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**Brunswick UBS Warburg
one-on-one Conference**

New York, 2003



Sibneft: a Leader in the Oil Industry and on Financial Markets

Industry Leader in 2002

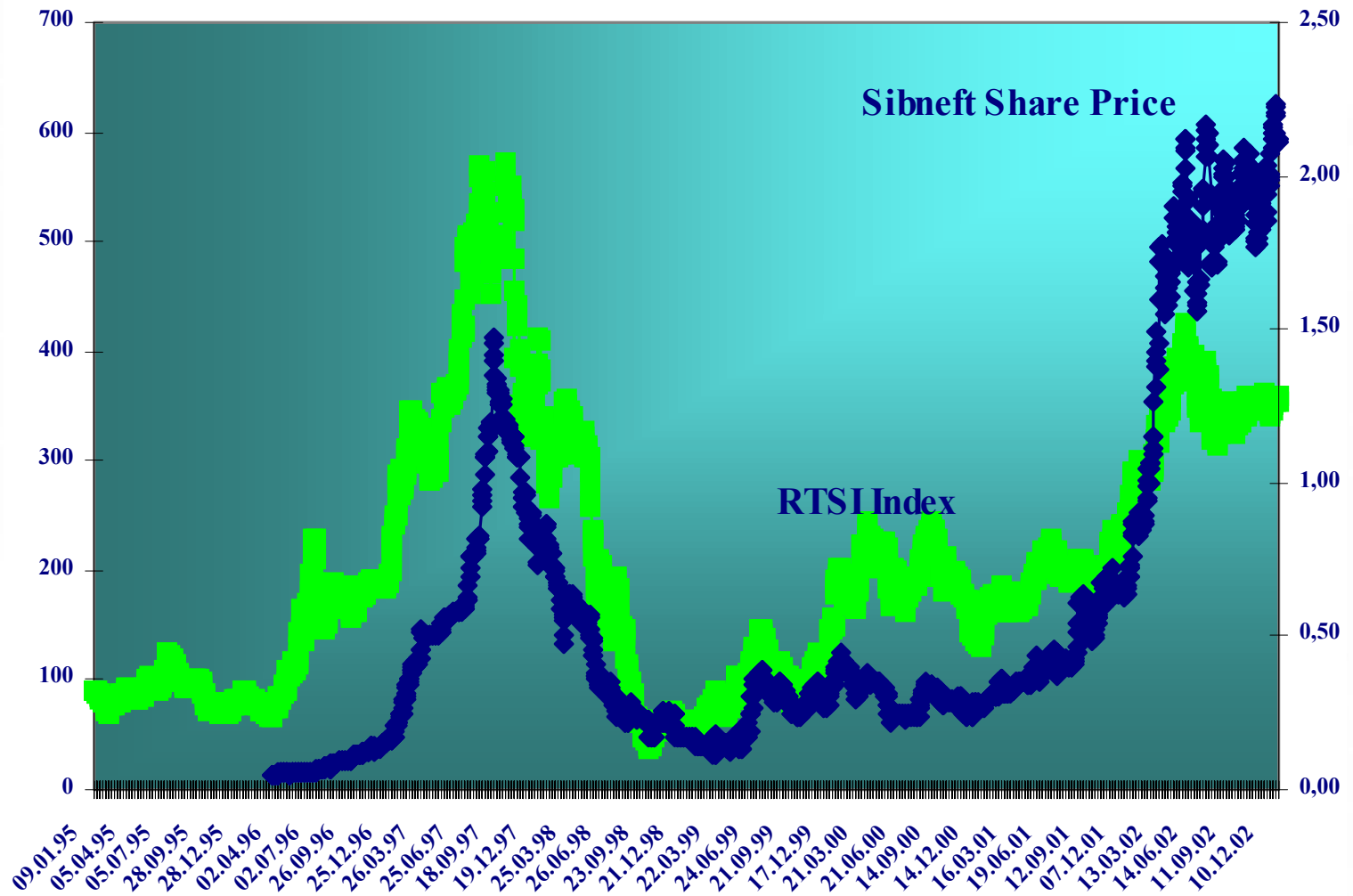
- 2002 RTS stock market leader: Sibneft showed a 202 % return versus 34 % for the RTSI index and about 55% for the RTS Oil sector index..
- 2002 production growth leader: Sibneft moved into 5th place in terms of production and was the absolute leader in terms of production growth – 27.4% versus 7.5% total for the Russian oil industry.
- A leading oil products retailer: Sibneft expanded its retail network to more than 1 100 stations, one of the largest chains in Russia.
- Leader in corporate activity: Sibneft issued 2 Eurobonds (\$400 mln. and \$500 mln.), both the largest in Russian private corporate history.
- Slavneft acquisition – the largest oil company acquisition in Russian history. With the combined assets, Sibneft becomes a true oil major and moves closer to top three Russian oils in terms of reserves, production, refining and retail.

Full-Year 2002 Operating Results and 2003 Forecasts

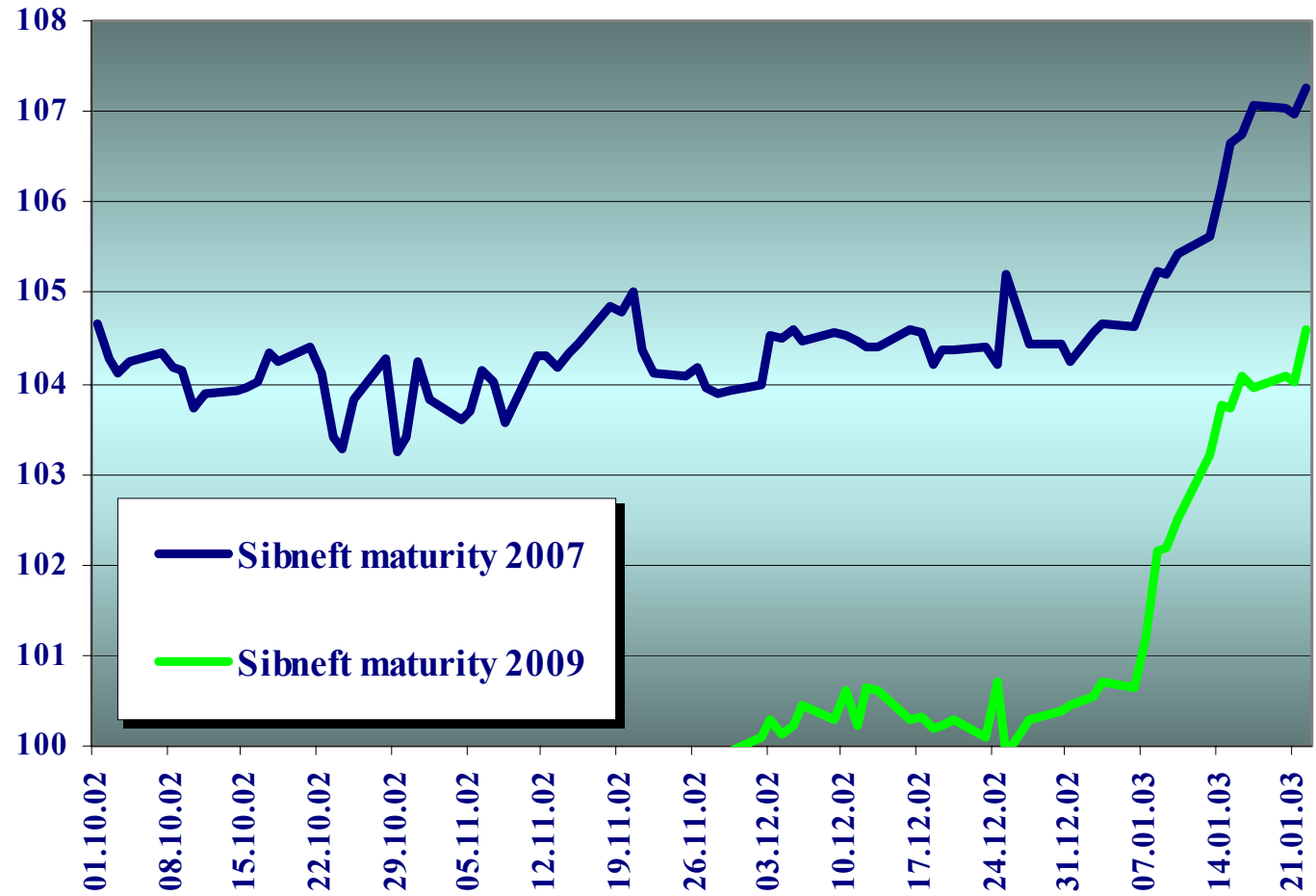
- Production : 26.344 mln. tons (520,000 b.p.d.), up 27.4% y.o.y.
2003 target - 33.0 mln.tons.
- Total drilling was about 860,000 meters, down slightly from the previous year, as more attention was focused on 3D seismic (a record 939 sq. km acquired) as a means to increase reserve quality.
- Refinery throughput stable at Omsk at 13.3 mln. tons, up 0.3% y.o.y. An additional 2.55 mln. tons was processed at the Moscow Refinery.
- Crude export volume exceeded 10.8 mln. tons (48.3% y.o.y. growth and 41.1% of annual production). Oil product exports exceeded 3.5 mln.ton (including exports from Moscow Refinery).
- Our retail network expanded to more than 1 100 filling stations. Retail oil products sales via distribution subsidiaries reached 2.92 mln. tons (up about 25% y.o.y.).



