

ROSNEFT Q1 2013 IFRS Results



30 April 2013

Important Notice



The information contained herein has been prepared by the Company. The opinions presented herein are based on general information gathered at the time of writing and are subject to change without notice. The Company relies on information obtained from sources believed to be reliable but does not guarantee its accuracy or completeness.

These materials contain statements about future events and expectations that are forward-looking statements. Any statement in these materials that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. We assume no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.

This presentation does not constitute an offer or invitation to sell, or any solicitation of any offer to subscribe for or purchase any securities and nothing contained herein shall form the basis of any contract or commitment whatsoever. No reliance may be placed for any purposes whatsoever on the information contained in this presentation or on its completeness, accuracy or fairness. The information in this presentation is subject to verification, completion and change. The contents of this presentation have not been verified by the Company. Accordingly, no representation or warranty, express or implied, is made or given by or on behalf of the Company or any of its shareholders, directors, officers or employees or any other person as to the accuracy, completeness or fairness of the information or opinions contained in this presentation. None of the Company nor any of its shareholders, directors, officers or employees nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith.

1Q 2013 highlights



Robust performance on the back of business growth and solid financial results

- ▶ **4,804 kboe/d oil and gas production**, up 82.4% y-o-y*
- ▶ **13.2 mln tons refining volume at Russian refineries**, up 2.7%*
- ▶ **1.6 mln tons retail fuel sales**, up 6.7%*
- ▶ **Completing acquisition of 100% in TNK-BP on 21 March 2013**
- ▶ **Unprecedented strategic trading agreements** with Glencore, Vitol and CNPC
- ▶ **RUB 156 bn EBITDA**
- ▶ **RUB 33 bn free cash flow****

Becoming a leading partner in offshore developments

- Obtaining 12 licenses for areas in the Barents, Kara, Chukotka and Laptev Seas with 15 bn tonnes of estimated hydrocarbon resources
- Acquiring 30% stake in 20 deep water blocks held by ExxonMobil in the Gulf of Mexico
- Prospects to develop greenfield areas off shore Venezuela – heads of terms with PDVSA

*1Q2013 results are compared to 1Q2012 results unless stated otherwise. 1Q2013 daily amounts include TNK-BP daily results for the whole reporting period.

**Free cash flow is presented net of the proceeds on long-term contracts

Sustainable production growth and resource base renewal



Growing liquids production due to effective technology application:

- ▶ 4,169 kbb/d liquids production, up 73.1% y-o-y (243 mln bbl for 1Q2013)

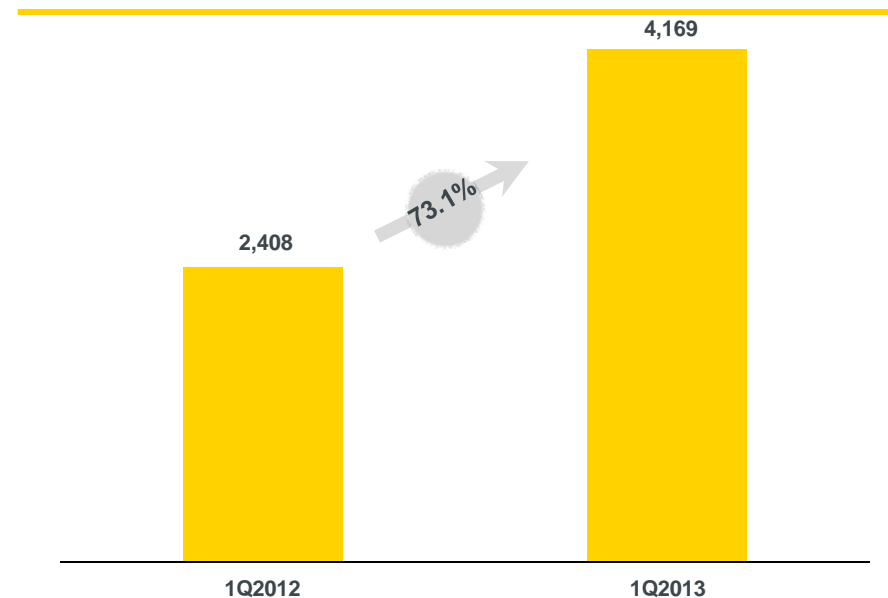
Promising exploration results:

- ▶ Increasing Suzunskoye field resource base by 15%

Greenfields – steady contribution:

- ▶ Vankor production 422 kbb/d, up 25% y-o-y
- ▶ VCNG⁽²⁾ production 155 kbb/d, up 16% y-o-y
- ▶ Uvat⁽²⁾ production 140 kbb/d, up 17% y-o-y

Liquids production⁽¹⁾, kbb/d



Vankor – a center of a new oil province in East Siberia



Vankor– the largest Russian greenfield in the last 20 years

- ▶ 4% of crude oil output in Russia
- ▶ Oil recovery factor of 0.45 – one of the industry best

New development hub around Vankor – Suzunskoye, Tagulskoye and Lodochnoye fields

- ▶ Unified crude transportation via the Vankor-Purpe trunk oil pipeline (600 kbbbl/d)
- ▶ Unified power supply system including own and external generation:
 - Vankorneft gas turbine plant of 206.4 MWt capacity
- ▶ Unified logistics scheme for delivering goods and personnel



Gas business gaining momentum



On the way of becoming one of the biggest independent gas producer in Russia

- ▶ Gas production increased by 180.9% on y-o-y basis to 635 mboe/d

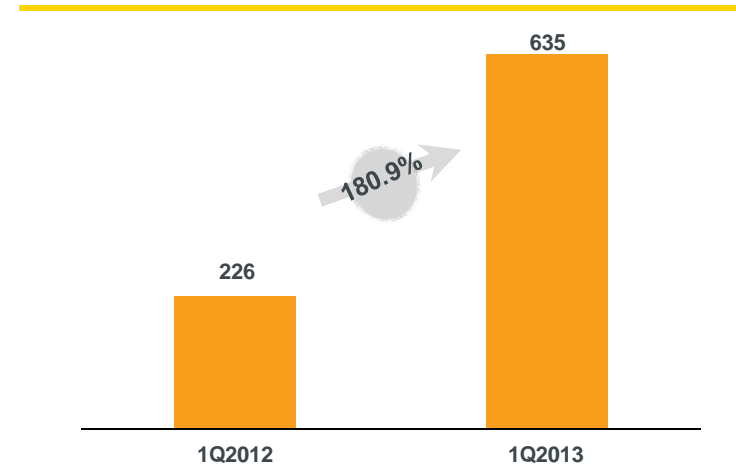
Sustainable production growth even excluding the effect of TNK-BP acquisition

- ▶ Gas production (excluding the effect of TNK-BP acquisition) increased by 57.5% on y-o-y basis to 356 kboe/d

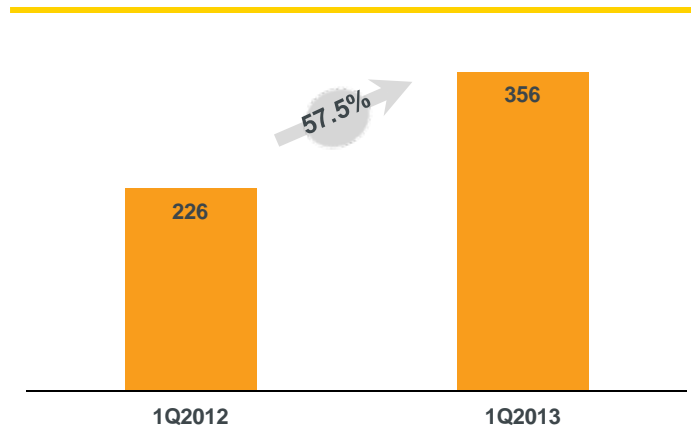
Expanding customer base

- ▶ Construction of LNG plant in Russian Far East – a working group with ExxonMobil to jointly study the project potential

Gas production, kboe/d



Gas production, kboe/d
(excluding the effect of TNK-BP acquisition)

