



ROSNEFT

Q1'10 US GAAP Financial Results

May 17, 2010



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Q1`10 Highlights

Positives

- Strong financial results in Q1`10:
 - EBITDA – **USD 4.4 bln**
 - Net income – **USD 2.4 bln**
 - Adjusted net debt decreased by **USD 2.1 bln** from December 31, 2009 to April 30, 2010
- Crude production growth of 8.4% year-on-year
- Refinery throughput up 4.1% year-on-year
- Vankor outperforming

Challenges, Priorities

Q1`10 - challenges

- USD 1.3 bln working capital increase due to Yukos Capital S.a.r.l. claims (reversed in April)
- Growing transportation tariffs (pipeline tariffs up by more than 35% y-o-y in USD terms)
- Lag in domestic product prices

Q2-Q4`10 - priorities

- Continued cost control
- Meeting 2010 Business plan targets
- Continue discussion to update tax regime



Macroeconomic Environment

	Q1'10	Q1'09	Δ, %	Q4'09	Δ, %
Average USD/RUB exchange rate	29.89	33.93	13.5%	29.47	(1.4)%
Inflation for the period, %	3.2%	5.4%		0.7%	
Real RUB appreciation/(depreciation) against USD for the period, %	6.3%	(9.0)%		0.2%	
Urals FOB Primorsk, \$/bbl	73.37	41.90	75.1%	72.56	1.1%
Gasoil 0.1% (FOB/CIF Med), \$/tonne	632.78	422.17	49.9%	611.65	3.5%
Fuel oil 3.5% (FOB/CIF Med), \$/tonne	440.65	228.90	92.5%	438.26	0.5%
High octane gasoline (av. Russia), \$/tonne	635.03	402.00	58.0%	686.64	(7.5)%
Diesel (av. Russia), \$/tonne	435.27	356.16	22.2%	435.60	(0.1)%



Q1`10 Results Overview

	Q1'10	Q1'09	Δ, %	Q4'09	Δ, %
Daily crude oil production, th. bpd	2,288	2,110	8.4%	2,275	0.6%
Gas production, bcm	3.27	3.35	(2.4)%	3.44	(4.9)%
Petroleum product output, mln t	12.06	11.60	4.0%	11.80	2.2%
Revenues, USD mln	14,761	8,264	78.6%	14,567	1.3%
EBITDA, USD mln	4,443	2,318	91.7%	4,014	10.7%
Net Income ¹ , USD mln	2,447	2,050	19.4%	1,656	47.8%
Operating cash flow ² , USD mln	3,105	2,366	31.2%	3,313	(6.3)%
Net debt ³, USD bln	16.4 ⁴	19.2	(14.6)%	18.5	(11.4)%

¹ Net income is adjusted for the effect of interest SWAP.

² Operating cash flow is adjusted for acquisition and sale of trading securities as part of excess cash management (inflow of USD 495 mln in Q1'10, outflow of USD 257 mln in Q4'09).

Operating cash flow for Q1'10 is adjusted for the increase in working capital of USD 1.3 bln due to Yukos Capital S.a.r.l. claims.

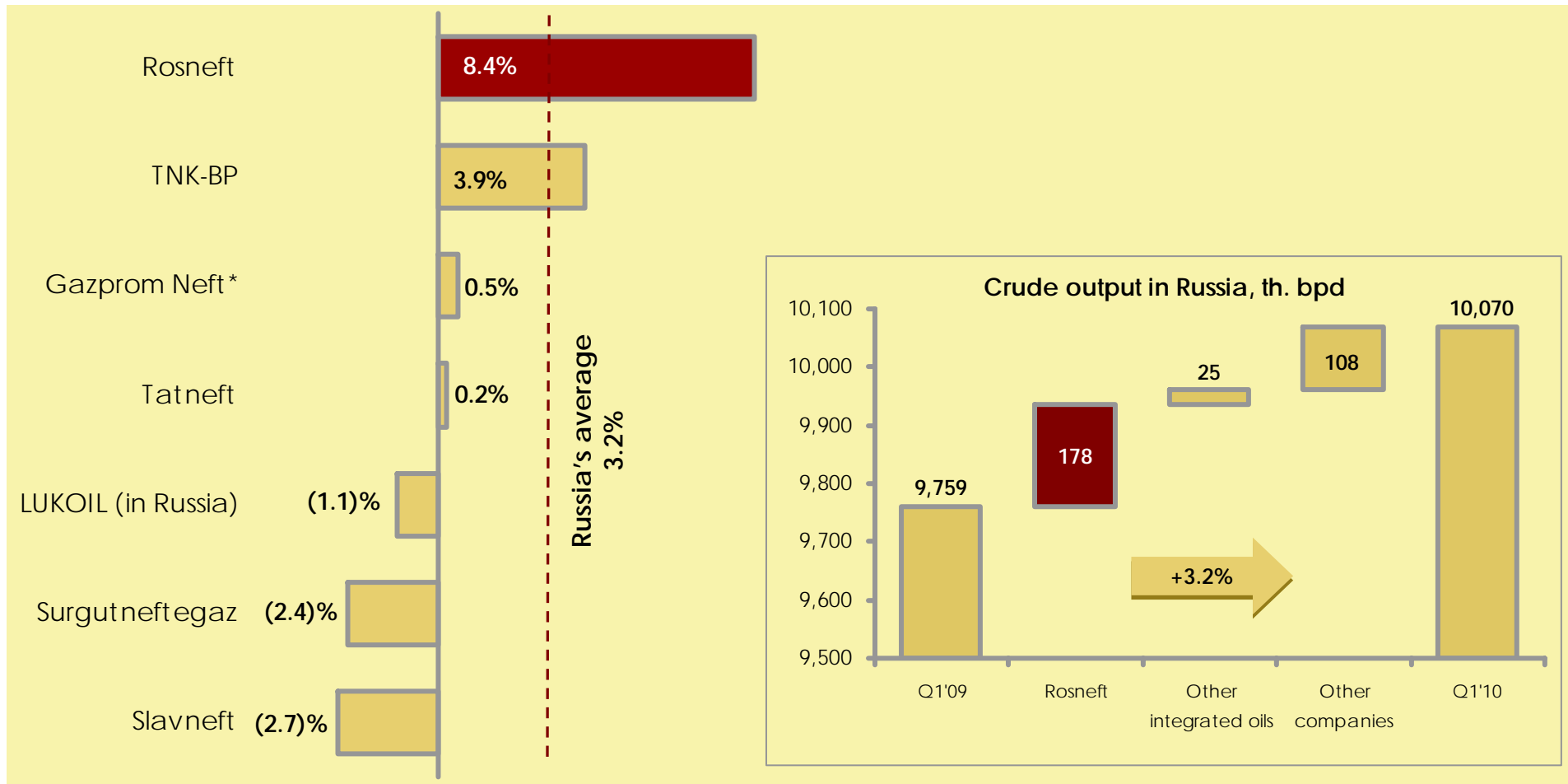
³ Net debt is adjusted for cash deposits and short-term promissory notes matched to debt maturity profile (reflected as short-term investments in the financial statements) and for medium term deposits.

⁴ As of April 30, 2010 (in Q1'10 due to Yukos Capital S.a.r.l. claims the working capital increased by USD 1.3 bln and reversed back in April after a guarantee was issued).



Daily Crude Oil Production

Daily Crude Oil Production in Russia, Q1'10 vs Q1'09

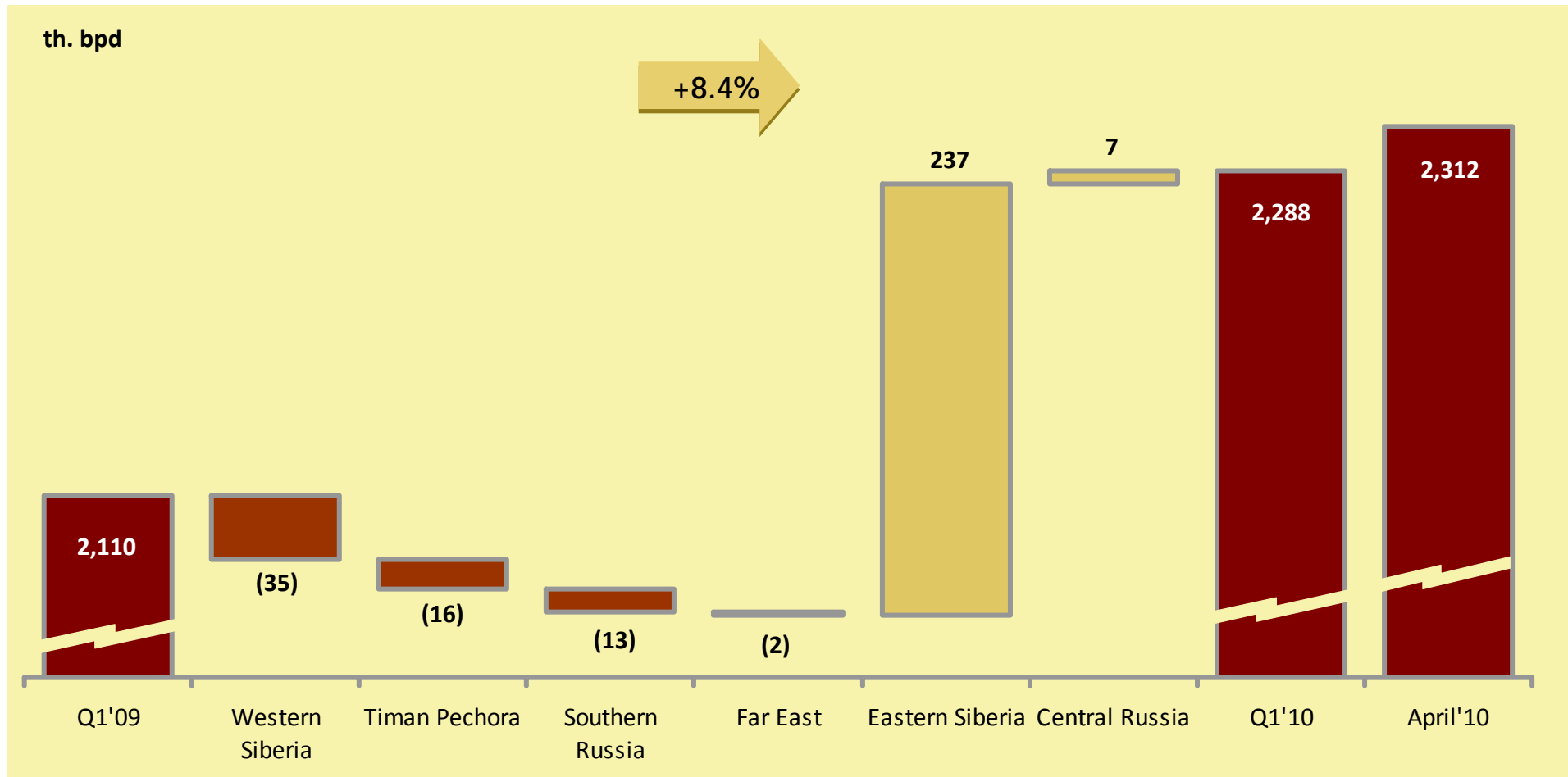


* Excluding share in Tomskneft.



