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UFG Conference

London, 2003

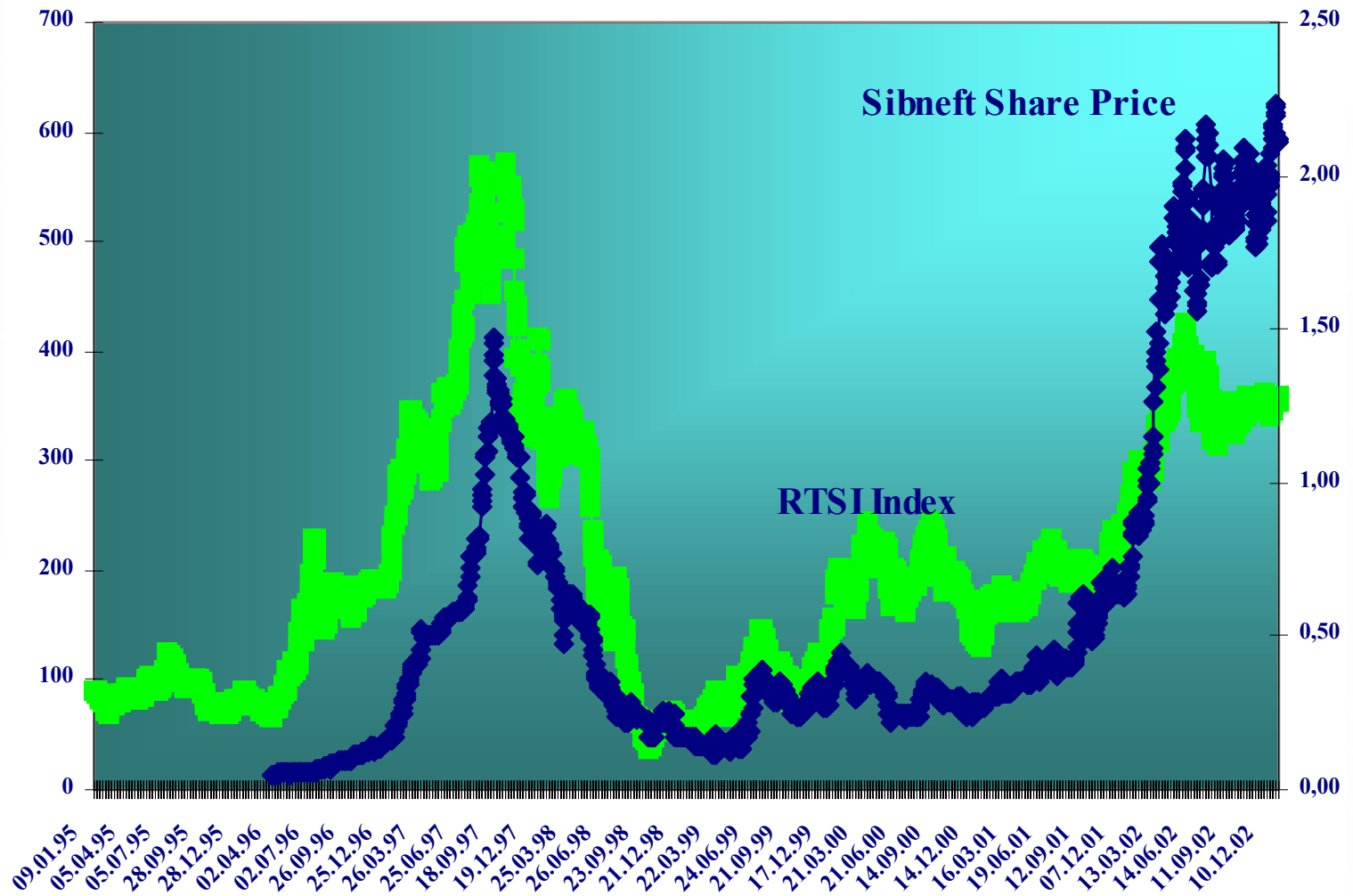


Sibneft: a Leader in the Oil Industry and on Financial Markets

Industry Leader in 2002

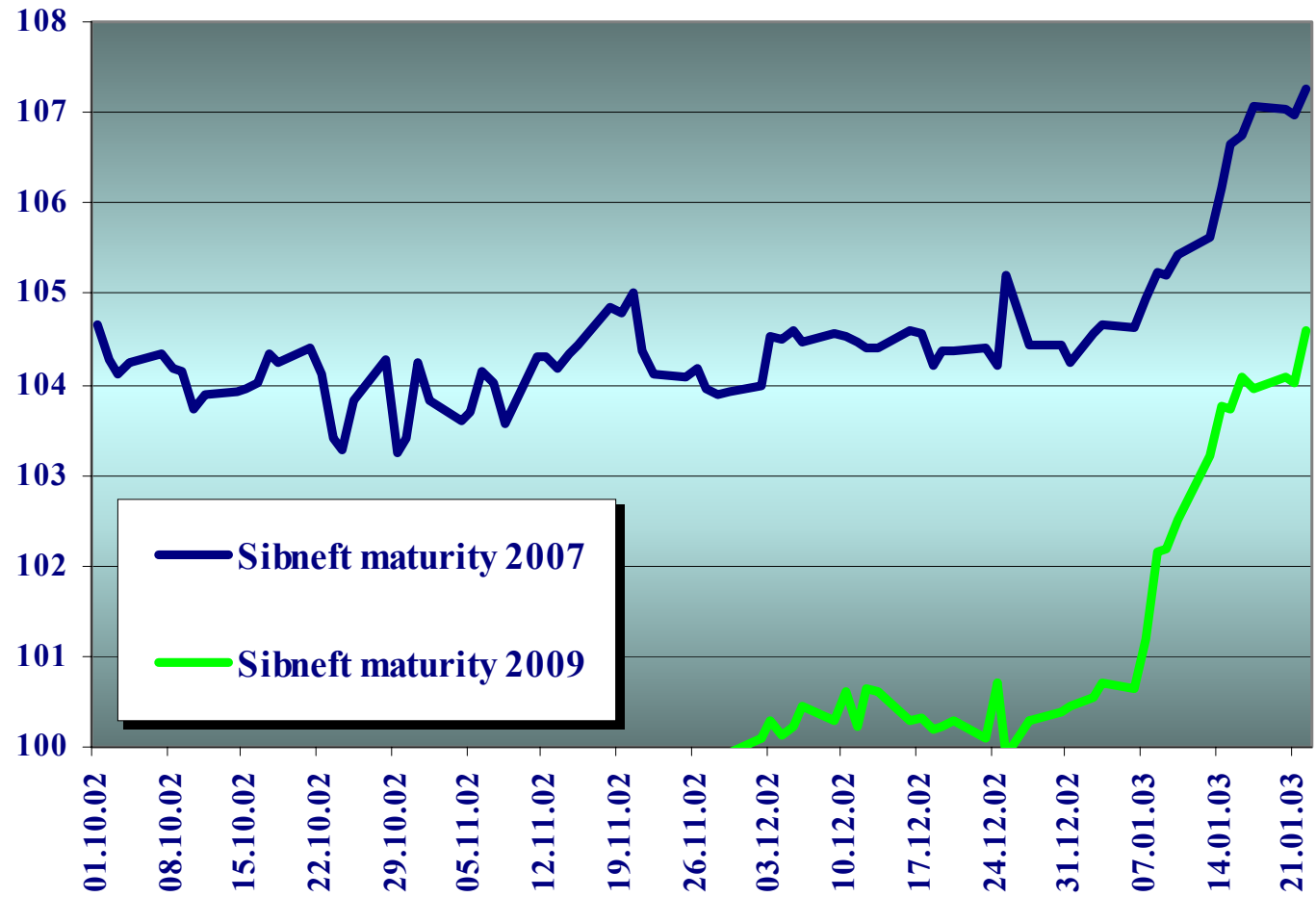
- 2002 RTS stock market leader: Sibneft showed a 202% return versus 34.1% for RTSI index and about 55% for RTS Oil sector index..
- 2002 production growth leader: Sibneft moved into 5th place in terms of production and was the absolute leader in terms of production growth – 27.4% versus 7.5% total for 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.