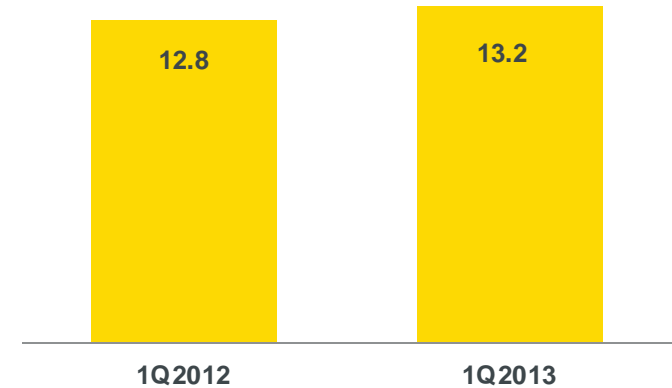


Improving downstream efficiency

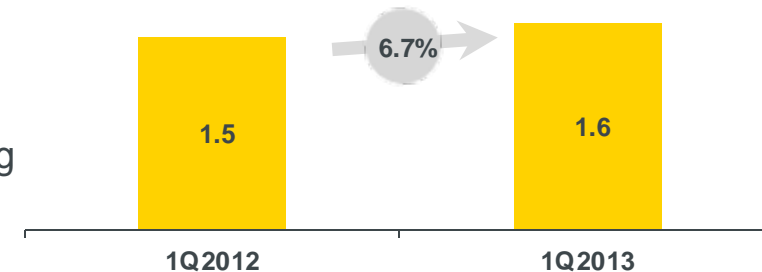


- ▶ **13.2 mln tonnes*** – refining volume at Russian refineries, up 2.7% y-o-y due to TNK-BP acquisition
- ▶ Successful Euro-5 fuel delivery
 - Euro-5 diesel - retail sales in Moscow, Bryansk, Smolensk, Arkhangelsk, Murmansk and Krasnodar regions
 - Euro-5 gasoline – ramping up production in Achinsk and Komsomolsk refineries
- ▶ Long-term trading contracts to mitigate the risk of market volatility:
 - 5-year contracts for crude delivery with largest global trading companies, Glencore and Vitol
 - Incremental crude oil supplies to CNPC via the Skovorodino-Mokhe pipeline during 25 years under the intergovernmental agreement between Russia and China
- ▶ Expanding high-marginal ‘in-wing’ sales:
 - Agreement with the Base element company on acquiring fuelling complexes in the cities of Krasnodar, Sochi, Anapa, Gelendzhik and Abakan

Oil refining volumes, mln tons



Retail fuel sales in Russia, mln tons



* Including TNK-BP volumes

Improving the quality of the refining asset portfolio



Implementing the refinery modernization program in Russia:

- ▶ Angarsk petrochemical company – installing equipment for the diesel hydrotreater unit under construction
- ▶ Tuapse refinery – commissioning ABT-12 primary distillation unit

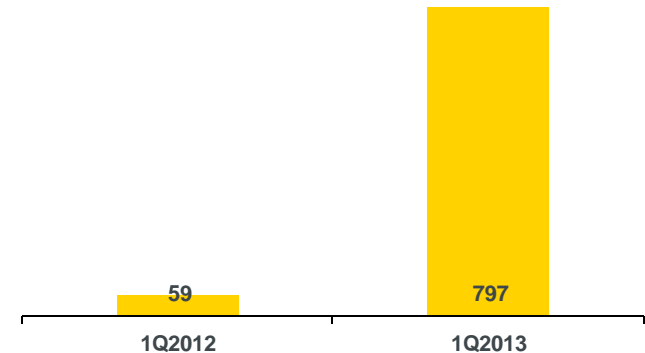
Developing petrochemical business

- ▶ East petrochemical company – public hearings on environmental footprint potentially caused by construction of a petrochemical facility in Nakhodka

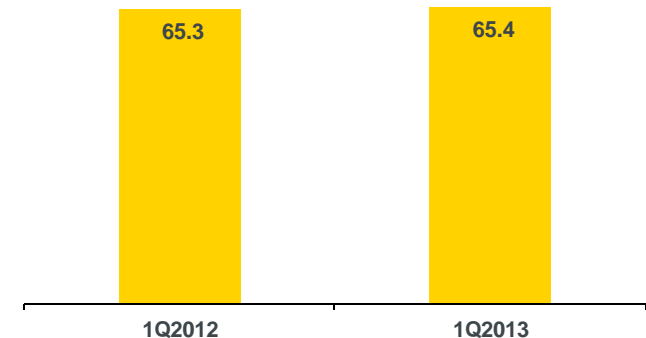
Refining beyond Russia – creating added value

- ▶ Construction of the Tianjin refining with CNPC
- ▶ Acquiring 21.5% in Saras refinery (Italy)

