# 1 Q 2009 US GAAP Financial and Operating Results

June 18, 2009

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This presentation contains forward-looking statements concerning the financial condition, results of operations and businesses of Gazprom Neft and its consolidated subsidiaries. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements.

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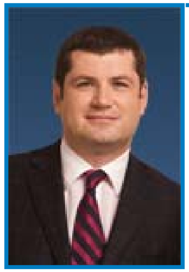
# Management Participants in Today’s Call

**Vadim Yakovlev**
Deputy Chairman of the Management Board and CFO



**Boris Zilbermints**
Deputy Chairman of the Management Board,
Deputy CEO for Exploration and Production

**Anatoly Cherner**
Deputy Chairman of the Management Board,
Deputy CEO for Logistics, Processing and Sales

**Yuri Kalner**
Head of Strategic Planning Department

# 1Q 2009 Highlights

## Macro

- Brent 19% down Q-o-Q to US$ 44/bbl from US$ 55/bbl and Y-o-Y 54% down from US$ 97/bbl

## 1Q 2009 Headline numbers – recovery in progress

- Revenue 16% down Q-o-Q; Y-o-Y 47% down
- EBITDA up 362% Q-o-Q to US$ 942 MM; Y-o-Y 53% down
- Adjusted EBITDA* up 131% Q-o-Q to US$ 945 MM; Y-o-Y 56% down
- Net Income Q-o-Q up to US$ 335 MM; Y-o-Y 76% down
- Operating Cash Flow Q-o-Q

## Costs Performance

- Operating Costs down 12% Q-o-Q;10% down 10% Y-o-Y
- Export Duties Q-o-Q 52% down; Y-o-Y 62% down
- Taxes other than Income Tax Q-o-Q 5% up; Y-o-Y 50% down

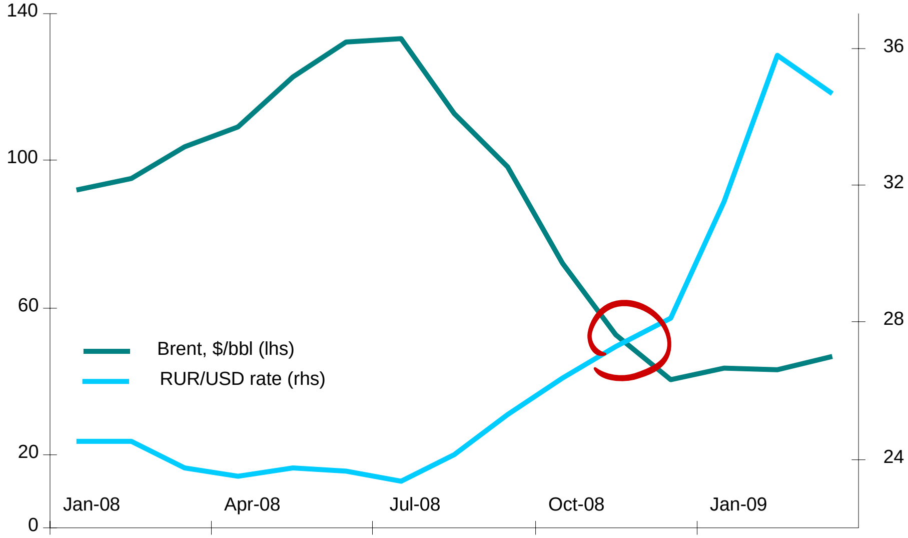
## Asset Portfolio Expansion

- 51% stake in NIS (February 2009)
- 34% stake in Sibir Energy (April-June 2009)
- Gazprom Neft Marine Bunker - #2 Bunkering Co in Russia,
- Gazprom Neft Avia – presence in 11 airports across Russia
- Gazprom Neft Lubricants – Acquisition of Lubricants Plant in Italy (Bari)

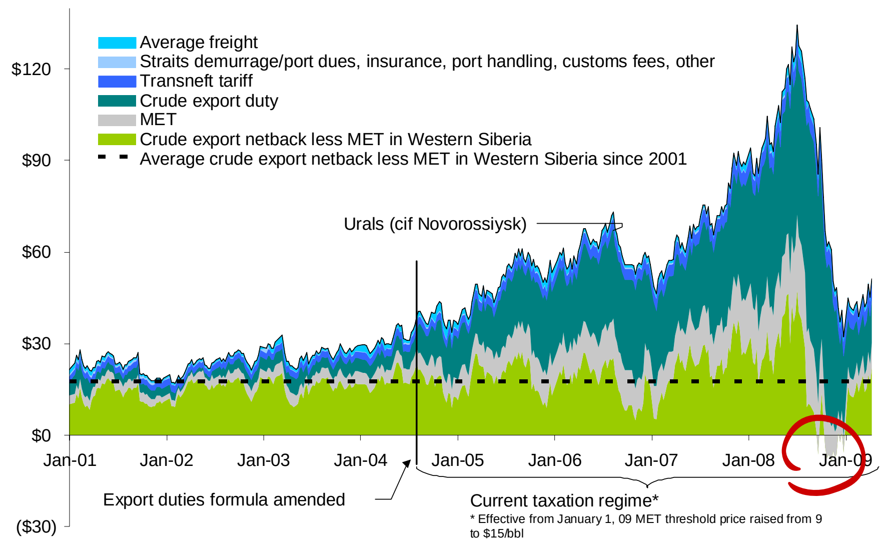
Adjusted EBITDA includes the Company's share in its equity affiliates (Slavneft and Tomskneft) EBITDA
Source: Company data

# Key Macroeconomic Factors

## Crude pricing, RUR/USD Rate (eop) relation



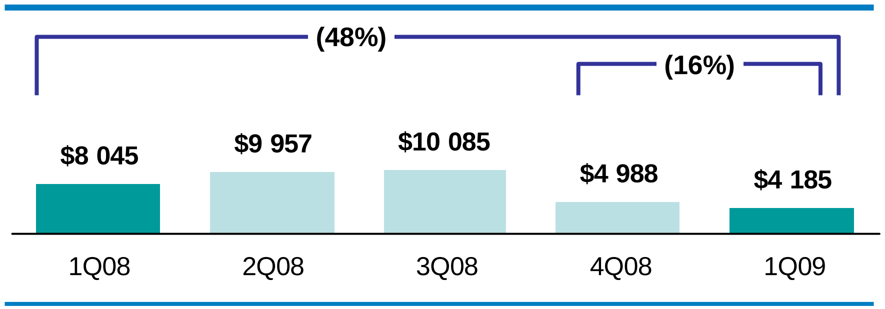

## Crude Export Profitability ($/bbl)




- Low crude pricing environment was the major driver for revenue decrease in 1Q09. However sharp taxes cuts were the main reason for profitability recovery in 1Q09
- Pricing fall was partially compensated by drastic Russian Ruble devaluation which dragged costs down, but also had a negative impact on domestic revenues denominated in rubles