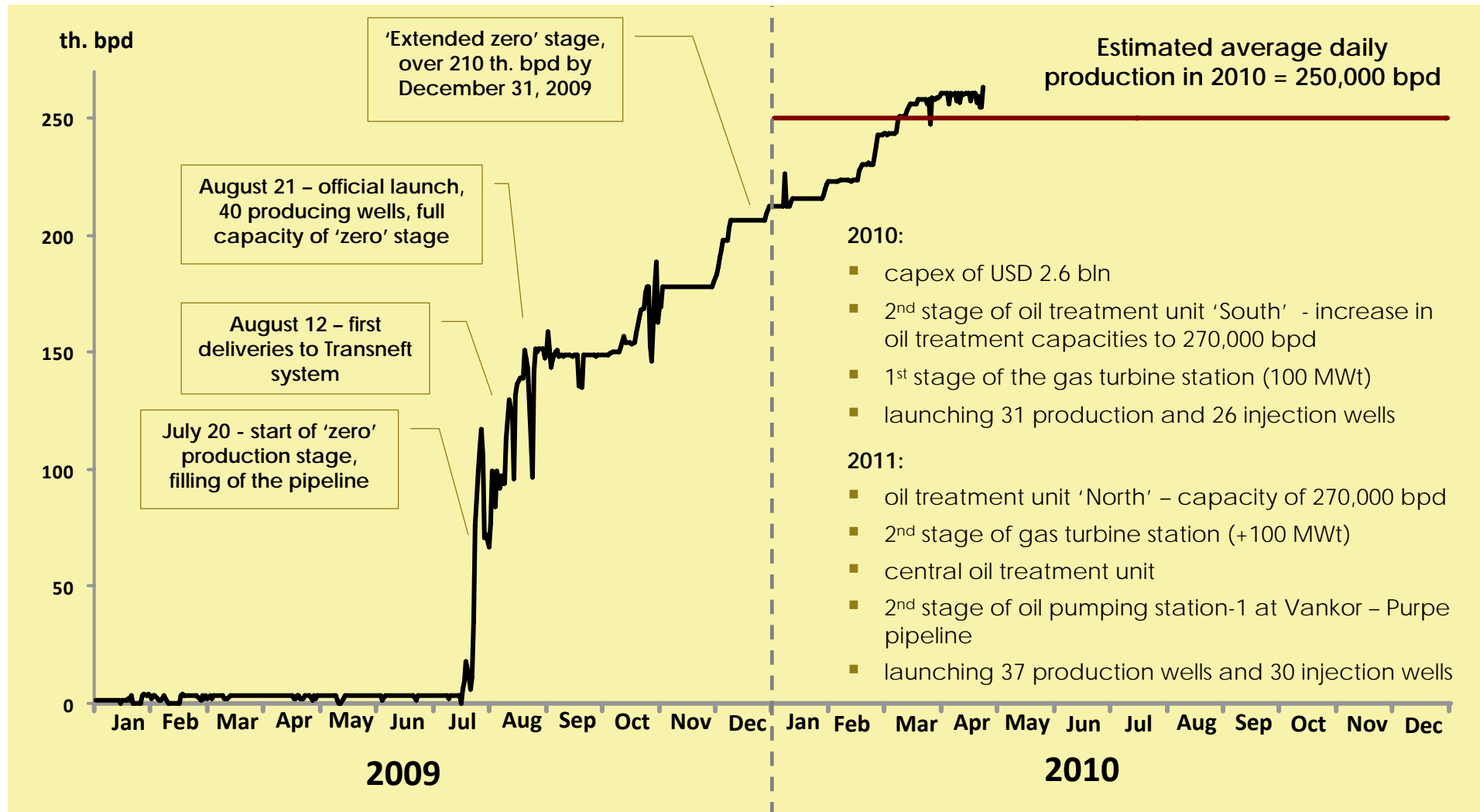
Daily Crude Oil Production (continued)

Daily Crude Oil Production Reconciliation, Q1'10 vs. Q1'09



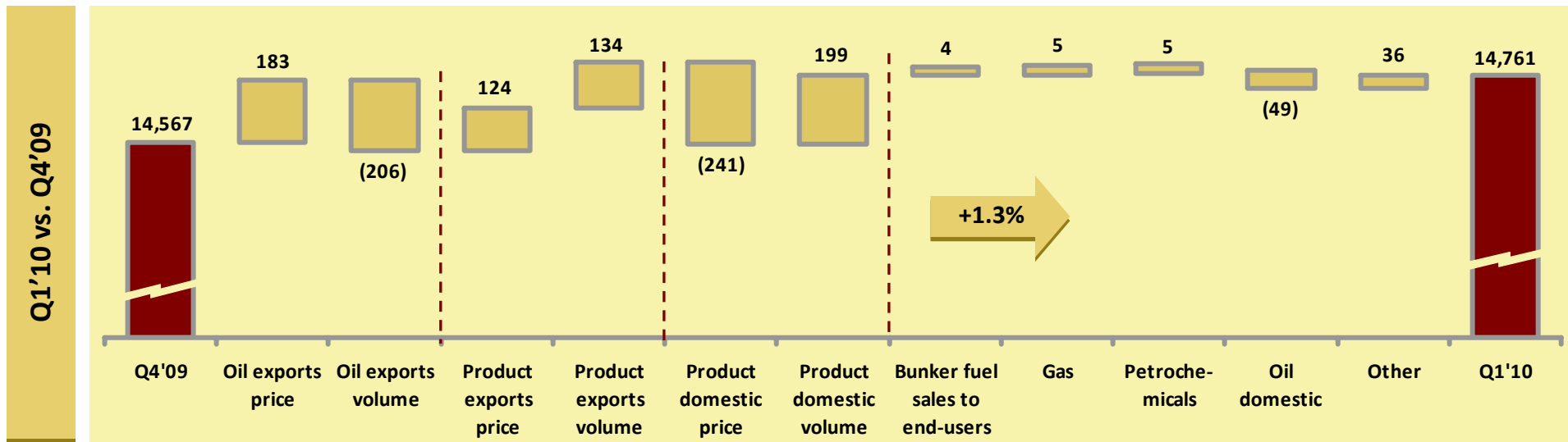
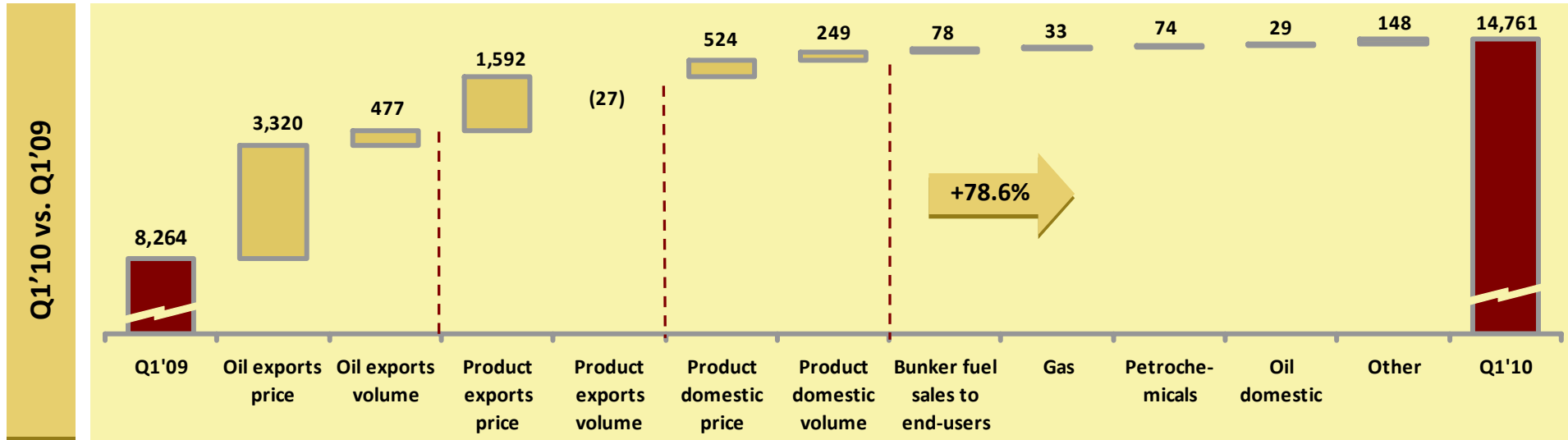


Vankor Outlook





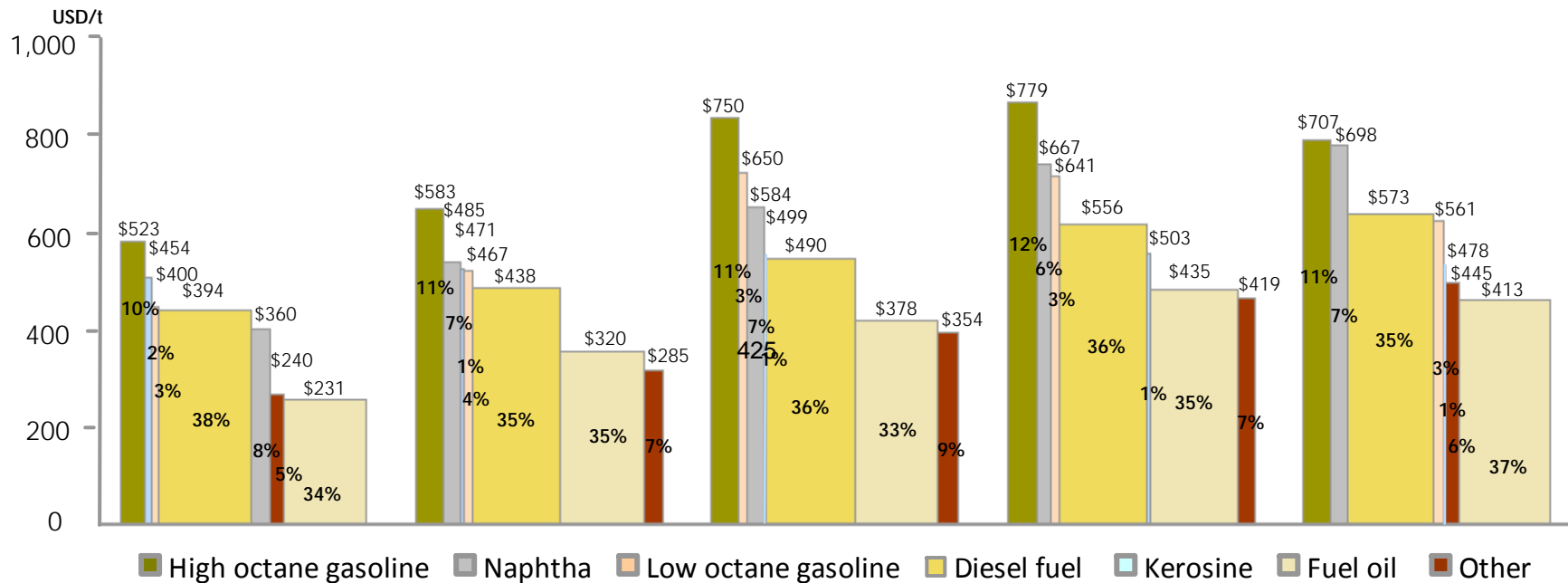
Revenues Reconciliation, USD mln





Petroleum Product Revenues

Petroleum Products: Average Prices and Volume Breakdown

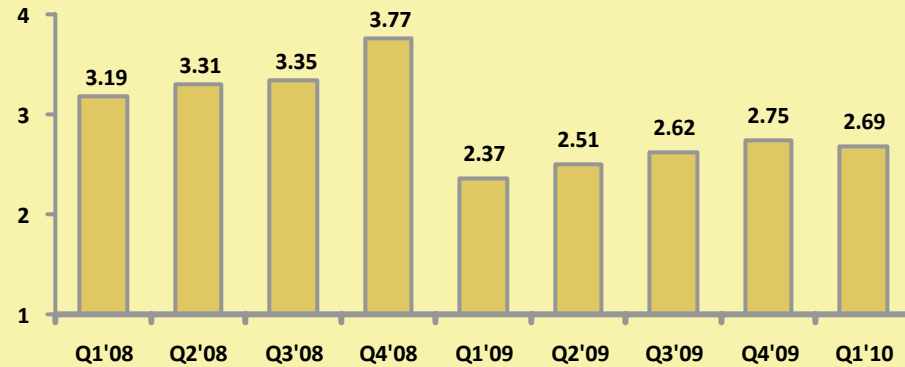


	Q1'09	Q2'09	Q3'09	Q4'09	Q1'10
Revenue, USD mln	3,792	4,877	5,839	5,988	6,208
Excise and export duty, USD mln	639	755	1,080	1,110	1,220
Net revenue, USD mln	3,153	4,122	4,759	4,878	4,988
Volume sold, mln tonnes	11.06	12.00	12.14	11.11	11.74
Net revenue per tonne, USD	285	344	392	439	425

