



**ROSNEFT**

**Focused on  
Delivering Value**

**Peter O'Brien,  
Member of Management Board  
Vice-President, Finance & Investments**

**Credit Suisse Energy Summit  
Vail, CO**

**February 2009**



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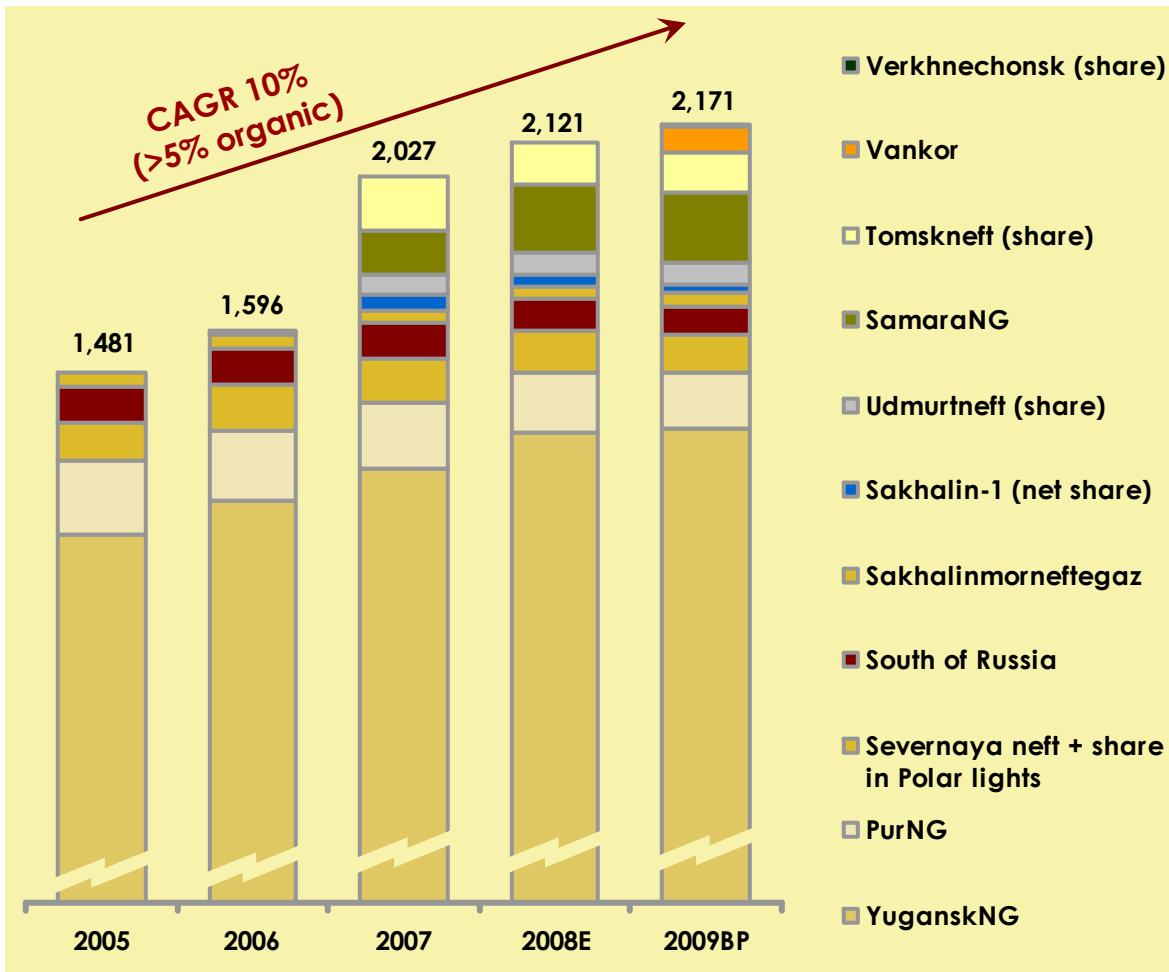
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# Five Years of Industry Leading Growth

Rosneft Daily Crude Oil Production Under US GAAP, th. bpd



## 5 years of industry leading growth:

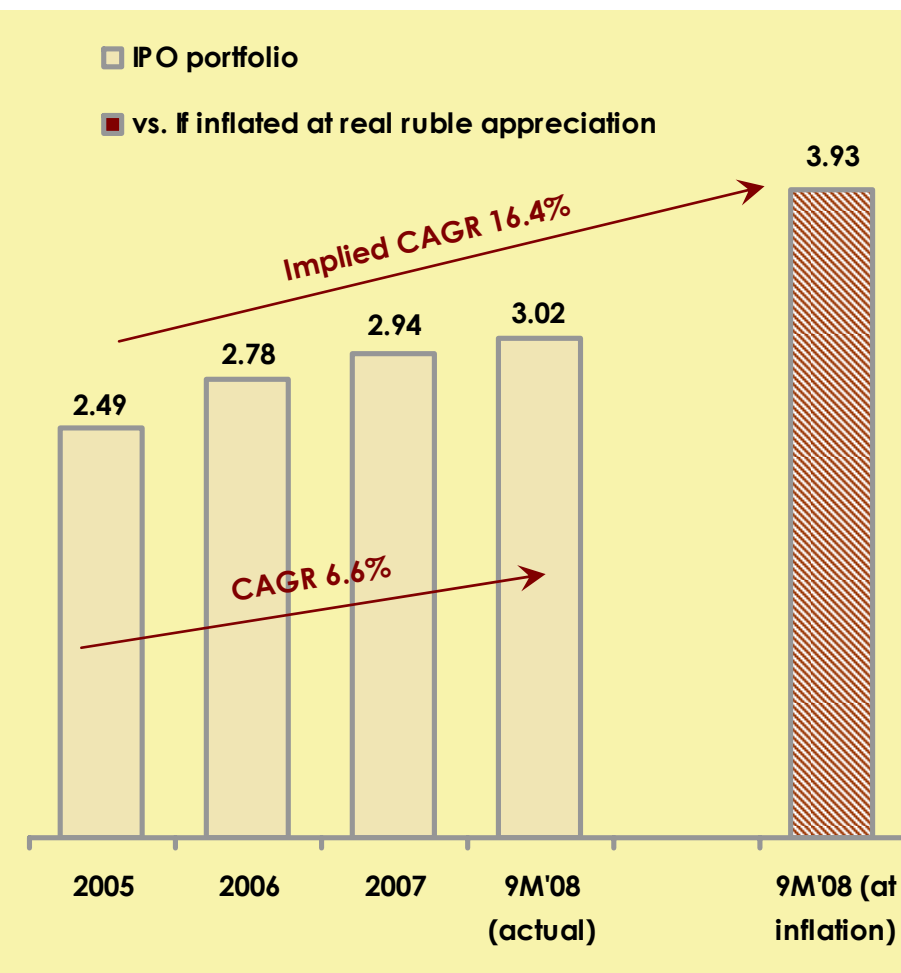
- Rosneft's CAGR 2005-2009: **10%**  
- organic: > **5%**
- Russia's CAGR: < **1%**  
- assumes (0.6)% in 2009
- International peers\*: **(1.3)%**

\* Exxon, BP, Shell, Total, Eni, Chevron, Conoco, Petrochina.



# Cost Control & Efficiency Gains: Upstream

## Upstream OPEX/bbl of crude oil produced



### Challenging environment through Q3'08:

- Inflation
- Currency appreciation

### Efficiency gains almost 1 USD/bbl since 2005:

- Leading new well flow rates
- Cost control
- Services strategy

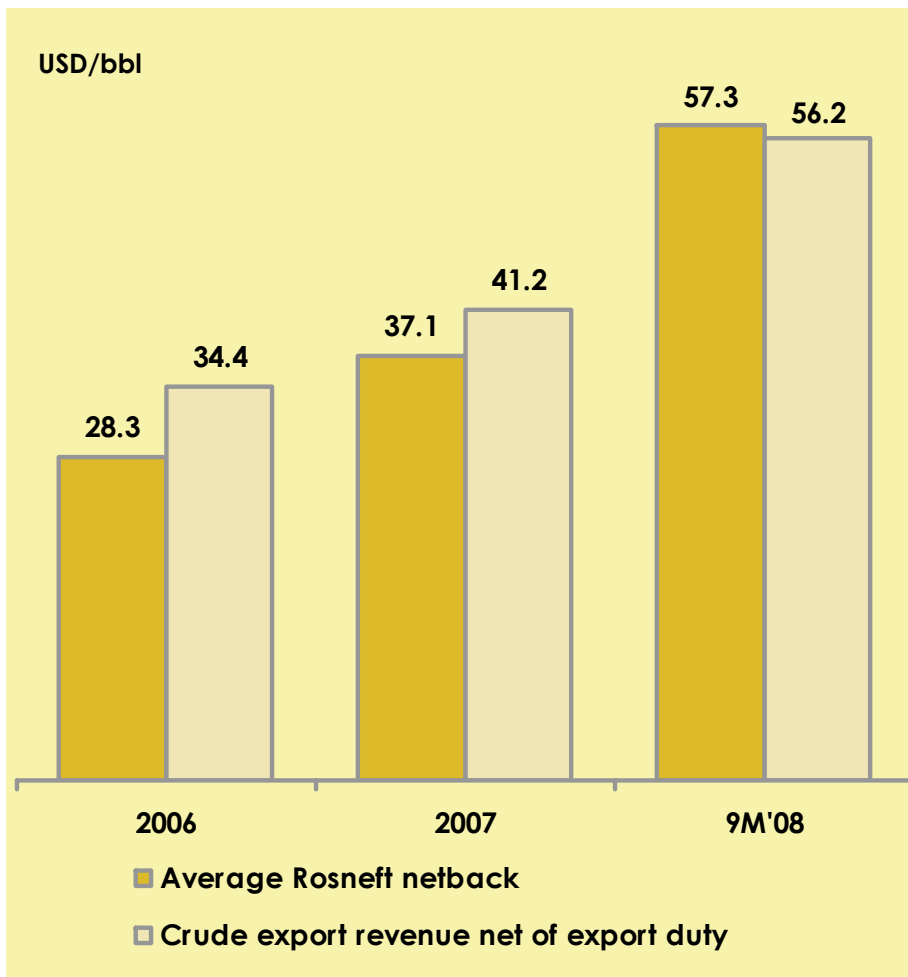
### Outlook improving:

- Inflation decreasing
- Materials prices falling
- Available service capacity
- Currency



# Creating Value in Downstream

## Average netback vs. net export revenue



### ■ Average netback exceeds net export revenue:

Revenue

- sales taxes (export duty, excise)
  - transportation costs
  - refining costs
  - retail costs
  - related SG&A
- = Netback

### ■ Gap reversed from negative \$6.1/bbl to positive \$1.1 USD/bbl

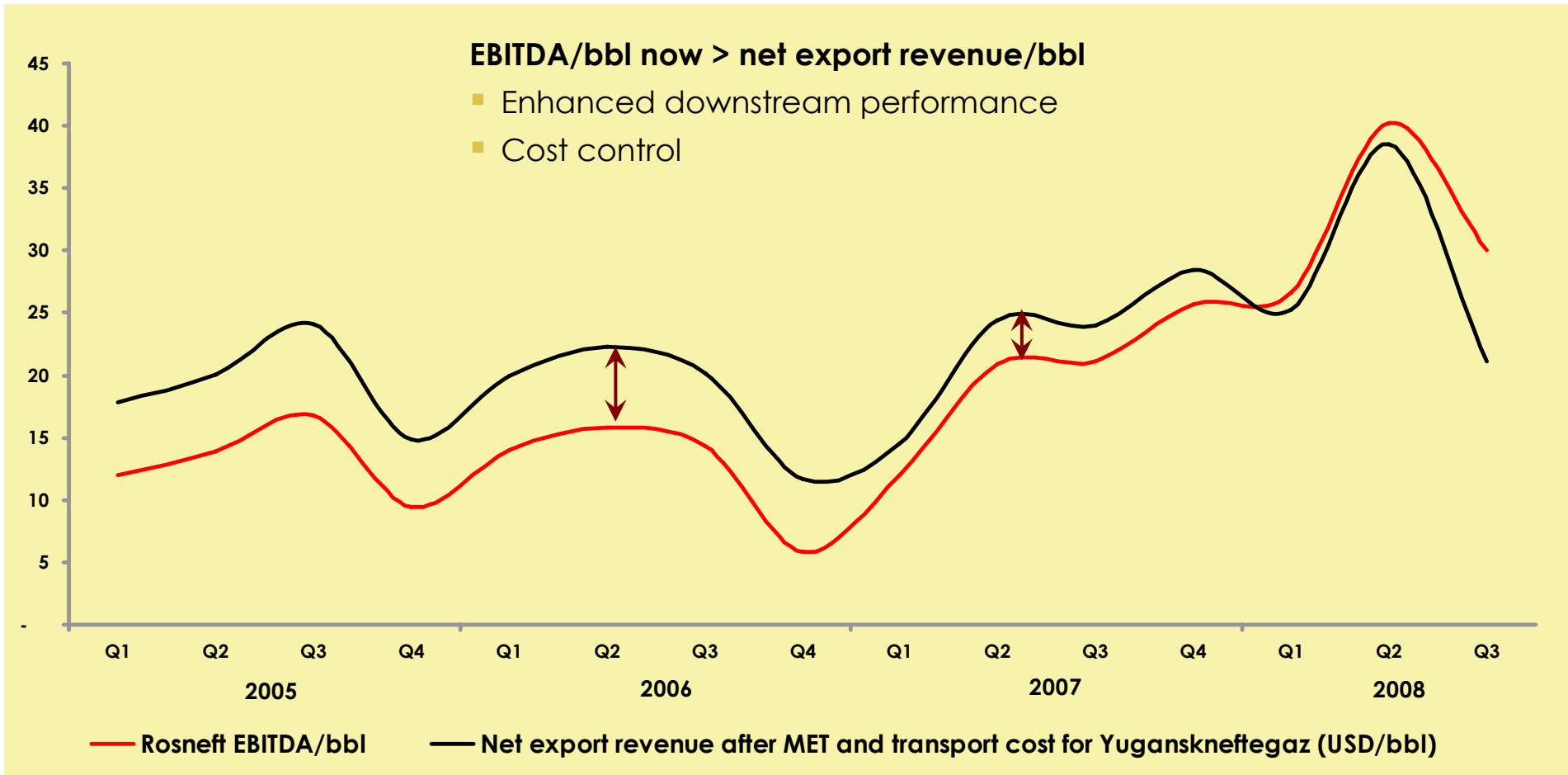
### ■ Value created through:

- Higher refining cover
- Optimized logistics, netbacks
- Increased retail throughput
- Increased flexibility
- Sakhalin-1 production



# Capturing More EBITDA

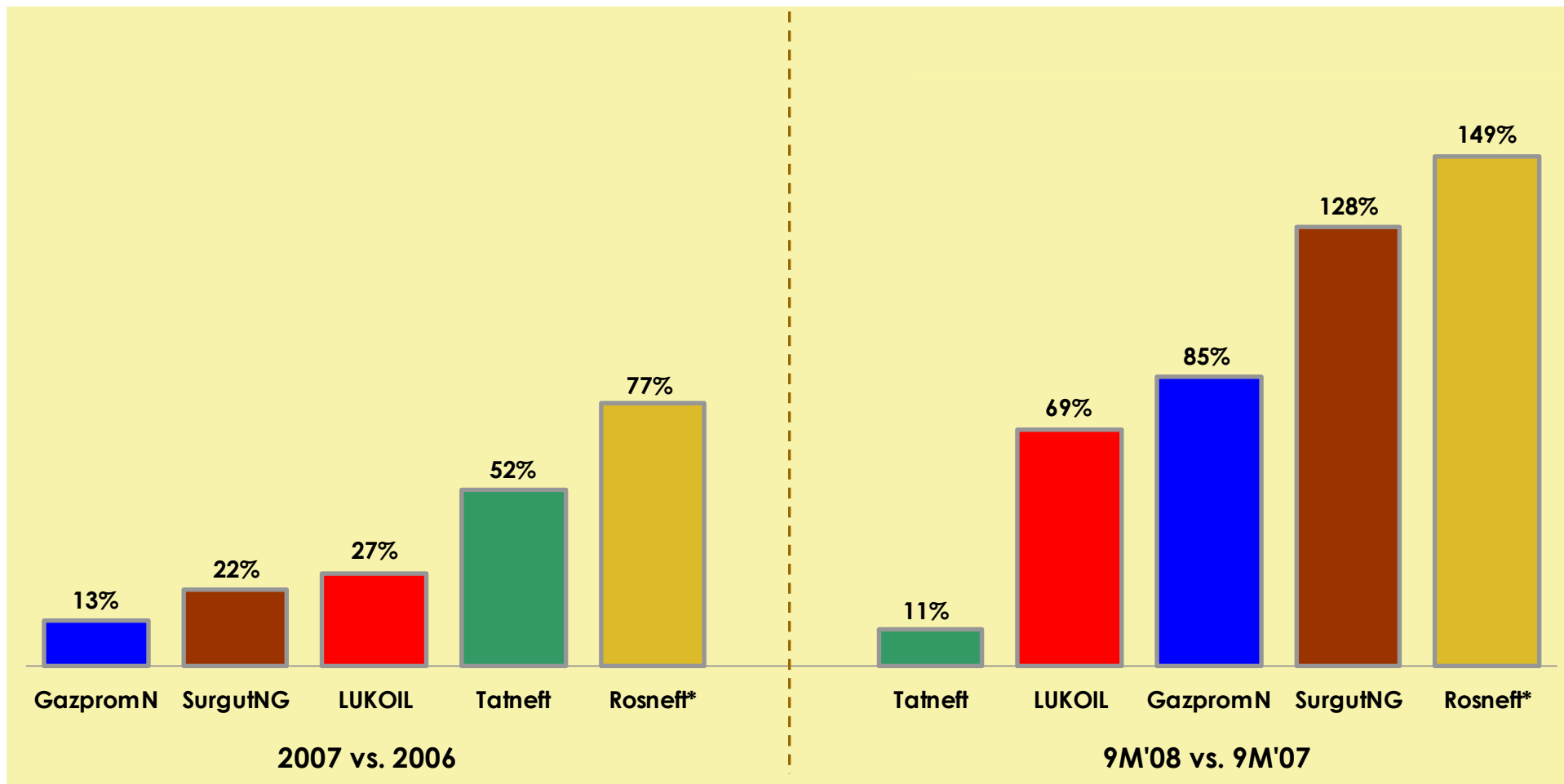
USD/bbl





# Leading Earnings Growth

Earnings per share (EPS) growth rates: 2007 vs. 2006, 9M'08 vs. 9M'07



\* Adjusted (reduced) for net income from Yukos bankruptcy.



