Gazprom Neft

1st Q 2008 Operating and Financial Results

July 2008

Q1 2008 Operating Highlights

- **Gazprom Neft crude production was *7,8* MMTonn in Q1 2008**
  - **↓ 4.2% Y-o-Y**

  - **The company's production including the Slavneft and Tomskneft share amounted to *11.2* MMTonn in Q1 2008 vs 10.8 in Q1 2007, including the Slavneft share**
    - **↑ 3.9% Y-o-Y**

- **Refining throughput was *6.6* MMTonn in Q1 2008 vs. *6.5* MMTonn in Q1 2007**
  - **↑ 1.3% Y-o-Y**

- **Revenues in Q1 2008 were USD 7, 866 mln vs USD 4,141 mln in Q1 2007**
  - **↑ 89.9% Y-o-Y**

- **EBITDA was USD 1, 920 mln in Q1 2008 vs. USD 1, 044 mln in Q1 2007**
  - **↑83.9 % Y-o-Y**

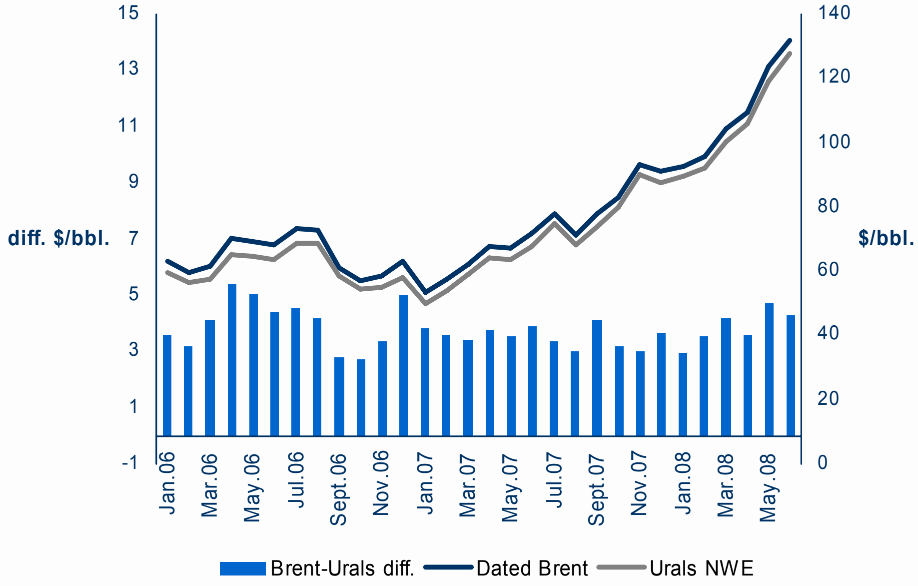
- **Net Income was USD *1,411* mln in Q1 2008 vs. USD 672 mln in Q1 2007**
  - **↑ 110% Y-o-Y**

Source: Company data

Market Conditions

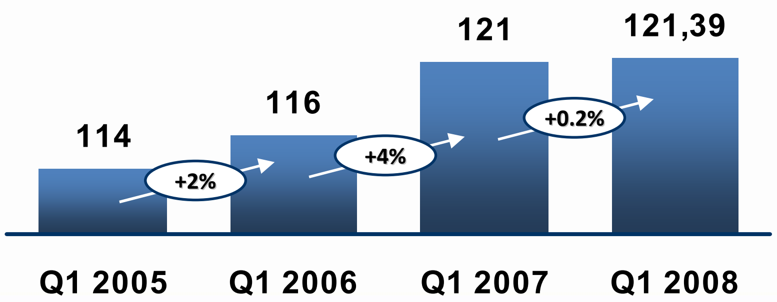
- For Q1 2008, dated Brent averaged $97.3/bbl, which is 68.3% Y-o-Y higher than 2007 level.
- Average Urals price increased by 73.2% Y-o-Y to $93.9/bbl.
- Real RUB appreciation vs. USD was 6.5% in Q 1 2008 compared to 2.4% in 1 Q 2007
- PPI inflation in Russia was 3.0% in Q 1 2008 vs. 1.7% in 1 Q 2007
- Prices for gasoline decreased by 8.1% and 1.3% in 1 Q 2007 and 1 Q 2008, respectively. Fuel oil price was down 4.2% in 1 Q 2008 and 8,1% in 1Q 2007. Price for diesel increased by 1.6% in 1 Q 2008 and dropped 2,4% in 1 Q 2007.