Stock Market Leader in 2002





Bond Market Leader in 2002





Sibneft 2002 Operating and Financial Results Guidance

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 thousand 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 in Omsk at 13.3 mln. tons, up 0.3% y.o.y.
An additional 2.55 mln. tons was processed at 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.).



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 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

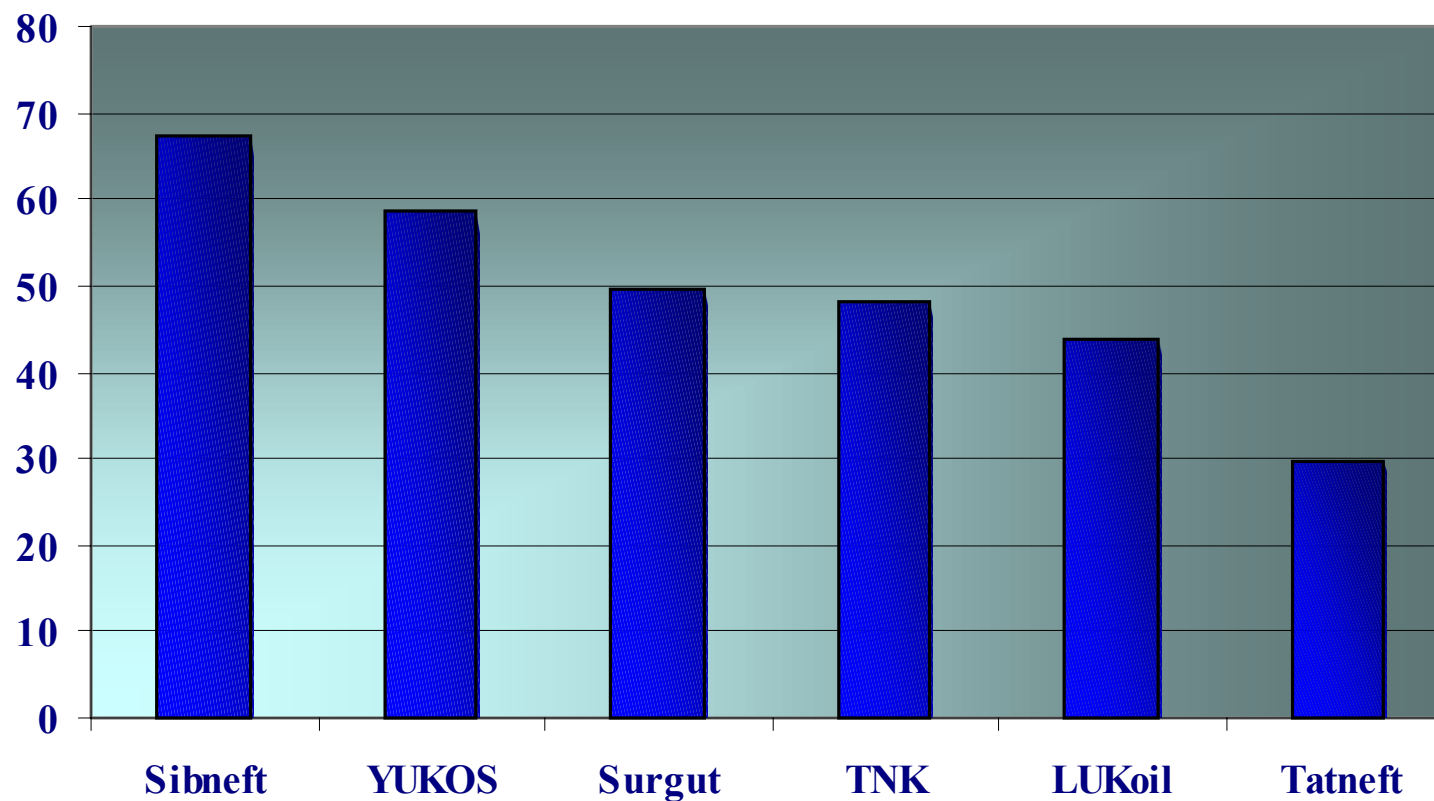
Debt Position at Year-End 2002

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

	<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	-	-

2002 Financials Versus Peers (EBITDA in USD/ton)

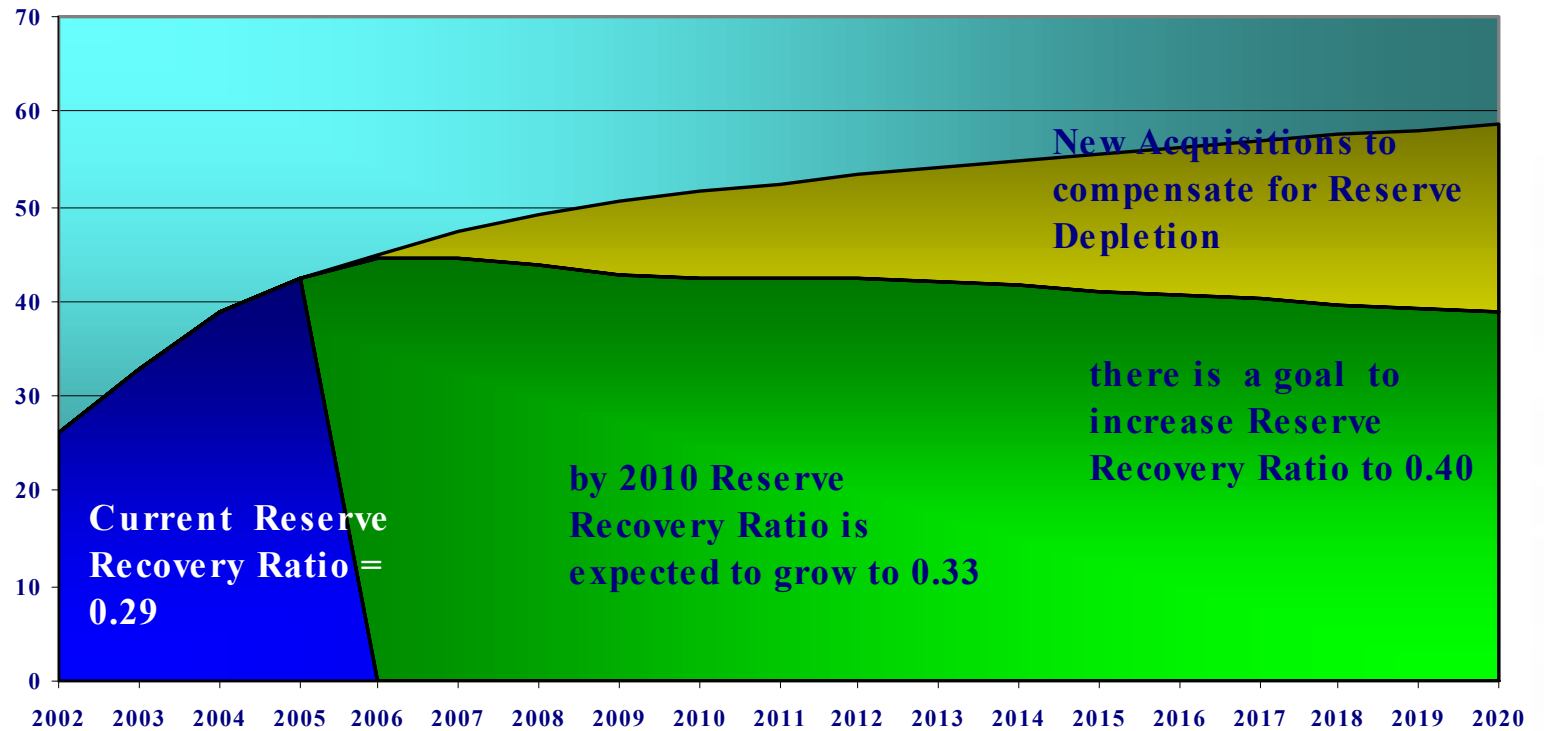
- If we take our preliminary 2002 numbers for Sibneft and consensus 2002 EBITDA expectations for other oil companies, Sibneft leads in terms of EBITDA per ton of crude extracted.