## **Prudent Business Plan**

- USD 47 Urals, 30.5 USD/RUB
- Cost control
- Investments prioritized
- Free cash flow generation

## **Off to a good start**

- Currency move compensating for oil price
- Costs lower
- Taxes normalized (export duty)

## **Keys to watch**

- Oil price vs. USD/RUB
- Inflation following devaluation
- Further tax improvements to reduce investment risks, better align state and industry
- Monopoly tariffs





# Cost Reduction Program: Key Priorities

## I. Reducing non-controllable costs

- Lower tax burden
- Lower natural monopoly tariffs (transportation, electricity)

## II. Reducing capital expenditures

- Prioritizing capital expenditures (short payback period, compliance with Rosneft's Strategy)
- Reducing costs of construction, materials and equipment

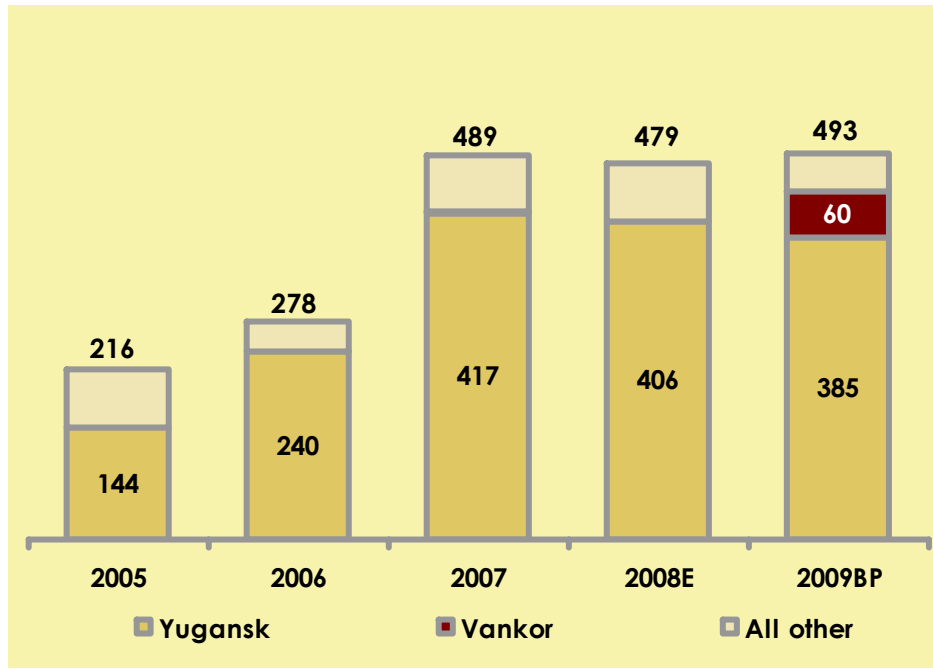
## III. Reducing operating expenses

- Reducing, and improving the efficiency of, resource use (fuel and lubricants, electricity, etc.)
- Reducing prices of materials and services
- Headcount optimization
- Cutting administrative expenses
- Reducing debt and interest expenses
- Reducing the number of entities and related expenses

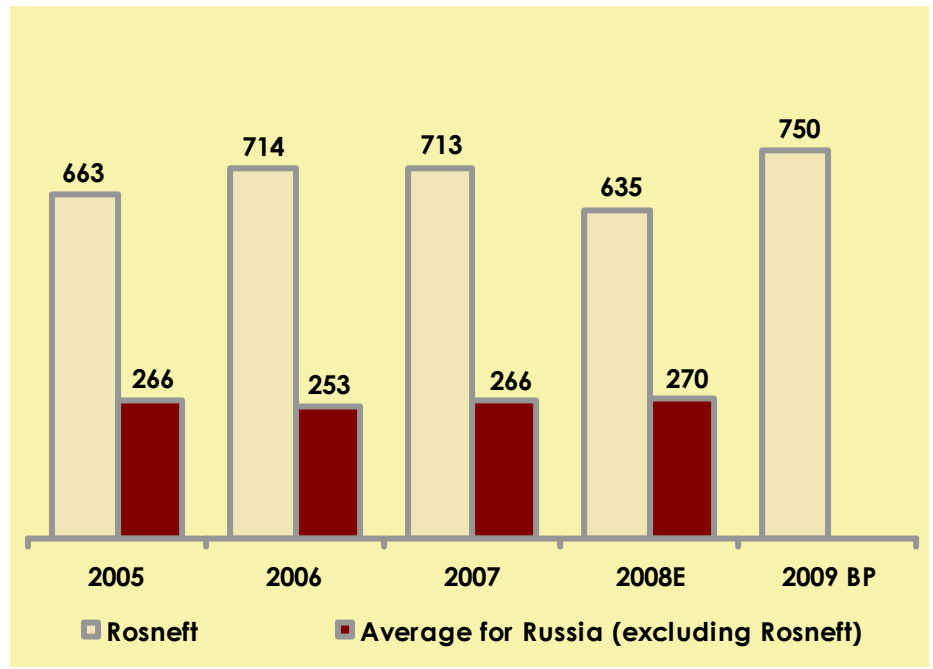


# Drilling Activity, Productivity

**New production wells\* put into operation by Rosneft's subsidiaries**



**Average flow rate of Rosneft's new wells, bpd**



- 2009 drilling plan optimized to focus on
  - most productive assets
  - shortest payback period
  - high NPV at higher discount rate
 to compensate for risk of rising costs, transportation tariffs, falling oil price and limited access to cheap financing

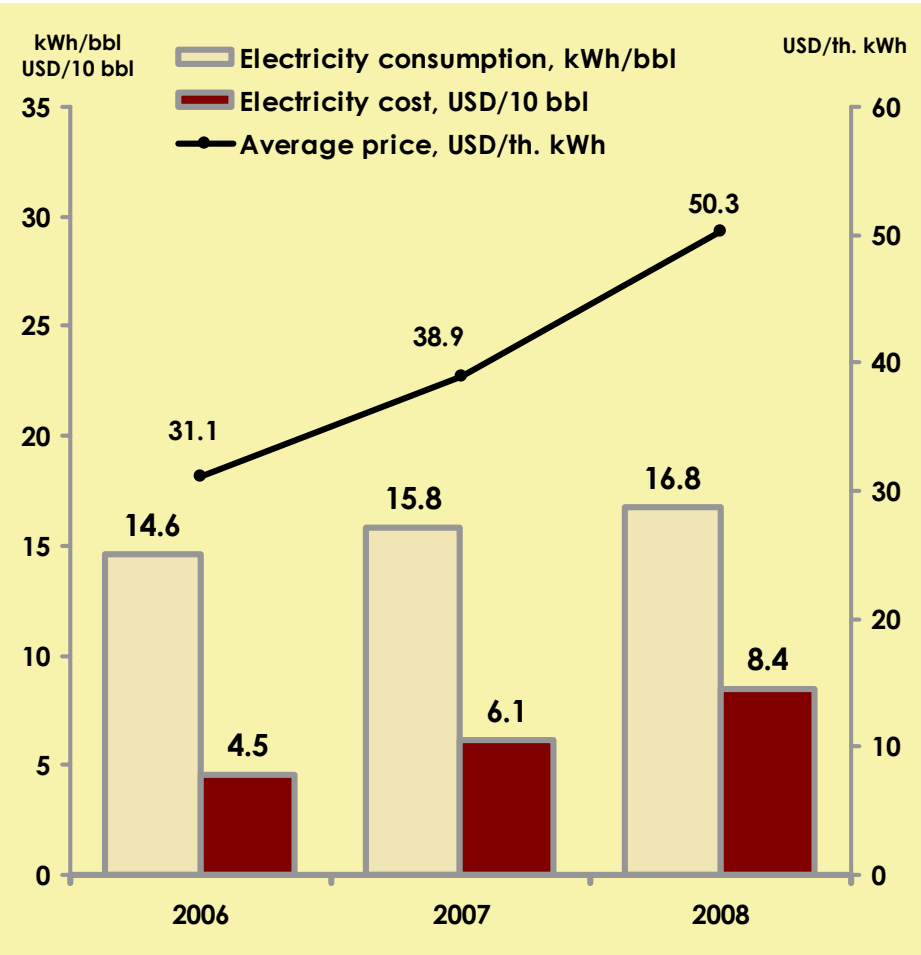
- Average flow rate of Rosneft's new wells is more than 2 times higher than the Russia's average
- Flow rates decreased in 2008 (mainly at YuganskNG)
- Trend to reverse back up in 2009
  - Vankor well productivity projected at 6x Rosneft's average

\* Excluding injection wells.

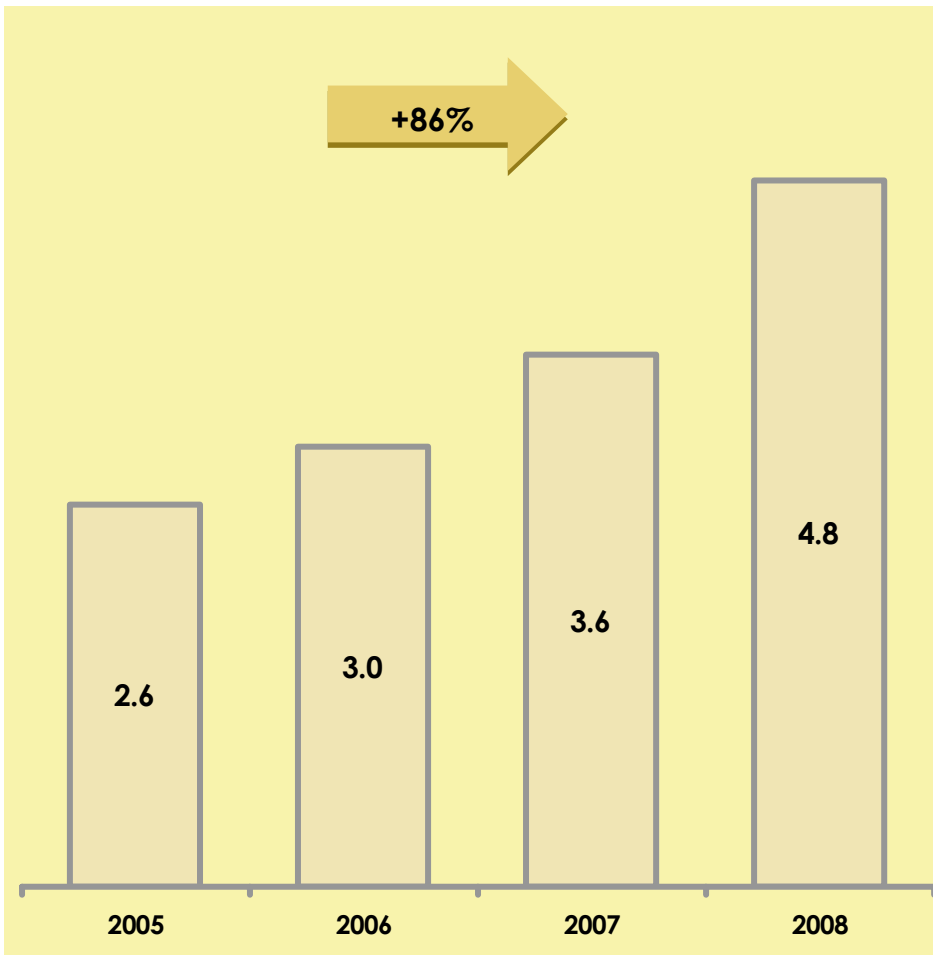


# Growth in Monopoly Tariffs

### Electricity expenses of Rosneft's subsidiaries

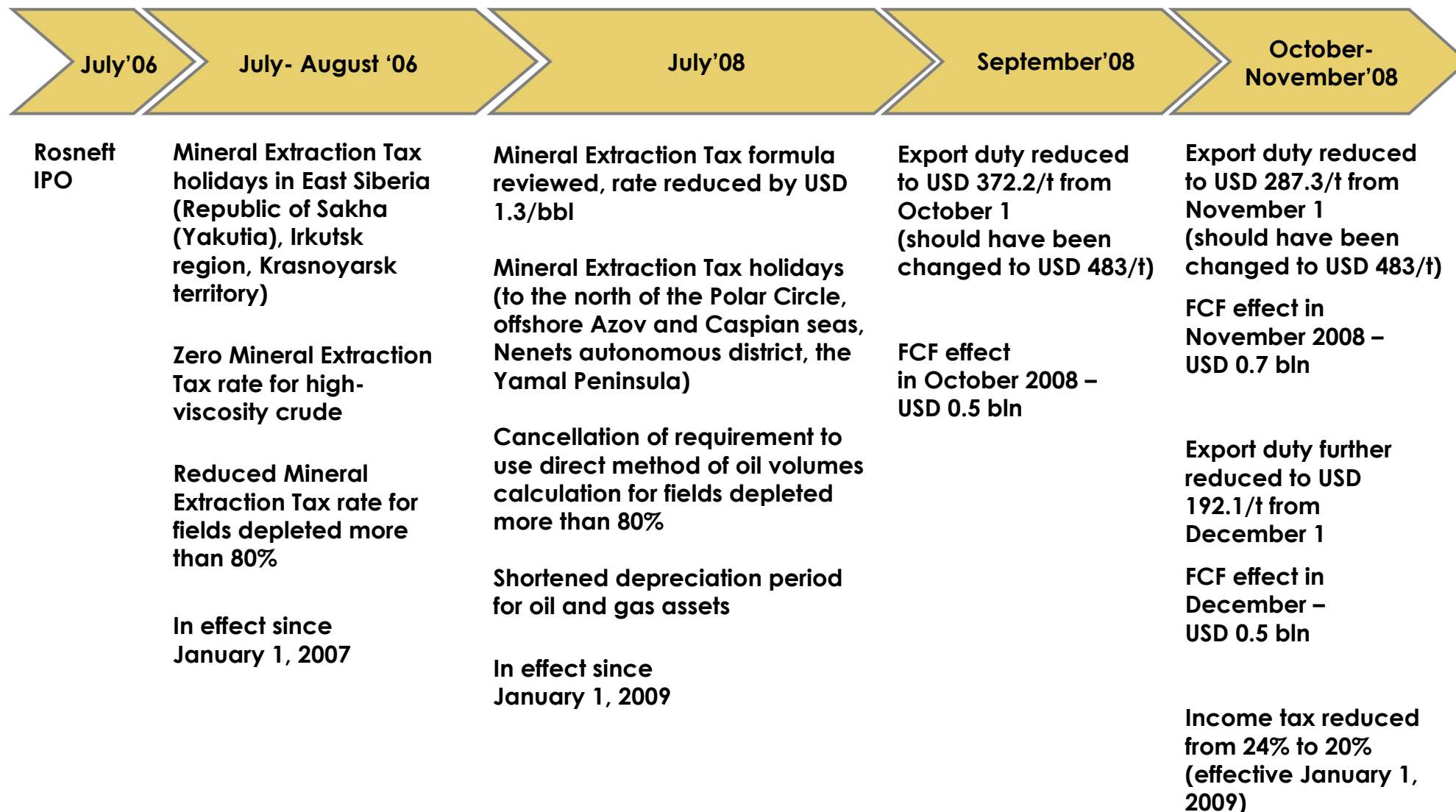


### Transneft system crude transportation cost: Yugansk to Novorossiysk, USD per bbl





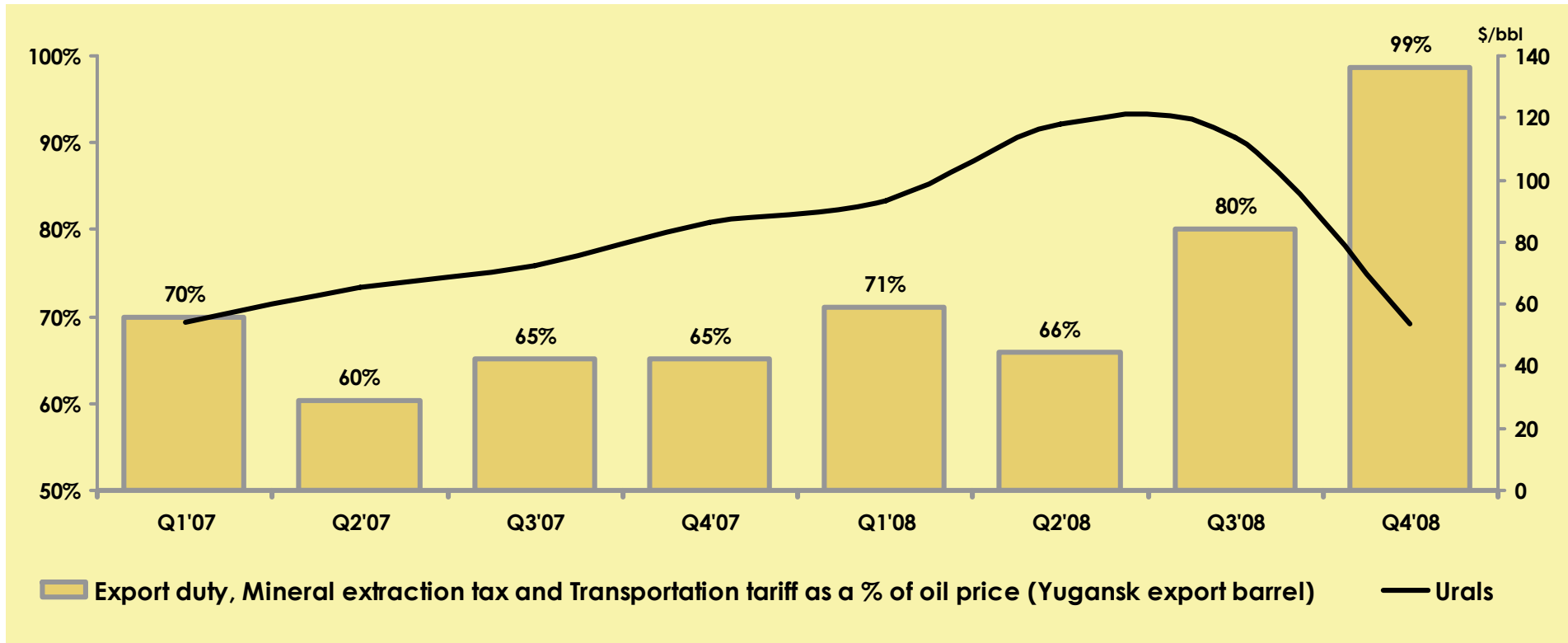
# Progress on Tax Regime





# Tax & Transportation Tariff Burden

Export duty, Mineral extraction tax and Transportation tariff as a % of oil price (Yugansk export barrel)



