Petropavlovsk 2016 Limited (the "Issuer") announces a consent solicitation in relation to the outstanding notes detailed in the table below (the “Notes”)

<table>
<thead>
<tr>
<th>Description of Notes</th>
<th>ISIN/Common Code / CUSIP (Rule 144A Notes)</th>
<th>Amount Issued</th>
<th>Amount Outstanding</th>
<th>Consent Fee</th>
<th>Termination Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. $500,000,000 8.125 per cent. Guaranteed Notes Due 2022</td>
<td>Regulation S: XS1711554102 / 171155410 Rule 144A: US71675MAA45 / 171181208 / 71675MAA4</td>
<td>U.S. $500,000,000</td>
<td>U.S. $500,000,000</td>
<td>0.25 per cent. of the principal amount of the Qualifying Notes (as defined in the Memorandum)</td>
<td>0.10 per cent. of the principal amount of the Qualifying Notes (as defined in the Memorandum)</td>
</tr>
</tbody>
</table>

Overview

The Issuer has today provided a notice of meeting (the "Notice of Meeting") to solicit proxies (the "Solicitation") from the beneficial holders of the outstanding Notes (the "Noteholders") to consider and, if thought fit, pass an extraordinary resolution (the "Extraordinary Resolution") at a meeting of the Noteholders (the "Meeting") in relation to certain waivers (the "Waivers") being sought in respect of the terms and conditions of the Notes, all as more fully described in the Consent Solicitation Memorandum (the "Memorandum") dated 2 October 2020 (the "Proposal").

Subject to the terms of the Proposal, Noteholders who validly vote in favour of the Proposal in accordance with the Solicitation prior to the Early Consent Deadline (see "Expected Timetable" below) will be entitled to receive the Consent Fee or the Termination Fee (see "Consent Fee/Termination Fee" below), as the case may be. Noteholders are advised to refer to the Memorandum for meanings of capitalised terms used but not defined in this announcement, the full terms of the Solicitation and the procedures related thereto.

The Notice of Meeting convening the Meeting to be held via teleconference details provided therein, on 26 October 2020, and to consider and, if thought fit, pass the Extraordinary Resolution, has been published in accordance with the Conditions.

The initial Meeting will commence at 10:00 a.m. (London time) on 26 October 2020.

Background to and Rationale for the Proposal

Capitalised terms used, but not defined in this section or in the Memorandum, shall have the meanings given to them in the Conditions or the Trust Deed.

Introduction
The Issuer, on 14 November 2017, issued U.S.$500,000,000 8.125 per cent. Guaranteed Notes due 2022 (the "Notes"), of which U.S.$500,000,000 are currently outstanding. The Notes were constituted by a trust deed dated 14 November 2017, between the Issuer and the Trustee (the "Trust Deed"). Under the terms and conditions of the Trust Deed and pursuant to Schedule 3 thereto (the "Conditions"), the Issuer and the Parent are required to make available on the Parent’s website and deliver to the Trustee, pursuant to Clause 6.4.1(b) of the Trust Deed and Condition 4.9.1(ii), semi-annual reports of the Parent (prepared in accordance with IFRS (as defined in the Trust Deed)), together with a review report on the financial statements included therein, within 90 days after the end of the first six months of each financial year of the Parent.

Accordingly, the Issuer and the Parent were required to deliver a semi-annual report of the Parent for the six months ended 30 June 2020 prepared in accordance with IFRS (the “30 June 2020 Semi-Annual Report”) and also a review report on the financial statements included in the 30 June 2020 Semi-Annual Report (the “30 June 2020 Review Report” and, together with the 30 June 2020 Semi-Annual Report, the “30 June 2020 Reports”), in each case by 28 September 2020. The 30 June 2020 Reports have not been made available as of the date of the Memorandum and, on 29 September 2020 and pursuant to Clause 6.2 of the Trust Deed, the Issuer notified the Trustee of the occurrence of a Default in respect of the failure to deliver the 30 June 2020 Reports. It is proposed hereby that the Noteholders agree to certain waivers in respect of the requirement to make available and deliver the 30 June 2020 Reports by 28 September 2020, as further described below.