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

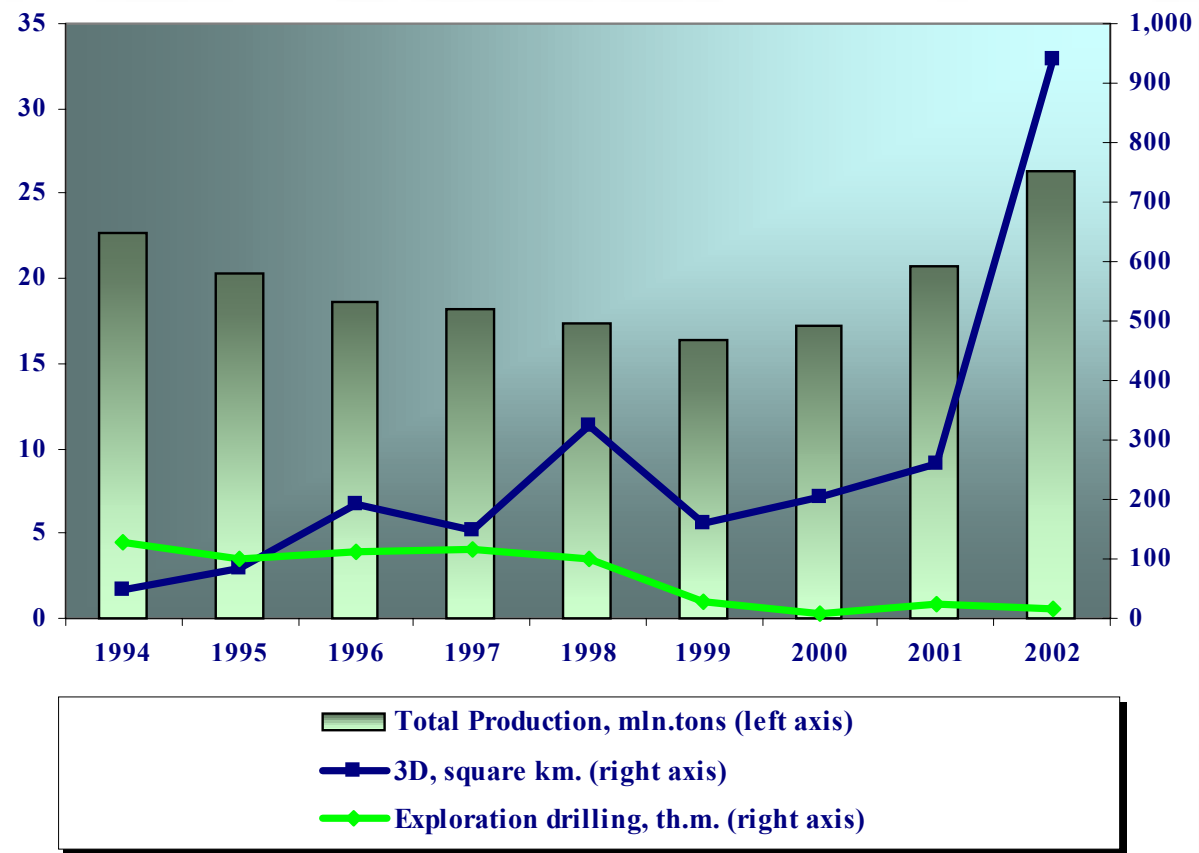
Long Term Production Growth Targets (mln. tons/year)



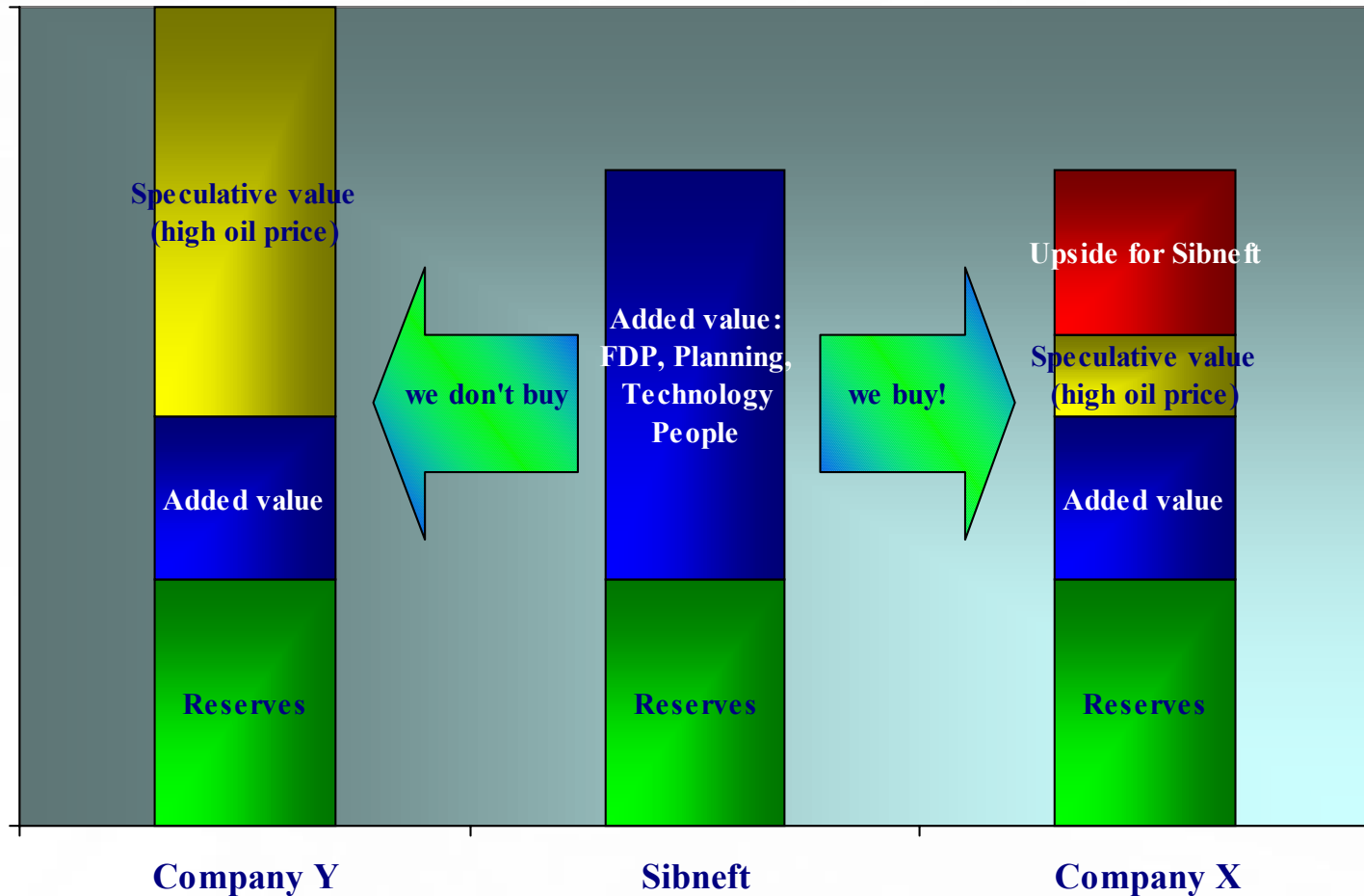
- Conservative Target for New Reserves Acquisitions
- Potential Production from "old" fields (assuming natural depletion, but enhanced Recovery Ratio)
- Total Production Profile

Our Reserves Policy

- Sibneft 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.