- Despite 3 one-off export duty reductions in Q4'08, the tax + transportation tariff burden grew to 99% of the oil price (Urals) in Q4 2008
- Further changes to tax and tariff regimes needed to reduce (eliminate) tariff inflation risk, increase incentives to invest, and better align interests of the state and oil companies (>40% of Russia's tax revenues)



# Major Benefits of Ruble Depreciation

## Balance sheet

- Depreciation of RUB-denominated debt: decrease in total debt, decrease in scheduled debt repayments, FX gain to P&L
- Depreciation of deferred tax liabilities: FX gain to P&L

## Cash flow

- Increase in Operating cash flow due to depreciation of RUB-denominated expenses
- Depreciation of RUB-denominated Capex
- Increase in Free cash flow
- Decrease in scheduled debt repayments

## P&L

- Depreciation of all RUB-denominated expenses
  - operating
  - transportation
  - SG&AEBITDA and Net income growth
- FX gain from Balance sheet: Net income growth

## Debt covenants

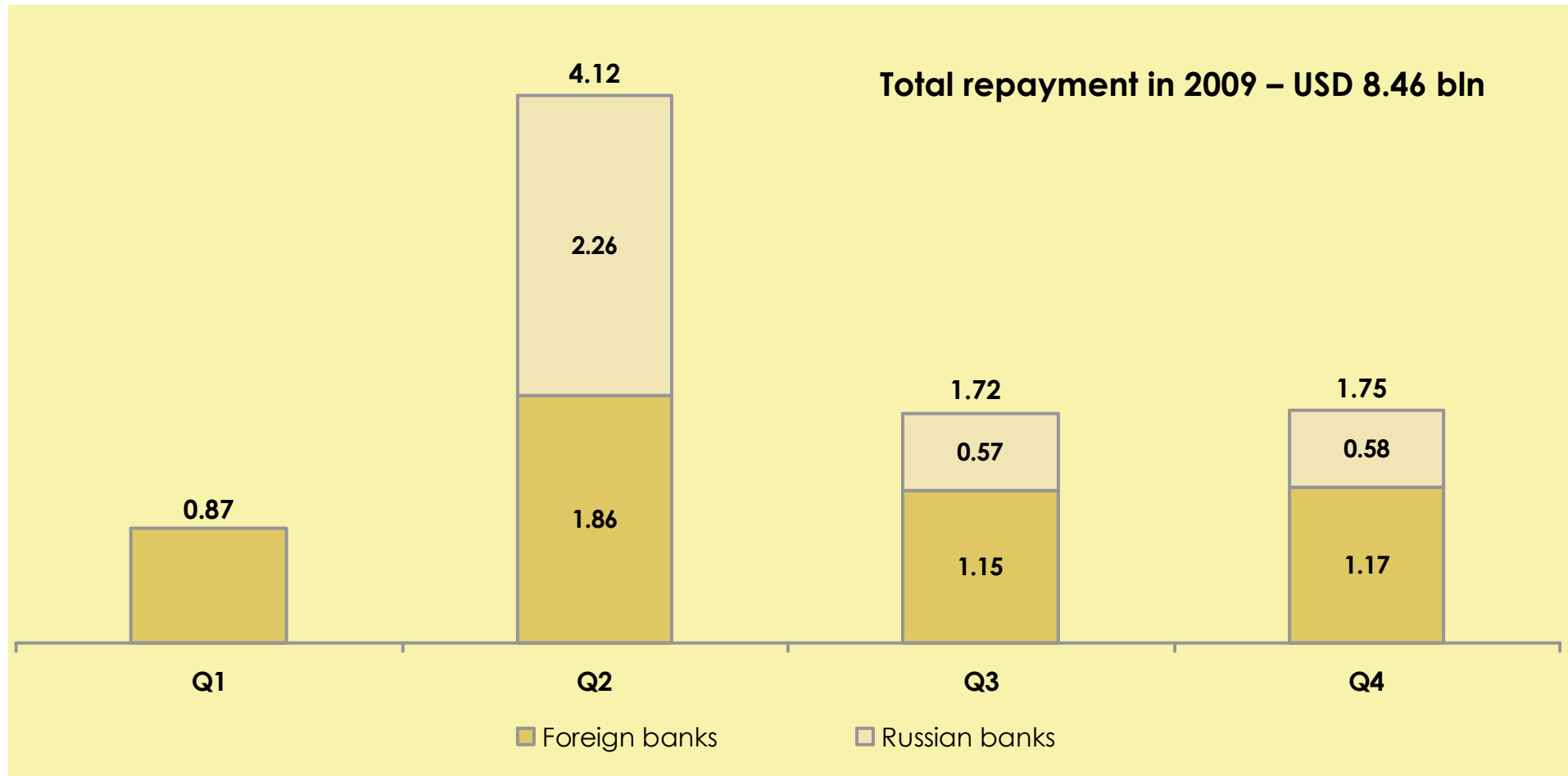
- Decrease in net debt (RUB-denominated debt depreciation and increased free cash flow)
- Decrease in 'Debt to EBITDA'
- Increase in 'EBITDA/Interest expense'

**USD/RUB rate increase by 1 ruble is equivalent to oil price growth of 5 USD/bbl for an oil exporter**



# Debt Repayment Profile for 2009

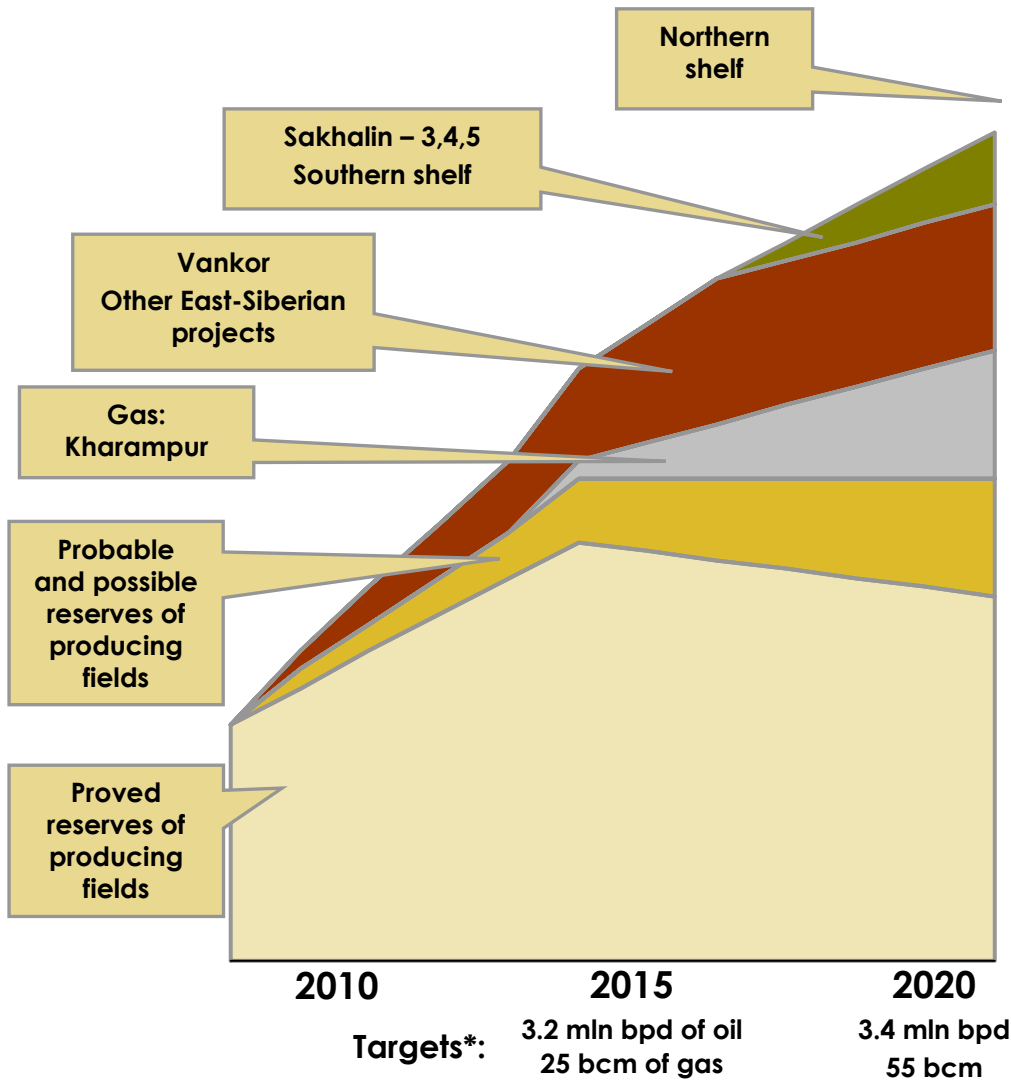
USD bln



The calculation is based on the USD/RUB exchange rate of 35 from March 31 to December 31. Refinancing completed in 2008 > USD16 bln.



# Growth Potential



| 2010–2014              | Reserves, bln bbl (100%) |                                   | Status / Challenges                            |
|------------------------|--------------------------|-----------------------------------|--|
|                        | SPE 2P                   | ABC <sub>1</sub> + C <sub>2</sub> |  |
| YNG                    | 16.3                     | 15.9                              | Plateau not reached                            |
| Vankor                 | 3.2                      | 3.8                               | To be launched in 2H'09                        |
| Purneftegaz (oil)      | 3.2                      | 5.7                               | To complete gas utilization projects           |
| Purneftegaz (gas, bcm) | 865                      | 1,535                             | To agree with Gazprom on gas sales             |
| VSNK                   | 0.5                      | 2.5                               | Test production at Yurubcheno-Tokhomscoe field |
| Verkhnechonsk-neftegaz | 1.3                      | 1.5                               | Launched at the end of 2008                    |
| Sakhalin-1             | 1.0                      | 1.9                               | Develop Odoptu field                           |
| <b>Total, bln boe</b>  | <b>30.6</b>              | <b>40.3</b>                       |  |

| 2015 and onward                      | Resources, bln bbl (100%) |             | Status / Challenges                               |
|--------------------------------------|---------------------------|-------------|---|
| Licensed areas around Vankor field   |                           | 3.9         |   |
| Licensed areas in the Irkutsk region |                           | 5.7         | Continue exploration and find commercial reserves |
| Russian Far East                     |                           | 7.1         |   |
| Southern Russia                      |                           | 7.6         |   |
| <b>Total</b>                         |                           | <b>24.3</b> |   |

\* Subject to future taxation and transportation tariffs.





# Best in Class Transparency, IR Effort

## Consistently enhancing disclosure



IPO and bond prospectus



Quarterly US GAAP, MD&A



Investor presentations, conference calls



New website

## Recent awards

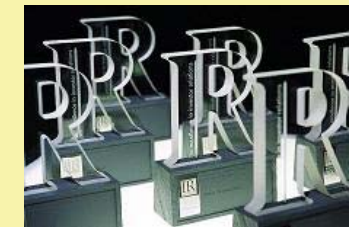
### S&P Transparency & Disclosure Rankings

- 2nd in 2008
- 10th in 2007
- 12th in 2006



### IR Magazine (October '08)

- Best Overall IR for Large Cap in Russia & CIS
- Best Annual Report & Corporate Literature
- 4 other awards



### Multiple awards for website



# Rosneft: Emerging Super-NOC

## National Oil Company

- Access to resources
- Access to M&A
- Insulation from political risk
- Access to policy-makers
- Cooperation with the State

## Super-Major

- Capital discipline
- Cost efficiency
- Shareholder value creation
- Corporate governance
- Transparency





# Appendix

**(Rosneft Q3 and 9M 2008 US GAAP Financial Results)**



## Q3 and 9M'08 Highlights

### Positives

- Leading EBITDA and FCF growth:
  - EBITDA up to **USD 5.3 bln** in Q3'08 and **USD 17.1 bln** in 9M'08
  - Operating cash flow up to **USD 4.4 bln** in Q3'08 and **USD 13.8 bln** in 9M'08
  - FCF up to **USD 2.2 bln** in Q3'08 and **USD 7.3 bln** in 9M'08
- Net debt reduced by **USD 6.9 bln** during 9M'08
- Daily crude oil production up **8.3%** y-o-y vs 9M'07, organic growth **4.5%**
- Growth in refinery throughput and corresponding increase in petroleum product output (**+33.0%** y-o-y vs 9M'07)
- Growth in retail sales volumes and other support services

### Challenges, Priorities

#### 9M'08

- Real rouble appreciation against USD (**13.0%** for the year ended September 30)
- Tax payments (export duty and MET) increased by **91.0%** vs 9M'07

#### Q4'08 - 2009

- Continue to reduce real costs
- Business plan for 2009
  - Cash flow positive at Brent \$50/bbl
- Launch Vankor production
- Participate in continuing discussion to update tax regime
- Continue to optimize downstream activities, grow higher margin sales
- Participate in finalization of the Russian Energy strategy to 2030 (Government to review in December)
  - Incorporate into updated strategy of Rosneft



## Macroeconomic Environment

|  | Q3'08   | Q3'07 | Δ, %   | 9M'08   | 9M'07 | Δ, %   |
|--|---------|-------|--------|---------|-------|--------|
| Average RUB/USD rate   | 24.25   | 25.51 | (4.9%) | 24.05   | 25.89 | (7.1%) |
| Inflation for the period, %                                      | 1.9%    | 1.8%  |        | 10.6%   | 7.5%  |        |
| Real RUB appreciation/depreciation against USD for the period, % | (5.3)%  | 5.3%  |        | 7.5%    | 13.5% |        |
| Urals price (av. Med and NWE), \$/bbl                            | 113.2   | 72.2  | 56.8%  | 108.0   | 63.9  | 69.1%  |
| Gasoil 0.2% (av. Med), \$/tonne                                  | 1,056.0 | 670.1 | 57.6%  | 1,028.2 | 603.4 | 70.4%  |
| Fuel oil (av. Med), \$/tonne                                     | 615.6   | 365.1 | 68.6%  | 535.4   | 313.5 | 70.8%  |
| High octane gasoline (av. Russia), \$/tonne                      | 1,138.1 | 825.6 | 37.9%  | 1,043.8 | 749.4 | 39.3%  |
| Diesel fuel (av. Russia), \$/tonne                               | 992.8   | 582.6 | 70.4%  | 940.5   | 550.2 | 71.0%  |



## Q3'08 and 9M'08 Results Overview

|  | Q3'08                     | Q3'07                    | Δ, %         | 9M'08                     | 9M'07                    | Δ, %          |
|--|---------------------------|--------------------------|--------------|---------------------------|--------------------------|---------------|
| <b>Oil, mln bbl<sup>1</sup></b>        | <b>194.90</b>             | <b>191.41</b>            | <b>1.8%</b>  | <b>580.88</b>             | <b>517.52</b>            | <b>12.2%</b>  |
| <b>Petroleum product output, mln t</b> | <b>12.07</b>              | <b>11.93</b>             | <b>1.2%</b>  | <b>34.98</b>              | <b>26.32</b>             | <b>32.9%</b>  |
| Revenues, USD mln                      | 20,690                    | 13,742                   | 50.6%        | 58,192                    | 32,747                   | 77.7%         |
| EBITDA, USD mln                        | 5,326                     | 4,054 <sup>2</sup>       | 31.4%        | 17,076                    | 9,399 <sup>2</sup>       | 81.7%         |
| <b>Net Income, USD mln</b>             | <b>3,469</b>              | <b>1,928<sup>3</sup></b> | <b>79.9%</b> | <b>10,345</b>             | <b>4,328<sup>3</sup></b> | <b>139.0%</b> |
| Operating cash flow, USD mln           | 4,413                     | 489                      | 802.5%       | 13,791                    | 3,772 <sup>4</sup>       | 265.6%        |
| <b>Net debt, USD mln</b>               | <b>19,388<sup>5</sup></b> |                          |              | <b>19,388<sup>5</sup></b> |                          |               |

<sup>1</sup> Production for Q3 and 9M 2007 is adjusted to reflect 50% in Tomskneft production (a 50% share in Tomskneft was sold on December 27, 2007).

