



# US GAAP Financial and Operating Results for the First Quarter 2010

May 25, 2010

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.

Forward-looking statements include, among other things, statements concerning the potential exposure of Gazprom Neft to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "objectives", "outlook", "probably", "project", "will", "seek", "target", "risks", "goals", "should" and similar terms and phrases. There are a number of factors that could affect the future operations of Gazprom Neft and could cause those results to differ materially from those expressed in the forward-looking statements included in this presentation, inclusively (without limitation): (a) price fluctuations in crude oil and oil products; (b) changes in demand for the Company's products; (c) currency fluctuations; (d) drilling and production results; (e) reserve estimates; (f) loss of market and industry competition; (g) environmental and physical risks; (h) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; (i) economic and financial market conditions in various countries and regions; (j) political risks, project delay or advancement, approvals and cost estimates; and (k) changes in trading conditions.

All forward-looking statements contained in this presentation are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on these forward-looking statements. Each forward-looking statement speaks only as of the date of this presentation. Neither Gazprom Neft nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information.



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Deputy Chairman of the Management Board and CFO



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Head of Strategic Planning Department

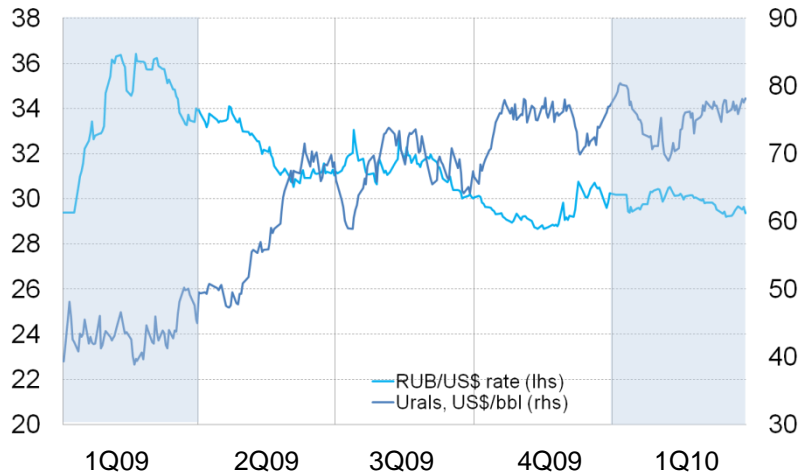
- Increased Q1 2010 production 9.4% vs.Q1 2009 to 12.8 Mmtoe
- Expanded refining\* throughput 21.4% Y-o-Y
- Acquired Malka Oil upstream assets
- “G-Energy” new motor oil brand launched
- Best financial disclosure – IR Global Ranking award

- Macroeconomics
- Results of Operations
- Financial
- Q & A
- Appendix

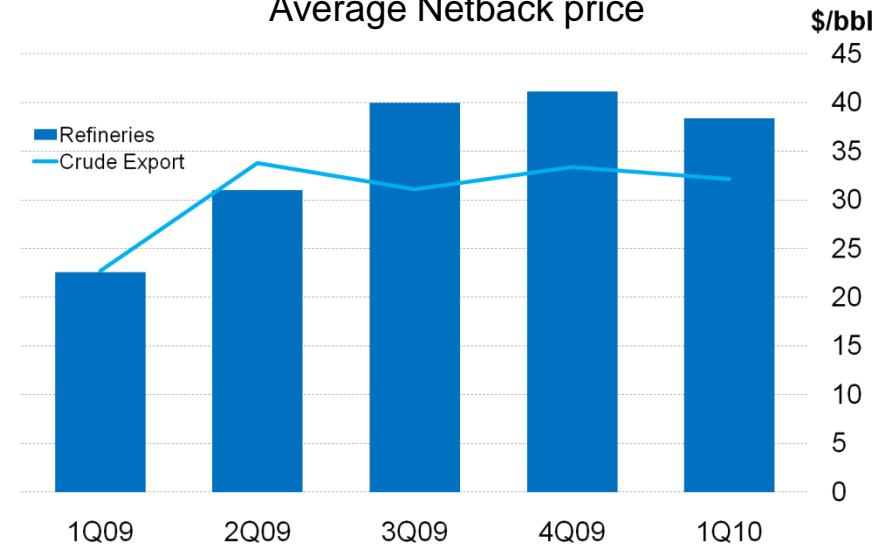
# Macroeconomics

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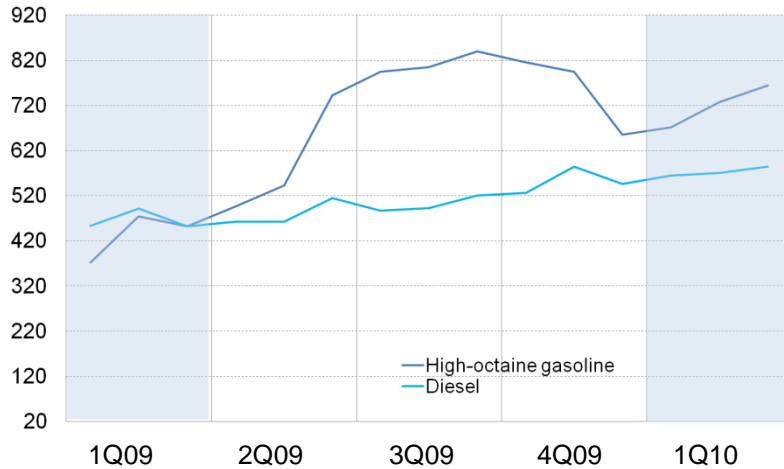
### Urals price Vs. Fx



### Average Netback price



### Domestic product prices



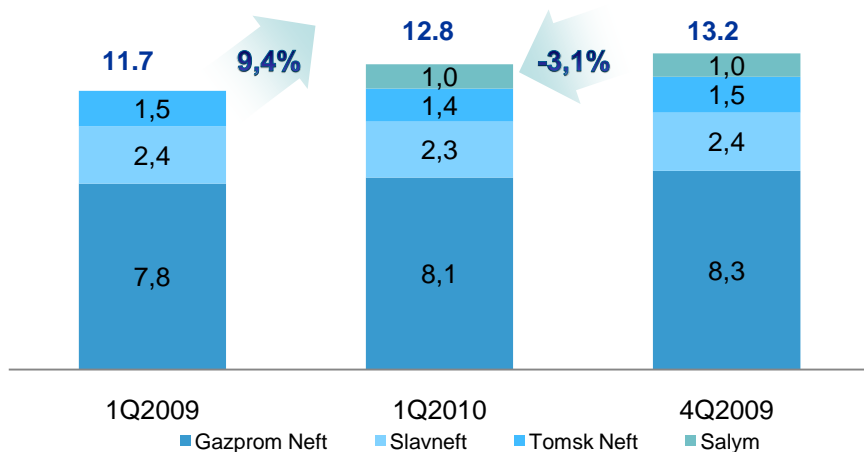
	Y-o-Y	Q-o-Q
▪ Average Urals price	+72%	+2%
▪ Crude export duty	+136%	+7%
▪ Rub/US\$ rate	-12%	+1%
▪ Average Crude export netbacks	+42%	-4%
▪ Average Refining netbacks	+70%	-7%

## Operational performance:

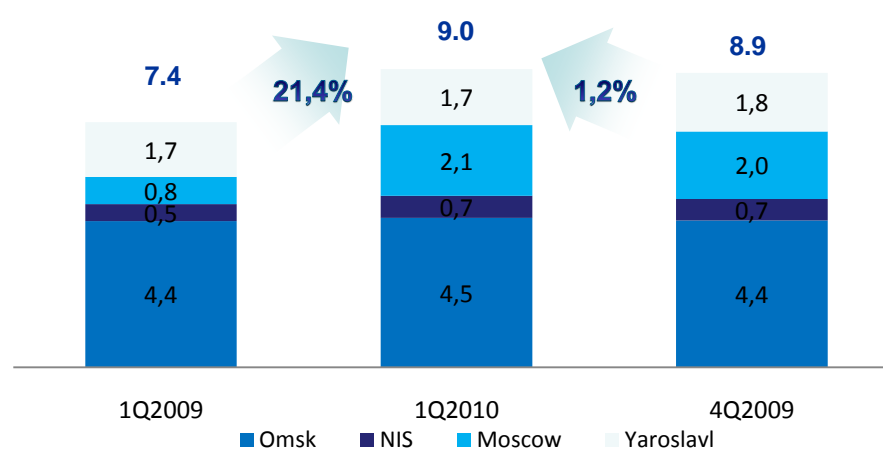
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Managing structural advantages for optimal returns