Stock Market Leader in 2002



Bond Market Leader in 2002





Sibneft 2002 Financial Results Guidance



Preliminary 2002 Financial Results and 2003 Expectations

<i>(mln.USD)</i>	2001	2002	y.o.y. %
Revenues from oil and gas sales	3 449	4 835	+ 40.1%
EBITDA	1 719	1 775	+ 3.2%
Net income	1 305	1 050	-19.5%
Total Debt	923	2 175	
	2001	2002	2003 (est.)
CapEx	619	880	925
Upstream	534	680	690
Downstream	85	200	235

Preliminary 2002 Financial Results and 2003 Expectations

➤ **Factors driving Revenue growth:**

- ✓ Production increase,
- ✓ Export growth,
- ✓ Average world market crude price higher.

➤ **Factors hindering Revenue growth:**

- ✓ Fall in domestic oil product prices during 1H 2002.

➤ **Factors hindering EBITDA growth:**

- ✓ Production costs growth due to:
 - ✓ Lifting costs growth during 2H 2002. Full year 2002 – stable,
 - ✓ Crude purchases,
 - ✓ Higher processing fee on Moscow refinery,
 - ✓ Growth in transportation tariffs.
- ✓ SG&A increase due to Export tax moving parallel with the crude prices.
- ✓ Taxes other than Income Tax doubled due to Unified Extraction Tax.

➤ **Factors pressing Net Income growth:**

- ✓ DD&A increase due to “unit of production” accounting,
- ✓ Higher interest paid, due to increased debt position,
- ✓ Effective tax rate higher.

Preliminary 2002 Revenue Breakdown

<i>(mln. USD)</i>	2001	2002 est.
Crude exports	1 191	1 790
Oil product exports	548	710
Crude domestic	19	180
Oil product domestic	1 487	1 620
Siboil resale	203	535
Total revenues from oil and gas sales	3 449	4 835

Debt Position at Year-End 2002

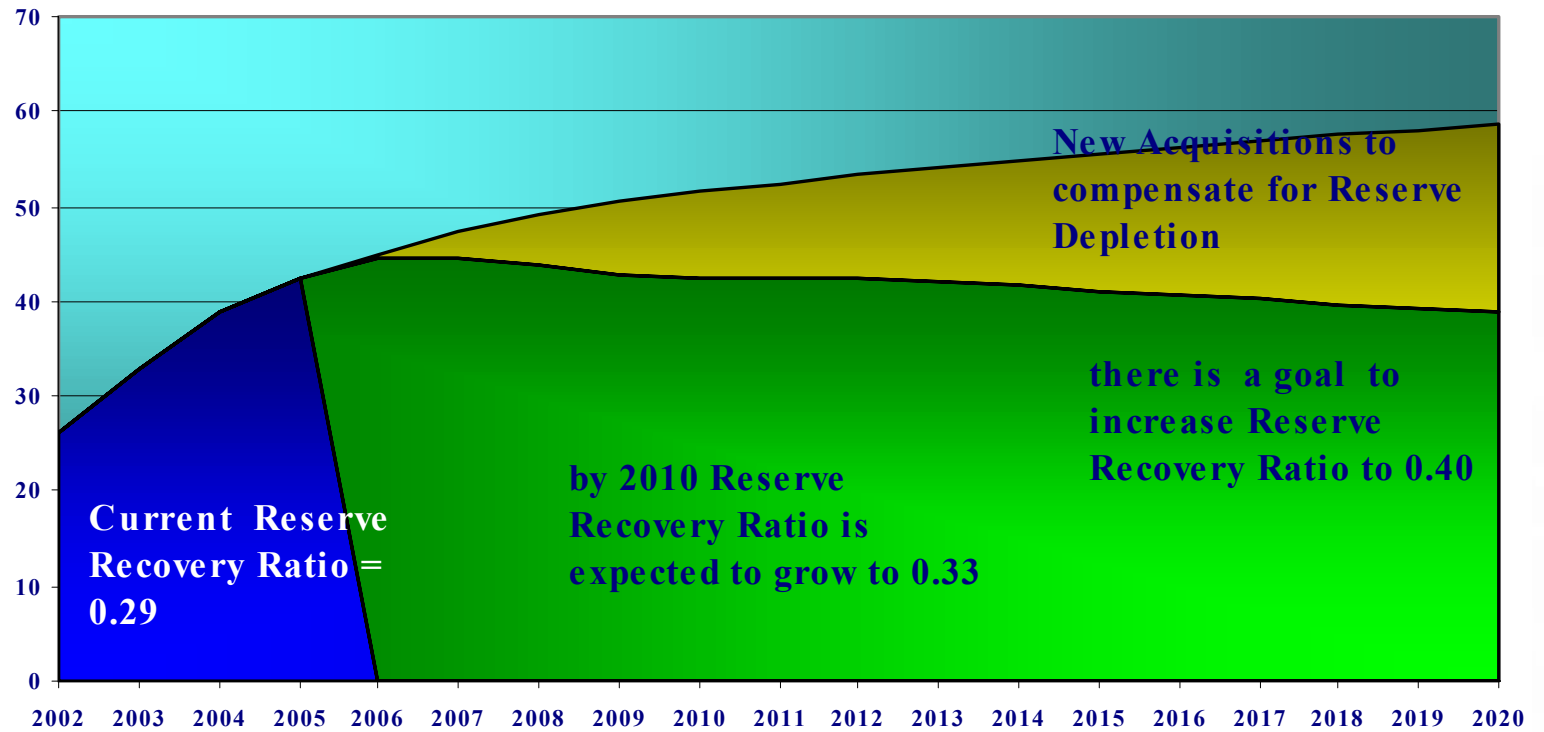
Total debt position 2.175 bln. USD
of which ...