<sup>2</sup> Adjusted for the effect of non-operating accrual of fines and penalties related to pre-acquisition Yuganskneftegaz tax debt.

<sup>3</sup> Adjusted for the effect of non-operating accrual of fines and penalties related to pre-acquisition Yuganskneftegaz tax debt, and income from Yukos bankruptcy and related income tax.

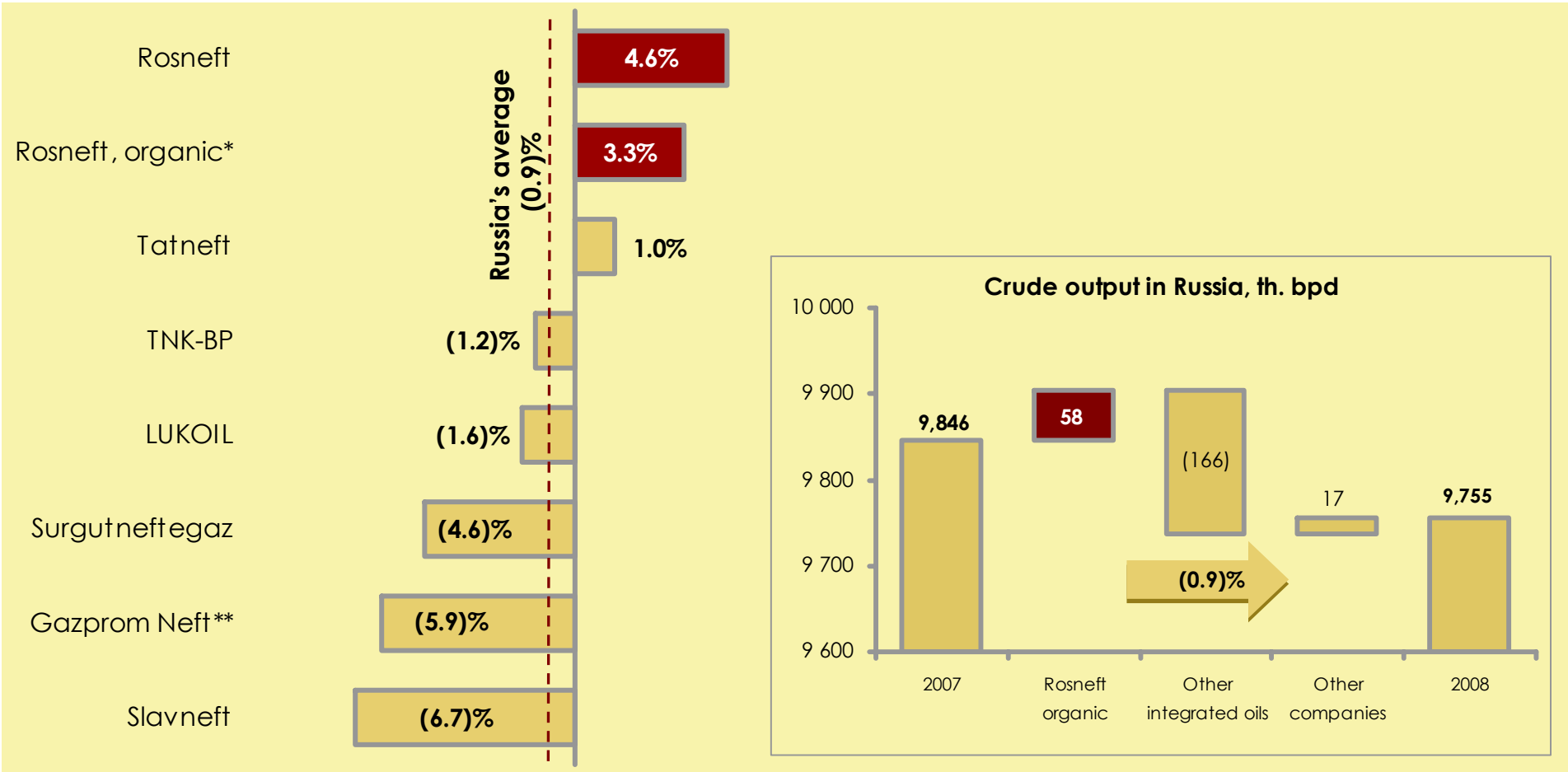
<sup>4</sup> Adjusted for cash received in Yukos bankruptcy process.

<sup>5</sup> Adjusted for cash deposits (reflected as short-term investments) used for debt settlement (placed till debt scheduled maturity).



# Daily Crude Oil Production: Against the Trend

Daily Crude Oil Production in Russia, 2008 vs 2007



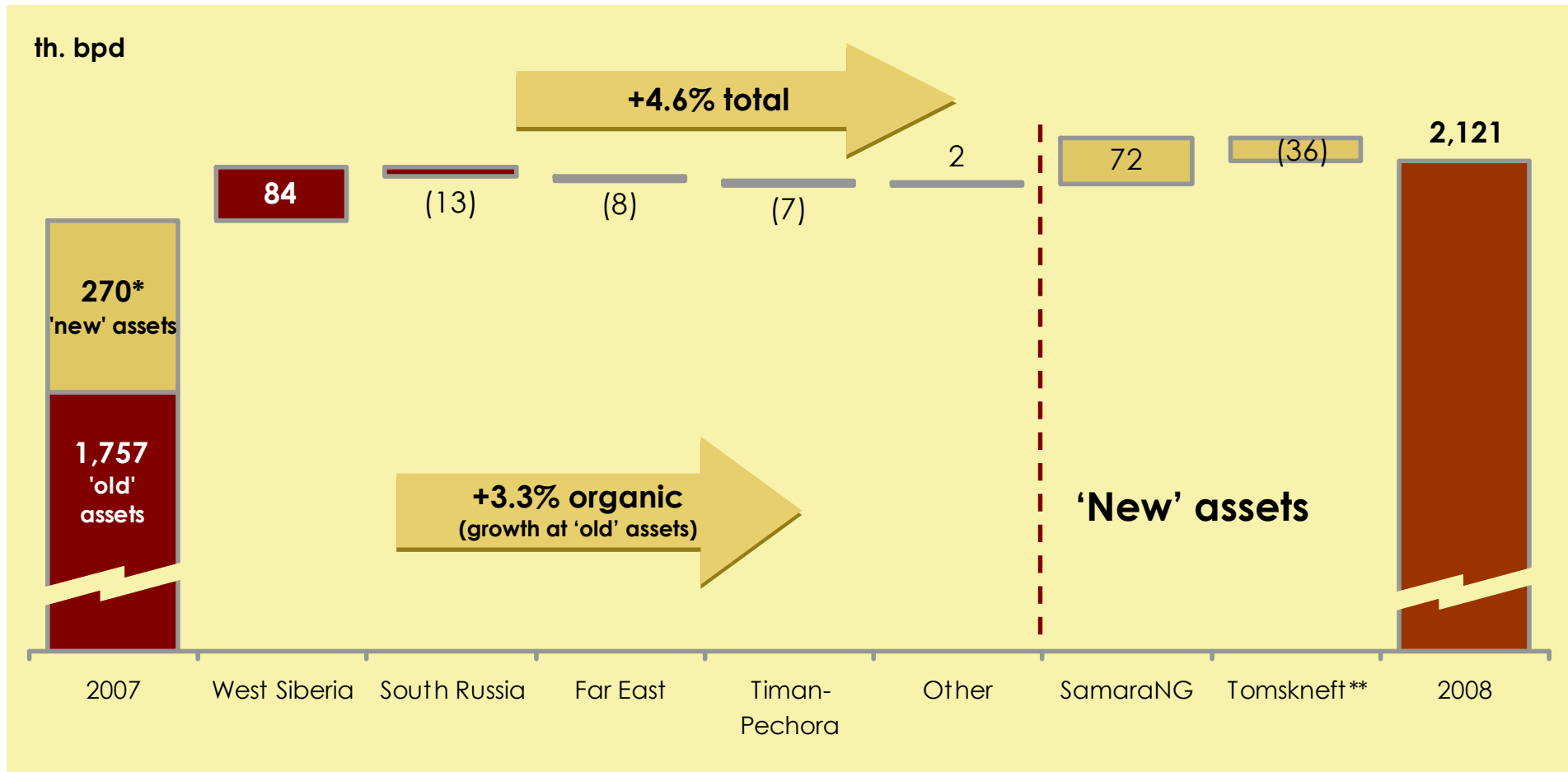
\* Excluding acquisition of Tomskneft, Samaraneftegaz and VSNK.

\*\* Excluding share in Tomskneft.



# Daily Crude Oil Production: Steady Organic Growth

Rosneft Daily Crude Oil Production Reconciliation, 2008 vs 2007



\* Production by Samaraneftgaz, Tomskneft and VSNK from the date of acquisition in May 2007 to the end of September 2007, divided by 273.

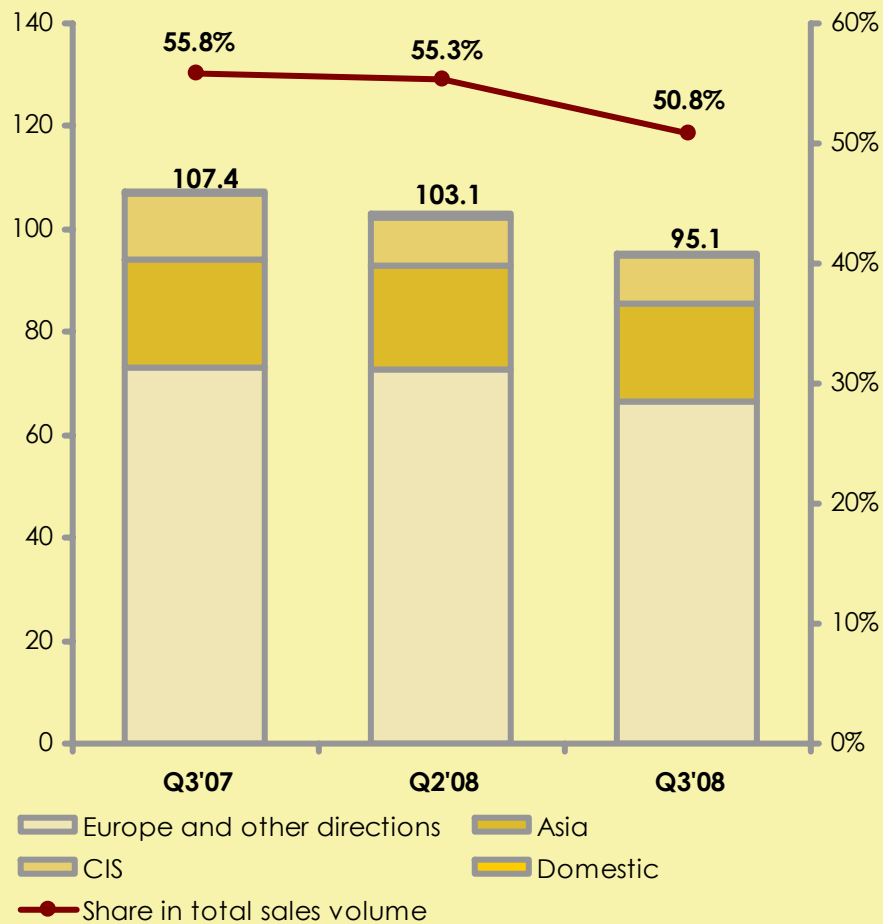
\*\* Since the date of sale of Tomskneft in December 2007 its production is accounted for on a 50.0% equity basis.



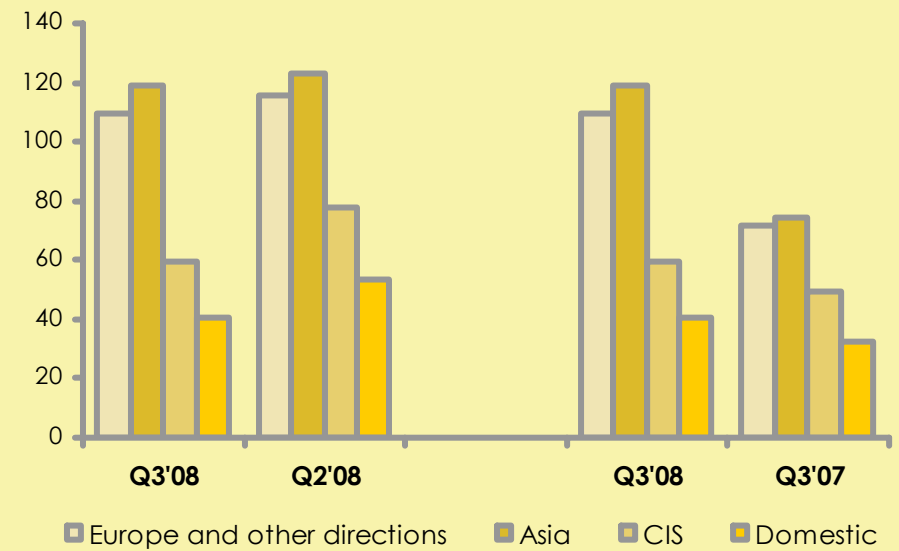


# Crude Oil Sales

Crude Oil and Condensate Sales Volumes, mln bbl



Average Prices, USD/bbl

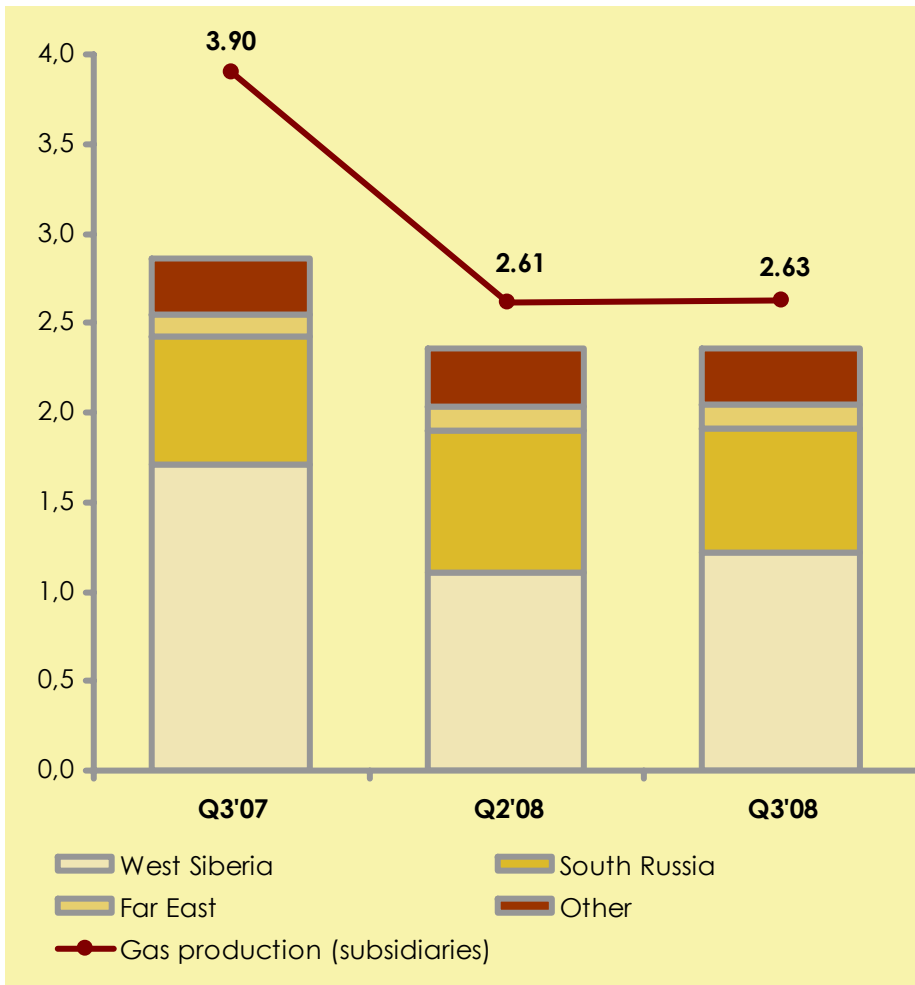


|                                  | Q3'08     | Q2'08  | Q3'08     | Q3'07 |
|----------------------------------|-----------|--------|-----------|-------|
|                                  | (USD/bbl) |        | (USD/bbl) |       |
| Average Brent (Platts)           | 114.78    | 121.38 | 114.78    | 74.87 |
| Urals (average Med+NWE) (Platts) | 113.16    | 117.54 | 113.16    | 72.19 |
| Rosneft export                   |           |        |           |       |
| Europe and other direction       | 109.39    | 115.62 | 109.39    | 71.98 |
| Asia                             | 118.77    | 123.28 | 118.77    | 74.63 |

