

ROSNEFT INVESTOR DAY

Reserves and O&G Production Perspectives



РОСНЕФТЬ

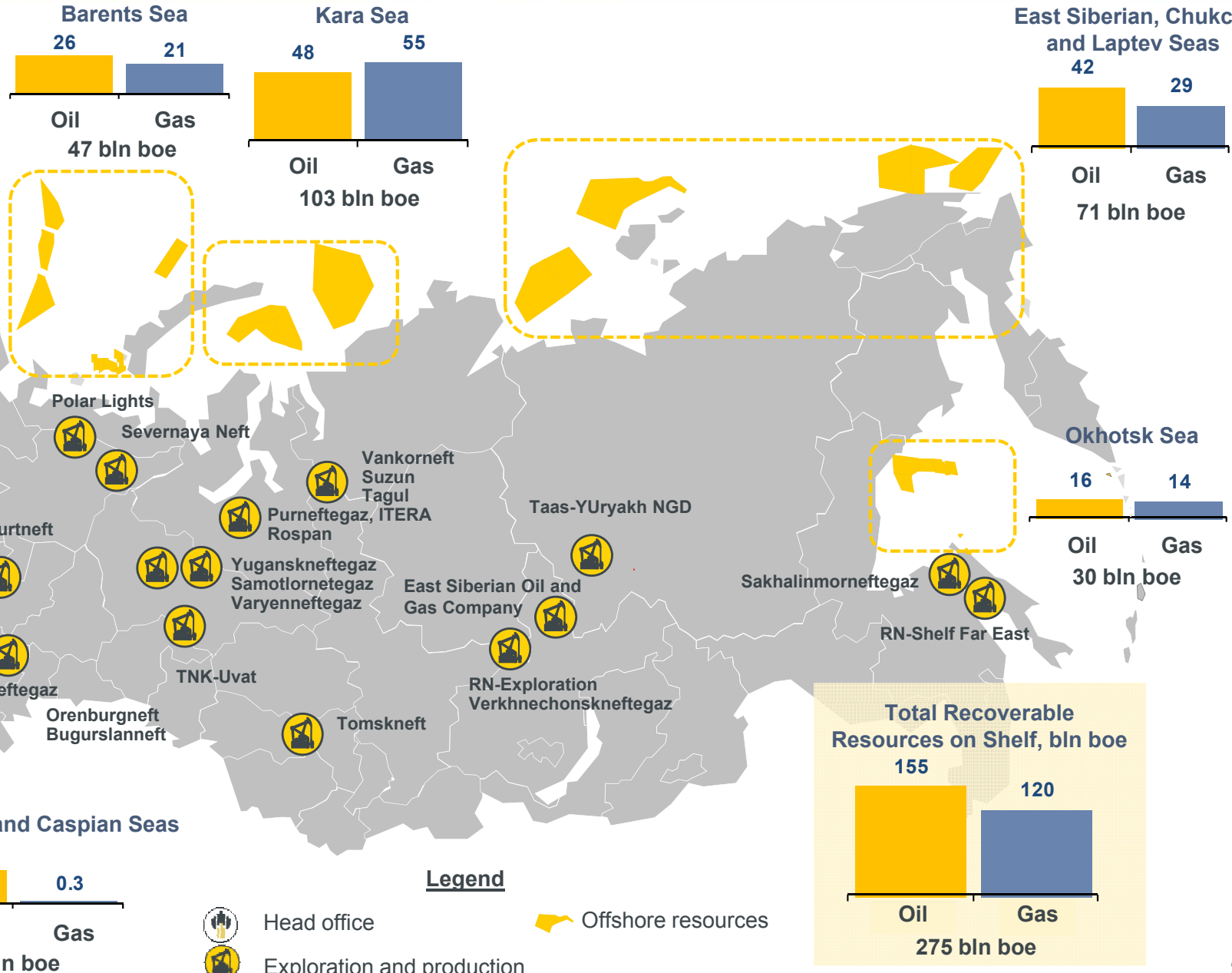


Zeljko Runje
April 23, 2013

Rosneft Today

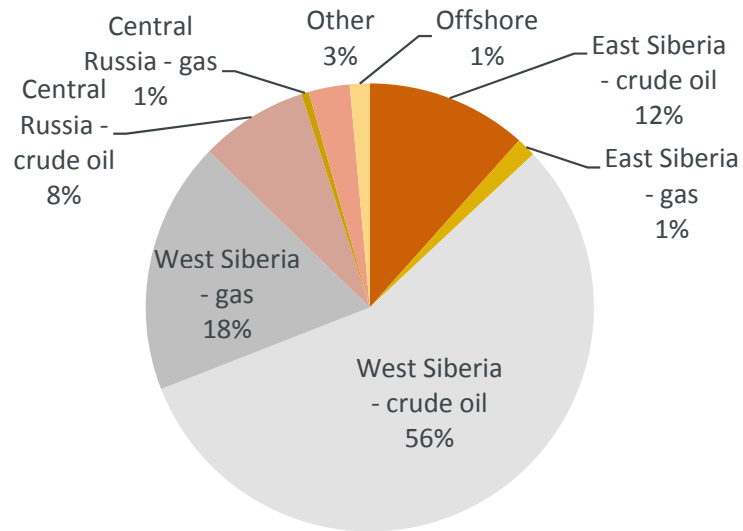


- ▶ The world's largest public oil company by proven liquid hydrocarbon reserves
- ▶ Proved liquid hydrocarbon reserves of 30.5 bln bbl
- ▶ 850 licenses as of January 2013
- ▶ More than 780 fields in all regions of Russia
- ▶ Biggest producer on the Russian shelf:
 - 41 licenses for exploration and production
 - Recoverable resources – 275 bln boe
 - Exploration program – 96 wells

