



ROSNEFT

New Age of Petroleum

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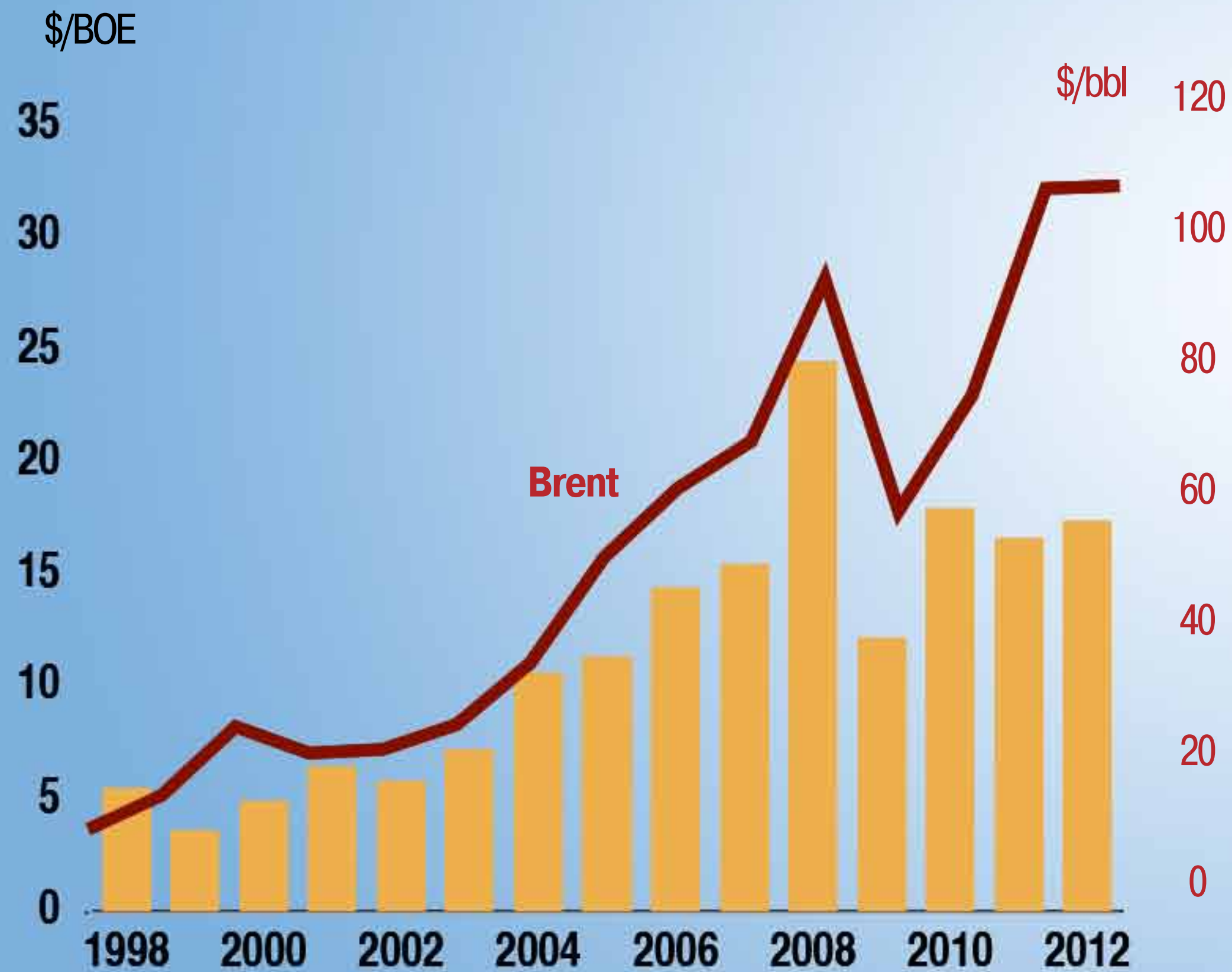
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Global petroleum industry requires advanced technologies to meet growing demand

