield service company providing a full range of services for operators of oil, gas & gas-condensate fields

OUR HISTORY & GEOGRAPHIC REACH

YUG-NEFTEGAZ is a part of YNG Group operating in Central Asia, Northern Africa & Azerbaijan

Commencement of YUG-NEFTEGAZ oil & gas operations in Turkmenistan by pilot contract with TURKMENNEBIT SC in 2007.



TKM

since

2007



Well work-over & servicing



Seismics



Drilling



Handling & Trading

KEY PRODUCTION CENTER



AZE

since

2009



Trading & Logistics

TRADING CENTER



TUN

since

2014



Exploration & development



Drilling

PRODUCTION CENTER



UAE

since

2016



Trading



Financial interactions

TRADING & FINANCIAL CENTER



SGP

since

2006



Corporate management



Financial interactions

MANAGING COMPANY

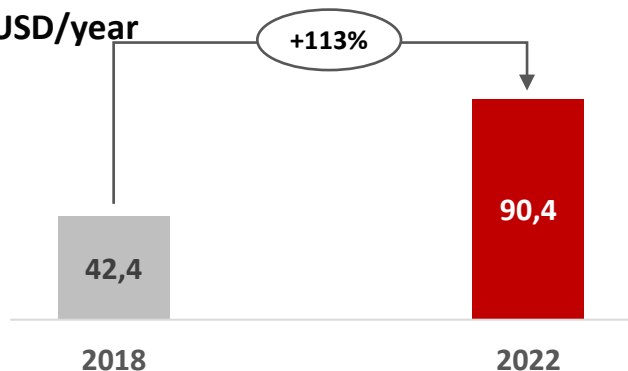
OUR RESULTS

YUG-NEFTEGAZ ramped up new oil production since commencement of its operations in Turkmenistan subject to basic contract.

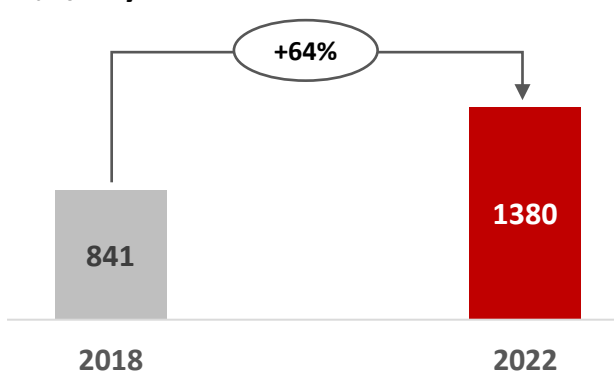
Stepping up investments, the Company ramped up production & tax payments in budget



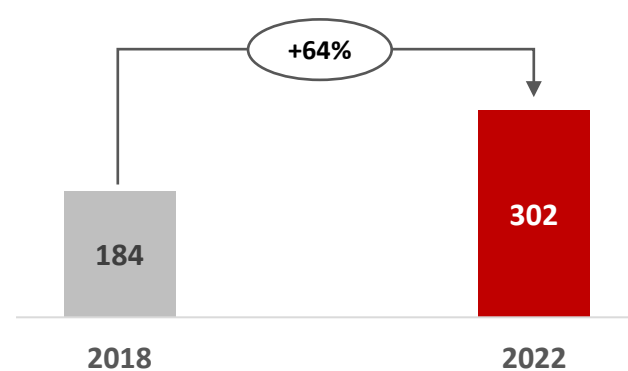
Increase in investments, mln. USD/year



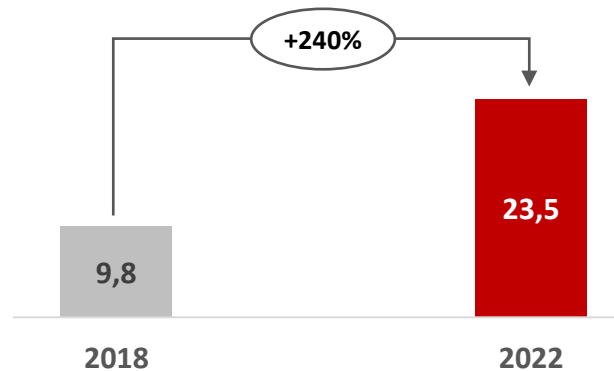
Increase in daily production rate of new oil, t/day



Production increase for the share of subsurface user, KT/year



Increase in tax payments, mln. USD/year



* C 2011 r.

RESULTS

- Produced 4,200 KT + of new oil*
- 2,300 + servicing operations completed*
- 23 new wells drilled
- Tax payments for 5 years – 89.4 mln. USD

INVESTMENTS FOR 2024-2026.