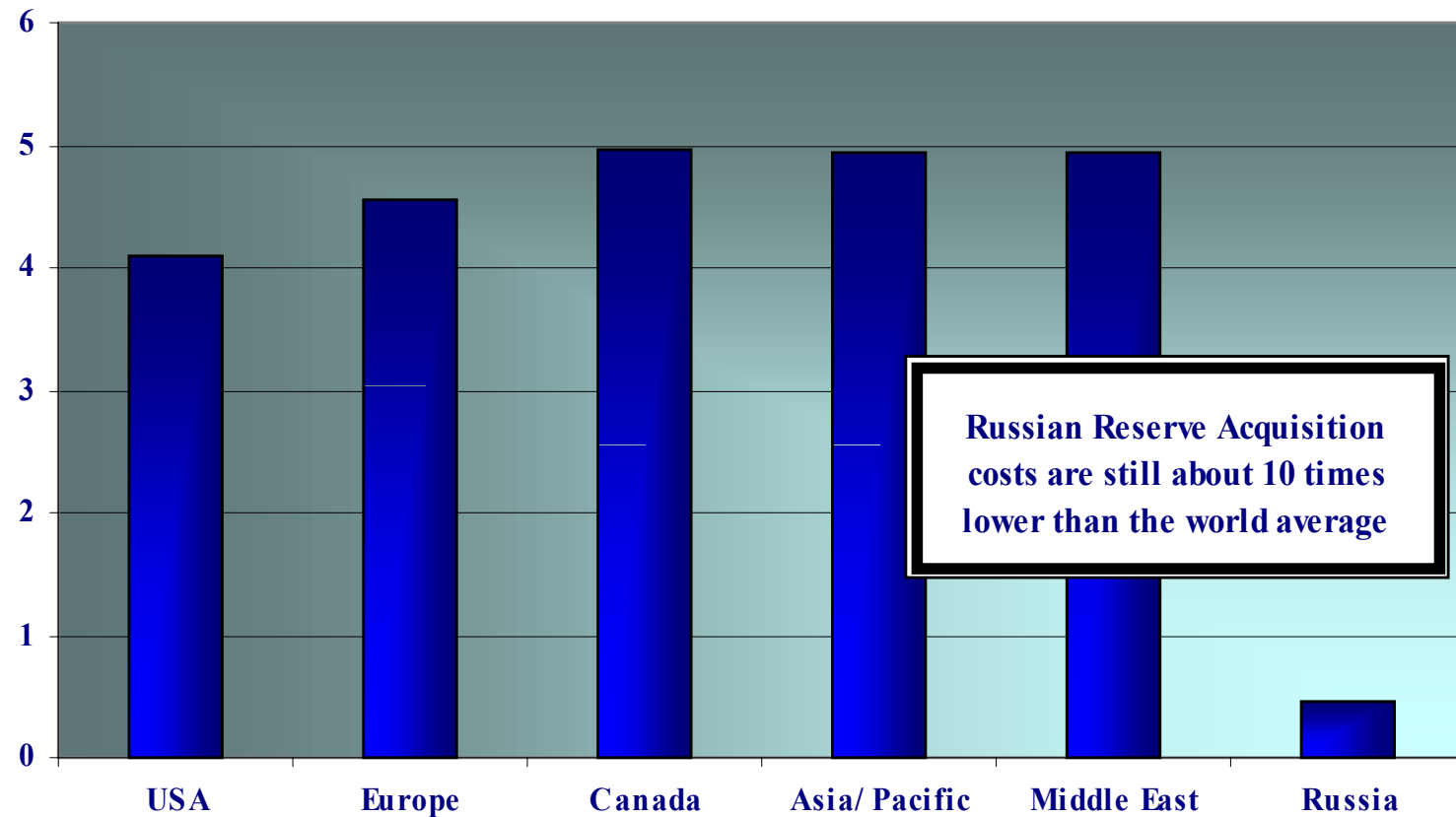
Acquisition Policy: How We Value Potential M&A Targets



Plus a discount rate of 20% and USD 16.5 per barrel of crude.

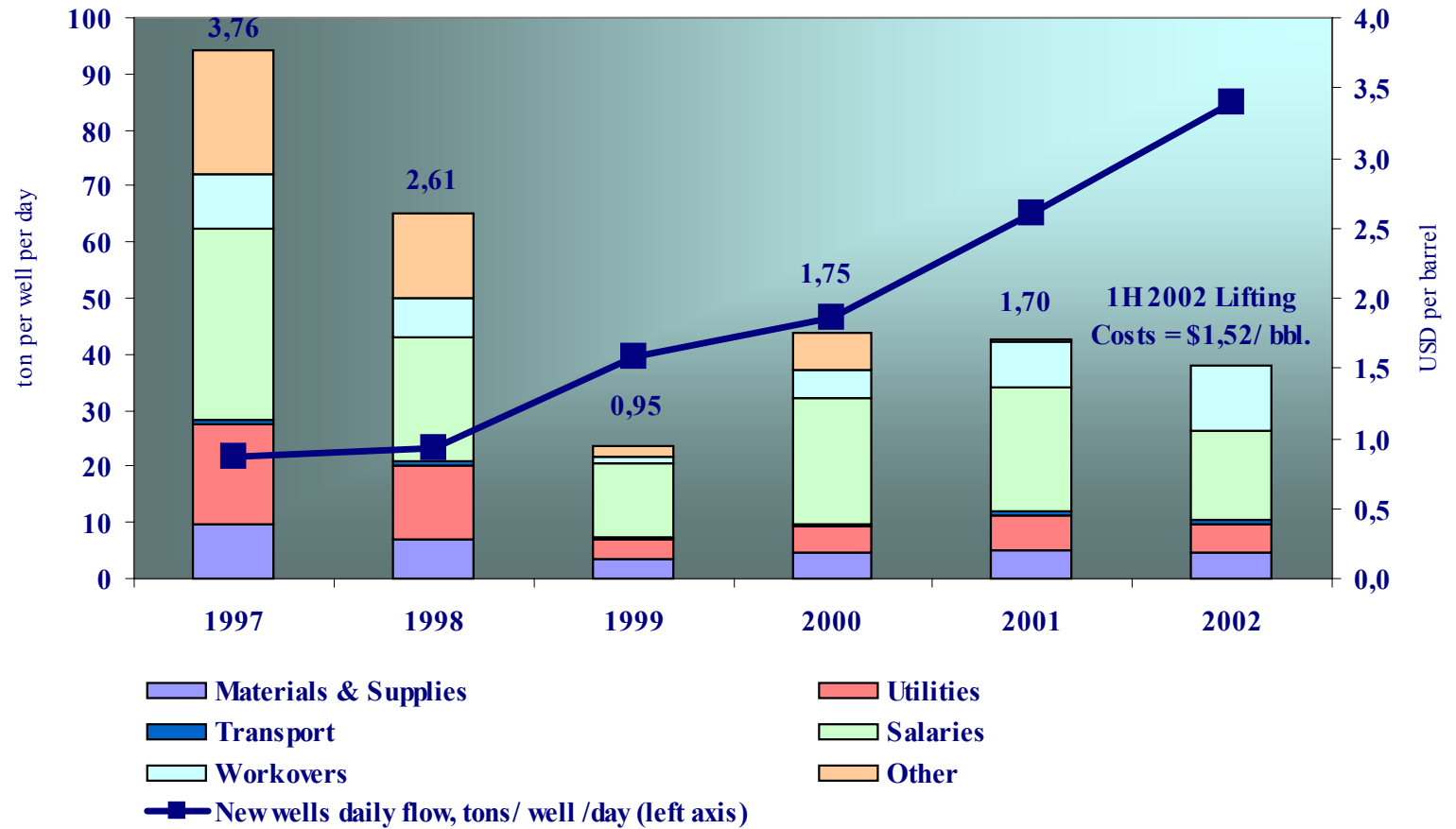
Why Russian Reserves? Low Acquisition Costs.