Oil Price, USD/bbl

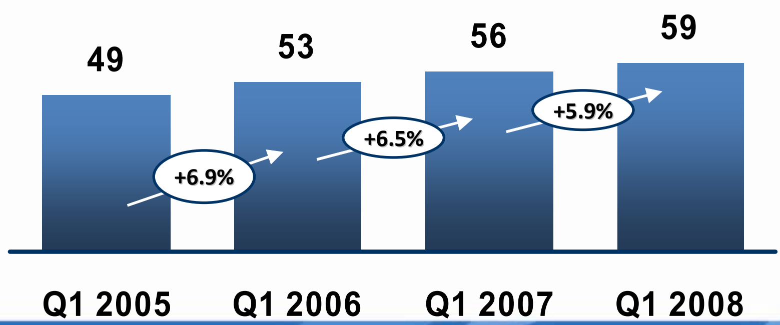


Source: Reuters – Brent Dated, Urals NWE

Oil Production in Russia, MMTonn



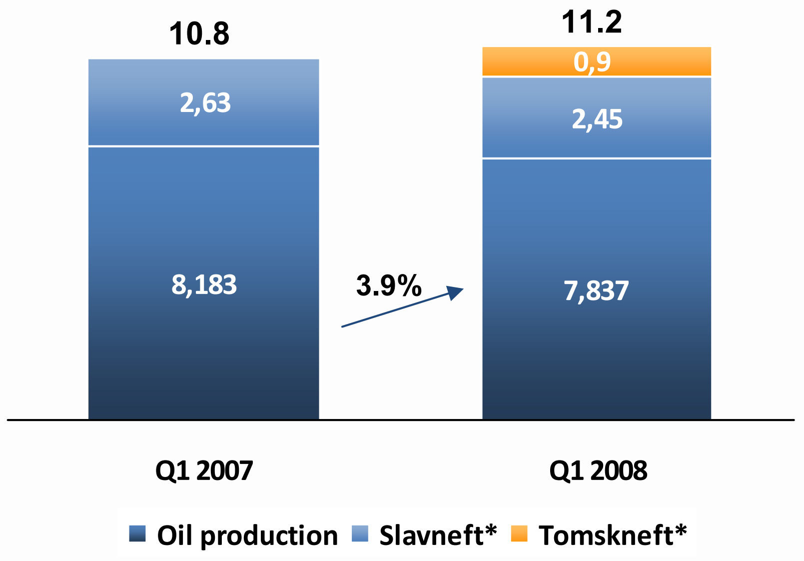
Refining Throughput in Russia, MMTonn



Source: INFOTEK – Oil production & throughput in Russia; MEDTRF – Inflation, RUB appreciation; FSSS - products prices

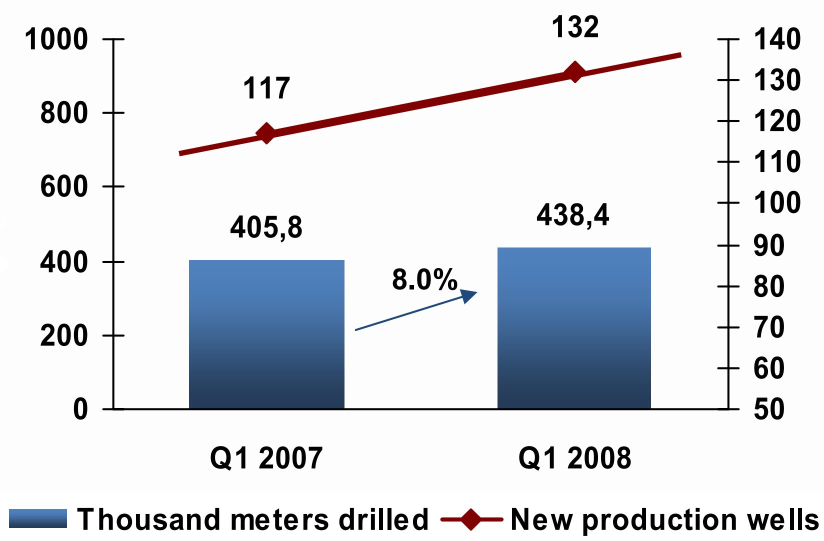
Oil Production

Production



- Oil production increased by 3.9% in Q1 2008 due to 50% Tomskneft purchase
- Oil production growth in mid and long term is expected due to:
  - Start of developing left bank part of Priobskoye field
  - Purchase of new oil assets in NAO, YANAO, Eastern Siberia and other regions

Production Drilling

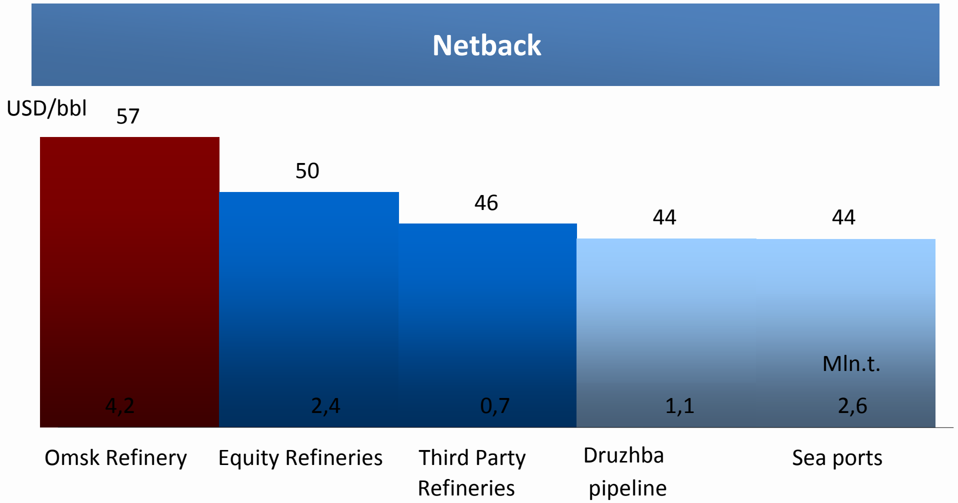


- Production drilling for Q1 2008 was 438,4 thousand meters (↑8.0%) Y-o-Y
- The average amount of active wells for Q1 2008 was 5 041 (↑ 8.5%) Y-o-Y
- New production wells launched in Q1 2008 – 132 (↑12.8%) Y-o-Y

