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Sibneft-TNK Acquisition of Slavneft

Conference Call, December 20, 2002



Slavneft Corporate Structure

ОАО Slavneft (holding company)

E&P

Refining

Marketing

E&P		Refining		Marketing	
% of Equity	% of Voting Shares	% of Equity	% of Voting Shares	% of Equity	% of Voting Shares
47.0%	61.1%	39.6%	51.2%	66.0%	76.9%
62.6%	80.8%	51.8%	63.4%	82.1%	94.9%
100.0%	100.0%	42.6%	42.6%	82.0%	99.4%
75.5%	75.5%			100.0%	100.0%
100.0%	100.0%			100.0%	100.0%
79.7%	79.7%			100.0%	100.0%
100.0%	100.0%			100.0%	100.0%
100.0%	100.0%			100.0%	100.0%
51.0%	51.0%			100.0%	100.0%
90.5%	90.5%				
100.0%	100.0%				

Megionneftegas	61.1%
Megionneftegasgeologia	80.8%
Krasnoyarskneftegas	100.0%
JV Nafta- Ulianovsk	75.5%
Slavneft - Nizheartovsk	100.0%
Obneftegasgeologia	79.7%
Obneftegeologiya	100.0%
JV Sobol	100.0%
Neftorazvedka	51.0%
Ulianovskneft	90.5%
Other Production Subsidiaries	100.0%

Yaroslavlnefteorgsintez	51.2%
Mendeleev NPZ	63.4%
Mozyr NPZ	42.6%

Yaroslavlnefteproduct	76.9%
Ivanovonefteproduct	94.9%
Kostromanefteproduct	99.4%
Slavneft-Kaluga	100.0%
Slavneft-St. Petersburg	100.0%
Trade-Oil	100.0%
Centerneftaproduct	100.0%
Rusoil Moscow	100.0%
Others	100.0%

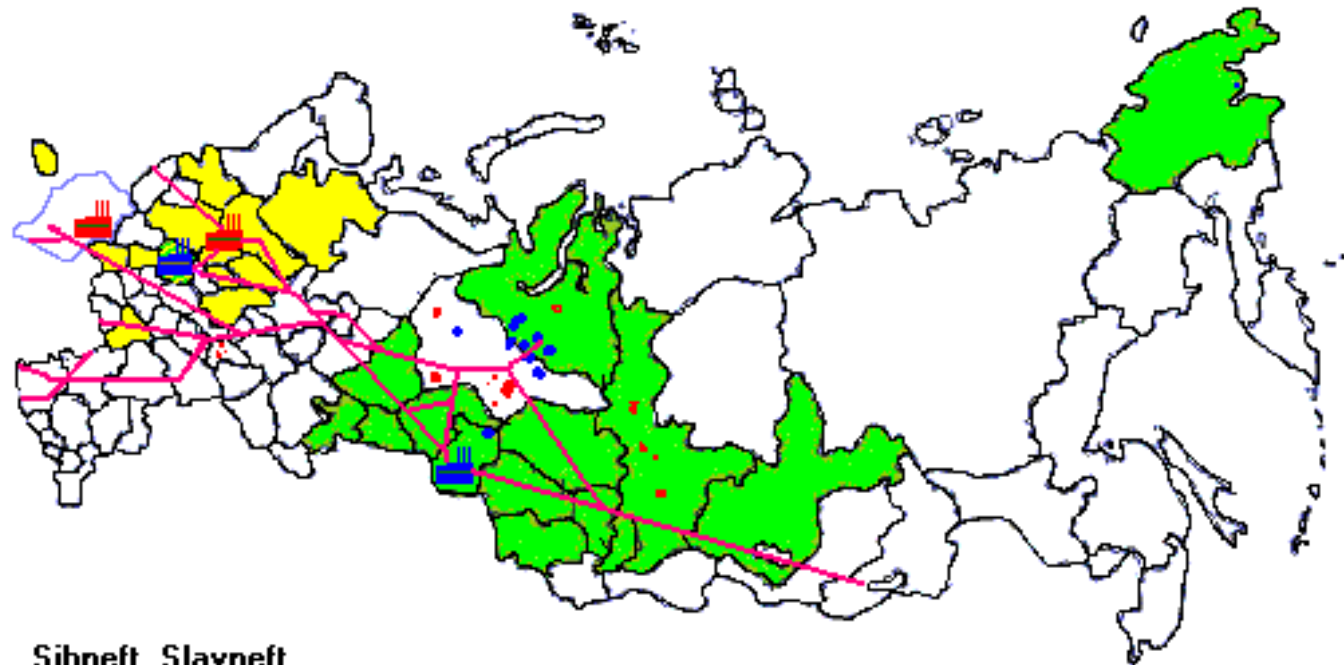


Reserves and Production Comparative Analysis, USD/bbl.