Acquisition Costs, USD/ boe - 5 year average



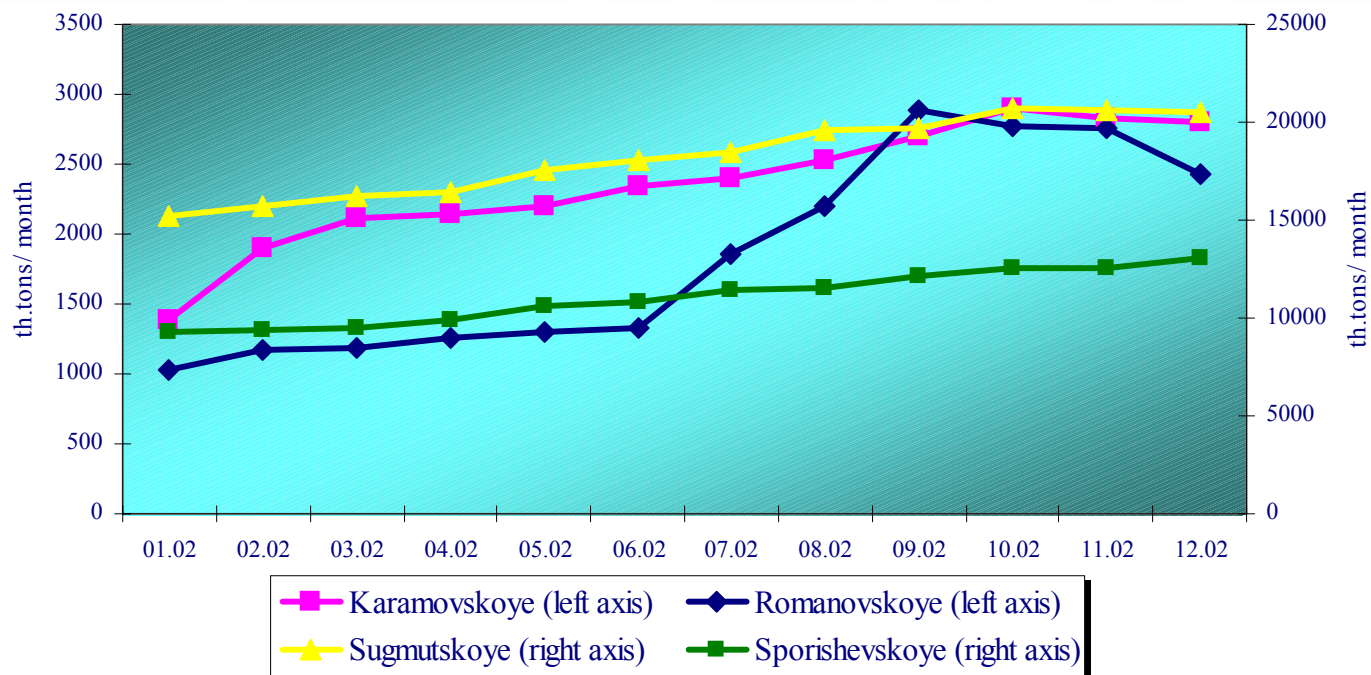
Russian Reserve Acquisition costs are still about 10 times lower than the world average

Well Productivity Up, Costs Under Control



Production Growth in 2002

- Production rose on large and medium-size oil fields.
- New projects like the Meretoyahinskoye oil field in Noyabrsk region and Krapivinskoye field in the Omsk region, plus Sibneft-Yugra, added two million tons to annual production.
- In 2003 Sibneft plans to add Eti-Purovskoye field on stream. The field is expected to produce up to 2 mln. tons by 2005.

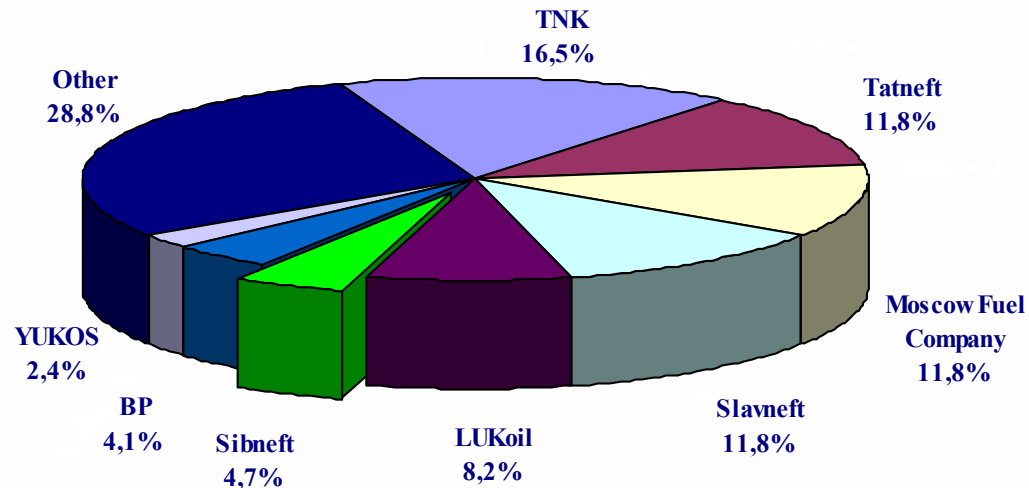


- Stable volumes at Omsk Refinery. Total 2002 throughput was 13.26 mln. tons. Refining depth has reached 83.2%, the highest in Russia.
- Sibneft acquired 37% of the Moscow Refinery in late 2001. In 2002, Sibneft processed an additional 2.55 mln. tons of crude in Moscow.
- Moscow refinery characteristics:
 - ✓ 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 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 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 “null” 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.



