INTEGRA

Integra: Performance Update

VTB Capital Investment Forum

September 29 - October 1 , 2009

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Integra at a glance

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Consolidated Revenue 1H2009 - US$ 405MM
Adjusted EBITDA 1H2009 - US$ 55MM (1)
Total Assets as of 30 June 2009 - US$ 1.2BN

	Drilling, Workover, IPM, and Trade House	Technology Services	Formation Evaluation	OFS Equipment Manufacturing
Revenues 1H2009 *Adj. EBITDA 1H2009*	▪ US$ 184MM ▪ US$ 12MM	▪ US$ 64MM ▪ US$ 24MM	▪ US$ 109MM ▪ US$ 29MM	▪ US$ 54MM ▪ US$ 8MM
Key Services	▪ Drilling rig management ▪ Workovers ▪ Integrated Project Management	▪ Drilling tools manufacturing ▪ Coil tubing ▪ Directional drilling ▪ Cementing ▪ Drill bits service ▪ Well logging	▪ 2-D, 3-D seismic surveys ▪ Seismic processing and interpretation	▪ Heavy drilling rigs ▪ Cementing fleet ▪ Other equipment
Personnel (2)	▪ Ca. 5,300 employees(2)	▪ Ca. 3,000 employees(2)	▪ Ca. 5,900 employees(2)	▪ Ca. 2,700 employees(2)
Production Assets 1H2009	▪ 22 active drilling rigs ▪ 122 workover crews	▪ 4 coil tubing units ▪ 10 directional drilling crews ▪ 8 cementing fleets ▪ 25 logging crews ▪ 3 drilling tools production sites	▪ 42 seismic crews ▪ 1 interpretation facility	▪ 3 production sites ▪ 1 service business unit ▪ R&D facilities in Austin, TX and Ekaterinburg
Operating Statistics 1H2009	▪ 89 th meters drilled ▪ 1,776 workover operations		▪ 431 th seismic shot points	▪ 9 rigs in production ▪ 10 assembly units in production ▪ 4+4 rigs and units completed
Key Customers				

(1) Adjusted EBITDA represents profit (loss) before interest income (expenses), exchange rate translation differences, goodwill impairment, income taxes, depreciation and amortization, share of associates, share-based compensation and minority interest
(2) Personnel data as of August, 2009

Corporate governance

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Board of Directors and key management

John B. Fitzgibbons, Chairman
- Founder and former CEO, Khanty Mansiysk Oil Corporation (KMOC)
- Founder and President, J Fitzgibbons LLC and Brookline Partners LLC

Iosif Bakaleinik
- First VP of RUSAL
- Former First VP of TNK, Head of Economy and Finance

John W. Kennedy
- Chairman, Vetco Int. and Wellstream Int. Ltd
- Former Executive VP, Halliburton

Neil Gaskell
- Former Group Treasurer, Shell
- Former Executive Director, Shell International

J. Robert Maguire
- Former Co-Head and MD of Global Oil and Gas Group at Morgan Stanley

Non-executive directors

Antonio Campo, CEO
- Former President, LatAm Oilfield Services at Schlumberger

Felix Lubashevsky, President
- Former Executive VP Oilfield Services and Supply Chain Management, TNK-BP

Dmitry Avdeev, CFO
- Former Executive Director at Morgan Stanley

Executive directors

Shareholder structure

- Management and Board of Directors - 18%
- Free float - 82%

Change in corporate governance structure

Board of Directors

Antonio Campo
Chief Executive Officer

Felix Lubashevsky
President

OPERATIONAL

STRATEGIC

Executive Committee

Business unit | Business unit | Business unit | Business unit

Corporate committees

Board Level

Audit Committee	**Compensation Committee**	**Nominating Committee**
Neil Gaskell	Iosif Bakaleynik	John Kennedy

Company Level

Executive Committee (Chair: Lubashevsky/Campo)

Financial Committee	**Investment Committee**	**Contract Control Committee**	**Compliance Committee**	**IT Committee**	**Operating Committee**

Positive dynamics in the Russian OFS market

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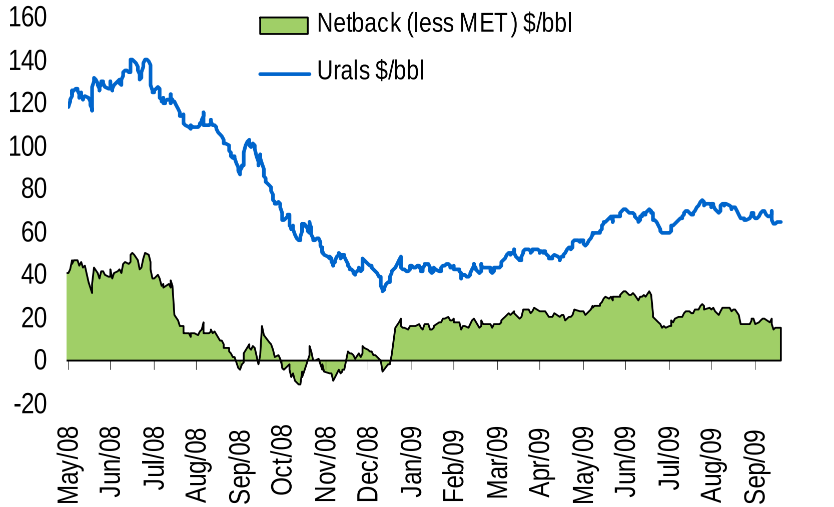
Comments

