Integra: Raising Financing in Difficult Markets

Presentation for Adam Smith Conference
October, 2009

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Integra at a Glance

INTEGRA

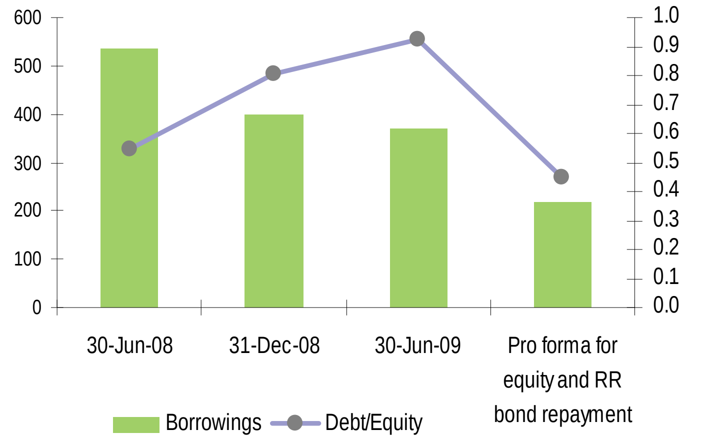
Consolidated Revenue 1H2009 - US$ 405MM
Adjusted EBITDA 1H2009 - US$ 55MM (1)
Total Assets as of 30 June 2009 - US$ 1.2BN

	Drilling, Workover, IPM, and Trade House	Technology Services	Formation Evaluation	OFS Equipment Manufacturing
Revenues 1H2009 *Adj. EBITDA 1H2009*	▪ US$ 184MM ▪ US$ 12MM	▪ US$ 64MM ▪ US$ 24MM	▪ US$ 109MM ▪ US$ 29MM	▪ US$ 54MM ▪ US$ 8MM
Key Services	▪ Drilling rig management ▪ Workovers ▪ Integrated Project Management	▪ Drilling tools manufacturing ▪ Coil tubing ▪ Directional drilling ▪ Cementing ▪ Drill bits service ▪ Well logging	▪ 2-D, 3-D seismic surveys ▪ Seismic processing and interpretation	▪ Heavy drilling rigs ▪ Cementing fleet ▪ Other equipment
Personnel (2)	▪ Ca. 5,300 employees(2)	▪ Ca. 3,000 employees(2)	▪ Ca. 5,900 employees(2)	▪ Ca. 2,700 employees(2)
Production Assets 1H2009	▪ 22 active drilling rigs ▪ 102 workover crews	▪ 4 coil tubing units ▪ 10 directional drilling crews ▪ 8 cementing fleets ▪ 25 logging crews ▪ 3 drilling tools production sites	▪ 42 seismic crews ▪ 1 interpretation facility	▪ 3 production sites ▪ 1 service business unit ▪ R&D facilities in Austin, TX and Ekaterinburg
Operating Statistics 1H2009	▪ 89 th meters drilled ▪ 1,776 workover operations		▪ 431 th seismic shot points	▪ 9 rigs in production ▪ 10 assembly units in production ▪ 4+4 rigs and units completed
Key Customers	TNK-BP, ROSNEFT, NOVATEK	TNK-BP, ROSNEFT, TATNEFT	Eni, Enel, ROSNEFT, RussNeft, Karachaganak	ROSNEFT, TNK-BP

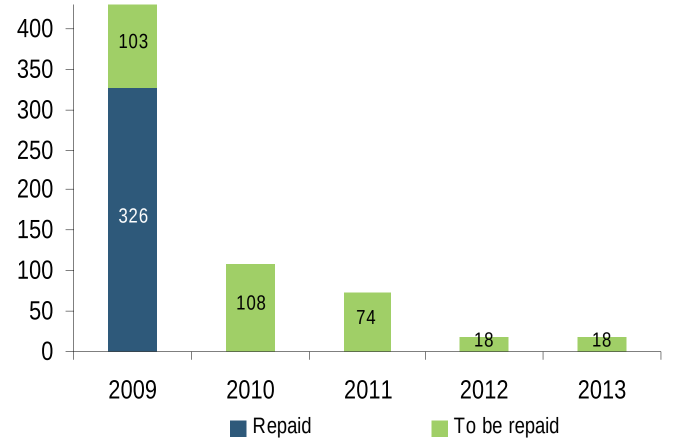
(1) Adjusted EBITDA represents profit (loss) before interest income (expenses), exchange rate translation differences, goodwill impairment, income taxes, depreciation and amortization, share of associates, share-based compensation and minority interest
(2) Personnel data as of August, 2009