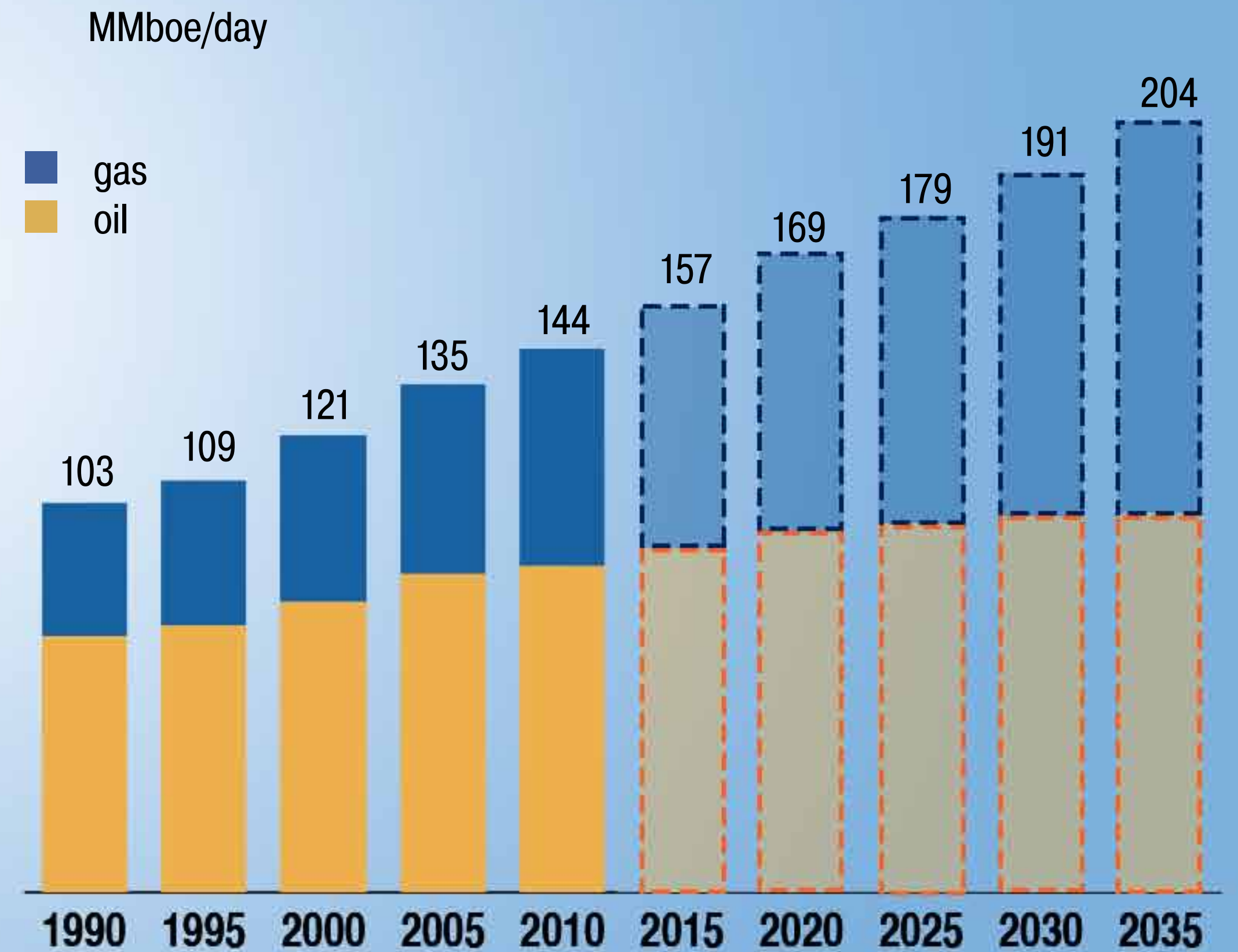


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Growth of finding and development costs by exploration and oil price



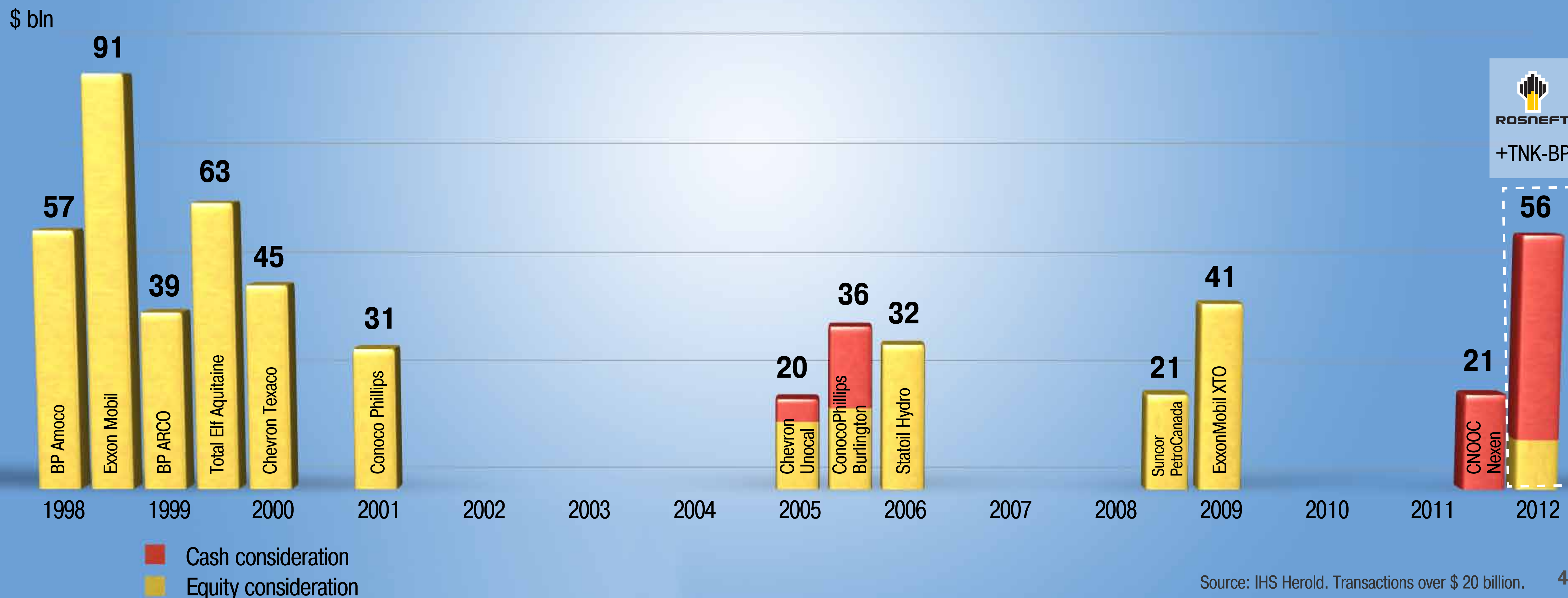
Global oil and gas consumption will grow