	<i>amount</i>	<i>rate</i>	<i>maturity</i>
Eurobond 1	400 mln. USD	11%	2007
Eurobond 2	500 mln. USD	10.75%	2009
Trade finance:			
Citibank, BNP Paribas, WestLB	360 mln. USD	Libor + 3.5%	3.5 years
WestLB	90 mln. USD	Libor + 3.5%	3.5 years
Citibank, BNP Paribas, WestLB	150 mln. USD	Libor + 4.1%	5 years
RZB, LB Kiel, Texel Finance	150 mln. USD	Libor + 3.25%	3 years
Other	525 mln.USD	-	-



**Sibneft's Strategy: Strong
Today, Stronger Tomorrow**

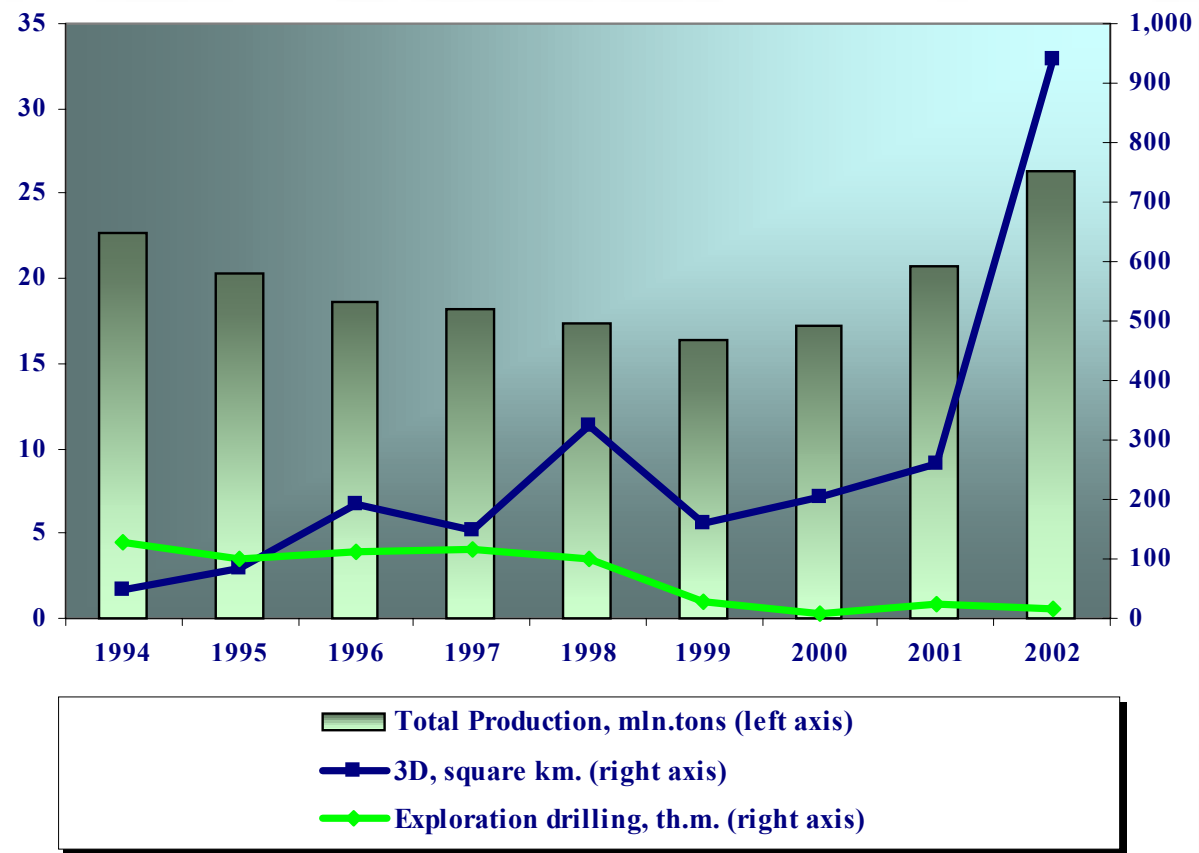
Long Term Production Growth Targets (mln. tons/year)



- Conservative Target for New Reserves Acquisitions
- Potential Production from "old" fields (assuming natural depletion, but enhanced Recovery Ratio)
- Total Production Profile

Our Reserves Policy

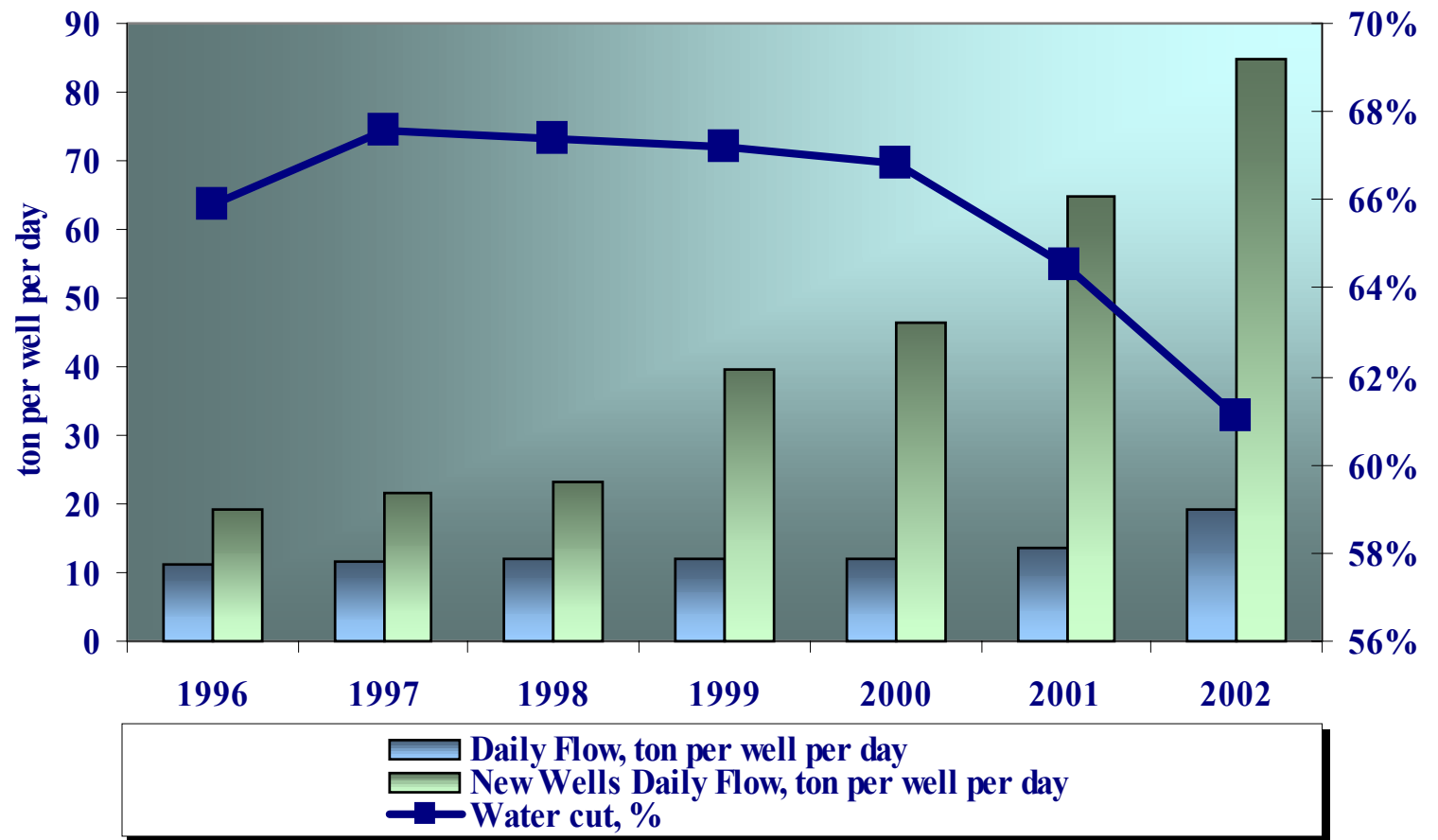
- Sibneft's policy is not to drill as much as we can, but to drill effectively.
- Our exploration drilling is decreasing, but we are substantially increasing 3D seismic, which leads to more effective production wells.