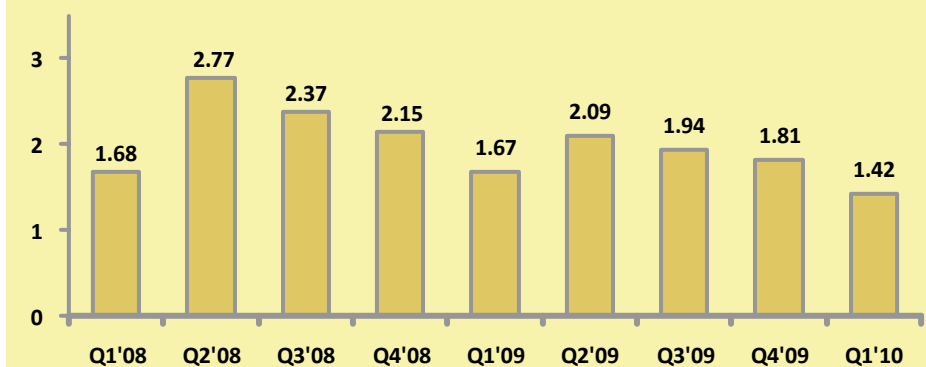


Expenses Dynamics

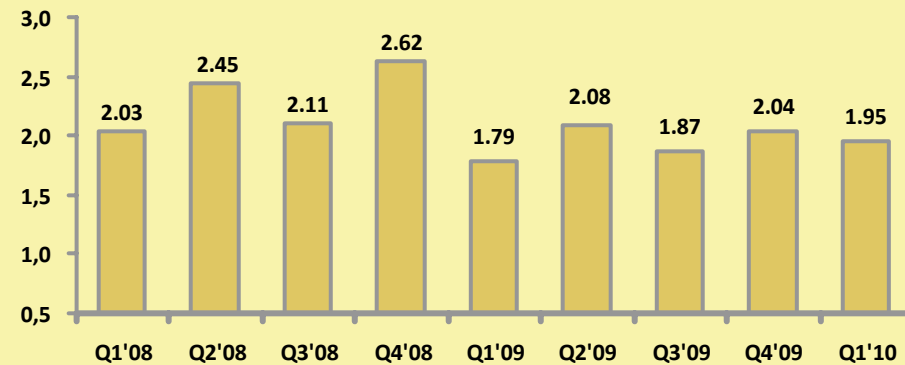
Upstream Operating Expenses, USD/bbl of oil produced



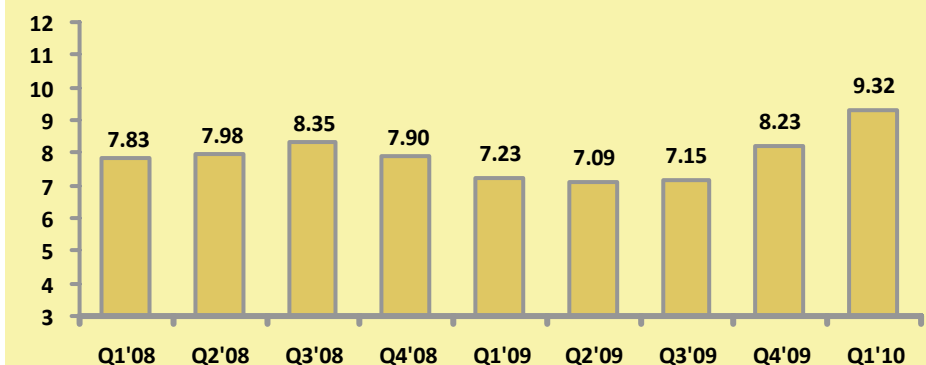
Refining Operating Expenses, USD/bbl of oil processed



SG&A Expenses, USD/bbl of oil produced



Transportation Expenses, USD/bbl of oil produced



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

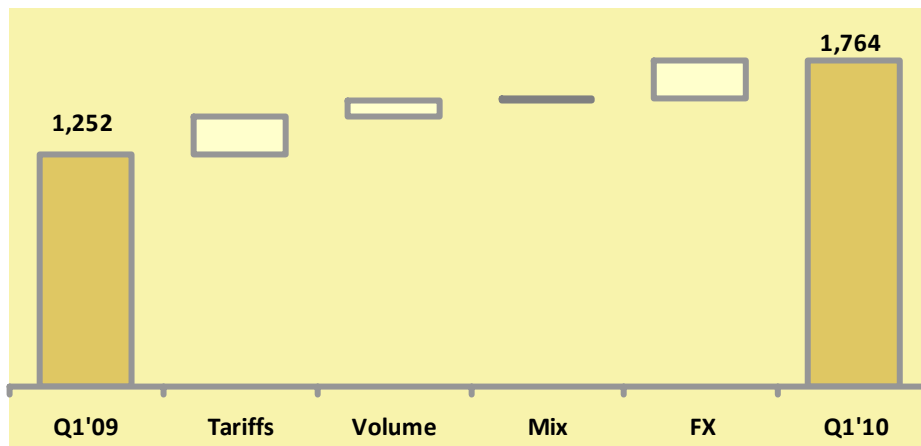
Selling, general and administrative expenses include payroll at headquarters and management-related subsidiaries, payroll of top management of operating subsidiaries, audit & consulting expenses, bad debt allowance and other costs.

Transportation costs include costs to transport crude oil for refining and to end customers, and to deliver petroleum products from refineries to end customers (cost of pipeline and railroad transportation, handling, port fees, sea freight and other costs).

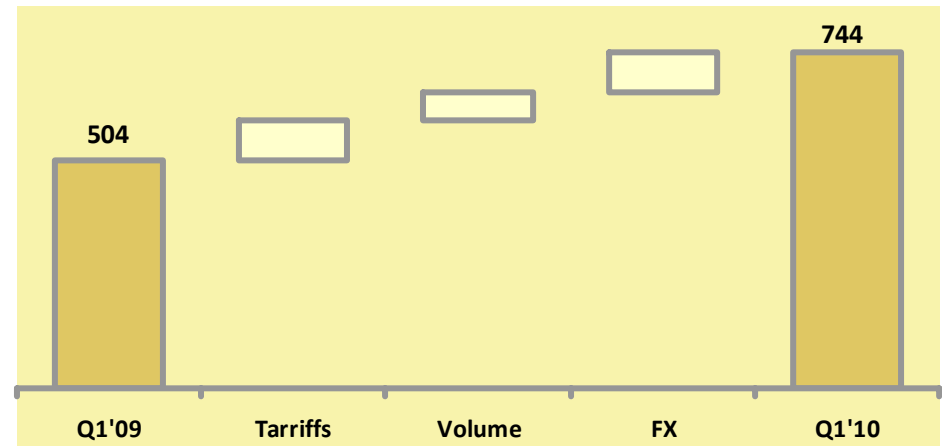


Transportation Costs, Factor Analysis: Q1'10 vs. Q1'09

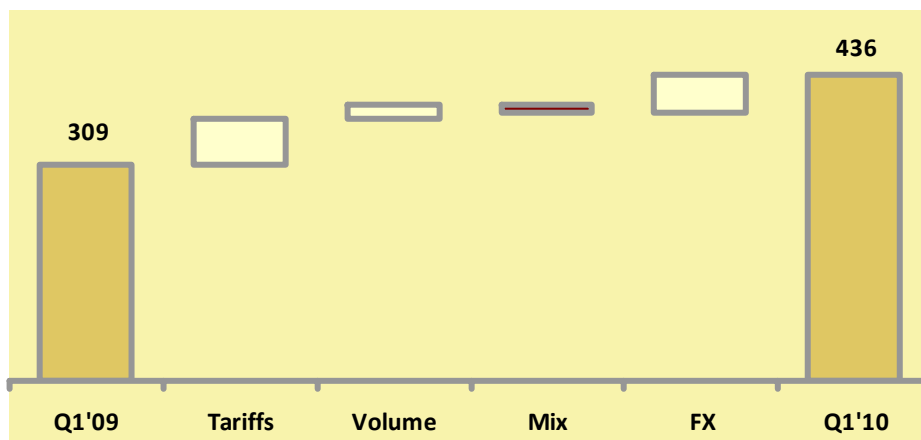
Total Transportation Costs, USD mln



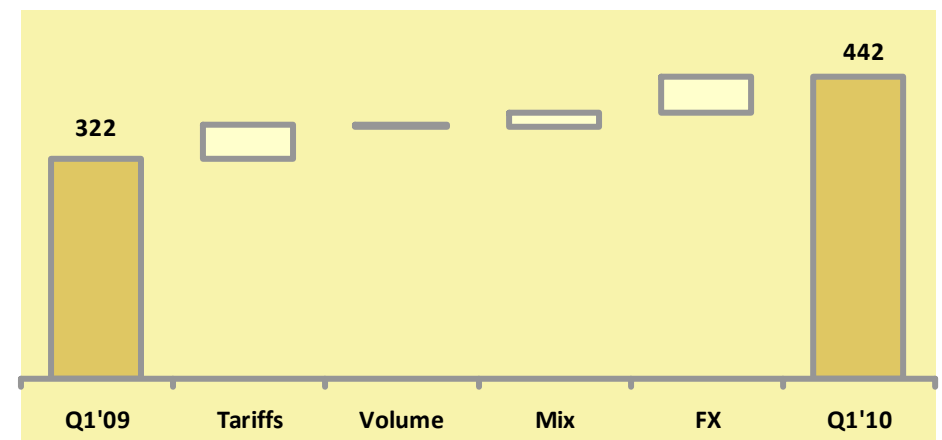
Transportation Costs for Crude Exports, USD mln



Transportation Costs for Crude Deliveries to Refineries, USD mln

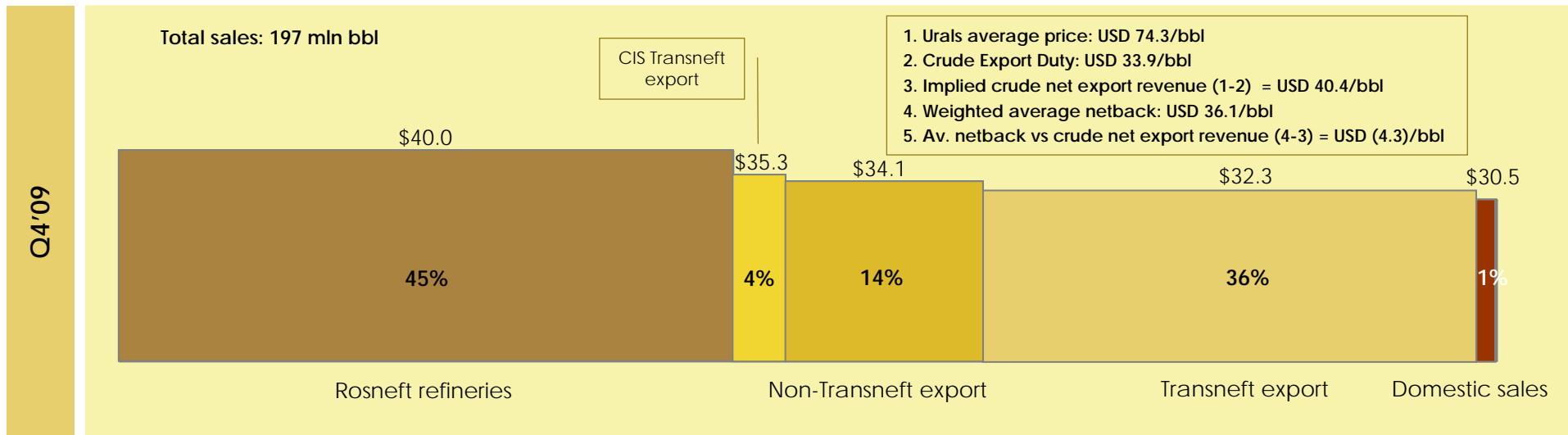
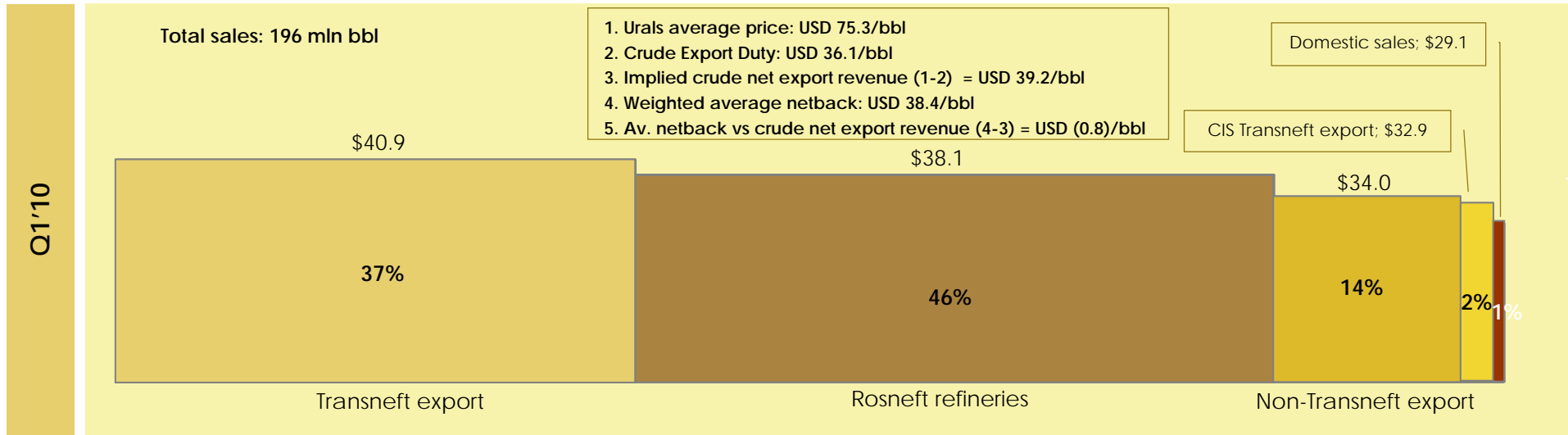