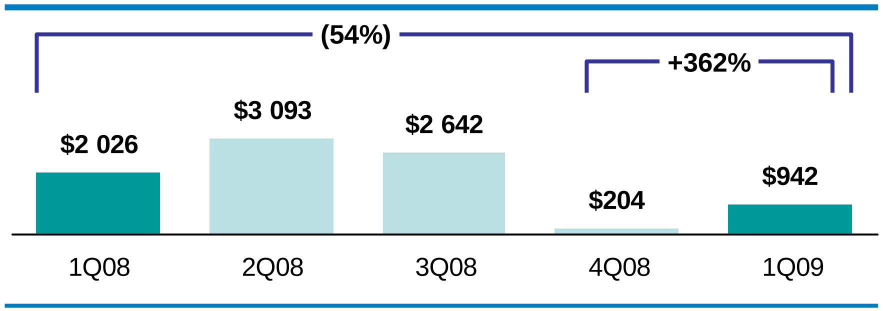
# Gazprom Neft Financial Results (US$MM)

## Revenues*



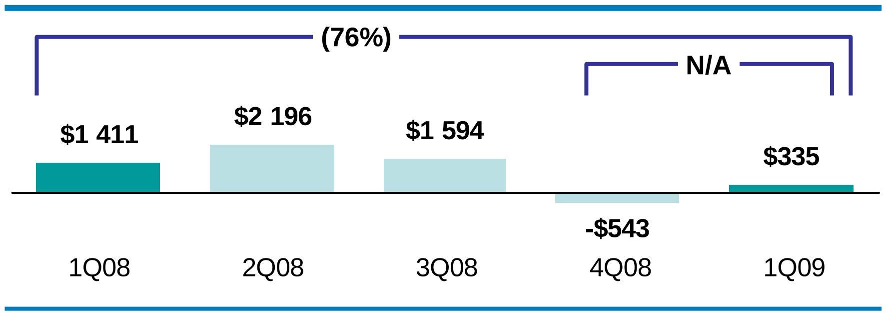

- Oil prices were the core drivers for revenue decrease in 1Q 2009
- Rouble devaluation stressed domestic revenues in dollar terms

## EBITDA




- Significant Tax Cuts determined Financials recovery in 1Q 2009
- Costs reduction through Rouble devaluation

## Net Income




- Recovery in quarterly financials
- Non-cash foreign exchange loss of $166 MM eroded non-operating income and reduced bottom line profitability in 1Q 2009

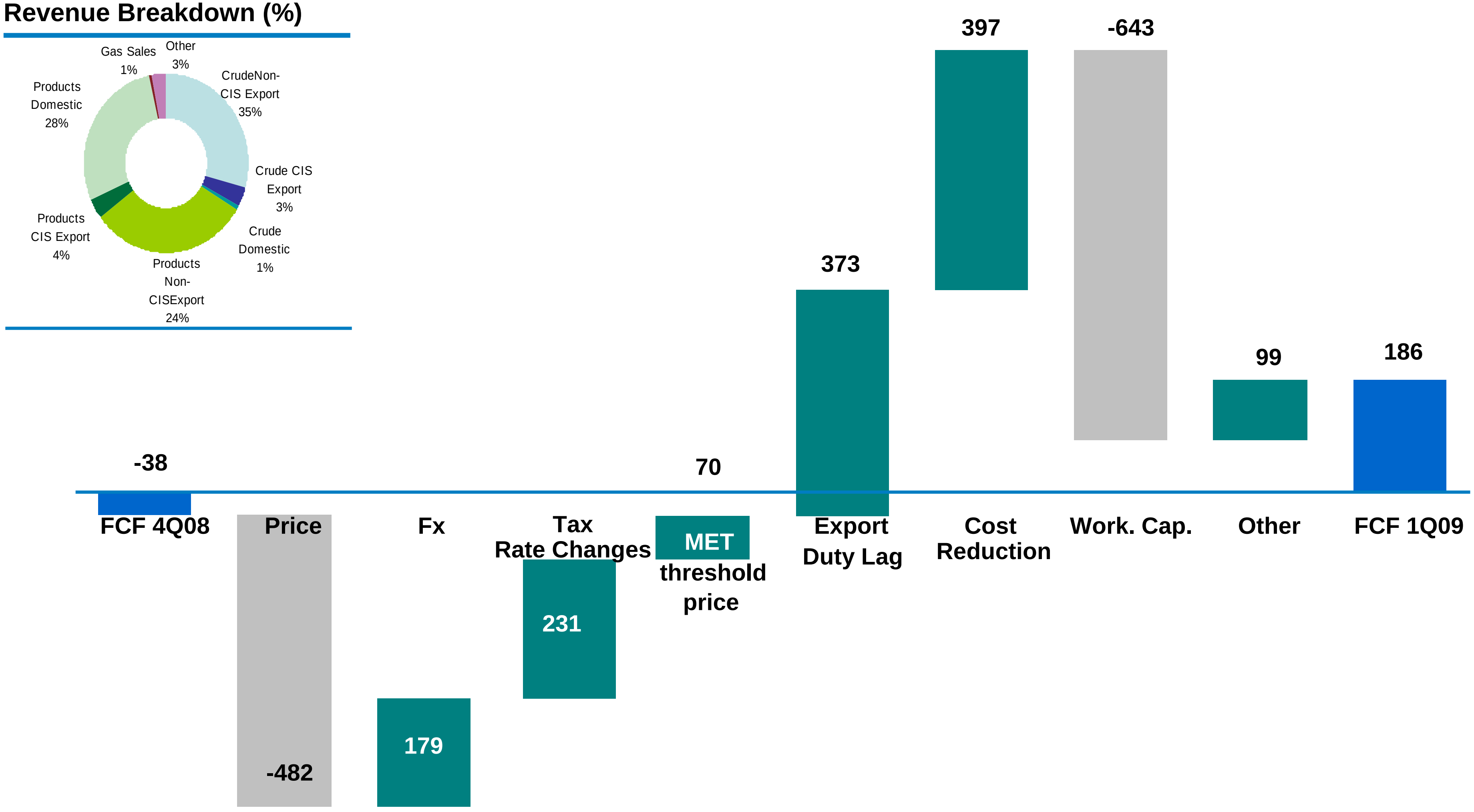
Source: Company data

* Revenues for 2-3Q08 were adjusted for excise tax that was previously excluded (2Q08 - $0.3B; 3Q08 - $0.8B)