Acquisition of TNK-BP opens new wave of industry consolidation



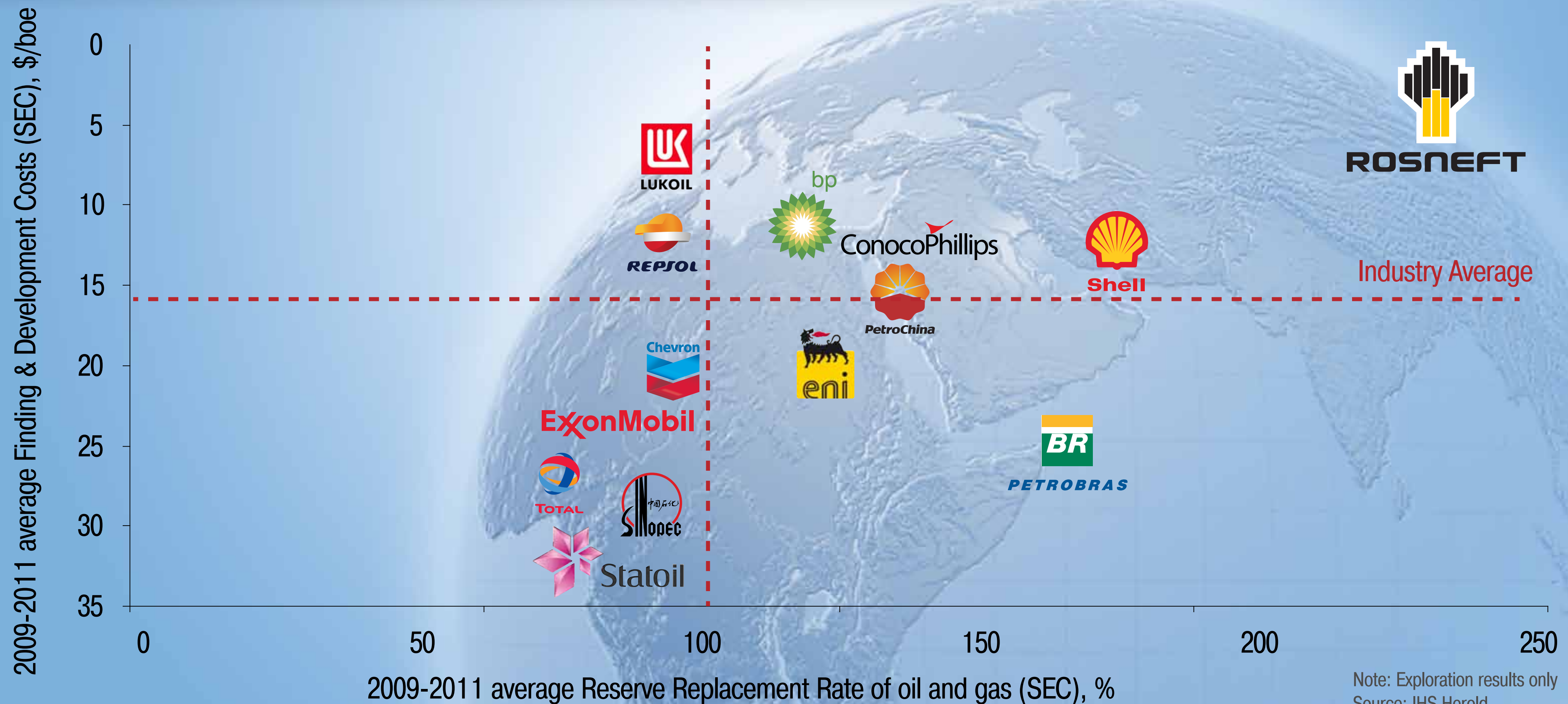
Major transactions in global oil and gas industry



High efficiency exploration



Major public companies exploration efficiency



Note: Exploration results only
Source: IHS Herold.

Technology development is our priority



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Exploration and Production

- New methods of geophysical research (microseismics, monitoring wells by fiber-optic systems)
- Technology of development and exploitation of carbonate-clay-siliceous reservoirs of Bazhenov formation
- Localization of oil reserves in low-permeability reservoirs
- Development of low-permeability oil reservoirs using horizontal wells with longitudinal and transverse fracture



Refining and Marketing

- Gas-to-Liquids technology development
- Preparation of natural and associated gas by supersonic gas separation technology
- Composite material based on polydicyclopentadiene



Scientific potential

- Over 650 employees with PhD and doctoral degree
- 11 engineering institutes
- Arctic Research and Development Centre for offshore exploration and development
- United Research and Development Centre – modern development centre in the field of gas and petrochemical industry

Vankor – the biggest new project in post-soviet Russia



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- **The biggest oil & gas project in Russia for the last 20 years**