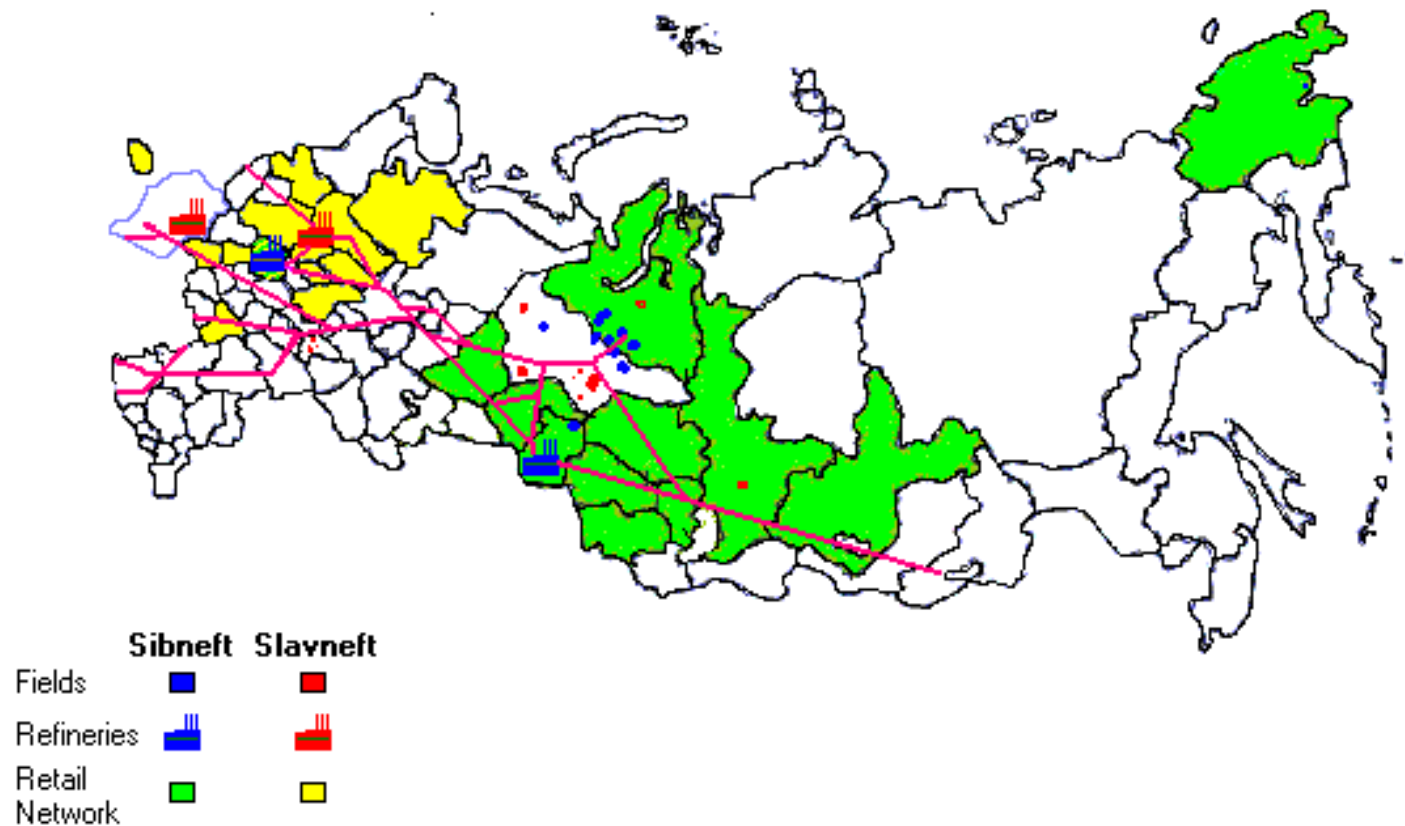
Slavneft Auction – Valuable New Asset in Our Portfolio

Slavneft Auction Terms and Results

- Slavneft – charter capital of 4.7542 billion 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%

Slavneft Acquisition

- Slavneft is 14 –15 mln. tons of production, about 700 mln. tons 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.





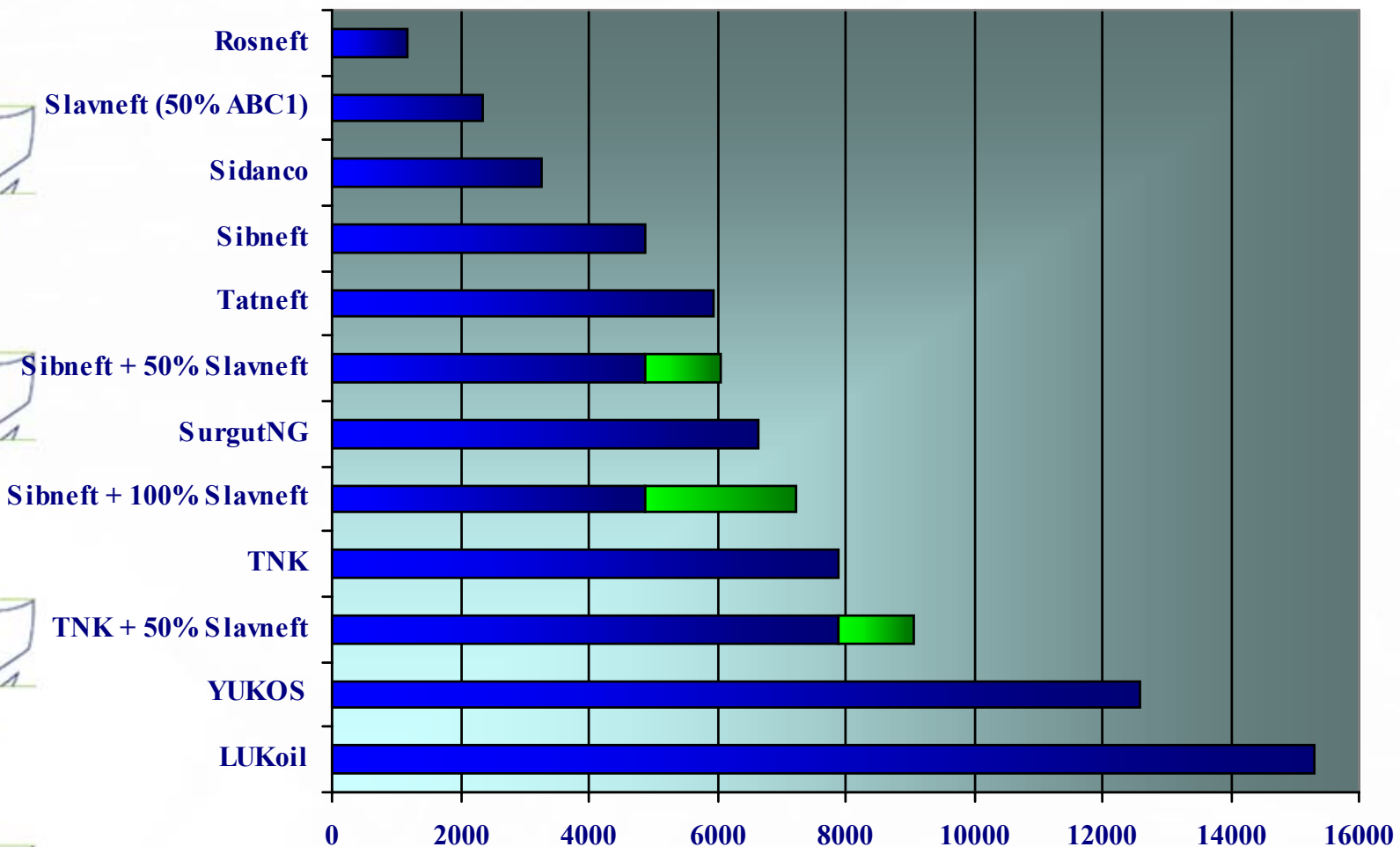
How Much Did We Pay for Slavneft?