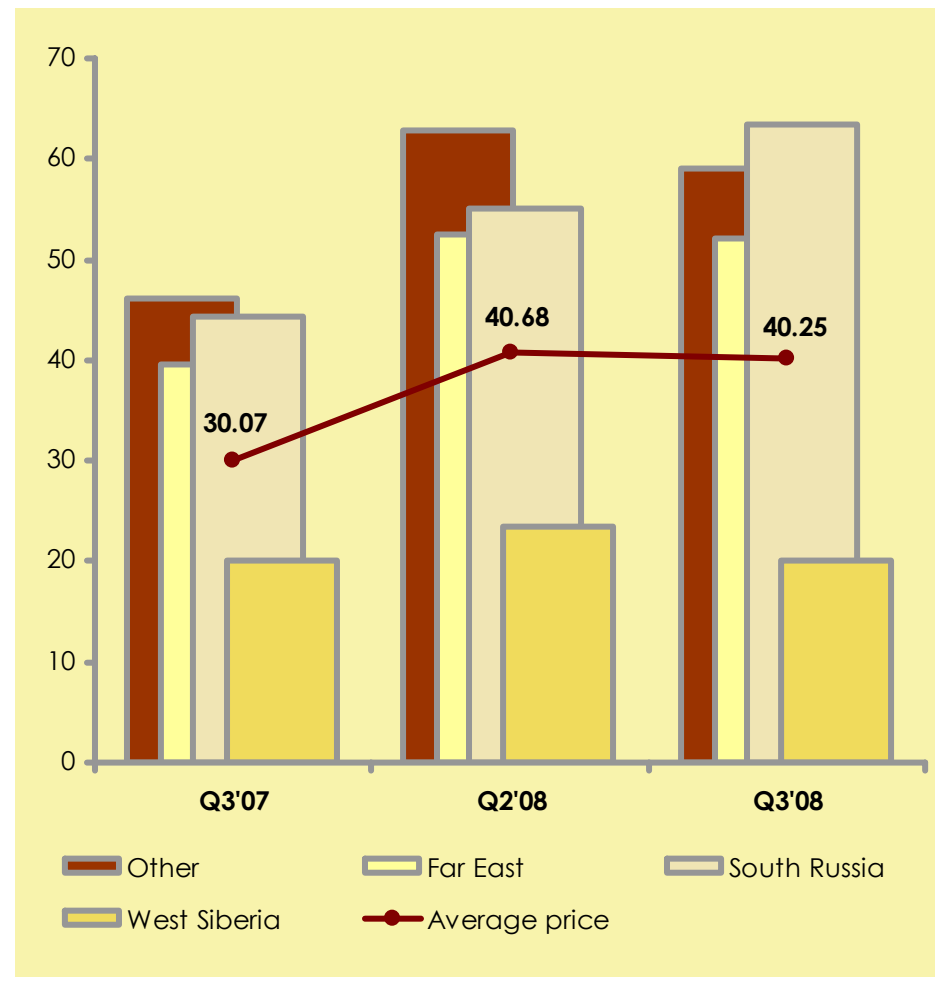


# Gas Production and Sales

Gas Sales Volumes vs Production, bcm



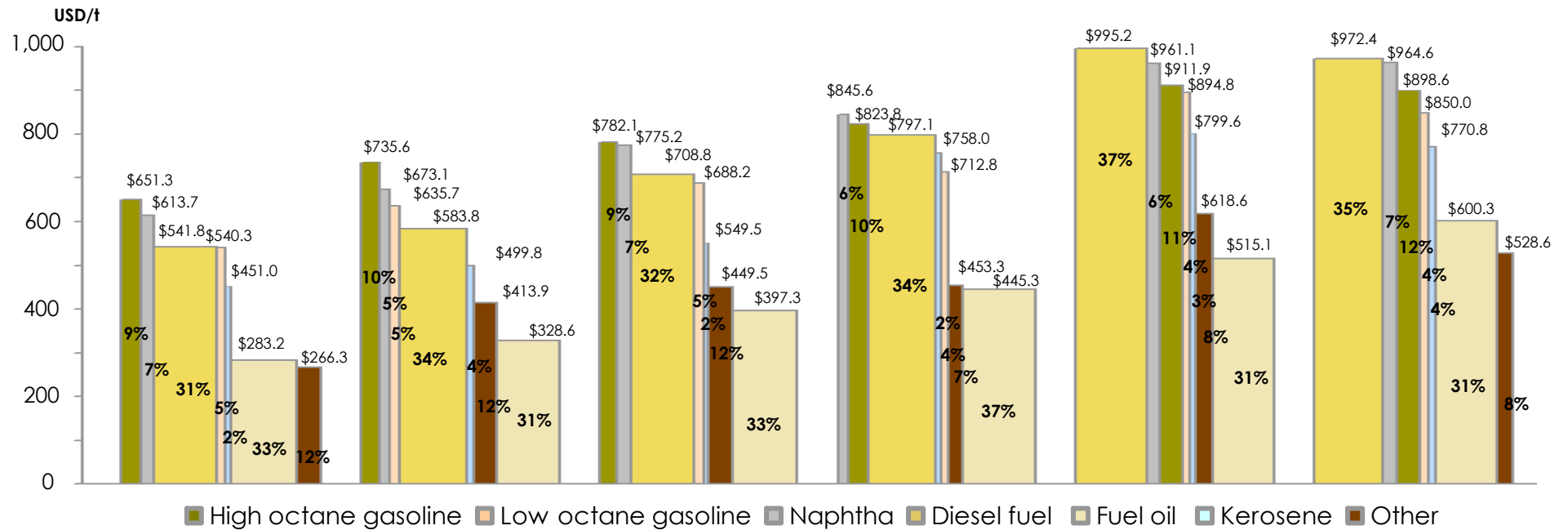
Gas Sales Prices, USD per 1,000 cubic meters





# Petroleum Product Revenues

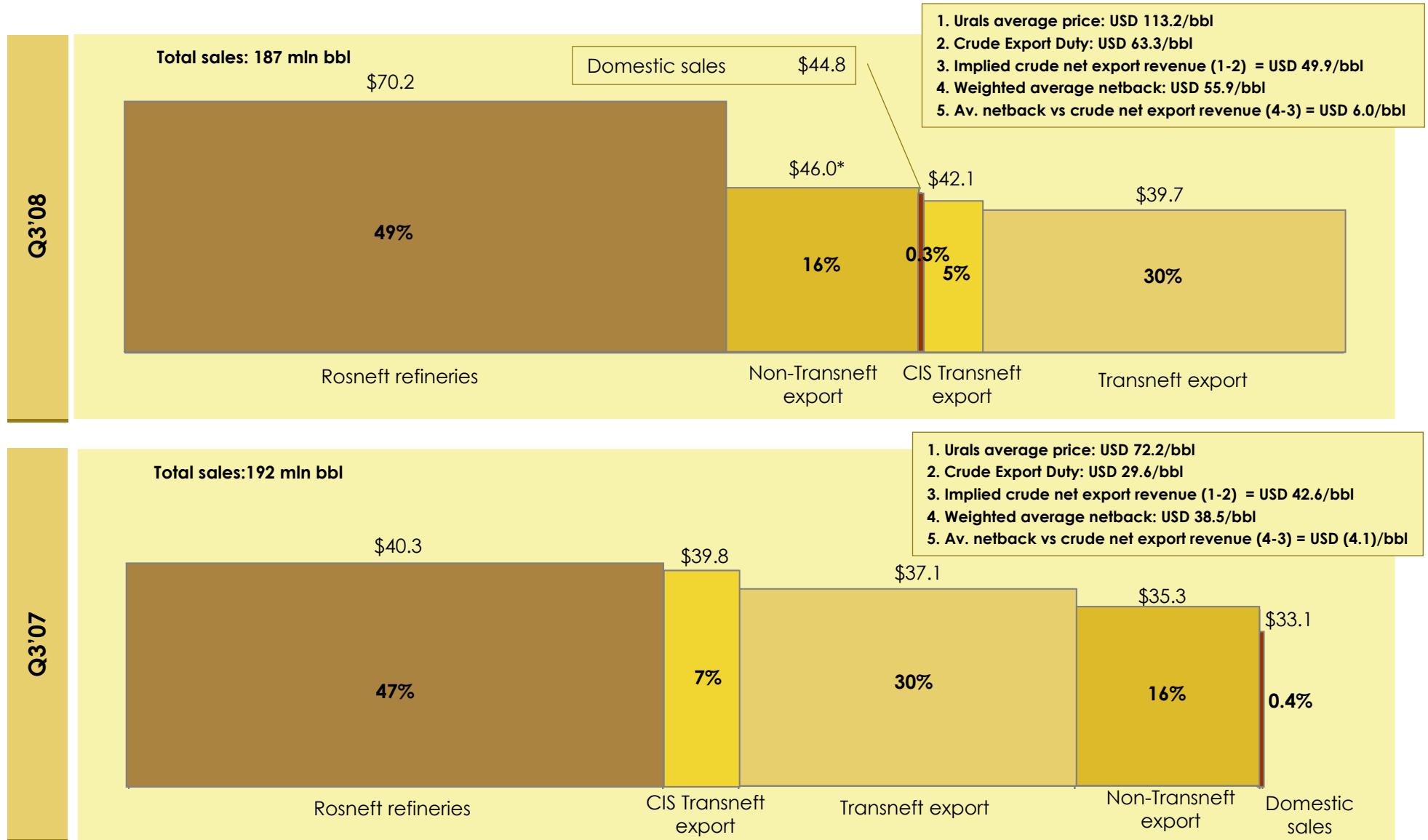
## Petroleum Products: Average Prices and Volume Breakdown



|                                   | Q2'07      | Q3'07      | Q4'07      | Q1'08      | Q2'08      | Q3'08      |
|-----------------------------------|------------|------------|------------|------------|------------|------------|
| Revenue, USD mln                  | 3,299      | 5,805      | 6,718      | 7,233      | 8,852      | 9,988      |
| Excise and export duty, USD mln   | 520        | 965        | 1,145      | 1,341      | 1,440      | 1,922      |
| Net revenue, USD mln              | 2,779      | 4,840      | 5,573      | 5,892      | 7,412      | 8,066      |
| Volume sold, mln tonnes           | 7.55       | 11.51      | 11.58      | 11.23      | 11.17      | 12.47      |
| <b>Net revenue per tonne, USD</b> | <b>368</b> | <b>421</b> | <b>481</b> | <b>525</b> | <b>664</b> | <b>647</b> |



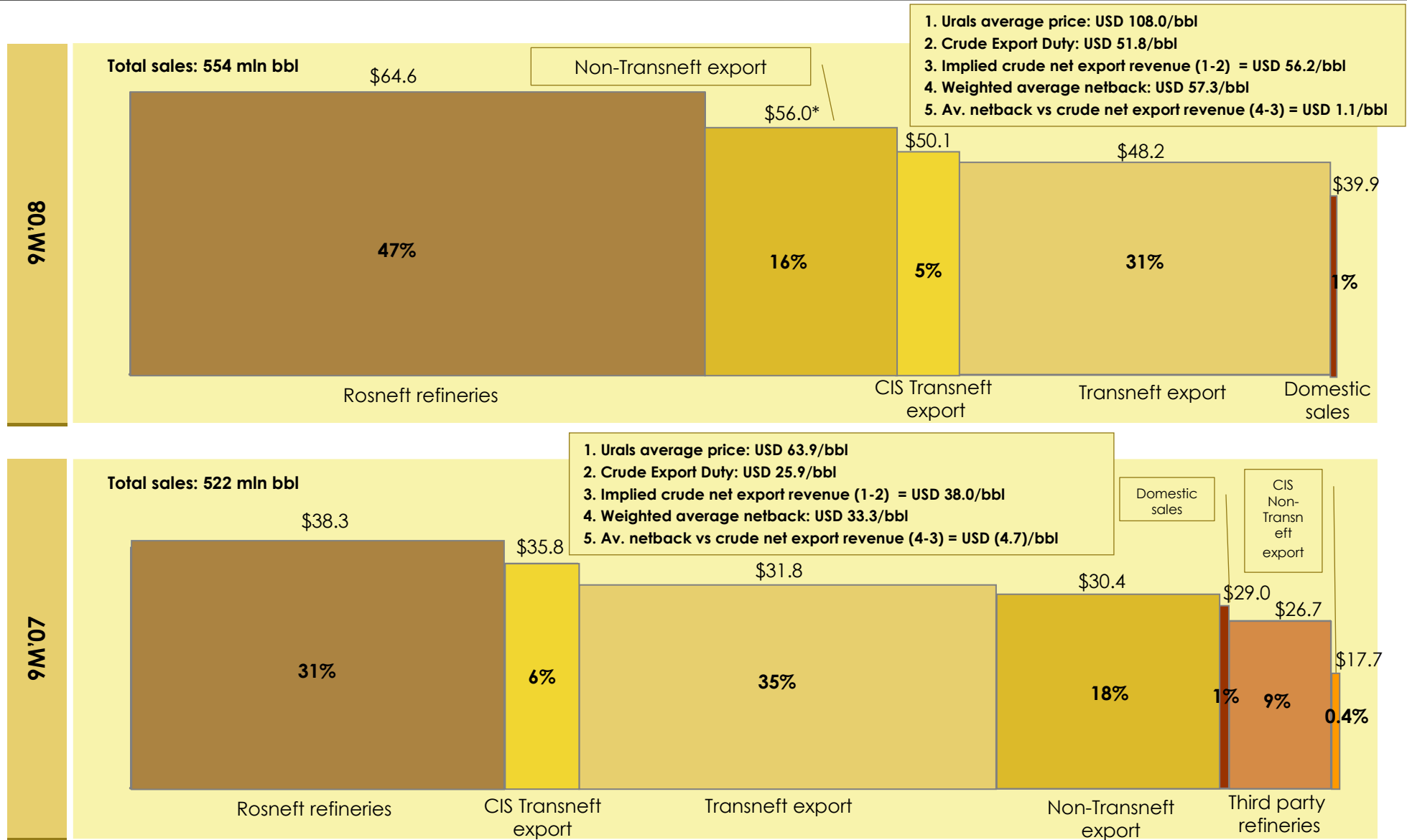
# Average Netback Exceeds Crude Net Export Revenue



\* Non-Transneft export netback is higher than Transneft export netback due to the effect of Sakhalin-1 exports which are not subject to export duty.



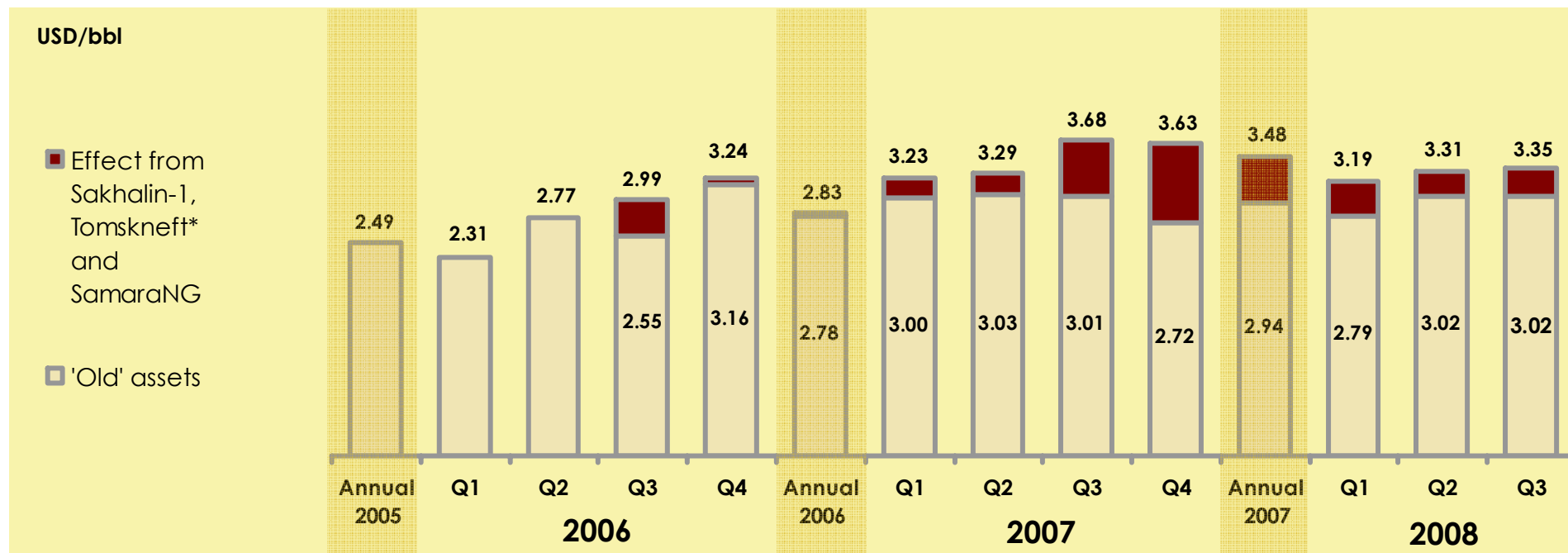
# Average Netback Exceeds Crude Net Export Revenue (cont.)



\* Non-Transneft export netback is higher than Transneft export netback due to the effect of Sakhalin-1 exports which are not subject to export duty.



# Upstream Operating Expenses



|                                   |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>RUB/USD average</b>            | 28.29 | 28.16 | 27.20 | 26.81 | 26.59 | 27.19 | 26.31 | 25.86 | 25.51 | 24.65 | 25.58 | 24.26 | 23.63 | 24.25 |
| <b>RUB inflation**, %</b>         | 10.9  | 16.4  | 17.1  | 18.9  | 20.9  | 20.9  | 25.0  | 27.8  | 29.3  | 30.4  | 30.4  | 36.7  | 41.8  | 44.2  |
| <b>Real RUB appreciation**, %</b> | 6.8   | 16.1  | 20.4  | 22.9  | 27.1  | 27.1  | 33.1  | 37.2  | 43.4  | 46.7  | 46.7  | 56.2  | 62.3  | 57.7  |

Upstream operating expenses include materials and electricity, workover, wages and salaries, and cost of transport to a trunk pipeline.