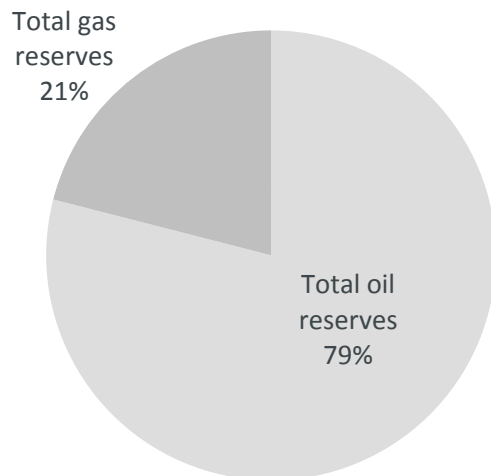




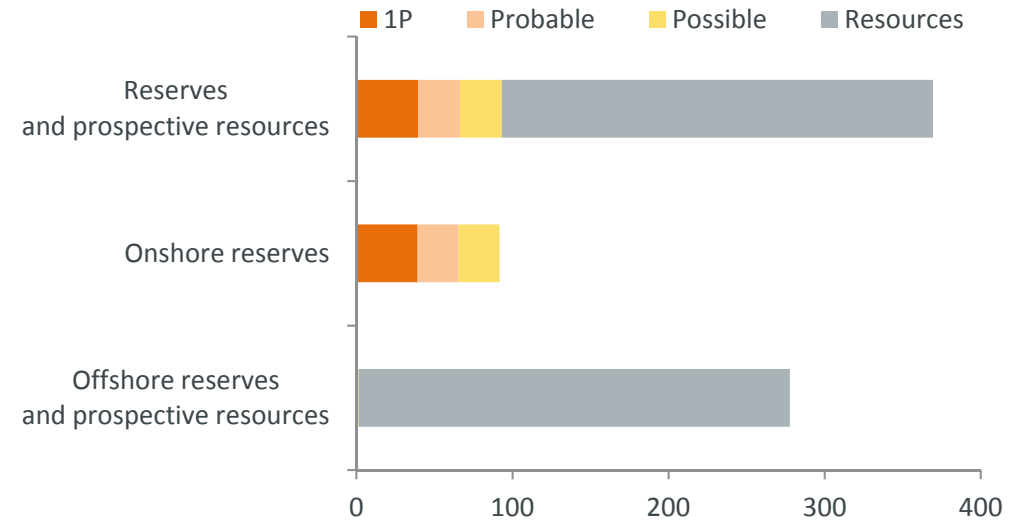
2P Reserves – 66.3 bln boe, PRMS



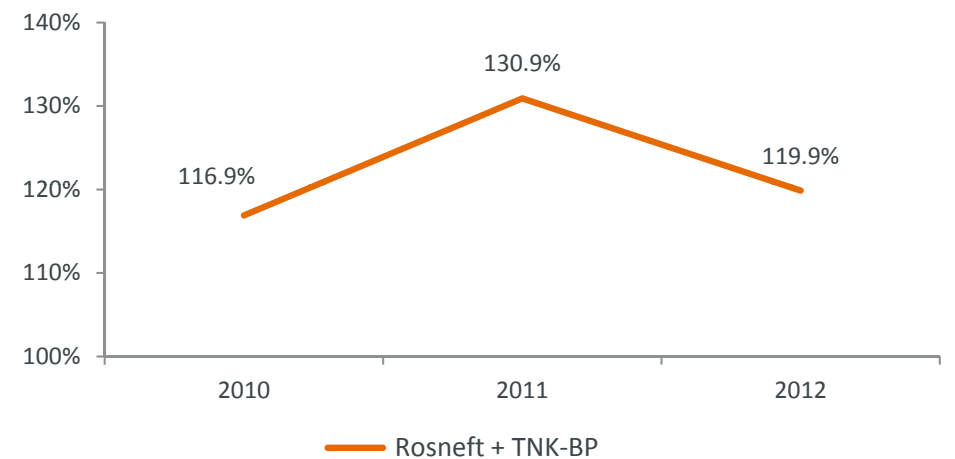
2P Reserves – Oil and Gas Split



Reserves and prospective resources, bln boe



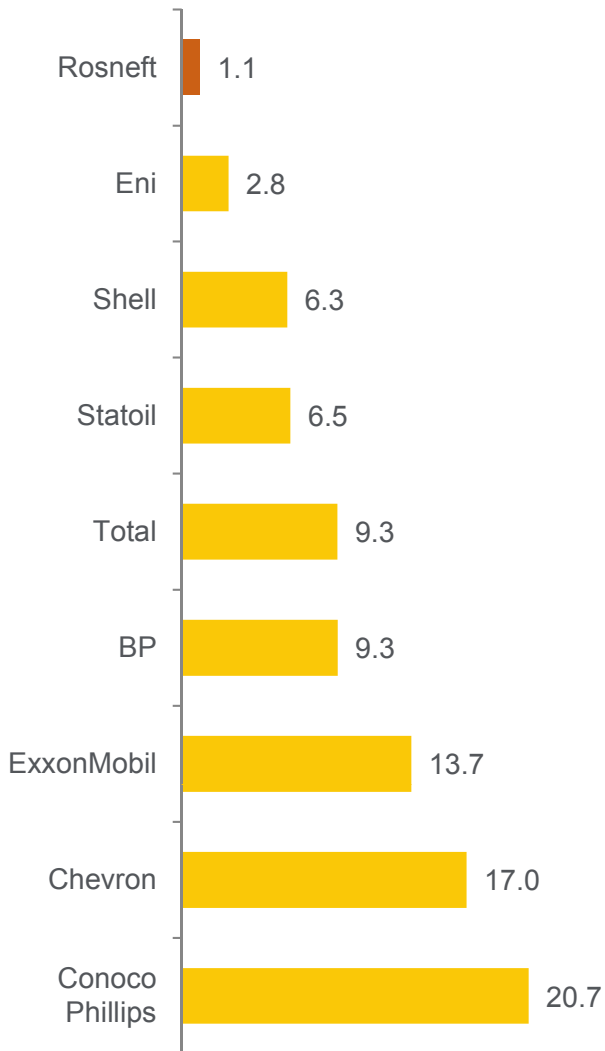