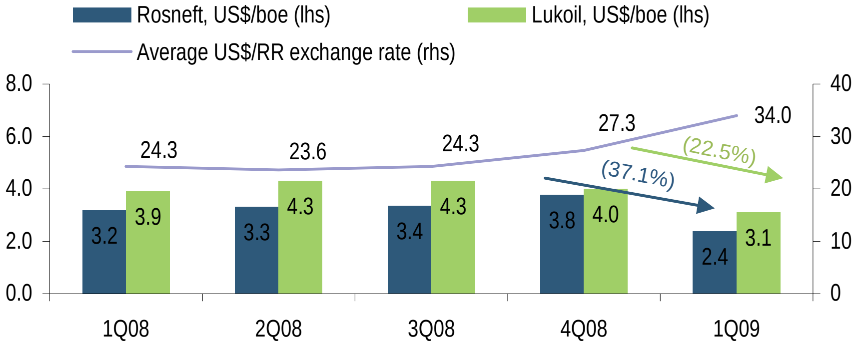
- Negative export netbacks in October-December 2008 led to cancellation or postponement of OFS orders. Long-term payback projects such as seismic and exploration drilling were affected the most
- From February 2009 the operating environment stabilized as upstream economics improved, driven by
  - oil price recovery
  - tax stimulus
  - Ruble depreciation reducing costs
- Oil prices are broadly at the levels of 3Q 2008, reducing he risk of current firm orders being withdrawn, provided no sharp drop in the oil price
- Netbacks are already higher than those factored in by oil companies at the beginning of the year
- Development of OFS industry demand in 2009 and beyond is expected to be driven by the pace of global economic recovery and in particular, commodity prices

Russian oil industry netbacks, US$/bbl



Source: Neftyanaya torgovlya, Bloomberg

Exchange rate, upstream operating expenses



Source: Rosneft, Lukoil, Factset

Long–term Russian OFS market growth story remains intact

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Russian OFS market fundamentals

- Vast undeveloped and unexplored resource base
- Growing sophistication and service intensity of brownfield and greenfield projects
- Historical underinvestment requires significant incremental spending to sustain current levels of production
- License obligations are unchanged and the state is likely to begin enforcing them
- Depreciated oilfield services equipment requires replacement or upgrade, fueling manufacturing demand

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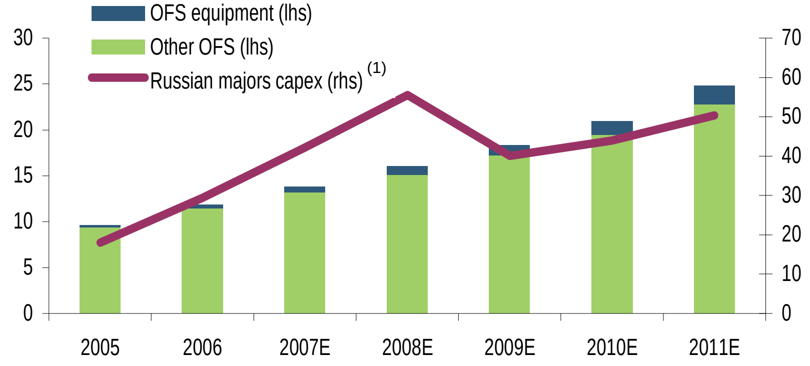
Drivers and triggers

- ? Stable upstream economics, cashflows and access to capital for producers
- ✓ Tax breaks for greenfield areas and certain highly depleted brownfields with high service intensity
- ✓ Political pressure to increase / stabilize production

OFS Market Upside

OFS market estimates by Douglas Westwood (2006), Russian oil and gas industry capex (2009), US$ BN



Source: 2006 Douglas Westwood Market Study, Factset

(1) Sum of consensus capex forecasts for Rosneft, Lukoil, TNK-BP, Tatneft, Gazprom, Novatek

Russian OFS market drivers identified by Douglas Westwood

Sustained oil price	?
Increase in capital expenditures	✓/✗
Large oil and gas resources	✓
Transition to Western practices	✓
New prospective regions	✓
Increase in onshore maturity	✓
Modernization of existing assets	✓
Harsher operating conditions	✓
Increase in downhole completion technology capacity	✓

