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2004 Sibneft Operating and Financial Results



Sibneft 2004 Overview

- **Sibneft Proved Reserves** grew to 4.83 bln. boe from 4.78 bln. boe in 2003 under SPE standards and to 2.55 bln. boe from 2.45 bln. boe under SEC standards.
 - ⤴ 1% YoY on a SPE basis
 - ⤴ 4% YoY on a SEC basis
- **Sibneft crude production** was 34.04 mln. tons vs. 31.45 mln. tons in 2003.
 - ⤴ 8.2% YoY
- **Omsk Refinery throughput** was 14.31 mln. tons vs. 13.83 mln. tons in 2003.
 - ⤴ 3.4% YoY
- **Refining throughput at Moscow** was 3.25 mln. tons vs. 2.98 in 2003.
 - ⤴ 9.1% YoY
- **Crude exports** were 13.64 mln. tons vs. 12.48 mln. tons in 2003.
 - ⤴ 9.3% YoY
 - ✓ About 40% of crude production
- **Oil product exports from the Omsk Refinery** grew to 3.52 mln. tons from 3.25 mln. tons in 2003.
 - ⤴ 8.3% YoY
- **Oil product exports from the Moscow Refinery** was 1.22 mln. tons vs. 1.28 mln. tons in 2003.
 - ⤴ 4.7% YoY

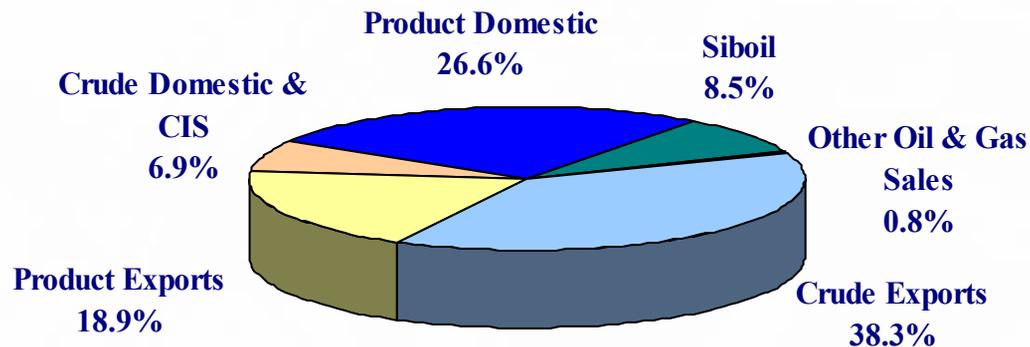


Sibneft 2004 Financials

| <i>(mln. USD)</i> | <i>2001</i> | <i>2002</i> | <i>2003</i> | <i>2004</i> |
|--------------------------|-------------|-------------|-------------|-------------|
| Oil, Gas & Product Sales | 3 449.1 | 4 710.7 | 6 590.4 | 8 795.8 |
| Total Revenues | 3 575.7 | 4 776.7 | 6 716.5 | 8 886.5 |
| EBITDA | 1 719.2 | 1 803.1 | 2 337.1 | 3 241.8 |
| Net Income | 1 305.3 | 1 160.5 | 2 278.4 | 2 045.6 |
| Net Cash at Year-End | 51.6 | 620.9 | 104.6 | 1 140.3 |

