

Lord of the Rigs

Rosneft as a Mirror of Russia's Evolution

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Portrait of Rosneft

E&P

Yuganskneftegas
Purneftegas
Sakhalinmorneftegas
Severnaya Neft
Polar Lights
Sakhalin-1
Vankorneft
Krasnodarneftegas
Stavropolneftegas
Grozneft
Verkhnechonsk-
Neftegas
Udmurtneft

Refining

Komsomolsk
Tuapse

Marketing

Altainefteproduct
Kurgannefteproduct
Yamalnefteproduct
Nakhodkanefteproduct
Vostoknefteproduct
Arkhangelsknefteproduct
Murmansknefteproduct
Smolensknefteproduct
Artag
Kabardino-Balkar Fuel Co
Karachayevo-
Cherkessknefteproduct
Kubannefteproduct
Tuapsenefteproduct
Stavropoliye

Projects

Sakhalin- 3, 4, 5
Vankor block of fields
West Kamchatka shelf
Black and Azov Seas
Kazakhstan
Algiers
CPC
Vostochno-Sugdinsk block

Ex-Yuganskneftegas:

2004 oil production (21 mt) – 4.7% of Russia's total

Proved oil reserves – 4.8% of Russia's total

With Yuganskneftegas:

2006 oil production (75 mt) – 15% of Russia's total

Proved oil reserves – 20% of Russia's total

CEO – S.Bogdanchikov

BoD Chairman – I.Sechin

> 75% owned by the state Rosneftegas

9.44% - YUKOS

>14% - sold during IPO

Rosneft's Saga

1985

1990

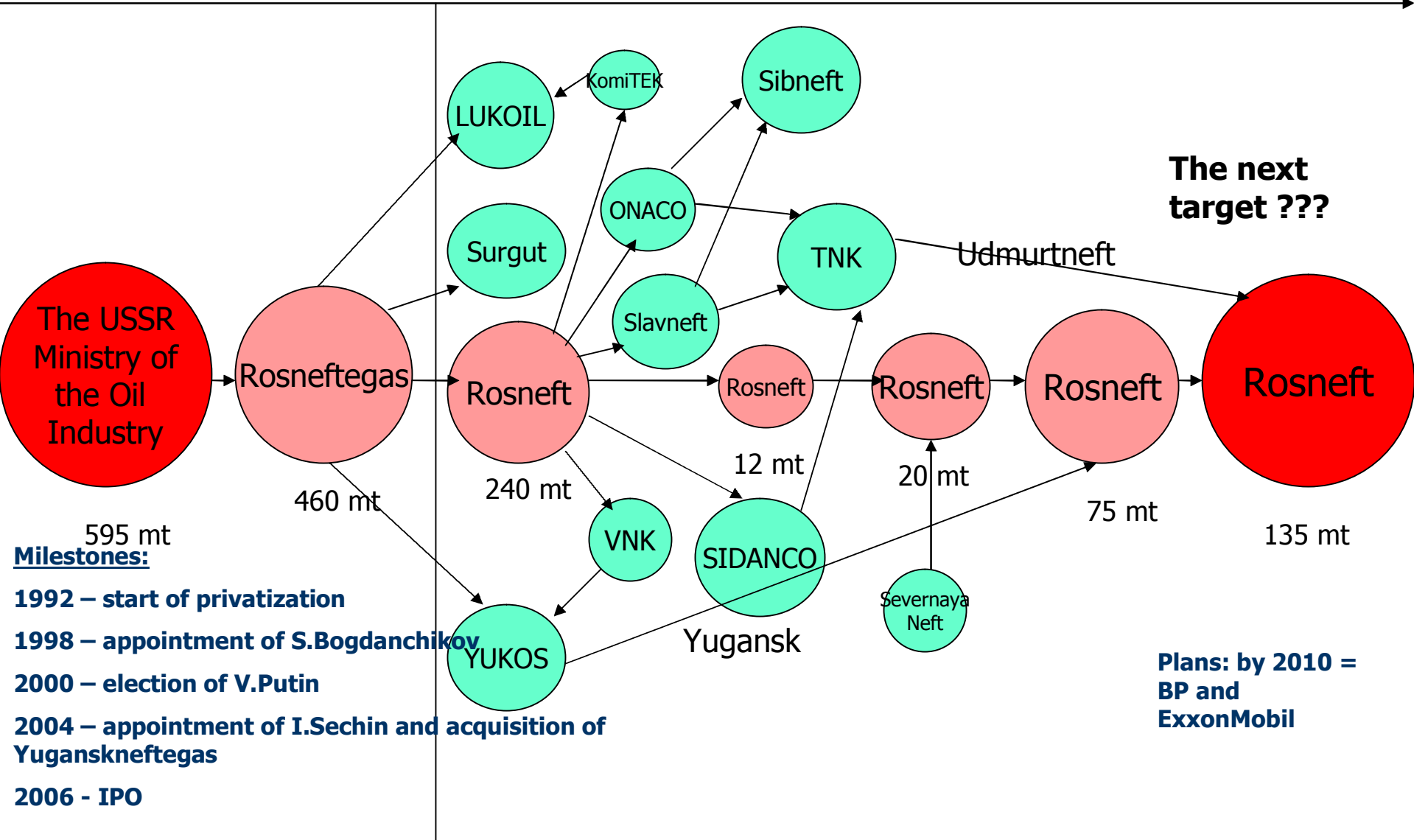
1992

1995

2000

2005

2015



A Very Special Company

- **On his Majesty's Social Service:**
 - Supplier of petroleum products for the state needs
 - Fuel supplier to Kamchatka
 - Program of the Far East gasification
- **Moscow's Southern Envoy:**
 - Restoration of Chechnya's oil industry
 - Consolidation of assets in the south of Russia
- **Petroleum Ambassador of Russia:**
 - Kazakhstan
 - Algiers
- **Kremlin's Watchdog:**
 - Vankor
 - victory over TOTAL and YUKOS
 - Sakhalin-3
 - ExxonMobil and ChevronTexaco denied rights to Kirinskiy block
 - New draft Law on the Subsurface
 - Foreign majors – junior partners to Russian companies in strategic projects

A Very Special Company

- **Chinese Connection:**
 - Adaisk block in Kazakhstan with Sinopec
 - Sakhalin-3 (Veninskiy block with Sinopec)
 - The Chinese direction of the East Siberia – Pacific Ocean pipeline
 - JVs with CNPC (upstream in Russia, downstream in China)
 - Acquisition of Yuganskneftegas (with financial assistance of the Chinese)
 - Acquisition of Udmurtneft with Sinopec
 - CNPC – shareholder of Rosneft
- **Kremlin's Troubleshooter:**
 - Bankruptcy of YUKOS
- **Rival of Gazprom**
 - Checks and balances
- **The Future Supermajor**
 - Fits with Russia's plans to become energy superpower

Ugly Duckling Turned Falcon

- **Patronage of Vladimir Putin**
- **Bogdanchikov-Miller-Pugachev**
- **Victory in the fight for Vankor**
- **Sakhalin-3**
- **Rosneft-Gazprom-Surgutneftegas consortium**
- **Acquisition of Severnaya Neft**
- **Appointment of Igor Sechin as BoD**
- **Resistance to Gazpromneft**
- **Acquisition of Yuganskneftegas**
 - Long-term implications
- **New strategy: from 75 mln tons of oil in 2005 to 135 mln tons by 2015.**
 - what will be the next acquisition target?
- **Plans for IPO**