

INTERNATIONAL UPSTREAM PROJECTS OF OAO LUKOIL



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- Certain statements in this presentation are not historical facts and are “forward-looking”. Examples of such forward-looking statements include, but are not limited to:
 - projections or expectations of revenues, income (or loss), earnings (or loss) per share, dividends, capital structure or other financial items or ratios;
 - statements of our plans, objectives or goals, including those related to products or services;
 - statements of future economic performance; and
 - statements of assumptions underlying such statements.
- Words such as “believes,” “anticipates,” “expects,” “estimates”, “intends” and “plans” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.
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- When relying on forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which we operate. Such forward-looking statements speak only as of the date on which they are made, and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. We do not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.

Geographical Expansion



Contents



Today the International Upstream is...



8.6% of OAO LUKOIL's
Proven Reserves



5.3% of OAO LUKOIL's
Oil Production

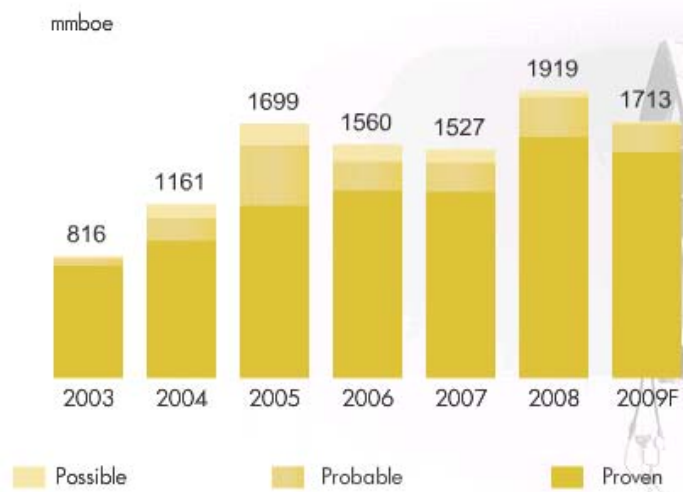


28.8% of OAO LUKOIL's
Gas Production

Main Indicators of the International Upstream

Audited Reserves Growth

2009
2008
2007
2006
2005
2004
2003



13.5% of Annual Growth

Audited Reserves Growth

International Production Growth

Net Profit (No Write-Offs)

Dynamics of the Investments

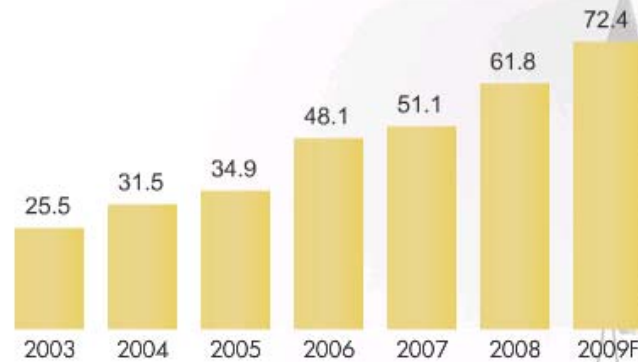
Contents

Main Indicators of the International Upstream

International Production Growth

2009
2008
2007
2006
2005
2004
2003

mmboe



19% of Annual Growth

Audited Reserves Growth

International Production Growth

Net Profit (No Write-Offs)

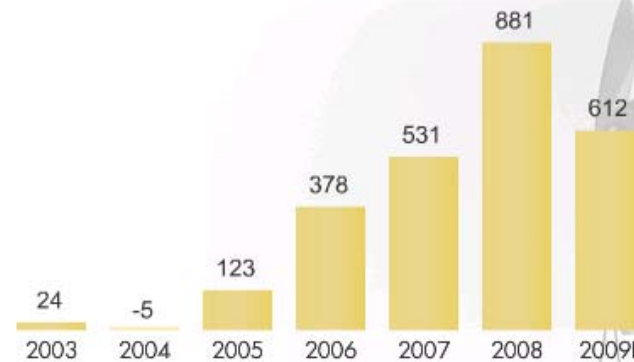
Dynamics of the Investments

Main Indicators of the International Upstream

Net Profit (No Write-Offs)

2009
2008
2007
2006
2005
2004
2003

million USD



Audited Reserves Growth



International Production Growth



Net Profit (No Write-Offs)