**Background to and reasons for the delay of the 30 June 2020 Reports**

During 2019, the Parent undertook a formal tender process for the appointment of a new external auditor for the financial year ending 31 December 2020. Deloitte LLP (“Deloitte”) was the auditor for the financial year ended December 31, 2019, and had been the Parent’s external auditor since 2009. Deloitte did not resign as the Parent’s external auditor, but did inform the Parent’s audit committee (the “Audit Committee”) that it would not participate in its 2019 tender process. Deloitte informed the Audit Committee that it chose not to participate in the tender process principally due to its length of service, certain limitations in the Parent’s internal controls and systems for financial reporting and a need for further investment in the capacity of the finance functions. Although Deloitte did not participate in the tender, it nonetheless completed its audit of the Parent’s annual financial statements as of and for the year ended 31 December 2019 and delivered an unqualified audit report in connection therewith. The Audit Committee has performed an independent review and has committed to certain actions to be taken to strengthen the Group’s procedures to manage risks and oversee the Group’s internal control framework which are in process. Please refer to more detailed information in the Parent’s annual report for the year ended 31 December 2019.

As a result of the Parent’s tender process in respect of a new auditor, PricewaterhouseCoopers LLP (“PwC”) was chosen as a successor. During the annual general meeting of its shareholders held on 30 June 2020 (the “AGM”), PwC was appointed as the Parent’s statutory external auditor for the financial year ending 31 December 2020. On 28 July 2020, the Parent announced that PwC was not able to accept its appointment pending the results of a further general meeting held on 10 August 2020 (the “RGM”).

On 24 August 2020, PwC formally confirmed to the Parent that it did not intend to accept its proposed appointment. PwC cited the reasons for its resignation as the significant changes to the Parent’s board of directors (the “Board”) made at the RGM, namely the removal of the majority of both independent and executive directors, and its concerns over the corporate governance environment and the lack of clarity as to the future direction of the Group. At the time of its resignation, PwC had not performed any work for the Parent since its proposed appointment as auditor.

Following PwC’s resignation, the Audit Committee commenced the process of identifying a new auditor with sufficient experience and expertise to audit a complex business such as the Group. On 21 September 2020, the Parent announced the appointment of MHA MacIntyre Hudson (“MHA”), the UK member of Baker Tilly International, as its external auditor for the financial year ending 31 December 2020. The Parent announced on the same day that it expects to publish its 30 June 2020 Semi-Annual Report in the second half of October 2020. MHA have commenced work immediately in assisting the Parent in the preparation of the 30 June 2020 Reports. The Proposal (as outlined below) is being made to allow MHA additional time (if required) to conclude its work on the 30 June 2020 Review Report, but it should be noted that the Parent still expects to release the 30 June 2020 Semi-Annual Report as previously disclosed.

The Board has been subject to significant change as a result of shareholder voting at the Parent’s most recent AGM and the RGM, with director candidates, (including those nominated by the Parent shareholders) including Pavel Maslovskiy, the former chief executive officer and co-founder, failing to be appointed as directors by the
Parent’s shareholders and/or being removed as directors. In addition, since his appointment, the Parent’s interim chief executive officer (the “Interim CEO”) has encountered a lack of co-operation from certain employees and ex-employees in certain of the Group’s Russian subsidiaries as he works to implement a controls framework across the Group. This lack of co-operation included preventing the Interim CEO from obtaining access to the Group's offices in Moscow on 26 - 27 August 2020, while he was attempting to safeguard the Group's assets and information. In addition, the validity of the authority of the Interim CEO to act on behalf of the Group has been challenged in local Russian courts and negative and inaccurate information has been published on social media platforms in Russia regarding the Interim CEO, the Board and certain of the Parent's shareholders. The Board is working to resolve these issues in the best interests of all stakeholders.

Since its appointment at the RGM, the Board has continued to address the question of Board composition and it has engaged an external search consultancy to assist it in making further appointments of independent non-executive directors. The Board remains committed to ensuring it has the necessary strength and breadth, with a transparent governance structure that will command the trust and support of all stakeholders.

The Proposal

As a result of the events described above, the Issuer is proposing hereby that the Noteholders agree to:

(i) waive (x) the failure by the Issuer or the Parent to comply with and (y) any Default or Event of Default (each as defined in the Trust Deed) that has arisen or may arise as a result of a failure by the Issuer or the Parent to comply with, the requirement to deliver the 30 June 2020 Semi-Annual Report pursuant to Clause 6.4.1(b) of the Trust Deed and Condition 4.9.1(ii), provided that if the Parent does not publish the 30 June Semi-Annual Report on the Parent’s website or deliver such report to the Trustee, in each case on or prior to 15 December 2020, then such waiver shall cease to apply; and

(ii) waive (x) the failure by the Issuer or the Parent to comply with and (y) any Default or Event of Default that has arisen or may arise as a result of a failure by the Issuer or the Parent to comply with, the requirement to deliver the 30 June 2020 Review Report pursuant to Clause 6.4.1(b) of the Trust Deed and Condition 4.9.1(ii), provided that if the Parent does not publish the 30 June 2020 Review Report on the Parent’s website or deliver such report to the Trustee, in each case on or prior to 15 December 2020, then such waiver shall cease to apply ((i) and (ii) together, the “Waivers”).