	<u>EV/ Reserves</u>	<u>EV/ Production</u>
	USD/ bbl.	USD/ bbl.
LUKoil	0,95	25,3
YUKOS	1,36	34,6
Surgut	0,90	18,1
Sibneft	2,12	47,2
TNK	0,83	22,4
Tatneft	0,45	13,7
Sidanco	1,38	25,6
	<u>1,14</u>	<u>26,70</u>
Slavneft min analysts forecast	1,05	25,7
Slavneft max analysts forecast	1,26	31,0
Slavneft Auction Values	1,17	28,65



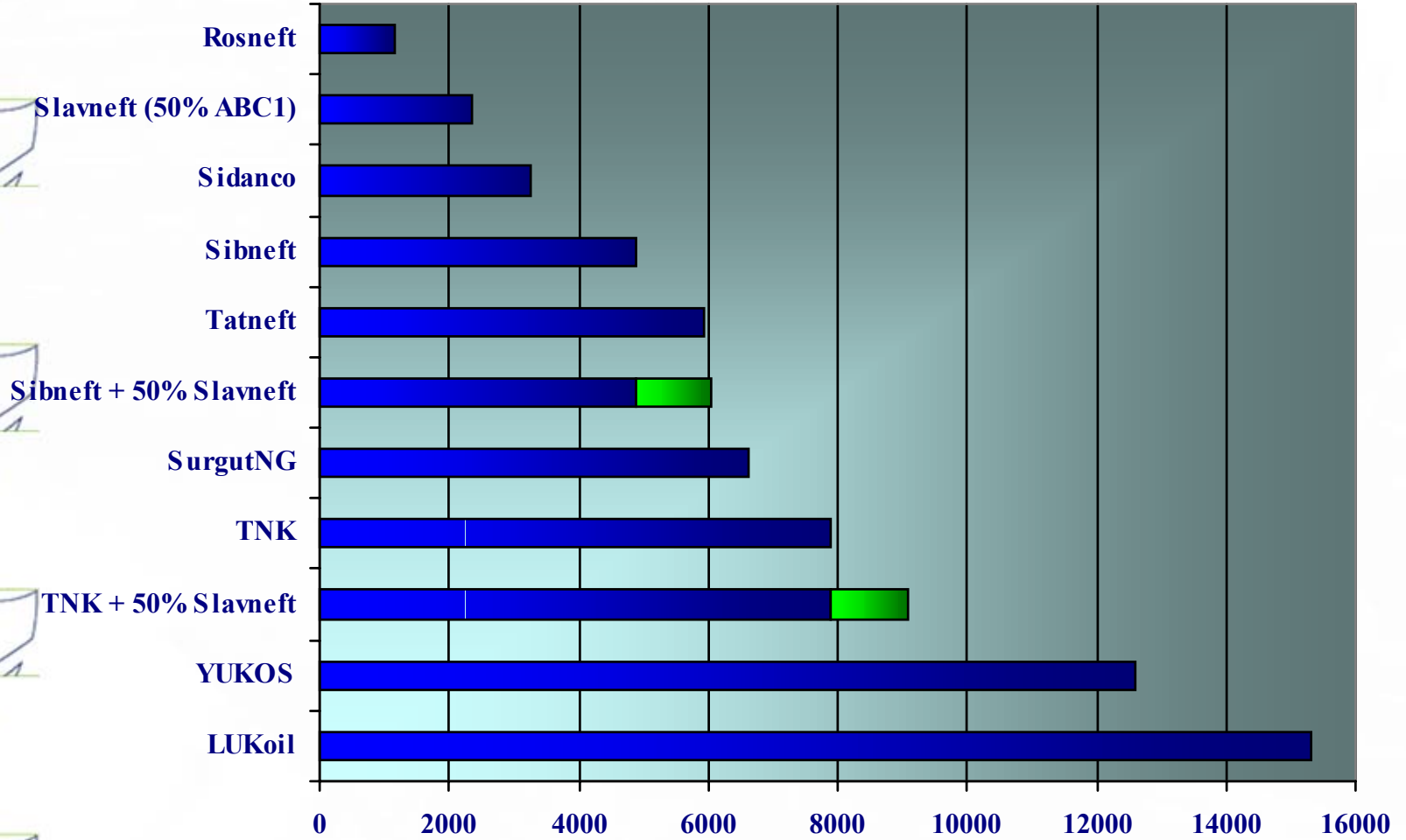
Geographical Location of Key Assets



	Sibneft	Slavneft
Fields		
Refineries		
Retail Network		

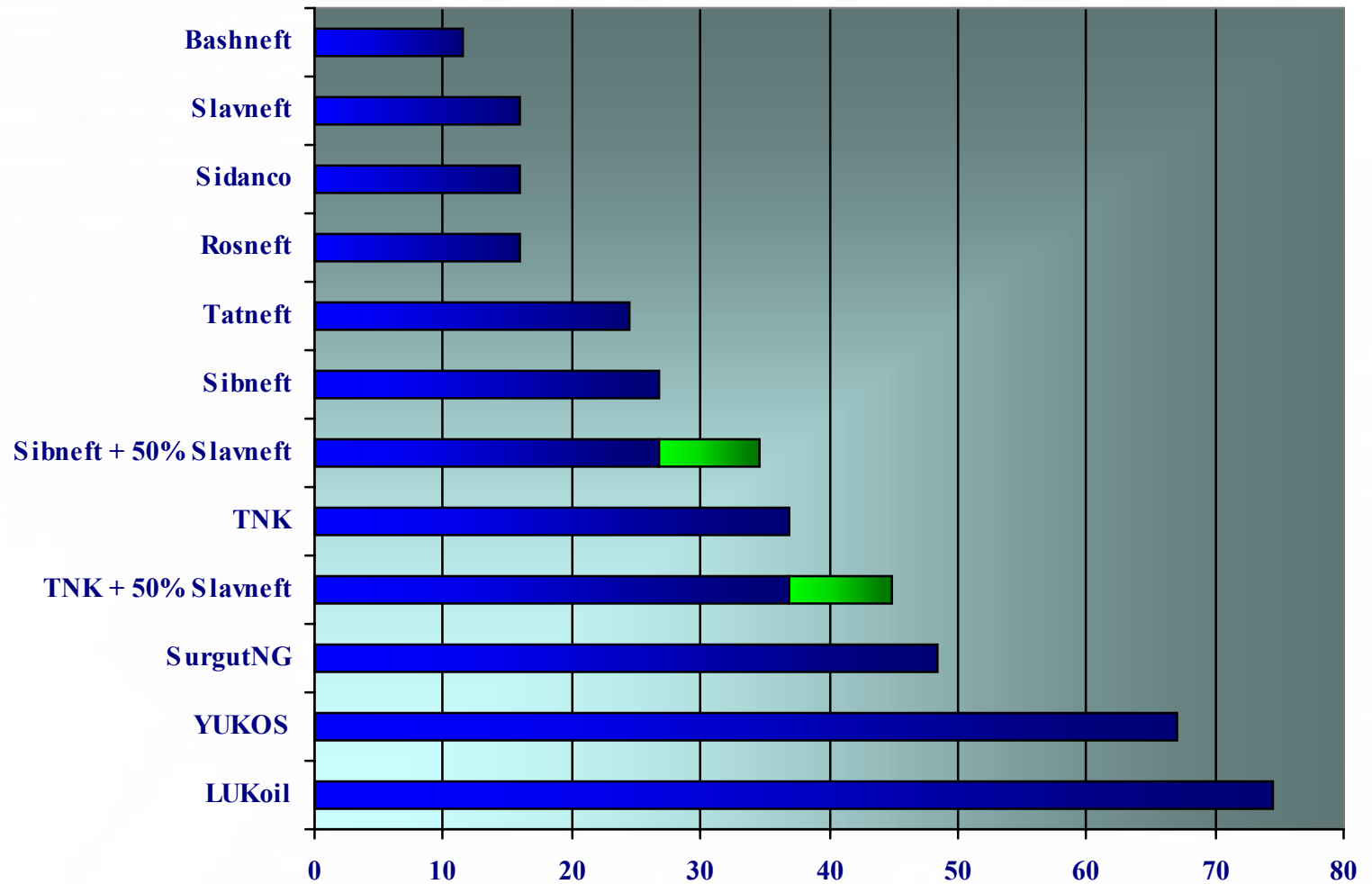


Reserve Position (mln. bbl. of proved oil reserves)



