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Q1’11 Highlights
Record Results, Production Ahead of Plan

Positives

- Strong financial results:
  - EBITDA – USD 6.7 bln
  - Net income – USD 3.9 bln
  - Operating cash flow – USD 6.1 bln
  - Record high free cash flow – USD 3.3 bln

- Crude oil production growth of 2.9% year-on-year, 2% ahead of plan

- Retail sales growth of 24.6% year-on-year

- Sales of petroleum products through commodity exchanges – 1.06 mln tonnes, or 21% of total domestic sales

Challenges, Priorities

Q1’11 - challenges

- Domestic prices lagging export netbacks partially as a result of increased excise taxes
- Euro-3 standards for motor fuel came into force
- Growth in electricity tariffs
- Strengthening of the RUB against the USD

2011 priorities

- Internal optimization: divestment of non-core assets/subsidiaries, optimization of business processes
- Meeting 2011 Business plan targets
- Continued cost control
  - Increase in energy efficiency
  - Work with suppliers and contractors
  - Headcount optimization
  - Capex prioritization
- Continue discussion to update tax regime
## Macroeconomic Environment

### Prices Up Y-on-Y and Q-on-Q, Real Strengthening of the Ruble

<table>
<thead>
<tr>
<th></th>
<th>Q1’11</th>
<th>Q1’10</th>
<th>Δ, %</th>
<th>Q4’10</th>
<th>Δ, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average USD/RUB exchange rate</td>
<td>29.27</td>
<td>29.89</td>
<td>(2.1)%</td>
<td>30.7</td>
<td>(4.7)%</td>
</tr>
<tr>
<td>Inflation for the period, %</td>
<td>3.8%</td>
<td>3.2%</td>
<td></td>
<td>2.6%</td>
<td></td>
</tr>
<tr>
<td>Real RUB appreciation/(depreciation)</td>
<td>9.3%</td>
<td>1.4%</td>
<td></td>
<td>1.8%</td>
<td></td>
</tr>
<tr>
<td>against USD compared with the previous period, %</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urals FOB Primorsk, $/bbl</td>
<td>100.4</td>
<td>73.4</td>
<td>36.8%</td>
<td>83.6</td>
<td>20.0%</td>
</tr>
<tr>
<td>Gasoil 0.1% (FOB/CIF Med), $/tonne</td>
<td>881.8</td>
<td>632.8</td>
<td>39.4%</td>
<td>732.7</td>
<td>20.3%</td>
</tr>
<tr>
<td>Fuel oil 3.5% (FOB/CIF Med), $/tonne</td>
<td>554.9</td>
<td>440.7</td>
<td>25.9%</td>
<td>463.6</td>
<td>19.7%</td>
</tr>
<tr>
<td>High octane gasoline (av. Russia), $/tonne</td>
<td>760.7</td>
<td>635.0</td>
<td>19.8%</td>
<td>704.2</td>
<td>8.0%</td>
</tr>
<tr>
<td>Diesel (av. Russia), $/tonne (summer)</td>
<td>618.4</td>
<td>435.3</td>
<td>42.1%</td>
<td>506.2</td>
<td>22.1%</td>
</tr>
</tbody>
</table>
Petroleum Product Prices & Refining Margin

Export / Domestic Differentials Widened, Margin Squeezed

Petroleum product prices, USD per tonne

Net Refining margin, USD per barrel

Refinery-gate export netback or domestic wholesale price net of VAT and excise (average for Rosneft refineries).

Net refining margin = weighted average refinery gate price of petroleum products produced from 1 bbl of crude oil minus input crude oil price (weighted average crude export netback via Transneft, ex. Vankor), minus refinery operating expenses.
Upstream Margins
Record High

* Assuming Urals price of USD 120 per bbl in May and June.
**Non-controlled Expenses**

