

ROSNEFT INVESTOR DAY LONDON



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April 23, 2013



2012: Another Successful Year

131%

- **Reserve replacement**

Well above industry average

4.5%

- **Production growth**

Increased output at new and maintained production plateau of existing fields

(5.4%)

- **Efficient cost control**

Reduced lifting costs per boe in real terms

35%

- **Stock price upturn**

2012 GDR price growth above global majors

270%

- **New level of dividends**

Payout ratio of 25% IFRS net profit approved



Key Highlights

- ▶ Record high crude production of **2.4 mln bbl per day**
- ▶ Breakthrough in gas business: JV with **Itera**, long-term contract with **INTER RAO UES**
- ▶ **16 refining units** built or upgraded since the start of the Refinery modernization program
- ▶ **12 more offshore licenses** secured size of France
- ▶ On track with **ExxonMobil, ENI, Statoil and CNPC** agreements
- ▶ Intergovernmental agreements on additional crude oil supplies to China
- ▶ 40% total **shareholder return** in 2012

Acquisition of TNK–BP successfully completed

Efficient Production



Rosneft

367

thbpd
production at
Vankor



309

thbpd
total production at
VIOC* greenfields

133

bpd
average flow
rate per well



65

bpd
average
in Russia

Rosneft

0.1%

Yugansk
y-o-y flat



(0.3)%

West Siberia**
y-o-y decline

\$2.9

per bbl
lifting costs



\$5.6

per bbl
average
in Russia

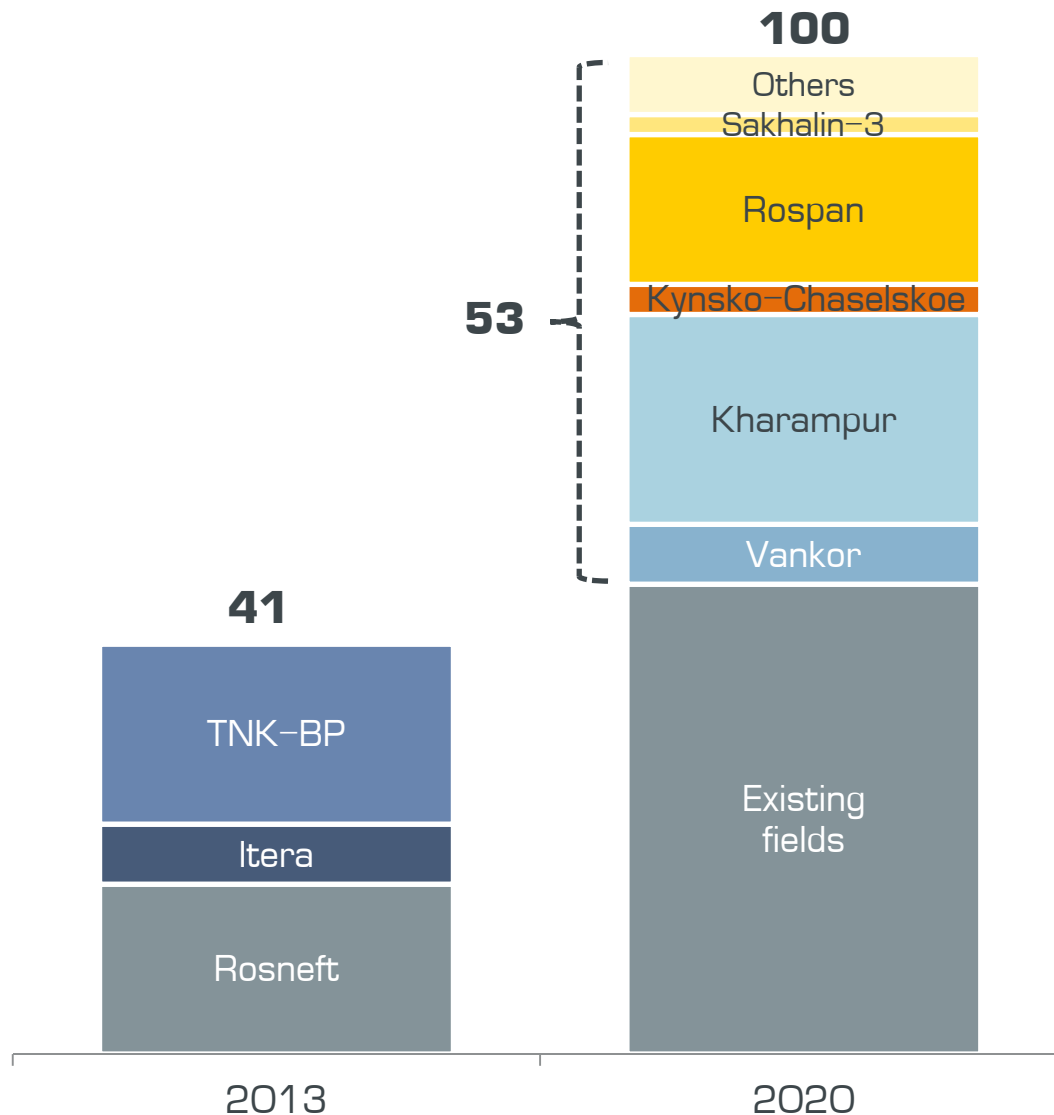
* Vertically Integrated Oil Companies

** Excluding Yugansk



Monetization of Gas

Gas production, bcm

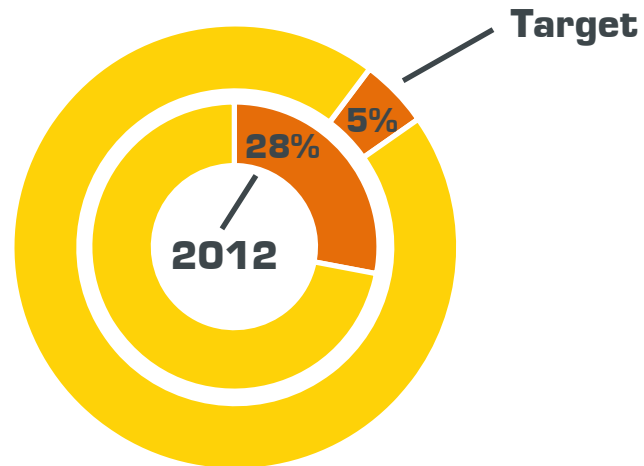


- ▶ Gas is **24%** of proved hydrocarbon reserves
- ▶ **Itera** JV provides access to unique regional **distribution network**
- ▶ Over **75%** of target gas production already contracted in 2017
- ▶ Long-term target gas share in production is **10-15%**

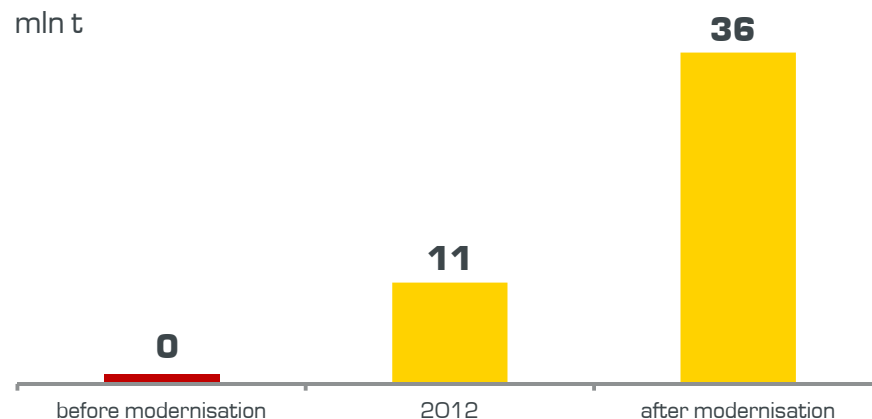


Refinery Modernization Program

Fuel oil in petroleum products output



Motor fuels comply with the Technical Regulation requirements



When completed:

- ▶ Euro-5 compliance
- ▶ Light product yield up from 56% to 80%
- ▶ Refining margin up from \$7.5 to \$11 per bbl
- ▶ Cost and quality control
 - Standard units at different refineries
 - Scale increases price tension among subcontractors
- ▶ **Further \$14 bln required for program completion**
- ▶ **16 refining units launched**