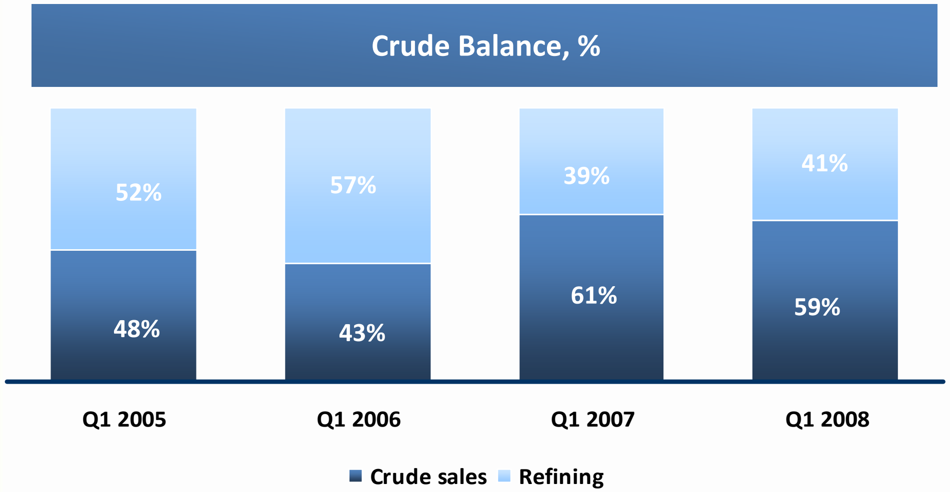
Source: Company data

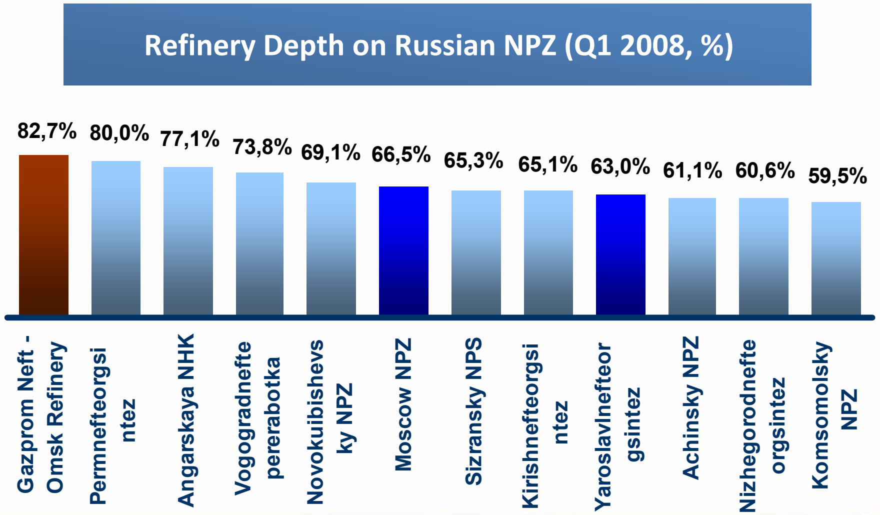
**Production figures include 50%of Slavneft and Tomskneft*

Efficiency maximization



- **Gazprom Neft benefits from high refining margins**
- **Refining volumes increased in Q1 2008, though on the diagram it seems to be under the level of 2007. This was due to the total oil balance increase, caused by 50% Tomskneft acquisition**
- **Depth of refining is one of the industry's highest at Omsk Refinery and Equity Refineries of Gazprom Neft**

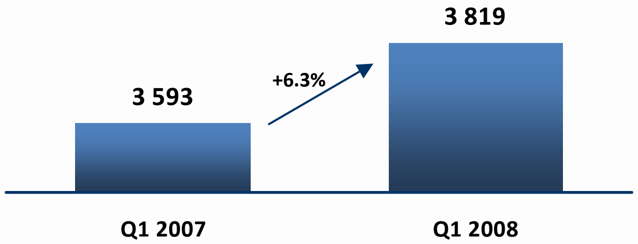




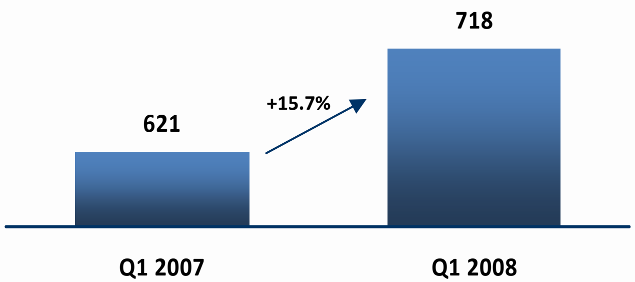
Source: Company data

Export vs. Refining

Crude oil exports, MMTonn

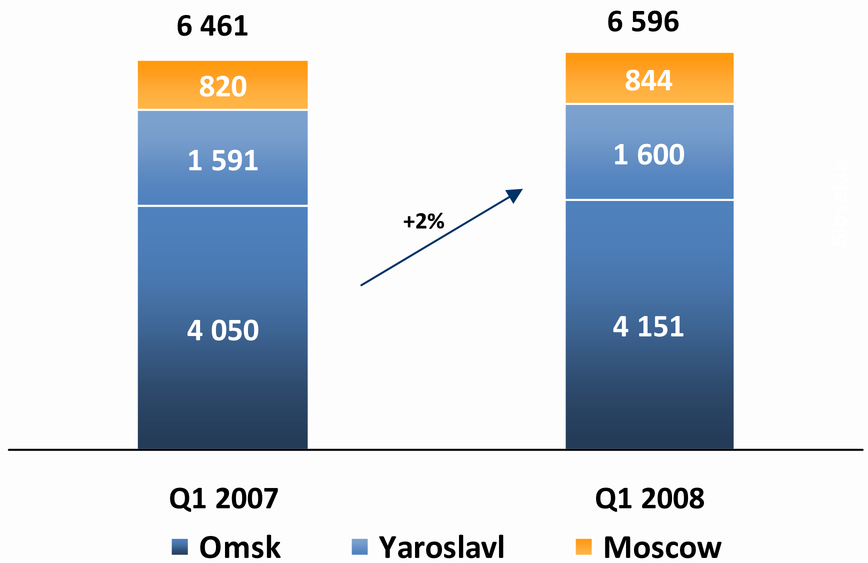


CIS crude exports, TTonn



Source: Company data

Refining, MMTonn



- The crude export increased in 1Q 2008 due to the acquisition of Tomskneft at the end of 2007
- Gazprom Neft increased its Refining throughput by 2% Y-o-Y to 6,5 MMTonn
- Main transportation routes in 1Q 2008 were:

- 45% shipped from Baltic Sea ports (mainly Primorsk)

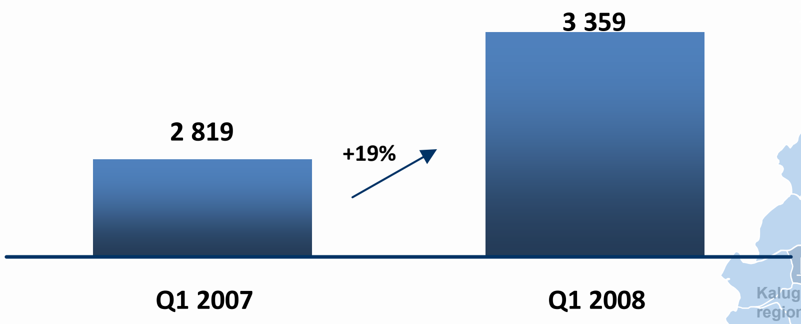
- 28% exported through Transneft's Druzhba pipeline (mainly to Germany, Poland and Slovakia)

