



Press release

Date: 14 January 2019

*Alliance Oil Company Ltd. buyback invitation re Eurobonds
ISIN: XS0493579238*

Despite the fact that due to material adverse change of the economic environment, Alliance Oil Company Ltd. (the “**Issuer**”) was forced in 2015 to restructure its obligations to redeem the Eurobonds ISIN: XS0493579238 (the “**Eurobonds**”) the Issuer in the course of 2014-2018 has duly and timely discharged its payment obligations under Eurobonds. The Issuer and the shareholder of the Group always paid special attention to their debt obligations, open and faithful cooperation with foreign investors and were in constant dialogue and communication with them.

As you also know, inclusion by OFAC of JSC “IPC” and JSC “NNK-Primornefteprodukt” into SDN list (the “**SDN List**”) did not result in breach by the Issuer of its Eurobonds obligations but adversely affected the Group’s business. The Issuer has taken all necessary and possible steps to ensure the proper fulfilment of its obligations to the investors. In particular starting from 2015, Issuer has repaid USD119 mln. of principal amount and USD122 mln. of regular coupon payments.

In the course of 2017-2018 the Issuer has completed extensive work on implementation of the best compliance practices in its subsidiaries, submitted to OFAC petition to exclude JSC “IPC” and JSC “NNK-Primornefteprodukt” from SDN List and was in close communication with OFAC representatives. Despite the fact that the Issuer’s counsels received positive feedback from OFAC on the possible review of the petition to exclude JSC “IPC” and JSC “NNK-Primornefteprodukt” from SDN List, Issuer has not yet received any formal reply from OFAC. Due to the current political situation, absence of the official procedures regarding review of the Issuer’s petition and the current shutdown of USA Government, the Issuer with regret acknowledges that timeframe to receive the formal reply from OFAC became unforecastable.

In view of the material risk on strengthening of the current sanctions and imposing of the new restrictions for the Russian business, the Issuer invites the investors to participate in the buyback with discount from the nominal value of the Eurobonds ISIN: XS0493579238.

The Issuer asks investors interested in the buyback to send no later than 25 January 2019 their commercial proposals to e-mail address eurobonds@allianceoilco.com using the following form:

Name:	
Quantity:	
Price (% from the nominal value):	
Contact details:	

This notification does not constitute an offer to acquire the securities and does not create any legal obligations for the Issuer.

DISCLAIMER

This press release includes "forward-looking statements" which involve uncertainties and risks. Forward-looking statements include statements concerning AOC plans, objectives, goals, strategies, future events, future revenues, future results and performance, expectations, plans or intentions relating to acquisitions and other matters, business trends and other information that is not historical, including statements regarding estimates of AOC growth targets or other future financial results. When used in this press release, words such as "anticipates," "aspirational," "estimates," "expects," "goals," "intends," "believes," "forecasts," "targets," "objectives" and variations of such words or similar expressions are intended to identify forward-looking statements. All forward-looking statements, including, without limitation, estimates of AOC future financial results, are based upon our expectations at the time we make them and various assumptions. Our expectations, beliefs, projections and growth targets are expressed in good faith, and we believe there is a reasonable basis for them. However, there can be no assurance that management's expectations, beliefs, estimates or growth targets will be achieved, and AOC's actual results may differ materially from our expectations, beliefs, estimates and growth targets. AOC as a group has experienced fluctuating revenues, operating income and cash flow in prior periods and expects that this will occur from time to time in the future. Other factors that could cause such differences include declines in demand for, or changes in, the mix of products that we offer, the mix of the geographic locations where our business is located, adverse financial, real estate or other market and general economic conditions, which could impact each of our segments differently, the pace and timing of the consummation and integration of past and future acquisitions, AOC's ability to realize cost savings and efficiencies, competitive and general economic conditions, retention of staff and clients and other risks. AOC is under no duty to update any of the forward looking statements to conform such statements to actual results or events and do not intend to do so.