Debt Profile – Long Term Funding in Place

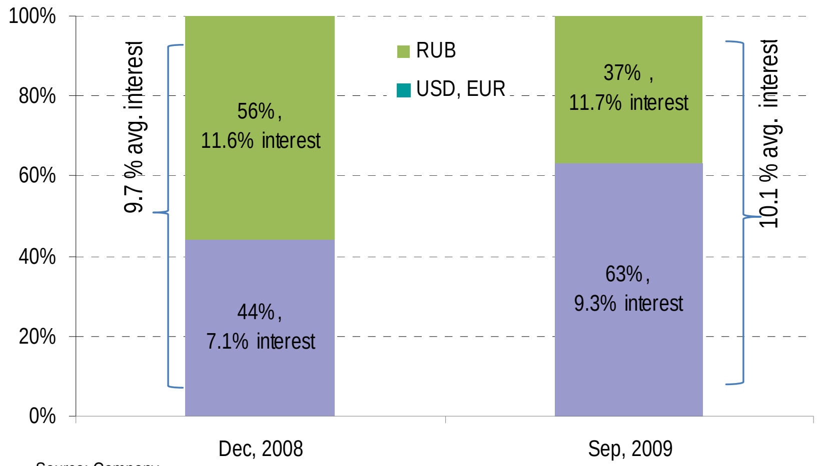
2009 Capital Employed, US$ MM



Debt Maturity Profile, US$ MM



Debt Interest Cost and Currency Breakdown



Source: Company

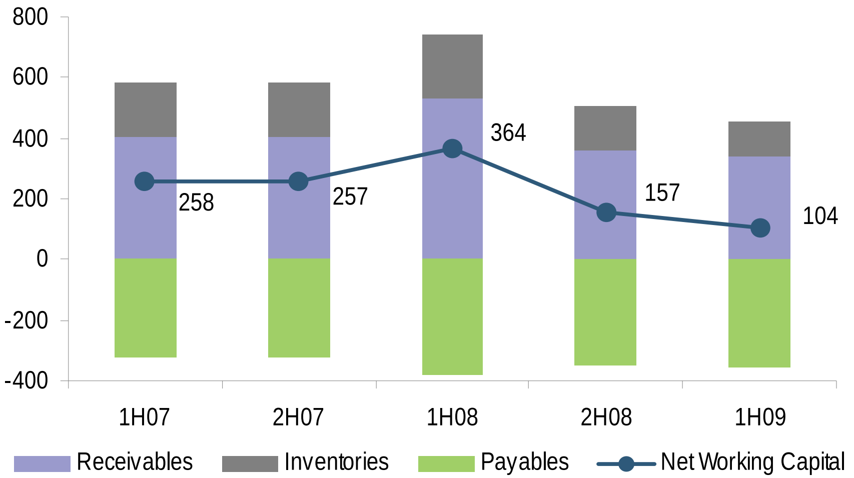
Comments

- US$ 326 MM of total debt repaid or refinanced by long term facilities and equity financing in 9M2009
- Debt maturing at the end of 2009 is scheduled to be repaid primarily from cash flow generation of 2009; $90 MM is already reserved in the escrow account for repayments
- We have rolled over RUB 500 MM out of RUB 600MM of Sberbank facility maturing in the end of October 2009
- Equity financing of $95 MM in September, 2009 had allowed proportionate reduction in upcoming maturities in 2010-2013 and provided immediate liquidity for 2010 capex
- We are planning to partially hedge foreign currency risk by RUB/USD forward contracts
- Average interest cost is stable, up from 9.7% to 10.1%.