-23% shipped from Black Sea ports Novorossiysk, Tuapse and Ukrainian port Yuzhniy

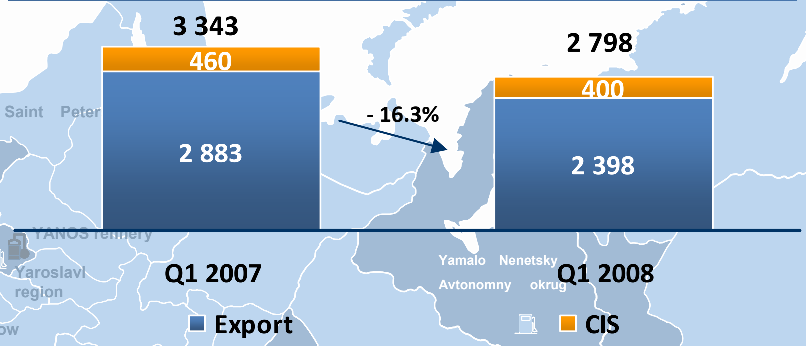
-4% China Via transit pipeline

Improving oil products distribution towards Russia

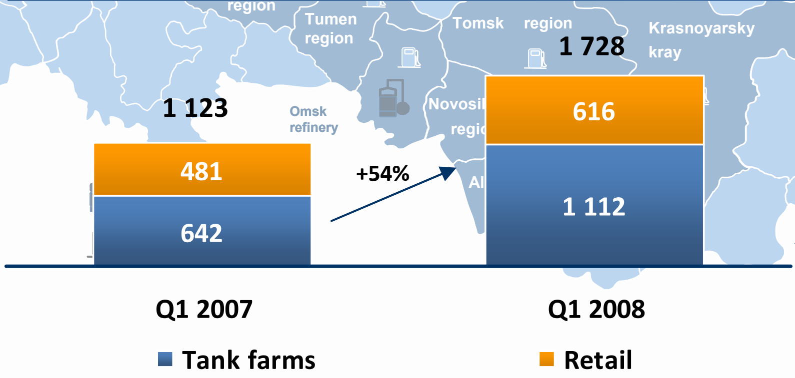
Oil products sales in Russia, MMTonn



Oil products Export, MMTonn



Oil products distribution through own network, MMTonn



- Significant growth (+19%) in sales of refined products in the domestic market is caused by much higher efficiency
- Retail sales are increasing due to expansion of retail network and greater throughputs per station
- The Company is working on increasing its brand awareness and is actively developing large-scale re-branding program

Source: Company data

Summary Financial Highlights

USD mln	Q12007	Q12008	Change, %
Revenues	4,141	7,866	+89.9%
Operating expenses	520	511	-1.7%
EBIT	811	1,664	+105.3%
EBITDA	1,044	1,920	+83.9%
Net Income	672	1,411	+110%
Operating Cash Flow	1,075	1,007	-6.3%
Capex	421	782	+85.6%
Free cash flow	654	226	-65.5%
EBITDA Margin	25%	24%	-80 bps.
Adjusted EBITDA Margin*	28%	28%	
Net Margin	16%	18%	+170 bps.

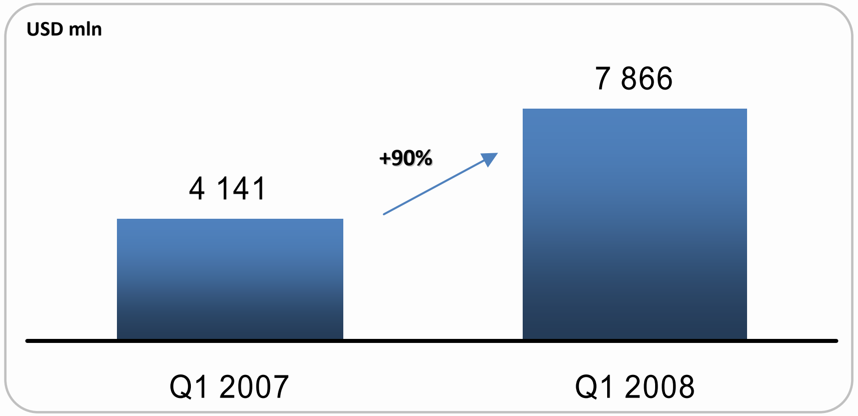
Source: Company Data

- In Q1 2008, Gazprom Neft showed substantial revenue growth (+89.9% y-o-y) and continued strong EBITDA (+83.9% y-o-y)
- Net Margin for 1 Q 2008 (18%) is the highest in the industry
- Free cash flow is down to 226 USD mln (-65.5%) due to Capital Expenditures increase by 85.6%

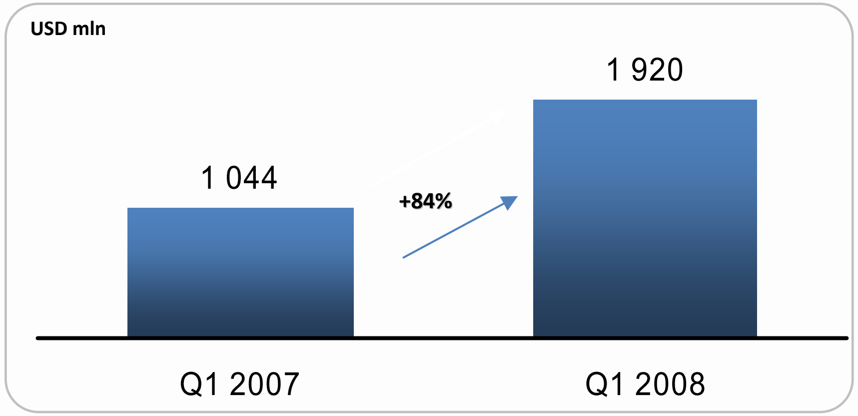
*Adjusted EBITDA is calculated based on Company EBITDA and its share in EBITDA of equities