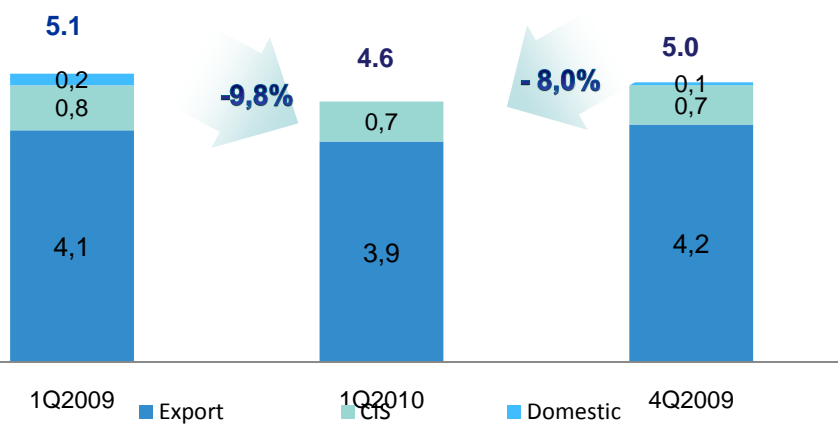
## Crude Output (MM toe)



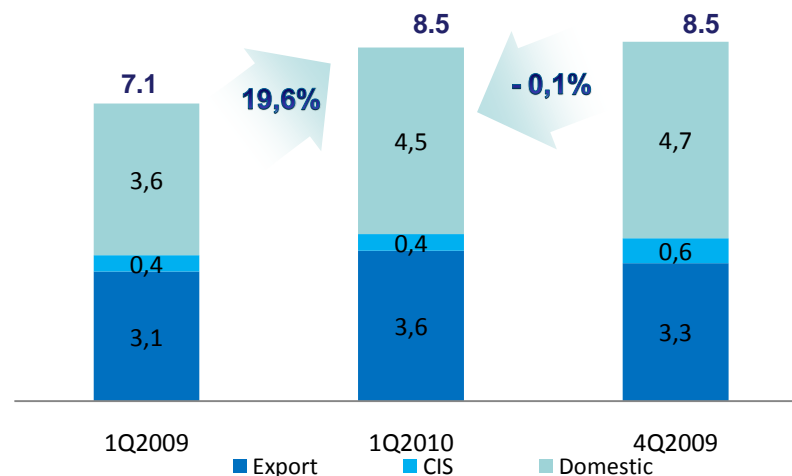
## Refining (MM tones)



## Crude Oil sales (MM tones)

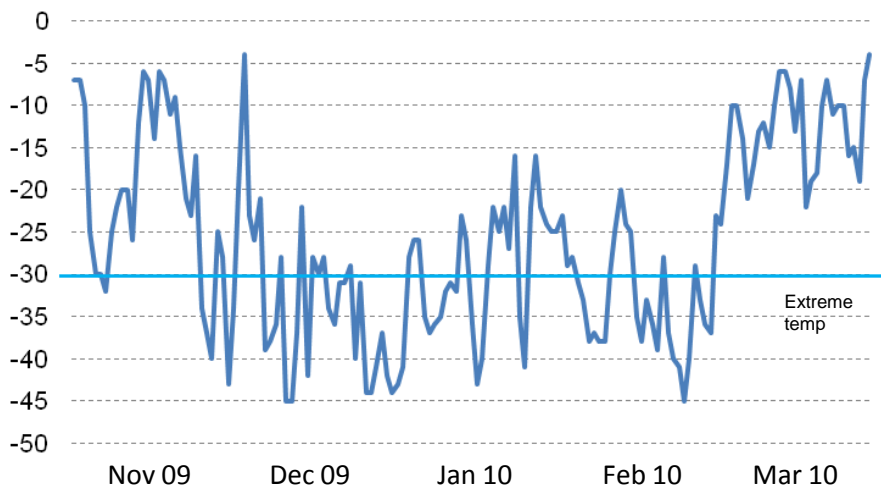


## Petroleum products sales (MM tones)



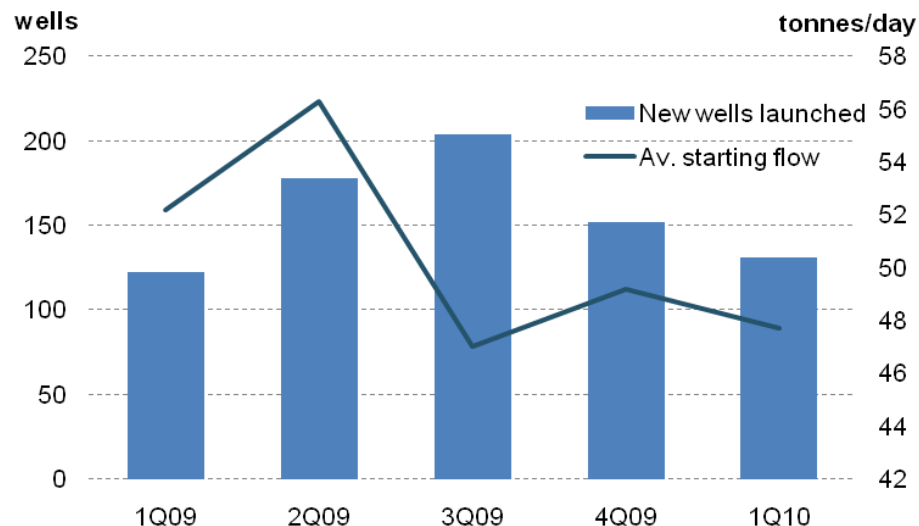
# Abnormally low temperatures set back oilfield development