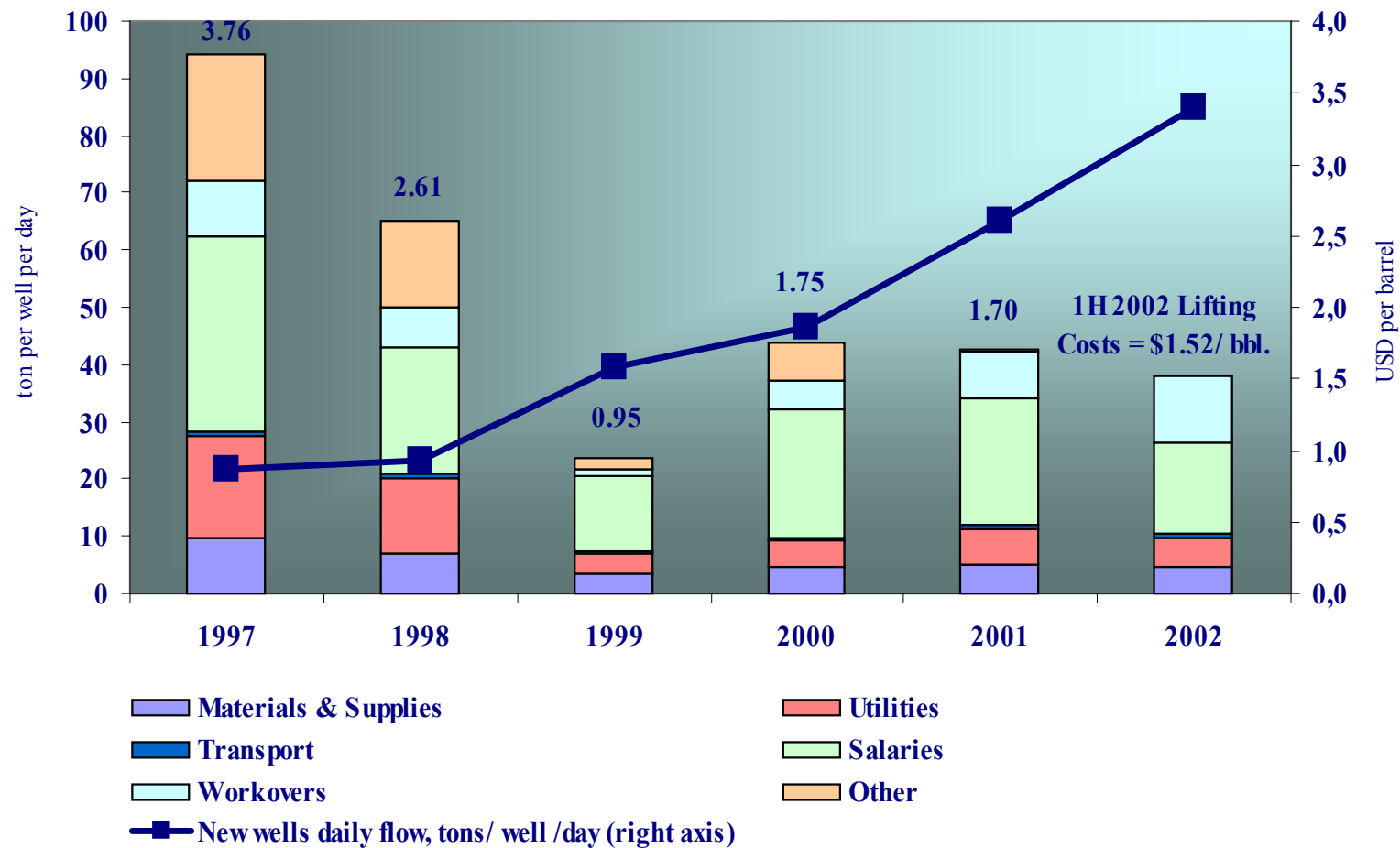
Production Growth in 2002. Plans for 2003.

- Production rose on “green” and “brown” oil fields.
- More than 40 horizontal wells drilled in 2002. Drilling 50 horizontal wells is planned in 2003.
- Every year Sibneft does about 200 hydrofracking operations. This increase the well productivity from 20 to 50 tons per well per day.
- In 2003 Sibneft plans to bring the Eti-Purovskoye field on stream. The field is expected to produce up to 2 mln. tons by 2005.
- Currently 60% of the fields are covered by field modeling.

Productivity Kept High, Water Cut Kept Low



Well Productivity Up, Costs Under Control



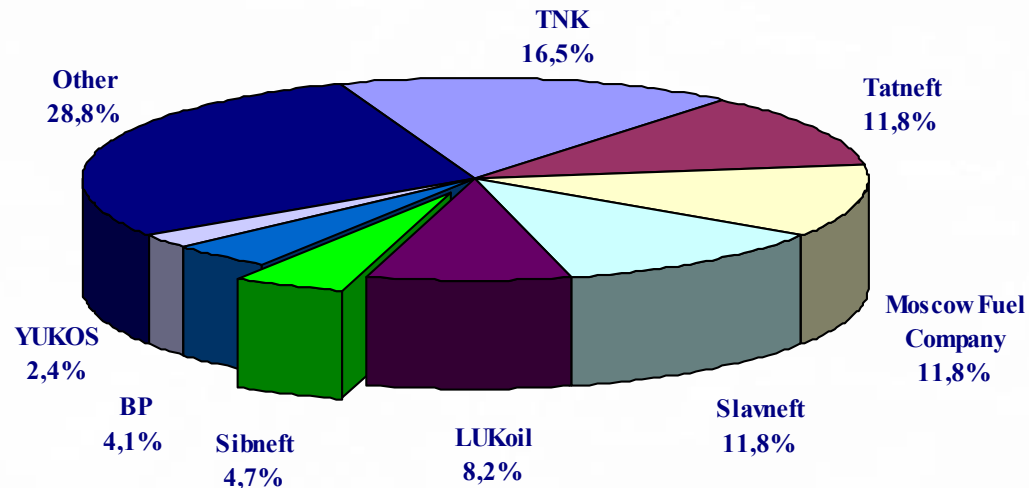
Refining: Omsk + Moscow

- Stable volumes at the Omsk Refinery. Total 2002 throughput was 13.26 mln. tons. Refining depth has reached 83.2%, the highest in Russia.
- Sibneft acquired 37% of the Moscow Refinery in late 2001. In 2002, Sibneft processed an additional 2.55 mln. tons of crude in Moscow, of which more than 1 mln. tons was exported.
- Moscow Refinery characteristics:
 - ✓ Refining throughput – 9.8 mln.tons annually
 - ✓ Utilisation ratio – 91%
 - ✓ Depth of refining – 68%
- Due to the low direct production costs (\$1.52 per barrel in 1H2002), Sibneft has a safe “transportation cushion” that will allow it to transport crude directly from Noyabrsk and still to have competitive oil product prices in Moscow.