The company intends to make investments into 5 key oilfield activities for 2024-2026:

- Well servicing & well work-over
- Drilling increase
- Production stimulation
- Seismics
- Environmental projects



YUG-NEFTEGAZ

OUR PURPOSES

-  Ramp up well servicing & well work-over operations
-  Increase drilling rig fleet up to 7 units & reach drilling performance of 15-20 wells/year
-  Bring into operation 20-30 screw oil-well & electrical submersible pumps for 3 years
-  Complete ongoing projects in 2024. Take on new ones

OUR OBJECTIVES

Investment quote
100 mln. +
USD/year

Daily production
rate of new oil up
to 1,650 t/day (+
20%)

GHG & CO₂
emission
reduction

DRILLING OF NEW WELLS

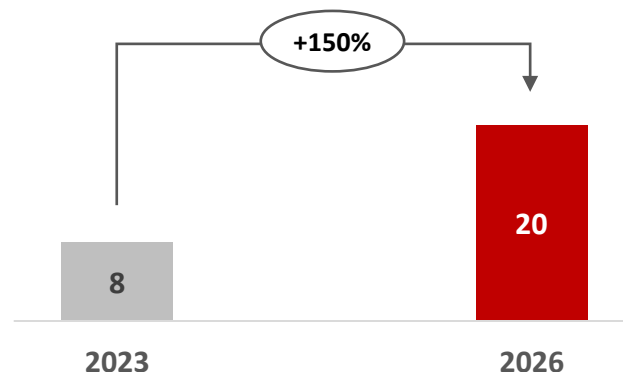
Presently, YUG-NEFTEGAZ provides for constant drilling of up to 4 new wells by simultaneously operating 5 drilling rigs.

All drilled wells feature commercial hydrocarbons inflow

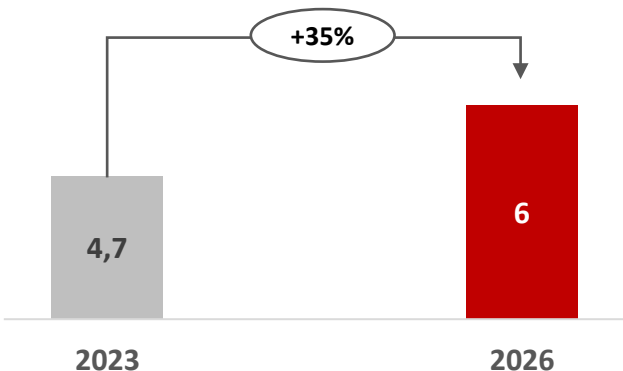
The Company anticipates to increase the number of heavy payload capacity drilling rigs by 2 units before the end of 2024.



Drilling performance, wells/year



Well depth, km



OUR OBJECTIVES

Increase in number of drilling rigs up to 7 units.

Drilling of up to 6 wells simultaneously

Drilling performance: 15-20 new wells per year

Drilling depth: up to 6 km

Share of drilling while using telemetry: NLT

50%

Artificial oil lift is a technology mix providing increase in oil recovery from producing wells under the growth of their efficiency

YUG-NEFTEGAZ is planning introduction of:

1. Screw oil-well pumps for relatively simple wells
2. Electrical submersible pumps for difficult wells



SCREW OIL-WELL PUMPS



Introduction of screw oil-well pumps makes it possible:

1. Capability of operation at the depth of up to 2 km;
2. Pump rate up to 500 m³ per day;
3. Max. fluid viscosity 850 + g/cm³;

ELECTRICAL SUBMERSIBLE PUMPS



Introduction of electrical submersible pumps makes it possible:

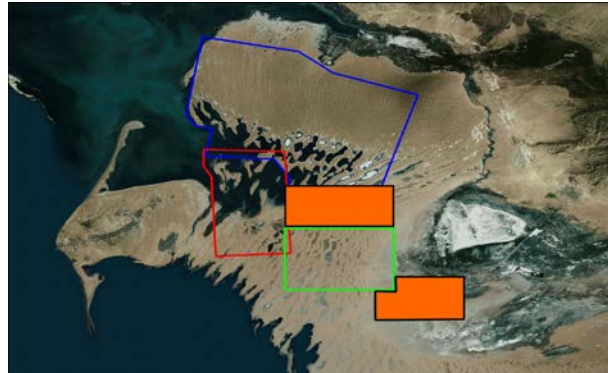
1. Capability of operation at the depth of 2 to 4 km
2. Pump rate up to 1,000 m³ per day;
3. Max. fluid viscosity 850 + g/cm³;

OUR OBJECTIVES

Up to 30 units of screw oil-well & electrical submersible pumps on producing wells for 3 years

Seismic surveys will ensure to make up the scope of resources for future hydrocarbon production in the interests of the state

The Company is ready to develop machinery fleet & improve the quality of servicing activities with fresh capital



«Eastern GOTURDEPE» oilfield

- 3D seismic surveys to determine the most prospective zones & horizons in order to elaborate the Master Development Plan

«Southern BURUN» oilfield

- 2D seismic surveys to prospect & determine target structures for further detailing of survey & development zones

Machinery & Equipment

- 92 units of machinery able to ensure performance of:
 - 3D field seismic surveys - 500 km²/year
 - 2D field seismic surveys - 700 linear km/year
- Own data processing & interpretation center