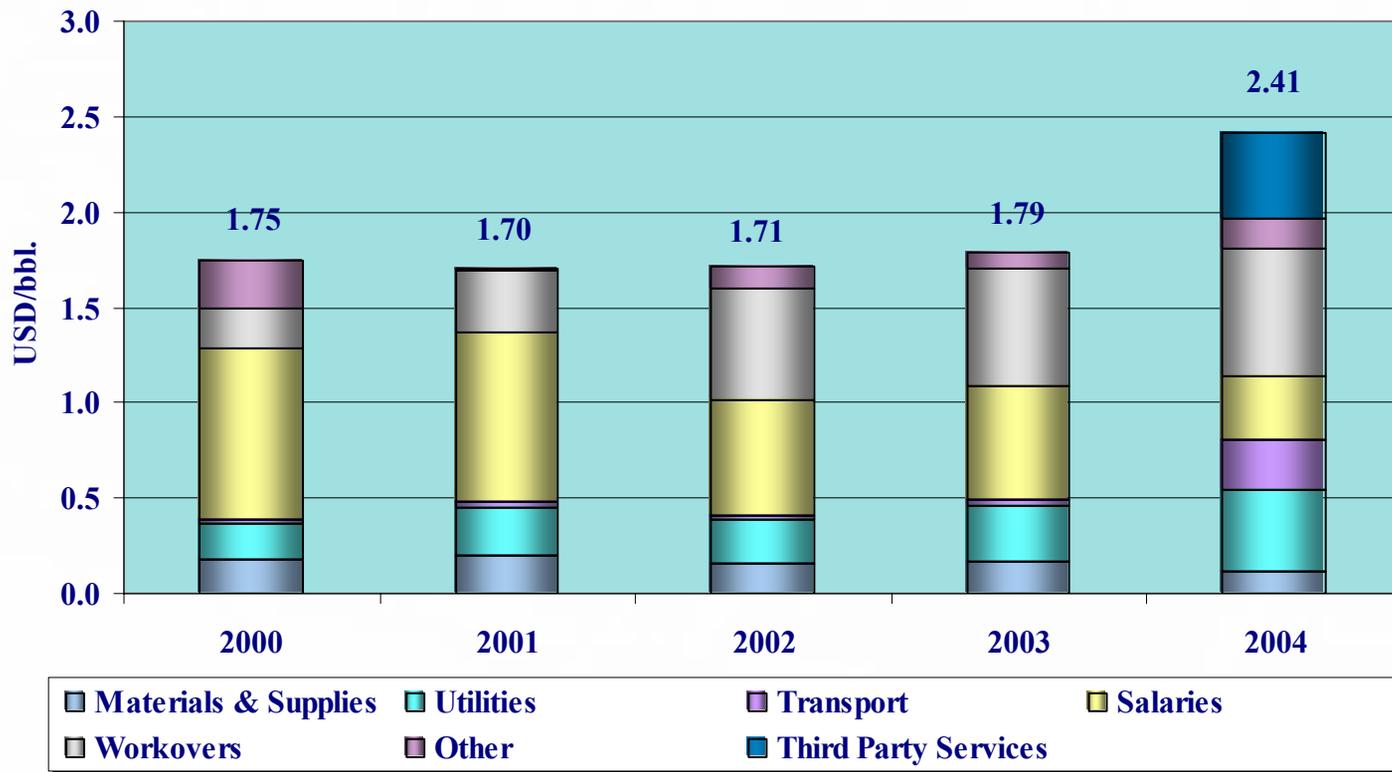
Segmental Revenue Breakdown

| <i>(mln. USD)</i> | <i>2001</i> | <i>2002</i> | <i>2003</i> | <i>2004</i> |
|--|--------------|--------------|--------------|--------------|
| Crude exports | 1 188 | 1 840 | 2 386 | 3 372 |
| Oil product exports | 546 | 722 | 1 259 | 1 659 |
| Crude sales (domestic and CIS) | - | 207 | 585 | 608 |
| Oil product sales (domestic) | 1 487 | 1 566 | 1 655* | 2 341 |
| Trade re-sale and commission | 217 | 347 | 653 | 746 |
| Other oil & gas sales | 11 | 29 | 52 | 70 |
| Total revenues from oil & gas sales | 3 449 | 4 711 | 6 590 | 8 796 |



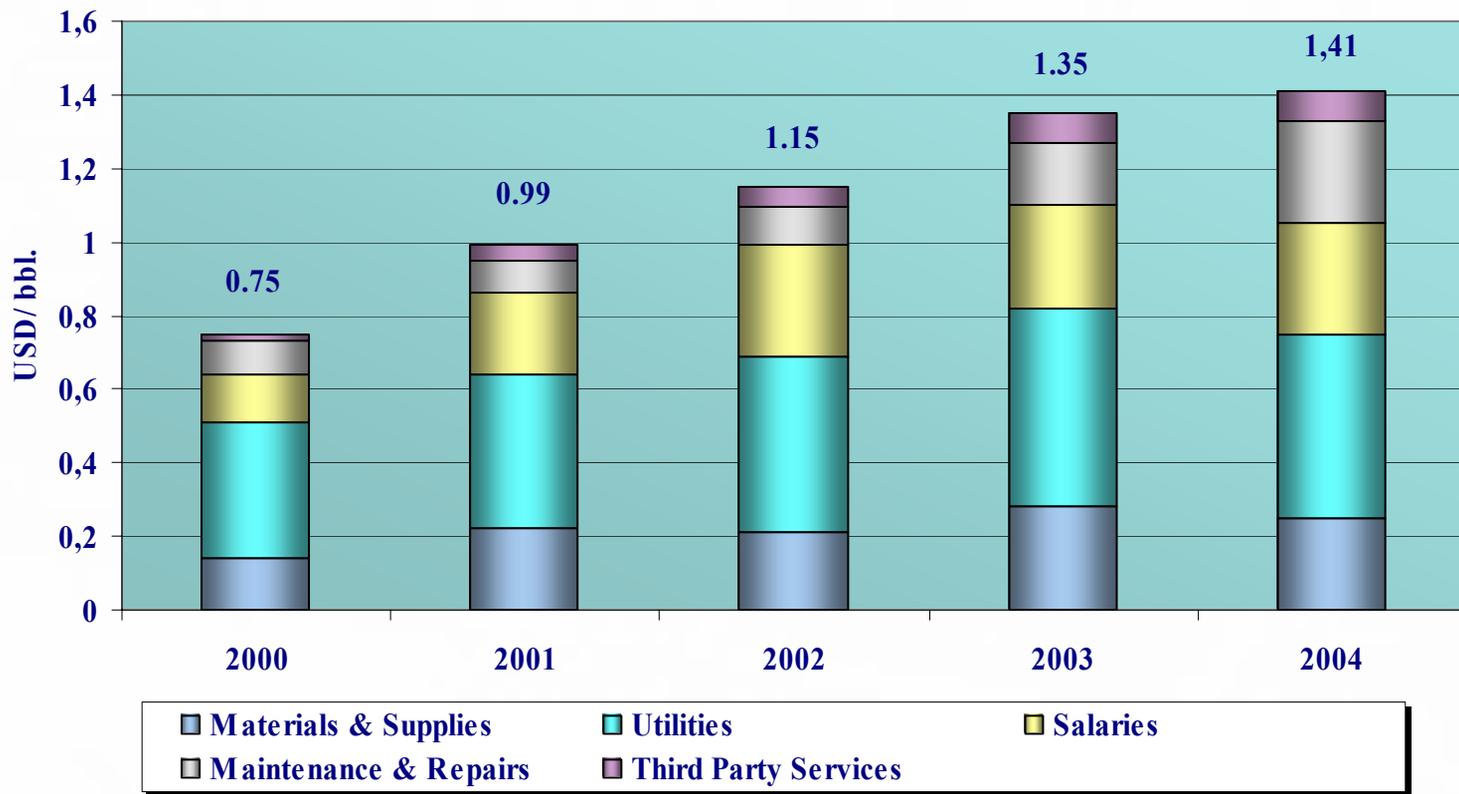
* Beginning in 2003, domestic oil product sales are reported excluding excise tax.