## Temperature in Noyabrsk Region



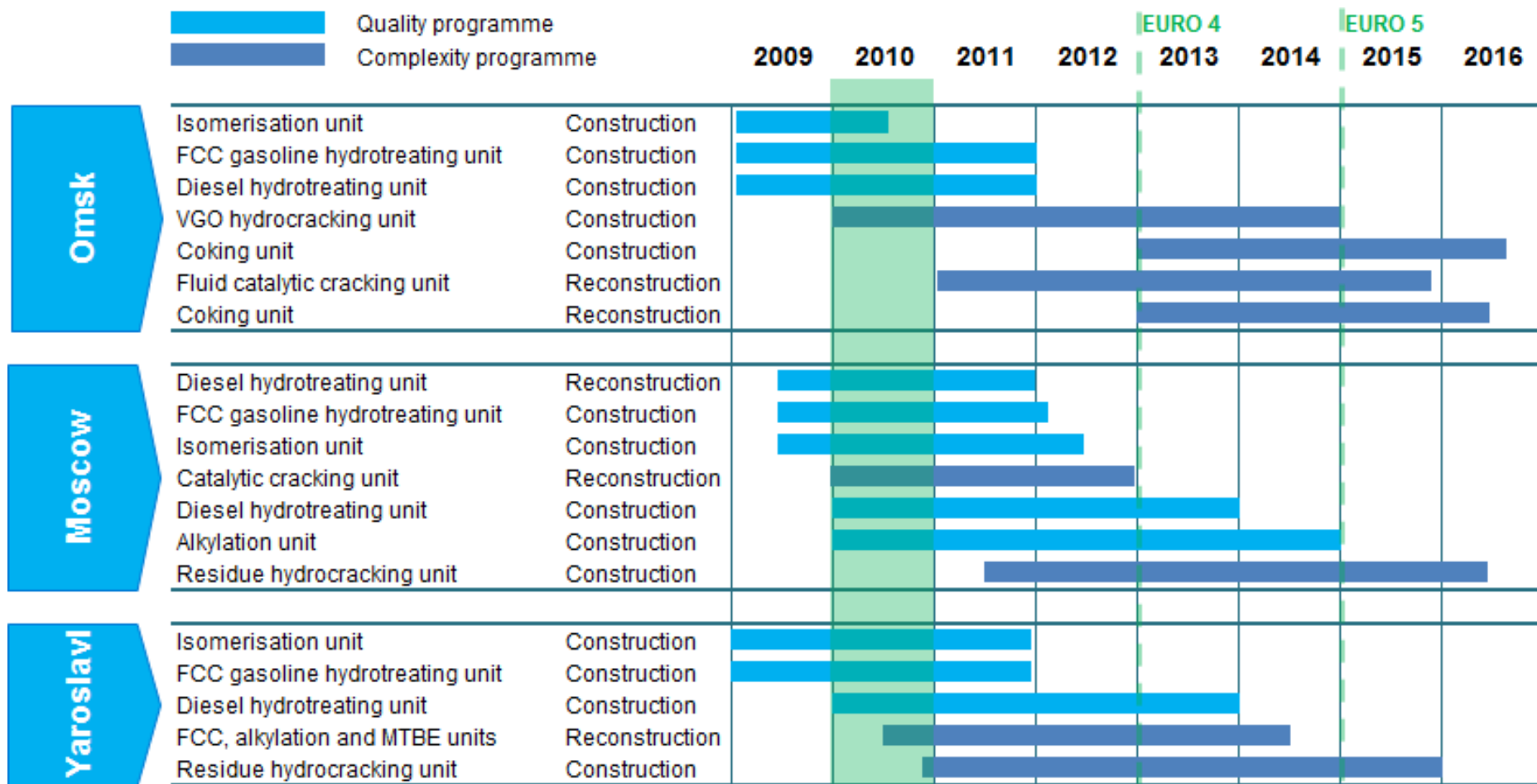
- Temperatures fall below -30C from December 2009 till March 2010
- This leads to decrease in development works that stimulate future production rate

## New wells launched and average starting flow



- Decline in main operations at own fields Q-o-Q :
  - -21 new wells launched
  - -5 hydrofracturings
  - -7 deepenings & sidetracks

# 2010 plays important role in strategic Refinery modernisation programme



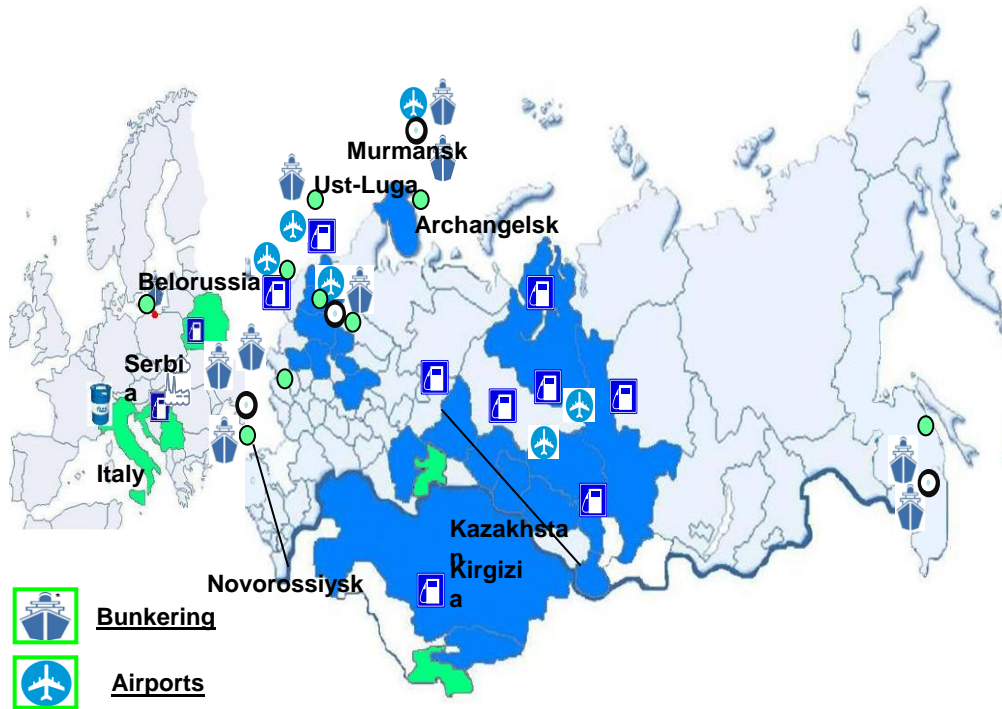
Total Refining upgrade Capex for 2010 is estimated at US\$ 668 mln, including: US\$ 487 mln for quality programme and US\$ 17 mln for complexity programme

# New Retail Brand: Bringing the Idea to Life...

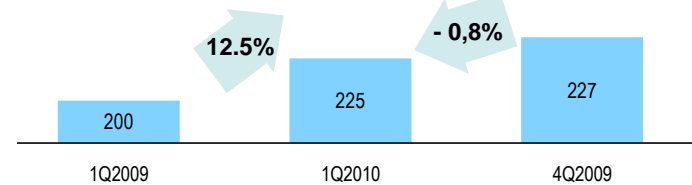


## Rebranding Campaign Key Figures

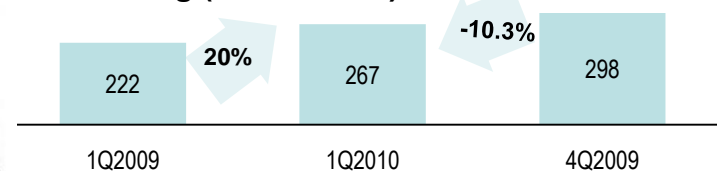
	2009	2010	2011	2012	Total
Number of rebranded filling stations	208 Full implementation	320	279	362	1169
	179 Limited implementation	245	176	37	
Average volume turnover (th.t/ day)	8,8	9,0	9,6	10,5	



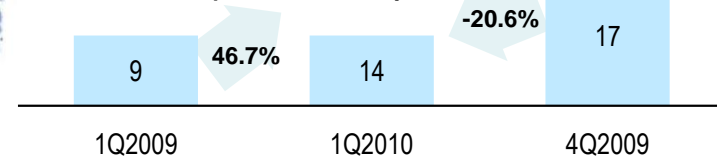
## Aero fuelling ('000 tonnes)



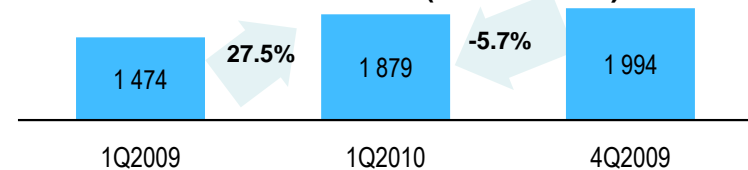
## Bunkering ('000 tonnes)



## Lubricants ('000 tonnes)



## Retail + small wholesale ('000 tonnes)



- Seasonal drop in premium channels sales in 1Q 2010
- Aero fuelling –new fueling terminal in Moscow (Sheremetievo) – construction-in-progress
- Lubricants- New International G-Energy brand launched
- Retail network - At the end of March 2010 own retail network (including NIS and Sibir) totaled 1 567 gas stations

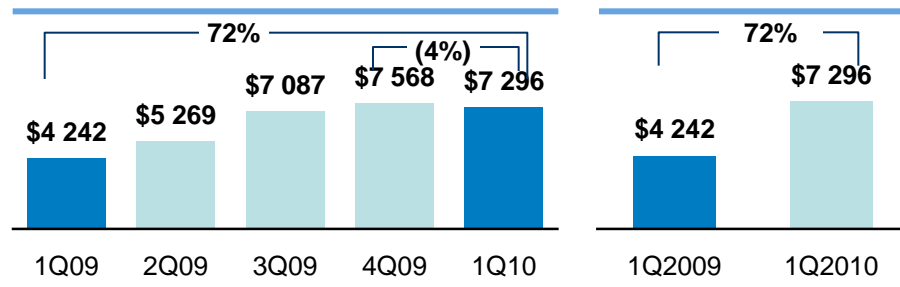
# Financials

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**Integrated business model and superior execution generate solid results**