\* Since 27.12.07, Tomskneft is accounted for on an equity basis

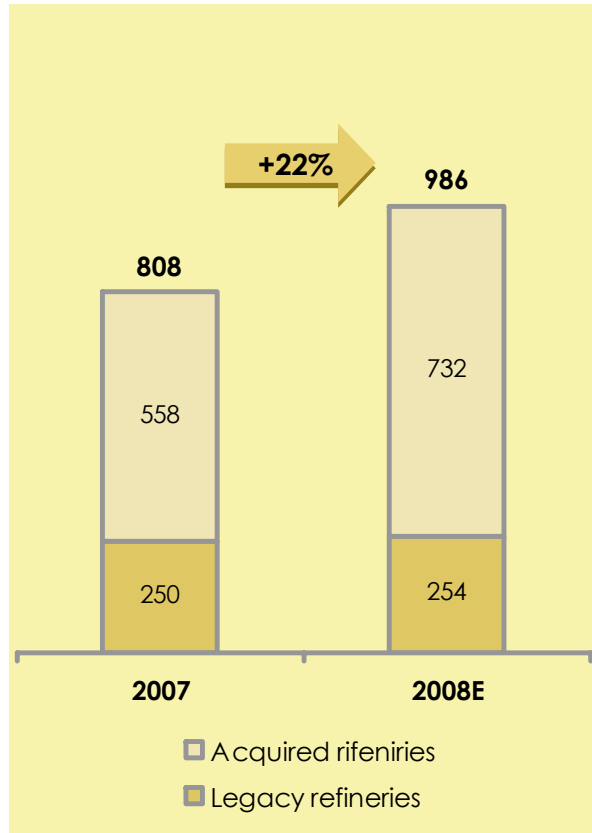
\*\* Cumulative from 01.01.2005

Decrease in OPEX during Q3'07-Q1'08 is the result of Tomskneft deconsolidation and optimization of OPEX structure by consolidation of service companies.

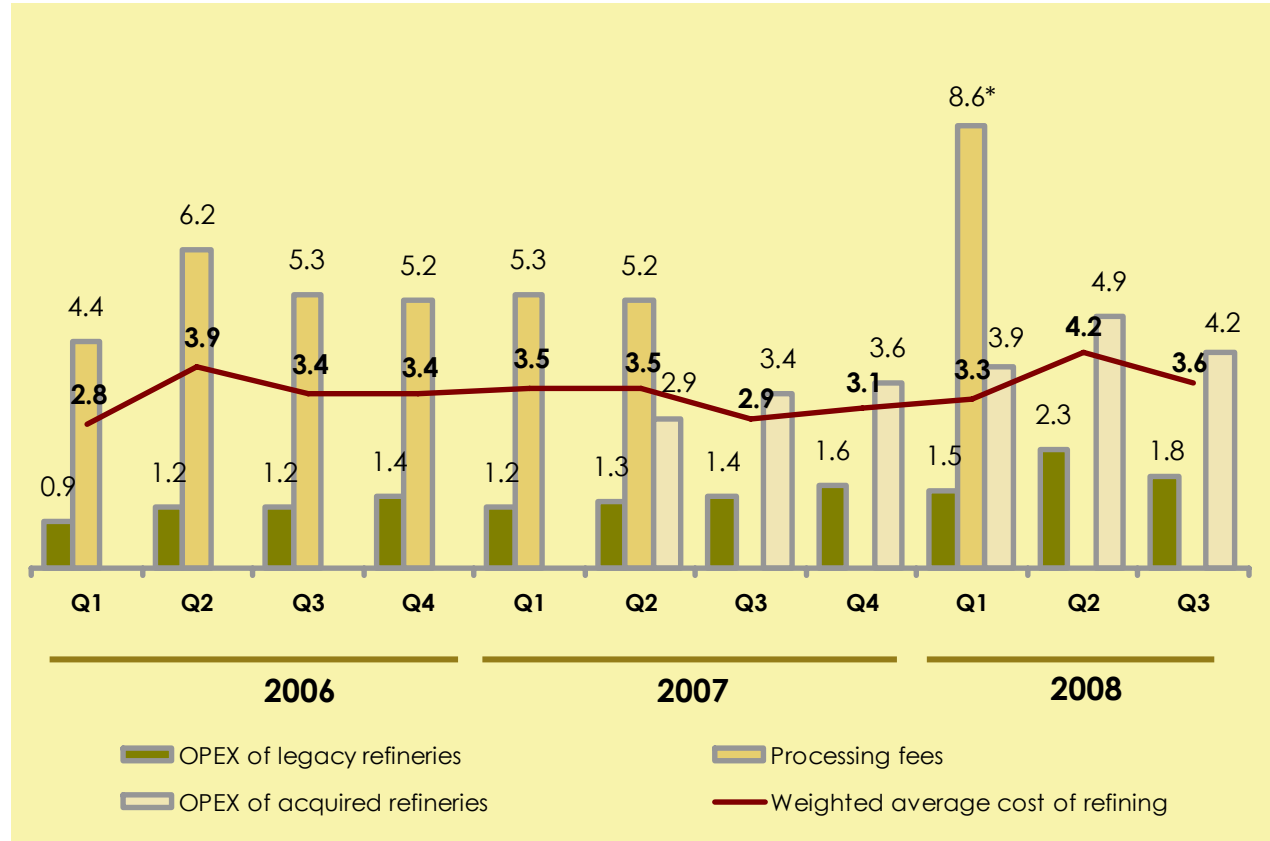


# Refining: Increased Volumes, Stable Costs

Refinery Throughput, th. bpd



Refining cost, USD/bbl



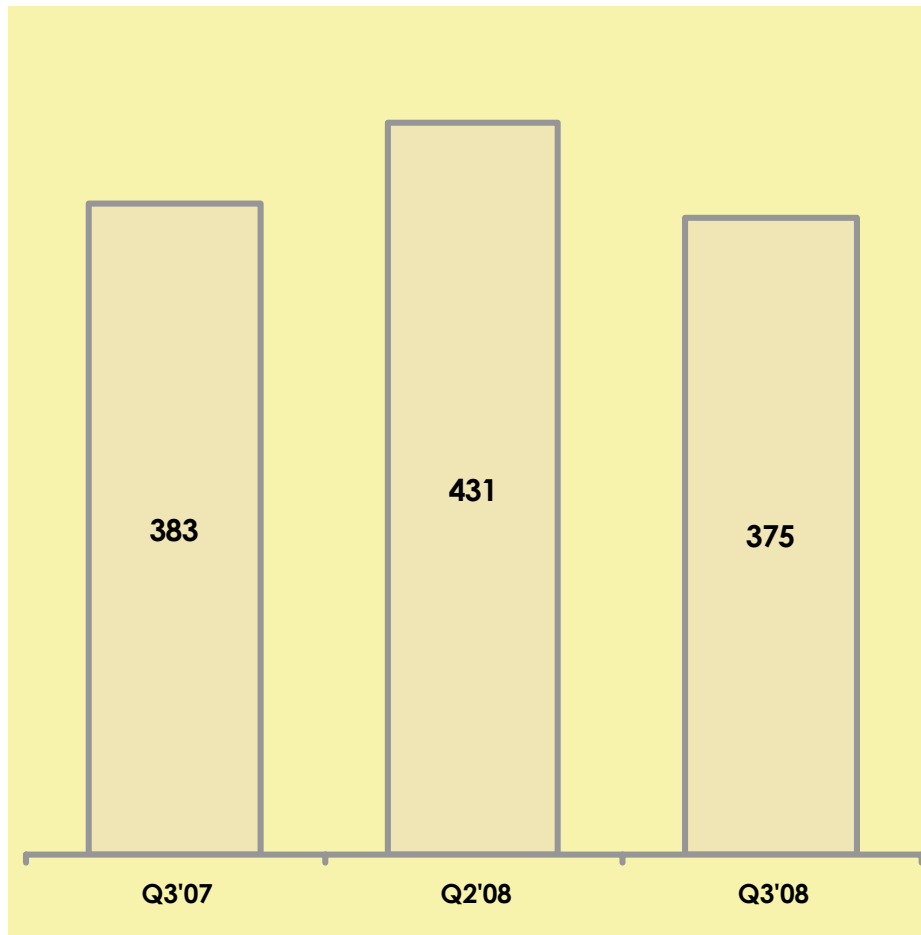
Third-party refineries were purchased in Q2'07. Rosneft fully consolidates these refineries since the date of acquisition. Expenses of own refineries do not include DD&A. OPEX of own refineries includes cost of materials, maintenance, fuel, electricity, wages and salary, rental payments and other items.

\* Cost of processing at the Strezhevoi refinery after December 27, 2007. In February 2008, Rosneft stopped processing crude at the Strezhevoi refinery as Tomskneft started to directly process its crude at the refinery.

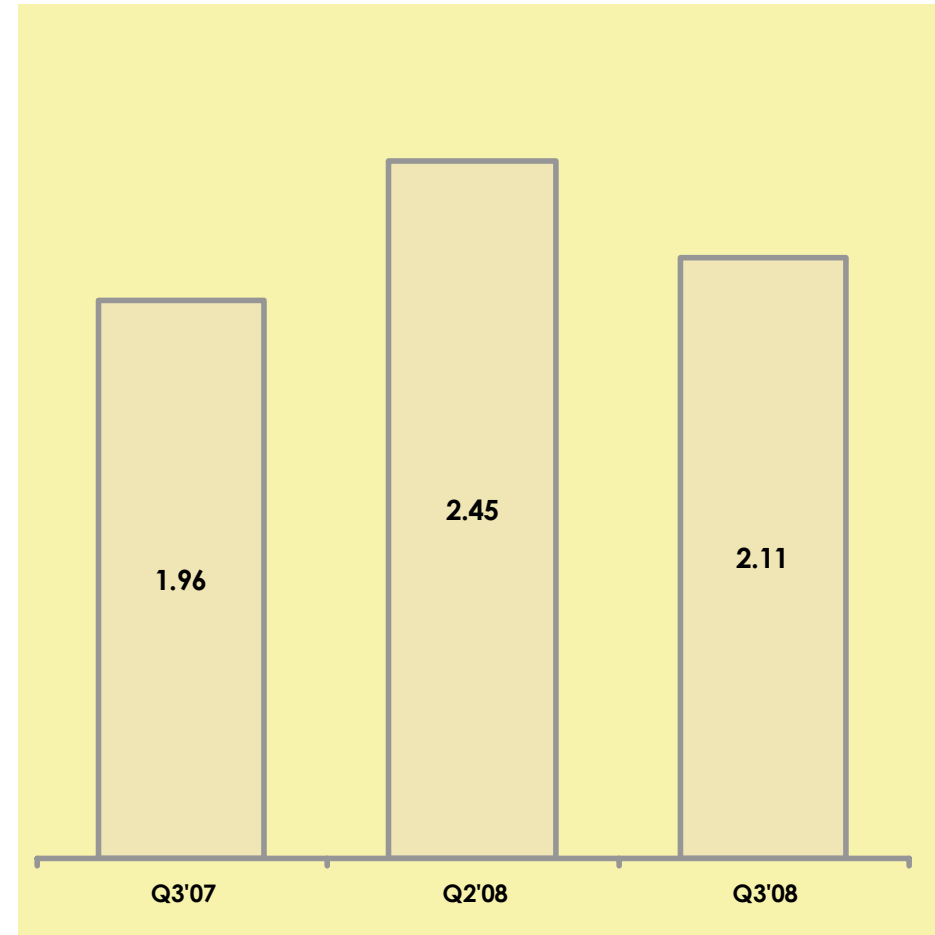


# SG&A Expenses

USD mln



USD/bbl produced



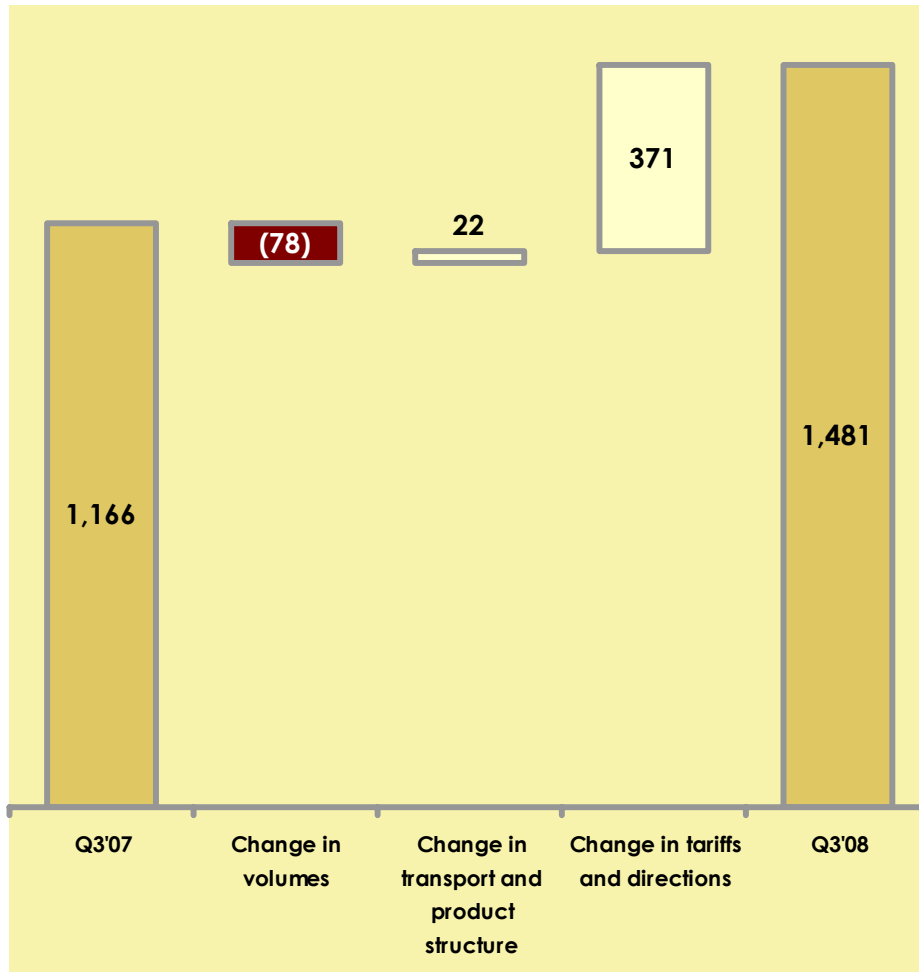
Selling, general and administrative expenses include payroll at headquarters and management-related subsidiaries, payroll of top management of operating subsidiaries, audit & consulting expenses, bad debt allowance and other costs.



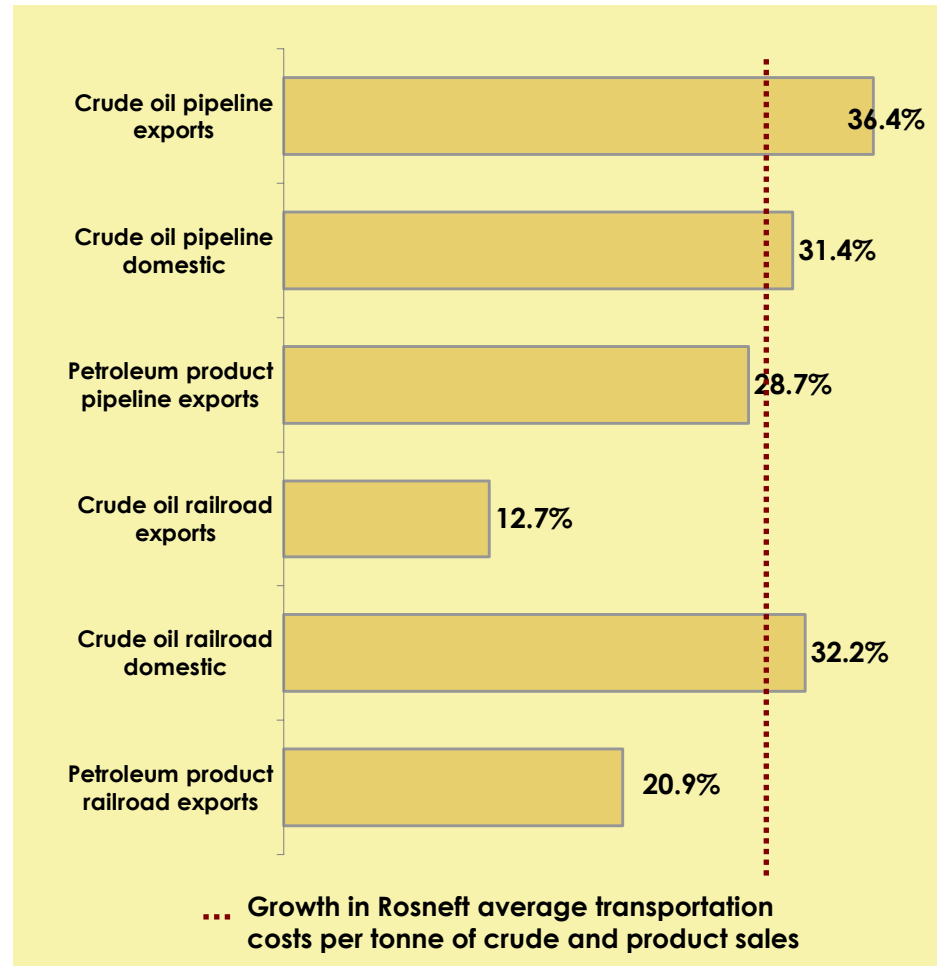


# Transportation Costs: Q3'08 vs Q3'07

Transportation Costs (Q3'08 vs Q3'07), USD mln

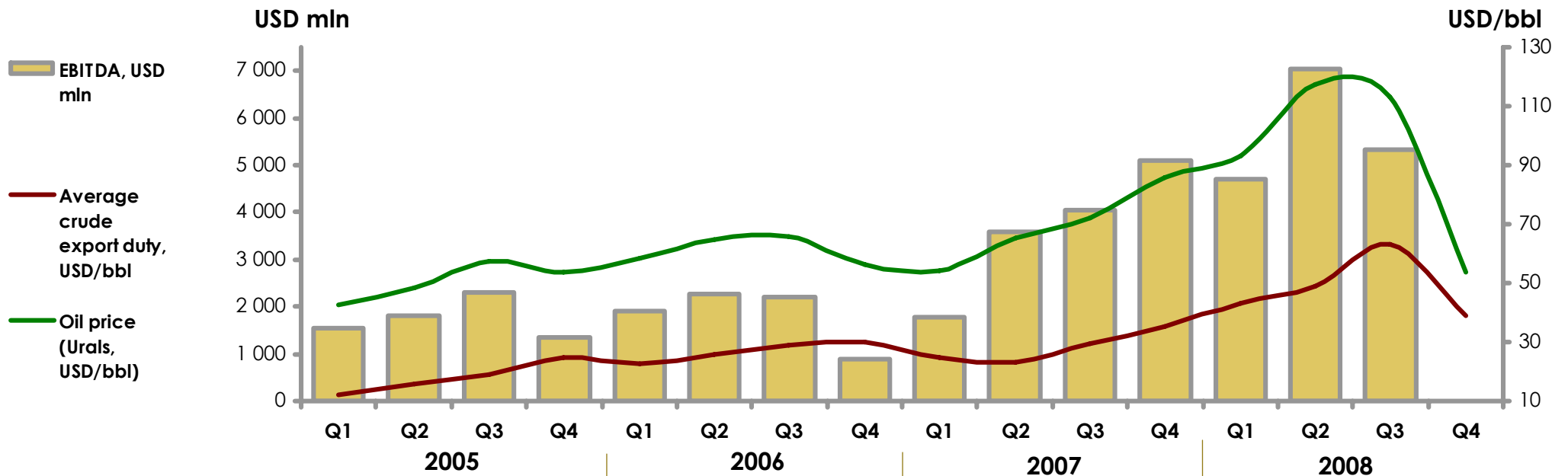


Average Change in Transportation Tariffs of Russian Monopolies in USD terms (Q3'08 vs Q3'07)