Transportation Tariffs Up, Export Duty Lags International Price

<table>
<thead>
<tr>
<th></th>
<th>Q1’11</th>
<th>Q1’10</th>
<th>Δ, %</th>
<th>Q4’10</th>
<th>Δ, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export customs duty</td>
<td>USD/bbl</td>
<td>46.89</td>
<td>36.06</td>
<td>30.0%</td>
<td>39.23</td>
</tr>
<tr>
<td>Yugansk – Novorossiysk tariff</td>
<td>RUB/t</td>
<td>1,445</td>
<td>1,279</td>
<td>13.0%</td>
<td>1,363</td>
</tr>
<tr>
<td>Yugansk – Novorossiysk tariff</td>
<td>USD/bbl</td>
<td>6.75</td>
<td>5.85</td>
<td>15.4%</td>
<td>6.07</td>
</tr>
<tr>
<td>MET</td>
<td>USD/bbl</td>
<td>19.10</td>
<td>13.16</td>
<td>45.2%</td>
<td>15.37</td>
</tr>
<tr>
<td>Total non-controlled costs</td>
<td>USD/bbl</td>
<td>72.74</td>
<td>55.07</td>
<td>32.1%</td>
<td>60.67</td>
</tr>
<tr>
<td><strong>Non-controlled costs /</strong></td>
<td>%</td>
<td>72.1%</td>
<td>74.9%</td>
<td></td>
<td>72.5%</td>
</tr>
<tr>
<td><strong>Urals FOB Novorossiysk</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Transneft tariffs up 13.5% in Q1’11 vs. Q1’10 following two increases in 2010: by 3.3% from August 1, 2010 and by 9.9% from December 1, 2010
- RZhD tariffs increased by 8.0% from January 1, 2011
- Actual export duty on crude oil was USD 7.3 per bbl below the normalized export duty in Q1, which had a sizeable positive impact on the financial results
- Preferential export duty on Vankor crude oil will expire from May 1, 2011
## Q1’11 Results Overview

Production Ahead of Plan, Record High Free Cash Flow

<table>
<thead>
<tr>
<th></th>
<th>Q1’11</th>
<th>Q1’10</th>
<th>Δ, %</th>
<th>Q4’10</th>
<th>Δ, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily crude oil production, th. bpd</td>
<td>2,355</td>
<td>2,288</td>
<td>2.9%</td>
<td>2,352</td>
<td>0.1%</td>
</tr>
<tr>
<td>Gas production, bcm</td>
<td>3.20</td>
<td>3.27</td>
<td>(2.1)%</td>
<td>3.25</td>
<td>(1.5)%</td>
</tr>
<tr>
<td>Petroleum product output, mln t</td>
<td>11.76</td>
<td>12.06</td>
<td>(2.5)%</td>
<td>12.25</td>
<td>(4.0)%</td>
</tr>
<tr>
<td>Revenues, USD mln</td>
<td>20,123</td>
<td>14,761</td>
<td>36.3%</td>
<td>17,384</td>
<td>15.8%</td>
</tr>
<tr>
<td><strong>EBITDA, USD mln</strong></td>
<td>6,653</td>
<td>4,443</td>
<td>49.7%</td>
<td>5,377</td>
<td>23.7%</td>
</tr>
<tr>
<td>Adjusted net Income, USD mln</td>
<td>3,856</td>
<td>2,447</td>
<td>57.6%</td>
<td>2,958</td>
<td>30.4%</td>
</tr>
<tr>
<td>Operating cash flow$^1$, USD mln</td>
<td>6,067</td>
<td>1,792</td>
<td>238.6%</td>
<td>3,722</td>
<td>63.0%</td>
</tr>
<tr>
<td>Capital expenditures, USD mln</td>
<td>2,761</td>
<td>1,754</td>
<td>57.4%</td>
<td>2,768</td>
<td>(0.3)%</td>
</tr>
<tr>
<td>Free cash flow$^1$, USD bln</td>
<td>3,181</td>
<td>1,351</td>
<td>135.5%</td>
<td>840</td>
<td>278.7%</td>
</tr>
<tr>
<td>Net debt , USD mln</td>
<td>11,097</td>
<td>18,534</td>
<td>(40.1)%</td>
<td>13,662</td>
<td>(18.8)%</td>
</tr>
</tbody>
</table>