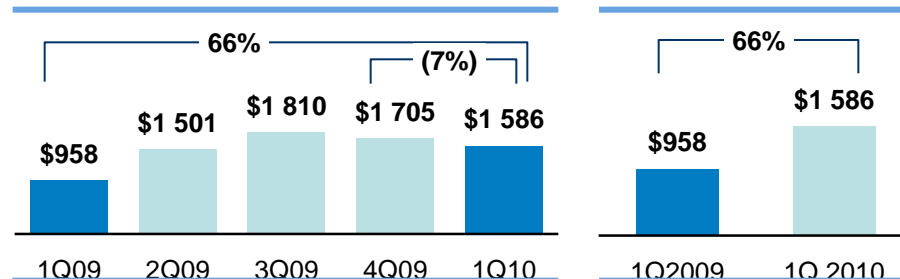
# Gazprom Neft's key financials, \$ mln

## Revenues



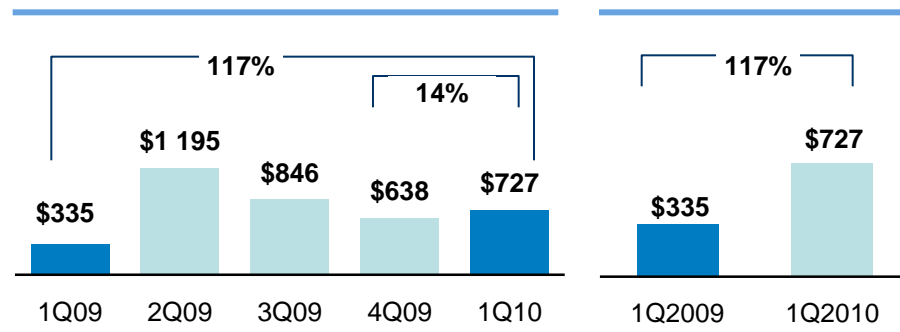
- Oil price fluctuations drove Revenues up Y-o-Y
- Decline in volumes slightly influenced the decrease of quarterly revenues

## EBITDA\*



- The Y-o-Y EBITDA increase was tempered by the real strengthening of the ruble against the USD, higher tax payments and growth of transportation tariffs
- Decrease in volumes and netbacks played negative role in Q-o-Q EBITDA growth

## Net Income

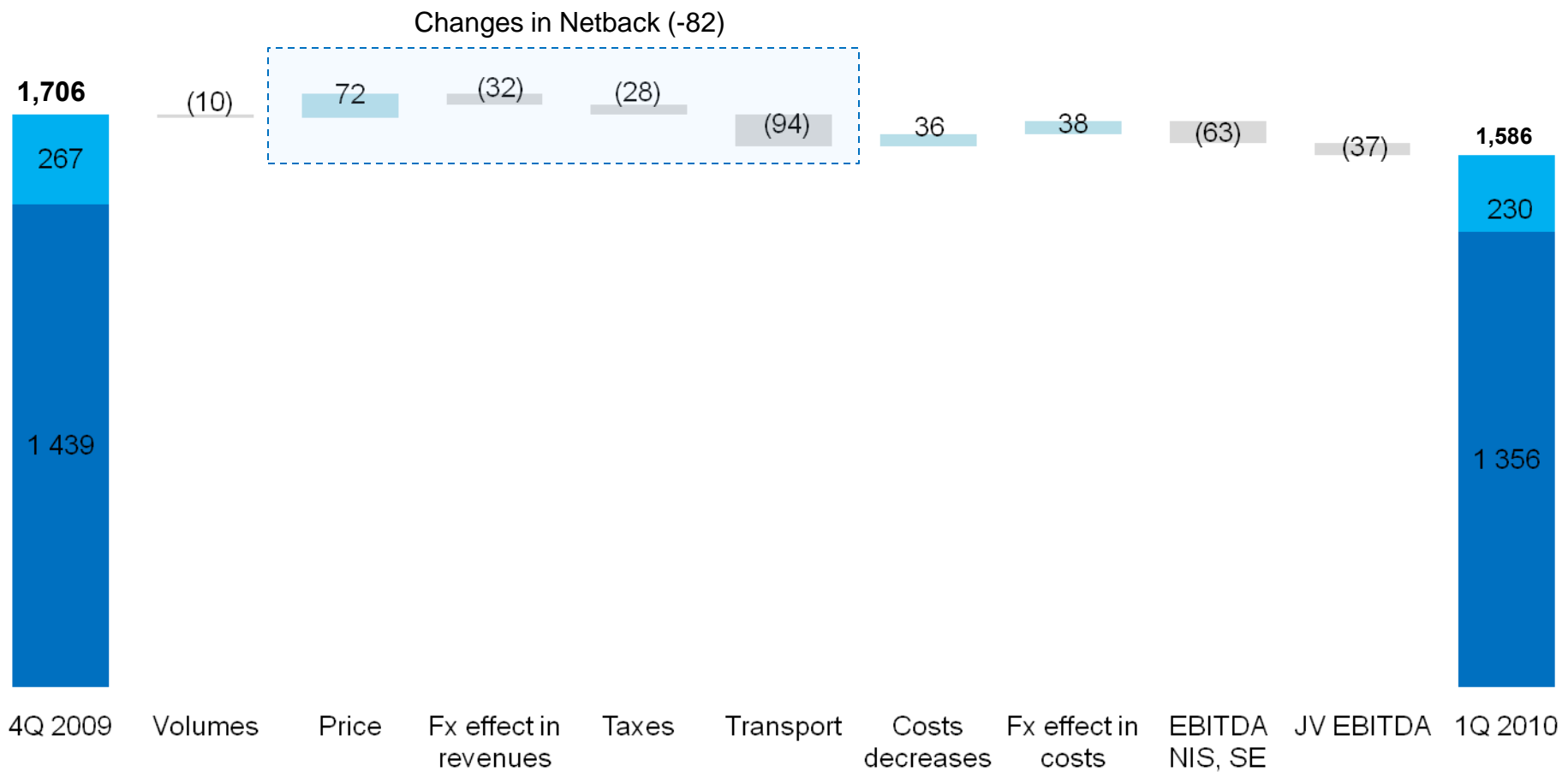


- The higher Y-o-Y net income growth was mainly due to the considerable foreign exchange loss in 1Q 2009.
- 1Q10 net income was up 14% vs. 4Q2009 due to exceptional non-cash items occurred in 4q 2009