	<u>Moscow</u>	<u>Europe</u>
<i>People per 1 station</i>	13150	2000 - 4700
<i>Cars per 1 station</i>	3850	1000 - 2000
<i>Sales per 1 station (cub.meters/ year)</i>	5500	1300 – 3000

Retail Expansion: Moscow and Beyond

- By the end of 2002, Sibneft had 20 proprietary petrol stations in Moscow and the Moscow region and 26 operating under franchise agreements.
- By the end of 2002, our share of the Moscow retail market was about 4 – 5%, up from zero in 2001.



- Sibneft's network of filling stations grew by more than 300 in 2002 to about 1200, including proprietary, franchise and dealers. Currently, Sibneft has 40% to 70% market shares in 11 regions of the Russian Federation. In 2003, we plan to add 130-150 additional filling stations.



Slavneft Auction – Valuable New Asset in Our Portfolio

Slavneft Auction Terms and Results

- Slavneft – charter capital of 4.7542 million RUR. of 4.7542 billion voting shares of 0.001 face value.
- Stake privatized – 74.95%. Starting value – USD 1.7 billion. Auction price USD 1.86 billion
- Current Slavneft Market Capitalization – USD 2.377 billion, assuming USD 0.5 per share.
- Current post-auction Slavneft ownership:
 - ✓ Sibneft – 49.475%
 - ✓ TNK – 49.475%
 - ✓ Free float – 1.05%

Valuation Comparisons

	<u>EV/ Reserves</u>	<u>EV/ Production**</u>	<u>EV/ EBITDA**</u>
	USD/ bbl.	USD/ bbl.	USD
LUKoil	1.00	28.70	3.80
YUKOS	1.30	36.60	4.00
Surgut	1.00	26.83	3.40
TNK	0.90	24.60	3.10
Sibneft	2.40	57.90	6.30
Russian Top 5	1.32	34.93	4.12
Petrobras	2.80	42.90	4.20
Petrochina	2.60	51.50	3.40
NewCo (BP reserve est.)	3.10	36.00	5.20
NewCo (TNK reserve est.)	1.80		
Slavneft Auction Values	1.20	27.90	3.30

* assumes 50% ABC1 Slavneft reserves

** using 2002 data

Russia's fastest-growing oil producer.

- Reserves up 24%
 - ✓ 6.057 billion b.o.e. vs. 4.887 billion b.o.e. before Slavneft acquisition
- Production - No. 5 oil producer in Russia
 - ✓ Estimated 2003 production of 41 mln. tons (810,000 bpd)
 - ✓ 56% increase from 26.3 mln. tons for Sibneft in 2002
 - ✓ 24% more than the 33 mln. tons in 2003 that Sibneft forecast without Slavneft
- Refining - No. 3 oil refiner in Russia (was No. 6)
 - ✓ Expected 2003 refinery throughput of 23.9 mln. tons
 - ✓ 77% increase from 13.5 mln. tons for Sibneft in 2002.
 - ✓ 44% more than the 16.6 mln. tons in 2003 that Sibneft forecast without Slavneft.
- Retail - Russia's 3rd largest retail network (was No. 4)
 - ✓ About 1375 proprietary and franchise filling stations, including approximately 275 Slavneft stations

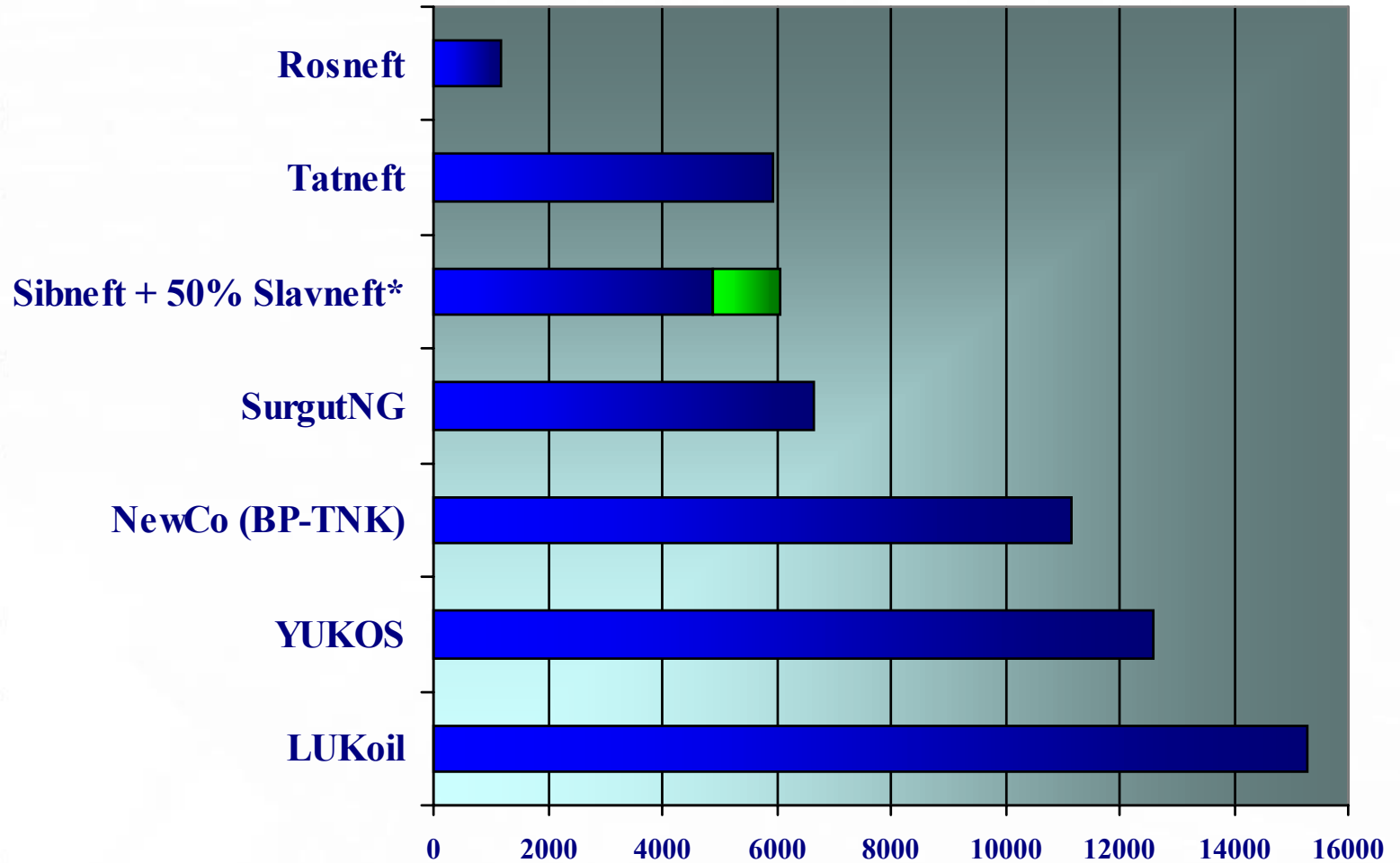
Slavneft Acquisition

Slavneft is 14 –15 mln. tons of production, about 700 mln. tons of ABC1 reserves, 12 mln. tons of refining throughput in Russia and 6 mln. tons in Belarus, about 550 filling stations in the European part of Russia.