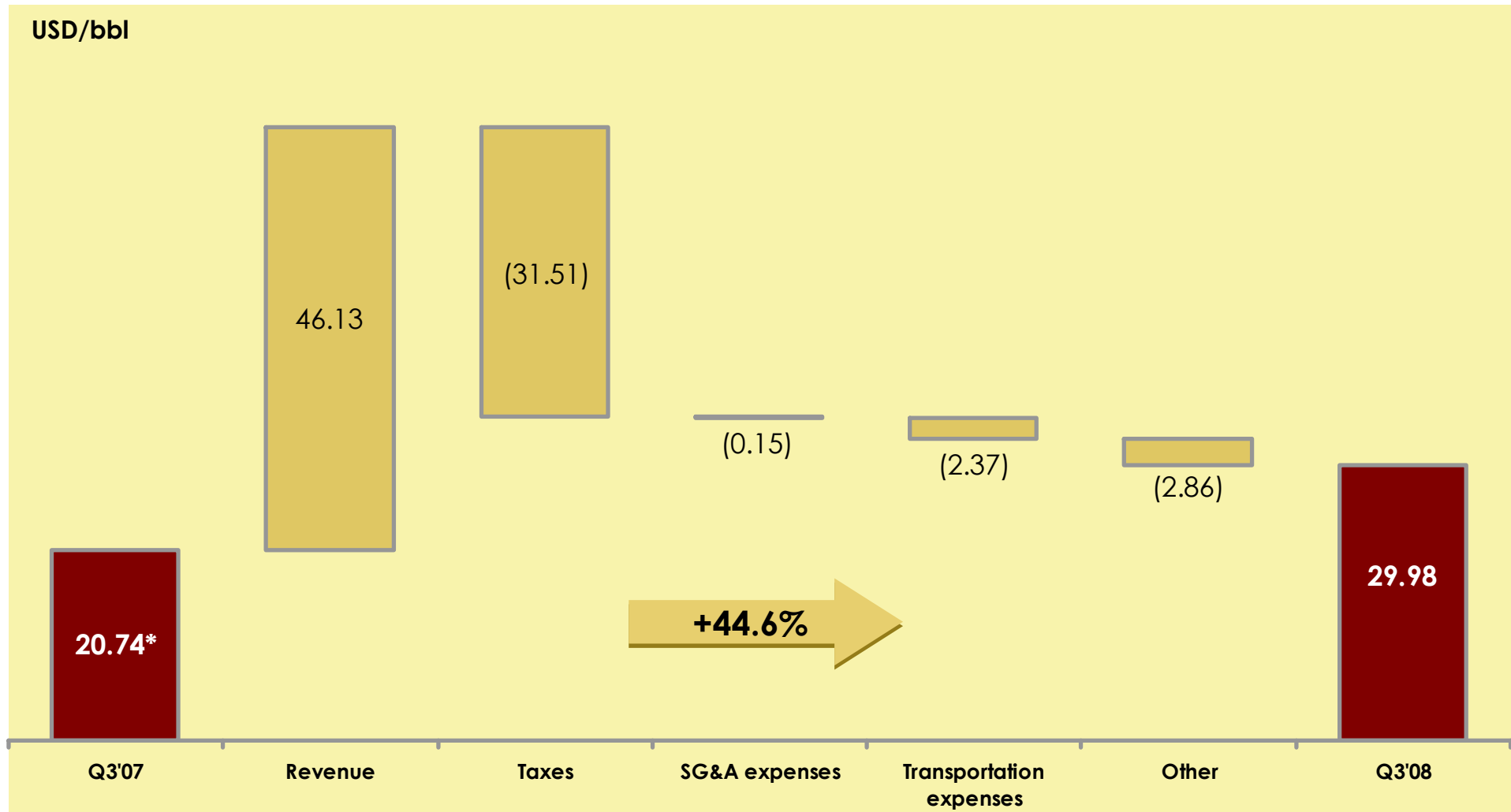
# EBITDA Dynamics



| USD/bbl  | 2005 |      |      |      | 2006 |      |      |      | 2007 |      |      |      | 2008 |       |       |      |
|--|------|------|------|------|------|------|------|------|------|------|------|------|------|-------|-------|------|
|  | Q1   | Q2   | Q3   | Q4   | Q1   | Q2   | Q3   | Q4   | Q1   | Q2   | Q3   | Q4   | Q1   | Q2    | Q3    | Q4   |
| 1. Av. Urals price                               | 42.8 | 48.2 | 57.2 | 53.7 | 58.2 | 64.8 | 65.8 | 56.3 | 54.3 | 65.2 | 72.2 | 85.9 | 93.3 | 117.5 | 113.2 | 53.8 |
| 2. Av. MET                                       | 7.4  | 8.6  | 10.6 | 9.8  | 10.8 | 12.2 | 12.5 | 10.3 | 9.9  | 12.4 | 13.9 | 16.9 | 18.6 | 23.7  | 22.6  | 9.8  |
| 3. Av. export duty                               | 12.1 | 15.5 | 18.8 | 24.5 | 22.8 | 26.0 | 28.8 | 29.8 | 24.6 | 23.4 | 29.5 | 35.3 | 43.0 | 49.1  | 63.3  | 38.8 |
| 4. Av. net export revenue after MET (=1-2-3)     | 23.2 | 24.1 | 27.9 | 19.3 | 24.6 | 26.5 | 24.5 | 16.2 | 19.9 | 29.4 | 28.8 | 33.8 | 31.7 | 44.7  | 27.3  | 5.2  |
| 5. EBITDA/bbl                                    | 12.0 | 13.9 | 16.8 | 9.4  | 14.0 | 15.8 | 14.3 | 5.8  | 12.0 | 20.9 | 21.1 | 25.7 | 26.6 | 40.2  | 30.0  | TBD  |
| 6. Implied av. total cash cost to market (= 4-5) | 11.2 | 10.2 | 11.1 | 9.9  | 10.6 | 10.7 | 10.3 | 10.4 | 7.9  | 8.5  | 7.7  | 8.1  | 5.1  | 4.5   | (2.7) | TBD  |



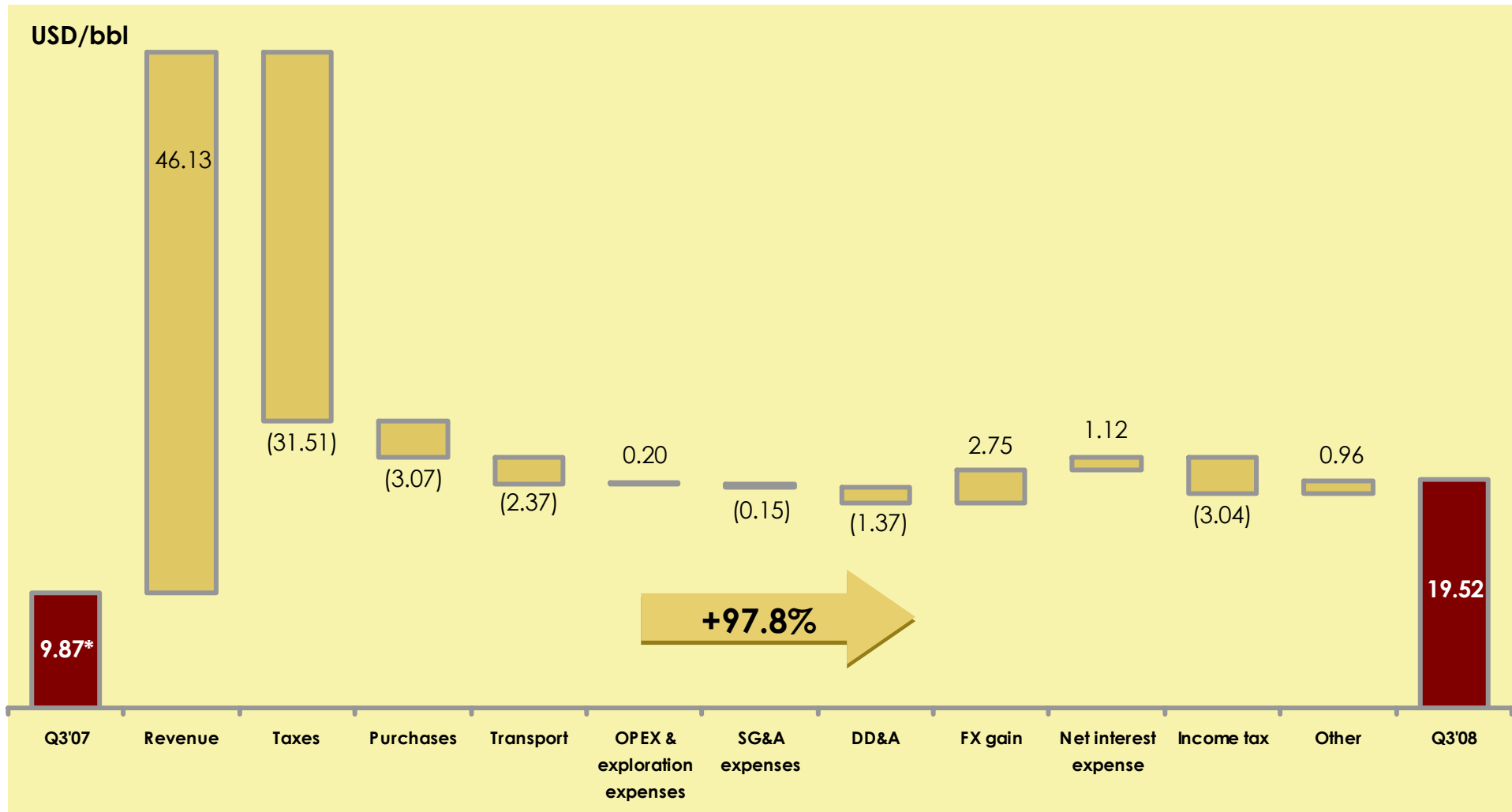
# EBITDA/bbl Reconciliation: Q3'08 vs Q3'07



\*Adjusted for the effect of non-operating accrual of fines and penalties related to pre-acquisition Yuganskneftegaz tax liabilities.



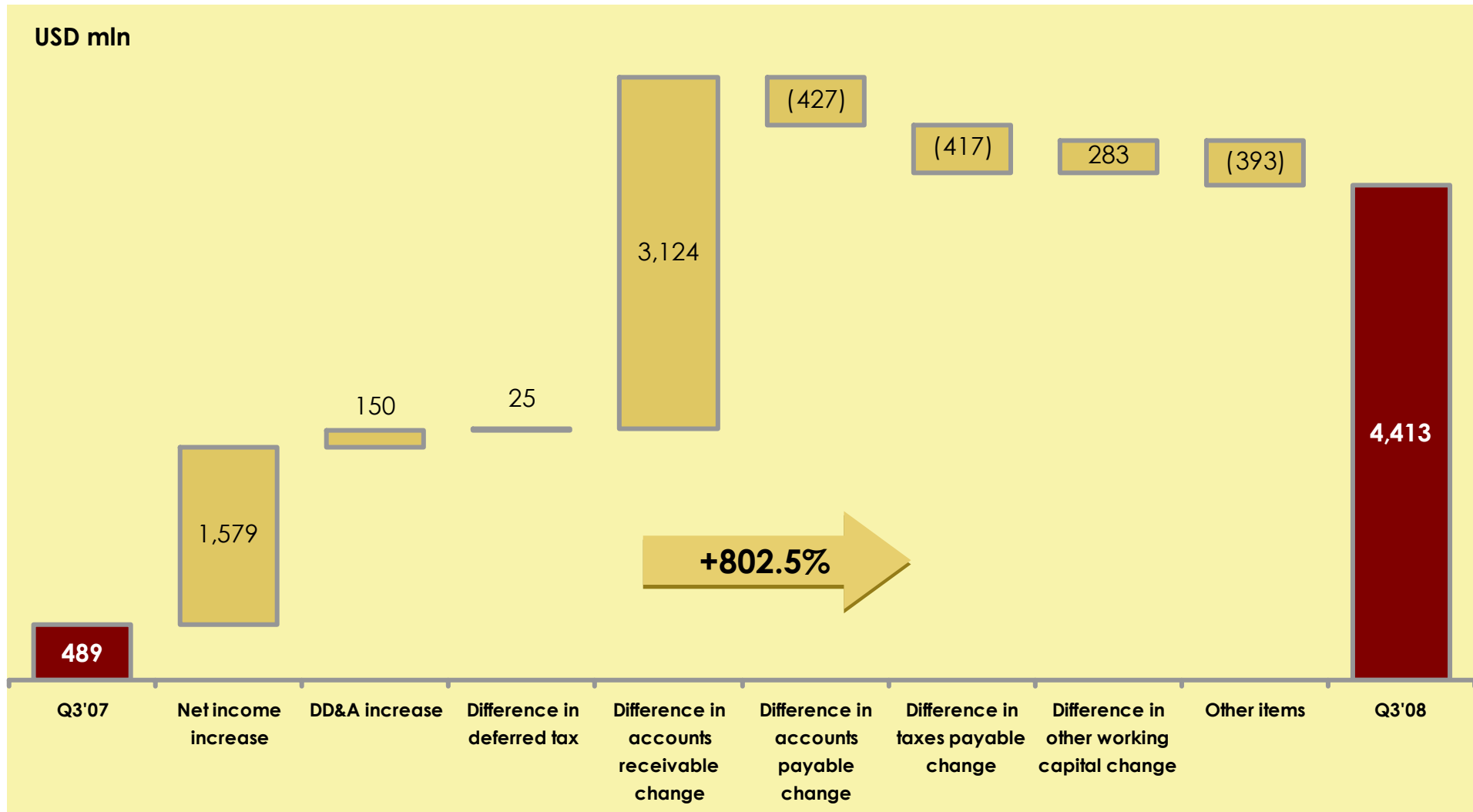
# Net Income/bbl Reconciliation: Q3'08 vs Q3'07



\* Adjusted for the effect of non-operating accrual of fines and penalties related to pre-acquisition Yuganskneftegaz tax liabilities.