Transportation Costs for Product Exports, USD mln



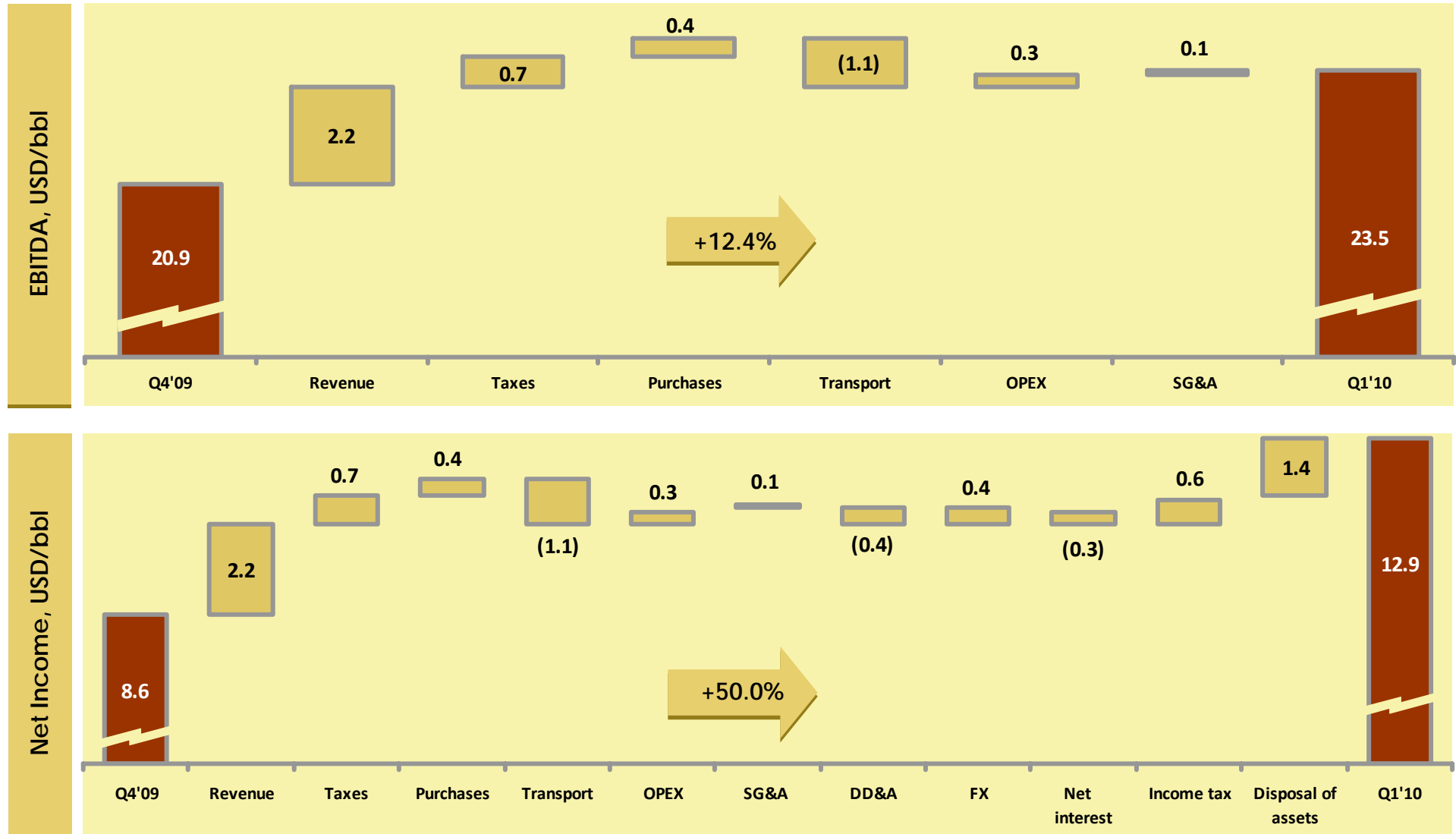


Netback Ladder



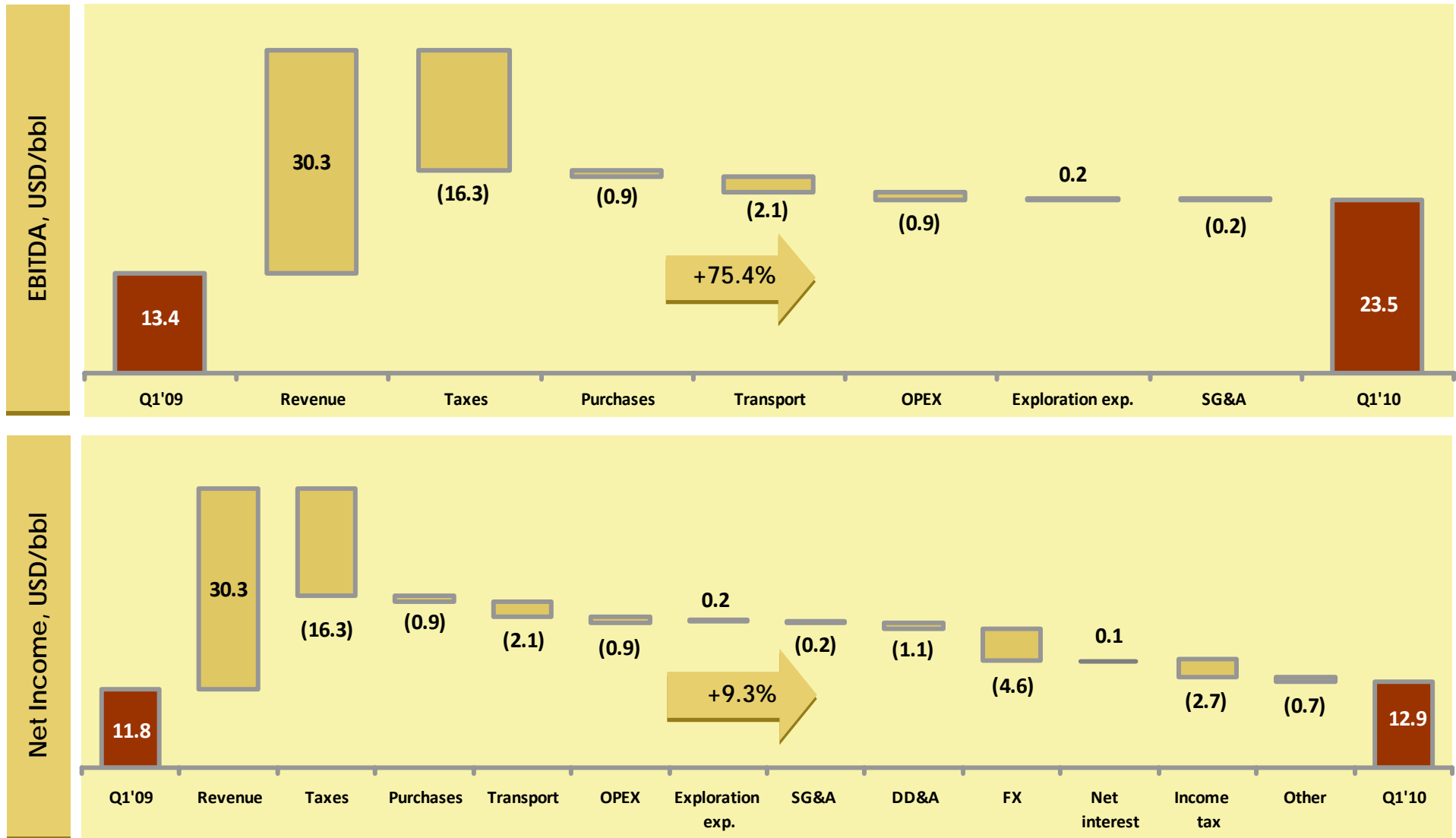


EBITDA and Net Income per bbl Reconciliation: Q1'10 vs. Q4'09





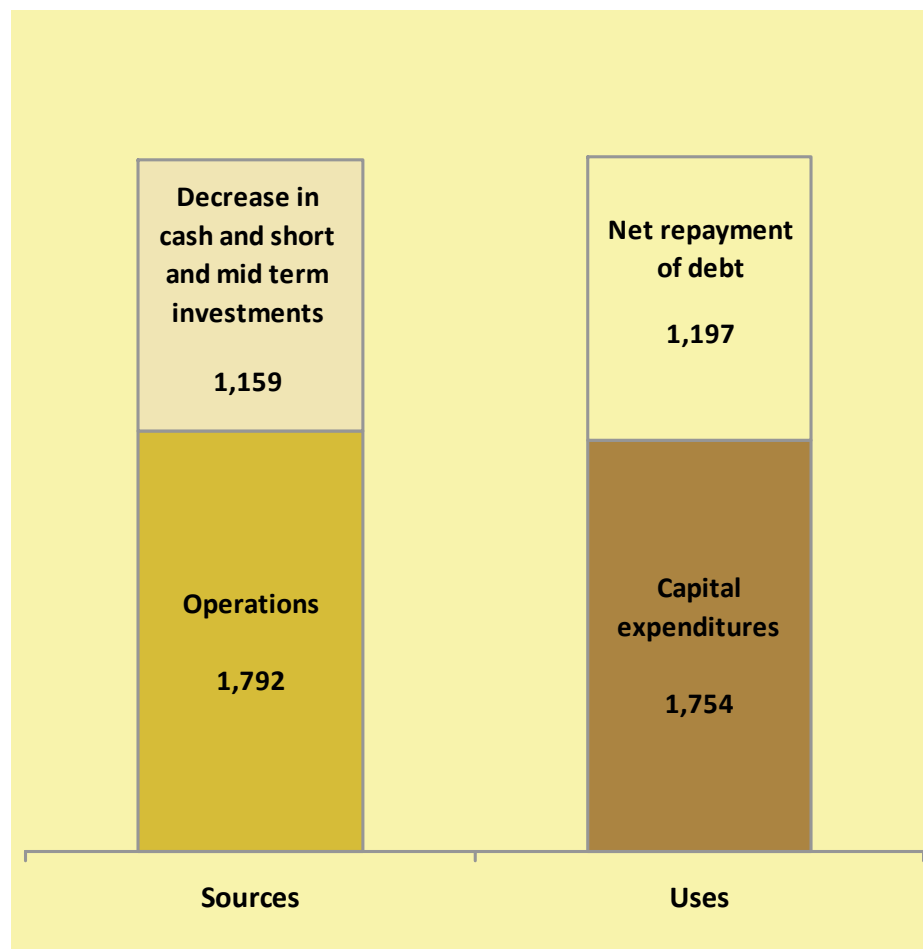
EBITDA and Net Income per bbl Reconciliation: Q1'10 vs. Q1'09



