



www.sibneft.com

1H 2004 Sibneft Operating and Financial Results

UFG Conference
One-on-One Meetings

New York, 2004



Sibneft 1H 2004 Overview

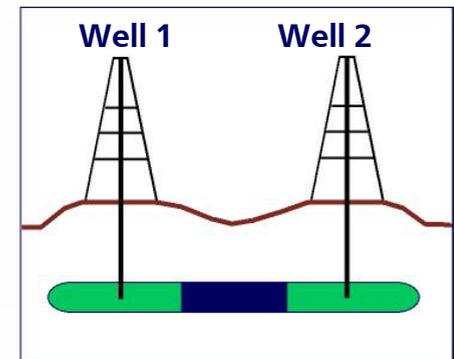
- **Sibneft crude production** was 16.62 mln. tons vs. 15.00 mln. tons in 1H 2003.
 - ⤴ 10.8% YoY
- **Omsk Refinery throughput** was 7.20 mln. tons vs. 6.70 mln. tons in 1H 2003.
 - ⤴ 7.4% YoY
- **Refining throughput at Moscow** was 1.53 mln. tons vs. 1.35 in 1H 2003.
 - ⤴ 13.8% YoY
- **Crude exports** were 6.48 mln. tons vs. 6.39 mln. tons in 1H 2003.
 - ⤴ 1.4% YoY
 - ✓ About 40% of crude production
- **Oil product exports from Omsk Refinery** grew to 1.84 mln. tons from 1.55 mln. tons in 1H 2003.
 - ⤴ 18.8% YoY
- **Oil product exports from Moscow Refinery** grew to 0.59 mln. tons from 0.57 mln. tons in 1H 2003.
 - ⤴ 3.5% YoY
- **Retail sales via own network** of filling stations grew to 0.5 mln. tons from 0.4 mln. tons in 1H 2003.
 - ⤴ 16.8% YoY
 - ⤴ 12.2% YoY on a per station basis

Proved oil & gas reserves (mln. b.o.e.)

<i>SEC</i>	<i>SEC</i>	<i>SPE</i>	<i>SPE</i>	<i>SPE</i>
<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>	<i>2001</i>
2 453	2 197	4 779	4 718	4 887

➤ **SPE vs. SEC**

- ✓ The methodology for SEC classification reserves takes into account the timeframe and terms of the production license.
- ✓ According to SPE, if there is a proven hydrodynamic connection between wells 1 and 2, the “blue” reserves (see diagram) are considered Proved. According to SEC classification only the reserves around each well drainage area are considered Proved, i.e. only the “green” reserves.



- Reserve additions through acquisitions, exploration and the application of 3D seismic, logging and FDP modeling.
- In 2003, we extended licenses for several oil fields, thereby allowing for additional reserves to be booked under SEC criteria (see below).
- This work is continued in 2004 and thereafter.

Field	2003 SEC Proved Oil Reserves	Previous license expiry	New license expiry
Sugmutskoye	572 mln. bbl.	2014	2050
Zapadno Noyabrskoye	58 mln. bbl.	2013	2050
Sredne Iturskoye	120 mln. bbl.	2014	2050

- In September 2003, Sibneft acquired three new oil fields in the Tomsk region – Archinskoe, Shinginskoe and Urmanskoye – with production potential of above 2.5 mtpa within four years.

➤ Positive factors:

- ✓ High oil and oil products prices
- ✓ Low interest rates on debt
- ✓ Increased re-sales through Siboil

➤ Negative factors:

- ✓ Disproportionate growth in transport and utility expenses and export tariffs
- ✓ Need to refocus management resources distracted by merger preparations in 2H 2003
- ✓ Development delayed in areas where potential synergies with Yukos were expected (Priobskoye field)