- Reserves (3P) – 3.9 bln boe
- Production – 400 Mbd

- **The project becomes the center of a new oil province**

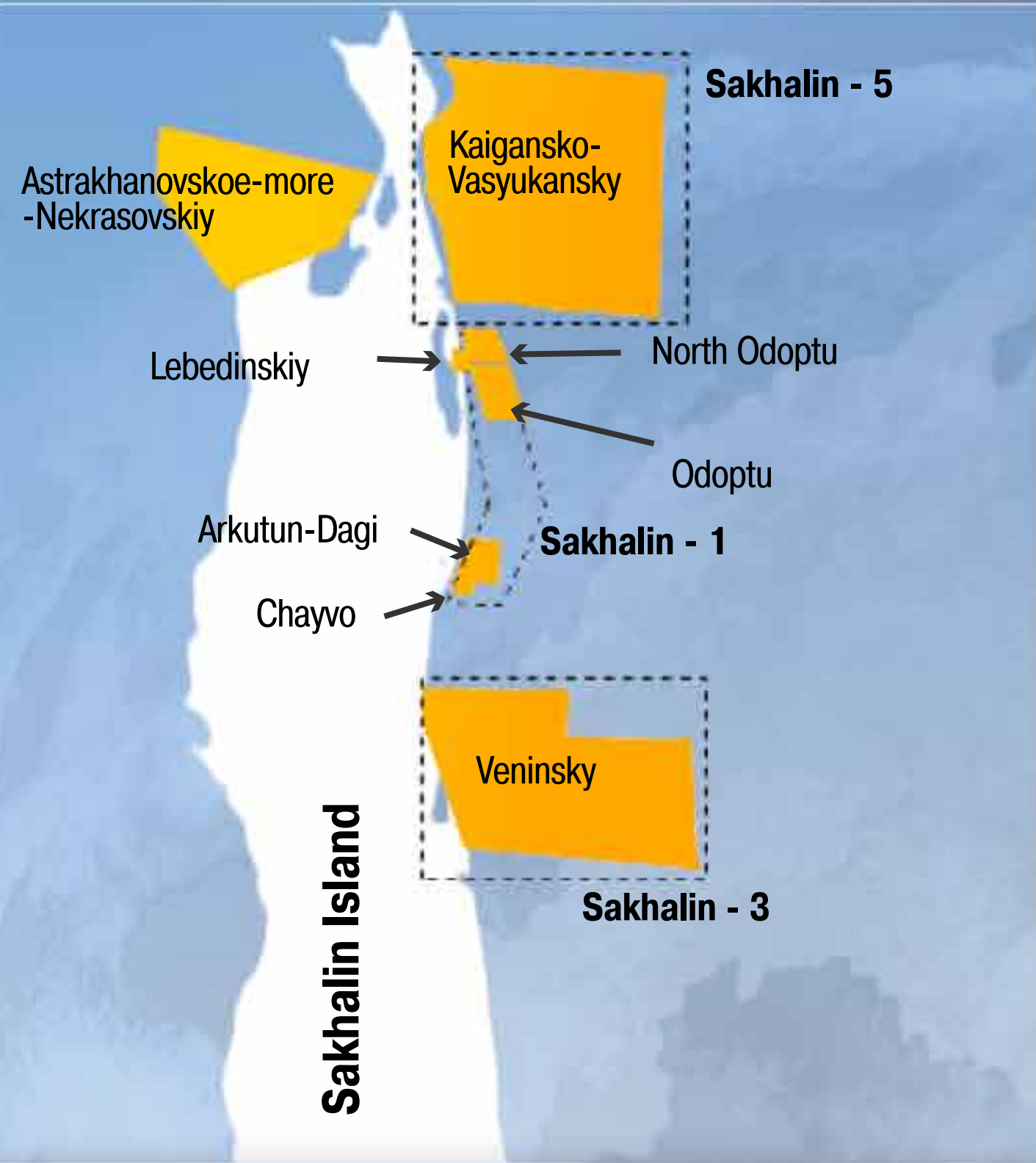
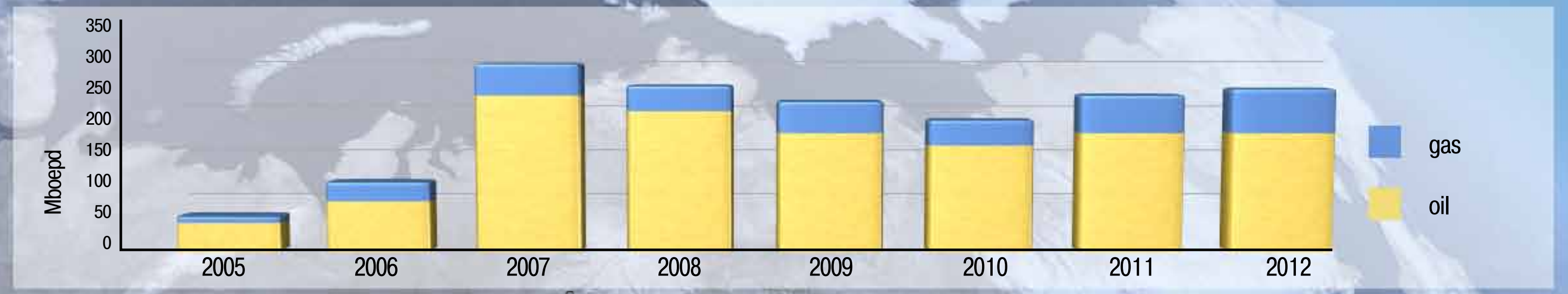
- Satellite fields reserves: 2.7 bln boe (3P), significant exploration potential

Successful development of the Sakhalin shelf



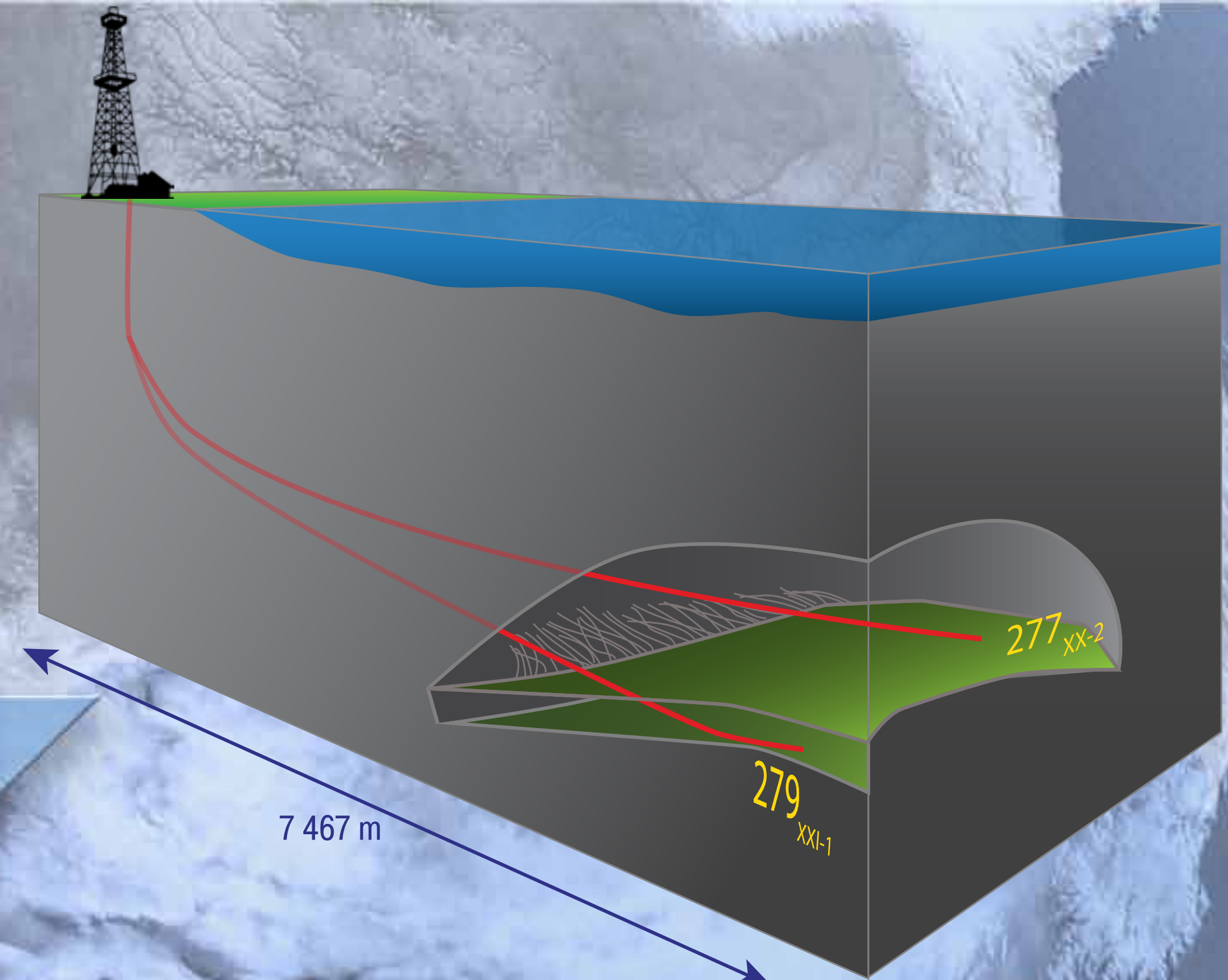
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Rosneft's production profile on Sakhalin*