The Proposal, if implemented, would allow MHA the necessary time to conduct and prepare the 30 June 2020 Review Report. At this stage it is not clear whether the Issuer or the Parent will be in a position to make available on the Parent’s website and deliver to the Trustee the 30 June 2020 Reports prior to the Meeting. If the Issuer or the Parent makes available on the Parent’s website and delivers to the Trustee the 30 June 2020 Reports prior to the Meeting, the Issuer or the Parent may terminate the Solicitation. If a Termination Event occurs, the Issuer will not be obliged to pay or procure the payment of the Consent Fee, but the Noteholders will (subject to the terms of the Proposal) be eligible to receive the Termination Fee.

The failure by the Issuer or the Parent to make available on its website and to deliver to the Trustee the 30 June 2020 Reports by 28 September 2020 has not resulted in an Event of Default (as defined under the Trust Deed) nor an event of default under the other financing arrangements of the Group. If the Extraordinary Resolution is not passed at the Meeting and the Waivers contemplated thereby do not become effective, then an Event of Default may occur in respect of the Notes if the Issuer or the Parent is still not able to not make available on the Parent’s website and deliver to the Trustee the 30 June 2020 Reports.

Consent Fee/Termination Fee

The Consent Fee or the Termination Fee, if applicable, will be paid to each Noteholder from whom valid Electronic Voting Instructions or Forms of Proxy (as applicable) in favour of the Proposal are received by the Tabulation Agent (and not revoked), as more fully described in the Memorandum. Noteholders will be eligible to receive either the Consent Fee or the Termination Fee, subject to the terms of the Proposal, but not both.

Revocation of instructions

Noteholders who have submitted Electronic Voting Instructions or Forms of Sub-Proxy, as applicable, have a right to revoke such instruction in the following circumstances only: (i) if required by law or permitted by the Trust Deed (as applicable); or (ii) if the Issuer considers that any modification or amendment (excluding any material modification or amendment to the Extraordinary Resolution which may not be made during the Meeting
notice period) is materially prejudicial to Noteholders compared with the initial terms of the Proposal and Solicitation. In the case of (ii) above, the Issuer will give notice to Noteholders via a public announcement and specify a time period of not less than three London Business Days from the date of such announcement during which Noteholders will have the right to revoke their Electronic Voting Instructions or their Forms of Sub-Proxy, as applicable.

**Expected Timetable (assuming the Meeting is not adjourned)**

<table>
<thead>
<tr>
<th>Event</th>
<th>Date and Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Launch Date/Announcement of the Solicitation</td>
<td>2 October 2020</td>
</tr>
<tr>
<td>Announcement of the Solicitation and Notice of Meeting given to Noteholders through the Clearing Systems.</td>
<td></td>
</tr>
<tr>
<td>Memorandum made available to Noteholders via the Tabulation Agent (free of charge).</td>
<td></td>
</tr>
<tr>
<td>Record Date</td>
<td>5:00 p.m. (EST) / 10:00 p.m. (London time) on 13 October 2020</td>
</tr>
<tr>
<td>Record Date in respect of DTC Notes. Only Direct Participants in DTC at this time and date will be entitled to submit any Form of Sub-Proxy in respect of the Extraordinary Resolution</td>
<td></td>
</tr>
<tr>
<td>Early Consent Deadline</td>
<td>11:00 a.m. (EST) / 4:00 p.m. (London time) on 14 October 2020</td>
</tr>
<tr>
<td>Deadline for Noteholders to deliver or procure delivery of Electronic Voting Instructions or Forms of Sub-Proxy in favour of the Extraordinary Resolution to the Tabulation Agent to be eligible to receive the Consent Fee or the Termination Fee, as the case may be.</td>
<td></td>
</tr>
<tr>
<td>Final Consent Deadline</td>
<td>11:00 a.m. (EST) / 4:00 p.m. (London time) on 23 October 2020</td>
</tr>
<tr>
<td>Deadline for Noteholders to deliver or procure delivery of Electronic Voting Instructions or Forms of Sub-Proxy in favour of the Extraordinary Resolution to the Tabulation Agent to be eligible to vote but not to receive the Consent Fee or the Termination Fee.</td>
<td></td>
</tr>
<tr>
<td>Latest time for Noteholders to appoint the Tabulation Agent (or its nominee) as proxy to attend the Meeting and vote in respect of the Extraordinary Resolution or to appoint another proxy to attend and vote at the Meeting in accordance with the provisions of the Trust Deed and the Notice of Meeting.</td>
<td></td>
</tr>
<tr>
<td>Date of the Meeting</td>
<td>26 October 2020</td>
</tr>
<tr>
<td>Announcement of results</td>
<td>26 October 2020, or as soon as reasonably practicable after the Meeting</td>
</tr>
<tr>
<td>The announcement via the Clearing Systems of the results or notice of adjournment of the Meeting, as the case may be.</td>
<td></td>
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</tbody>
</table>
Effective Date