Key financial highlights

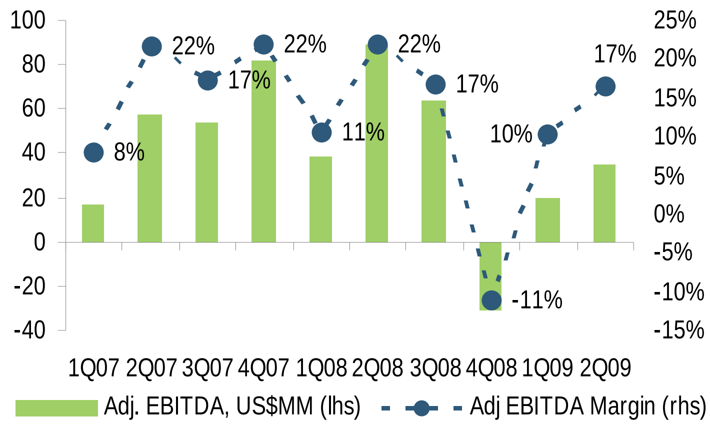
Key financial highlights, US$MM

	2007	2008	Chg, % 2008/2007	1H '08	1H '09	Chg, % 1H09/1H08
Revenue	1,177	1,446	+23%	786	405	-49%
Adj. EBITDA (1)	211	162	-23%	129	55	-57%
Adj. EBITDA margin	*17.9%*	*11.2%*		*16.4%*	*13.6%*	
Adj. EBITDA (before impairments and write offs)	206	214	+4%	129	55	-57%
Adj. EBITDA margin (before write-offs and impairments)	*17.5%*	*14.8%*		*16.4%*	*13.6%*	
Net Loss	(51)	(272)	n/m	(**5**)	(**22**)	n/m
Operating Cashflow	(9.7)	135	n/m	3	50	16x
Capex	182	158	-13%	114	20	-82%
Free Cashflow	(192)	(-23)	n/m	(111)	30	n/m

Source: Company

(1) Adjusted EBITDA represents profit (loss) before interest income (expenses), exchange translation difference, income taxes, depreciation and amortization, goodwill impairment, share-based compensation, share of results of associates and minority interest