Reserve Replacement Ratio Dynamics, PRMS



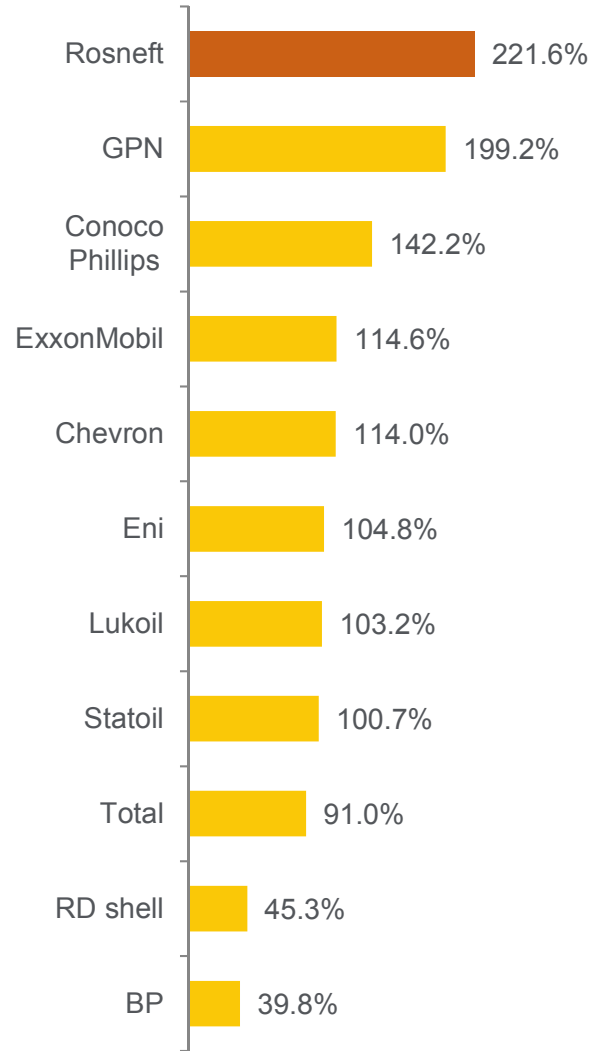
Key Performance Indicators of Rosneft for Exploration in 2012 and Indicators of International Companies from 2007 to 2011



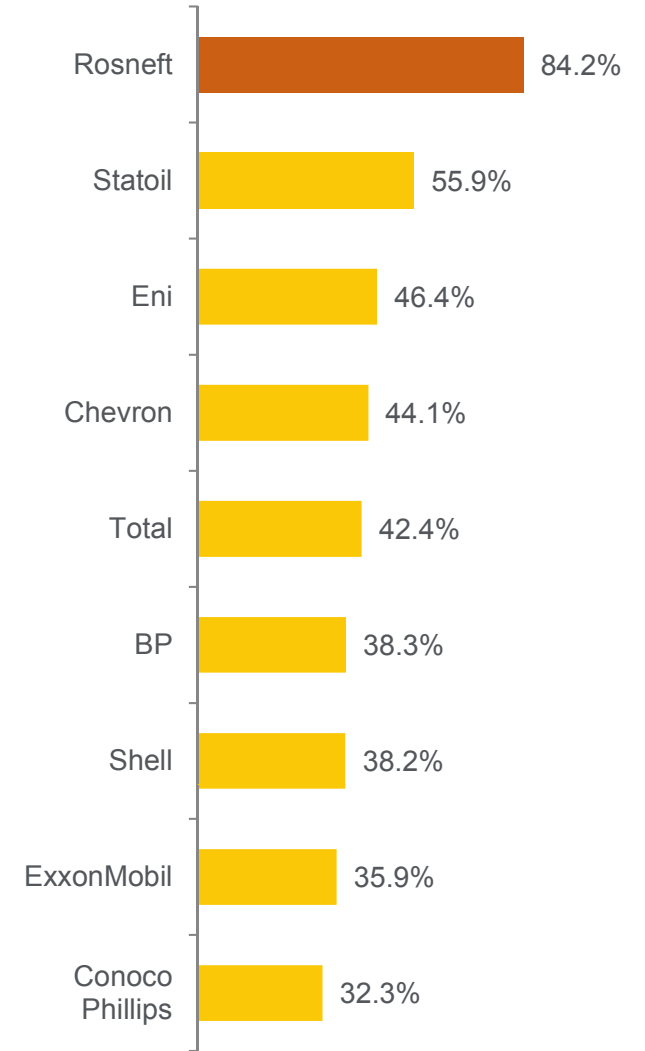
Cost of Additions to Commercial Reserves from Exploration, \$ per boe