# 1Q09 Factor Analysis

FCF (US$MM)

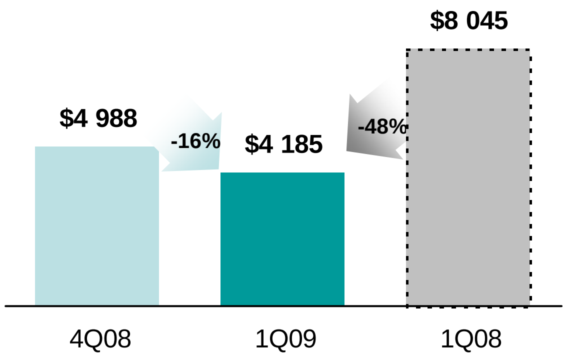
## Revenue Breakdown (%)



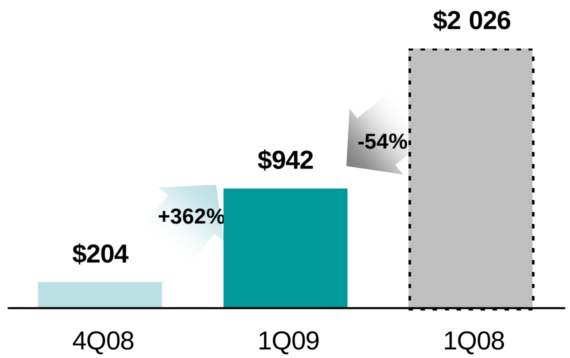

Source: Company data

# Financial Performance

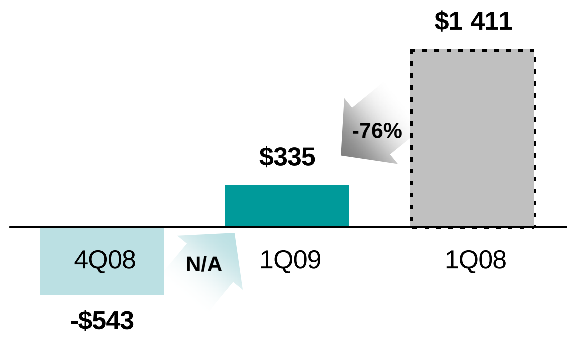
### Revenues (US$MM)



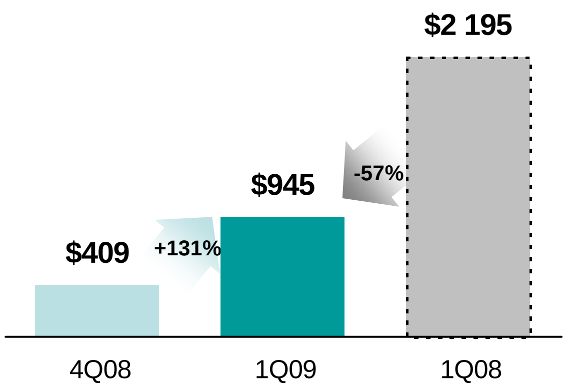

### EBITDA (US$MM)



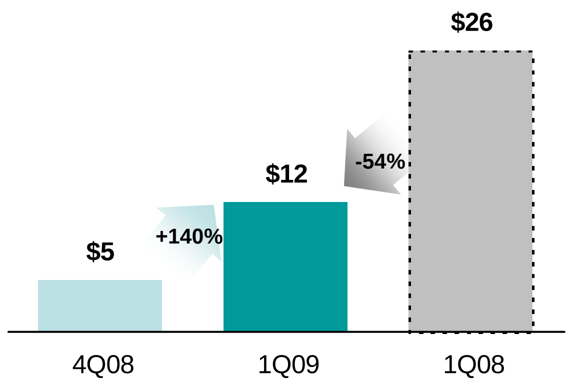

### Net Income (US$MM)



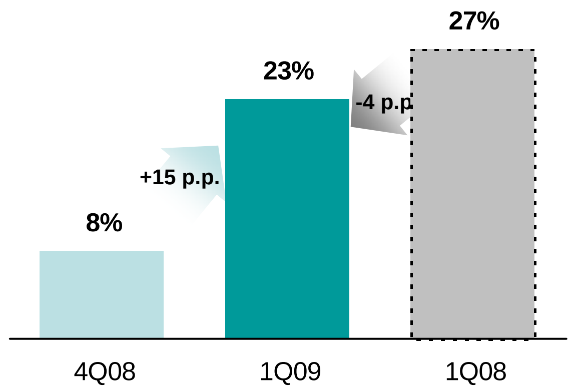

### Adjusted EBITDA* (US$MM)




### Adjusted EBITDA* per barrel ($/bbl)



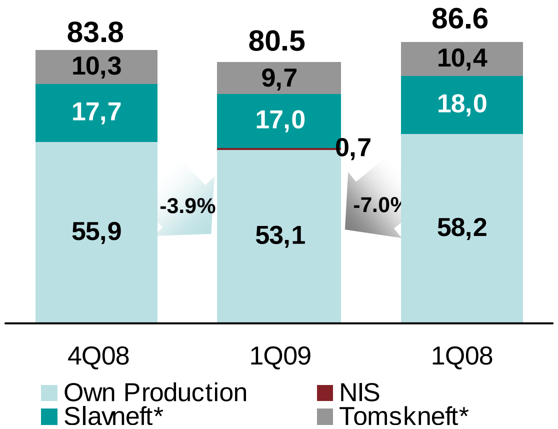

### Adjusted EBITDA* Margin (%)



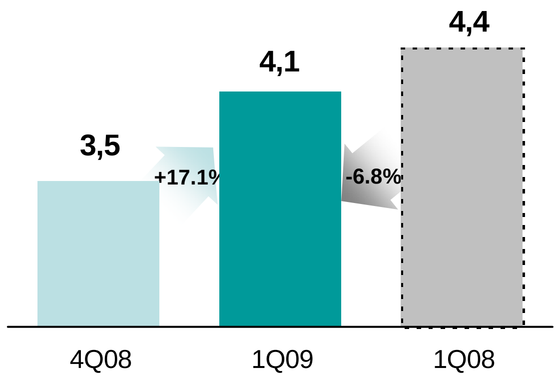

*Adjusted EBITDA includes the Company's share in its equity affiliates (Slavneft and Tomskneft) EBITDA
Source: Company data