Progress on Strategic Partnerships



Russian offshore

Drilling candidate chosen in the Kara Sea. Drilling to start 2014

Tight oil

Pilot program accepted, finance up to USD 300 mln

International projects

Stake in US Gulf of Mexico projects and Cardium in Canada (with limited budget)



Russian offshore

4 license areas in the Barents Sea and the Sea of Okhotsk

Tight oil

Joint technical evaluation and development

Norwegian offshore

Joint bidding for offshore license blocks in Norwegian shelf



Russian offshore

Development of 3 license blocks in the Barents and Black Seas

Logistics & Trading

Synergies in logistic and infrastructure networks



Russian offshore

3 license areas in the Barents and Pechora Seas and several areas in Eastern Siberia

Crude oil supplies

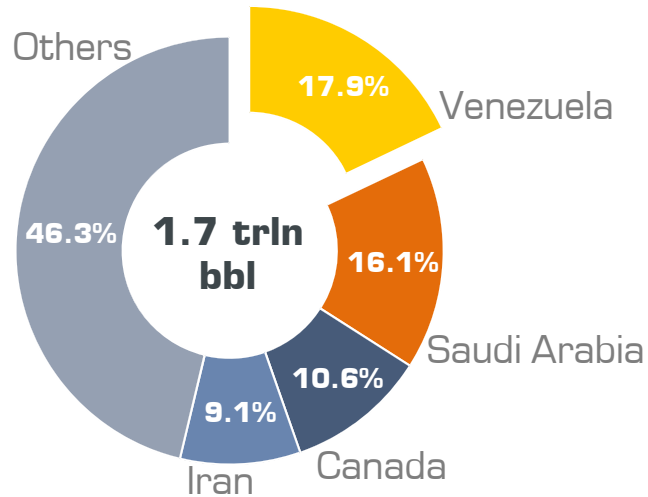
Heads of terms on crude supplies with prepayment

+ Others



Venezuela: Largest New Discoveries

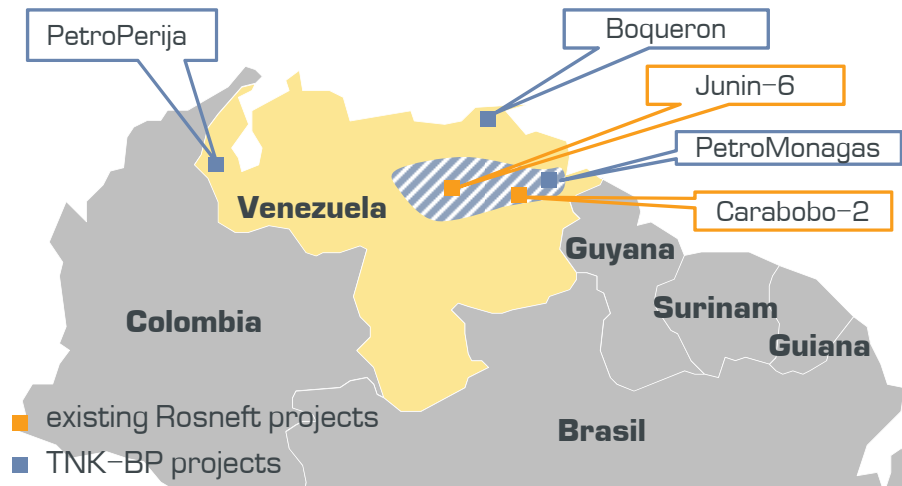
Proved oil reserves by countries



- ▶ Total Capex of \$10 bln over 10 years starting in 2–3 years
- ▶ Tax breaks depending on project payback
- ▶ Low lifting costs

- Carabobo-2 (40%):
- Junin-6 (24%):
- PetroMonagas (16,7%)
- Petroperija (40%)
- Boqueron (26,6%)