Commercial Oil Equivalent Reserves Replacement Ratio (SEC TP)



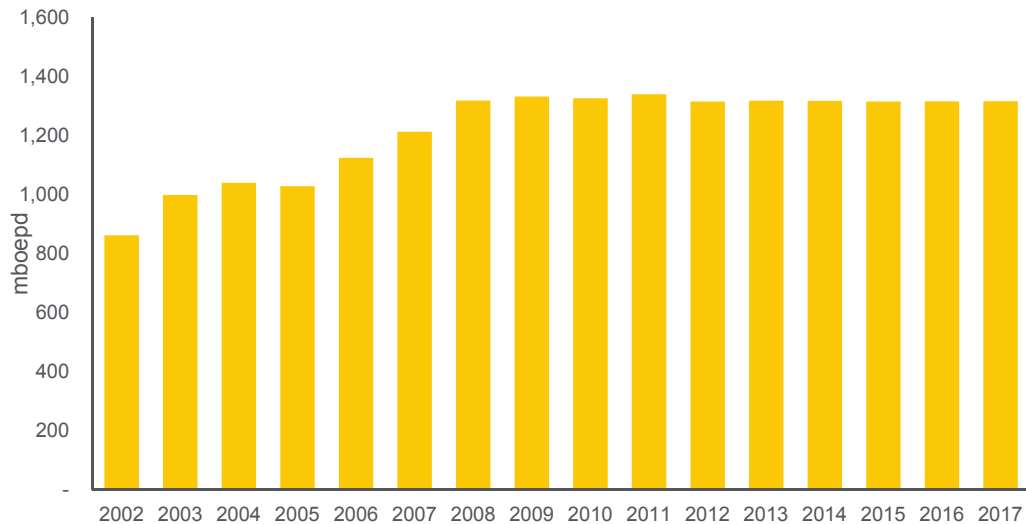
Exploration Drilling Success Rate



Production in Our Core Operating Areas: Yuganskneftegaz



Stable Production

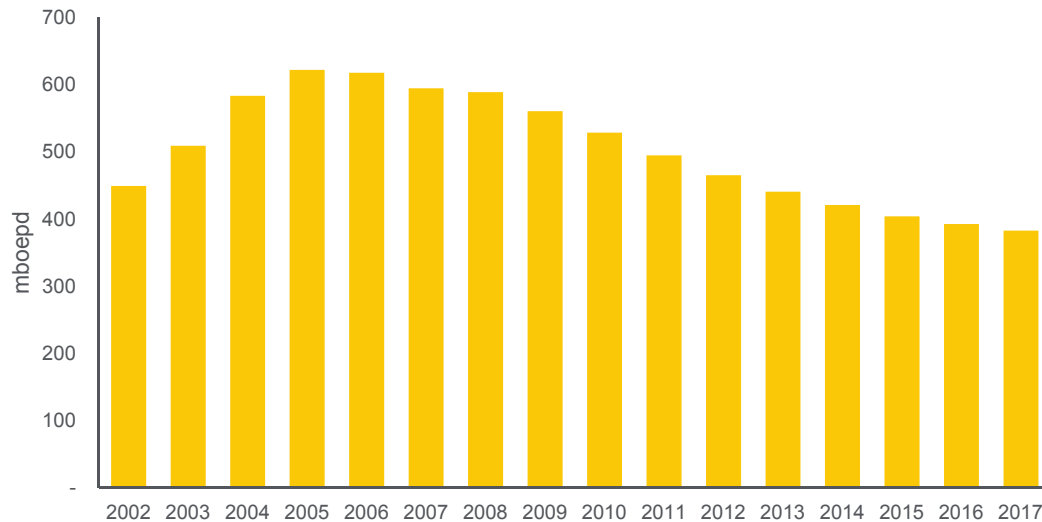


- ▶ ~30% of the combined Company's total production
- ▶ Priobskoye field – low depletion (24%) and low watercut
- ▶ JV with ExxonMobil for West Siberian tight oil development (Bazhenov, Achimov formations)
- ▶ Tax incentives are expected for unconventional reserves and are already in place for depleted fields
- ▶ Advanced geological and technical programs and the efficient exploitation of low permeability reserves