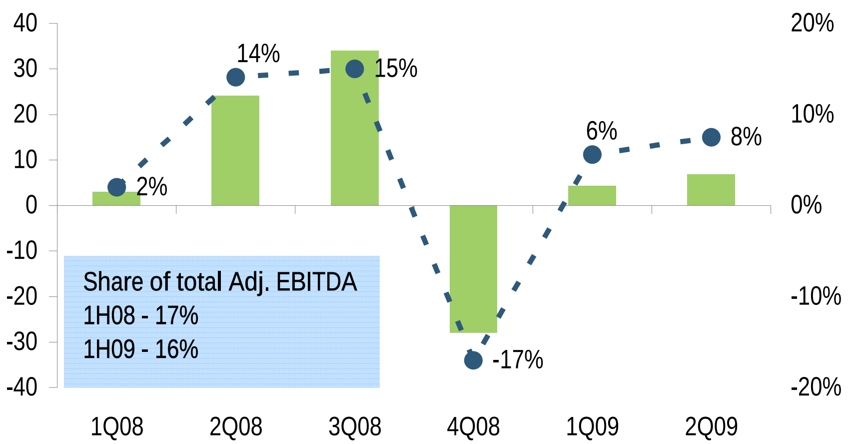
Consolidated Adj. EBITDA and margin



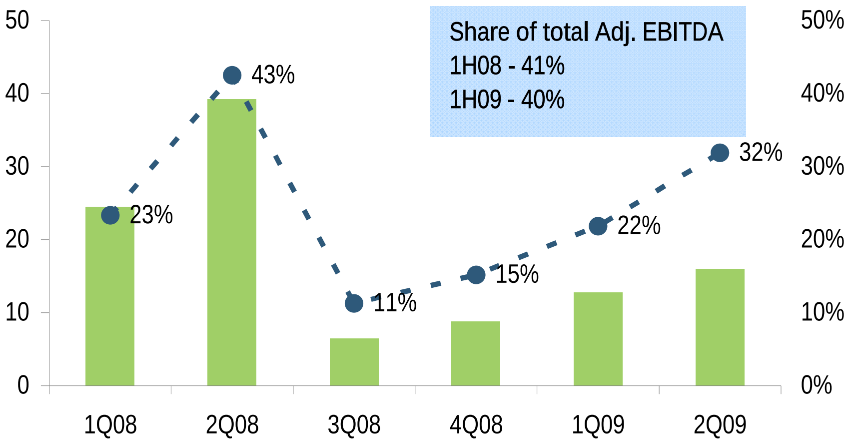
Source: Company

Quarterly earnings dynamics

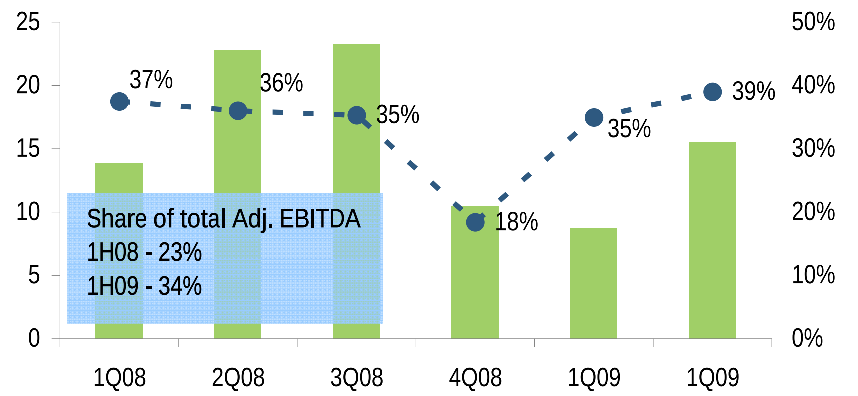
Drilling, Workover, IPM (excl. Trade House)



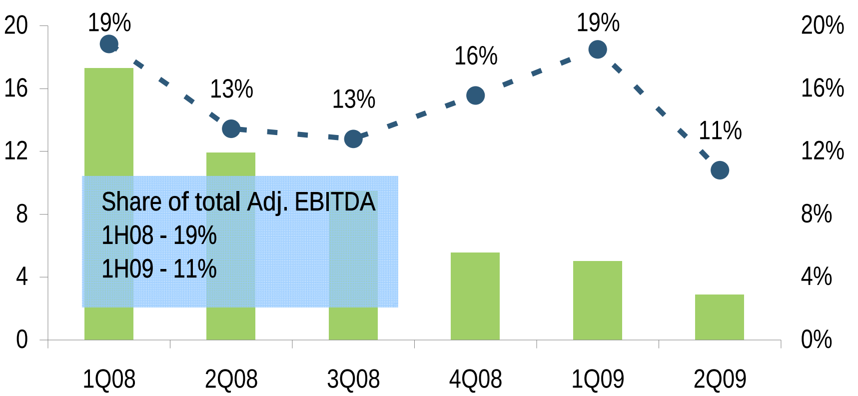
Formation Evaluation



Technology Services



OFS Equipment Manufacturing



Source: Company

Adj. EBITDA, US$MM (lhs) — Adj. EBITDA Margin (rhs)

Cash flow and working capital trends

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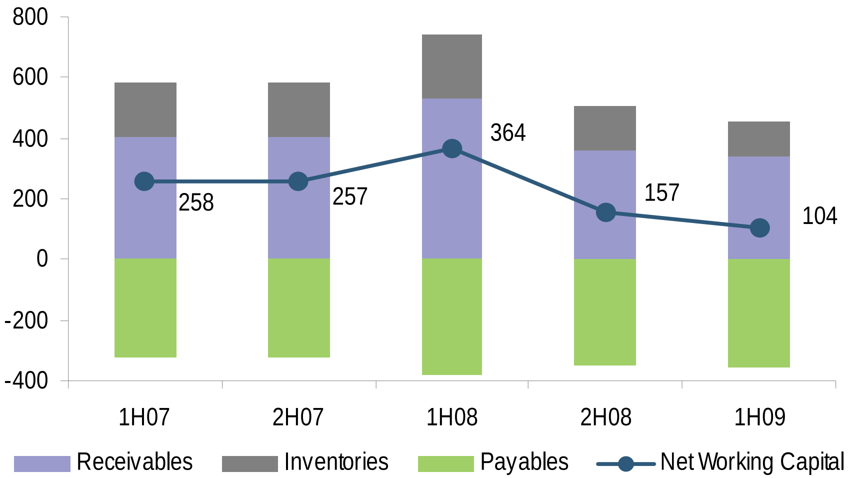
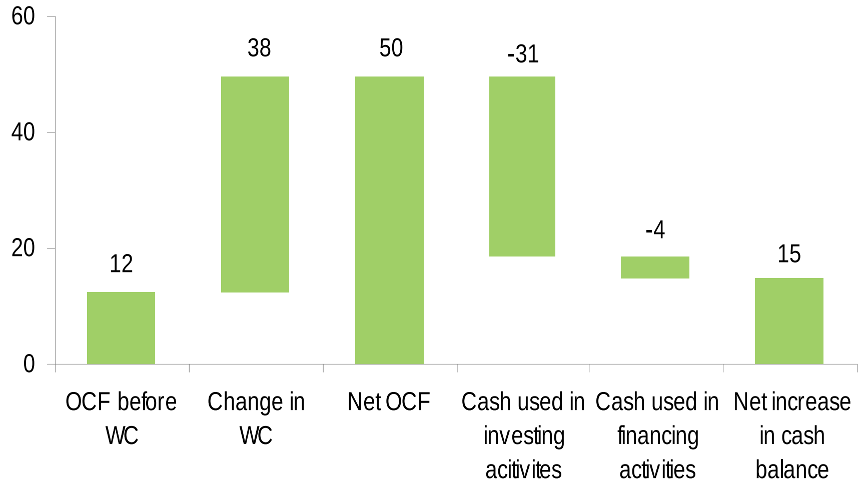
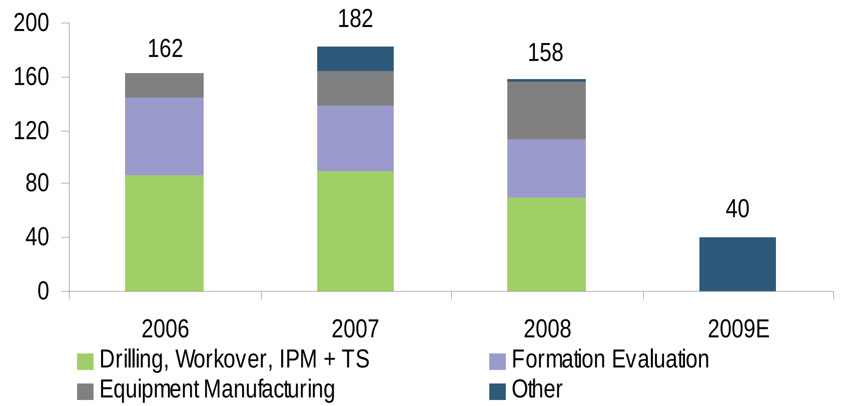
Working capital by element, US$MM