# EBITDA reconciliation

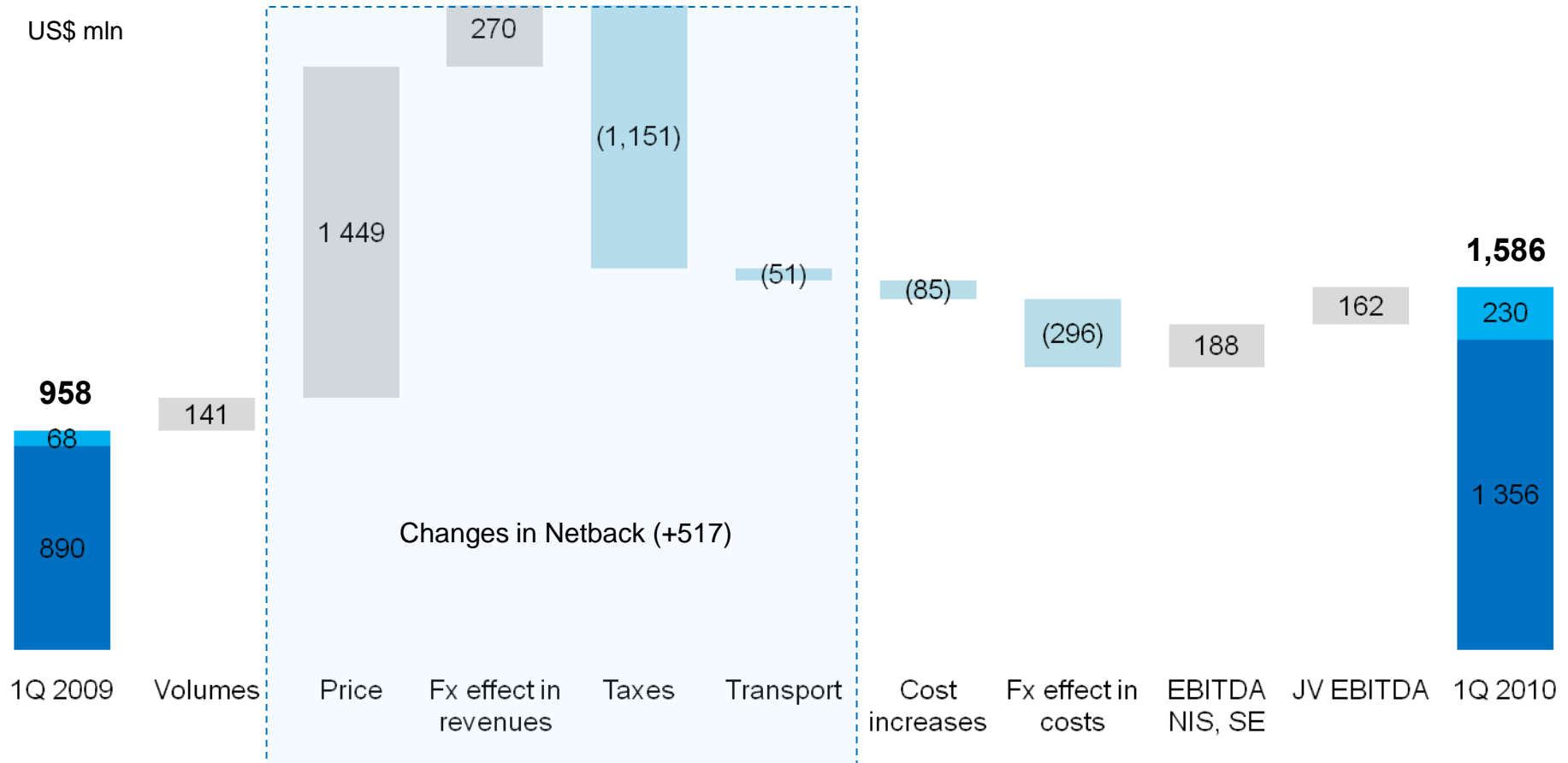
1Q2010 vs. 4Q2009

US\$ mln

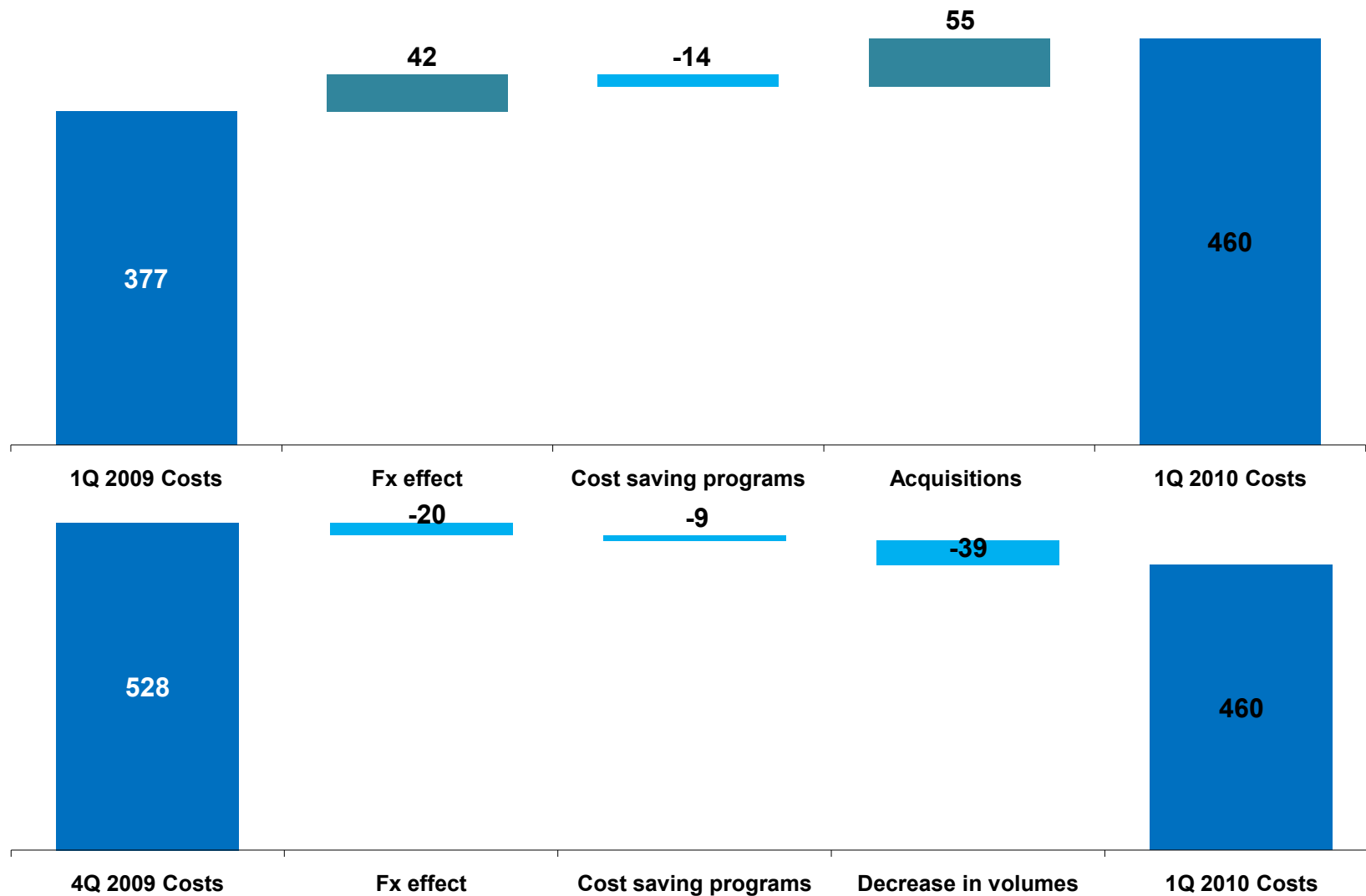


# EBITDA reconciliation

1Q2010 vs. 1Q2010

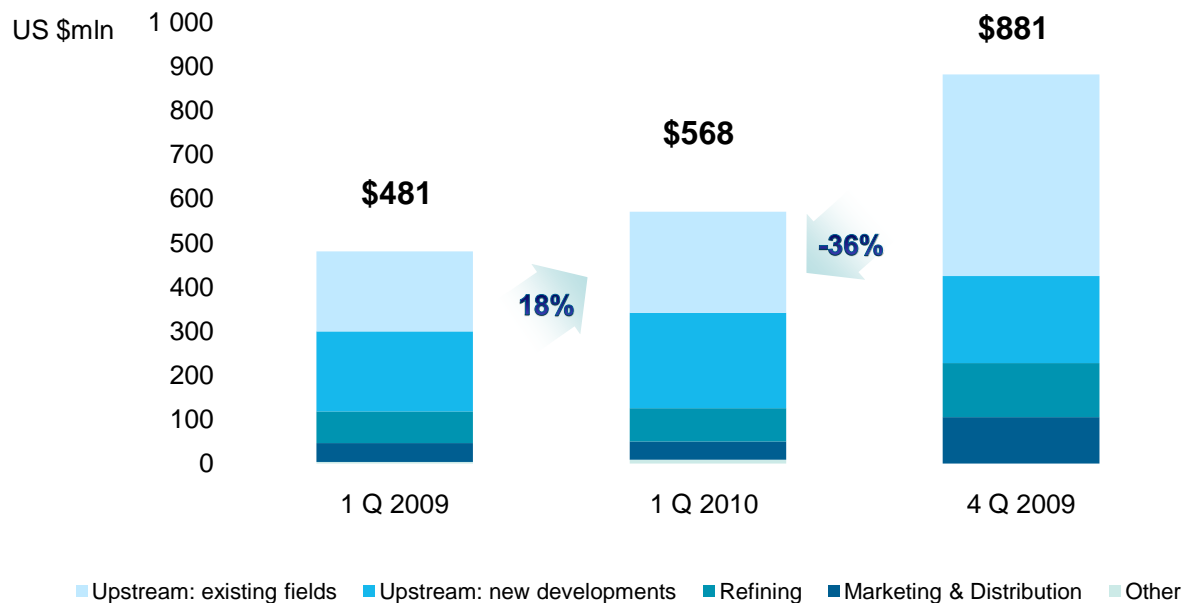


# Costs dynamics



# Organic Capex Breakdown

## Capex Dynamics, \$ mln



-1Q10 CAPEX is 18% up that in 1Q09 due to the increase in the Company's investment program for 2010 and Ruble appreciation.