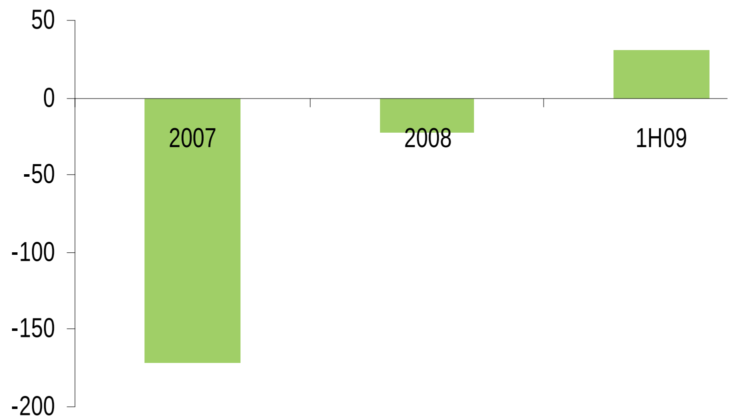
Free Cash Flow – an Overriding KPI

INTEGRA

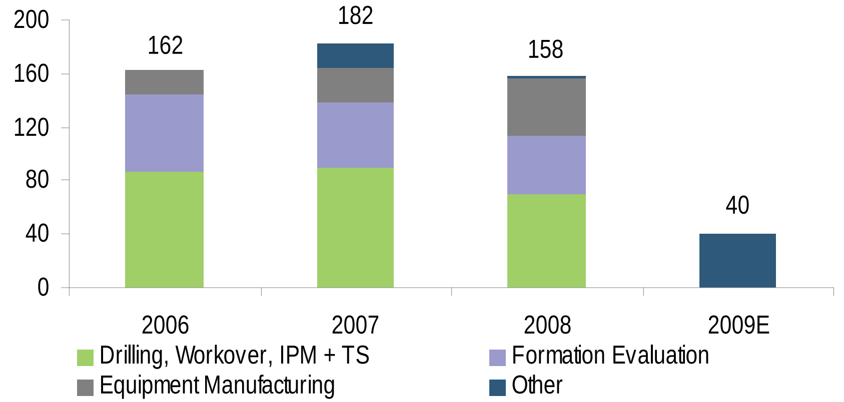
Working Capital by Element, US$MM



Free Cash Flow, US$MM



Capex, US$MM



Source: Company

Comments

- Net cash generated from operating activities was US$ 49.8MM (vs. US$ 2.8MM in 1H2008)
- Free cash flow was US$ 30.2 million (vs. negative US$ 111.2MM in 1H2008)
- Capital expenditures for 1H2009 were US$ 19.6MM (vs. US $114.0MM in 1H2008)