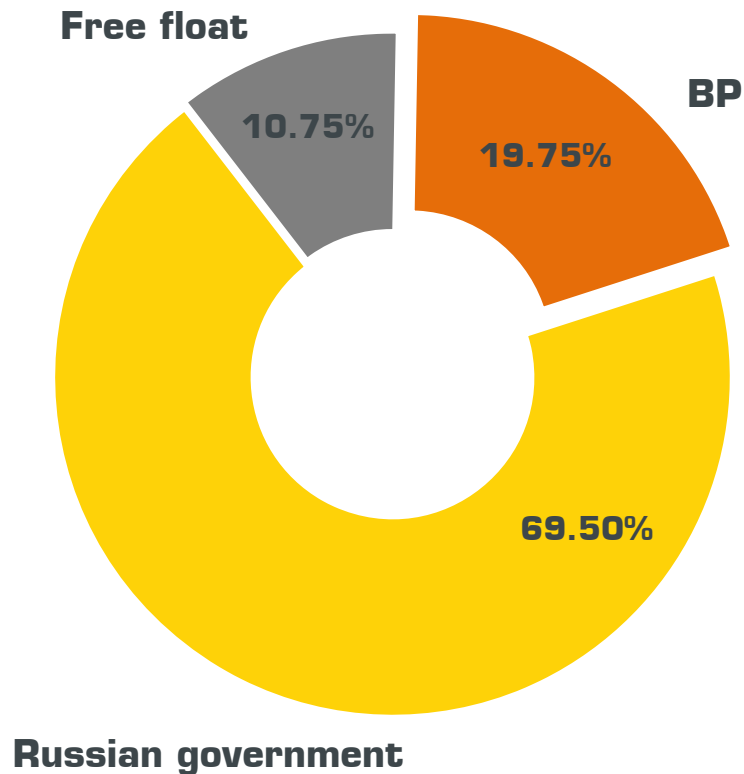
Rosneft assets in Venezuela





TNK-BP Acquisition

New shareholder structure



- ▶ The largest deal (\$55.3 bn) in the industry
- ▶ Rosneft is the largest public oil company
- ▶ Synergies exceeding \$10 bn
- ▶ BP ready to share industry insight and know-how
- ▶ Private shareholder base reached 30.5%

Strong Consolidated Metrics of the Companies



2012

\$ bn



Rosneft



100% in TNK-BP

Revenue	99.0	60.8
EBITDA	19.6	13.8
Net Income	11.0	8.5
Operating cash flow	16.6	13.2
Cash year end	12.6	4.6



Integration Process

- ▶ A steering committee, chaired by the CEO, coordinating HQ, secretariat and 21 working groups have been set up to integrate the two companies
- ▶ Robert Dudley (CEO of BP) joined the steering committee on TNK–BP integration and has been nominated to the Rosneft Board of Directors

Stage 1 (by April 1, 2013)

- joint operation, synergies identified
- Integration launched
- teams created

Stage 2 (100 days after Stage 1)

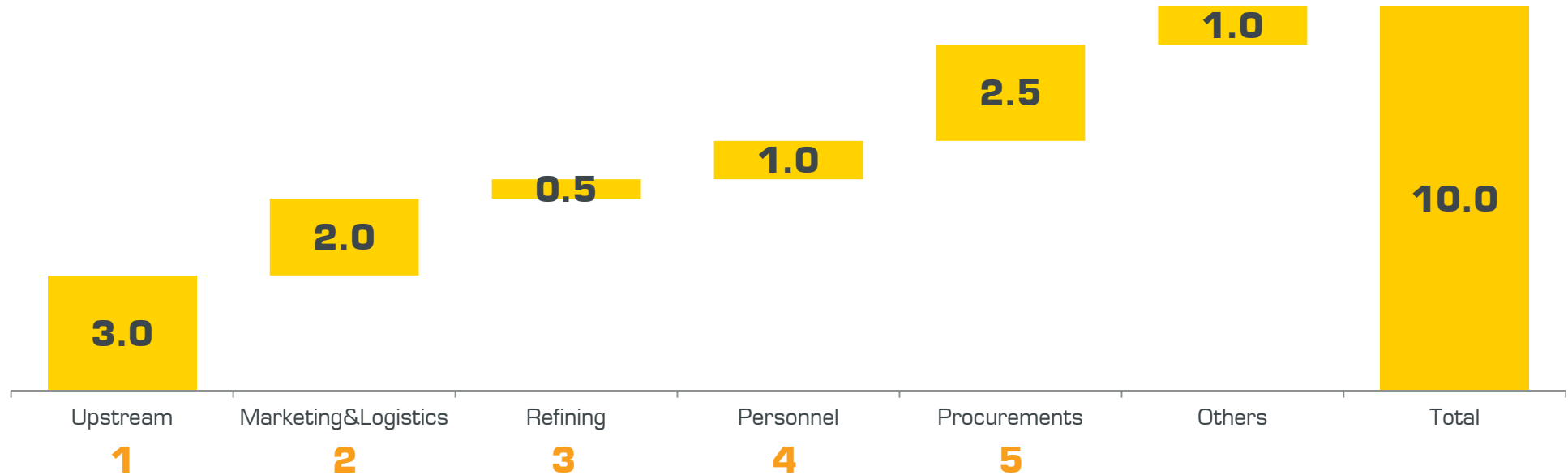
- integrated teams
- unified budgeting and planning