Production in Our Core Operating Areas: Samotlor



Production



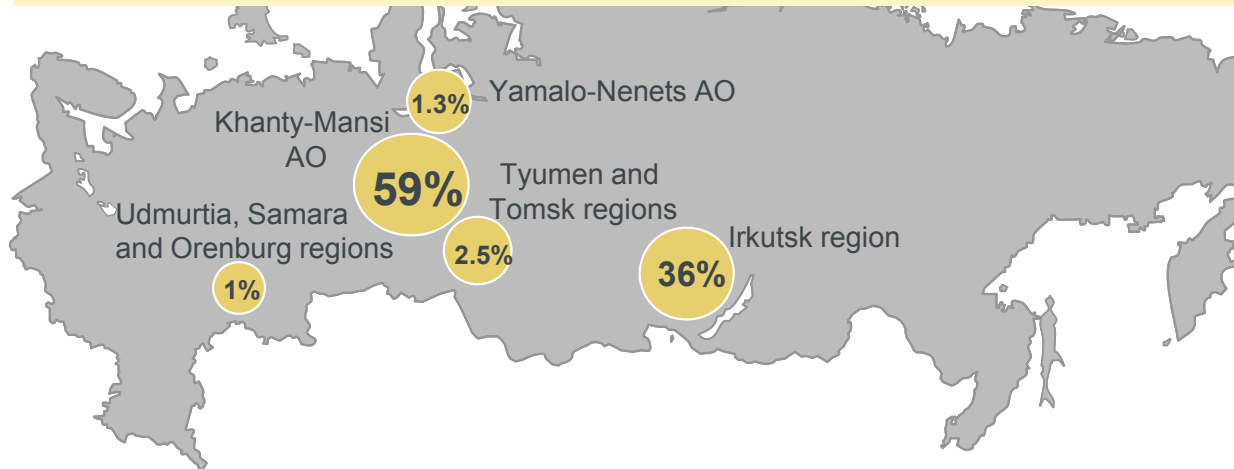
Managing Decline

- ▶ ~10% of the Company's total production
- ▶ High depletion (74%) of reserves
- ▶ Main undepleted reserves are AB (1-2):
 - Heterogeneous low permeable reservoir
 - Recoverable reserves of ~3.7 bln boe. Cumulative production to date is 27% of total recoverable reserves
- ▶ The primary methods of additional reserves recovery are the use of new technologies to increase the recovery factor:
 - Drilling of horizontal wells with multistage fracturing
 - Sophisticated waterflood management
 - Sidetracking with modern methods of localizing the remaining reserves

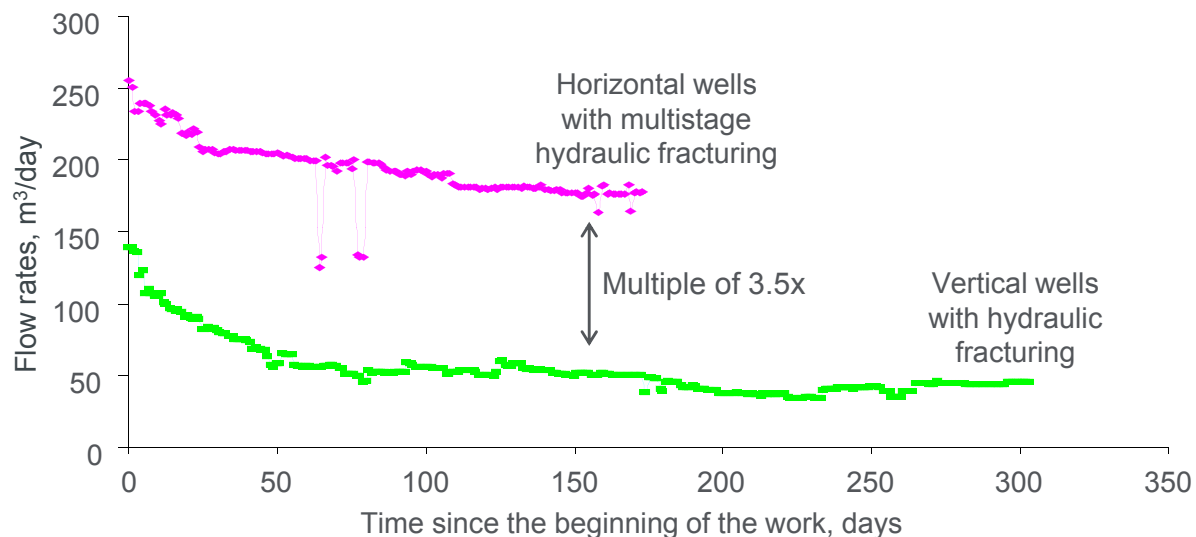
Tight Oil Reserves



Recoverable Reserves from Low-Permeability Reservoirs of Rosneft are estimated at 9.2 bln bbl



Comparison of Average Actual Production Rates



- Development of hard-to-recover oil reserves of carbonate deposits – use of perforated wells:
 - 2010: first introduction
 - 2012: assessment of the technology’s Company-side potential
 - From 2014: planned mass roll-out in the Osoveysky field – a first in Russia
- New technologies: horizontal wells with hydraulic fracturing
 - Purpose: testing of multistage hydraulic fracturing technology applied to the development of low permeability reservoirs
 - In 2011-2012, pilot projects were launched at Vankor and Yuganskneftgaz
 - Plan for 2013: mass introduction