1. Operating cash flow and free cash flow are adjusted for operations with trading securities as part of excess cash management (inflow of USD 495 mln in Q1’10, outflow of USD (15) mln in Q1’11, outflow of USD (86) mln in Q4’10).
### Daily Crude Oil Production in Russia, Q1'11 vs. Q1'10

<table>
<thead>
<tr>
<th>Company</th>
<th>Q1'10</th>
<th>Q1'11</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surgutneftegaz</td>
<td>3.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rosneft</td>
<td>2.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gazprom Neft*</td>
<td>1.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TNK-BP</td>
<td>1.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tatneft</td>
<td>0.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Slavneft</td>
<td>(2.2)%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LUKOIL (in Russia)</td>
<td>(5.1)%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Russia's average: +1.2%

### Crude Oil Output in Russia, '000 bpd

- Q1'10: 10,074
- Rosneft: 67
- Other integrated oils: (2)
- Other companies: 54
- Q1'11: 10,193

-1.2% growth

*Not including share in Tomskneft.*
Yugansk

2% Ahead of Plan in Q1 2011

- Yugansk 2% (2.3 mln barrels) ahead of plan in Q1 due to higher than planned flow rates at old wells (a combination of geology, efficient well interventions and wellstock management)
- 779 wells are planned to be drilled in 2011 (176 wells drilled in Q1)
- Capex plan - USD 3.0 bln (at 30.5 FX rate) (USD 585 mln spent in Q1)
Vankor
Above Plan in Q1, Expanding Capacities in the 2H

July 20, 2009 - start of ‘zero’ production stage, filling of the pipeline
‘Extended zero’ stage, 260 th. bpd just within 8 months

Current output - 285 th. bpd
Gradual launch of the Central oil treatment unit
Increase in capacity of the Southern oil treatment unit
2011 plans:
- Average daily production ~300,000 bpd
- CAPEX - USD 2.6 bln (at 30.5 FX rate)
- Production growth factors:
  - ~70 production and injection wells
  - Increase in capacity of the Southern oil treatment unit
  - Gradual launch of the Central oil treatment unit

Jan 2009 - 2010
Jan 2011 - Dec
Revenues Reconciliation, USD mln

Q1’11 vs. Q4’10

Q1’11

Q4’10

Oil exports
price

Oil exports
volume

Product
exports
price

Product
exports
volume

Product
domestic
price

Product
domestic
volume

Bunker fuel
sales to end-users

Gas

Petrochemicals

Oil
domestic

Other

17,384

1,426

(18)

844

345

406

(266)

(2)

8

36

(35)

(5)

20,123

1,426

500

(45)

1,210

791

125

75

9

35

10

20,123

Revenues

Reconciliation,
USD mln

Q1’11 vs. Q1’10

Q1’10

Q1’11

Oil exports
price

Oil exports
volume

Product
exports
price

Product
exports
volume

Product
domestic
price

Product
domestic
volume

Bunker fuel
sales to end-users

Gas

Petrochemicals

Oil
domestic

Other

14,761

2,652

(45)

1,210

791

125

75

9

35

10

20,123

Oil

domestic

Other
In Q1 2011 non-Transneft export netback increased substantially due to start of pipeline supplies to China (instead of railroad supplies) which are reflected in the Transneft export. Largest share of non-Transneft exports from January 1, 2011 consist of Sakhalin-1 exports, which are exempted from export duties.
Expenses Dynamics

Upstream Operating Expenses, USD/bbl of oil produced

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Upstream Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1'10</td>
<td>2.74</td>
</tr>
<tr>
<td>Q2'10</td>
<td>2.85</td>
</tr>
<tr>
<td>Q3'10</td>
<td>2.75</td>
</tr>
<tr>
<td>Q4'10</td>
<td>2.99</td>
</tr>
<tr>
<td>Q1'11</td>
<td>2.95</td>
</tr>
</tbody>
</table>

Refining Operating Expenses, USD/bbl of oil processed

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Refining Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1'10</td>
<td>1.68</td>
</tr>
<tr>
<td>Q2'10</td>
<td>2.17</td>
</tr>
<tr>
<td>Q3'10</td>
<td>2.06</td>
</tr>
<tr>
<td>Q4'10</td>
<td>2.09</td>
</tr>
<tr>
<td>Q1'11</td>
<td>2.16</td>
</tr>
</tbody>
</table>