1H2009 Cash flow, US$MM



Capex, US$MM



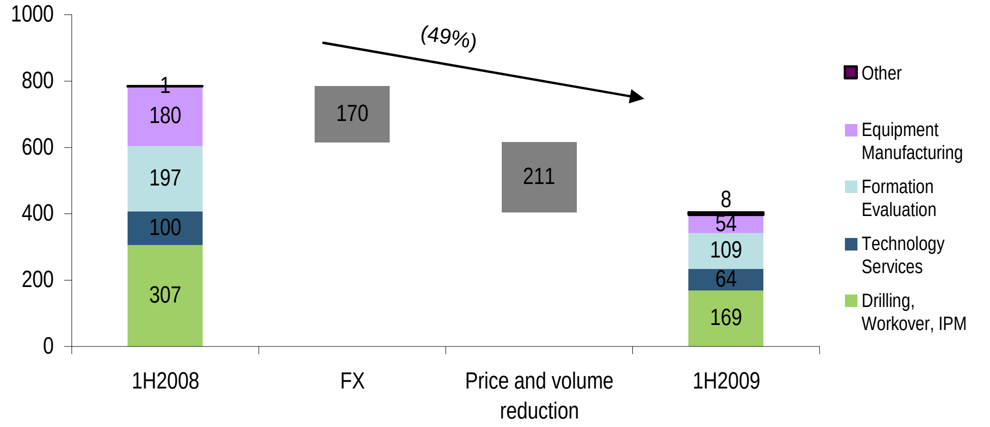
Source: Company

Comments

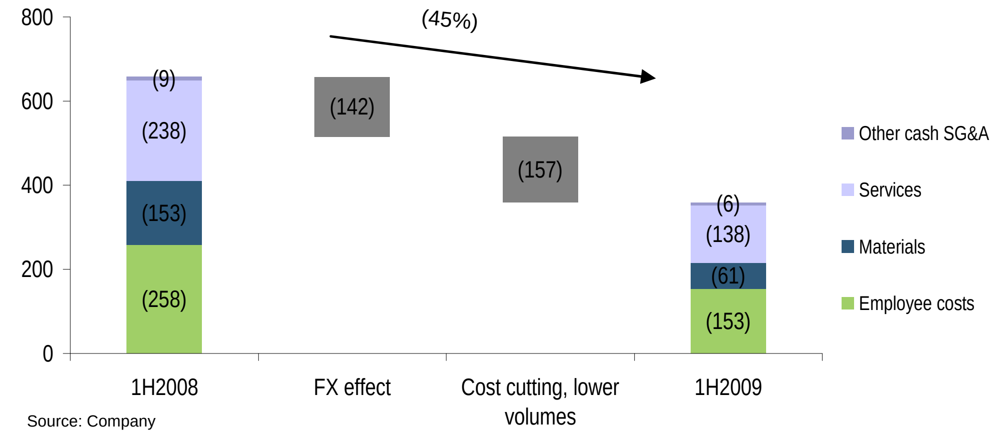
- Net cash generated from operating activities was US$ 49.8MM (vs. US$ 2.8MM in 1H2008)
- Free cash flow was US$ 30.2 million (vs. negative US$ 111.2MM in 1H2008)
- Capital expenditures for 1H2009 were US$ 19.6MM (vs. US $114.0MM in 1H2008)