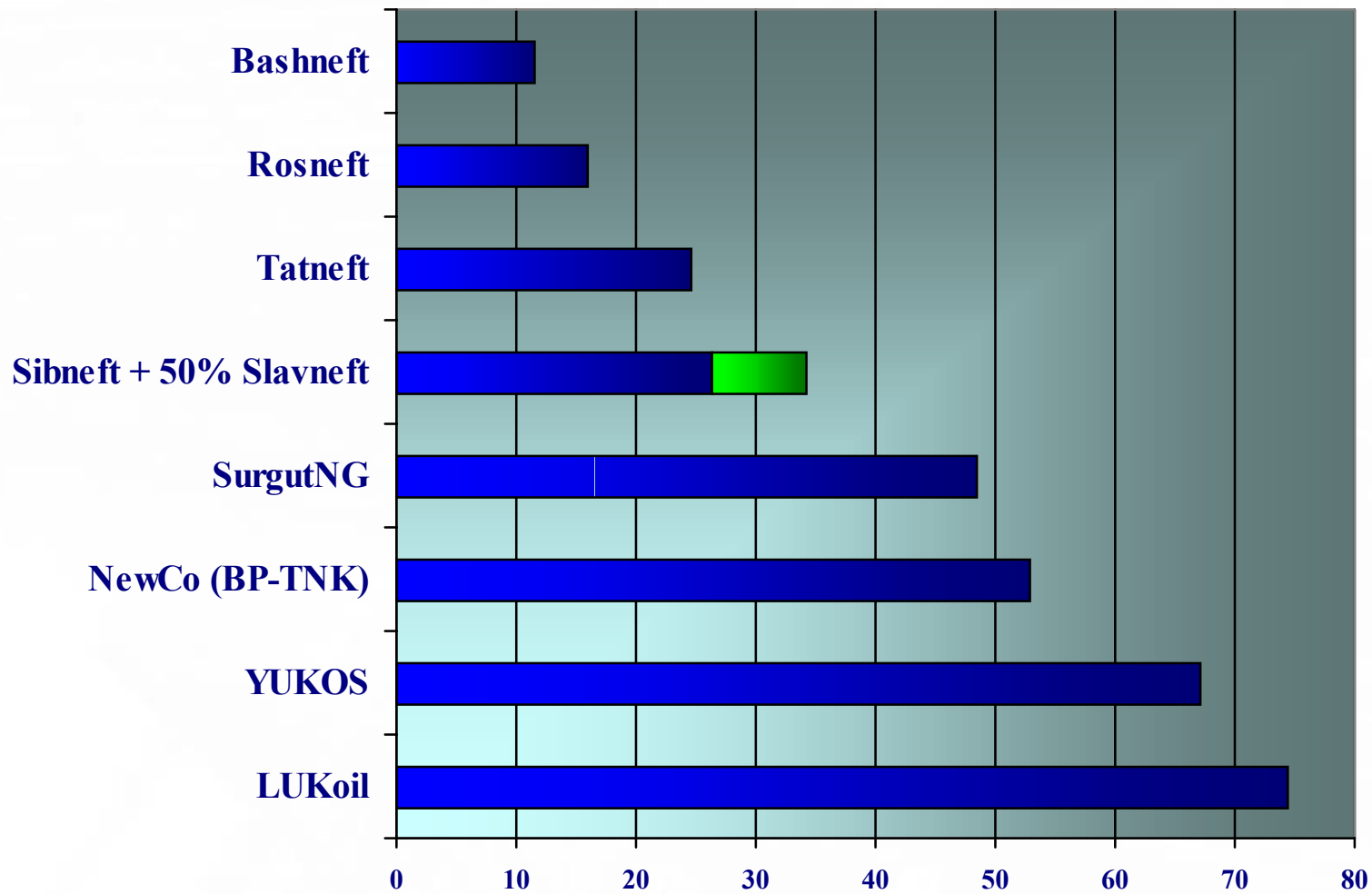
Reserve Position (mln. bbl. of proved oil reserves)



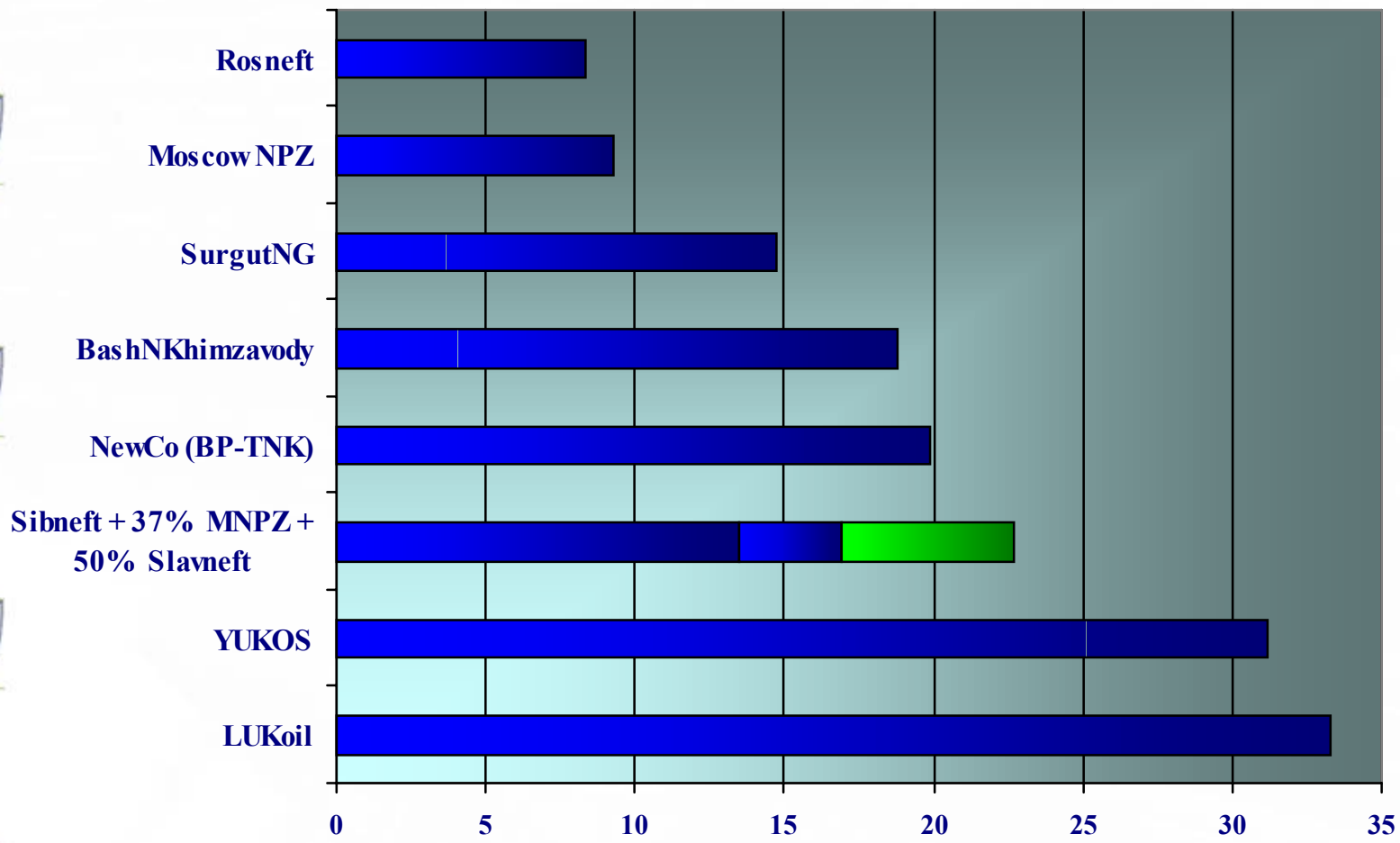
* Slavneft reserves taken as 50% of ABC1 (Russian) reserves