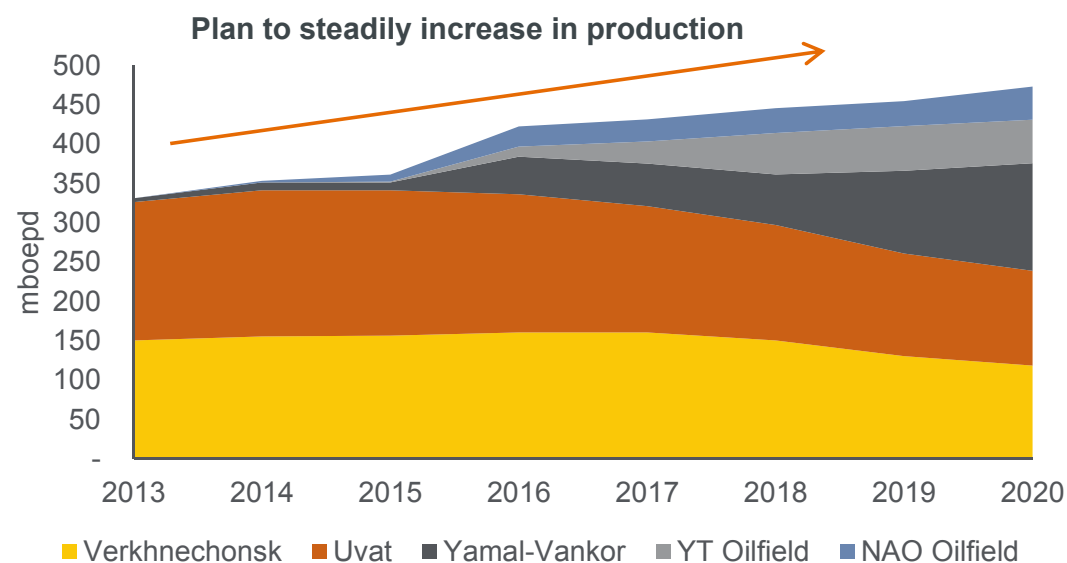
The Company's New Fields



Portfolio of Projects

- ▶ Verkhnechonskoye field and the Uvat project – the plan is to achieve peak production in 2014
- ▶ Yurubcheno-Tokhomskoye field: proven reserves (PRMS) of oil and condensate of 308 mln barrels
- ▶ Yamal project – significant synergies to be achieved from joint sharing of infrastructure
- ▶ The implementation of advanced technologies in the development of new fields will enable the two fold increase of production from new projects by 2020

