Agenda

- **Highlights, Macro Environment, Financials**
  - Alexey Yankevich
    - Member of the Management Board, CFO

- **Upstream**
  - Vadim Yakovlev
    - Deputy Chairman of the Management Board, First Deputy CEO

- **Downstream**
  - Vladimir Konstantinov
    - Head of Economics and Investment Department, Refining and Marketing Division

- **Strategy**
  - Sergey Vakulenko
    - Head of Strategic Planning Department
Disclaimer

This presentation contains forward-looking statements concerning the financial condition, results of operations and businesses of Gazprom Neft and its consolidated subsidiaries. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management’s current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements.

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Strong financial performance while advancing on strategic goals

- **1Q 2012 Financial performance:**
  - Revenue: RUB 278 bln (+20% Y-o-Y)
  - EBITDA*: RUB 79 bln (+11% Y-o-Y)
  - Net Income: RUB 48 bln (+21% Y-o-Y)

- **Continued operational progress:**
  - Production up 6% Y-o-Y
  - Refining volumes up 8% Y-o-Y
  - Premium channels sales up 33% Y-o-Y
  - Average retail site throughput up 36% Y-o-Y in Russia

- **Strategic advances:**
  - SeverEnergy gas production start up
  - Retail network expansion in North-West region
  - Opened refueling complex at Sheremetyevo Airport
  - Signed agreement with Chevron on production of marine lubricants

- **1Q 2012 vs. 4Q 2011:**
  - Revenue up 2%
  - Adjusted EBITDA up 2%
  - Hydrocarbon production down 2% due to seasonal factors
  - Refining throughput up 6%

*Including GPN share in EBITDA of associates and joint ventures*
Macro Environment

Stronger prices, demand and ruble
Crude prices continue to rise; taxes and market conditions favor Upstream margins

**Crude & Product prices**

- Brent, $/bbl
- Oil product domestic prices*

**Crude Oil export duties, USD/tonne**

- Duty lag 48
- Duty lag [14] 60-65; 30
- Duty lag 27 60-65; 33

**Excise Tax on petroleum products, RUB/tonne**

- 1Q11 5,603
- 4Q11 5,603
- 1Q12 7,310

**Netbacks, $/bbl**

- 1Q11
- 4Q11
- 1Q12

- Refining netback
- Crude export netback

- Increase in global crude prices…
- …as domestic product prices remained steady
- Refining netbacks decreased due to:
  - Substantial increase in petroleum product excise taxes
  - Margin shift from Downstream to Upstream

* 92 gasoline average price (Rub per liter)
Upstream

New projects on track, continuing resource base extension, efficient development of legacy fields
Legacy fields

- Increased horizontal drilling activity
- Implementing real-time monitoring at horizontal drilling projects
- Implementing multistage hydrofracturing of horizontal wells
- Increased initial production of new wells at Priobskoye field to 47 tonnes/day (+36% Y-o-Y) as a result of improved technologies

Russian projects

- Novoport: Promising results from first well reactivations, tests show 300 tonnes/day potential
- Messoyakha: Successfully completed winter seismic program
- Orenburg: Positive results from pilot drilling
- SeverEnergy: Completed first train of gas processing facility, started gas production at Samburgskoye field at 6 MMcm per day
- Chonskiy: Successful pilot well test (with hydrofrac): 120 cm/day

International projects

- NIS: Growing hydrocarbon production (+11% Y-o-Y), drilled first exploration well in Hungary (Pirto-1), seismic acquisition underway in Bosnia and Herzegovina
- Badrah: expanded drilling program to three rigs
- Junin-6: started drilling first well, oil-wet core result
- Cuba: prepared to drill first well
- Equatorial Guinea: completed interpretation of geological data
Seasonal 1Q production decline is due to reverse in rest of year

- Hydrocarbon production (toe) decreased 2% Q-o-Q due to:
  - Seasonal decrease in drilling activity
  - Well pad construction
- Daily hydrocarbon production rate planned to increase through rest of year

- Hydrocarbon production increased 6% Y-o-Y due to:
  - Consolidation of Orenburg fields (+0.5 MMToe)
  - Growing Priobskoye production (+0.3 MMToe)
  - Growing Luginetskoe production (+0.1 MMToe)
Efficiency and optimization efforts deliver industry-leading cost control

% change in opex/boe 1Q 2012 Y-o-Y, RUB/boe

-2.7
Gazprom Neft

7.4
Peer average*

% change in capex/boe 1Q 2012 Y-o-Y, RUB/boe

55%
Gazprom Neft

26%
Rosneft

9%
TNK-BP

36%
Lukoil*

Reduced opex/boe due to:

- Energy efficiency gains
  - Installed energy efficient electrical submersible pumps
  - Reduced inefficient injection and fluid production
  - Discontinued unprofitable wells
- Oil service optimization, improved contracting
  - Reduced average time for hydrofracs
  - Optimized high-cost contracts
  - Increased average time between failures through tighter control of frequently repaired wells
- Transportation optimization
  - Replacing expensive vehicles with cheaper options

Moderate growth of capex/boe due to:

- Faster drilling times
- Improved technical decisions
  - Reduced pad size by changing well placement
  - Changed construction approaches for slopes
- Optimized purchasing procedures
  - Conducting tenders under new procedure
- Effective decision-making
  - Adapting new facility specifications to meet specific external and geological conditions

Source: available public data
*Rosneft, TNK-BP – 1Q 2012 results; LUKOIL – FY 2011 results
New technologies will sustain production and increase returns at mature fields.

- **Base cost**
  - Vertical and directional drilling: RUB 50-70 mln
  - Horizontal drilling: RUB 70-90 mln (+0-80%)
  - Horizontal drilling w/ multistage frac: RUB 100-120 mln (+40-140%)
  - Dual-leg horizontal drilling: RUB 80-100 mln (+15-100%)

- **Base flow**
  - 30-50 tonnes/day
  - 70-200 tonnes/day
  - >150 tonnes/day

- **Increased well flow**
  - +40-570%
  - +100-570%
  - +200%

- **Gazprom Neft practice**
  - Historical: 2/month
    - Current: 7/month
    - 2012 plan: 10/month
  - Historical: 0 wells
    - Current: 1 well
    - 2012 plan: 10 wells
  - Historical: 4 wells
    - Current: 1 well
    - 2012 plan: 12 wells
New technologies raising production at Priobskoye field

- Raised initial production rates by implementing new hydrofracturing technologies (+36% Y-o-Y)
- Introduced advanced injection techniques to maintain reservoir pressure in new wells
Downstream

Premium channel sales increase as investments improve product quality in industry-leading portfolio
Refinery modernization raises fuel quality, drives continued premium sales growth

1Q12 Key Events:

- **Refining volumes** up 8% 1Q 2012 over 1Q 2011
- Yaroslavl started production of Class 5 high-octane motor fuel in January
- Overall **high-octane gasoline** production increased by 2.7 pp
- Began commissioning of FCC gasoline hydrotreater at **Omsk**

2012 Major Goals:

- Stream FCC gasoline and diesel hydrotreaters at **Omsk**, increasing high-quality fuel production
- Construct lubricants packing complex at **Omsk**
- Reconstruct diesel hydrotreater at **Moscow** to achieve Class 4 & 5 fuel quality
- Continue **NIS** refinery modernization plan, including completion of MHC/DHT unit, allowing transition to Euro-5 product output in 2012

**Refining**

- **Premium sales volume** up 33% 1Q 2012 over 1Q 2011
- Expanded network through acquisition and construction of new retail stations
- Average **daily throughput per station** for Russian & CIS network reached 15.1 tpd, up 38%
- **Non-oil** sales grew 52%

**Premium Sales**

- Complete retail station **rebranding**
- Optimize network to **increase average per-site throughputs** and related products and services sales
- Continue growth of **premium sales channel**

Yaroslavl started production of Class 5 high-octane motor fuel in January.

Overall high-octane gasoline production increased by 2.7 pp.

Began commissioning of FCC gasoline hydrotreater at Omsk.

**Refining volumes** up 8% 1Q 2012 over 1Q 2011.

**Premium sales volume** up 33% 1Q 2012 over 1Q 2011.

Average daily throughput per station for Russian & CIS network reached 15.1 tpd, up 38%.

Non-oil sales grew 52%.
Refining netbacks decreased, but reversed in April

- Refining cover increased from 77% to 78% Y-o-Y
- Crude purchases increased by 23%
Increased throughput at all Russian refineries due to higher domestic market demand

- Increased refining throughputs and higher-value product yield

<table>
<thead>
<tr>
<th>Class</th>
<th>1Q11</th>
<th>1Q12</th>
<th>4Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIS</td>
<td>9.43</td>
<td>10.17</td>
<td>9.63</td>
</tr>
<tr>
<td>Slavneft</td>
<td>1.73</td>
<td>2.20</td>
<td>2.00</td>
</tr>
<tr>
<td>Moscow</td>
<td>2.57</td>
<td>2.65</td>
<td>2.49</td>
</tr>
<tr>
<td>Omsk</td>
<td>4.62</td>
<td>4.91</td>
<td>4.54</td>
</tr>
</tbody>
</table>

Gazprom Neft refining throughput (MMTonnes)

Gasoline and diesel yields (MMTonnes)

