



Press release: inclusion of JSC Independent Petroleum Company and JSC NNK-Primornefteproduct to the SDN List

June 21, 2017

On June 1, 2017 Office of Foreign Assets Control of U.S. Department of the Treasury included JSC Independent Petroleum Company and JSC NNK-Primornefteproduct (“IPC” and “IPC-Primornefteproduct”) to the Specially Designated Nationals and Blocked Persons list (“SDN List”). Sanctions were implied based on the US President Executive Order No. 13722 of March 15, 2016 (the “Executive Order”). IPC and IPC-Primornefteproduct are subsidiaries of Alliance Oil Company Ltd (the “Alliance”) and Guarantors for Alliance Eurobonds (ISIN: XS0493579238 и XS0925043100).

IPC and IPC-Primornefteproduct have never participated and could not participate in North Korean nuclear program. As of the effective date of the Executive Order neither IPC nor IPC-Primornefteproduct had contractual relationships with North Korean companies, operated in energy industry or otherwise participated in the economy of North Korea. Such activities are also not carried at the present time. IPC and its legal advisors are preparing application to exclude IPC and IPC-Primornefteproduct from the SDN List.

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.