Sakhalin-1 is the largest operating offshore project in Russia

The record-long ERD well with total distance of 12 km, drilled by the unique onshore drilling rig – Yastreb

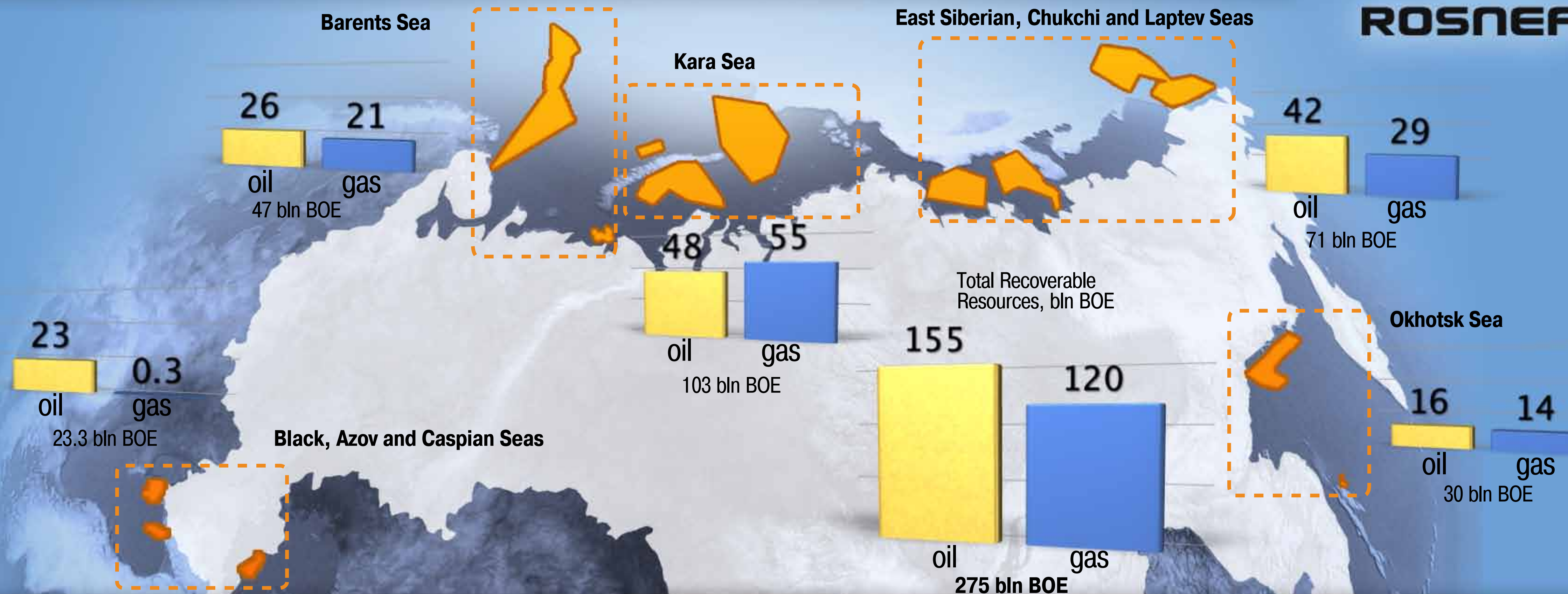


* Sakhalinmorneftegaz + 100% of Sakhalin-1 project.