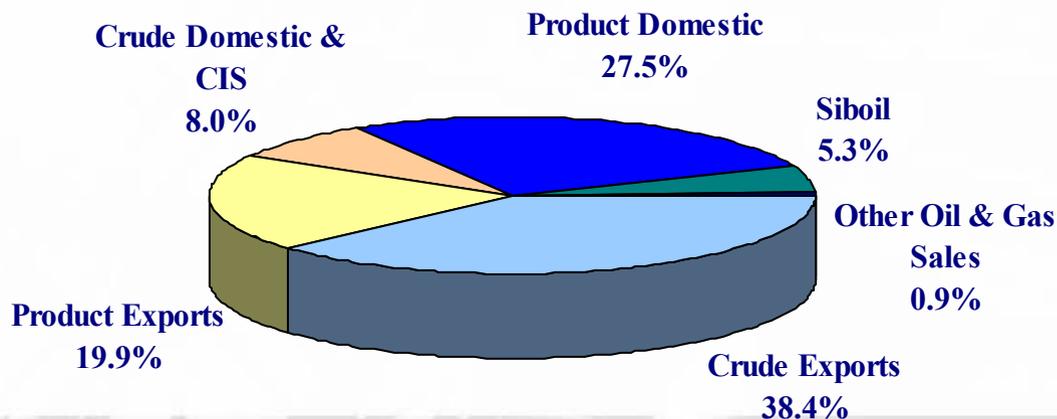
Sibneft 1H 2004 Financials

Financial Overview

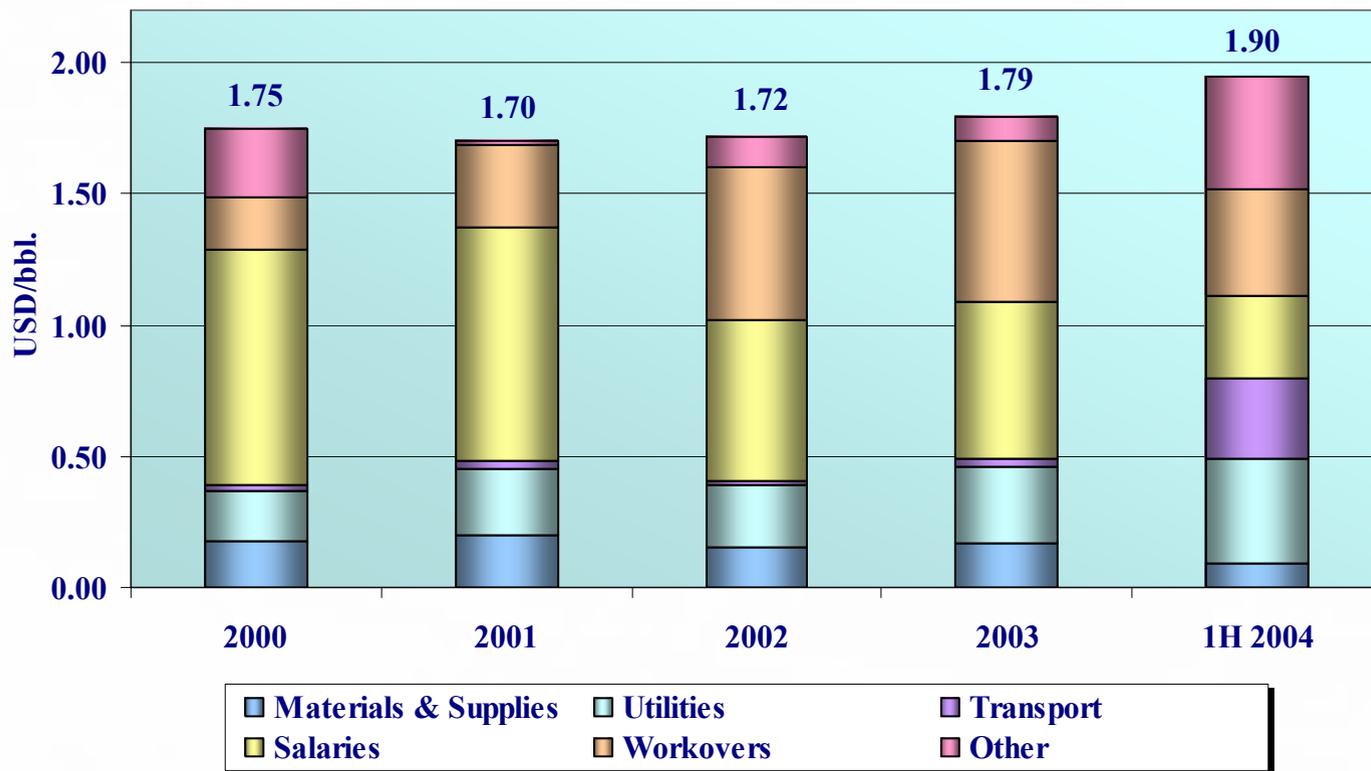
<i>(mln. USD)</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>1H 2004</i>
Oil, Gas & Product Sales	3 449.1	4 710.7	6 590.4	3 949.6
Total Revenues	3 575.7	4 776.7	6 716.5	4 013.5
EBITDA	1 719.2	1 803.1	2 337.1	1 504.2
Net Income	1 305.3	1 160.5	2 278.4	992.0
CapEx	618.7	959.4	984.7	336.8
Cash Flow from Operations	1 311.3	1 286.0	2 523.5	593.3
Net Cash at Year-End	51.6	620.9	104.6	80.7