Noyabrskneftegas Lifting Costs



- Key lifting cost drivers:
 - ⤴ Ruble appreciation
 - ⤴ Utility costs
 - ⤴ Growth in workover operations

Direct Refining Costs



➤ Key refining costs drivers:

- ⤴ Ruble appreciation
- ⤴ Utility costs
- ⤴ Salaries

| <i>(mln. USD)</i> | <i>2002</i> | <i>2003</i> | <i>2004</i> |
|-------------------------------|----------------|----------------|----------------|
| Total Revenue | 4 776.7 | 6 716.5 | 8 886.5 |
| Operating Expenses | 1 205.4 | 1 786.2 | 1 926.9 |
| Taxes other than Income Taxes | 897.0 | 1 423.4 | 2 314.5 |
| SG&A | 819.7 | 1 024.6 | 1 368.0 |
| DD&A | 410.0 | 492.5 | 602.7 |
| Exploratory Expenses | 14.8 | 53.9 | - |
| Cost of Other Sales | 36.7 | 91.3 | 35.2 |
| Operating Expenses | 3 383.6 | 4 871.9 | 6 247.3 |
| Operating Income | 1 393.1 | 1 844.7 | 2 639.2 |

- Operating costs
 - ✓ Higher prices and volumes of crude purchases operations
 - ✓ Utility costs
- SG&A
 - ✓ Transportation and other expenses for distribution and export
 - ✓ Social expenses
- Taxes
 - ✓ Export duties (due to introduction of the new export tax formula in August 2004)
 - ✓ Mineral extraction tax

Balance Sheet Highlights

| <i>(mln. USD)</i> | 2001 | 2002 | 2003 | 2004 |
|---|----------------|----------------|----------------|-----------------|
| Cash and equivalents | 51.6 | 620.9 | 104.6 | 1 140.3 |
| Accounts receivable | 765.8 | 1 356.9 | 1 321.4 | 1 751.6 |
| Net oil and gas properties + PP&E | 3 241.2 | 3 853.4 | 4 269.9 | 4 618.4 |
| Total assets | 5 712.8 | 7 548.5 | 8 150.0 | 10 262.8 |
| Short-term debt & current portion of long-term debt | 314.9 | 578.7 | 368.3 | 380.0 |
| Long-term debt | 608.3 | 1 658.1 | 1 221.0 | 1 068.2 |
| Accounts payable and accrued liabilities | 294.6 | 706.2 | 846.9 | 701.0 |
| Shareholder capital | 4 036.7 | 4 291.5 | 5 137.5 | 7 185.4 |
| Total liabilities / share capital | 5 712.8 | 7 548.5 | 8 150.0 | 10 262.8 |

- E&P acquisitions:
 - ✓ Holmistoye, Chatylkinskoye, Yuzno-Udmurtskoye
 - ✓ Blocks – Salym 2, Salym 3 and Salym 5
 - ✓ Zimnee Field
 - ✓ Sredne Taymurinskiy and Tympuchikanskiy block

- Total Capex 2004 - \$889 mln.
 - ✓ Upstream – \$804 mln.
 - ✓ Downstream – \$85 mln.

- Earnings from investments in Slavneft for 2004:
 - ✓ Equity pick-up – \$654 mln., including ...
 - ✓ Dividends declared and paid - \$397 mln.

Total Gross Debt Position (mln. USD)

| | <i>31 Dec. 2003</i> | <i>31 Dec. 2004</i> | <i>Maturity</i> |
|---------------------|---------------------|---------------------|-----------------|
| <i>Total</i> | 1 589.3 | 1 448.2 | |

including ...

| | | | |
|-----------------------|-----|-----|-----------|
| Eurobond 1 | 400 | 400 | 2007 |
| Eurobond 2 | 500 | 500 | 2009 |
| Trade Finance: | 564 | 484 | 2005-2007 |

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