Euro-4 and Euro-5 fuel production, th. tons



Refining depth, %



1Q'2013 Financial results overview



	Q1' 2013	Q4' 2012 ⁽⁴⁾	Δ	Q1' 2012 ⁽⁴⁾	Δ
Revenues, RUB bln	812	792	2.5%	759	7.0%
EBITDA, RUB bln ⁽¹⁾	156	145	7.6%	176	(11.4)%
Net income, RUB bln	102	62	64.5%	117	(12.8)%
Operating cash flow, RUB bln ⁽²⁾	360	136	164.7%	75	380%
Capital expenditures, excl. license acquisition, RUB bln	95	123	(22.8)%	120	(20.8)%
Free cash flow, RUB bln ⁽³⁾	33	13	153.8%	(45)	>100%
Net debt, RUB bln	1,781	591	201.4%	458	288.9%

Note: (1) EBITDA is calculated as the sum of the operating profit, D&A and depletion expenses for the respecting period; (2) Operating cash flow is adjusted for the effect from operations with trading securities as part of Company's excess cash management; (3) Free cash flow is presented net of the proceeds on long-term contracts (4) Data is restated due to changes in accounting policy

Macroeconomic Environment



	Q1' 2013	Q4' 2012	Δ	Q1' 2012	Δ
Average USD/RUB exchange rate	30.41	31.08	(2.2)%	30.26	0.5%
Inflation for the period, %	1.9%	1.4%		1.5%	
Urals FOB Primorsk, th. RUB/bbl	3.32	3.35	(0.9)%	3.50	(5.1)%
Urals FOB Primorsk, US\$ per barrel	109.3	107.8	1.4%	115.8	(5.6)%
Gasoil 0.1% (FOB/CIF Med), th. RUB/tonne	29.0	29.4	(1.4)%	30.2	(4.0)%
Fuel oil 3.5% (FOB/CIF Med), th. RUB/tonne	18.7	18.3	2.2%	20.6	(9.2)%
High octane gasoline (av. Russia), th. RUB/tonne	26.8	27.4	(2.2)%	23.1	16.0%
Diesel (av. Russia), th. RUB/tonne (summer)	27.7	27.9	(0.7)%	24.6	12.6%

EBITDA reconciliation



EBITDA 1Q 2013 vs. 4Q 2012, RUB



Environment in 1Q2013

- Revenue decreased due to lower volumes of petroleum products sales.
- Taxes increased due to indexation of MET and excise duty rates.
- Purchases decreased due to turnarounds at Ruhr Oel GmbH.
- Transportation expenses increased due to indexation of transportation tariffs.

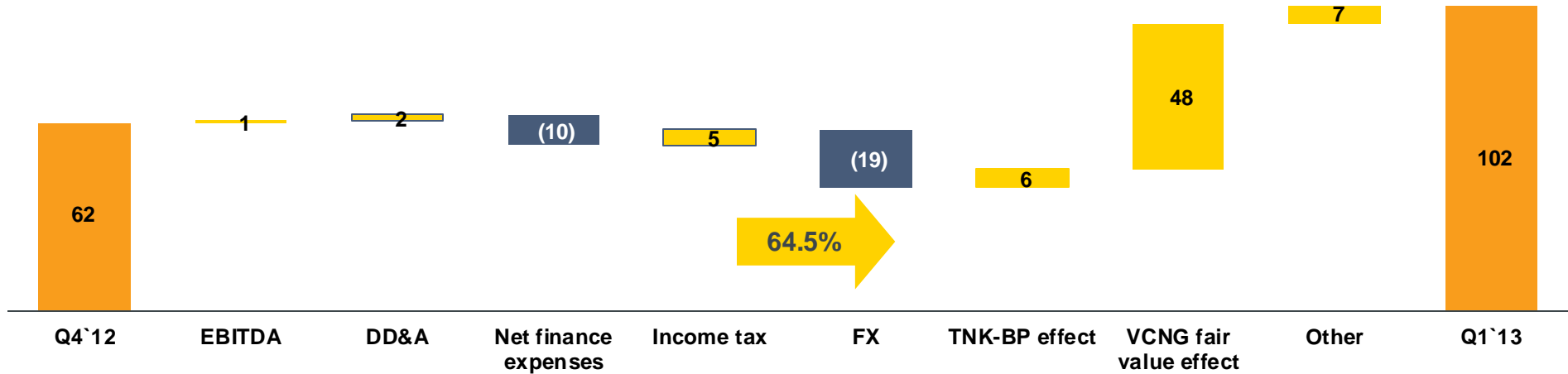
Performance

- Operating expenses decreased due to accumulation of intergroup inventories for seasonal demand in spring and summer periods.
- G&A decreased due to lower audit and consulting fees.
- TNK-BP effect on EBITDA for 11 days of ownership is added

Net income reconciliation



Net income 1Q 2013 vs. 4Q 2012, RUB



Environment in 1Q2013

- Net finance expenses increased due to finance charges accrued on bank loans drawn for TNK-BP acquisition.
- FX loss was due to depreciation of RUB against USD.