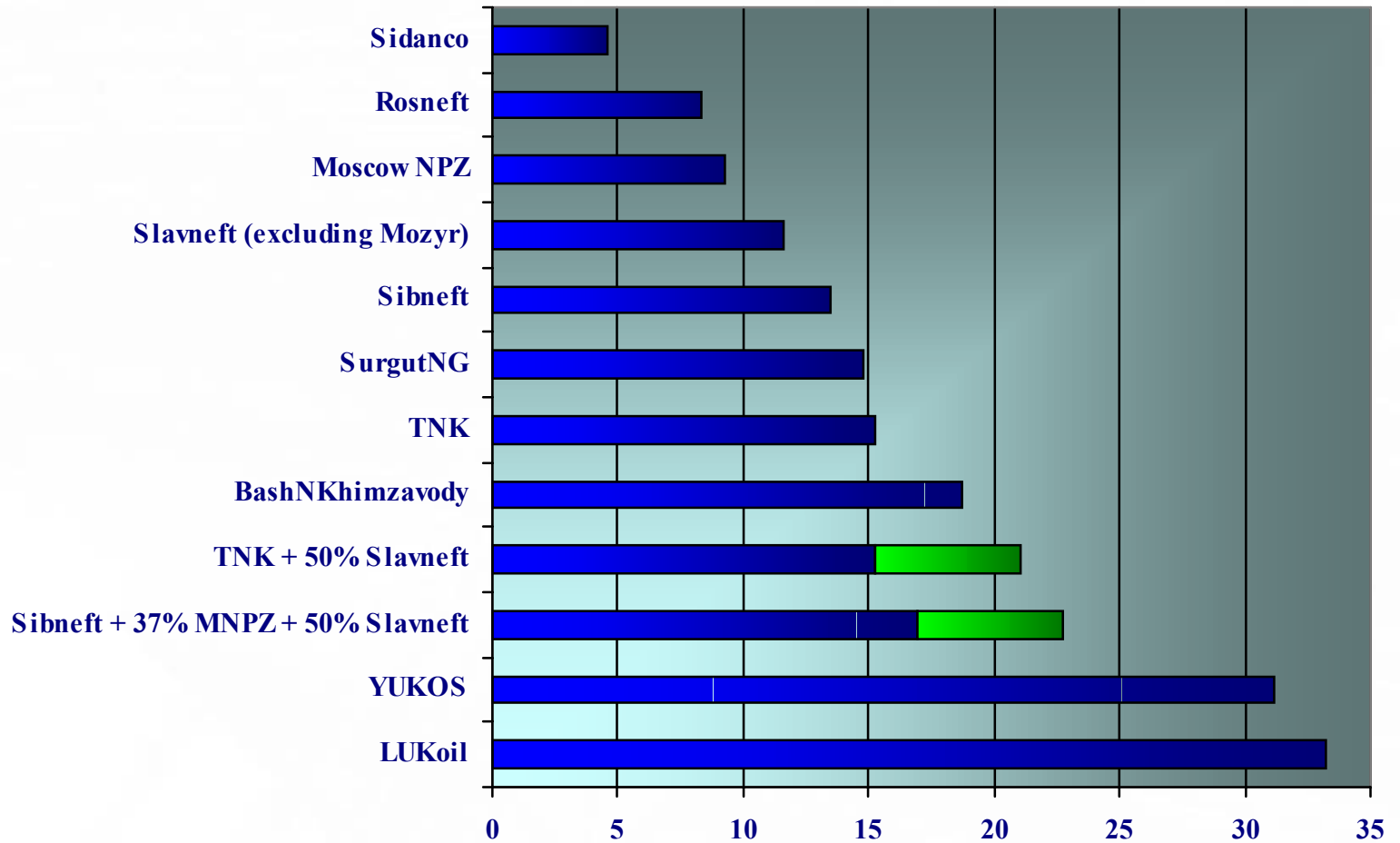


Production Position (mln. tons, 2002 est.)