- Class 4 & 5 gasoline production increased 260%
- Class 4 & 5 diesel production increased 150%
- Incremental income from excise tax differentiation between classes +697 mln RUB Y-o-Y
Continuing development of domestic and international premium channels

**Retail metrics**

<table>
<thead>
<tr>
<th></th>
<th>1Q11</th>
<th>1Q12</th>
<th>4Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td>CIS network</td>
<td>976</td>
<td>1,052</td>
<td>1,043</td>
</tr>
<tr>
<td>Russia network</td>
<td>187</td>
<td>197</td>
<td></td>
</tr>
</tbody>
</table>

**1Q11 vs. 1Q12 premium sales growth**

- **Retail**
  - Acquired 6 stations, rebranded 38
  - Market share: 45%

- **Lubricants**
  - Signed marine lubricants production agreement with Chevron
  - Market share: 14%

- **Aviation**
  - Expanded international refueling operations: Lisbon, Rimini
  - Market share: 46%

- **Bunkering**
  - Purchased new bunkering tanker; expansion in international markets
  - Market share: 69%

**Acquired 6 stations in St. Petersburg**

**Opened refueling complex at Sheremetyevo**

**Continuing development of domestic and international premium channels**

**1Q11**

- Acquired 6 stations
- Rebranded 38 stations
- Signed marine lubricants production agreement with Chevron
- Purchased new bunkering tanker
- Expansion in international markets

**1Q12**

- Opened refueling complex at Sheremetyevo
- Acquired 6 stations in St. Petersburg
- Expanded international refueling operations: Lisbon, Rimini

**4Q11**

- Retail metrics: 10.9, 15.1, 15.8, 17.0
- CIS network: 976, 1,052, 1,043
- Russia network: 187, 197, 
- Av. Daily throughput per station (RF+CIS): 7.0

**Market share**

- Retail: 11%
- Lubricants: 11%
- Aviation: 19%
- Bunkering: 18%
Financials

21% Net Income Growth Y-o-Y
Production growth and strong price environment drive positive financial trends

### Revenues

<table>
<thead>
<tr>
<th>Quarter</th>
<th>1Q11</th>
<th>2Q11</th>
<th>3Q11</th>
<th>4Q11</th>
<th>1Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (RUB bln)</td>
<td>232</td>
<td>255</td>
<td>270</td>
<td>272</td>
<td>278</td>
</tr>
</tbody>
</table>

- Revenue grew by 2.2% Q-o-Q due to increased oil prices, partially offset by lower crude oil sales volumes.
- Revenue grew by 19.8% Y-o-Y due to higher prices for crude oil and petroleum products and increased sales volumes.

### EBITDA*

<table>
<thead>
<tr>
<th>Quarter</th>
<th>1Q11</th>
<th>2Q11</th>
<th>3Q11</th>
<th>4Q11</th>
<th>1Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA (RUB bln)</td>
<td>72</td>
<td>71</td>
<td>83</td>
<td>77</td>
<td>79</td>
</tr>
</tbody>
</table>

- Adjusted EBITDA growth Q-o-Q was in line with Revenue.
- EBITDA gained 10.6% Y-o-Y due to higher prices, increased refining throughput, and product mix optimization.

### Net Income

<table>
<thead>
<tr>
<th>Quarter</th>
<th>1Q11</th>
<th>2Q11</th>
<th>3Q11</th>
<th>4Q11</th>
<th>1Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income (RUB bln)</td>
<td>40</td>
<td>38</td>
<td>45</td>
<td>37</td>
<td>48</td>
</tr>
</tbody>
</table>

- Net income rose 32.1% Q-o-Q and 21.0% Y-o-Y due to:
  - Change in the effective corporate income tax rate
  - Foreign exchange gains

*EBITDA includes share of affiliates’ EBITDA
## EBITDA reconciliation 1Q12 vs. 1Q11

### 1Q 2012 vs 1Q 2011, RUB mln

<table>
<thead>
<tr>
<th></th>
<th>1Q 2011</th>
<th>1Q 2012</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>27.374</td>
<td>27.374</td>
<td>0.000</td>
</tr>
<tr>
<td>Export duty rate</td>
<td>3.407</td>
<td>3.407</td>
<td>0.000</td>
</tr>
<tr>
<td>FX</td>
<td>(13,782)</td>
<td>(13,782)</td>
<td>0.000</td>
</tr>
<tr>
<td>Transport</td>
<td>(1,879)</td>
<td>(1,879)</td>
<td>0.000</td>
</tr>
<tr>
<td>Mineral extraction tax rate</td>
<td>(13,293)</td>
<td>(13,293)</td>
<td>0.000</td>
</tr>
<tr>
<td>Crude oil and gas volume</td>
<td>2.816</td>
<td>2.816</td>
<td>0.000</td>
</tr>
<tr>
<td>Refining &amp; sales volumes</td>
<td>1,052</td>
<td>1,052</td>
<td>0.000</td>
</tr>
<tr>
<td>Cost optimization &amp; Management effectiveness</td>
<td>1,355</td>
<td>1,355</td>
<td>0.000</td>
</tr>
<tr>
<td>Share of EBITDA in JV</td>
<td>578</td>
<td>578</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>61.721</td>
<td>60.942</td>
<td>18.320</td>
</tr>
</tbody>
</table>