Stage 3 (by the end of 2013):

- medium and long term business plans developed and presented
- \$250 mln G&A savings



Synergies Total Value



1. Joint use of Vankor infrastructure, exploration portfolio optimization
2. Crude and petroleum products supply chains and filling station networks optimization
3. Optimizing project portfolio of refineries and gas processing plants to be upgraded, use of state of art technologies and best practices
4. G&A reduction, using qualifications of best industry professionals
5. Unification of purchase terms



Scale of Operations

9 overlapping regions in Upstream, 11 in Downstream



Rosneft Assets

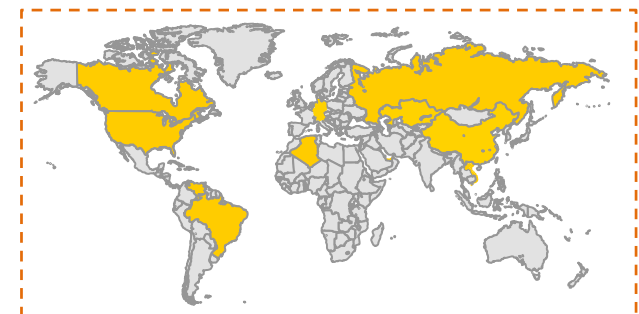
- Oil production
- Exploration
- Gas production
- Refineries

