

Petrolia SE ('the Company' or 'the Group')

Corporate Social Responsibility Report

In this report, we disclose information relating to our CORPORATE SOCIAL RESPONSIBILITY ('CSR') policy and performance of this policy in 2018. This report relates to the period 1 January 2018 to 31 December 2018 and should be read in conjunction with the Company's Annual Report for 2018. During 2018, the Group had operational activities in Cyprus, Norway, The Netherlands, Romania, Australia, New Zealand, Iraq, Pakistan, Malaysia, Ghana, Azerbaijan, Papua New Guinea and Dubai, therefore the majority of the information in this CSR report relates to the Group's operations in these countries.

Our approach to CSR focuses on the way in which we conduct relationships with all of our stakeholders and the wider impact that we can have on society and the environment. In this context, we continuously address the following key aspects of our business:

- health and safety;
- environment and sustainability;
- employees;
- community and human rights;
- business conduct; and
- corporate governance.

Health & Safety

The safety of our employees, contractors, partners and all of our stakeholders is of utmost importance to the Group. Our main objective is that all of our activities are carried out without risk to people or damage to the environment. We are pleased to report that during 2018 no incident of pollution to the environment was reported and the Group conformed with the safety and environmental demands of the prevailing authorities in its worldwide operations. We continued to have an excellent health and safety record with no major injuries or fatalities in 2018.

Environment & Sustainability

We recognise the potential to damage the environment through our operations and our responsibility to implement effective management to safeguard the environment by minimising such an impact. We are committed to making a positive contribution to global sustainability and to protect the environment. We aim to operate to the highest international social, environmental and safety standards within the industry and believe that it is important to make a positive contribution to all of the geographical areas where we operate.

Employees

Our ability to create sustainable shareholder value is linked to our ability to recruit, motivate and retain highly competent employees. The Group is an equal opportunities employer and will not tolerate discrimination. We have a shared commitment with employees to create a safe working environment. Employees are encouraged to speak up if they have any concerns through our Whistle Blowing Policy. Recruitment, promotion and reward are all entirely based on merit. We believe in shared prosperity and wherever possible we employ nationals of our host countries.

Community and human rights

Our continued expansion into new territories brings new challenges which we are confident of meeting through the application of our existing approach and policies. We invest in our relationships with the local communities and ensure that all of our activities are conducted with absolute respect to these communities. All of our initiatives during the year 2018 were focused on health and social involvement across our operating regions.

Business Conduct

CSR encompasses the Company's management of relationships with shareholders, employees, contractors, partners and the local communities where we work, together with the impact it has on society and the environment. In this respect we have a responsibility to ensure that we deliver our business objectives in a way that benefits all of our stakeholders. In recognition of this responsibility we have robust policies and systems in place which are continuously reviewed.

We aim for the highest standards of business conduct across all of our worldwide operations. Our CSR policy aims to ensure a responsible and transparent performance of our business in all of the areas in which we operate. It reflects our commitment to generate and sustain long-term value growth for the Company whilst creating long lasting legacies in local communities. Operating to the highest international social, environmental and safety standards and maintaining high standards of corporate governance is a key requirement of our policy.

Corporate Governance

We continue to operate with high standards of corporate governance which helps us deliver our strategic objectives. We are committed to protecting the interests of all of our stakeholders through compliance with the relevant legal and regulatory environments and through the effective management of risk.

Every effort has been made to ensure that information contained in this report is accurate.