# Operational Performance

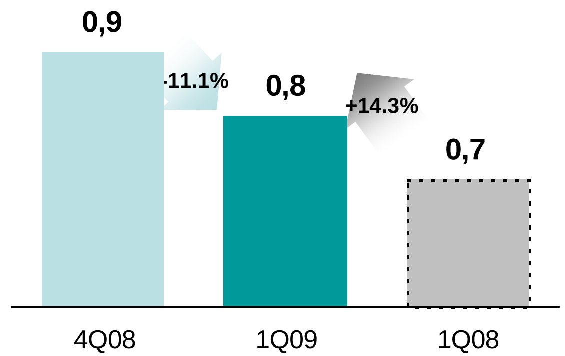
### Crude output (MM bbl)



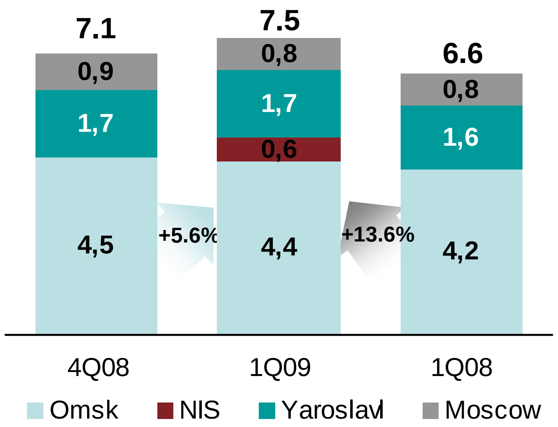

### Crude Oil Export (MM Tonnes)



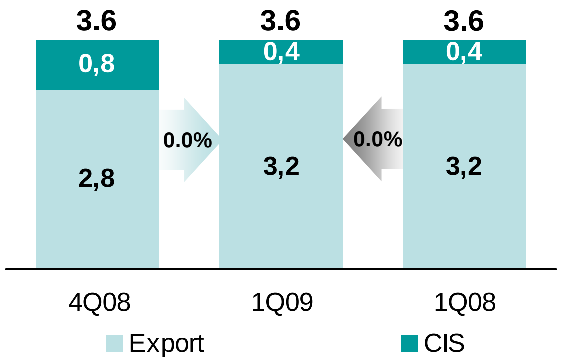

### Crude Oil Export to CIS (MM Tonnes)



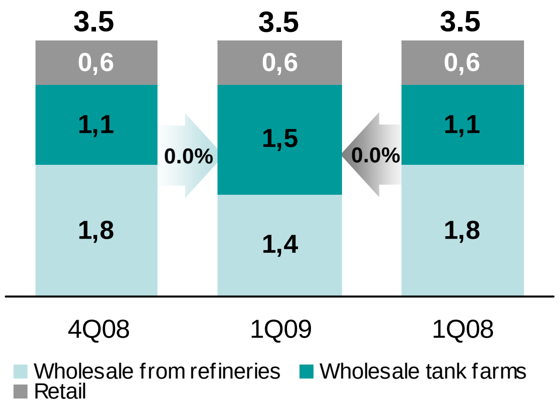

### Refining (MM Tonnes)




### Oil Products Export (MM Tonnes)




### Domestic Oil Products Sales (MM Tonnes)




* Production figures include 50% of Slavneft and Tomskneft

Source: Company data

# Consistent Cash Performance

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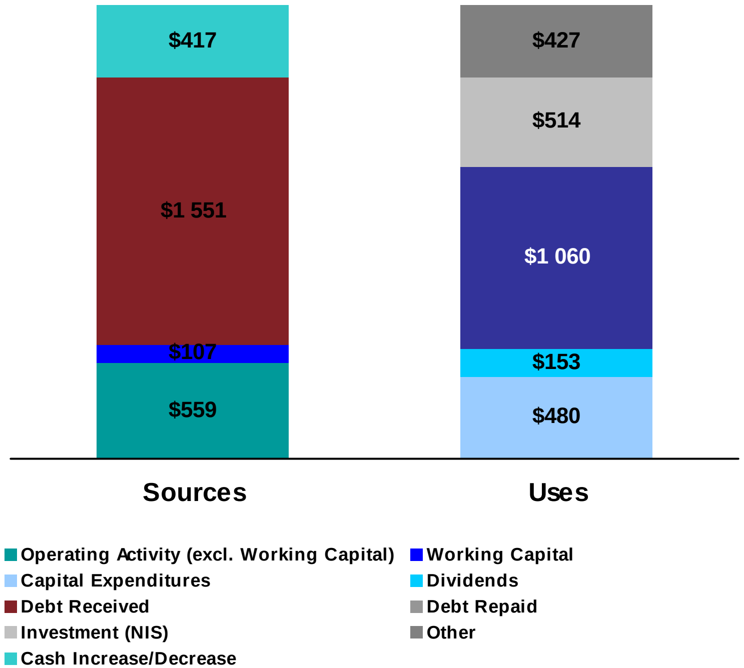
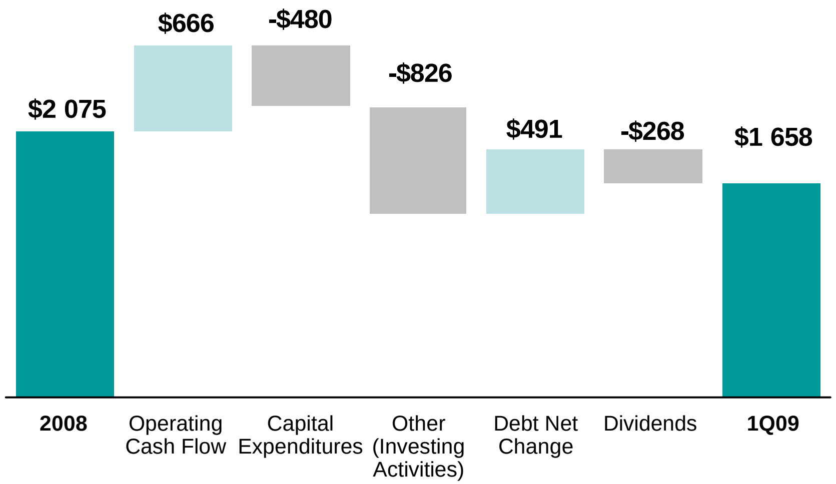
## Cash Sources and Uses (US$MM)