OUR OBJECTIVES

2 deposits (oilfields) to 2025

**250 km² 3D
245 linear km. 2D**

Field works completion – 4-th qtr. of 2023

Data processing – 4-th qtr. of 2024

Data interpretation – 3-rd qtr. of 2025

EMISSION REDUCTION PROJECTS

YUG-NEFTEGAZ aims to provide some investments for environmental projects

VEMA Carbon S.A is our partner in the said projects

KEY ACTIVITIES

UP-STREAM EQUIPMENT UP-GRADING



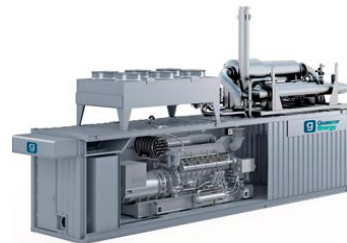
Reduction of direct gas leakages & emissions during production, transportation & processing

GROWTH OF ENERGY EFFICIENCY IN EXISTING PROCESSES



Introduction of solutions for energy consumption reduction per produced piece (unit)

EFFICIENT ASSOCIATED GAS UTILIZATION AT THE OILFIELDS



Refusal of gas flaring & use of gas for power generation

INTRODUCTION OF RES INTO OILFIELD ENERGY SUPPLY SCHEMES



Replacement of electrical energy made of conventional sources with that of RES at the oilfields

OUR OBJECTIVES

Reduction of direct methane emissions during oil recovery on the YNG-PL's wells

Technology processes' efficiency growth

Integration of RES technologies into production operations



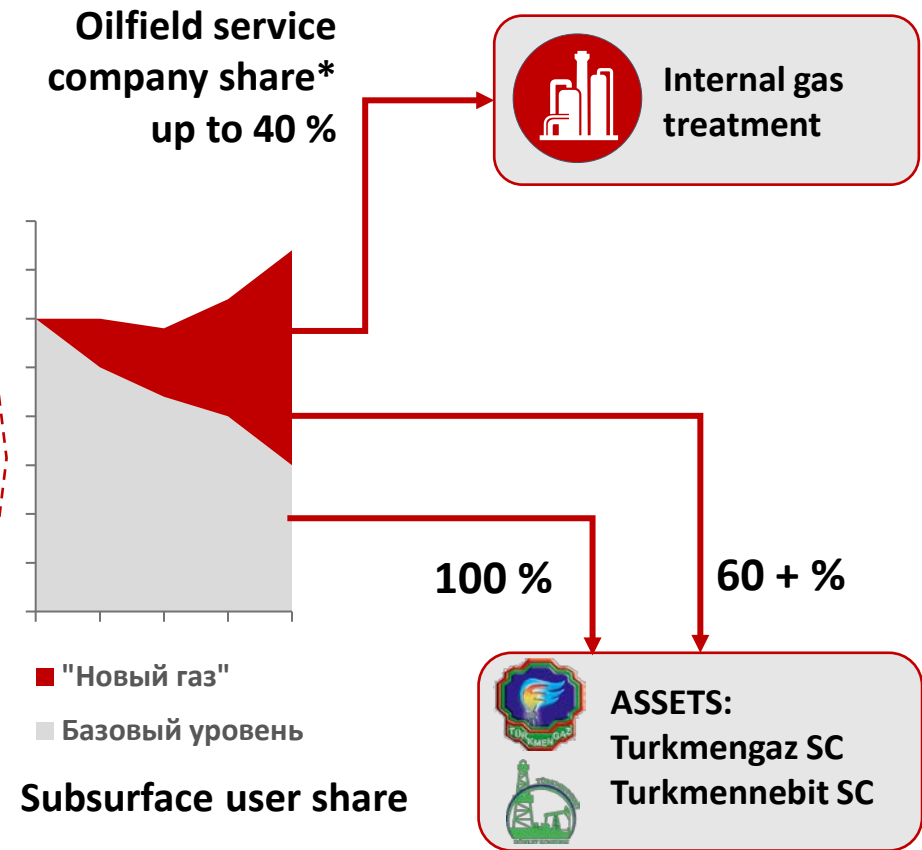
OPERATION POTENTIAL AT THE GAS-CONDENSATE FIELDS

YUG-NEFTEGAZ hands-on experience allows to operate principles of work in the Company for new oilfields, including gas-condensate ones

Making a gas treatment cycle for the gas of the oilfield service company within Turkmenistan, which will produce collateral effect in economy, shall be deemed pre-condition of such work



- № 1** ASSESSMENT OF WELL STOCK & CHOICE OF WELL SERVICING & PRODUCTION STIMULATION EVENTS
- № 2** INTEGRATION OF WORK SCHEDULE & RECORDING OF «PRODUCTION BASE» AS PER WELLS
- № 3** EXECUTION OF LONG-TERM OILFIELD SERVICE CONTRACT SUBJECT TO THE WORK SCHEDULE FOR 15 YEARS
- № 4** PERFORMANCE OF WORKS SUBJECT TO THE WORK SCHEDULE WITHIN AGREED CUSTOMER TIME FRAMES
- № 5** FACILITY HANDOVER TO THE CUSTOMER, RECORDING OF COSTS & «NEW GAS» PRODUCTION LEVEL
- № 6** COST REIMBURSEMENT IN THE VOLUME OF «NEW GAS» FOR EXPORTS & INLAND GAS TREATMENT





THANK YOU FOR KIND ATTENTION

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