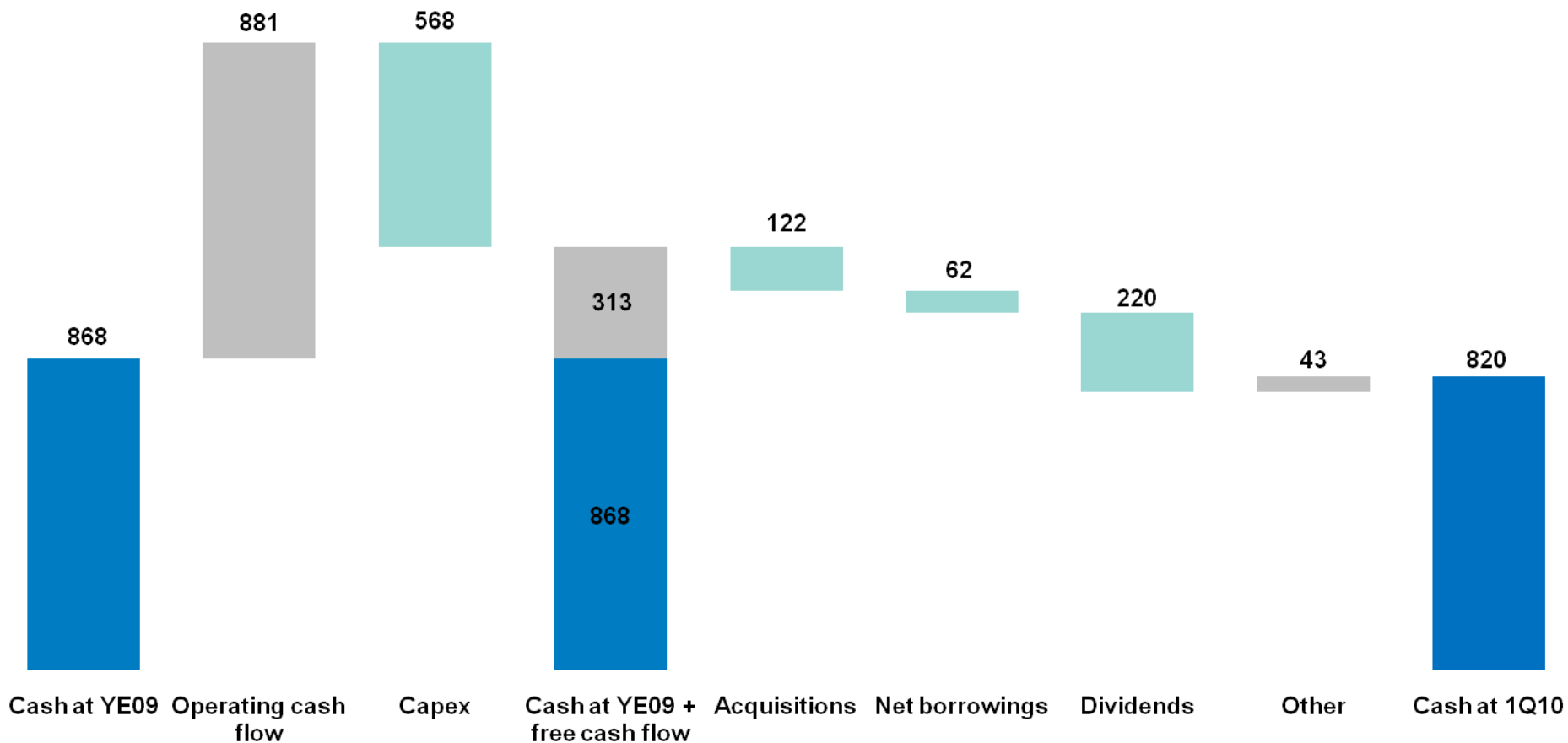
-1Q10 upstream CAPEX decrease vs. 4Q09 was due RUB depreciation again USD as well as decrease in the drilling volumes due to extremely low temperatures

- The decrease in Downstream capital expenditures in 1Q10 vs. 4Q09 occurs mainly due to seasonal factors

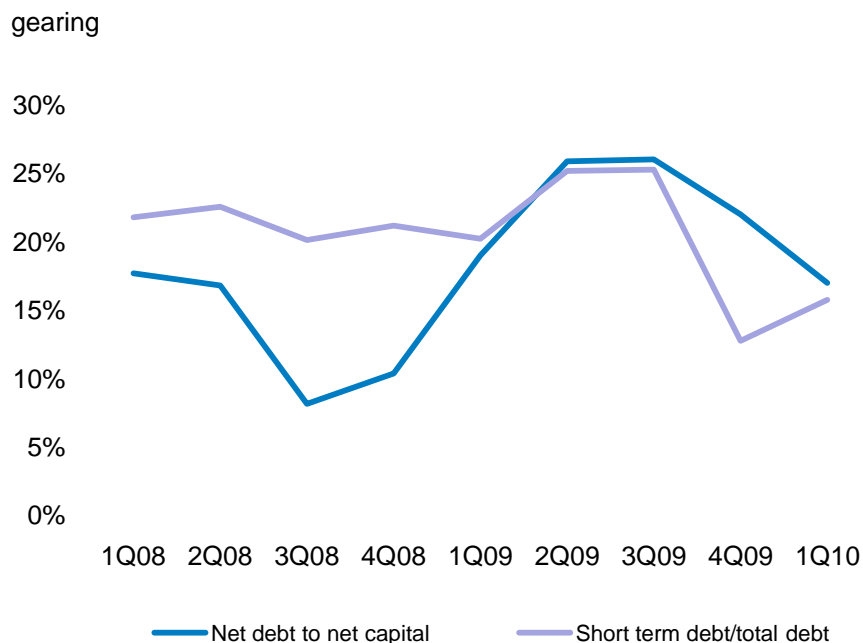
	1Q09	1Q10	4Q09
<b>Upstream</b>	\$6.71/bbl	\$7.93/bbl	\$11.38/bbl
<b>Brown Fields</b>	\$4.49/Bbl	\$6.02/Bbl	\$11.33/bbl
<b>Green Fields</b>	\$13.28/Bbl	\$12.23bbl	\$11.50/bbl