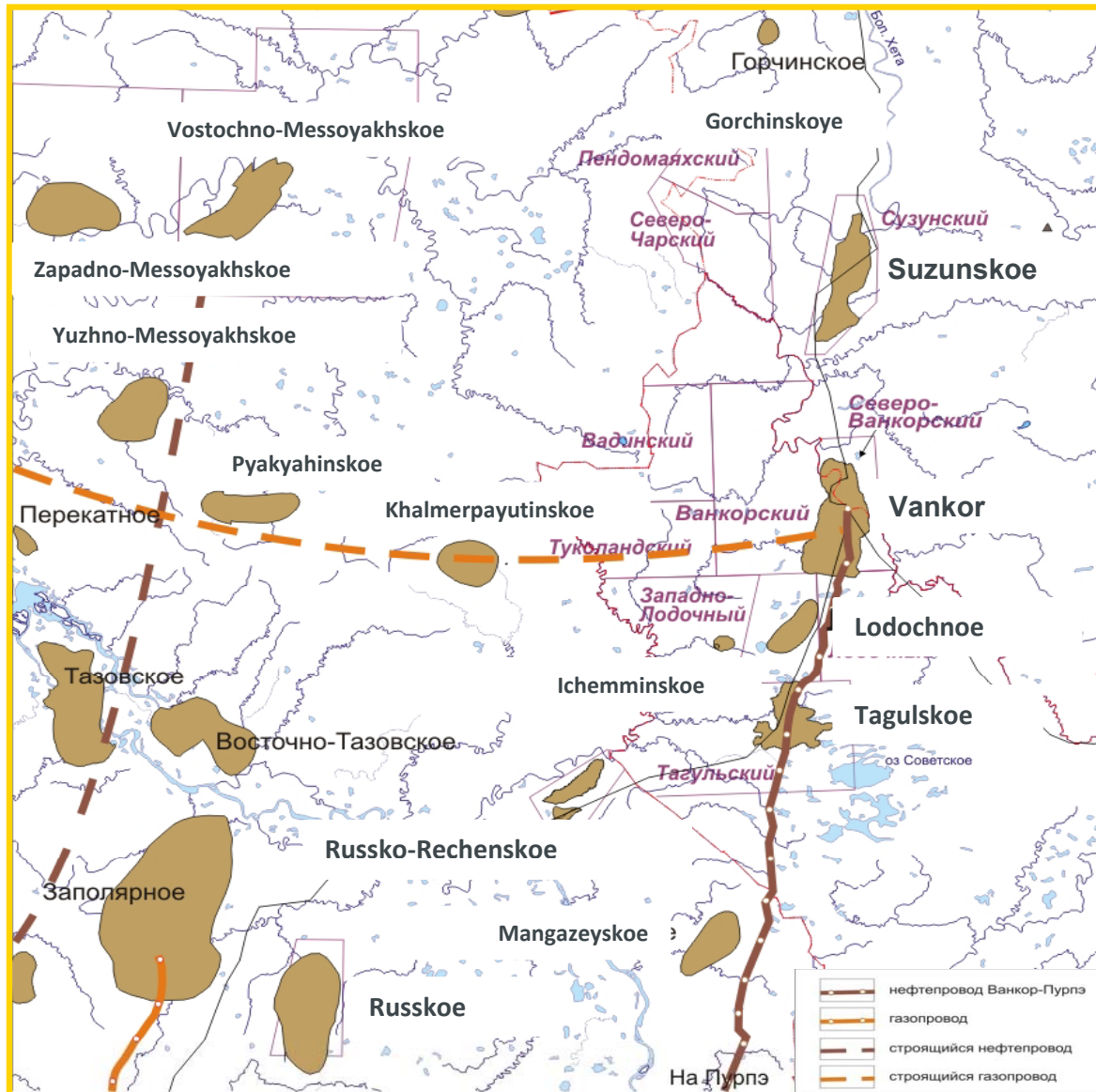
Production



Tax Incentives

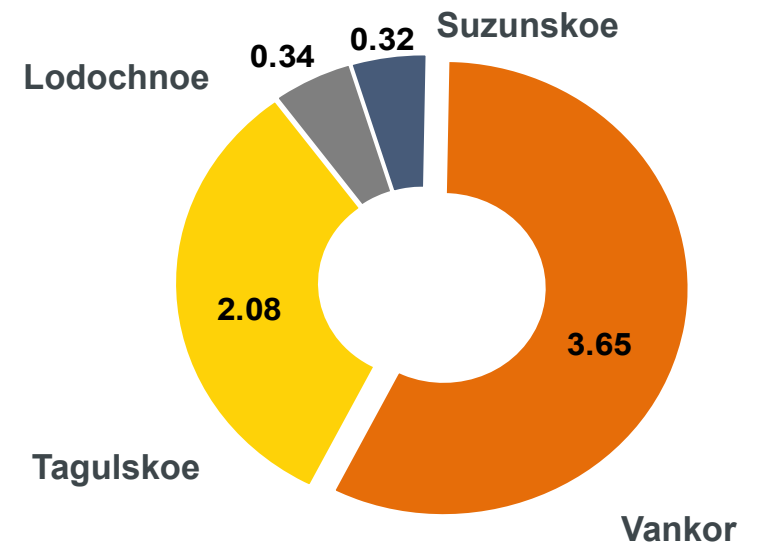
- ▶ The Government of the Russian Federation approved the extension of tax holidays on MET out to 2022
- ▶ Adoption of the law “On Custom’s Tariffs” provides for export tax breaks to be applied such to enable an IRR of 16.3% for the full duration of the project
- ▶ Tax breaks are anticipated for unconventional reserves

Rosneft – the Driver of Eastern Siberia’s Oil Development



➤ **17.4 bln barrels** – total oil and condensate resources of East Siberian fields

Recoverable reserves of the Vankor fields, bln barrels



Strategic Partnerships in Russian Shelf Development

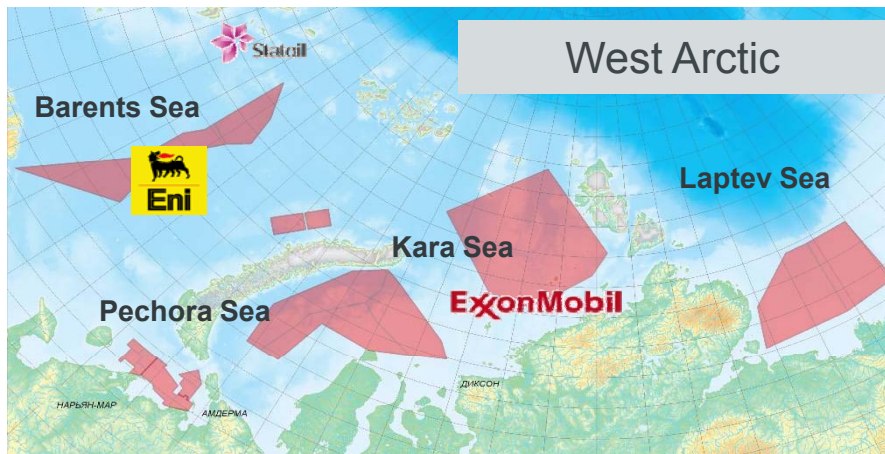
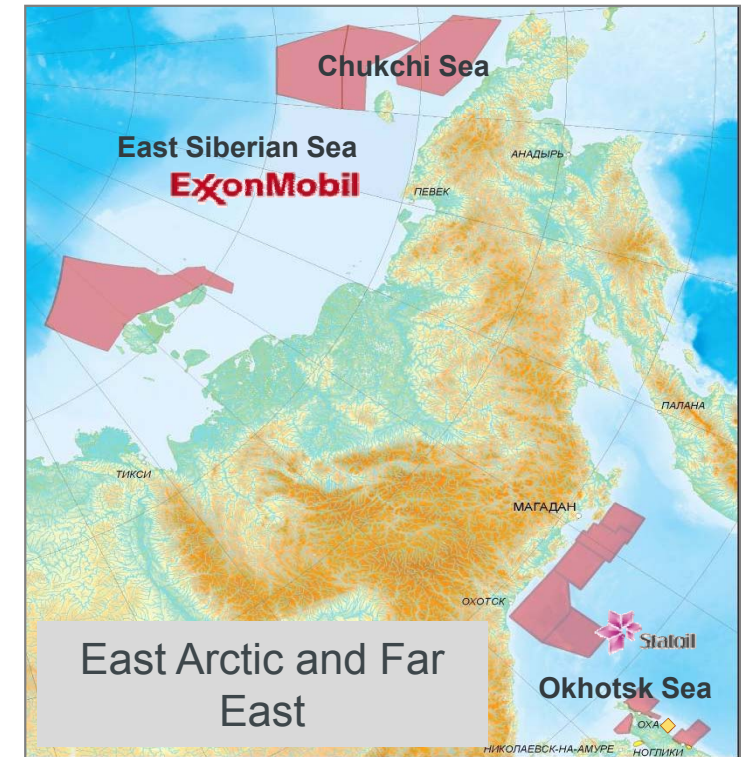