Production Position (mln. tons, 2002)

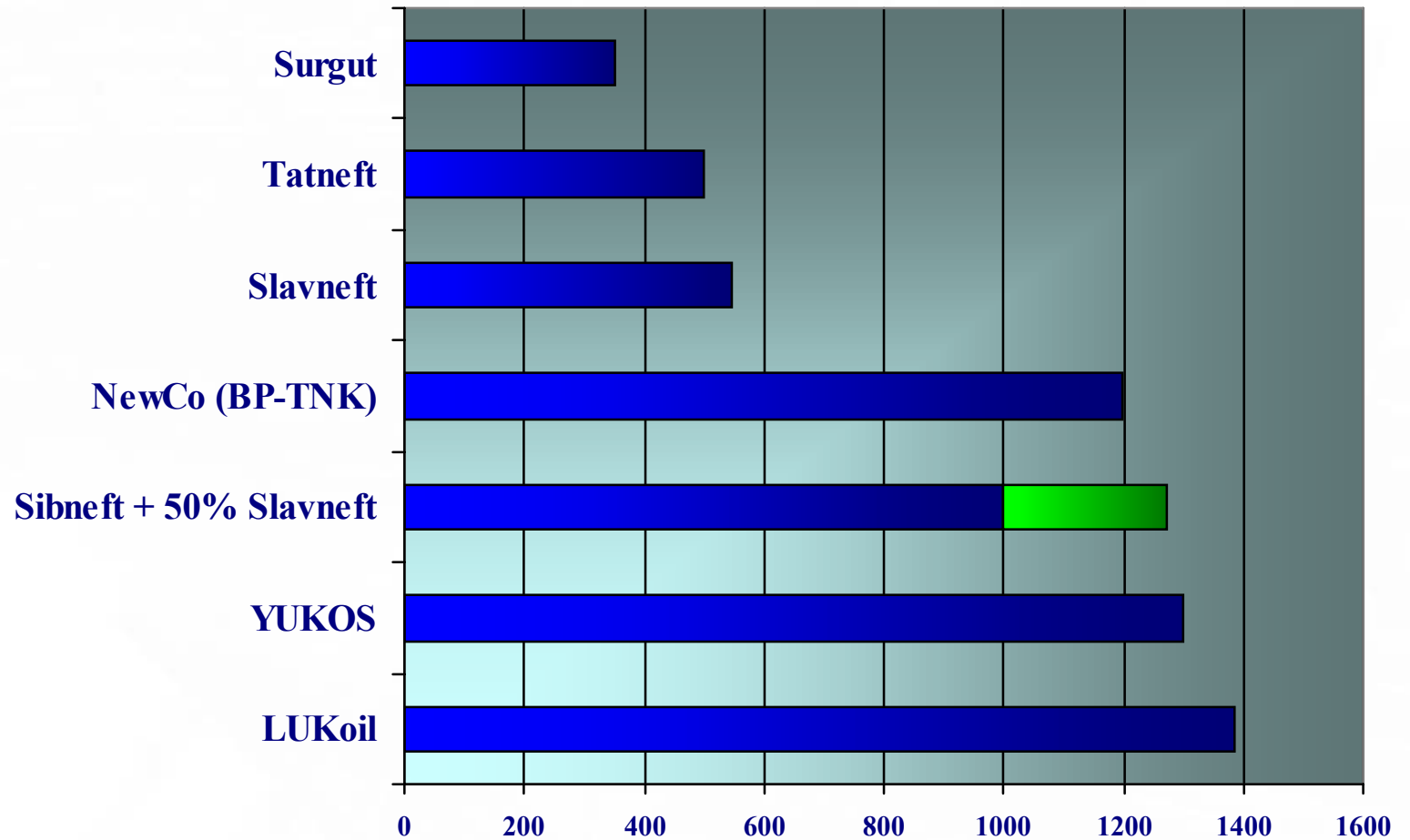


Refining Throughput (mln. tons, 2002)





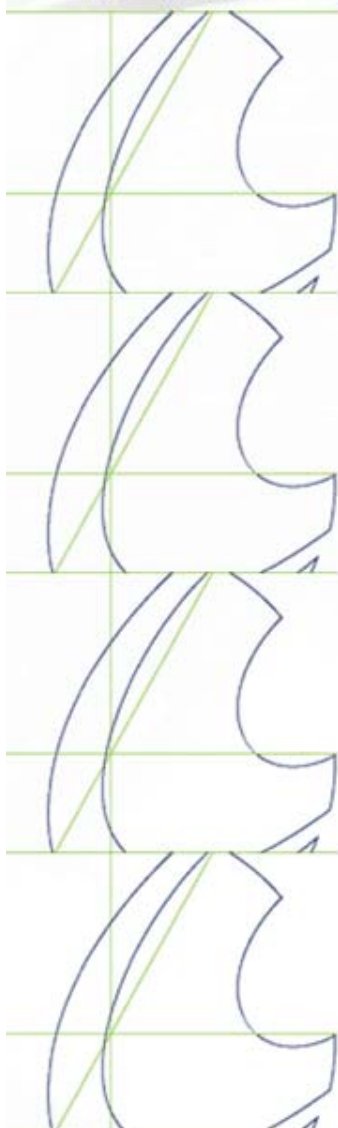
Retail Position (number of filling stations, own and franchise, Russia only)



Slavneft Strategy for Next 2 Years

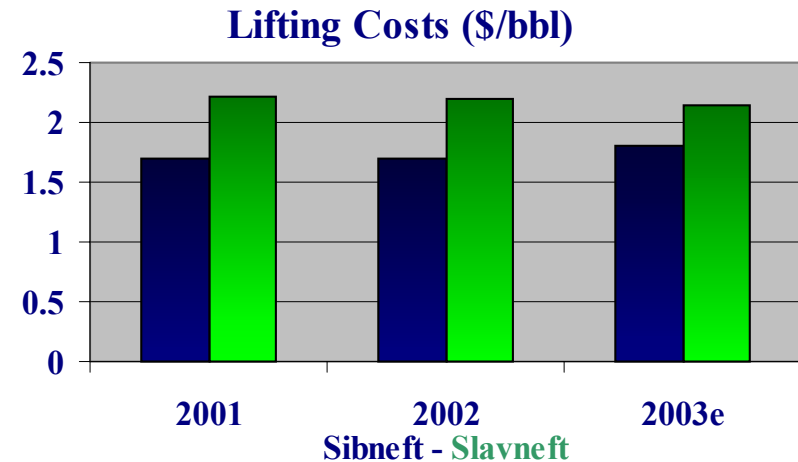
- Our target in Slavneft production management is to cut total drilling and substitute it with more sophisticated FDPs (Field Development Plans), including seismic, hydrodynamic modeling, etc.
- We will apply horizontal drilling and reservoir stimulating operations where required and where economically justified to increase production.
- We will educate and train personnel to perform the same operations as in Sibneft.
- We will introduce the same planning, budgeting and management systems as we have in Sibneft.