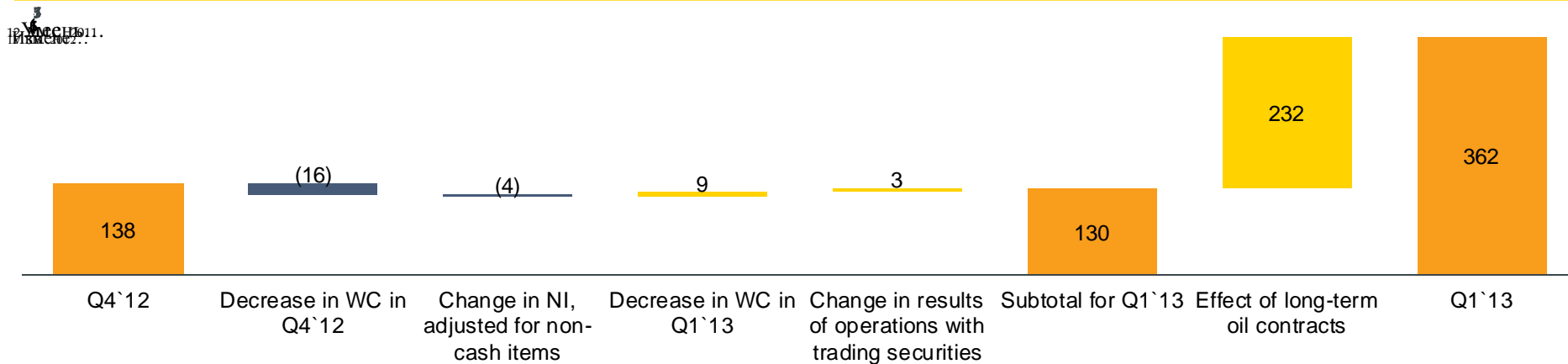
Performance

- DD&A decreased due to increase in proved reserves of oil and gas according to D&M report.
- Income estimation of fair value of Verkhnechonskneftegaz non-controlling interest.
- TNK-BP effect on net income for 11 days of ownership is added.

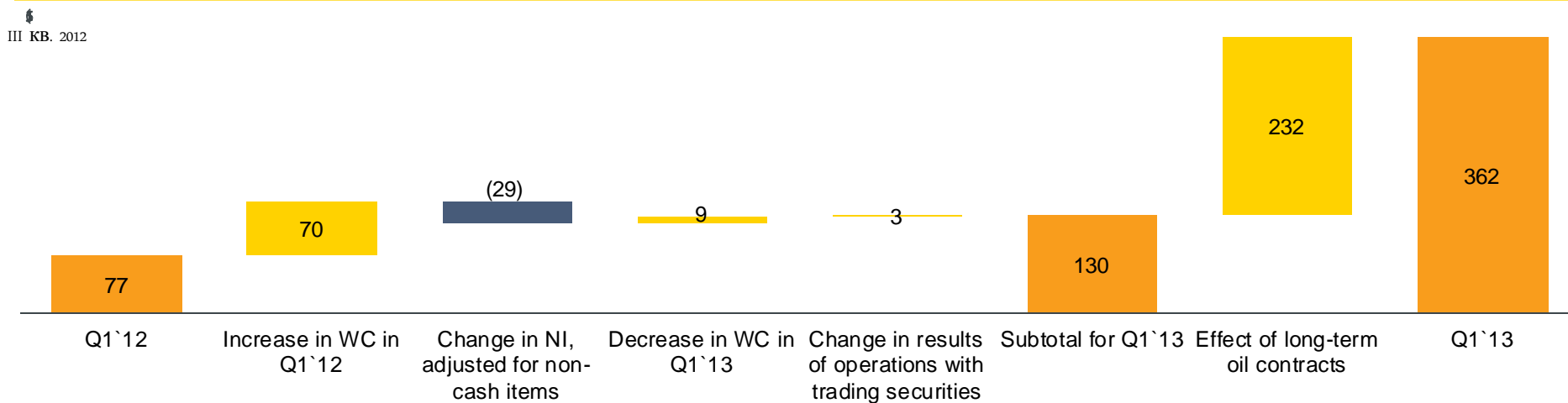
Operating Cash Flow Reconciliation, RUB bn