SG&A Expenses, USD/bbl of oil produced

<table>
<thead>
<tr>
<th>Quarter</th>
<th>SG&amp;A Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1'10</td>
<td>1.85</td>
</tr>
<tr>
<td>Q2'10</td>
<td>1.74</td>
</tr>
<tr>
<td>Q3'10</td>
<td>2.16</td>
</tr>
<tr>
<td>Q4'10</td>
<td>2.37</td>
</tr>
<tr>
<td>Q1'11</td>
<td>2.00</td>
</tr>
</tbody>
</table>

Transportation Expenses, USD/bbl of oil produced

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Transportation Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1'10</td>
<td>9.32</td>
</tr>
<tr>
<td>Q2'10</td>
<td>9.05</td>
</tr>
<tr>
<td>Q3'10</td>
<td>8.63</td>
</tr>
<tr>
<td>Q4'10</td>
<td>8.86</td>
</tr>
<tr>
<td>Q1'11</td>
<td>9.62</td>
</tr>
</tbody>
</table>

Upstream operating expenses include materials and electricity, workover, wages and salaries, and cost of transport to a trunk pipeline.

Selling, general and administrative expenses include payroll at headquarters and management-related subsidiaries, payroll of top management of operating subsidiaries, audit & consulting expenses, bad debt allowance and other costs.

Transportation costs include costs to transport crude oil for refining and to end customers, and to deliver petroleum products from refineries to end customers (cost of pipeline and railroad transportation, handling, port fees, sea freight and other costs).
Transportation Costs
Factor Analysis - Q1’11 vs. Q1’10

Total Transportation Costs, USD mln

- Q1’10 Tariffs Volume Mix FX Q1’11
- 1,764
- 1,873

Transportation Costs for Crude Exports, USD mln

- Q1’10 Tariffs Volume Mix FX Q1’11
- 744
- 783

Start of pipeline deliveries to China

Transportation Costs for Crude Deliveries to Refineries, USD mln

- Q1’10 Tariffs Volume Mix FX Q1’11
- 369
- 417

Transportation Costs for Product Exports, USD mln

- Q1’10 Tariffs Volume Mix FX Q1’11
- 442
- 484
Electricity expenses of Yuganskneftegaz

- Electricity consumption, kWh/bbl
- Electricity cost, USD/10 bbls
- Average price, USD/th. kWh

Negative impact on Q1 opex understated due to compensating positive factors (unlikely to be sustainable).
EBITDA and Net Income per bbl Reconciliation

Q1’11 vs. Q4’10

**EBITDA, USD/bbl**
- Q4’10: 27.03
- Revenue: 15.97
- Taxes: (6.81)
- Purchases: (2.46)
- Transport: (0.76)
- OPEX: 0.46
- Explor. exp.: 0.64
- SG&A: 0.10
- Q1’11: 34.17

**Net Income, USD/bbl**
- Q4’10: 14.87
- EBITDA: 7.14
- DD&A: 0.49
- FX: (0.18)
- Net interest: (0.07)
- Income tax: (3.04)
- Others: 0.60
- Q1’11: 19.81

**Growth**
- EBITDA: +26.4%
- Net Income: +33.2%
EBITDA and Net Income per bbl Reconciliation
Q1’11 vs. Q1’10

EBITDA, USD/bbl

- Q1’10: 23.47
- Revenue: 25.39
- Taxes: (9.94)
- Purchases: (3.06)
- Transport: (0.30)
- OPEX: (1.20)
- Explor. Exp.: (0.15)
- SG&A: (0.04)
- Q1’11: 34.17

Net Income, USD/bbl

- Q1’10: 12.93
- EBITDA: 10.70
- DD&A: (0.72)
- FX: (0.08)
- Net interest: 0.46
- Income tax: (2.59)
- Other: (0.89)
- Q1’11: 19.81

+45.6%
+53.2%
Operating Cash Flow Reconciliation, USD mln

Q1'11 vs. Q'10

Q4'10

Increase in net income before FX and deferred tax effect

Difference in receivables change

Difference in advances issued and other current assets change

Difference in trade payables change

Difference in taxes payable change

Difference in other working capital change

Other

Q1'11

3,722

708

(515)