Dynamics of the Investments

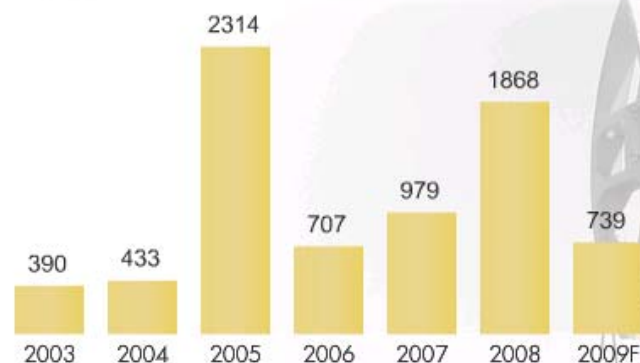


Main Indicators of the International Upstream

Dynamics of the Investments

2009
2008
2007
2006
2005
2004
2003

million USD



- Audited Reserves Growth
- International Production Growth
- Net Profit (No Write-Offs)
- Dynamics of the Investments**

Since 2001 the investments to the international projects of the Company amounted to **8.8 billion USD**

Contents

Investments Efficiency

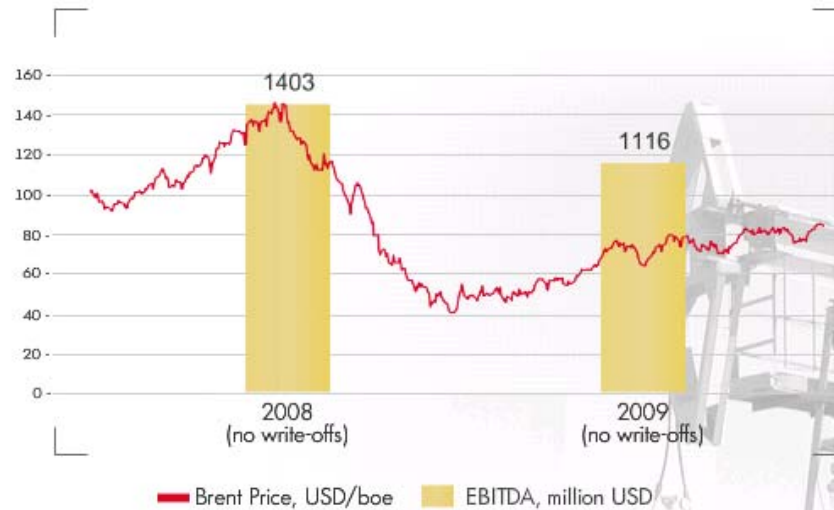
- IRR of the current development and production assets portfolio is **17%**
- $PI_{10\%}$ of the current development and production assets portfolio is **1.3**

Anti-Recessionary Program of 2009

By fully exploiting the assets potential and introducing the new technologies the international upstream projects increased the production by **3%**

	million USD	
Impact on Net Profit due to the increase of hydrocarbons production	170	
Impact on Net Profit due to the optimization of administrative costs	70	
Impact on Net Profit due to the optimization of operative costs	40	
Impact on Free Cash Flow	168	<i>+72.1% to the level of 2008</i>
<i>Brent Price as forecasted in the Anti-Recessionary Program</i>	<i>40 USD</i>	

Brent Price vs. EBITDA: January 2008 - December 2009



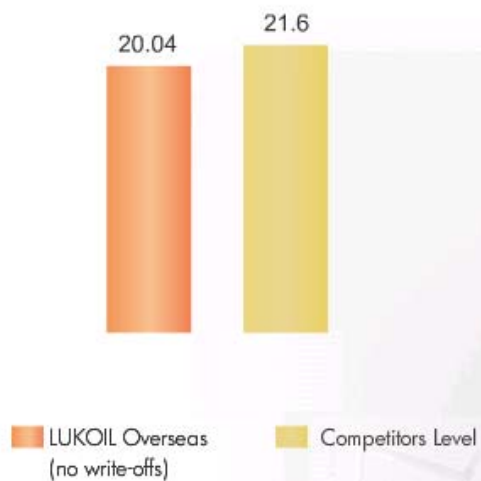
Mid-Annual Oil Prices declined **36.5%**
 LUKOIL Overseas EBITDA declined just **20.5%**