	<u>EV/ Reserves</u>	<u>EV/ Production</u>
	USD/ bbl.	USD/ bbl.
LUKoil	0.95	25.3
YUKOS	1.36	34.6
Surgut	0.90	18.1
Sibneft	2.12	47.2
TNK	0.83	22.4
Tatneft	0.45	13.7
Sidanco	1.38	25.6
	<u>1.14</u>	<u>26.70</u>

- Current Slavneft Market Capitalization – USD 2.377 bln., assuming USD 0.5 per share.
- That implies 1.21 EV/ Reserves and 29.7 EV/ Production (assuming 659 total debt of Slavneft)

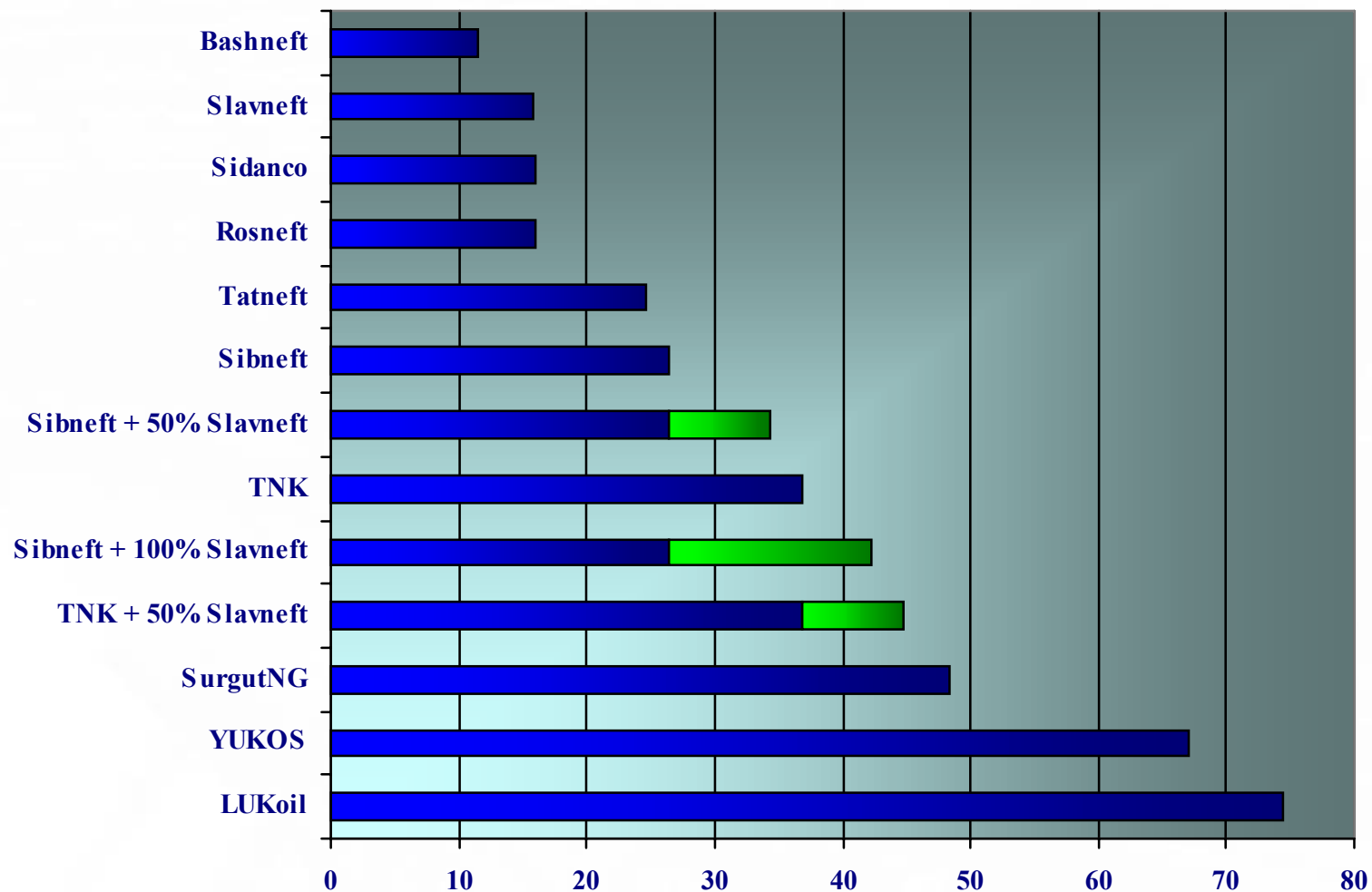


Our New Reserves Position (mln. bbl. of proved oil reserves)



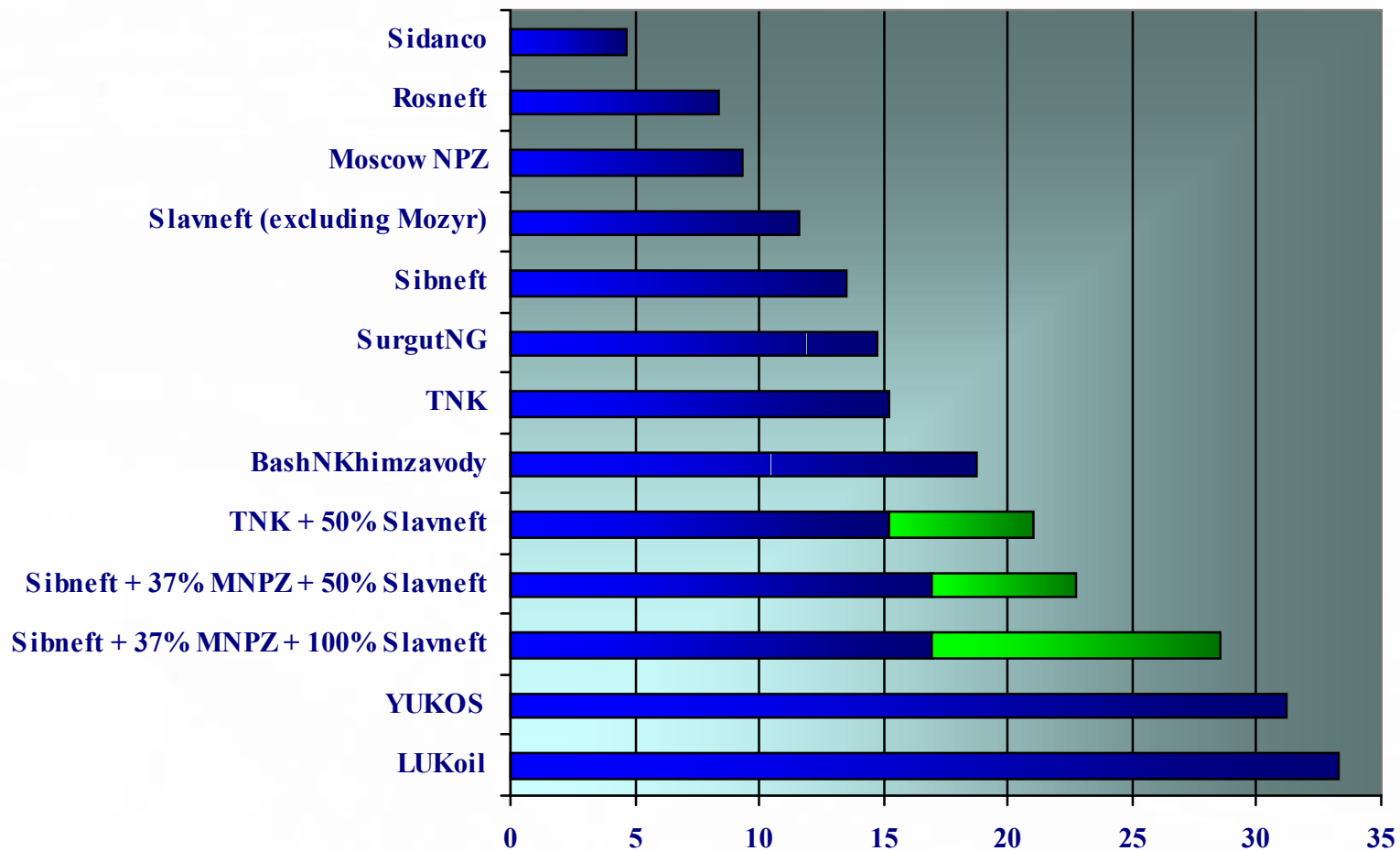


Our New Production Position (mln. tons/year, 2002 figures)