1,109

695

(724)

239

6,067

Q4'10 Increase in net income before FX and deferred tax effect:

Q1'11 Increase in net income before FX and deferred tax effect:

Q1'11 vs. Q'10

Q1'10

Increase in net income before FX and deferred tax effect

Difference in receivables change

Difference in advances issued and other current assets change

Difference in trade payables change

Difference in taxes payable change

Difference in other working capital change

Other

Q1'11

1,792

1,708

1,466

262

720

356

(359)

122

6,067

Q1'11 vs. Q'10:

Difference in receivables change:

Difference in advances issued and other current assets change:

Difference in trade payables change:

Difference in taxes payable change:

Difference in other working capital change:

Other:

Q1'11 Increase in net income before FX and deferred tax effect:

Q1'11 vs. Q4'10:

Difference in receivables change:

Difference in advances issued and other current assets change:

Difference in trade payables change:

Difference in taxes payable change:

Difference in other working capital change:

Other:

Q1'11 Increase in net income before FX and deferred tax effect:
Capital Expenditures

USD mln

- **2007**:
  - Upstream Yugansk: ~6,780
  - Upstream Vankor: ~1,754
  - Refining: ~1,754
  - Marketing: ~2,091
  - Other: ~2,768
- **2008**:
  - Upstream Yugansk: ~8,732
  - Upstream Vankor: ~2,318
  - Refining: ~1,754
  - Marketing: ~2,091
  - Other: ~2,768
- **2009**:
  - Upstream Yugansk: ~7,252
  - Upstream Vankor: ~2,761
  - Refining: ~1,754
  - Marketing: ~2,091
  - Other: ~2,768
- **2010**:
  - Upstream Yugansk: ~8,931
  - Upstream Vankor: ~2,091
  - Refining: ~1,754
  - Marketing: ~2,091
  - Other: ~2,768
- **2011**:
  - Upstream Yugansk: ~11,000
  - Upstream Vankor: ~2,761
  - Refining: ~1,754
  - Marketing: ~2,091
  - Other: ~2,768

* At 30.5 RUB/USD. Not including the capitalized expenses on the expansion of the pipeline to the Tuapse refinery.

** Other includes net change in construction materials, capex of service companies and other capex.
Net debt as of December 31, 2010 and as of March 31, 2011 is adjusted for short and medium term bank deposits and other short-term investments of USD 5,739 mln and of USD 6,866 mln as part of the excess cash management.

Operating cash flow is adjusted for operations with trading securities as part of excess cash management (outflow of USD 15 mln in Q1’11).
Excess Cash Management

- Rosneft’s total cash position including cash and equivalents and short-term investments related to excess cash management was USD 11.7 bln as of March 31, 2011

- Excess cash management is based on analysis of different alternatives (including risk analysis) to choose the best investment for a specific period of time

- Cash portfolio includes:
  - USD 4.8 bln of cash and equivalents
  - USD 5.3 bln of short-term deposits denominated in foreign currency placed in leading local banks
  - USD 0.7 bln of short-term deposits denominated in RUB placed in leading local banks
  - USD 0.5 bln of liquid securities received under REPO deals
  - USD 0.4 bln of short-term investments into state and corporate bonds and other securities
## Credit Profile
### Strengthened Further

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total debt, USD bln</td>
<td>22.8</td>
<td>23.6</td>
</tr>
<tr>
<td>Net debt, USD bln</td>
<td>11.10</td>
<td>13.66</td>
</tr>
<tr>
<td>Long-term debt, %</td>
<td>76.5%</td>
<td>76.7%</td>
</tr>
<tr>
<td>USD denominated debt, %</td>
<td>87.2%</td>
<td>88.4%</td>
</tr>
<tr>
<td>Gearing (Net Debt to Net Debt + Equity)</td>
<td>16.0%</td>
<td>20.0%</td>
</tr>
<tr>
<td>Weighted av. cost of debt</td>
<td>3.69%</td>
<td>3.53%</td>
</tr>
<tr>
<td>LTM EBITDA interest coverage</td>
<td>30.8</td>
<td>28.2</td>
</tr>
<tr>
<td>Net debt / LTM EBITDA</td>
<td>0.52</td>
<td>0.71</td>
</tr>
</tbody>
</table>