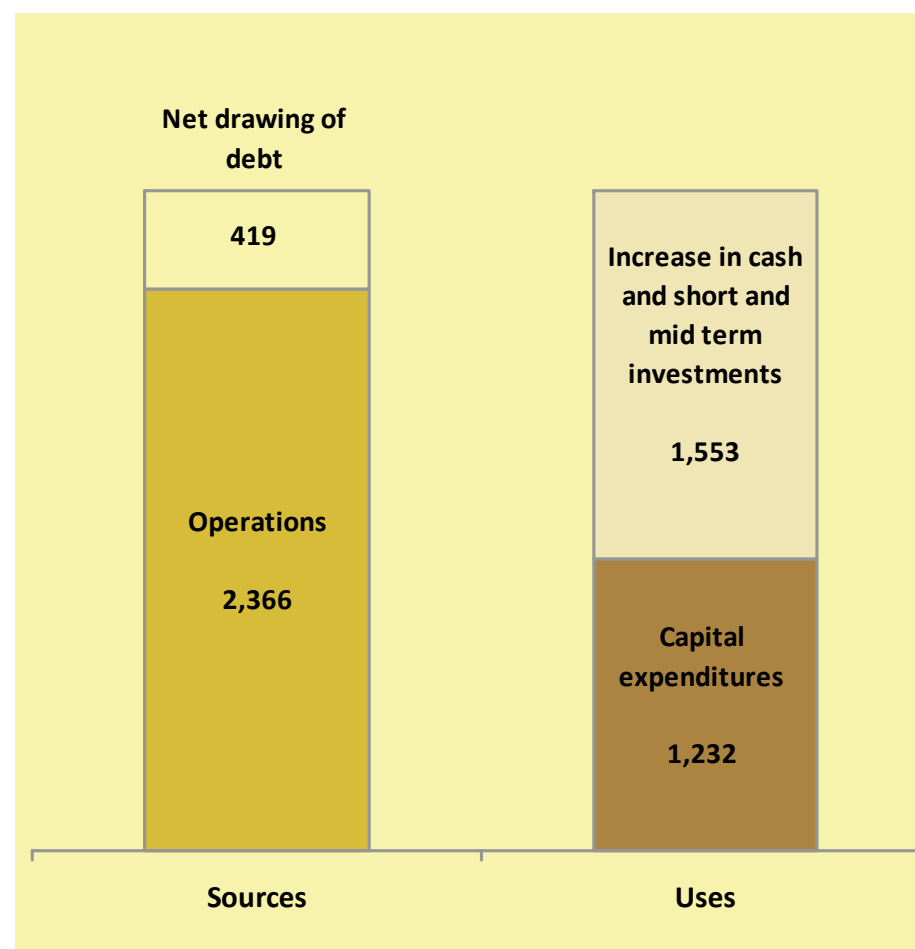


Sources and Uses of Cash

Q1'10

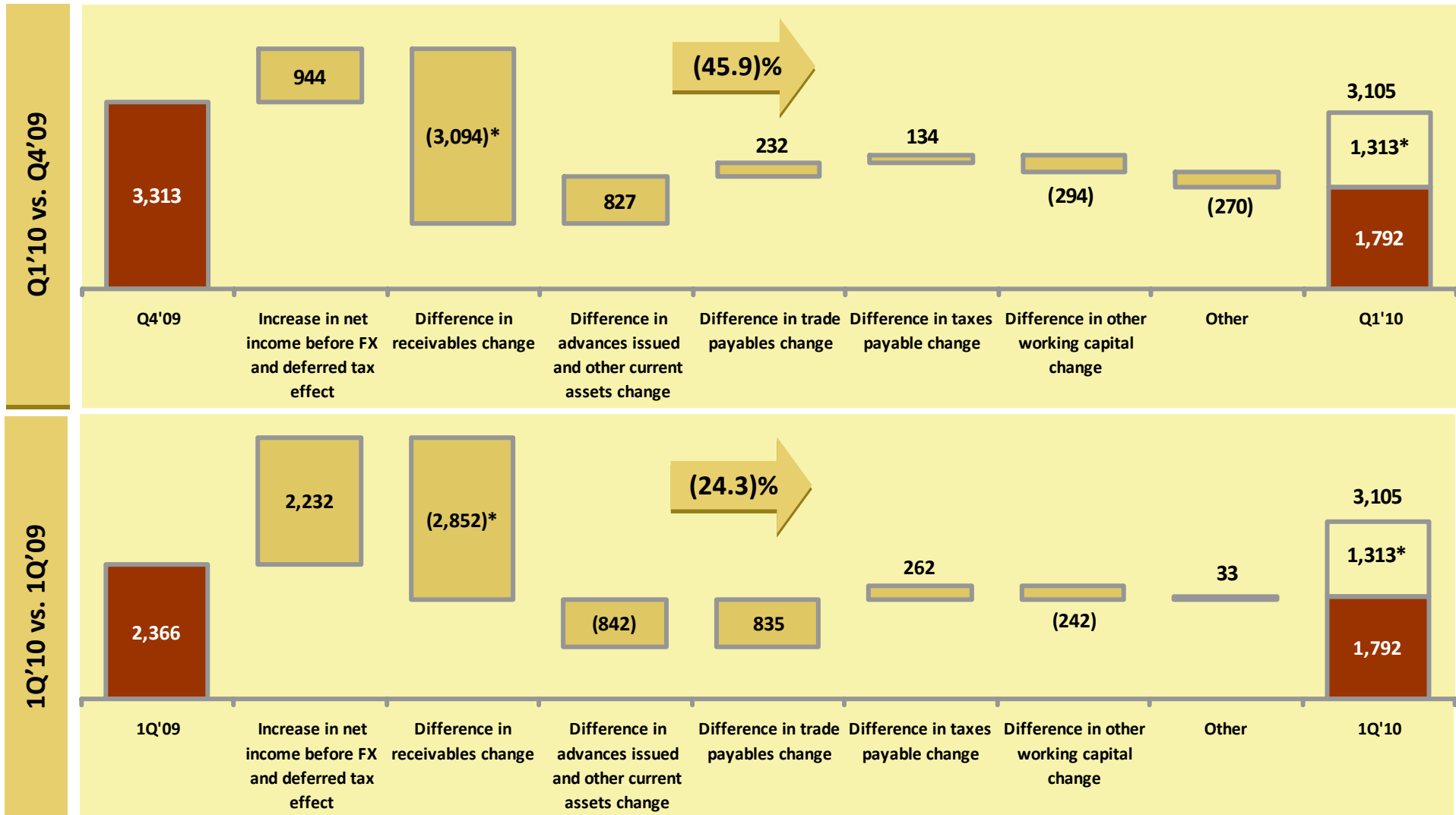


Q1'09





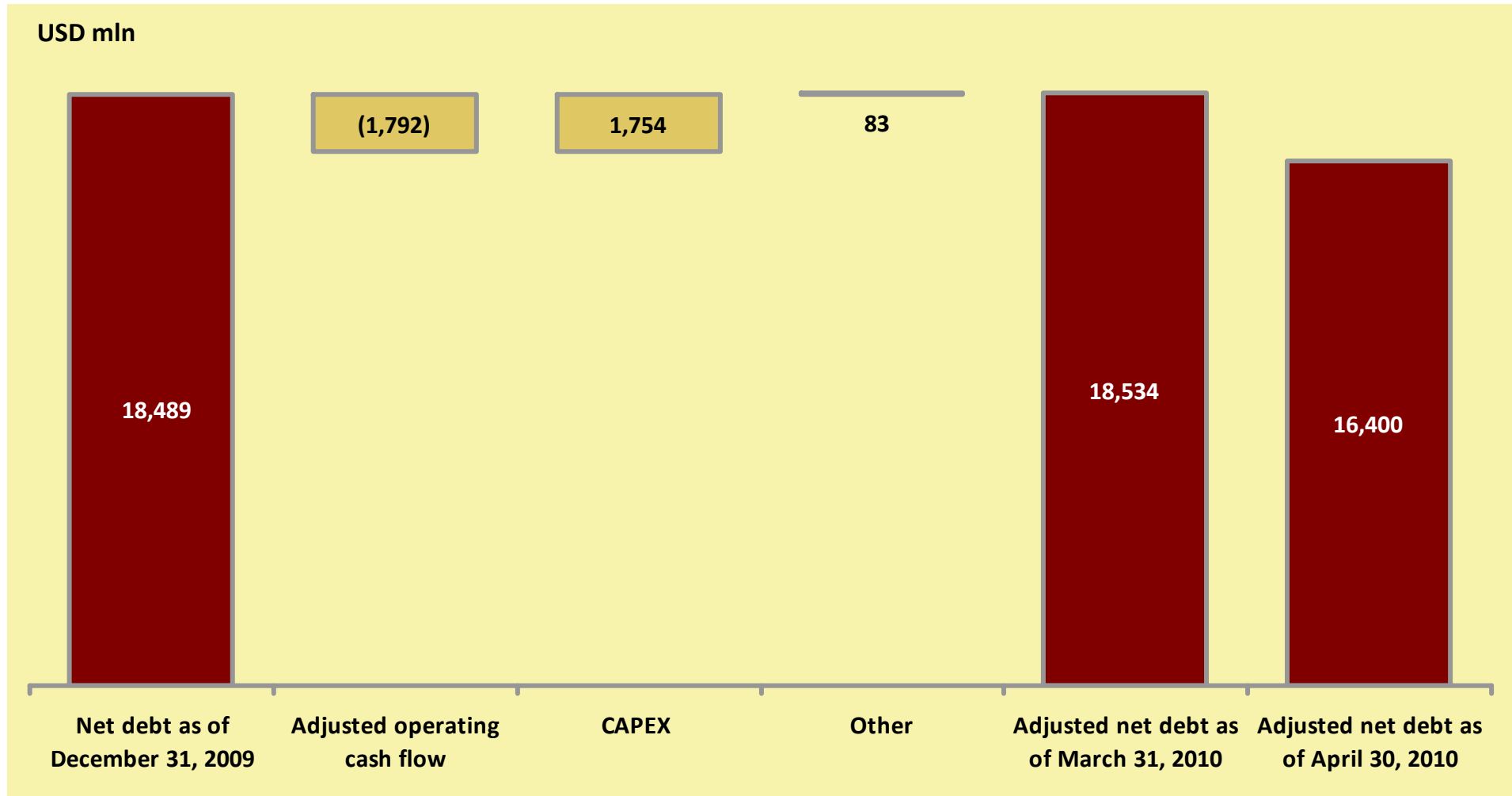
Operating Cash Flow Reconciliation, USD mln



* Due to Yukos Capital S.a.r.l. claims the receivables increased by USD 1.3 bln in Q1'10 and reversed back in April after a guarantee was issued.