TNK-BP Assest

- Oil production
- Exploration
- Gas production
- Refineries

Itera Assets

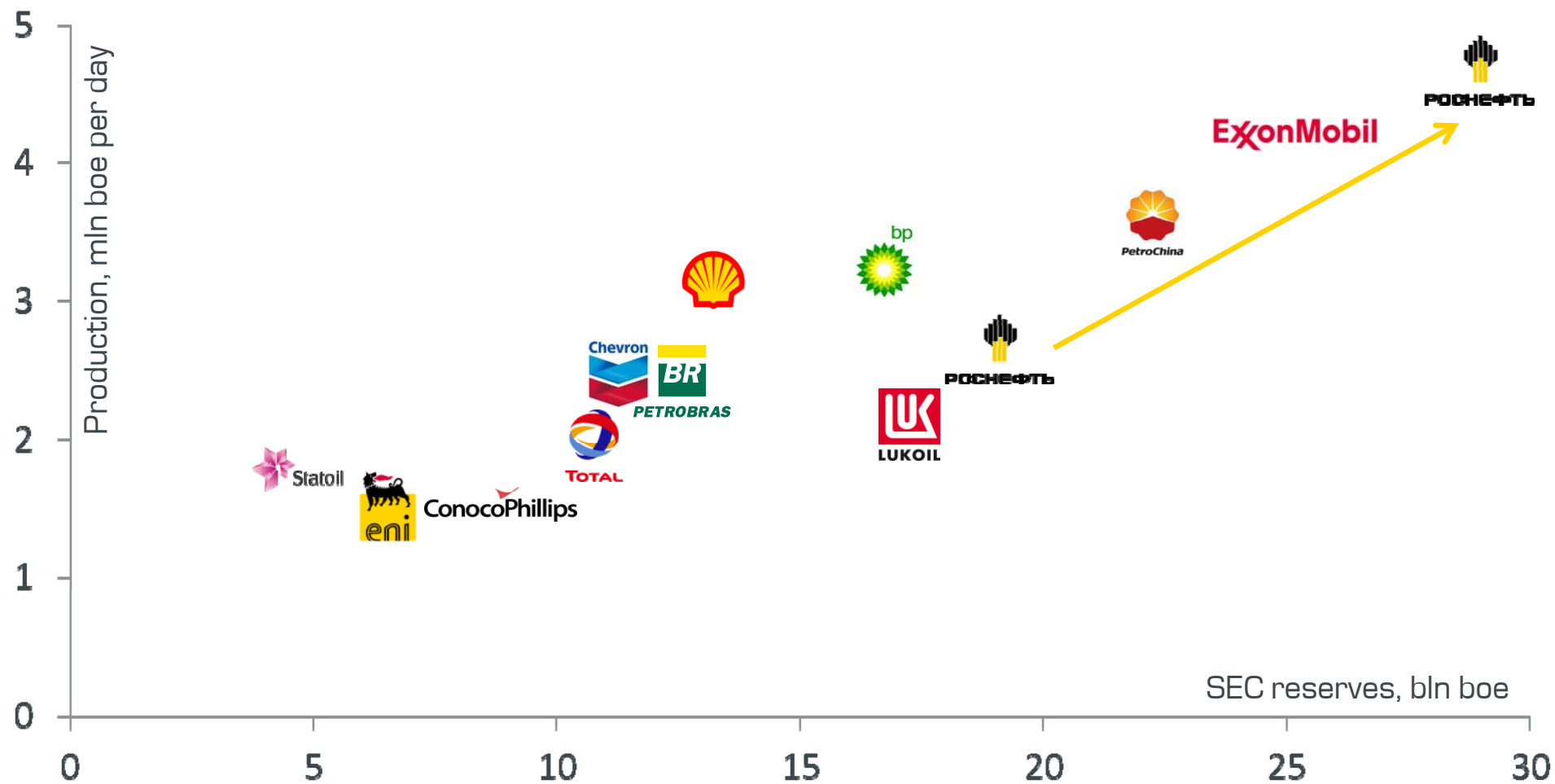
- Gas production



Note: (1) Under PRMS (2) Company will also own stakes in 4 refineries in Germany, Mozyr refinery in Belarus and Lisichansky refinery in Ukraine



New Global Leader



Source: Company data



Corporate Governance

- ▶ **Rosneft shareholders proposed to add three new international board members increasing the depth of senior corporate governance experience and knowledge in both the oil and gas sector as well as corporate finance**



Robert Dudley

Chief Executive Officer of BP p.l.c.

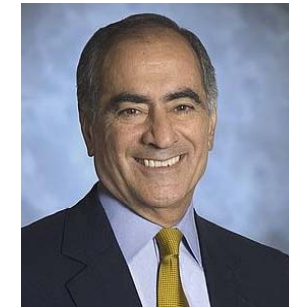
Mr. Dudley has 33 years of experience in the oil and gas sector and has served as CEO of TNK-BP from 2003–2008



Donald Humphreys

Former Senior Vice President and Treasurer of ExxonMobil

Mr. Humphreys brings to Rosneft 36 years of experience as a corporate finance professional in the oil and gas sector at ExxonMobil



John Mack

Senior Advisor at KKR and Co. L.P.

Mr. Mack has served as Chairman and CEO of Morgan Stanley as well as CEO of Credit Suisse First Boston



Strategic Priorities



Global leadership in hydrocarbon production

TNK–BP acquisition



Increase of high–margin outputs

Refinery modernization program 35% completed



Gas business development

Created Itera JV, signed long term contract with INTER RAO, gas reserves up 17%



Efficient domestic and export marketing

Term contracts, margins up



Technological leadership

International alliances with global majors



Transparency and Information Disclosure

Regularity, timeliness, accessibility, accuracy and completeness



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