Rosneft holds the largest license portfolio on the Russian offshore



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Diversified Portfolio of Assets

- 41 licenses for exploration and production on the shelf of the Russian Federation
- Recoverable resources – 275 bln boe
- Exploration program – drilling of 96 wells

Strategic cooperation with ExxonMobil, Eni, Statoil

- Exploration financed by the partners
- Exchange of technologies, staff, and best practices
- Carry investment by partners within the initial exploration phase for at least \$14 billion

Rosneft has already started full-scale operations in the Arctic



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- 5300 km of 2D seismic and 3800 sq km of 3D seismic were performed in 2012

- Universitetskaya structure selected for first wildcat drilling, scheduled for 2014
- Well depth – 2 500 m, sea depth – 80 m
- Semi-submersible drilling rig contracted



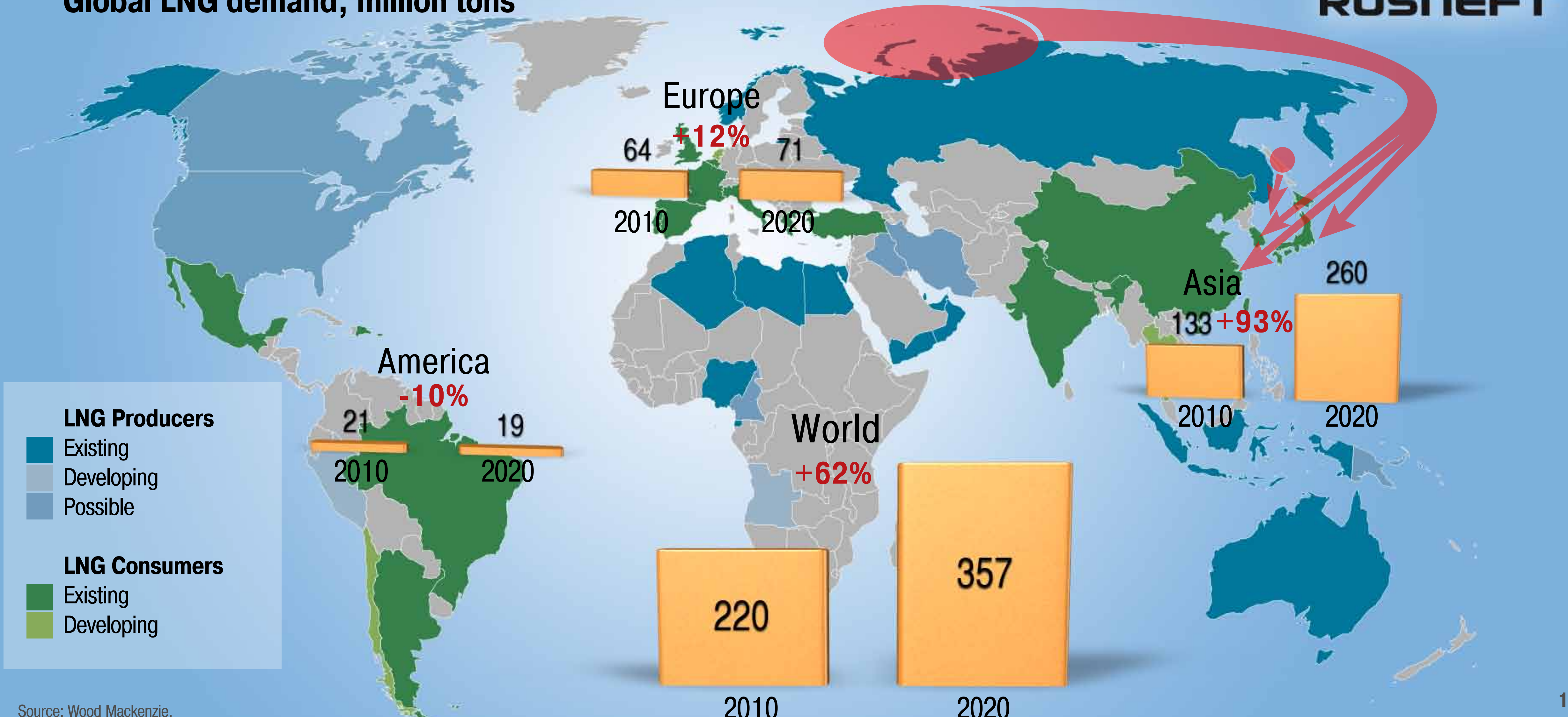
Drilling success will open a new oil province in the Russian Arctic offshore

Russian offshore to meet rising global LNG demand



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Global LNG demand, million tons

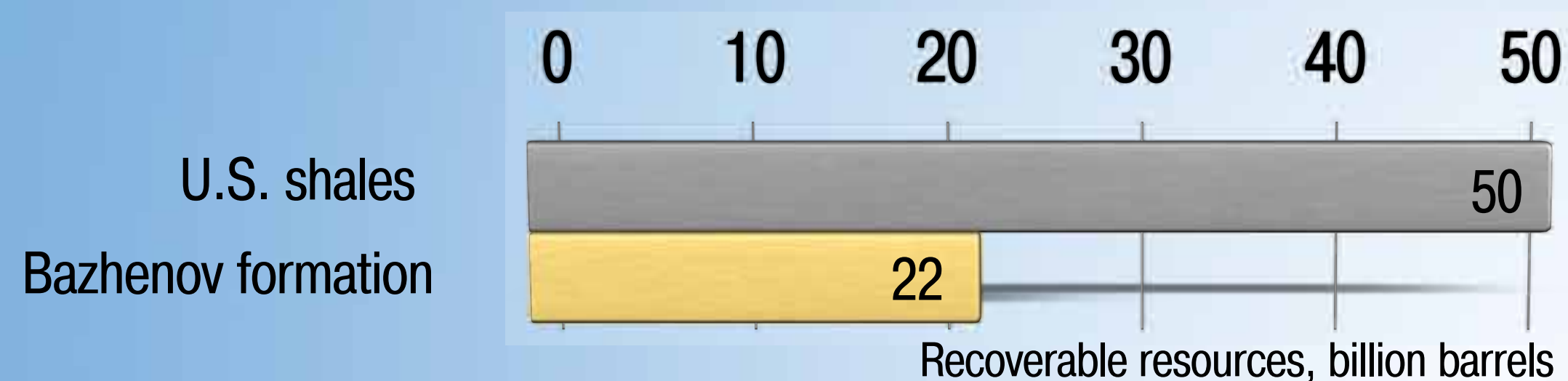


New production growth from development of tight oil in Russia



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Bazhenov formation resources alone are about 40% of U.S. shale oil by amount