Deleveraging despite worst operating conditions in a year

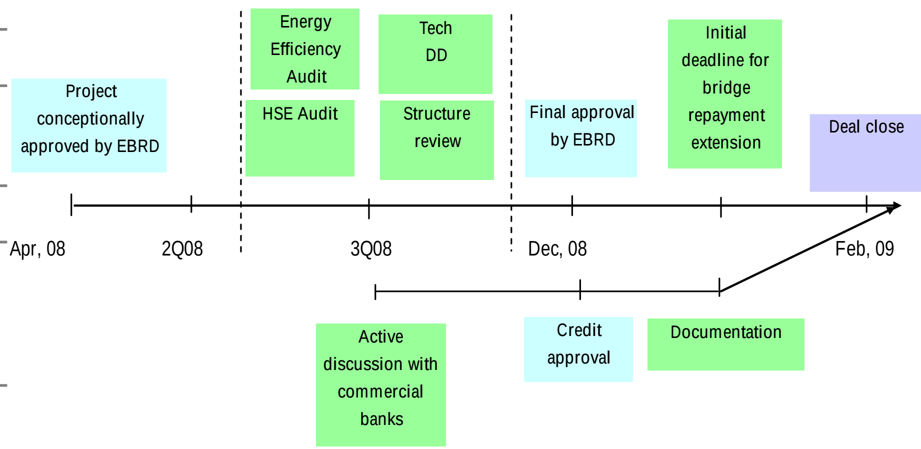
The EBRD Loan Case Study

INTEGRA

Transaction Summary

Borrower	IG Holdings ltd.
Loan amount	$250 MM
Maturity	December 2013
Interest rate	3 year tranche – LIBOR + 7%* 5 year tranche – LIBOR + 8 – 12%*
Repayment	Installments from March 2010 to December 2013
Use of proceeds	- Debt refinancing $217MM - CAPEX and Energy Efficiency Investments $26.5 MM
MLA & Lender of Record	EBRD
Coordinating MLA s & Bookrunners	BNP Paribas, ING
MLAs	Morgan Stanley ,VTB Deutschland, Alfa -Bank, Alba Alliance, Commerzbank, RBS
Key financial covenants	- Debt / EBITDA < 2.5:1 in 2009, 2010 and 2011 and 3:1 thereafter - EBITDA / Interest >3:1 - Debt to TNW < 1.1:1
Security	- suretyships of main production subsidiaries - pledge of production subsidiaries' and Borrower's shares - oil field contracts assignment - movables pledge

Transaction Process

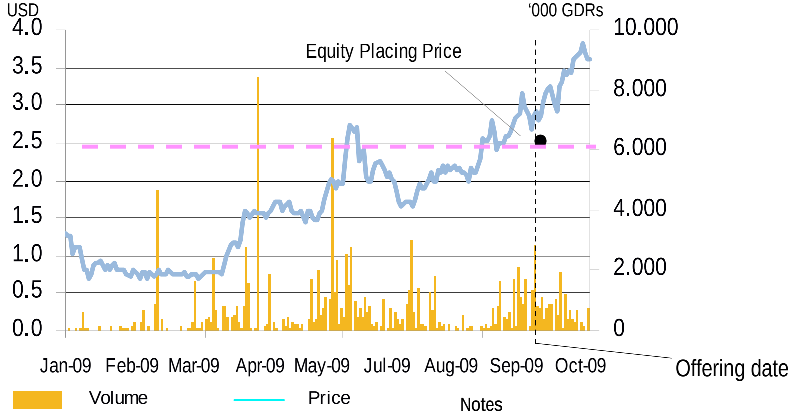


*In April, 2009 Group entered into an interest rate SWAP transaction agreement with BNP Paribas maturing in December 2011.

Equity Case Study

Transaction Summary

Deal Size	$95 MM
Shares offered	38,000,000 GDRs (each GDR represents 20 Ordinary Shares)
Deal Structure	Accelerated Bookbuilt Offering of primary shares
Offer Type	Reg S only
Use of Proceeds	Repayment of indebtedness, general corporate purposes and capital investment
Relative Size	• 26.55% of total shares issued(1) • 34.48% of free float • 79 days of trading (2)
Offer Price	$ 2.50
Discount (%)	12.3% discount to last close
Syndicate	Joint Bookrunners: Alfa Bank, Morgan Stanley, RBS
	Joint Lead Manager: ING



Source: Bloomberg as at 22 October 2009

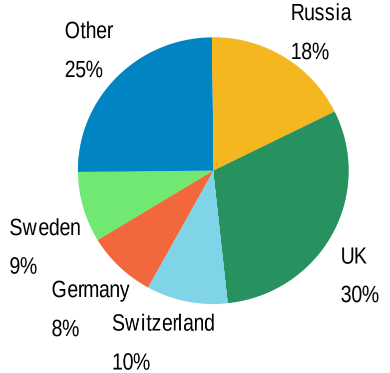
Notes
1. Based on # of shares issued as of 30 June 2009
2. Based on L3M average daily volume

Integra GDR Price Performance YTD

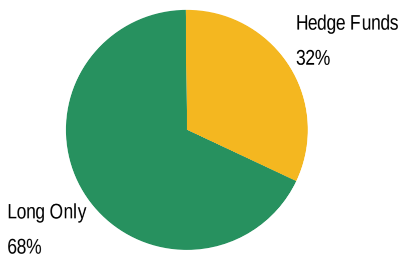
- The deal was successfully completed in a one day accelerated bookbuild generating significant demand despite difficult market backdrop with Russian markets (MICEX) down 3.6% and Oil falling 3.5% on the day
- The recapitalisation came on the back of high profile CEO appointment and provides financial flexibility for the company going forward
- Following a rally in the stock in the weeks preceding the placing the deal came at a 12.3% discount to previous close, however the price achieved also represented a 250% premium to the LTM low of $0.7 in February 2009.

Demand Breakdown
At Offer Price

By Geography



By Investor Type



Source Morgan Stanley Syndicate