Changes in Net Price = 1828

1Q 2011: 71,632
1Q 2012: 79,261

Cost optimization & Management effectiveness = 578
### EBITDA 1Q 2012 vs 4Q 2011, RUB mln

<table>
<thead>
<tr>
<th></th>
<th>4Q 2011</th>
<th>1Q 2012</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>7.870</td>
<td>7.870</td>
<td>0.000</td>
</tr>
<tr>
<td>Export duty rate</td>
<td>69.442</td>
<td>69.442</td>
<td>0.000</td>
</tr>
<tr>
<td>FX</td>
<td>5.979</td>
<td>5.979</td>
<td>0.000</td>
</tr>
<tr>
<td>Transport</td>
<td>(3,177)</td>
<td>(3,177)</td>
<td>0.000</td>
</tr>
<tr>
<td>Mineral extraction tax rate</td>
<td>(2,148)</td>
<td>(2,148)</td>
<td>0.000</td>
</tr>
<tr>
<td>Crude oil and gas volumes</td>
<td>(7,160)</td>
<td>(7,160)</td>
<td>0.000</td>
</tr>
<tr>
<td>Refining &amp; sales volumes</td>
<td>(1,325)</td>
<td>(1,325)</td>
<td>0.000</td>
</tr>
<tr>
<td>Decrease in costs (maintenance, seasonal factors)</td>
<td>519</td>
<td>519</td>
<td>0.000</td>
</tr>
<tr>
<td>Share of EBITDA in JV</td>
<td>1,532</td>
<td>1,532</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>2.301</td>
<td>2.301</td>
<td>0.000</td>
</tr>
<tr>
<td><strong>Changes in Net Price</strong></td>
<td><strong>-1,078</strong></td>
<td><strong>-1,078</strong></td>
<td><strong>0.000</strong></td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td><strong>77,312</strong></td>
<td><strong>79,261</strong></td>
<td><strong>2,949</strong></td>
</tr>
</tbody>
</table>

Changes in Net Price = -1,078
Strong free cash flow generation

Cash flow reconciliation 1Q12

RUB bln

Operating cash flow: 62,402
Capex: (30,526)
Free cash flow: 31,876
Net borrowings: 4,685
Other*: 4,177
Bank deposits: 11,605
Net cash flow: 29,133

*Includes changes in investments in associated companies and proceeds from such investments
**Investment activity** declined Y-o-Y due to a decrease in acquisition of non-controlling interests in subsidiaries (the non-controlling interests in NIS and Sibir Energy were acquired in 1Q 2011)

The 106.4% increase in **marketing and distribution** capital expenditures Y-o-Y reflects the extension of the retail network

The 240.1% increase in **refining** capital expenditures Y-o-Y reflects the ongoing modernization program at the Company’s refineries

**Greenfield** capex increased 14% Y-o-Y due to active development of new upstream projects

**Brownfield** capex increased 23% Y-o-Y due to increased production volumes and active implementation of new technologies

*Including investments in JV projects*
Continued improvements in balance sheet and debt portfolio

- Net debt/EBITDA 0.6 vs. target < 1.5
- Increased share of short term debt to 24% in 1Q12 due to amortization of low interest rate debt
- Reduced average interest rate to 3.34% Y-o-Y
- Reduced average debt maturity by 5% Y-o-Y
New “60-66” duty regime has both positive and negative effects

New tax regime Q-o-Q effect in 1Q2012 reconciliation, RUB mln

<table>
<thead>
<tr>
<th>Product</th>
<th>Crude</th>
<th>Light Products</th>
<th>Gasoline</th>
<th>Heavy Products</th>
<th>Total Duty Effect</th>
<th>Domestic Prices</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive effect</td>
<td>1,218</td>
<td>897</td>
<td>488</td>
<td>(3,319)</td>
<td>(716)</td>
<td>(683)</td>
<td>(1,399)</td>
</tr>
<tr>
<td>Negative effect</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Higher heavy products duty</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lower domestic price for fuel oil</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Positive effect:
- Lower crude export duty
- Lower light products duty
- Lower gasoline duty
- Higher domestic price for summer diesel

Negative effect:
- Higher heavy products duty
- Lower domestic price for fuel oil
Questions & Answers