# Operating Cash Flow Reconciliation: Q3'08 vs Q3'07





# Capital Expenditures

| USD mln  | 9M'08        | 9M'07        | Q3'08        | Q3'07        |
|--|--------------|--------------|--------------|--------------|
| <b>Exploration and production</b>                                | <b>4,678</b> | <b>3,185</b> | <b>1,636</b> | <b>1,444</b> |
| Yuganskneftegaz  | 2,048        | 1,713        | 732          | 727          |
| Vankor   | 1,715        | 717          | 617          | 325          |
| Purneftegaz  | 406          | 259          | 112          | 114          |
| Severnaya Neft   | 144          | 154          | 53           | 68           |
| Tomskneft  | -            | 110          | -            | 110          |
| Samaraneftegaz   | 134          | 48           | 54           | 48           |
| Other upstream <sup>1</sup>                                      | 231          | 184          | 68           | 52           |
| <b>Refining and marketing</b>                                    | <b>828</b>   | <b>486</b>   | <b>274</b>   | <b>282</b>   |
| OJSC NK Rosneft <sup>2</sup>                                     | 113          | 59           | 11           | 5            |
| Tuapse Refinery  | 115          | 43           | 31           | 13           |
| Komsomolsk Refinery  | 45           | 44           | 18           | 12           |
| Purchased Refineries   | 216          | 109          | 72           | 109          |
| Marketing Business Units and Other downstream <sup>3</sup>       | 339          | 231          | 142          | 143          |
| <b>Other</b>   | <b>376</b>   | <b>124</b>   | <b>171</b>   | <b>96</b>    |
| <b>Sub Total</b>   | <b>5,882</b> | <b>3,795</b> | <b>2,081</b> | <b>1,822</b> |
| Acquisition of lots 17-18  | -            | 288          | -            | 288          |
| Construction materials (Vankorneft, Yuganskneftegaz, etc.)       | 544          | 455          | 98           | 140          |
| <b>Total Capital Expenditures</b>                                | <b>6,426</b> | <b>4,538</b> | <b>2,179</b> | <b>2,250</b> |
| License purchase   | 47           | 52           | -            | 47           |
| <b>E&amp;P capital expenditures per barrel produced, USD/bbl</b> | <b>8.83</b>  | <b>6.19</b>  | <b>9.21</b>  | <b>7.39</b>  |

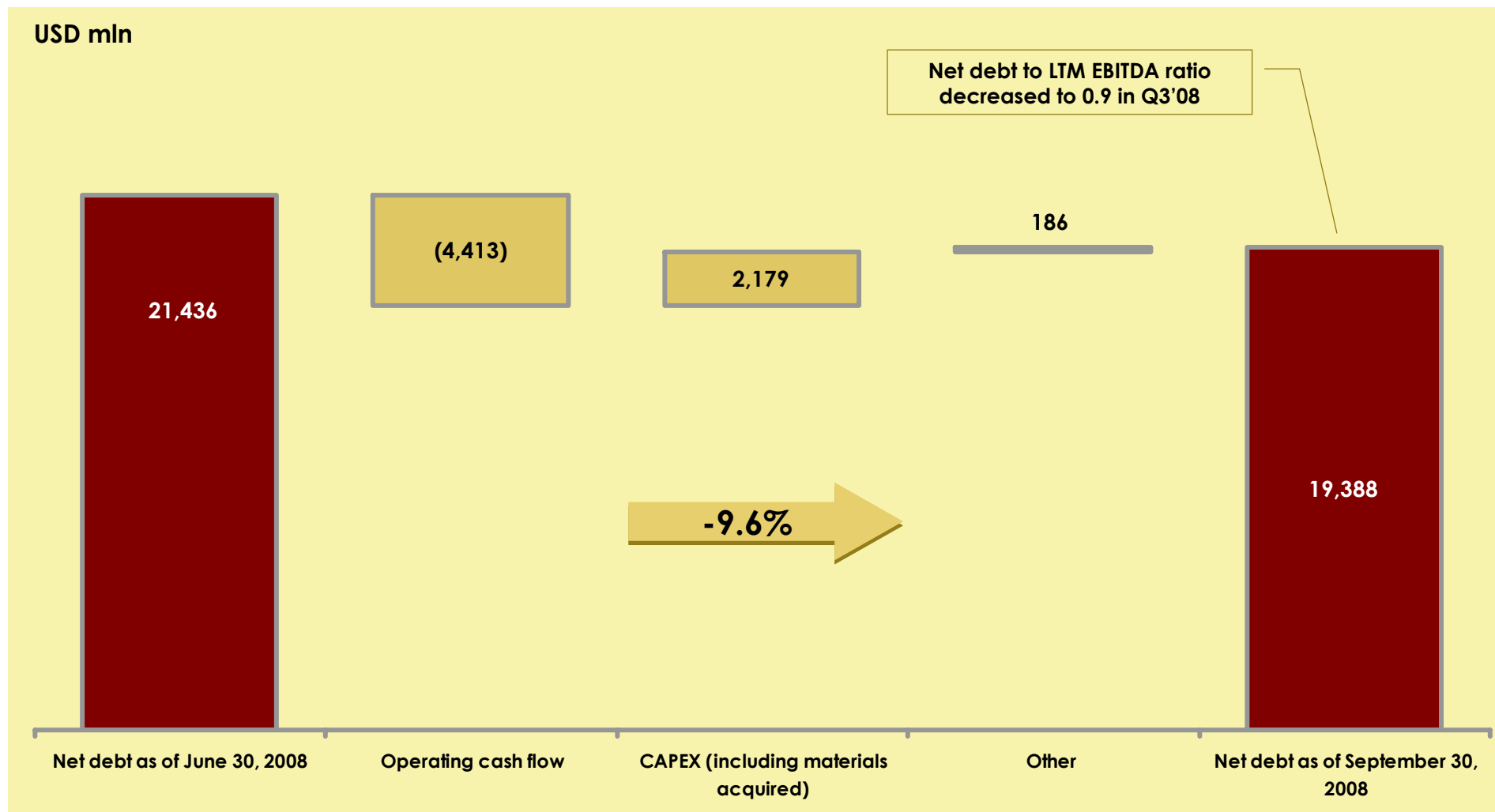
1 Includes Krasnodarneftegaz, Stavropolneftegaz, Sakhalinmorneftegaz, Grozneftegaz, Sakhalin-1 etc.

2 The growth is due to advances for gas-turbine equipment.

3 Mainly companies providing processing and storage services.



# Net Debt Reconciliation\*

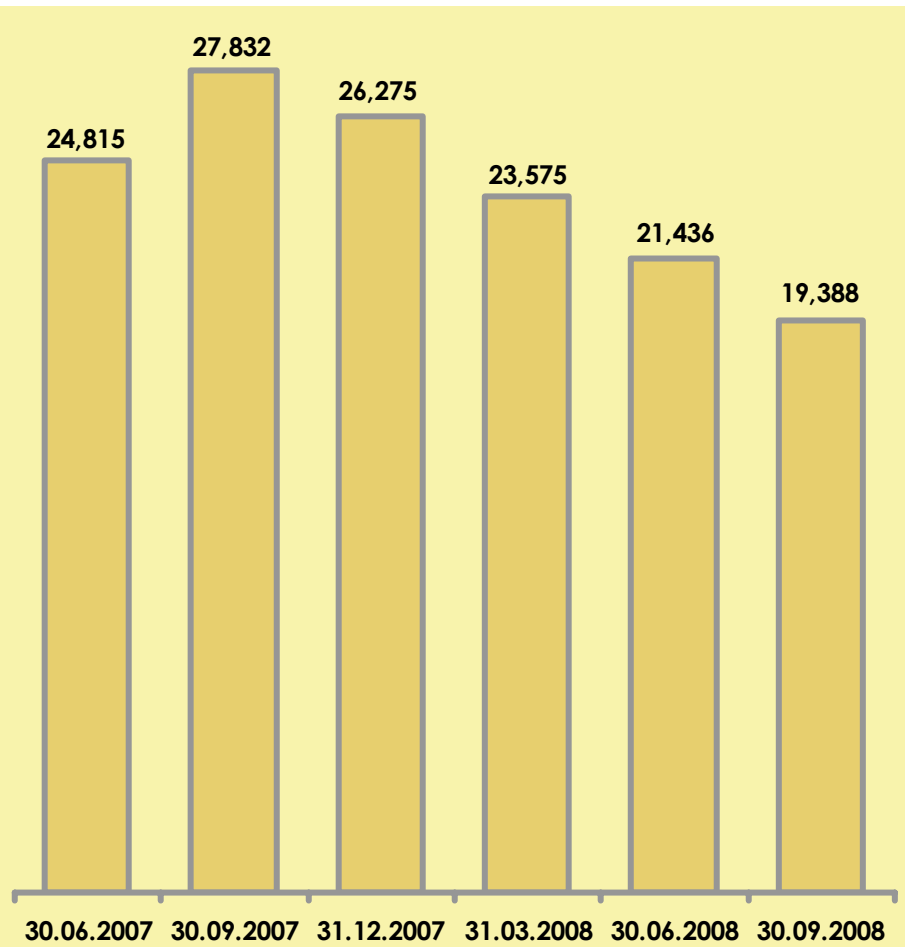


\* Net debt adjusted for cash deposits of USD 1,291 mln as of June 30, 2008 and USD 210 mln as of September 30, 2008 (reflected as short-term investments as they are placed for more than 3 months) that are intended for debt settlement and placed until debt maturity.

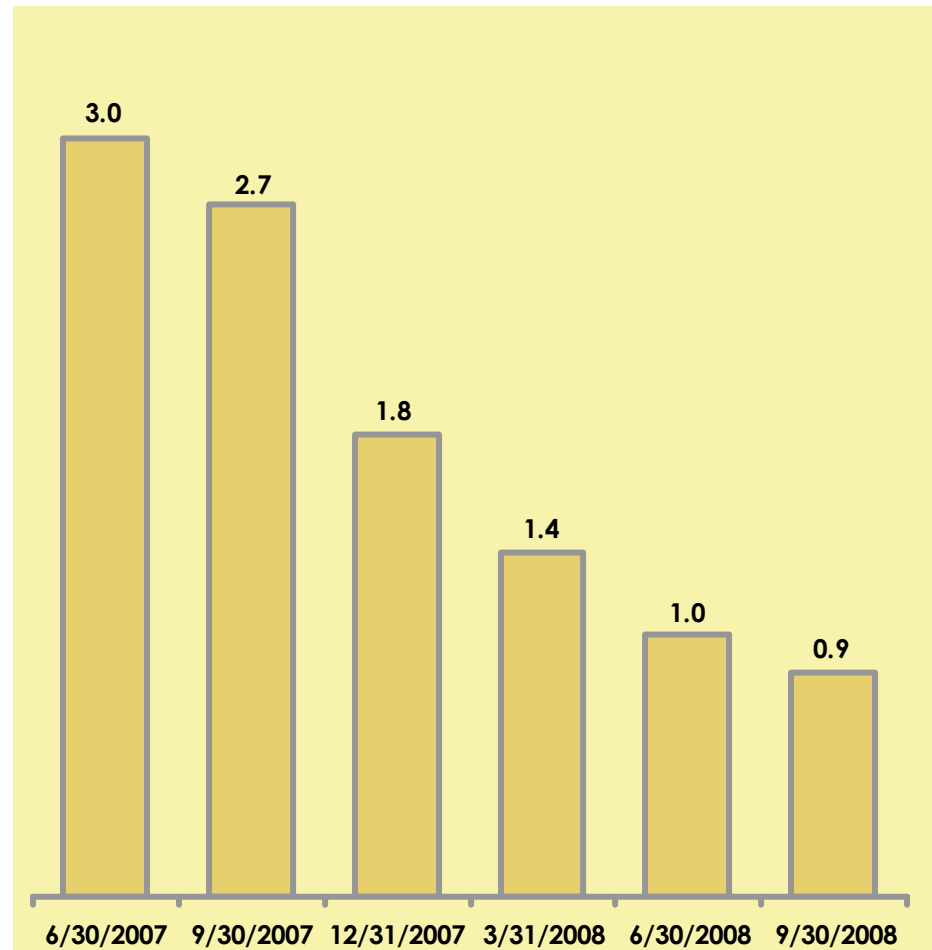


# Reduction of Net Debt

Net debt, USD mln



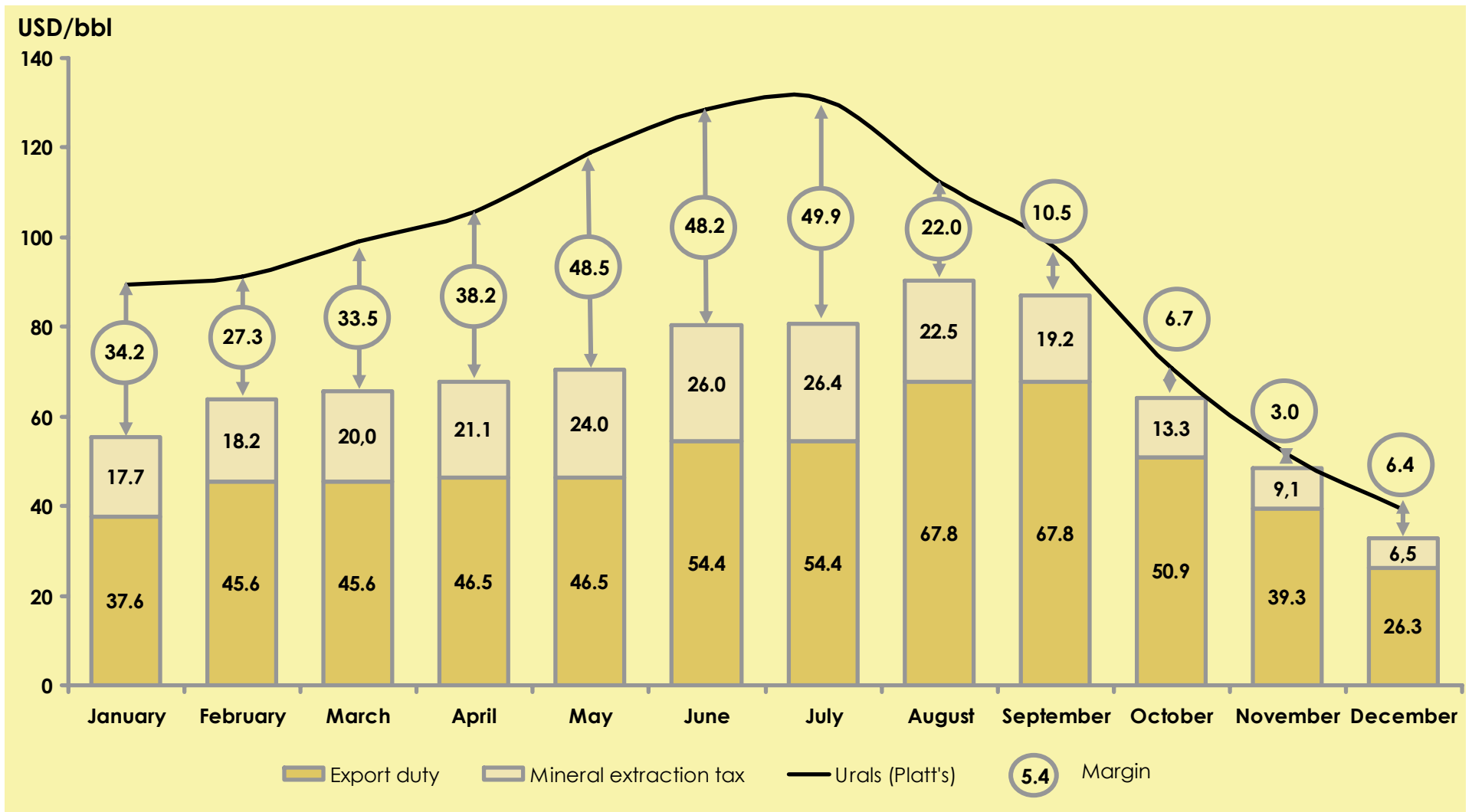
Net debt to LTM EBITDA





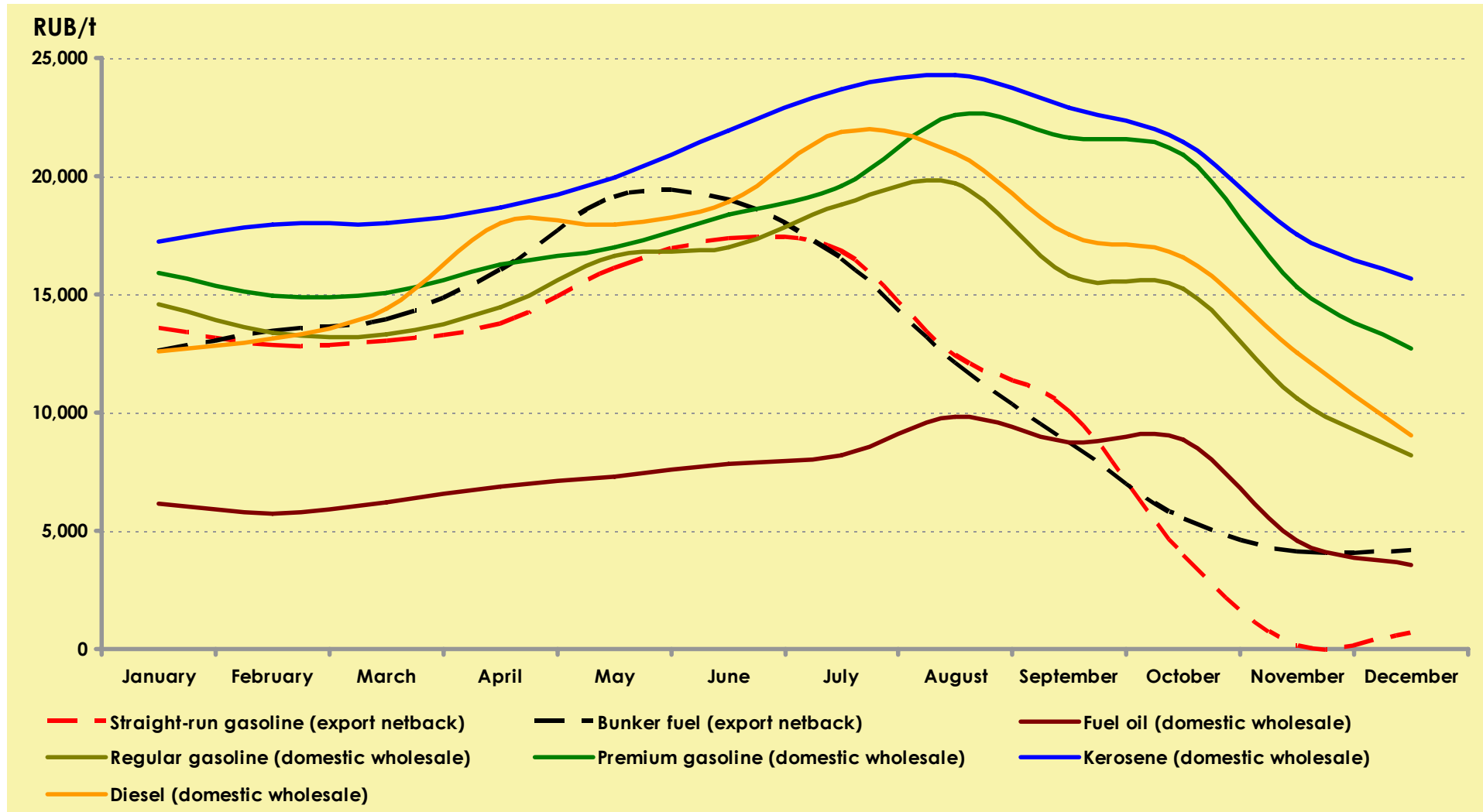


# Net Revenue of an Oil Exporter in 2008





# Petroleum Product Prices in 2008 (Rosneft Refineries)\*



\* Refinery-gate export netback or domestic wholesale price net of VAT and excise (average for Rosneft refineries).