Revenue and cost dynamics

Revenue by segment in 1H2009 vs. 1H2008, US$MM



Operating cash costs in 1H2009 vs. 1H2008, US$MM



Source: Company

Factors affecting revenues

- Ruble depreciation
- Idling of a significant part of drilling capacity
- Lower greenfield exploration demand
- Moderate pricing declines
- Lower manufacturing orderbook

Cost cutting measures

- 28% headcount reduction from March 2008, including a nearly 30% reduction in the Moscow head office
- Executive compensation is changed to fixed and variable components. Fixed component was cut 30-50%
- SG&A expenses reduced significantly (including reduction in rent, travel and 3rd party consultant expenses)

Debt profile – long term funding in place

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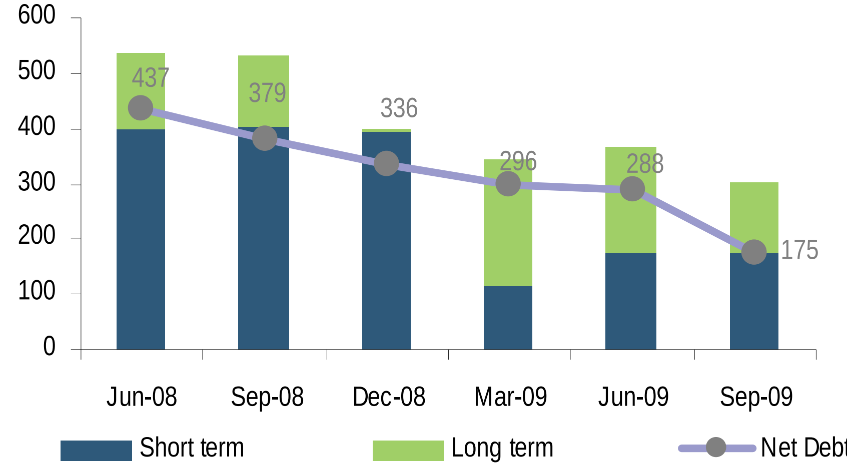
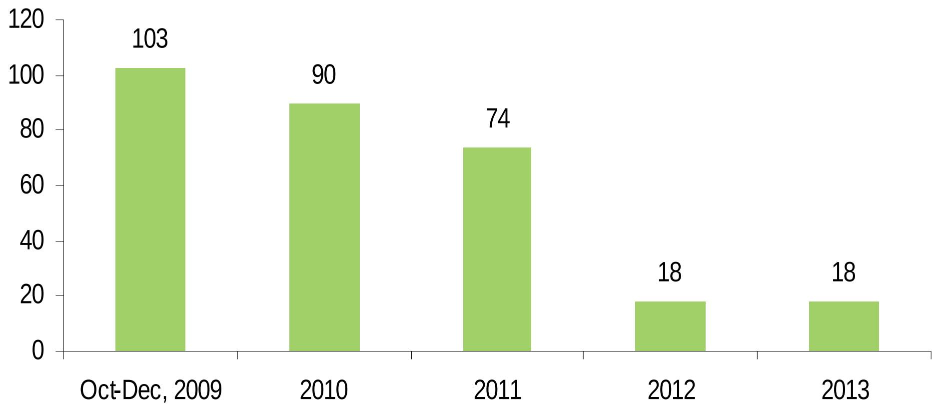
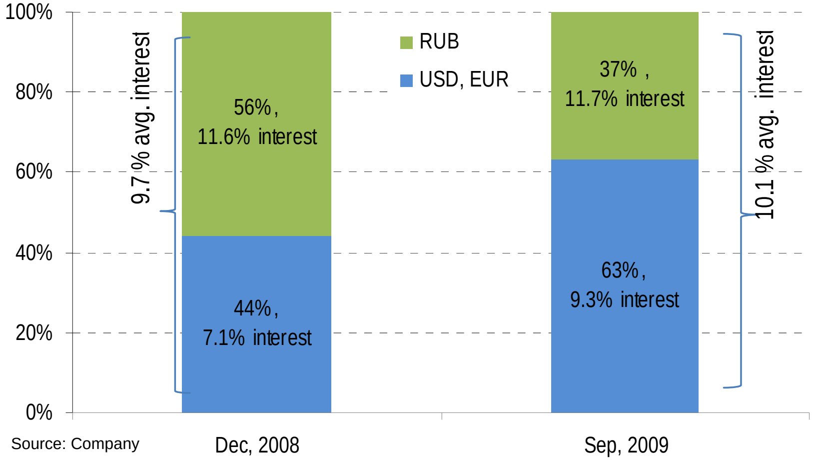
Debt structure optimization, US$ MM