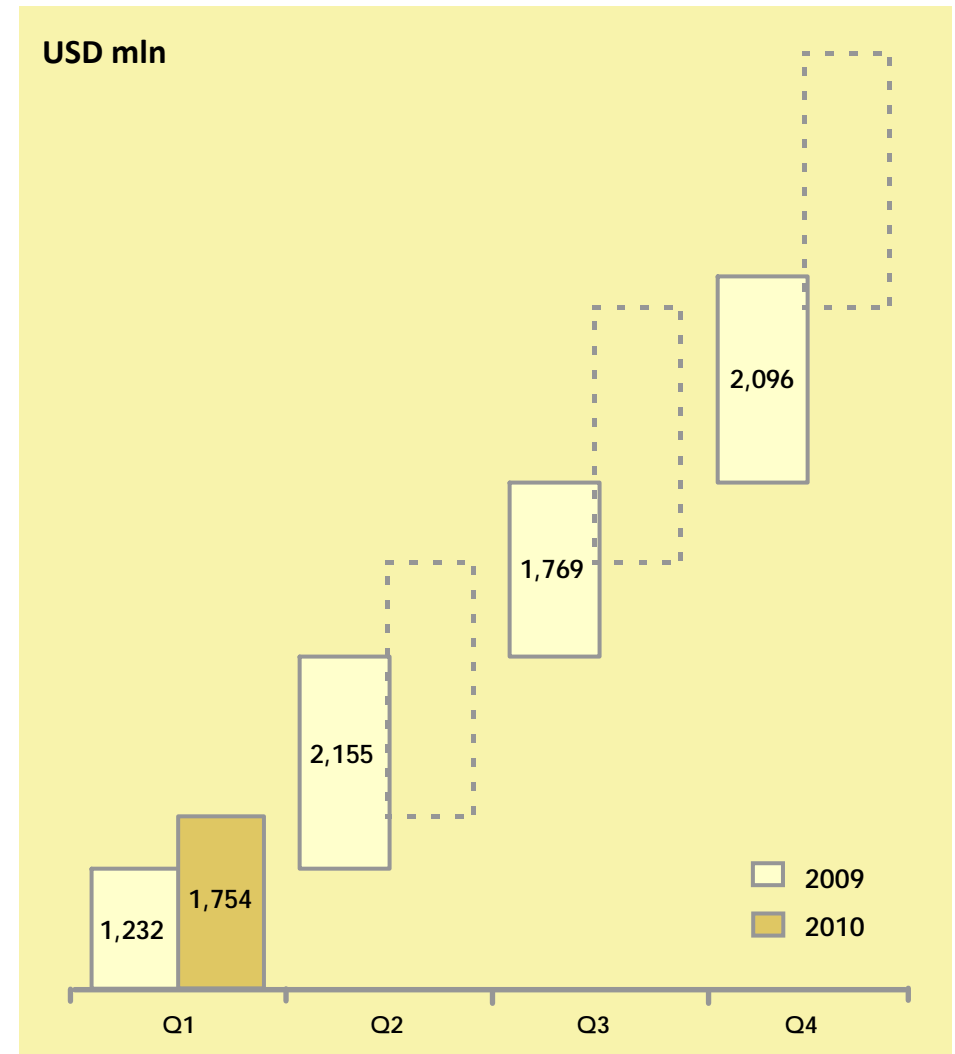
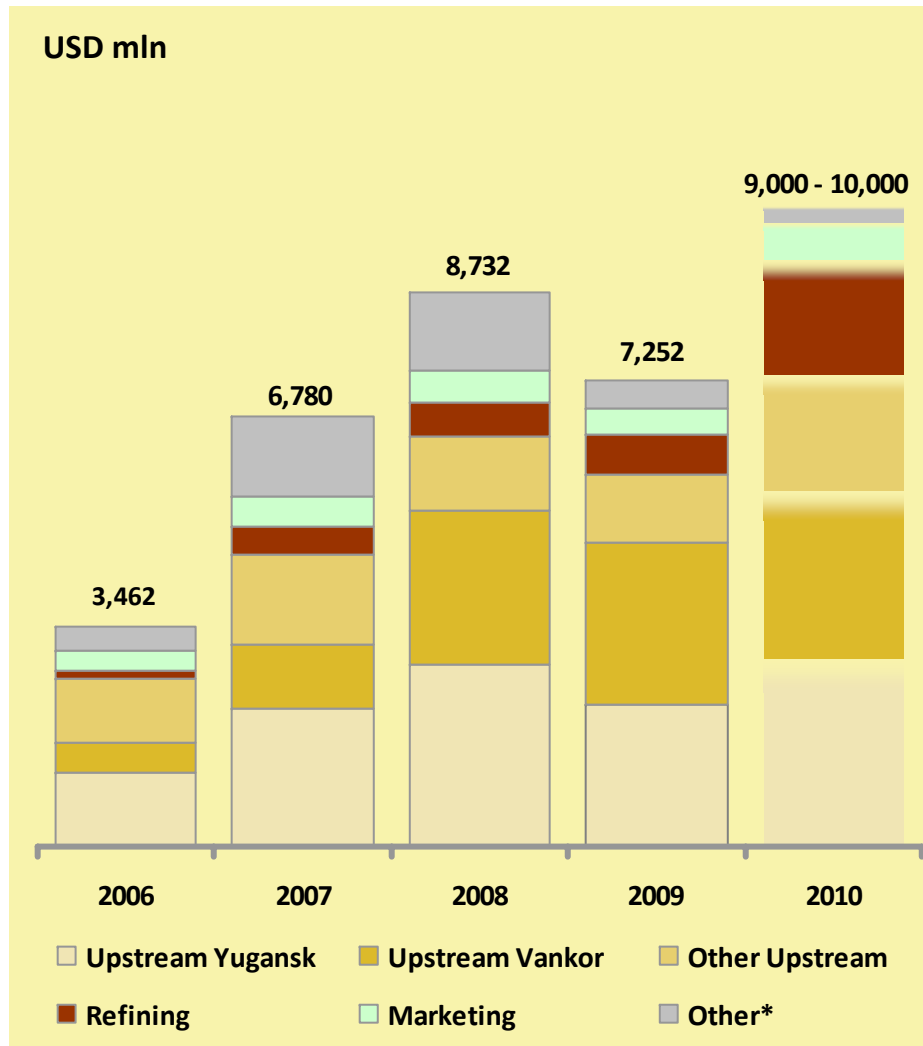
Net Debt Reconciliation



Net debt as of December 31, 2009, March 31, 2010, and April 30, 2010 is adjusted for short and medium term bank deposits and other short-term investments of USD 3,021 mln, USD 2,286 mln and USD 2,051 mln as part of the excess cash management.



Capital Expenditures



2009 and 2010 capex include capitalized interests of USD 354 mln and USD 350 mln respectively.

* Other includes net change in construction materials, capex of service companies and capex acquired with Yukos assets (in 2007).



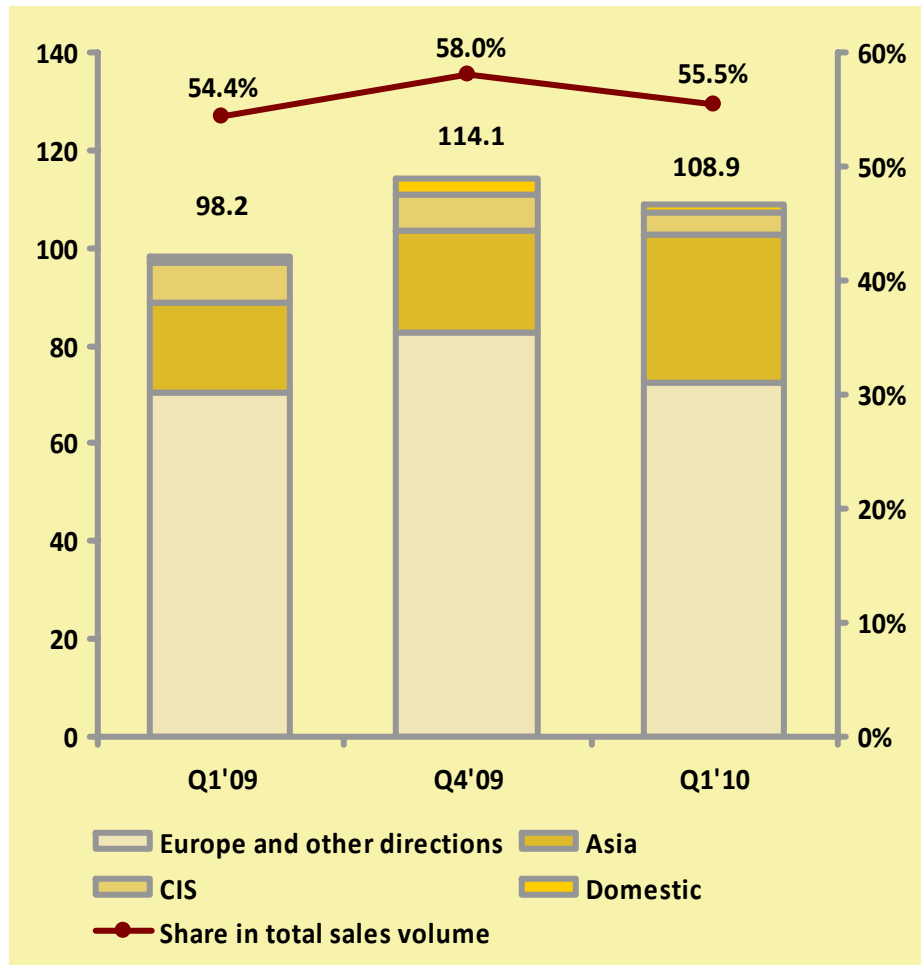
Q1'10 US GAAP Financial Results

Appendix

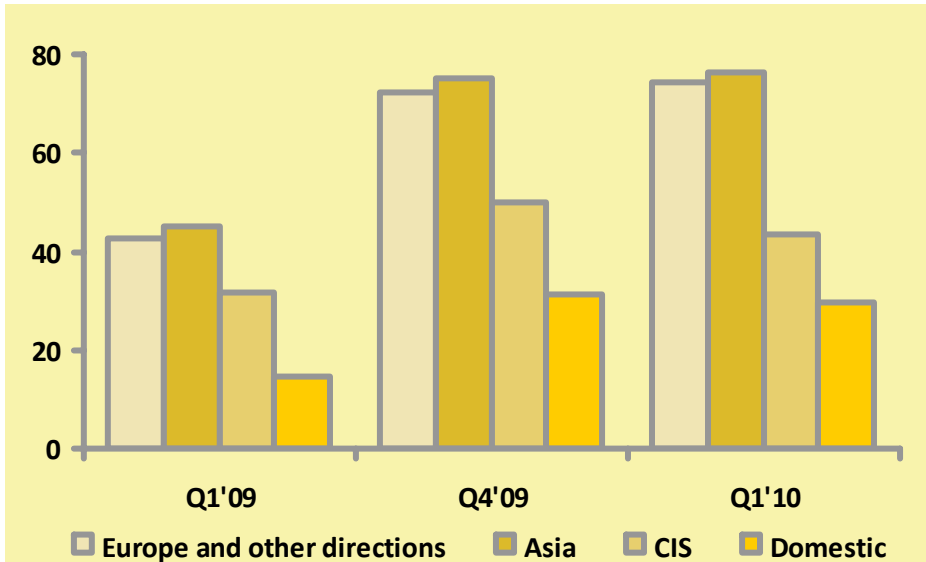


Crude Oil Sales

Crude Oil and Condensate Sales Volumes, mln bbl



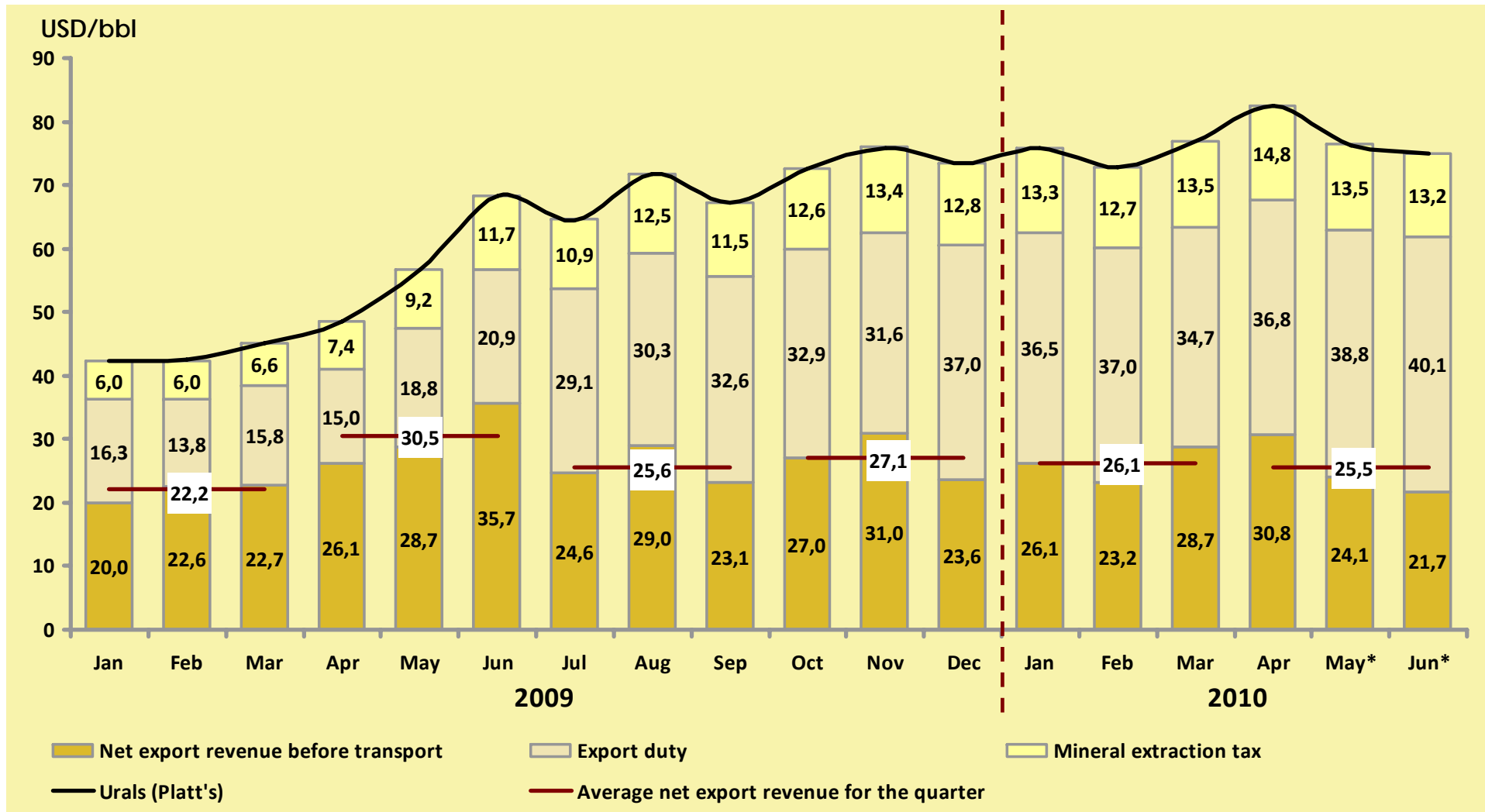
Average Prices, USD/bbl



	Q1'09	Q4'09	Q1'10
	USD/bbl		
Average Brent (Platts)	44.4	74.6	76.2
Urals (average Med+NWE) (Platts)	43.7	74.3	75.3
Rosneft export			
Europe and other directions	42.5	72.3	74.3
Asia	45.2	75.0	76.2