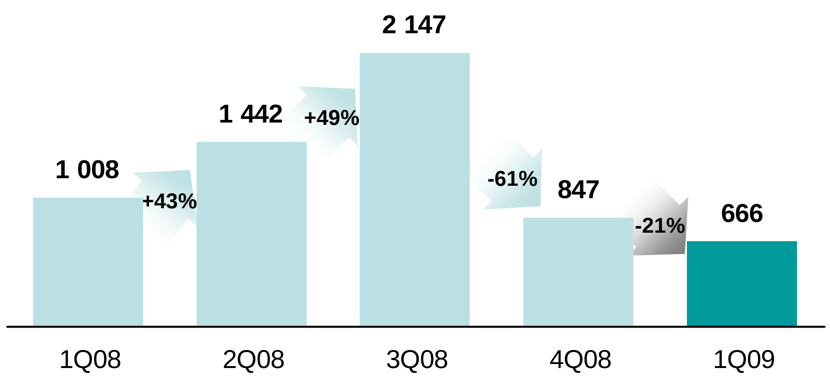



- Debt used for refinancing and M&A
- Capex financed by operating cash flow
- $1.7B of cash remained at end 1Q09

## Available Net Cash Flow (US$MM)



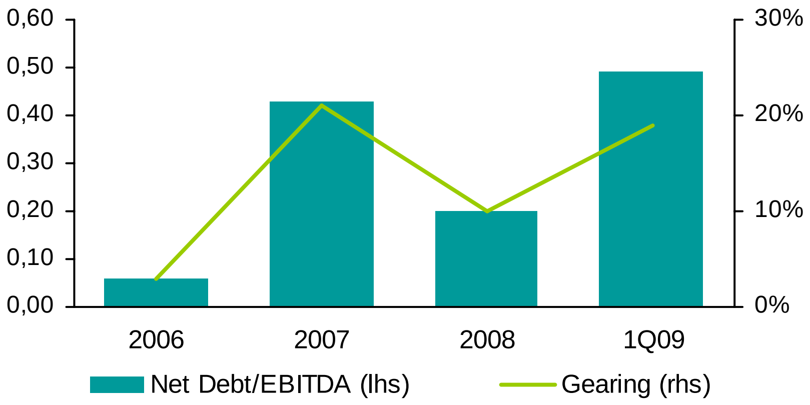

## Operating Cash Flow (US$MM)



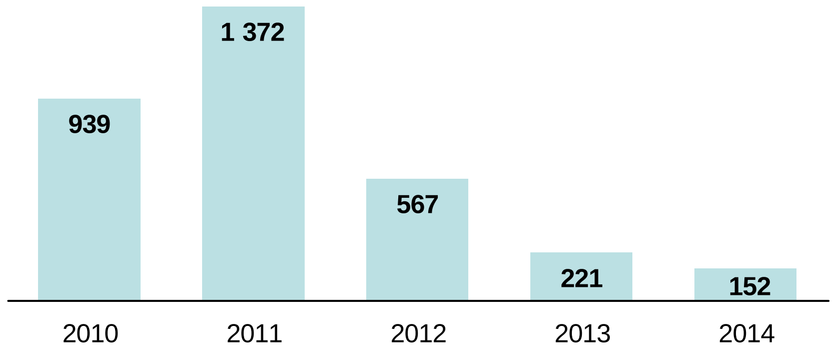
# Debt Profile

GAZPROM NEFT

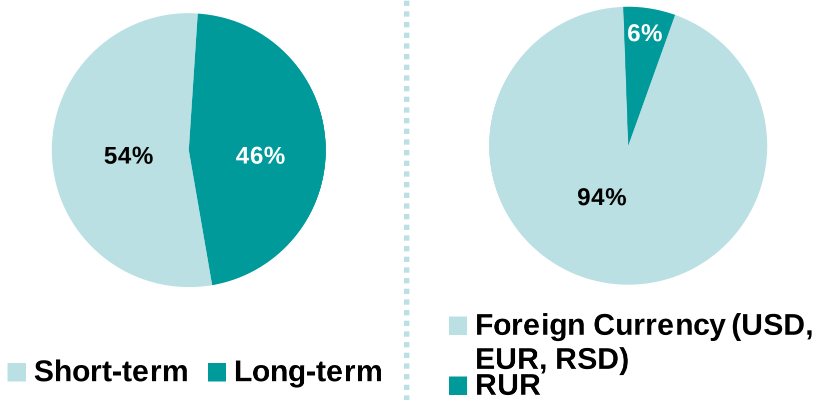
## Net Debt/EBITDA, Gearing (%)