Contents

Competitive Analysis

EBITDA

USD/boe



EBITDA

Revenue

Administrative Costs

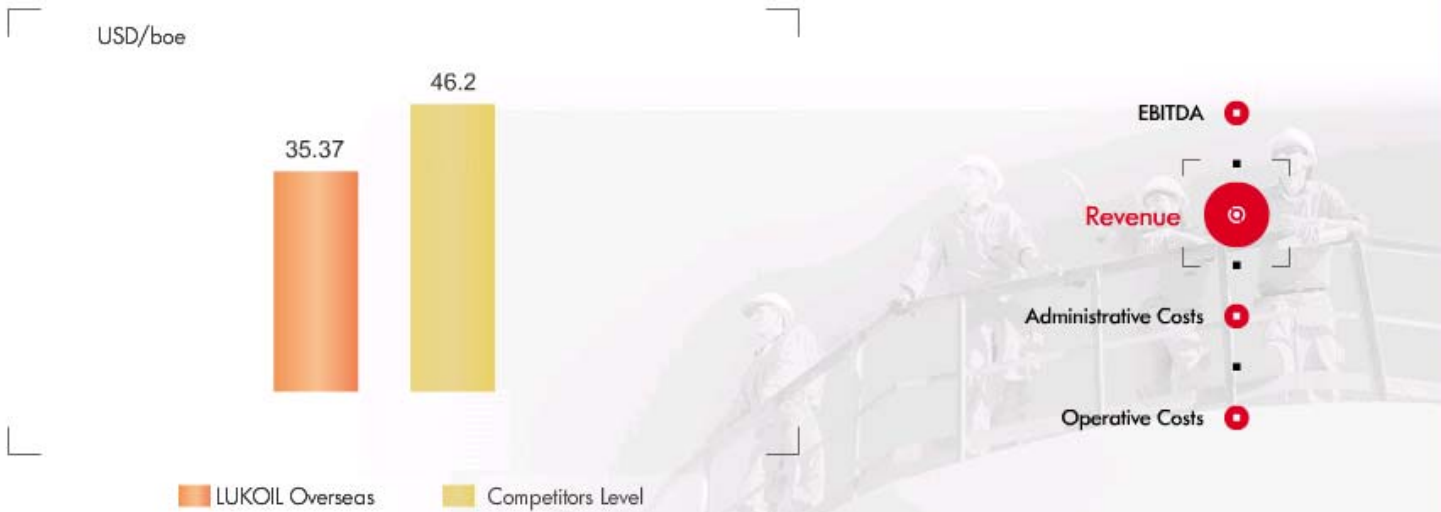
Operative Costs

Competitors Level is shown according to the 9 months reports for 2009 of the following companies:



Competitive Analysis

Revenue



Competitors Level is shown according to the 9 months reports for 2009 of the following companies:



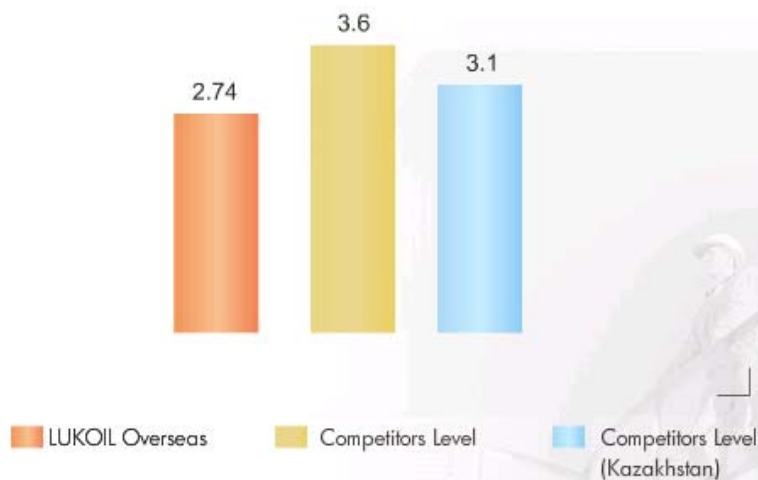
Contents



Competitive Analysis

Administrative Costs

USD/boe



- EBITDA
- Revenue
- Administrative Costs**
- Operative Costs

Competitors Level is shown according to the 9 months reports for 2009 of the following companies:

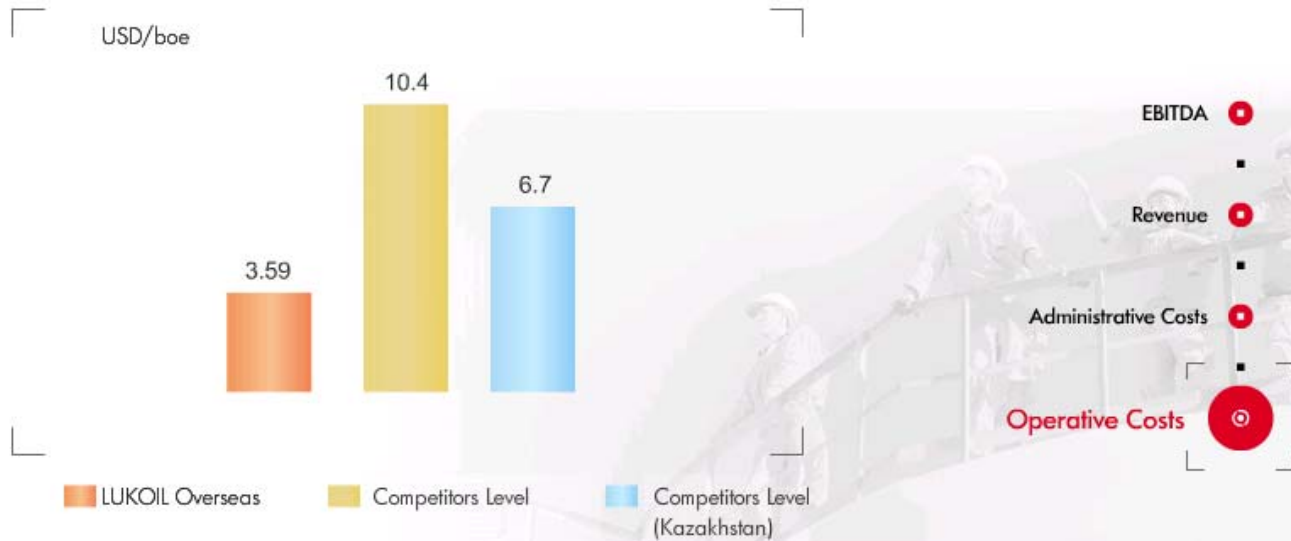


Contents



Competitive Analysis

Operative Costs



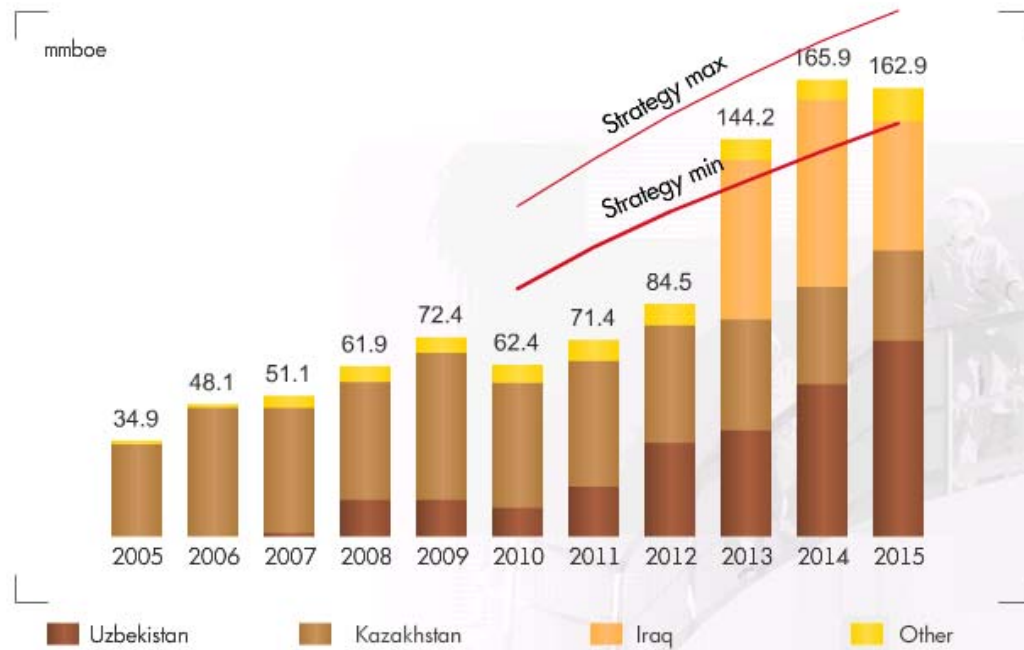
Competitors Level is shown according to the 9 months reports for 2009 of the following companies:



Contents



Keeping Up the Pace: Production



West Qurna-2

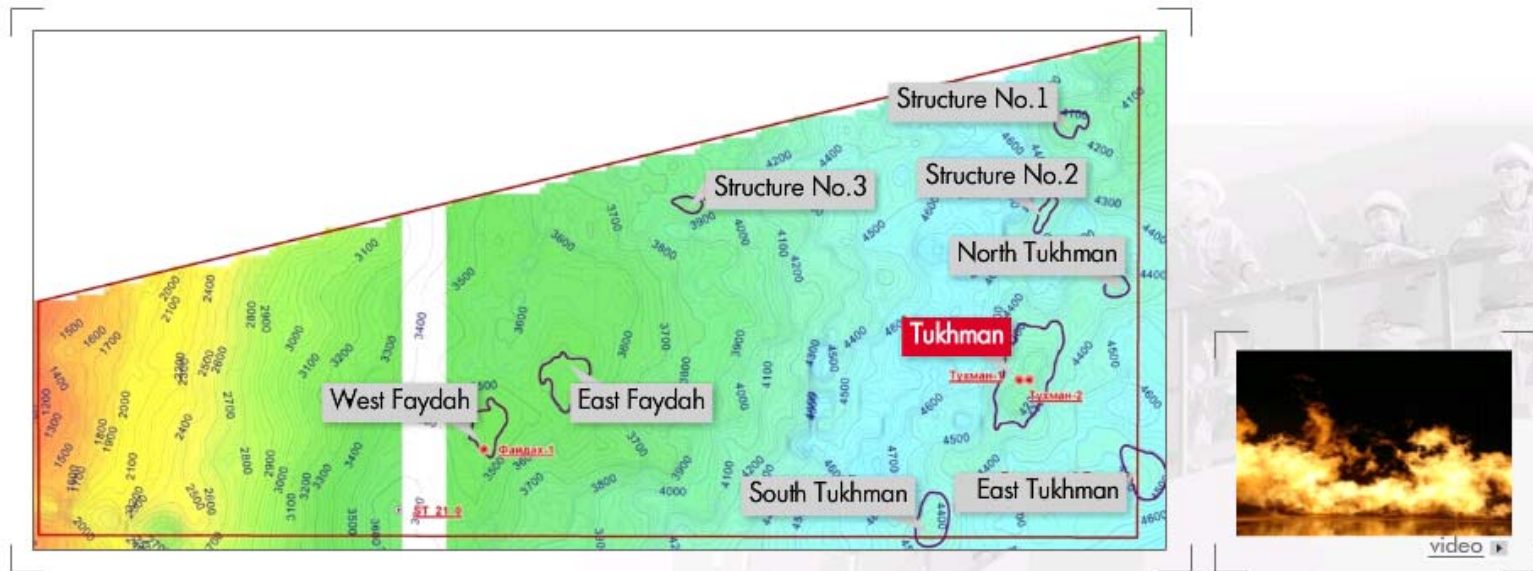


[video ▶](#)

Recoverable Reserves of West Qurna-2 field are about **12.9 bln. barrels**

Exploitation drilling will start in 2010.

Saudi Arabia. Gas Fields of Block A



Contents

Saudi Arabia. New Challenges and New Technologies

LUKSAR was the 1st in the world to:

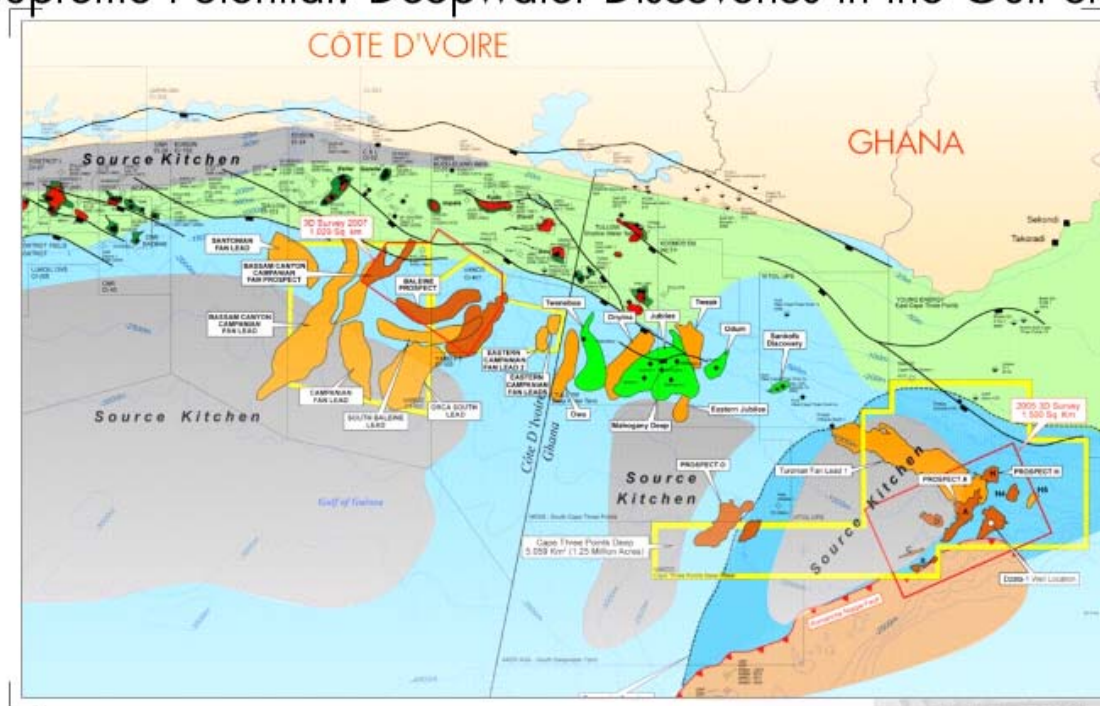
- perform the deepest hydrofrac in the world (over 5 500 meters)

LUKSAR was the 1st in Saudi Arabia to:

- employ the 11 3/4" expandable casing to cover the loss zone;
- employ QUANTEC-series drilling bits;
- employ multi-packer completion for multistage during the well-tests.