Segmental Revenue Breakdown

<i>(mln. USD)</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>1H 2004</i>
Crude exports	1 188	1 840	2 386	1 456
Oil product exports	546	722	1 259	753
Crude sales (domestic and CIS)	-	207	585	303
Oil product sales (domestic)	1 487	1 566	1 655*	1 040
Siboil re-sale and commission	217	347	653	364
Other oil & gas sales	11	29	52	33
Total revenues from oil & gas sales	3 449	4 711	6 590	3 950

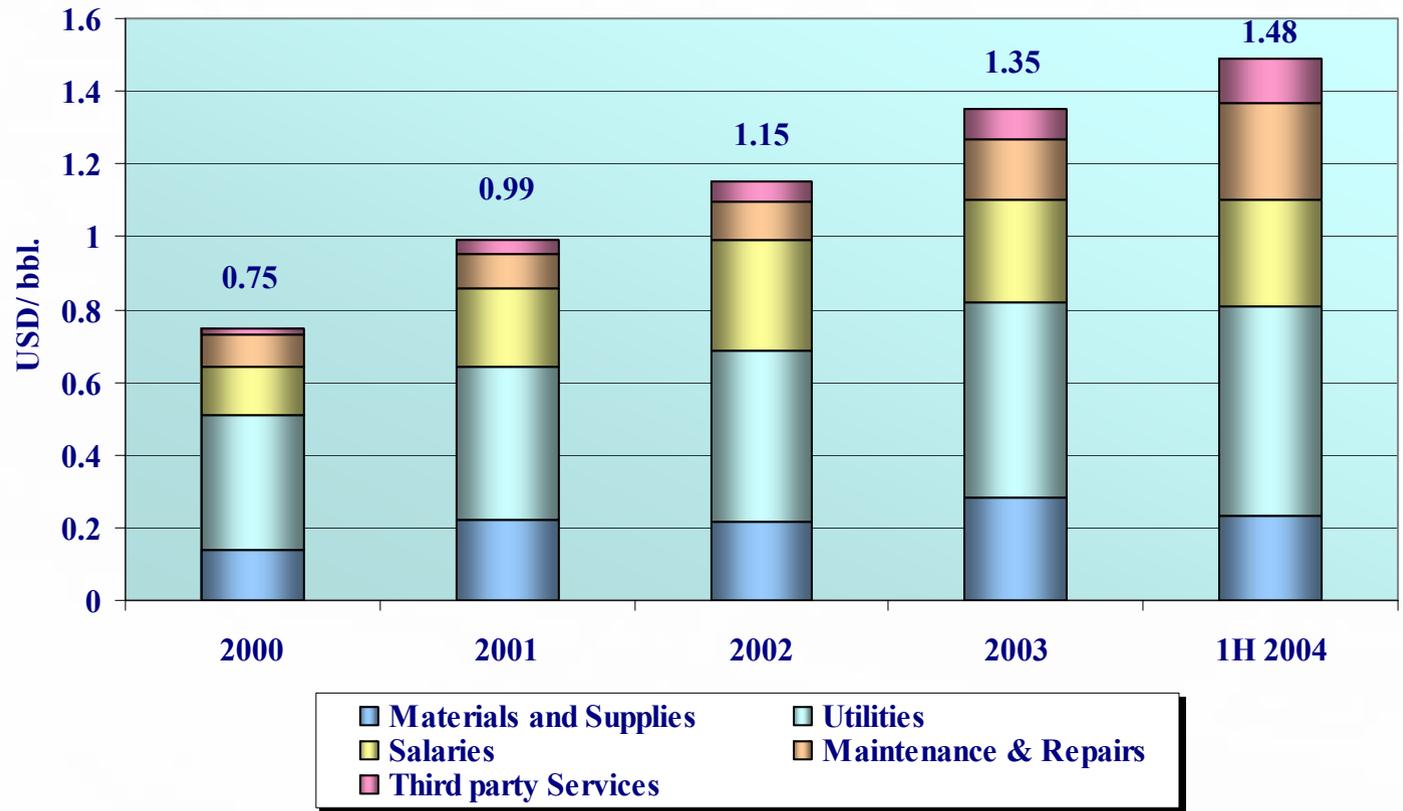


* Beginning with 2003, domestic oil product sales are reported excluding excise tax.