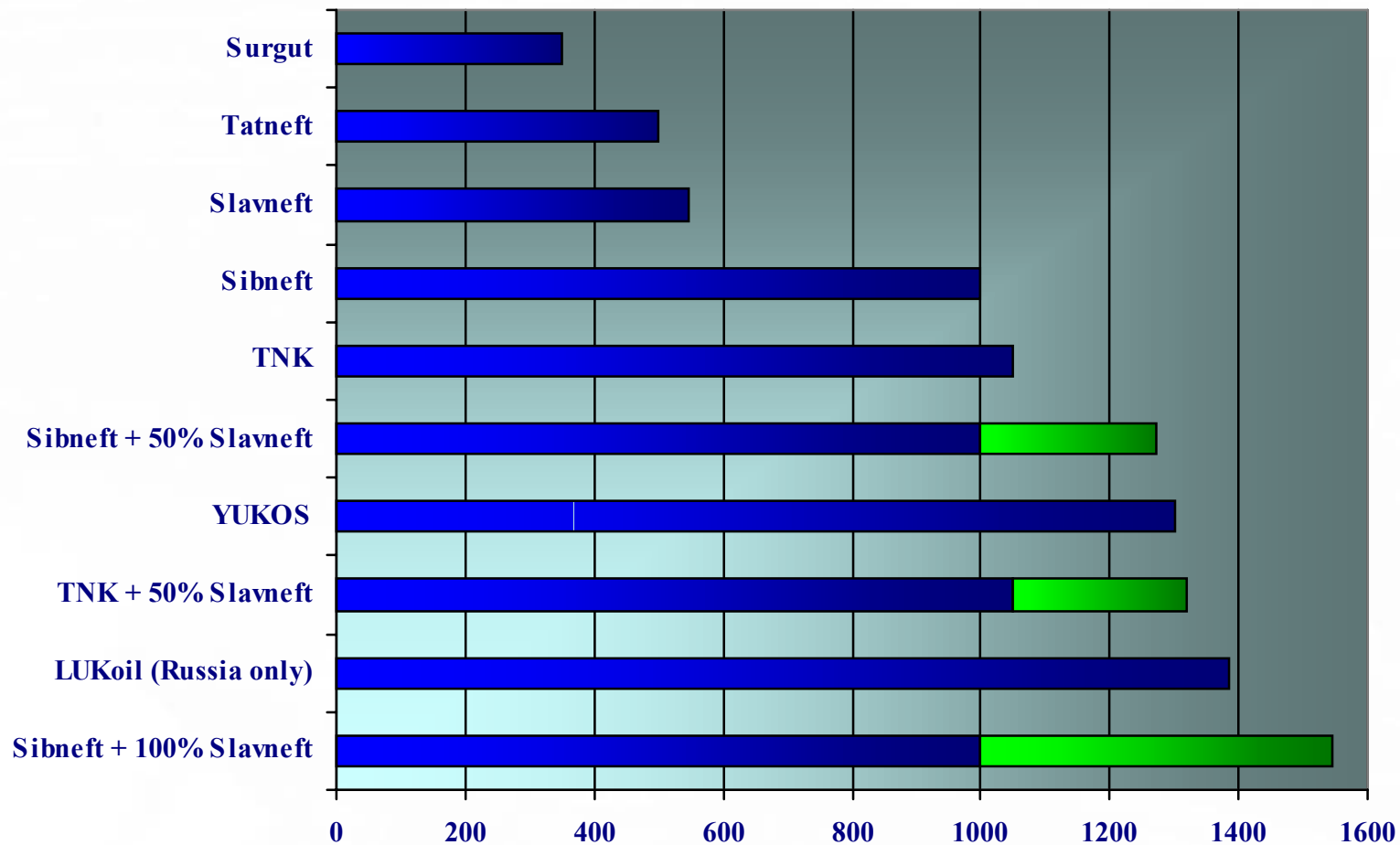


Our New Refining Position (mln. tons/year, 2002 figures)





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



** These numbers include proprietary and franchise stations only*



Building a new Slavneft: same approach – new company

Modern oil company

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

Restructuring

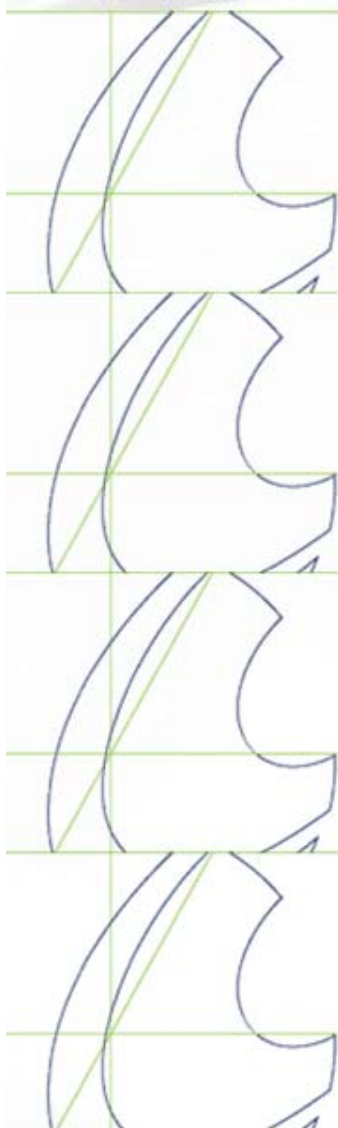
Taking control

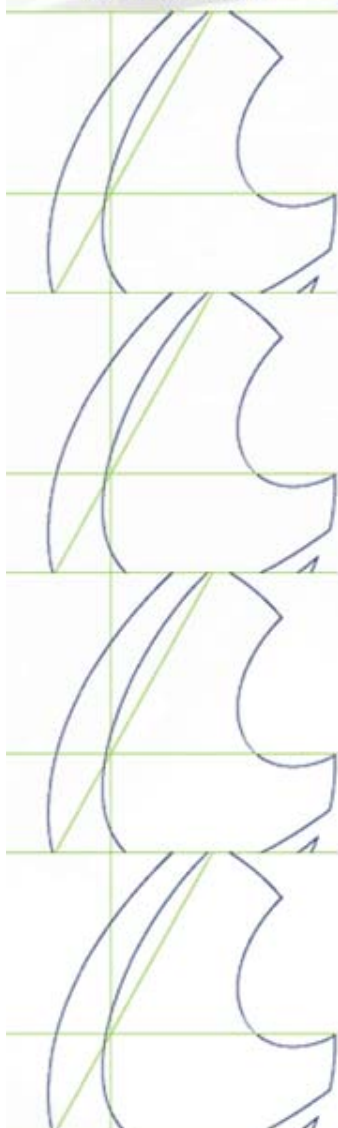
Portfolio of legacy assets

2002 - 2003

2003 - 2005

2005 - ...



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- A decorative graphic on the left side of the slide, consisting of a vertical green line and several horizontal green lines that intersect with curved, blue-outlined shapes, resembling a stylized 'S' or a series of overlapping arcs.
- Currently we are in discussions with TNK on the fate of Slavneft.

 - Our options are to:
 1. Maintain the current ownership structure, with Sibneft managing the assets;
 2. Split the assets evenly; or
 3. Consolidate Slavneft into Sibneft, in which TNK would receive an equity stake.