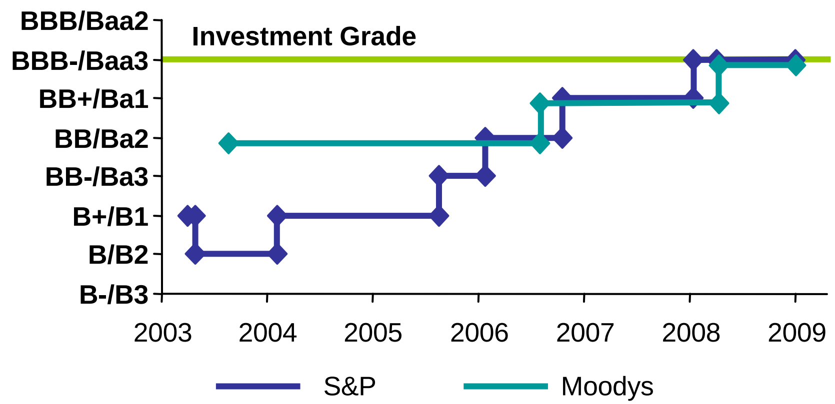

## Maturity Profile (US$MM)




## Debt Structure as of March 2009, %




## Credit Ratings

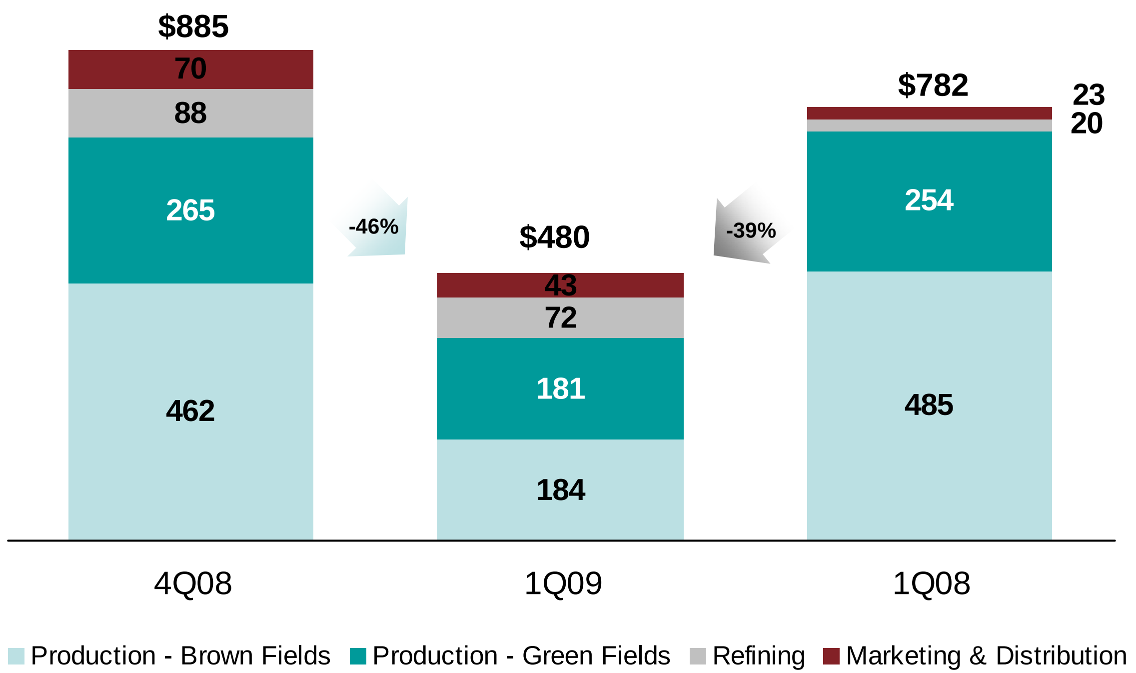



**Net Debt totaled US$ 3,357**

Source: Company data

# Organic Capex Breakdown

**Capex Dynamics (US$MM)**




- 1Q09 Capex down 46% Q-o-Q from US $885 MM in 4Q08 to US $480 MM in 1Q09
- Total exploration and production accounted for more than 75% of Capex in 1Q09
- Nearly 90% of Capex is RUR denominated

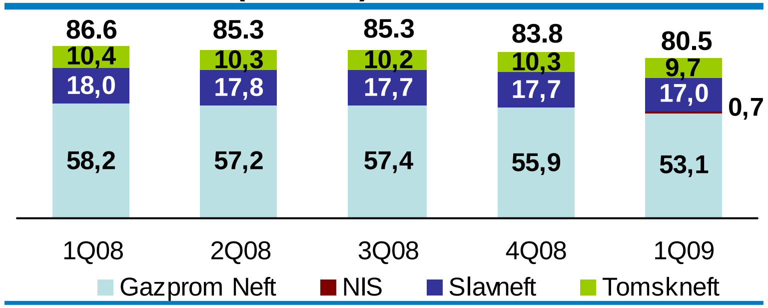
| | 4Q08 | 1Q09 | 1Q08 |
|---|---|---|---|
| **Upstream** | $10.5/bbl | $6.9/bbl | $10.4/bbl |
| **Brown Fields** | $8.3/bbl | $4.6/bbl | $8.3/bbl |
| **Green Fields** | $20.0/bbl | $13.5/bbl | $19.4/bbl |

Source: Company data

# Operating Results

# Upstream

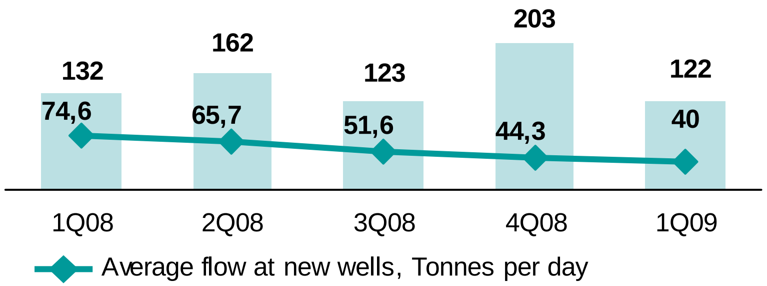
## Oil Production (MM Bbl)



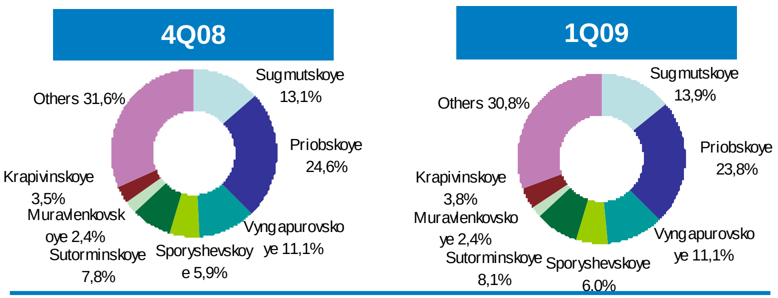

Source: Company data

Note: Including our share in equity investees

## Number of New Wells Launched*




## Gazprom Neft Production by Field*





- NIS – 1% in overall production in 1Q09
- Organic production decline driven by accelerating rate of depletion at the Sugmutskoye and Sporyshevskoye fields in Western Siberia and their transition to the 3rd level of the production cycle
- Priobskoye (+3 580 bbl a day) and Vyngayakhinskoye (+2 565 bbl a day) are leaders in terms of extraction growth
- 126* new wells drilled
- Drilling program cut was due to overall cost cutting programme (434* M Meters drilled – 60* M Meters – down from the level of 4Q08)

Source: Company data

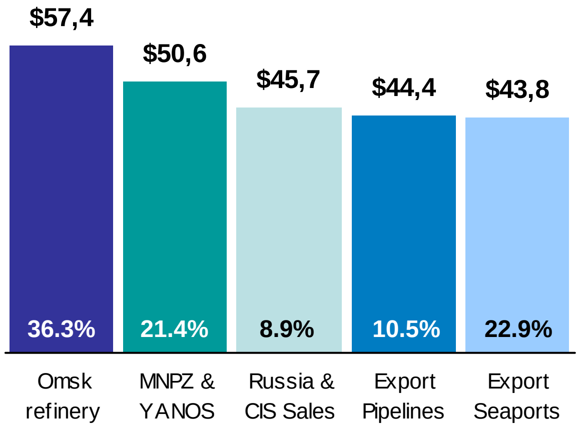
*Gazprom Neft data not including its share in equity affiliates (Slavneft , Tomskneft) and NIS

# Maximizing Netbacks & Enhancing Operational Efficiency through Oil Flows Distribution

GAZPROM NEFT

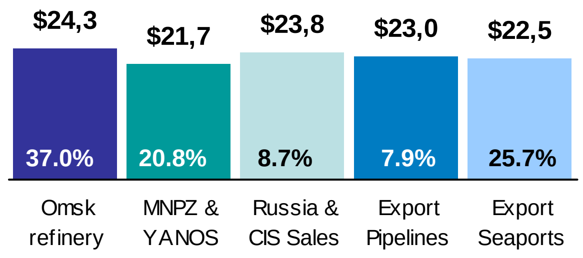
### 1Q2008 Netback (US$ per bbl)