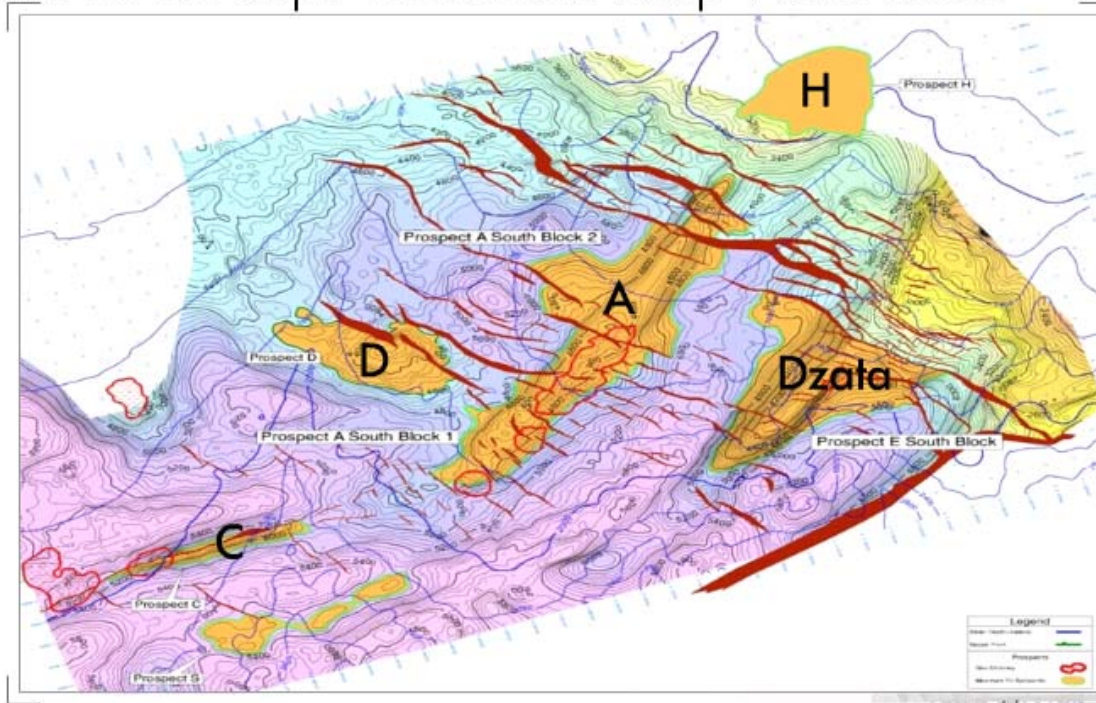


The Supreme Potential. Deepwater Discoveries in the Gulf of Guinea

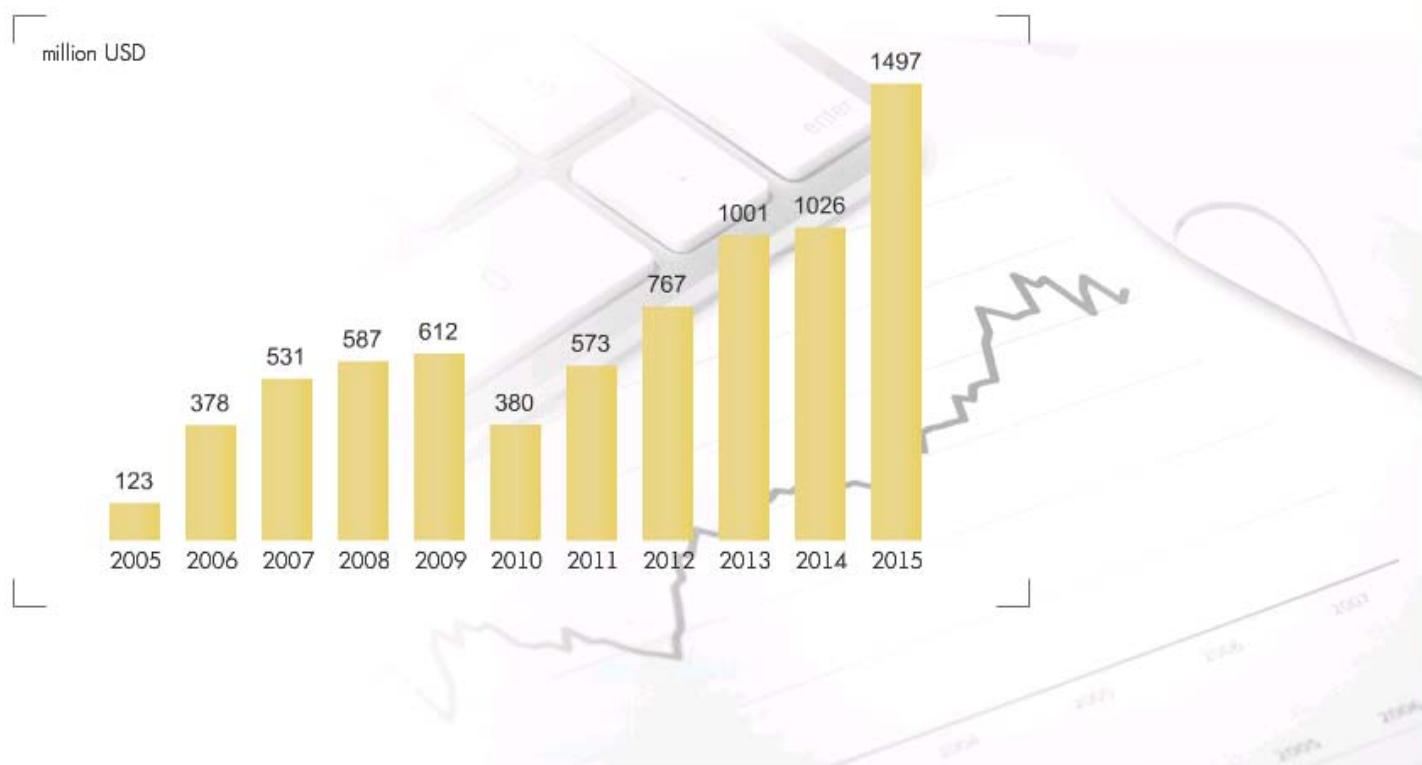


Contents

Prospects on the Cape Three Points Deep Water Block



Keeping Up the Pace: Net Profit





LUKOIL OVERSEAS HOLDING Ltd.

Thank you



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Contents

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16

ENERGY LEVEL



PREV. NEXT



CLOSE