The date on which the Waivers shall become effective, which shall occur on the day the Extraordinary Resolution is passed.

Settlement Date

Expected to be five Business Days after (i) in the case of the Consent Fee, the date of the Meeting or, as the case may be, Adjourned Meeting or (ii) in the case of the Termination Fee, the Termination Date.

Payment (if any) of the Consent Fee or the Termination Fee, as the case may be.

The Issuer or the Parent will make (or cause to be made) announcements in connection with the Solicitation in accordance with applicable law by delivery of notices to the Clearing Systems for communication to Direct Participants and through (i) the website of Euronext Dublin, (ii) the RNS and (iii) a website maintained by the Parent. Copies of all announcements, notices and press releases may also be obtained from the Tabulation Agent at its address and telephone number as set forth on the last page of the Memorandum. Delays may be experienced in respect of notices delivered to the Clearing Systems and Noteholders are urged to contact the Solicitation Agents or the Tabulation Agent for the relevant announcements during the course of the Solicitation, the contact details for which are on the last page of the Memorandum.

Solicitation Agents

Any questions from any person regarding the terms of the Proposal or the Solicitation may be directed to the Solicitation Agents at the address and telephone number specified below:

**CITIGROUP GLOBAL MARKETS LIMITED**

Citigroup Centre  
Canada Square  
London E14 5LB  
United Kingdom

Attention: Liability Management Group  
Tel: +44 20 7986 8969  
Email: liabilitymanagement.europe@citi.com

**UBS AG LONDON BRANCH**

5 Broadgate  
London EC2M 2QS  
United Kingdom

In Europe and Asia:  
Attention: Liability Management Group  
Tel: +44 (0) 20 7568 1121  
Email: ol-liabilitymanagement-eu@ubs.com

In the Americas:  
Attention: Liability Management Group  
Collect: +1 (203) 719-4210  
Toll free: +1 (888) 719-4210

Tabulation Agent

Noteholders may obtain copies of the Memorandum, the Notice of Meeting and any announcements in connection with the Solicitation from the Tabulation Agent:

**CITIBANK, N.A., LONDON BRANCH**

Citigroup Centre  
Canada Square  
Canary Wharf
None of the Solicitation Agents, the Trustee, the Principal Paying Agent, or the Tabulation Agent (or any of their respective directors, officers, employees, agents or affiliates) makes any representation or recommendation whatsoever regarding the Memorandum, or any document prepared in connection with it, the Proposal, the Extraordinary Resolution or the Solicitation, or expresses any opinion as to whether Noteholders should participate in the Solicitation or vote in favour of or against the Extraordinary Resolution. This announcement must be read in conjunction with the Memorandum. This announcement and the Memorandum contain important information which should be read carefully before any decision is made with respect to the Solicitation. If any Noteholder is in any doubt as to the action it should take, it is recommended to seek its own advice, including as to any tax consequences, from its stockbroker, bank manager, solicitor, accountant or other independent adviser.

Within the United Kingdom, this announcement is directed only at persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 ("relevant persons"). The investment or investment activity to which this announcement relates is only available to and will only be engaged in with relevant persons and persons who receive this announcement who are not relevant persons should not rely or act upon it.

This announcement is not a solicitation of consent with respect to any Notes and does not constitute an invitation to participate in the Solicitation in or from any jurisdiction in or from which, or to or from any person to or from whom, it is unlawful to make such invitation under applicable securities laws. The Solicitation is being made solely pursuant to the Memorandum, which sets forth a detailed statement of the terms of the Solicitation.

The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession this announcement comes are required to inform themselves about, and to observe, any such restrictions.