Strong Financial Performance

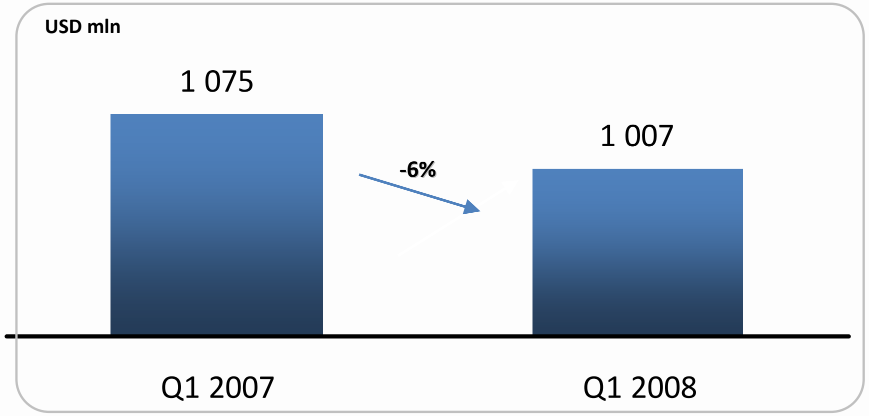
Revenues



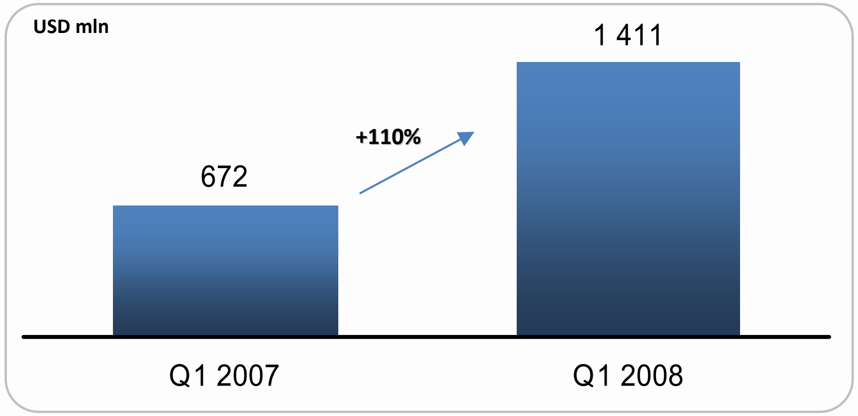
EBITDA



Operating Cash Flow

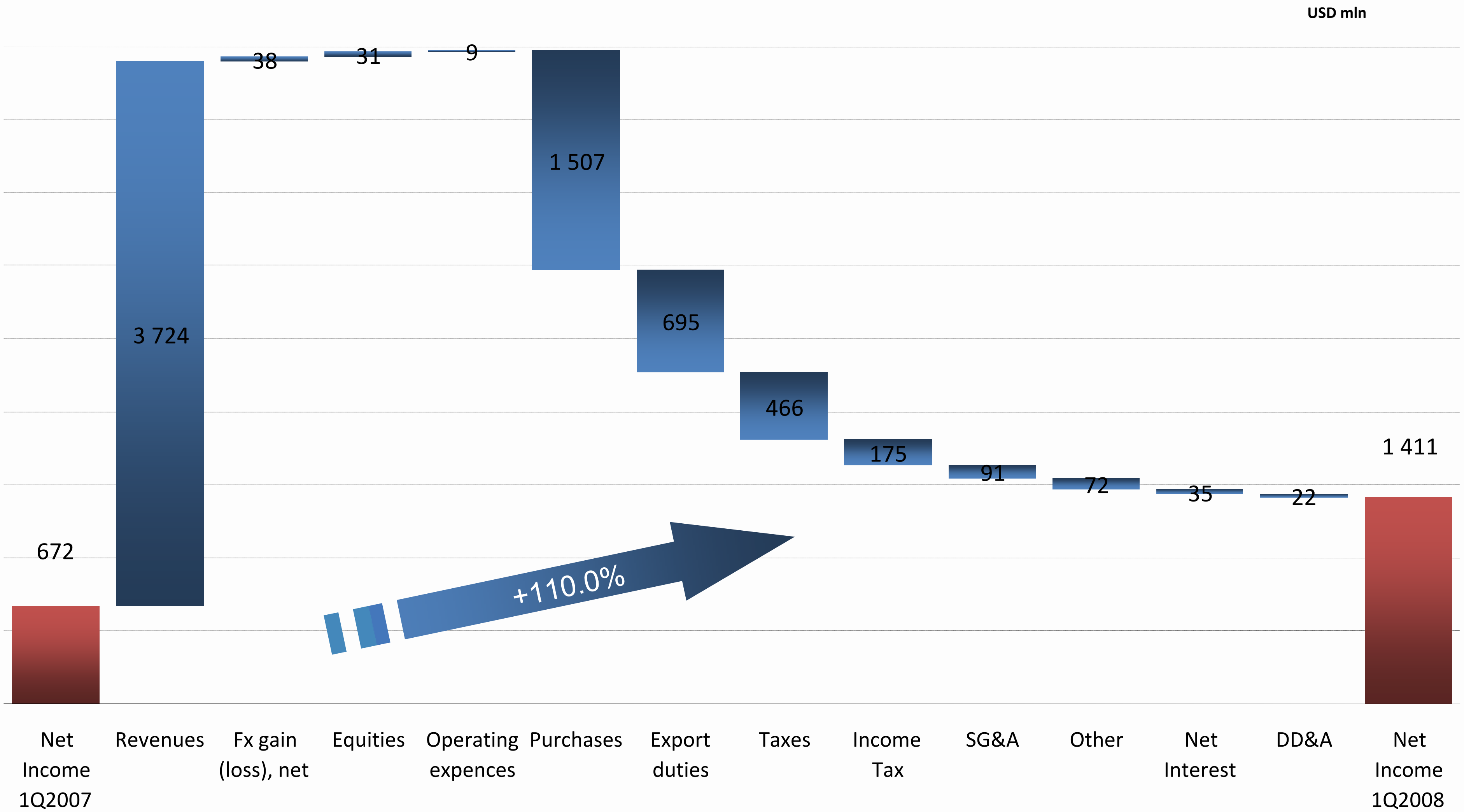


Net Income



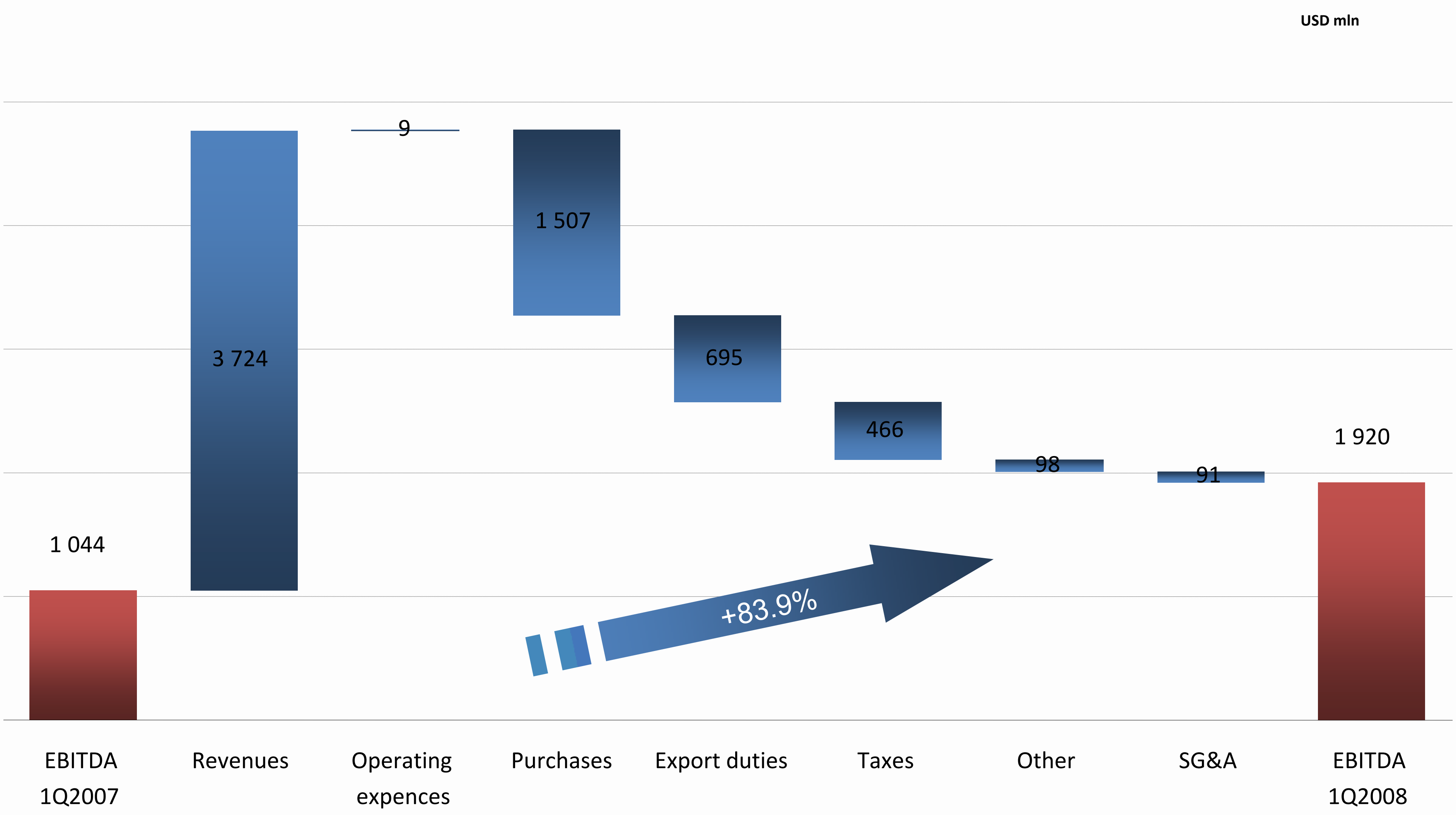
Source: Company Data

1Q 2008 Net Income Reconciliation



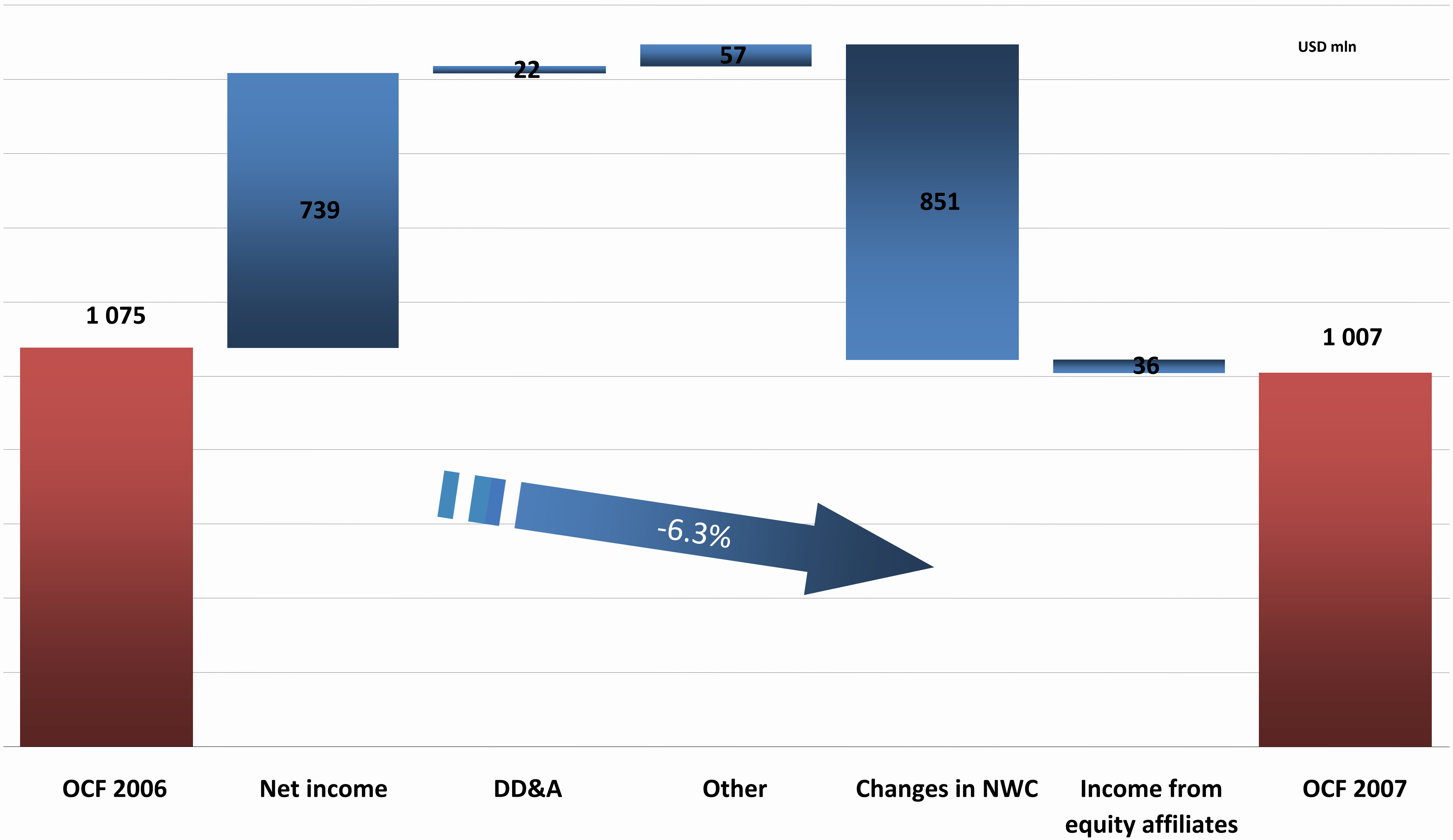