### Credit rating
- **S&P**: BBB- (positive)
- **Moody’s**: Baa1 (stable)
- **Fitch**: BBB- (positive)

### Repayment profile*, USD bln

<table>
<thead>
<tr>
<th></th>
<th>Q1 2011</th>
<th>Q2-Q4 2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repaid as of March 31, 2011</td>
<td>1.43</td>
<td>2.17</td>
<td>2.09</td>
<td>0.66</td>
<td>0.62</td>
<td>1.04</td>
</tr>
<tr>
<td>To be repaid</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Future repayments include only long-term debt with its current portion.
Appendix
Crude Oil Sales

Crude Oil and Condensate Sales Volumes, mln bbl

- Q1'10: 108.9 mln bbl (55.5%)
- Q4'10: 117.2 mln bbl (56.8%)
- Q1'11: 115.9 mln bbl (56.4%)

Average Prices, USD/bbl

- Average Brent (Platts)
  - Q1'10: 76.2 USD/bbl
  - Q4'10: 86.5 USD/bbl
  - Q1'11: 105.0 USD/bbl
- Urals (average Med+NWE) (Platts)
  - Q1'10: 75.3 USD/bbl
  - Q4'10: 85.2 USD/bbl
  - Q1'11: 102.2 USD/bbl
- Rosneft export
  - Europe and other directions
    - Q1'10: 74.3 USD/bbl
    - Q4'10: 84.3 USD/bbl
    - Q1'11: 101.3 USD/bbl
  - Asia
    - Q1'10: 76.2 USD/bbl
    - Q4'10: 86.2 USD/bbl
    - Q1'11: 93.1 USD/bbl
Gas Production and Sales

Gas Sales vs. Production, bcm

- Production by subsidiaries
- Sales

- Western Siberia
- Southern Russia
- Far East
- Other

Q1'10: 3.27
Q4'10: 3.25
Q1'11: 3.20

Gas Sales Prices, USD per 1,000 cubic meters

- Other
- Far East
- Southern Russia

Q1'10: 42.8
Q4'10: 43.9
Q1'11: 48.8

Gas Sales vs. Production, bcm
Gas Sales Prices, USD per 1,000 cubic meters
Netback Ladder  
Q1’11 vs. Q1’10

**Q1’11**

- **Total sales:** 196 mln bbl
- **CIS Transneft export:** $52.5
- **Domestic sales:** $43.4

<table>
<thead>
<tr>
<th>Category</th>
<th>Volume</th>
<th>Netback</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transneft export</td>
<td>37%</td>
<td>$40.9</td>
</tr>
<tr>
<td>Rosneft refineries</td>
<td>46%</td>
<td>$38.1</td>
</tr>
<tr>
<td>Non-Transneft export</td>
<td>14%</td>
<td>$34.0</td>
</tr>
</tbody>
</table>

1. **Ural’s average price:** USD 75.3/bbl
2. **Crude Export Duty:** USD 36.1/bbl
3. **Implied crude net export revenue (1-2):** USD 39.2/bbl
4. **Weighted average netback:** USD 38.4/bbl
5. **Av. netback vs crude net export revenue (4-3):** USD (0.8)/bbl

**Q1’10**

- **Total sales:** 206 mln bbl
- **CIS Transneft export:** $72.5
- **Domestic sales:** $43.4

<table>
<thead>
<tr>
<th>Category</th>
<th>Volume</th>
<th>Netback</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transneft export</td>
<td>48%</td>
<td>$54.9</td>
</tr>
<tr>
<td>Rosneft refineries</td>
<td>44%</td>
<td>$49.6</td>
</tr>
<tr>
<td>Non-Transneft export</td>
<td>5%</td>
<td>$49.6</td>
</tr>
</tbody>
</table>