Net Revenue of an Oil Exporter

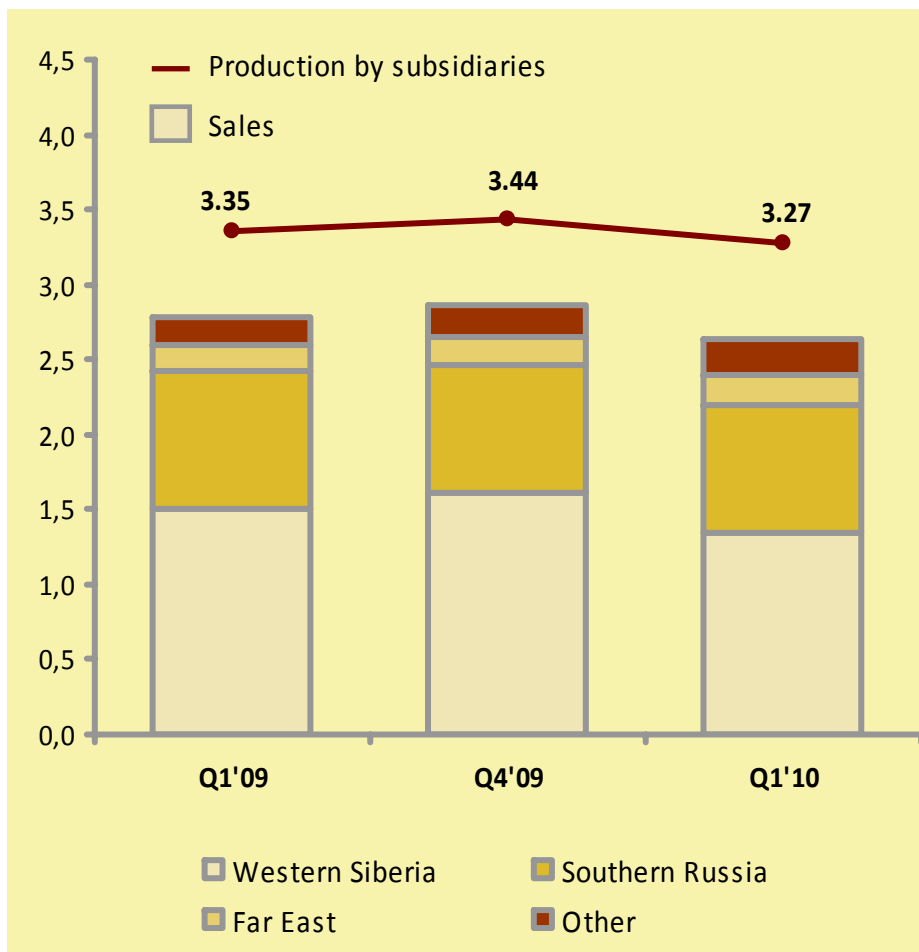


* Assuming Urals price of USD 75 per bbl in the second half of May and in June.