4Q'12 vs 1Q'13



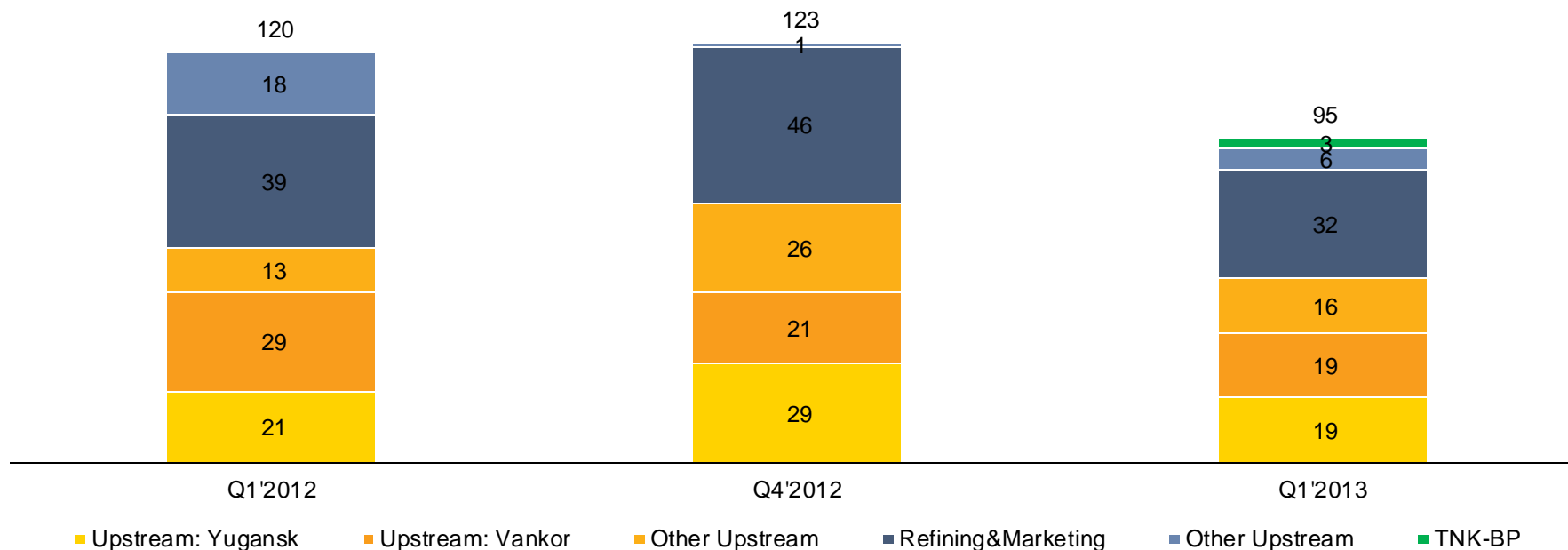
1Q'12 vs 1Q'13



Capital expenditure



CAPEX, RUB bln



CAPEX decrease in Q1 2013 compared to Q1 2012 is due to completion of a major phase of construction work on Vankor and completion of phase 1 of the reconstruction of the Tuapse refinery

Credit Profile



	March 31, 2013	December 31, 2012 ⁽¹⁾
Total debt, RUB billion	2,182	980
Net debt, RUB billion	1,781	591
Long-term debt, %	78.6%	85.4%
Dollar denominated debt, %	84.7%	68.8%
Net Debt to (Net Debt + Equity)	38.6%	20.3%
Weighted average cost of debt	2.9%	3.5%

Credit rating

S&P⁽²⁾	BBB (Stable)
Moody's	Baa1 (Negative outlook)
Fitch	BBB (Negative outlook)

(1) Data is restated due to changes in accounting policy (2) As of April 29, 2013. As of March 31, 2013 rating was BBB- (Positive outlook) (3) Excludes debts to Yukos group companies in amount of 63 RUB billion

Repayment profile⁽³⁾, RUB billion