**%, volume**

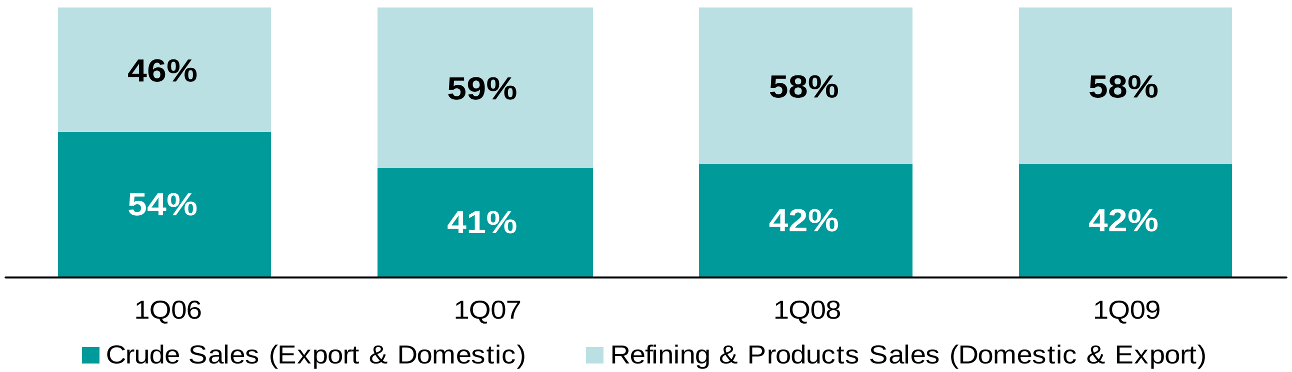



### 1Q2009 Netback (US$ per bbl)

**%, volume**




### Crude Balance (%)

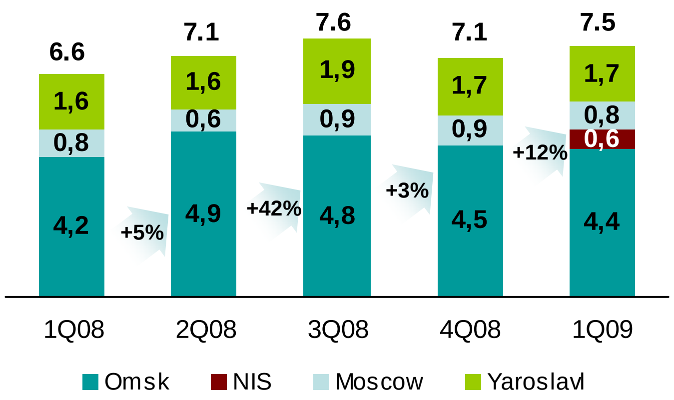



- Refining Netbacks Decreased In 1Q 2009 unlike the same period of 2008
- Refining Cover remained on the same level
- Sales in Russia and export to CIS had insignificant changes
- Export Sales were limited by Transneft export schedule
- Netbacks of Export through Seaports do not exceed Refining Netbacks
- Rouble devaluation had a negative impact on Refining and Marketing Netbacks

Source: Company data

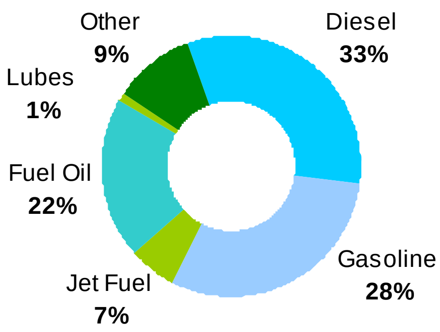
# Downstream

### Refining Throughput (MM Tonnes)



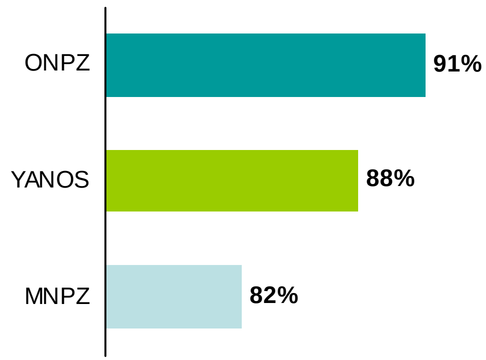

Source: Company data

### Oil Products Slate, % (1Q09)



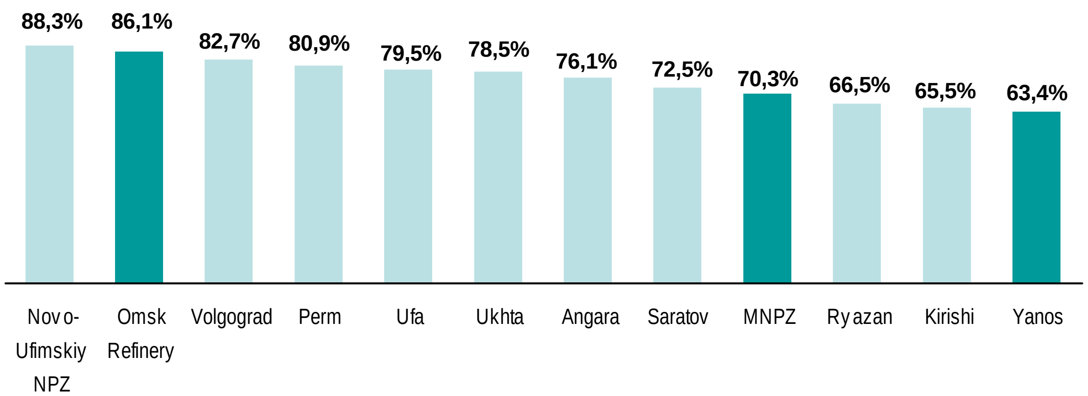

Source: Company data

### Capacity Utilization (1Q09)




Source: Company data

### Refining Conversion Ratio, % (1Q09)



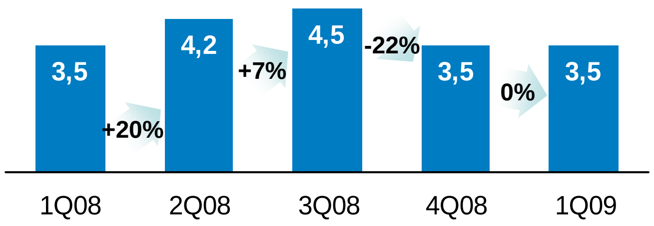

Source: INFOTEK

### Oil Refining

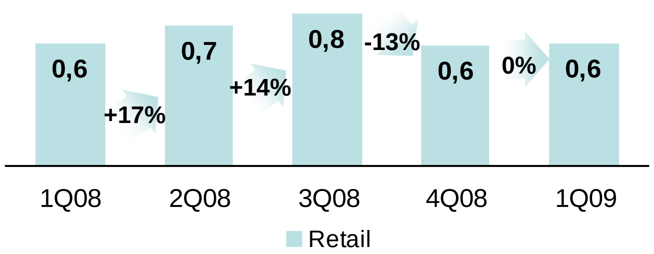
- NIS acquisition leads to growth of refining volumes
- Depth of refining is one of the highest at Omsk Refinery
- Maximizing netbacks through high value added oil products