Debt maturity profile, US$ MM



Debt interest cost and currency breakdown



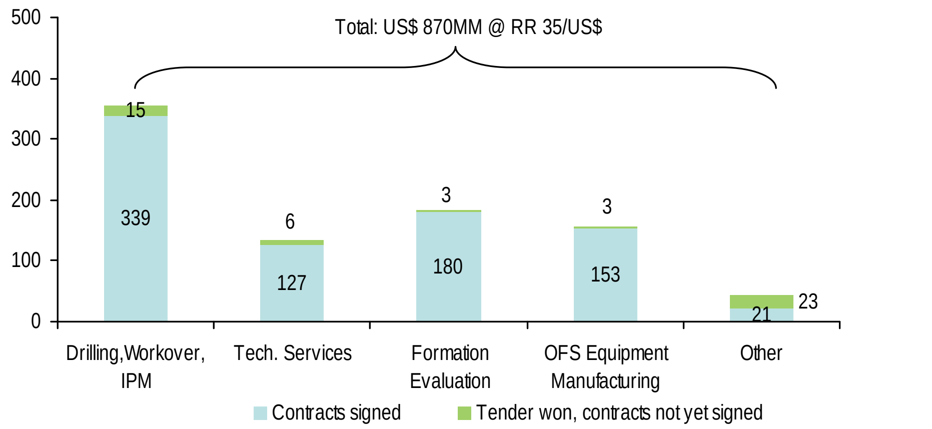
Source: Company

Comments

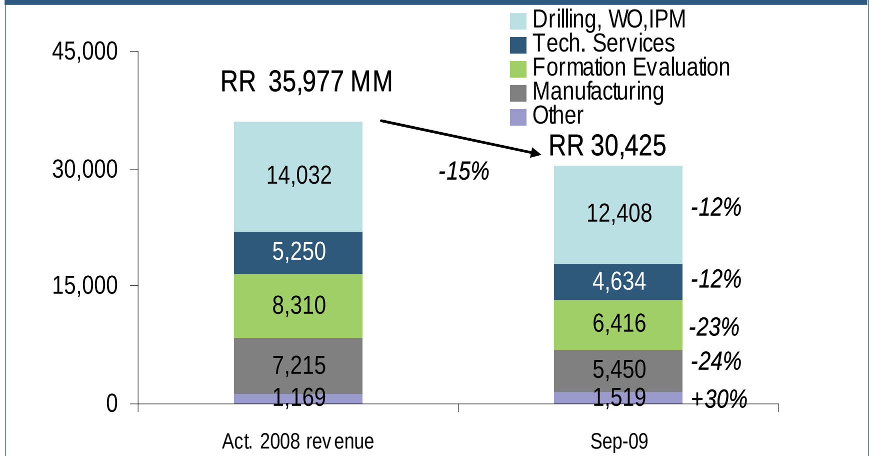
- US$ 335 MM of total debt refinanced by long term facilities and equity financing in 9M2009
- Debt maturing at the end of 2009 is scheduled to be repaid primarily from cash flow generation of 2009 or refinanced; c $79 MM is already reserved in the escrow account for repayments
- Equity financing of $95 MM in September, 2009 had allowed proportionate reduction in upcoming maturities in 2010-2013 and provided immediate liquidity for 2010 capex
- We are considering to partially hedge foreign currency risk by RUB/USD forward contracts
- Average interest cost is stable, up from 9.7% to 10.1%

Order book status

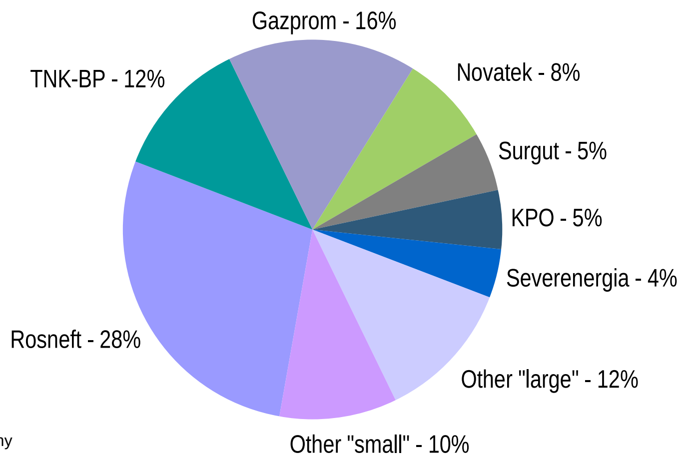
Order book as of September 21, 2009 (by segment), US$MM