Rosneft's Agreements with IOCs establish precedents for projects in Russian Offshore

- ▶ Attracting billions of dollars of investment in exploration (including drilling) on a risk basis – in excess of \$14 billion
- ▶ State control of mineral ownership preserved
- ▶ Clear timetable for exploration (head of schedule)
- ▶ Exchange of technologies, expertise and experts

Full scale operations in the Arctic started

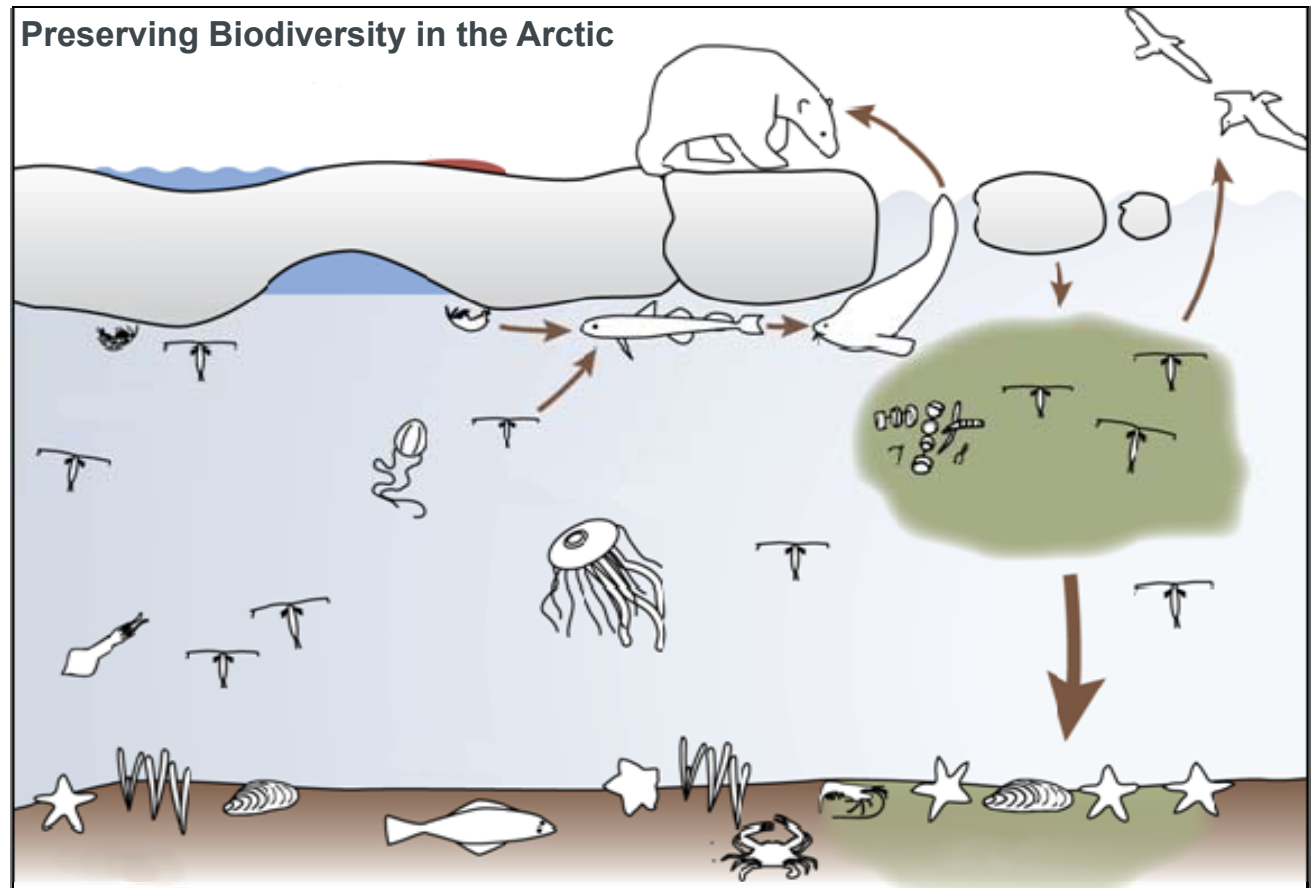
- ▶ 5.3 th. km. of 2D seismic and 3.8 th. sq. km. of 3D seismic were performed in 2012
- ▶ Primary structure for exploration drilling has been selected – Universitetskaya, the start of drilling is scheduled for 2014
- ▶ Well depth – 2,500 m; sea depth – 80 m
- ▶ Semi-submersible drilling rig is commissioned



Full Commitment to High Environmental Standards



- ▶ Strict compliance with environmental regulations, ecological requirements and industrial safety
- ▶ Preventative measures by studying, monitoring, and preserving biodiversity and the ecosystem
- ▶ Introduction of international best practices for continuous monitoring and safety of operations
- ▶ Full utilization of associated gas from the start of production
- ▶ Constant readiness to respond rapidly to any threat of emergency
- ▶ Integration of management systems and coordination of safety systems with government agencies and international partners



ExxonMobil



In 2012, Rosneft and partner companies signed a Declaration on Protection of the Environment and Biodiversity for Oil and Gas Exploration and Development on the Russian Arctic Continental Shelf



Thank you for your attention!