1. **Ural’s average price:** USD 102.2/bbl
2. **Crude Export Duty:** USD 46.9/bbl
3. **Implied crude net export revenue (1-2):** USD 55.3/bbl
4. **Weighted average netback:** USD 53.3/bbl
5. **Av. netback vs crude net export revenue (4-3):** USD (2.0)/bbl
Transportation Costs, Factor Analysis: Q1’11 vs. Q4’10

Total Transportation Costs, USD mln

<table>
<thead>
<tr>
<th></th>
<th>Q4’10</th>
<th>Tariffs</th>
<th>Volume</th>
<th>Mix</th>
<th>FX</th>
<th>Q1’11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,763</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,873</td>
</tr>
</tbody>
</table>

Transportation Costs for Crude Exports, USD mln

<table>
<thead>
<tr>
<th></th>
<th>Q4’10</th>
<th>Tariffs</th>
<th>Volume</th>
<th>Mix</th>
<th>FX</th>
<th>Q1’11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>796</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>783</td>
</tr>
</tbody>
</table>

Transportation Costs for Crude Deliveries to Refineries, USD mln

<table>
<thead>
<tr>
<th></th>
<th>Q4’10</th>
<th>Tariffs</th>
<th>Volume</th>
<th>Mix</th>
<th>FX</th>
<th>Q1’11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>361</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>417</td>
</tr>
</tbody>
</table>

Transportation Costs for Product Exports, USD mln

<table>
<thead>
<tr>
<th></th>
<th>Q4’10</th>
<th>Tariffs</th>
<th>Volume</th>
<th>Mix</th>
<th>FX</th>
<th>Q1’11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>375</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>484</td>
</tr>
</tbody>
</table>

Start of pipeline deliveries to China
### Interest Expense

<table>
<thead>
<tr>
<th>Description</th>
<th>Q1’11</th>
<th>Q4’10</th>
<th>Q1’10</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD mln</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Interest accrued according to loan agreements</td>
<td>187</td>
<td>174</td>
<td>172</td>
</tr>
<tr>
<td>2. Interest paid (cash)</td>
<td>271</td>
<td>44</td>
<td>235</td>
</tr>
<tr>
<td>3. Change in interest payables (1-2)</td>
<td>(84)</td>
<td>130</td>
<td>(63)</td>
</tr>
<tr>
<td>4. Interest capitalized*</td>
<td>94</td>
<td>100</td>
<td>73</td>
</tr>
<tr>
<td>5. Interest SWAP loss/(gain)</td>
<td>0</td>
<td>(18)</td>
<td>40</td>
</tr>
<tr>
<td>6. Debt issue cost</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>7. Other</td>
<td>20</td>
<td>20</td>
<td>16</td>
</tr>
<tr>
<td>8. Interest expense as reflected in P&amp;L (1-4+5+6+7)</td>
<td>120</td>
<td>83</td>
<td>162</td>
</tr>
</tbody>
</table>

* Capitalized interests are estimated in accordance with FASB ASC 835-20 ‘Capitalization of interest’.
The capitalization rate is calculated by dividing interest expenses on loans related to capital expenditures by the average balance of these loans. Interests capitalized are calculated by multiplying the average balance of construction in progress by the capitalization rate.
Sources and Uses of Cash

Q1’2011

<table>
<thead>
<tr>
<th>Sources</th>
<th>Uses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations</td>
<td>Increase in cash and short and mid term investments 2,371</td>
</tr>
<tr>
<td>6,067</td>
<td>Net repayment of debt 810</td>
</tr>
<tr>
<td></td>
<td>Capital expenditures and license acquisition 2,886</td>
</tr>
</tbody>
</table>

Q1’2010

<table>
<thead>
<tr>
<th>Sources</th>
<th>Uses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations</td>
<td>Decrease in cash and short and mid term investments 1,159</td>
</tr>
<tr>
<td>1,792</td>
<td>Net repayment of debt 1,197</td>
</tr>
<tr>
<td></td>
<td>Capital expenditures and license acquisition 1,754</td>
</tr>
</tbody>
</table>

Operating cash flow is adjusted for operations with trading securities as part of excess cash management (outflow of USD 15 mln in Q1’11, inflow of USD 495 mln in Q1’10).