Source: Company data

1Q2008 EBITDA Reconciliation



Source: Company data

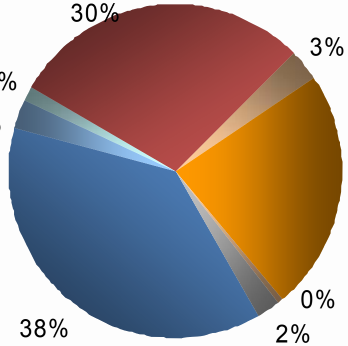
1Q2008 OCF Reconciliation



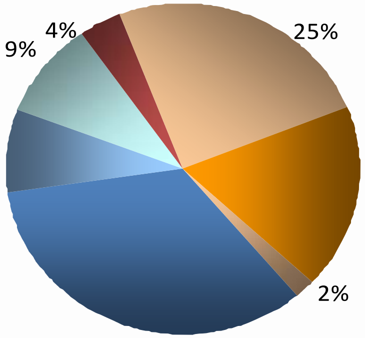
Source: Company data

Revenues and Costs Breakdown

Revenue Breakdown



Cost Structure



USD mln	Q1 2007	Q1 2008
Total revenues	4 141	7 866
Crude export	1 317	2 949
Crude CIS	130	224
Crude domestic	68	109
Products export	1 392	2 297
Products CIS	173	232
Products domestic	977	1 834
Gas sales	12	38
Other	72	184

USD mln	Q1 2007	Q1 2008
Total costs	3 331	6 201
Operating expenses	520	511
Crude oil & other products purchased	588	2 095
SG&A	482	573
DD&A	233	256
Taxes other than income tax	650	1 116
Export duty	836	1 531
Costs of other sales	21	119