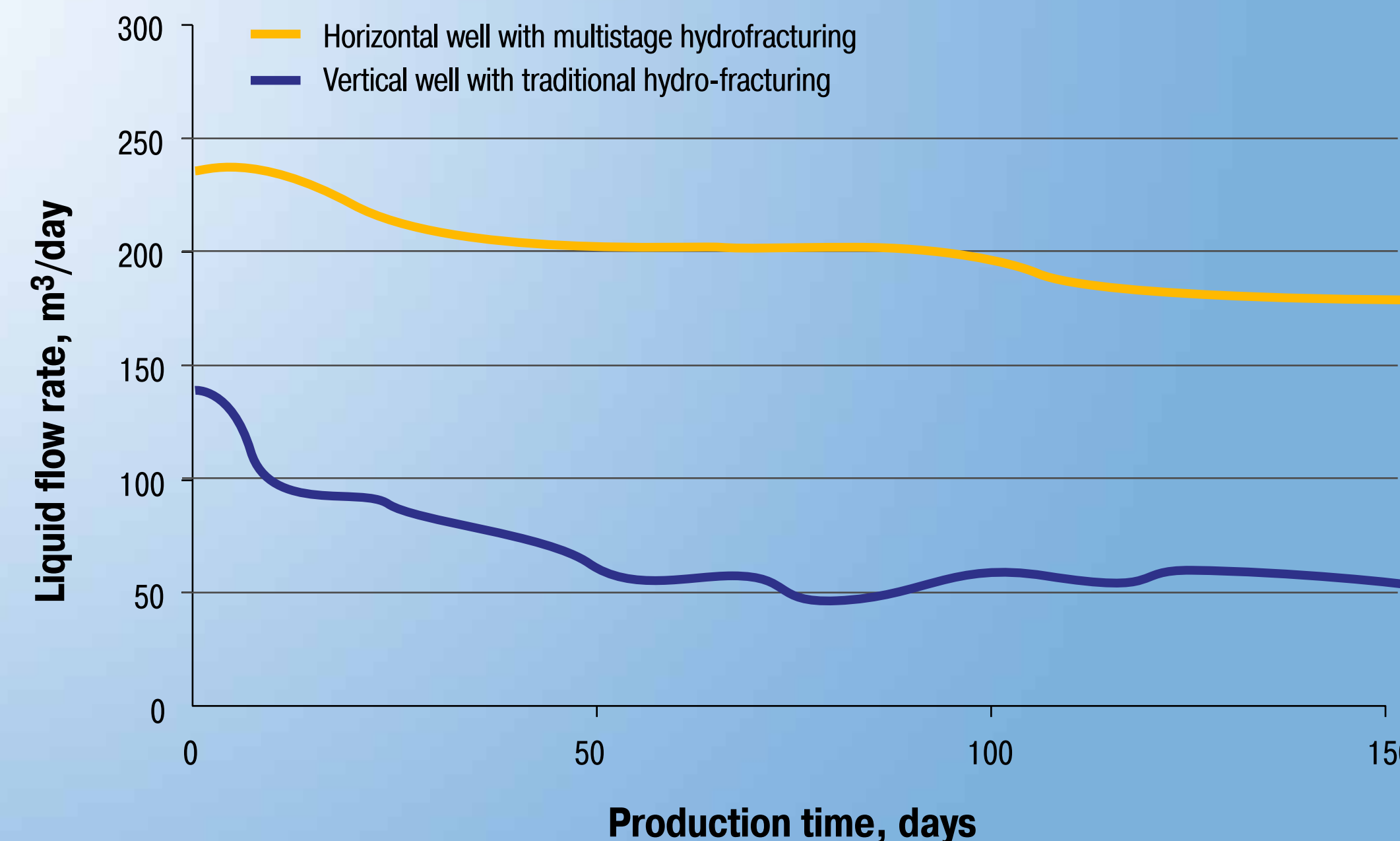


Bazhenov formation has comparable properties to U.S. shales and is likely to reach comparable recovery

	Eagle Ford formation	Bazhenov formation
Average depth, m	3 000-3 500	2 700-3 100
Reservoir thickness	30	20-30
Permeability	0,5 mD	<1 mD
Porosity	7%	2-6%
Recovery ratio	<10%	?

- Rosneft has successful experience in the development of low-permeability reservoirs
- Implementation of the technology of horizontal wells with multistage hydrofracturing at the oil fields in Yugansk

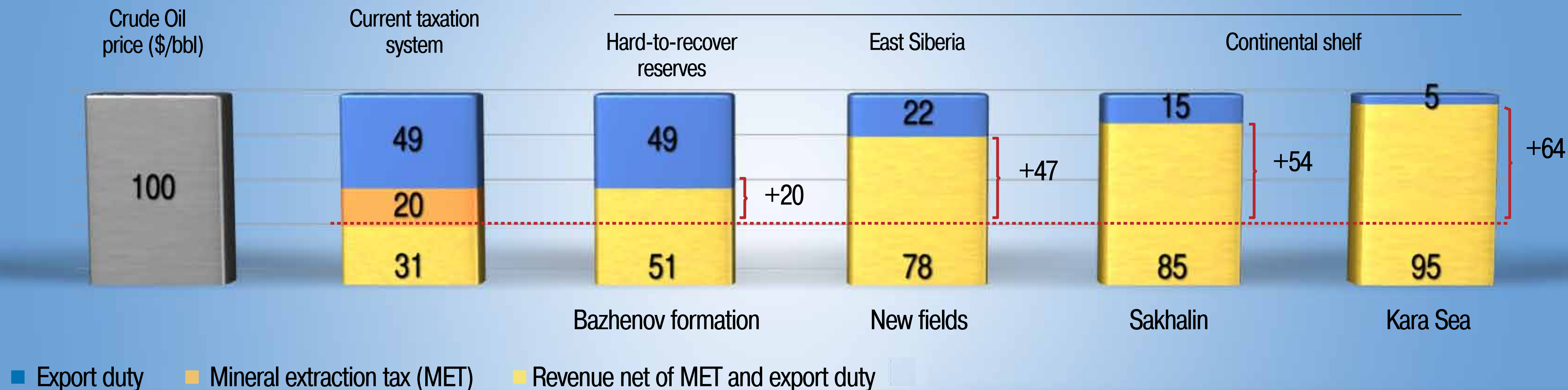
Technology Applied by Yuganskneftegaz Demonstrates 3.5 times Higher Production Rate