Slavneft Acquired at Attractive Valuation

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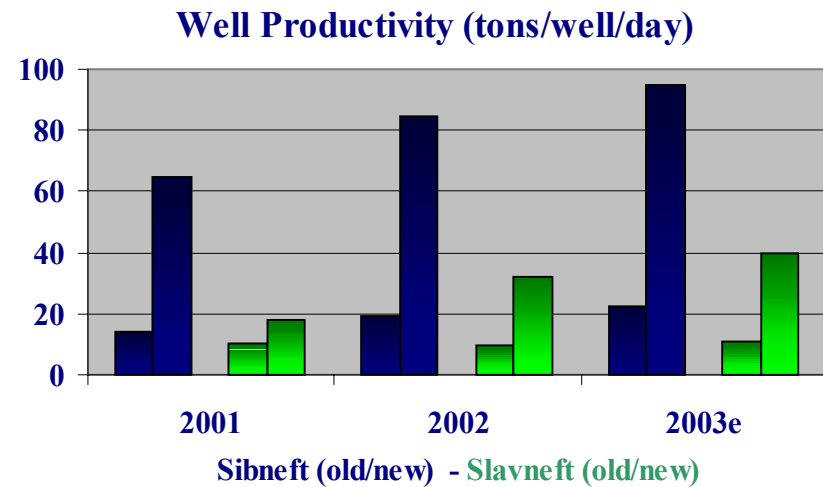
➤ Lifting Costs

- ✓ Slavneft’s lifting costs were about \$2.2/bbl in 2002, compared to \$1.7 for Sibneft.



➤ Well Productivity

- ✓ Sibneft well productivity from old and new wells significantly higher.



Progress Already Seen in 2002





Building a New Slavneft: Same Approach – New Company

Modern oil company

**Breaking through
to where Sibneft is
now ...**

Restructuring

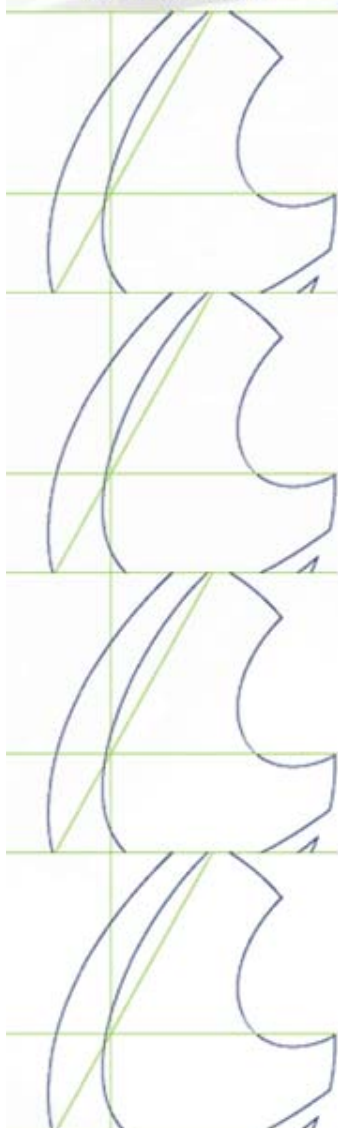
Taking control

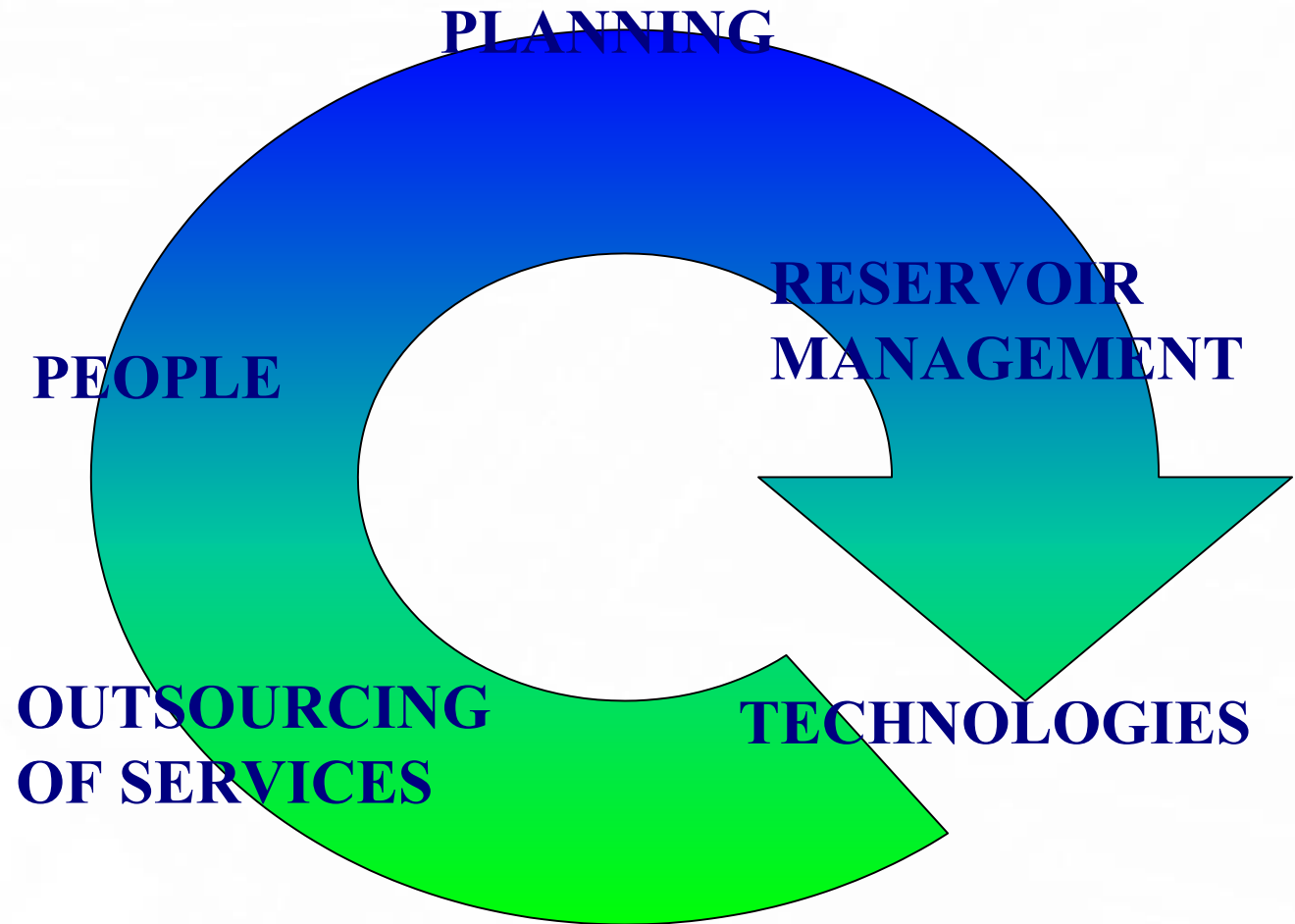
Portfolio of legacy assets

2002 - 2003

2003 - 2005

2005 - ...





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