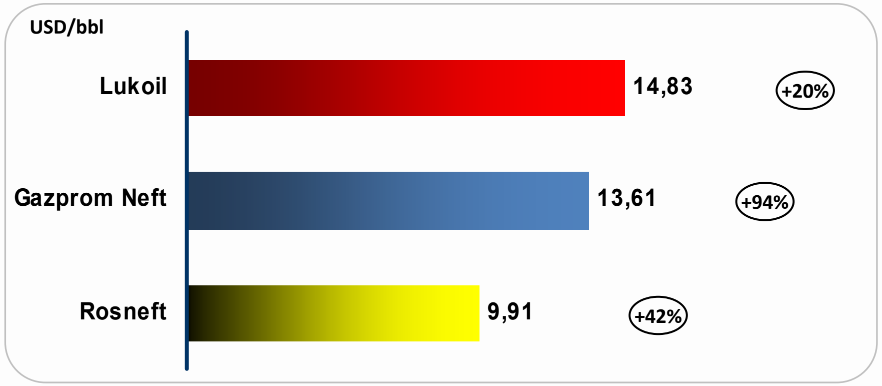
Source: Company data

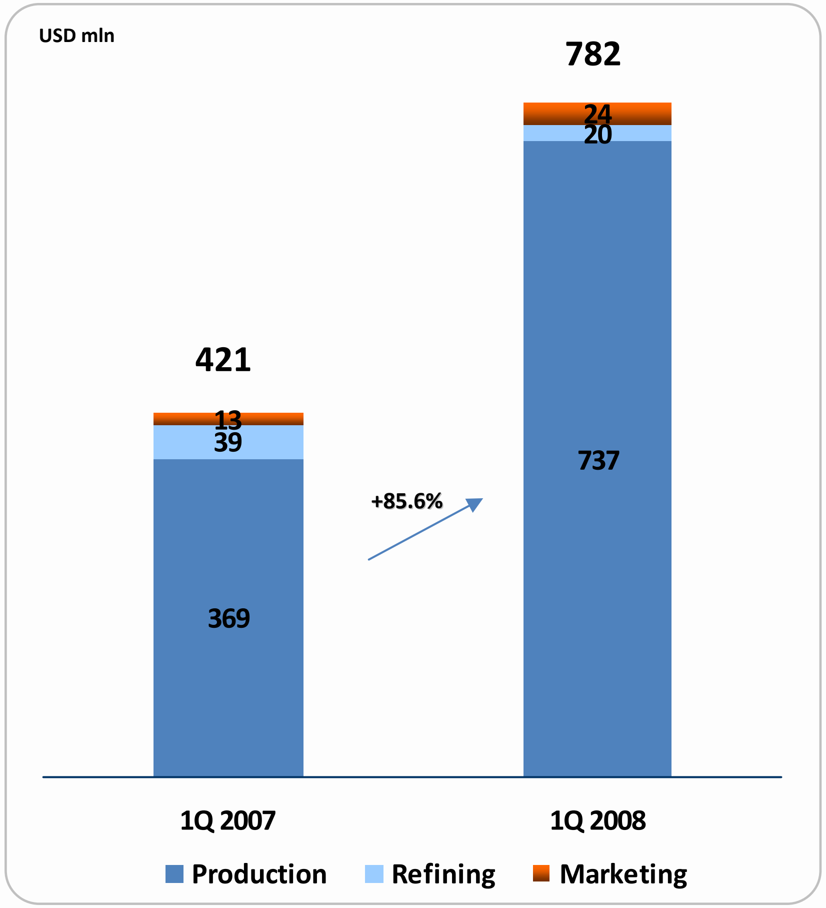
Capex Breakdown

CAPEX (USD mln)

- The growth of CAPEX by approximately 85% in 1Q2008 is determined by the company's focus on long-term development
- Substantial investments are made to establish the infrastructure of Priobskoye field , where production will increase to 12.3 mln tonnes in 2011
- Over 2008 - 2010 Gazprom Neft plans to invest around RUB 267.5 bln (approximately USD 11.3 bln) into the business
- Capex spending has increased significantly across the majority of the major Russian oil companies in the beginning of 2008

Russian Oil Companies' Capex in Q1 2008





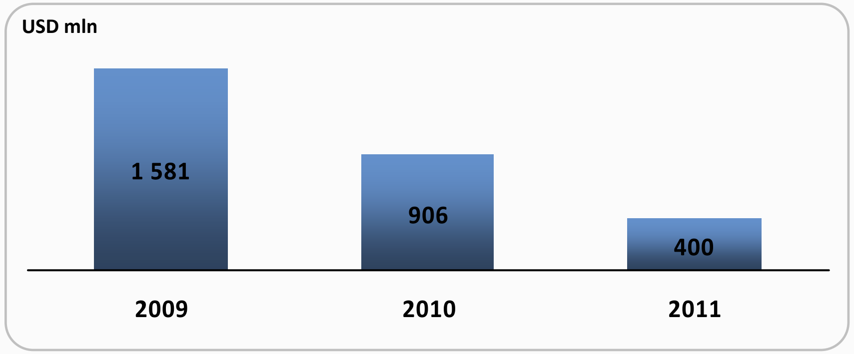
Debt Profile

Loan Portfolio as of March 31, 2008

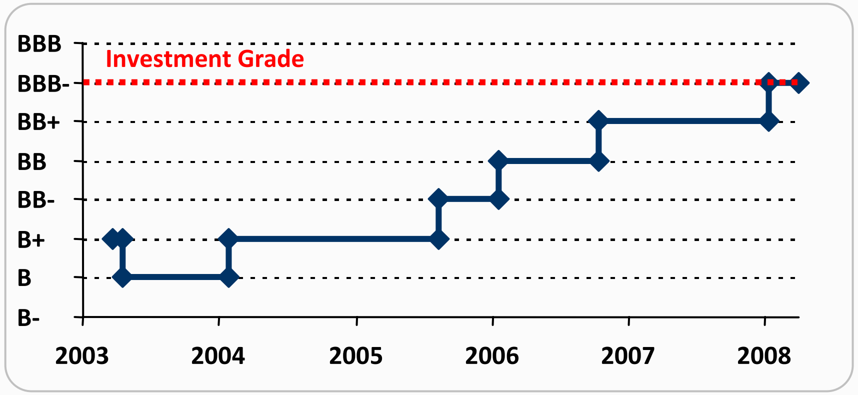
	Q1 2007	Q1 2008
Short-term debt	**241**	**246**
Long-term debt	**2 083**	**1 314**

- January 9, 2008 S&P assigned an investment grade to Gazprom Neft debt
- July 4, 2008 Moody's assigned an investment grade to Gazprom Neft debt

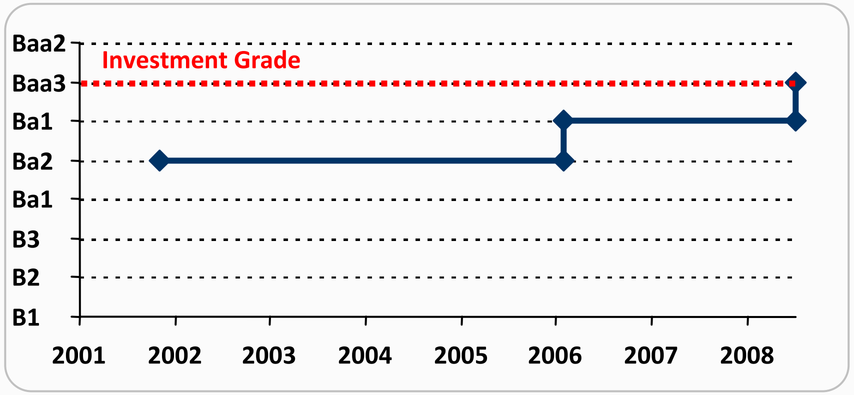
Maturity Profile



Standard & Poor's Credit rating



Moody's Credit rating



Source: Company data

Balance Sheet Highlights

(USD mln)	Q1 2008	12m 2007
Cash and cash equivalents	596	721
Accounts receivable	3 015	2 263
Oil and gas properties + PP&E	7 159	6 634
Total assets	***18 165***	***16 606***
Short-term debt & current portion of long-term debt	1 827	1 339
Long-term debt	1 314	2 083
Accounts payable and accrued liabilities	1 352	1 171
Shareholder capital	11 844	10 433
Total liabilities and shareholders` equity	***18 165***	***16 606***

Source: Company data