New tax policy provides incentives for developing new categories of reserves



Tax and export duties incentives



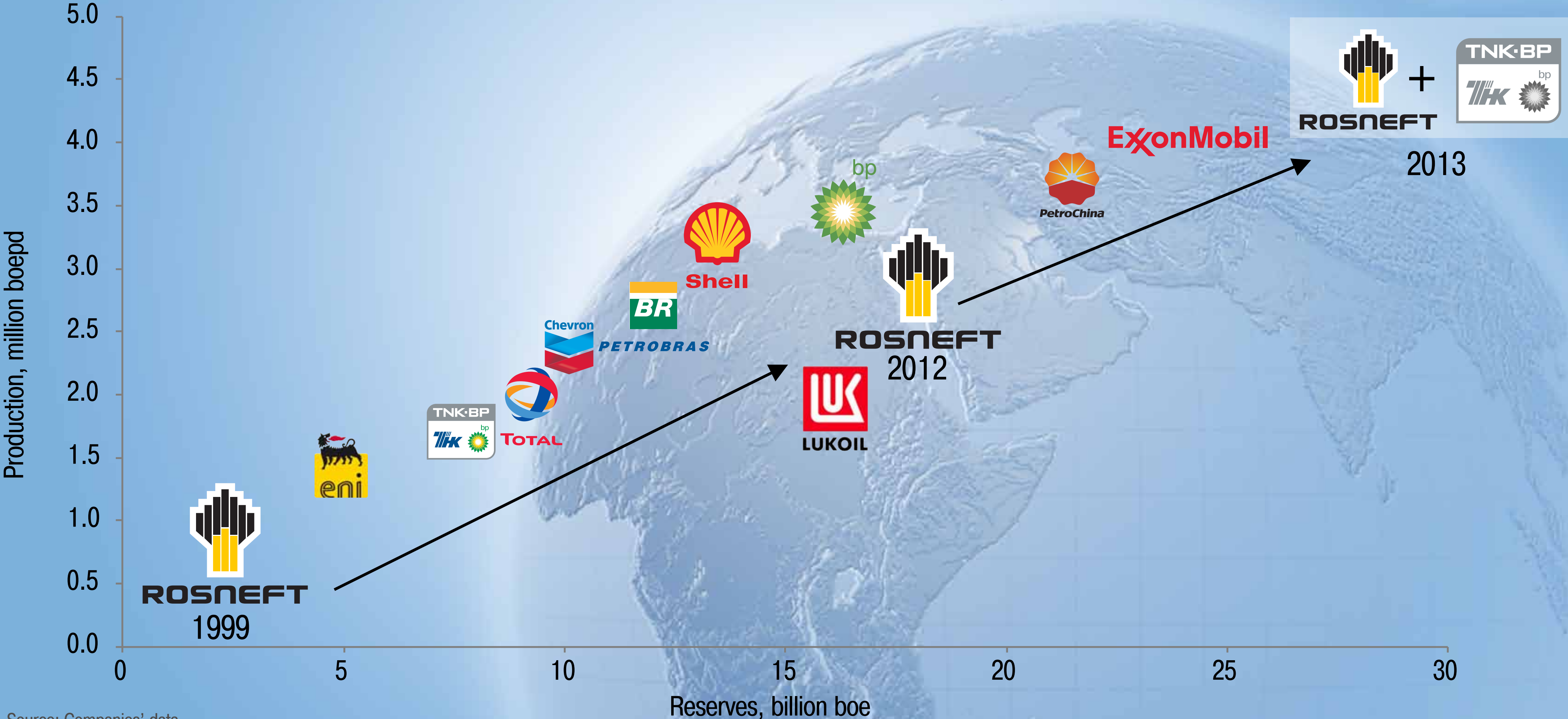
- The state made a strategic decision on provision of incentives for development of new reserves categories: offshore, tight oil and Eastern Siberia region
- Tax initiatives enabled profitable development of new categories of reserves and formation of new oil and gas production provinces
- Unprecedented high level of investments and balanced local content policy create the unique opportunity for the global leaders of the service industry and equipment manufacturing to enter the new promising market

Acquisition of TNK-BP makes Rosneft the largest public oil and gas company in the world



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Reserves and production of oil and gas in 2012



Source: Companies' data.
 Note: Including oil, gas condensate and bituminous sands. Reserves are presented by SEC classification.

Sources of synergies in TNK-BP acquisition



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Joint use of infrastructure

- New fields in Krasnoyarsk region (including use of infrastructure of Vankor field)
- Verkhnechonskoe field and assets in Irkutsk region



Logistics, Trade and Sales

- Optimizing logistics of crude and oil product supplies; swap operations



Optimizing Expenses

- Consolidated procurement on tender basis
- Reduction of overheads
- Simplifying the structure and scheme of ownership



Gas

- Consolidation of natural gas sales efforts
- Coordination of development of gas assets of Rosneft, TNK-BP (Rospan) and Itera in Yamal-Nenets region

Combined synergies to exceed 10 billion dollars

New Rosneft – new opportunities



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- **Delivery on existing strategic partnerships and creating new ones – offshore, hard-to-recover oil, gas, downstream**



- **Asset exchanges with global players**



- **Technological partnerships with service companies**



- **Joint work on harmonization of regulatory and tax environment**



- **Long-term supply contracts, participation in infrastructure development**



The future is defined today



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**Thank you for your
kind attention!**