## Cash reconciliation: 1Q 2010 vs. YE 2009

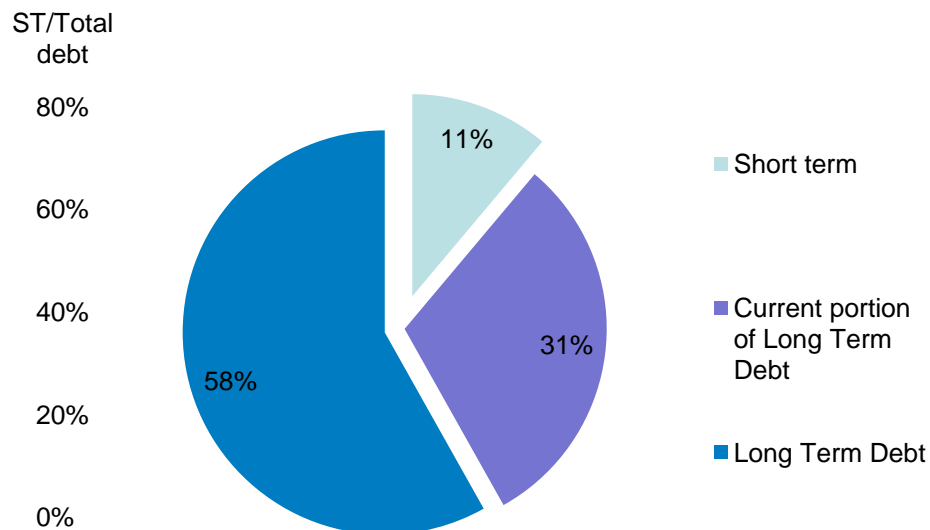
US\$ mln



## Debt to capital ratio and maturity mix



## Debt portfolio as of 30/03/2010



- Debt balance shifted toward long term debt
- Company debt/EBITDA target < 1.5

- Gazprom Neft going forward to transfer its short term obligations to long term

- Sustain production levels of mature fields by applying industry best practice technology
- Increase Priobskoye production 9% Y-o-Y
- Salym Petroleum production increase 3% Y-o-Y
- Execute Cenomanian gas developments for 2011 startup
- Transfer Gazprom's Novoport and Orenburg oil fields to Gazprom Neft
- Prepare for development of Novoport and Messoyakha fields
- Invest in quality and complexity at all refineries
- Continue and intensify rebranding and integration of the retail network
- Oilfield services spin off and potential sale of assets
- Finalize international agreements and build international management team

# IR Global Rankings award : Best financial disclosure in Oil & Gas globally



## Раскрытие финансовой информации / Европа:

1. EDP – Energias de Portugal
2. Telekom Austria
3. BASF
4. GazpromNeft
5. Turkcell

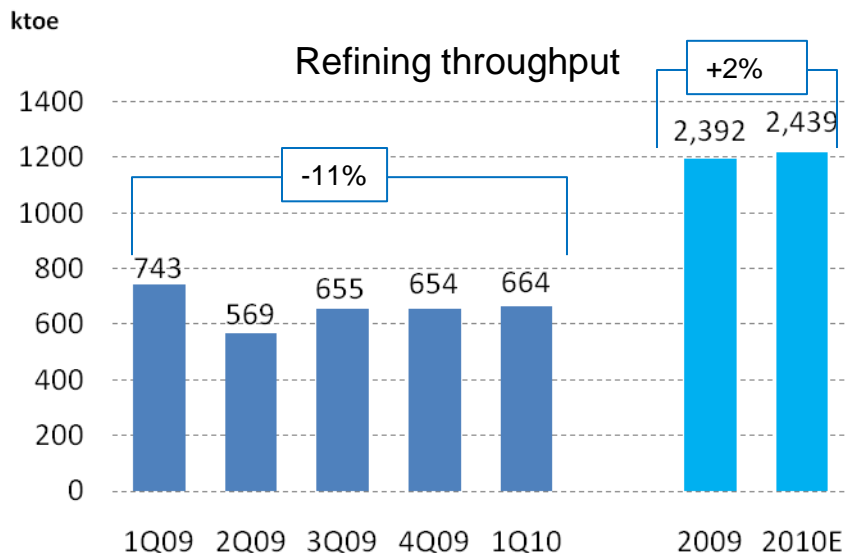
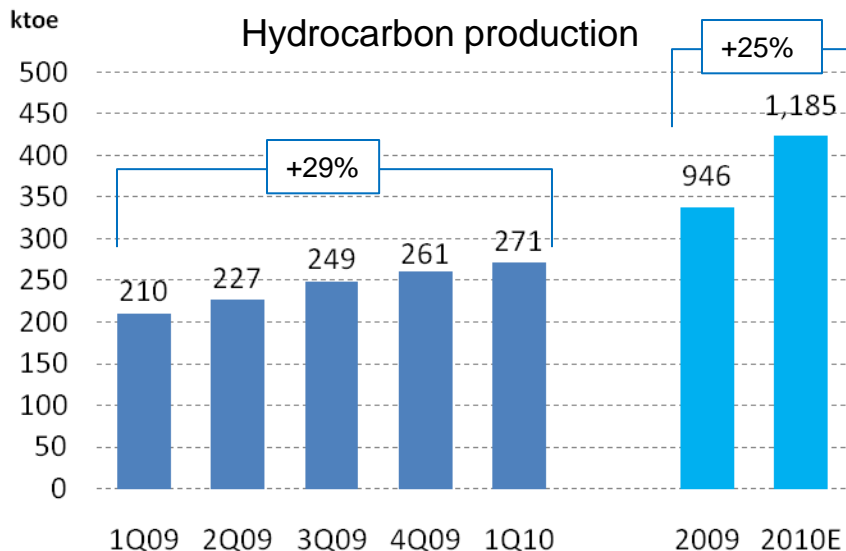
## Нефтегазовые компании

Номинация	Победители
IR сайт	Neste Oil
Онлайн-годовой отчет	Nexen
Раскрытие финансовой информации	GazpromNeft /Southwestern Energy
Корпоративное управление	Royal Dutch Shell

# Appendix

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## 1Q 2010 key developments:

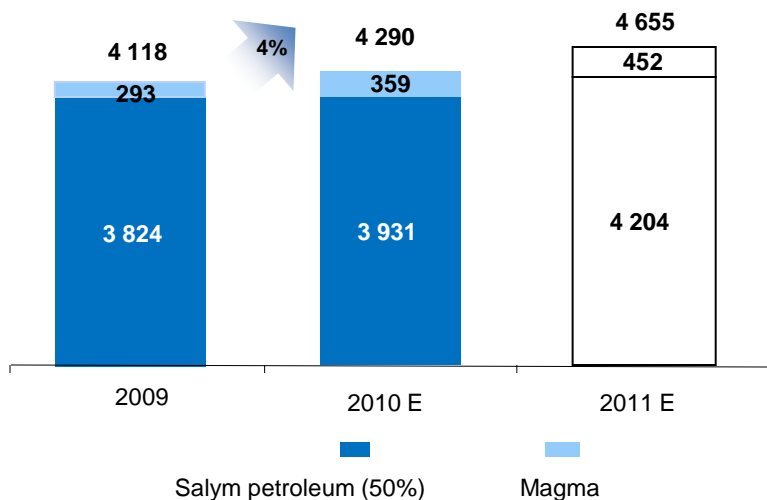
- Production growth 29% (Y-o-Y)  
4% (Q-o-Q)
- Refining growth -11% (Y-o-Y)  
2% (Q-o-Q)
- Euro diesel sales growth 36% (Y-o-Y)
- Partial sale of Government stake to Serbian citizens



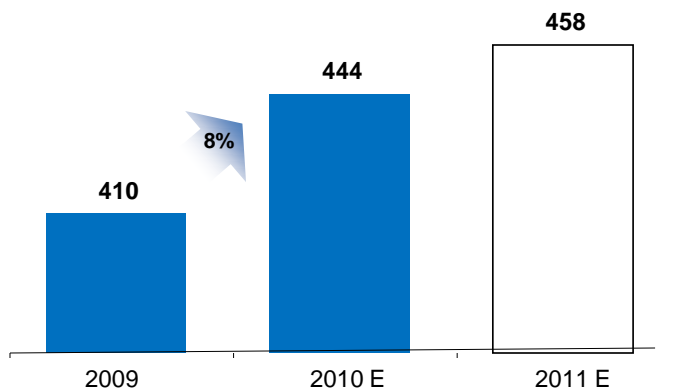
## Main targets for 2010:

- Production – 1,185 ktoe
- Refining – 2,417 ktoe
- Euro diesel production growth
- NIS shares start trading at Serbian Stock Exchange