Actual 2008 revenue / 2009 Order book comparison, RRMM

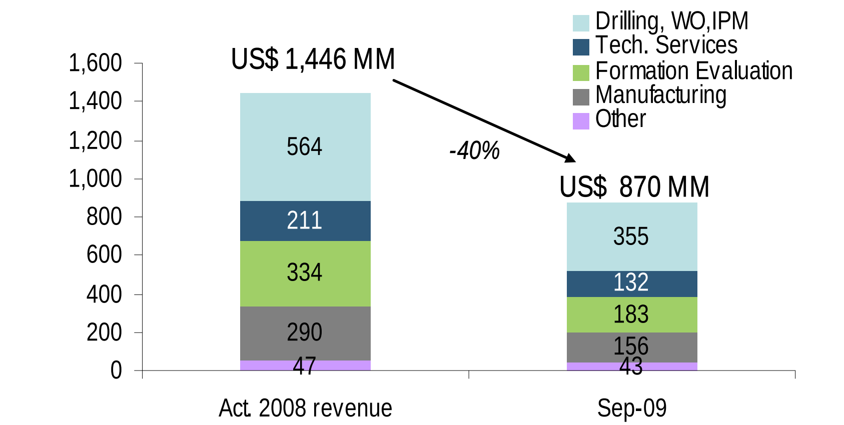


Order book 2009 (by customer)



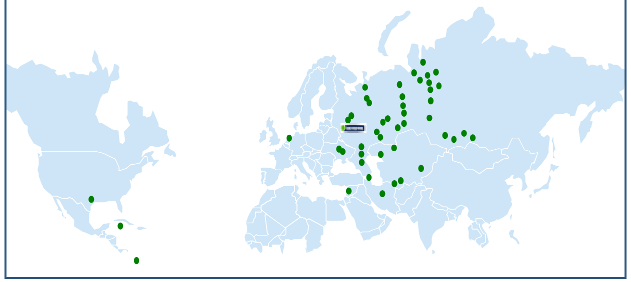
Source: Company

Actual 2008 revenue / 2009 Order book comparison, US$MM



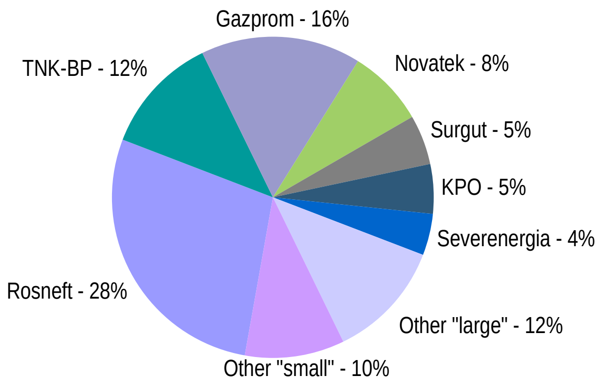
Integra: well-positioned to capture growth

Wide geographical presence in key oil and gas regions of Russia and the CIS. International presence (Venezuela)

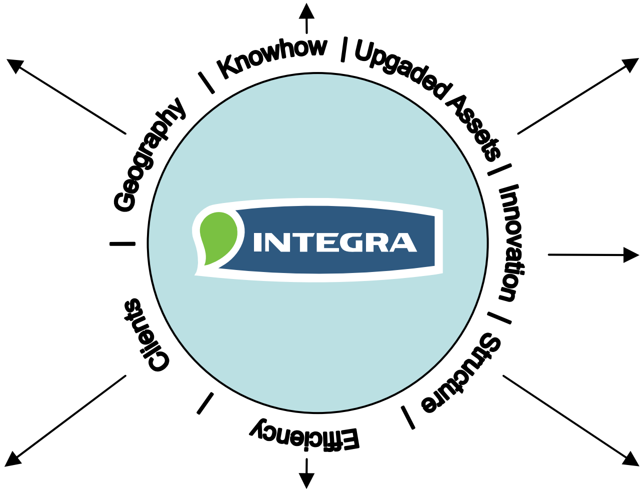


Diversified client base, long-term relationships with largest upstream investors

Order Book 2009



*Experienced engineering team and Integra Research & Development facility (Austin, USA) provide clients with highly complex project solutions (*IPM, rig, downhole motor and turbine designs) *and increase profitability of the Company*



Improved cost and working capital structure allows flexible pricing

- Significant cost cutting in 1H 2009
- Strong improvement in working capital management and cash flows
- Balanced currency structure of revenues and costs reducing FX risk

Substantial investment in assets upgrade and replacement

- US$ 500MM of capex in '06-08
- 97% asset replacement ratio

Completed upgrades:

- Seismic (Sercel vibrators, new channels)
- Tech. services (GE dir. drilling units)
- Manufacturing (Pama milling system)

Launch of new services with high margins and short delivery cycles

- Coil tubing
- Directional drilling

Share of high margin services in revenue structure increased in 1H2009

Ongoing transformation of legal and management structure increasing transparency, flexibility and tax efficiency

- >40 operating entities in 2006
- 13 operating entities in 2009
- Management integration completed