- Key lifting cost drivers:
 - ⤴ Ruble appreciation
 - ⤴ Utility costs
 - ⤴ Separation of service units
 - ⤵ Headcount reduction

Direct Refining Costs



➤ Key refining costs drivers:

- ⤴ Ruble appreciation
- ⤴ Utility costs

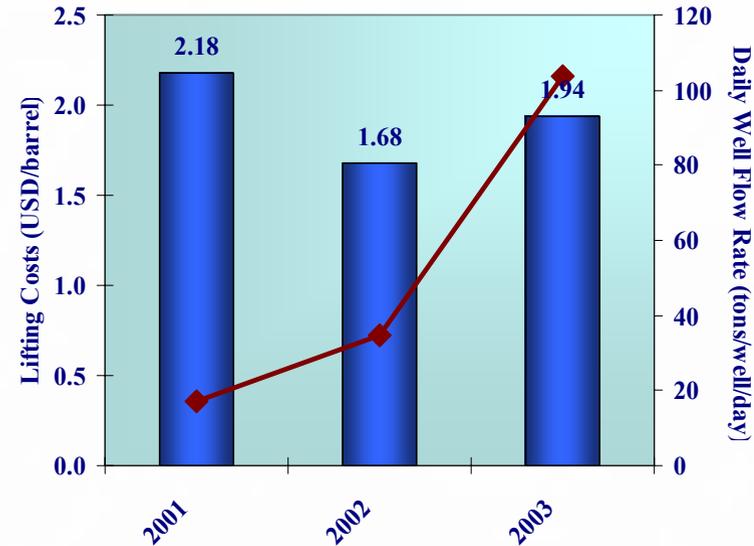
<i>(mln. USD)</i>	<i>2002</i>	<i>2003</i>	<i>1H 2004</i>
Total Revenue	4 776.7	6 716.5	4 013.5
Operating Expenses	1 205.4	1 786.2	934.9
Taxes other than Income Taxes	897.0	1 423.4	945.5
SG&A	819.7	1 024.6	586.8
DDA	410.0	492.5	282.2
Exploratory Expenses	14.8	53.9	-
Cost of Other Sales	36.7	91.3	42.2
Operating Expenses	3 383.6	4 872.1	2 791.5
Operating Income	1 393.1	1 844.7	1 222.0

- Operating costs
 - ✓ Higher prices and volumes for third-party crude purchases during swap operations
 - ✓ Processing at Moscow Refinery
 - ✓ Transportation to domestic refineries
 - ✓ Utility costs included indirect operating costs
- SG&A
 - ✓ Transportation and other expenses for distribution and export
 - ✓ Social expenses
 - ✓ Growth in domestic retail distribution network
- Taxes
 - ✓ Export duties (new export scale introduced in August will increase duties to \$69.90 per ton from \$36 per ton in July)
 - ✓ Mineral extraction tax
 - ✓ Effective tax rate

Average Daily Production (th. tons per day)



Lifting Costs and Flow Rates



- Slavneft production growth is the highest in Russia
 - ⤴ 28% YoY in 1H2004
- Costs are under control.
- Sibneft and TNK-BP have agreed on a methodology for the split.
 - ✓ Technical valuation of assets will be finalized in 2004
 - ✓ Legal division will take up to two years
- Slavneft pick-up in 1H 2004 was \$272 million.

Balance Sheet Highlights

<i>(mln. USD)</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>1H 2004</i>
Cash and equivalents	51.6	620.9	104.6	80.7
Accounts receivable	765.8	1 356.9	1 321.4	1 690.2
Net oil and gas properties / PP&E	3 241.2	3 853.4	4 269.9	4 328.9
Total assets	5 712.8	7 548.5	8 150.0	8 861.4
Short-term debt & current portion of long-term debt	314.9	578.7	368.3	276.6
Long-term debt	608.3	1 658.1	1 221.0	1 160.8
Accounts payable and accrued liabilities	294.6	706.2	846.9	775.0
Income and other taxes	140.7	134.2	189.0	205.6
Minority interest	1.7	-	-	-
Shareholder capital	4 036.7	4 291.5	5 137.5	6 129.5
Total liabilities / share capital	5 712.8	7 548.5	8 150.0	8 861.4

Total Gross Debt Position (1H 2004)

1 437.4 mln.USD

of that ...

	<i>Amount</i>	<i>Rate 2004</i>	<i>Maturity</i>
Eurobond 1	400 mln. USD	11%	2007
Eurobond 2	500 mln. USD	10.75%	2009
Trade Finance:			
ABN AMRO	3.0 mln. USD	Libor + 3.75%	July 2004
WestLB	175.1 mln. USD	Libor + 2.15%	December 2005
RZB	96.4 mln. USD	Libor + 3.25%	December 2005
ABN AMRO	62.0 mln. USD	Libor + 1.75%	June 2006
BNP Paribas	129.7 mln. USD	Libor + 3.00%	June 2007
Other	71.2 mln. USD	-	-

Any statement made or opinion expressed in the presentation by Sibneft, including any slides shown, are those of Sibneft only and not UFG. UFG was not involved in the preparation of these materials and UFG assumes no responsibility for the presentation.