## Oil production dynamics, thou. Tones



## Oil products retail sales, thou. Tones



## Strategic goals 2010-2012

**Increase in retail sales**

**Increase in efficiency of oil and oil products sales**

**Investments in production growth  
New technologies development**

**Stable and effective company management**



Other accounting reclassifications

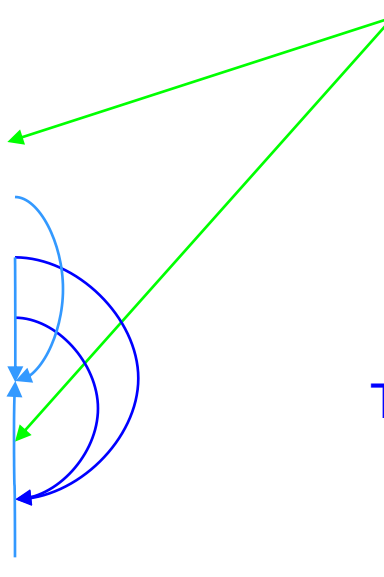
1Q2009	
Revenues	4,242 (+57)
Cost of purchased oil, gas, petroleum products	819 (-27)
Operating expenses	377 (-44)
Selling, general and administrative expenses	271 (-11)
Transportation expenses	447 (+65)
Export duties	640 (+57)
Taxes other than income taxes	673 (+19)
Cost of other sales	82 (-2)

Export duty  
Gross up

Transportations  
costs

Unified Social  
Tax reclassification



bbbl	barrel
boe	barrel of oil equivalent
tonne	metric ton
toe	tonnes of oil equivalent
MMbbbl	million barrels
MMboe	million barrels of oil equivalent
MMTonnes	million tonnes
MMtoe	million tonnes of oil equivalent
kbpd	thousand barrels per day
kboepd	thousand barrels of oil equivalent per day
ktpd	thousand tonnes per day
tpa	tonnes per year
bcm	billion cubic metres
bcf	billion cubic feet

For additional definitions:

<http://ir.gazprom-neft.com/>

## Crude Oil

	1Q09	2Q09	3Q09	4Q09	1Q10		1Q09	2Q09	3Q09	4Q09	1Q10	
Gazprom Neft (own)	7.263	7.421	7.648	7.581	7.292		53	54	56	55	54	
Magma	-	0.013	0.076	0.071	0.064	MMTonnes	MMbbl	-	-	1	1	0
NIS	0.116	0.183	0.198	0.207	0.217			1	1	1	2	2
Share in Slavneft	2.340	2.347	2.393	2.366	2.277			17	17	18	17	17
Share in Tomskneft	1.352	1.386	1.363	1.334	1.269			10	10	10	10	10
Share in SPD*	-	0.075	0.932	0.977	1.024			-	1	7	7	7
<b>Total Gazprom Neft Group</b>	<b>11.071</b>	<b>11.425</b>	<b>12.610</b>	<b>12.536</b>	<b>12.144</b>		<b>81</b>	<b>84</b>	<b>92</b>	<b>92</b>	<b>90</b>	

## Marketable Gas

	1Q09	2Q09	3Q09	4Q09	1Q10		1Q09	2Q09	3Q09	4Q09	1Q10	
Gazprom Neft (own)	0.500	0.399	0.404	0.540	0.550		18	14	14	19	19	
Magma	-	0,001	0,005	0,005	0,004	bcm	bcf	-	-	-	-	-
NIS	0,035	0,055	0,063	0,067	0,067			1	2	2	2	2
Share in Slavneft	0,090	0,095	0,094	0,096	0,086			3	3	3	3	3
Share in Tomskneft	0,169	0,184	0,138	0,215	0,147			6	7	5	8	5
Share in SPD*	-	-	-	-	-			-	-	-	-	-
<b>Total Gazprom Neft Group</b>	<b>0,794</b>	<b>0,735</b>	<b>0,703</b>	<b>0,923</b>	<b>0,855</b>		<b>28</b>	<b>26</b>	<b>25</b>	<b>33</b>	<b>30</b>	

## Refining throughput

		1Q09	2Q09	3Q09	4Q09	1Q10		1Q09	2Q09	3Q09	4Q09	1Q10
Omsk	<b>MMToe</b>	4.40	4.88	4.74	4.42	4.50	<b>MMbboe</b>	32.2	35.8	34.7	32.4	33.0
Moscow		0.82	0.88	2.06	2.03	2.13		6.0	6.5	15.1	14.8	15.5
NIS		0.51	0.57	0.66	0.65	0.66		3.8	4.2	4.8	4.8	4.9
Share in Yaroslavl		1.65	1.57	1.86	1.76	1.68		12.1	11.5	13.6	12.9	12.3
<b>Total Gazprom Neft Group</b>		<b>7.38</b>	<b>7.90</b>	<b>9.31</b>	<b>8.86</b>	<b>8.96</b>		<b>54.1</b>	<b>58.0</b>	<b>68.2</b>	<b>64.9</b>	<b>65.7</b>

## Conversion rate

		1Q09	2Q09	3Q09	4Q09	1Q10
Omsk	<b>%</b>	86	86	90	85	83
Moscow		70	72	80	67	69
NIS		-	-	-	-	68
Yaroslavl		63	67	67	66	63

## Light Products Yield

		1Q09	2Q09	3Q09	4Q09	1Q10
Omsk	<b>%</b>	72	68	70	69	69
Moscow		58	59	58	59	58
NIS		-	-	-	-	59
Yaroslavl		57	57	57	57	56

<i>Sales Volumes</i>		1Q09	2Q09	3Q09	4Q09	1Q10
<b>Oil</b>						
Export (excl. CIS)	MMbbl	29.8	25.7	27.9	30.8	28.6
CIS	MMbbl	6.0	5.9	7.3	5.1	5.2
Domestic	MMbbl	1.6	0.4	0.7	0.4	0
<b>Total</b>	<b>MMbbl</b>	<b>37.4</b>	<b>32.0</b>	<b>35.9</b>	<b>36.3</b>	<b>33.8</b>
Export (excl. CIS)	MMTonnes	4.1	3.5	3.8	4.2	3.9
CIS	MMTonnes	0.8	0.8	1.0	0.7	0.7
Domestic	MMTonnes	0.2	0.2	0.1	0.1	0
<b>Total</b>	<b>MMTonnes</b>	<b>5.1</b>	<b>4.5</b>	<b>4.9</b>	<b>5.0</b>	<b>4.6</b>
<b>Gas</b>	<b>bcm</b>	<b>1.0</b>	<b>0.8</b>	<b>0.8</b>	<b>0.9</b>	<b>1.7</b>
<b>Petroleum products</b>						
Export (excl. CIS)	MMTonnes	3.1	3.4	3.4	3.3	3.7
CIS	MMTonnes	0.4	0.6	0.6	0.6	0.4
Domestic	MMTonnes	3.6	4,0	5.2	4.7	4.5
<b>Total</b>	<b>MMTonnes</b>	<b>7.1</b>	<b>8.0</b>	<b>9.2</b>	<b>8.6</b>	<b>8.6</b>

## Retail network (avg.)

		1Q09	2Q09	3Q09	4Q09	1Q10
<b>Gazprom Neft</b>	<b>units</b>	<b>954</b>	<b>1002</b>	<b>1007</b>	<b>1032</b>	<b>1042</b>
Active	units	877	908	886	939	956
Russia	units	766	803	760	787	798
CIS (excl. Russia)	units	111	105	126	152	158
Europe	units	478	478	478	477	473
Non-operating	units	77	94	121	93	86
Russia	units	74	83	112	89	86
CIS (excl. Russia)	units	3	11	9	4	-
Europe	units	14	14	14	14	-
<b>Franchise</b>	<b>units</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Russia	units	-	-	-	-	-
Europe	units	-	-	-	-	-

## Average daily sales per site by region

		1Q09	2Q09	3Q09	4Q09	1Q10
Central	tpd	7.6	8.7	9.5	9.2	8.8
North West	tpd	7.9	8.8	8.2	8.7	9.0
Urals	tpd	10.0	10.5	12.2	12.0	9.5
Southern	tpd	-	-	-	-	-
Volga Region	tpd	8.3	9.0	12.6	13.8	13.6
Siberian	tpd	8.0	8.2	9.2	9.2	8.6
Far East	tpd	-	-	-	-	-
<b>Total Russia</b>	<b>tpd</b>	<b>8.3</b>	<b>8.7</b>	<b>9.8</b>	<b>9.7</b>	<b>9.0</b>
CIS	tpd	5.4	6.2	7.5	6.7	5.5
Europe (NIS)	tpd	3.3	3.3	3.5	3.1	2.5