# Oil Products Marketing in Russia

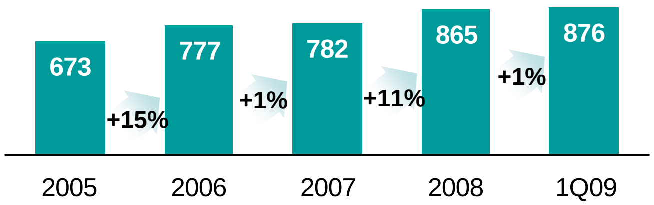
## Oil Products Sales in Russia (MM Tonnes)

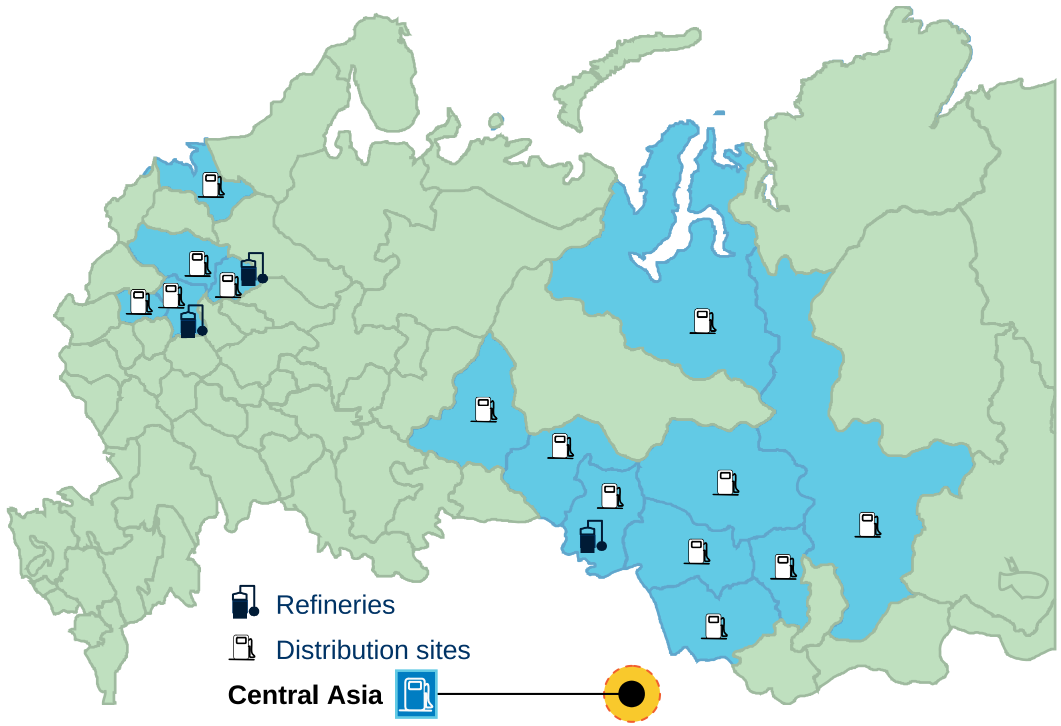



## Oil Products Distribution Through retail network (MM Tonnes)




## Number of Active Gas Stations




## Retail – Most Efficient Downstream Segment

- Domestic retail market is still underpenetrated
- Retail sales through owned gas stations – most efficient downstream segment
- Rebranding of petrol stations is under way
- New retail segments – bunkering, aero fueling and lubricant business

Source: Company data

# Outlook

# 2009 Perspectives – Three aspects to deal with

GAZPROM NEFT

## Revenues

- Upstream impacted by oil prices
- Ruble devaluation is a constraint for domestic revenues
- Refining margins are to improve

## Opex $ Capex

- Lower tax burden
- $230 M saving plan
  - natural monopoly tariffs optimization
  - reducing prices of materials and services
  - cutting administrative and headcount expenses
- Contracts renegotiation (decrease in contractor prices by 10-30%)
- Prioritizing Capital expenditures

## Financial Situation

- Strong cash flow generation levels allow to continue with our investment commitments
- Goal to maintain a comfortable financial position

* Source: Company data

# Recent transactions

# Acquisition of Naftna Industrija Srbije AD, Novi Sad, Serbia ("NIS" AD)

## Achieved Results

- On February 3, 2009 Gazprom Neft completed the acquisition of 51% of shares in Serbia's NIS
- Acquisition properties:
  - Purchase price of NIS A.D. - Euro 400 million
  - Financing an investment program (reconstruction and modernization) - Euro 547 million

- **NIS A.D.** is a vertically integrated oil company specializing in exploration and production of crude oil and natural gas as well as processing and marketing of crude oil and oil products
- **Increased refining capacity**
  - Capacity of NIS A.D. Refineries (Pancevo and Novi Sad) is 7.2 MM Tonnes per annum
- **Increased resource base**
  - NIS oil reserves (ABC1) amount to 142.2 MM Tonnes, 52.2 MM Tonnes of which are recoverable
  - In 2008, oil production equalled to 0.6 MM Tonnes
- **A leading supplier of oil products in the Serbian market, the company produces about 85% of domestically consumed oil products**
  - NIS has its own distribution chain of 485 gas stations and oil tank farms

Source: Company data

# Sibir Energy Overview

## Upstream business

**Reserves**

**- 120 MM Tonnes (C1 reserves)**

**Production**

**- 4.8 MM Tonnes in 2009E**

## Downstream business

**Moscow Refinery**

**(joint venture with Gazprom Neft )**

- **10 MM Tonnes of refining throughput**

**(capacity 12 MM Tonnes )**

- **133 filling stations**
- **One of the leading position in Moscow and Moscow region market of oil products**