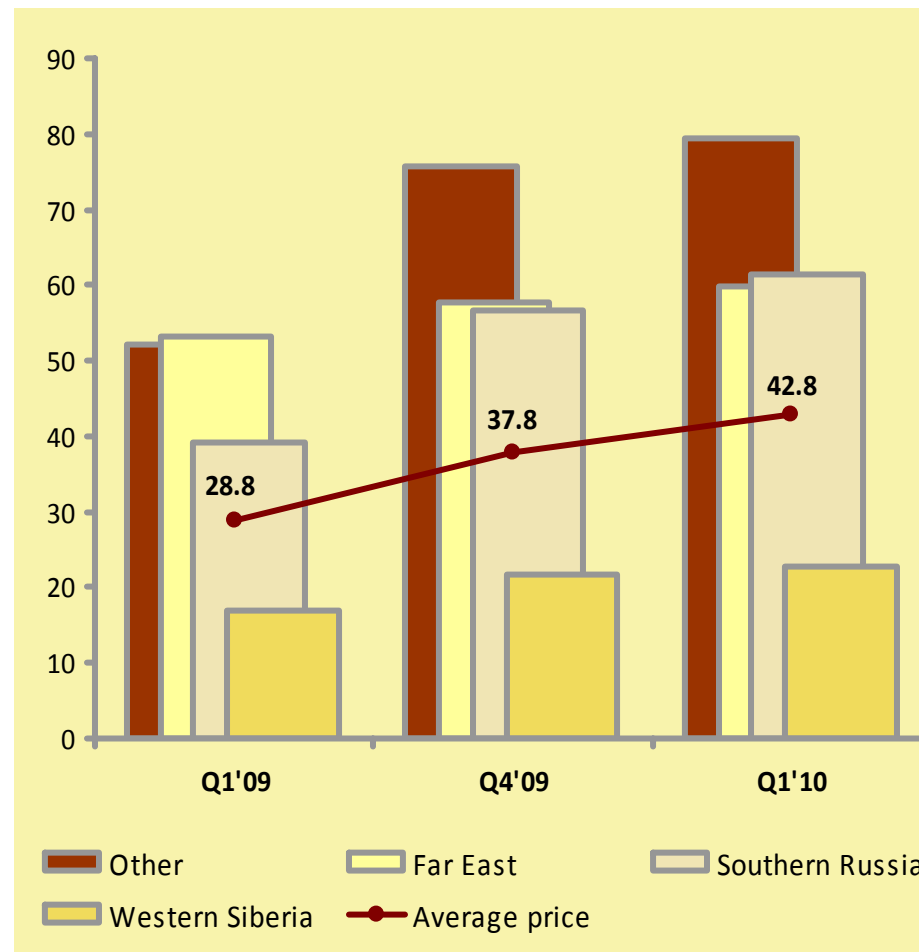


Gas Production and Sales

Gas Sales vs. Production, bcm

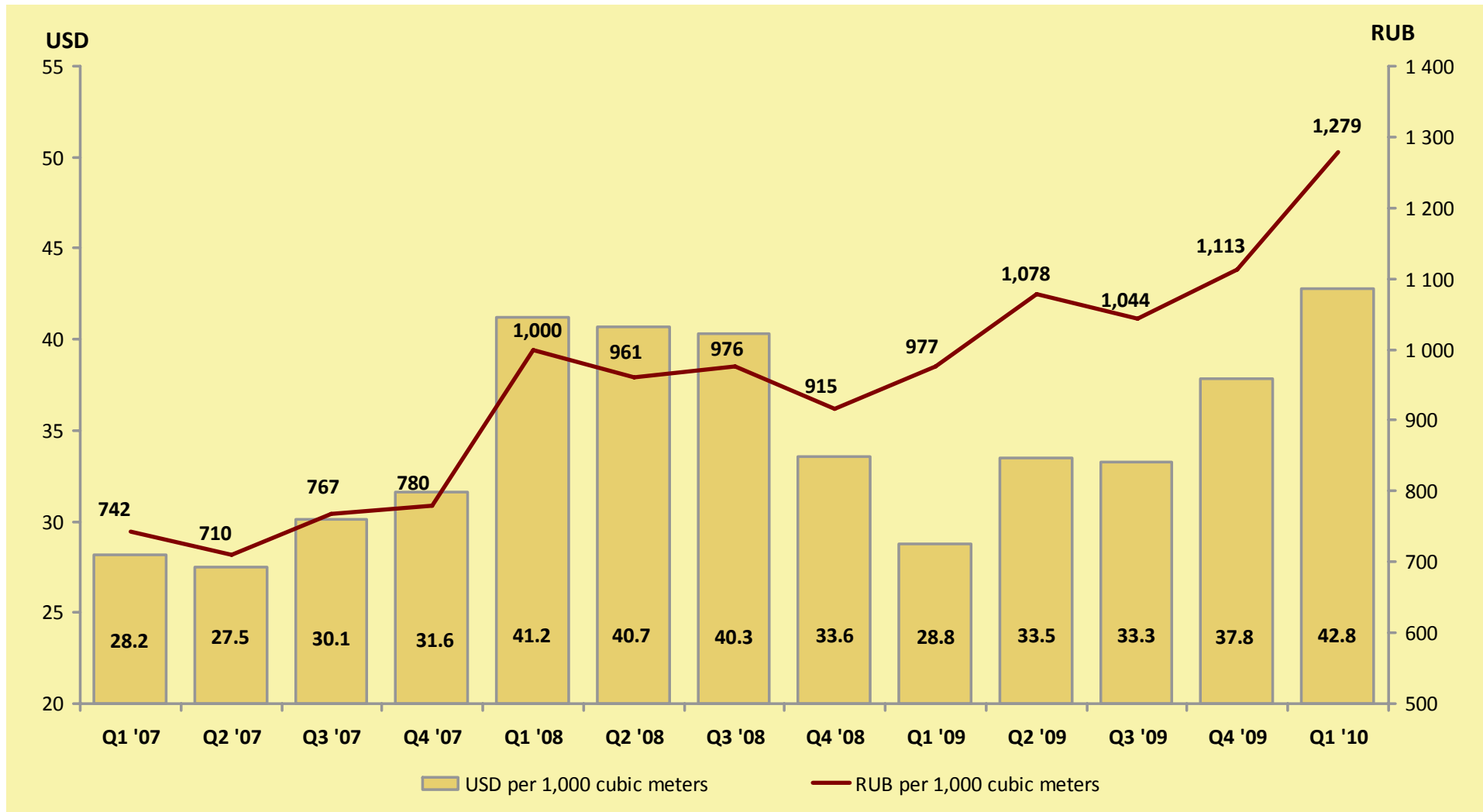


Gas Sales Prices, USD per 1,000 cubic meters



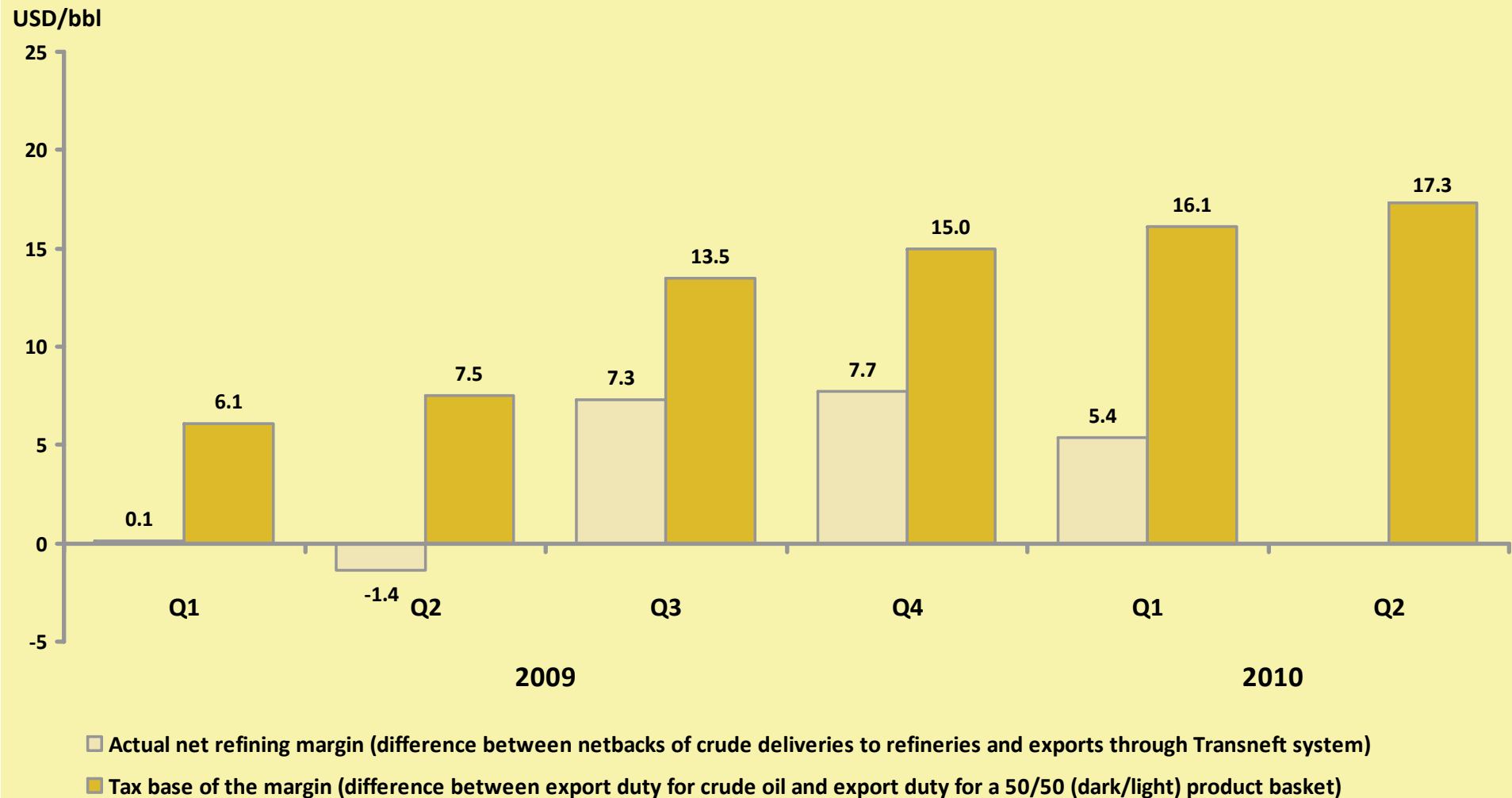


Gas Sales Prices



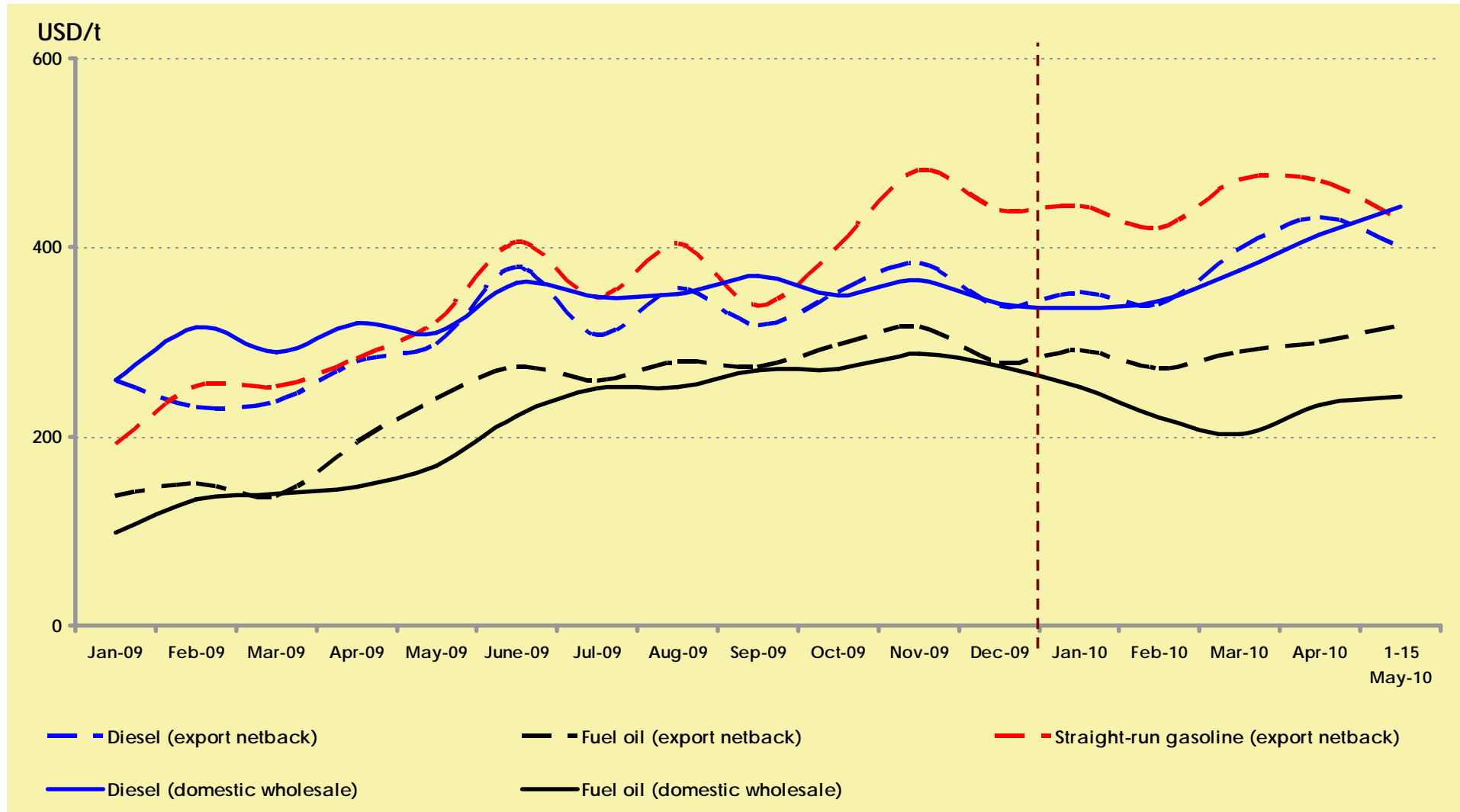


Net Refining Margin





Petroleum Product Prices in 2009-2010 (Rosneft Refineries)*

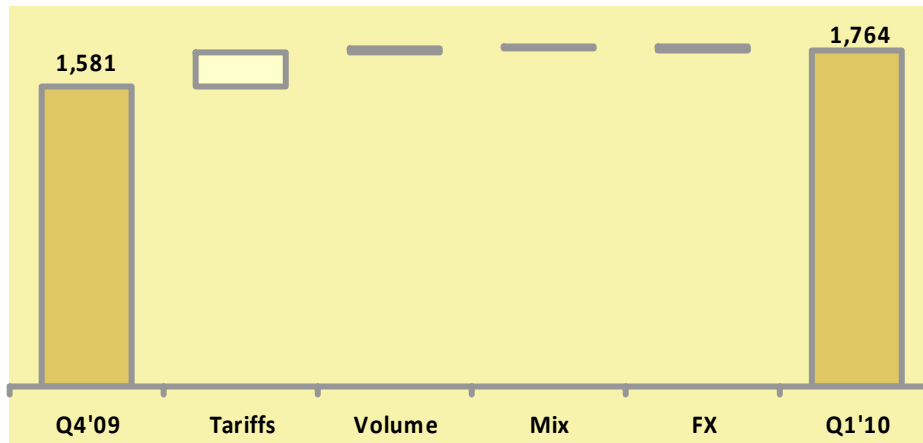


* Refinery-gate export netback or domestic wholesale price net of VAT and excise (average for Rosneft refineries).

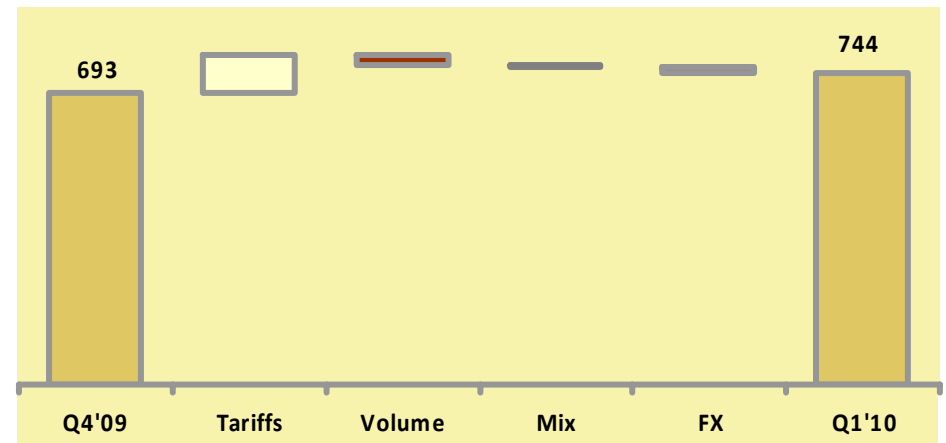


Transportation Costs, Factor Analysis: Q1'10 vs. Q4'09

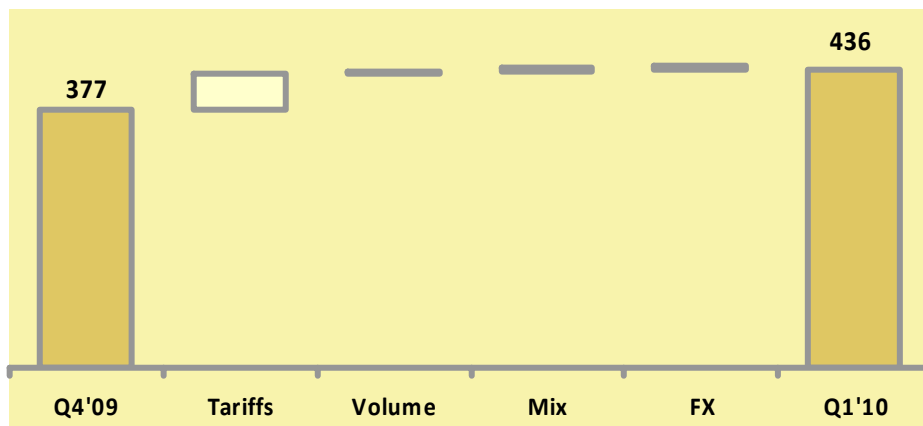
Total Transportation Costs, USD mln



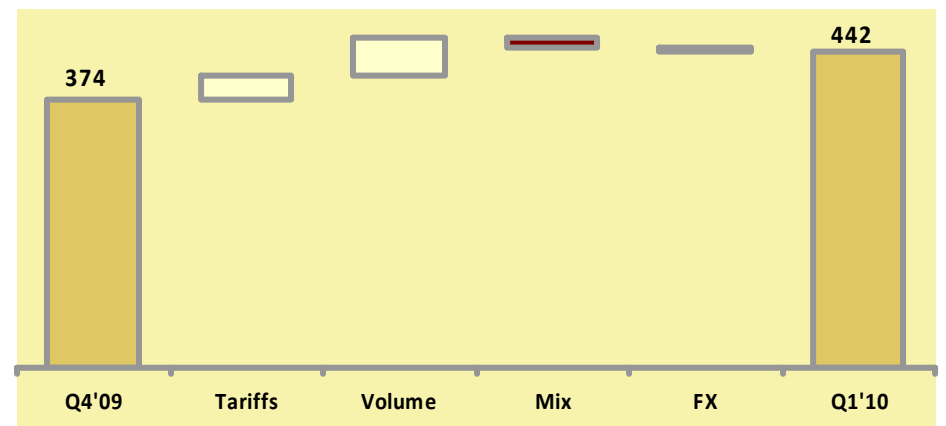
Transportation Costs for Crude Exports, USD mln



Transportation Costs for Crude Deliveries to Refineries, USD mln



Transportation Costs for Product Exports, USD mln





Interest Expense

	Q1'10	Q4'09	Q3'09	Q2'09	Q1'09
1. Interest accrued according to loan agreements	172	198	160	220	240
2. Interest paid (cash)	235	74	134	320	162
3. Change in interest payables (1-2)	(63)	124	26	(100)	78
4. Interest capitalized*	73	79	85	141	119
4a. Change in relevant liability structure following repayment of ruble-denominated loans in Q2 and drawing of the Chinese loan			(46)		
4b. Change in calculation methodology		(24)			
5. Interest SWAP loss/(gain)	40	6	54	(24)	13
6. Debt issue cost	7	7	28	17	25
7. Other	16	5	2	2	6
8. Interest expense as reflected in P&L (1-4-4a-4b+5+6+7)	162	161	205	74	165

* Capitalized interests are estimated in accordance with FASB ASC 835-20 'Capitalization of interest'.

The capitalization rate is calculated by dividing interest expenses on loans related to capital expenditures by the average balance of these loans. Interests capitalized are calculated by multiplying the average balance of construction in progress by the capitalization rate.



2010 Business Plan

Key targets:

- Material free cash flow (after dividends) at USD 70 Brent and USD/RUB rate of 30
- Liquids volume growth of approximately 4.5%
- Vankor production of 12.5 mln tonnes (250,000 bpd)
- First year of material refinery capex to comply with Euro standard product quality (USD 1.5-2.0 bn in 2010)
- Unit operating cost growth at or below ruble inflation despite rising electricity tariffs

Items to watch

- Oil price vs. exchange rate
- Taxation debate, including around Zero export duty
- AGM June 18, 2010