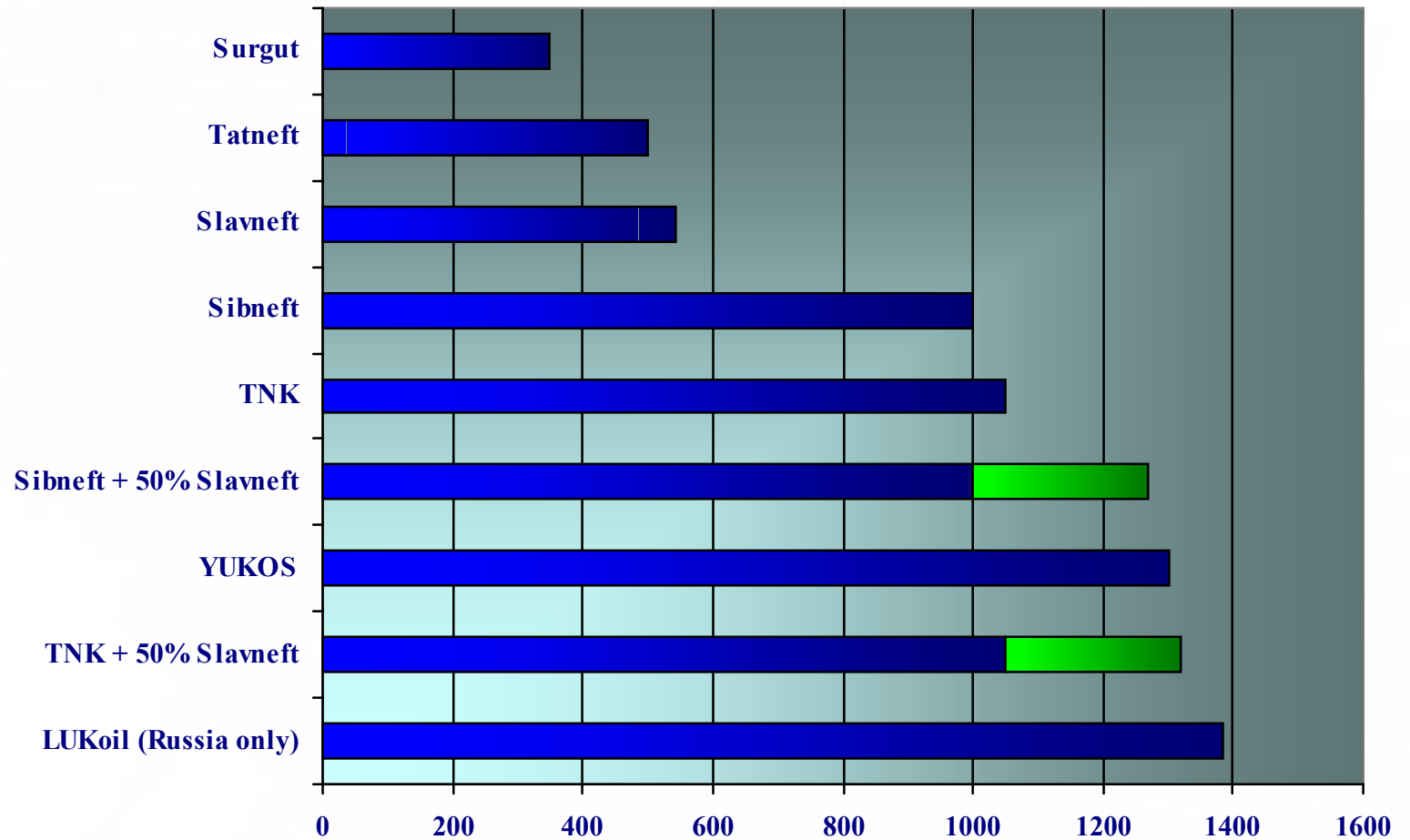


Refining Throughput (mln. tons, 2002 est.)





Retail Position (number of filling stations, own and franchising only)



Why did we paid the price we paid?

- Investors set a higher price per barrel for Sibneft reserves and production because they believe Sibneft can transform these assets into cash more effectively than any other company. We believe Sibneft can realise such a potential in Slavneft.

- We believe that there is:
 - ✓ unrealized potential in Slavneft assets (reserves, refining, people, etc.)
 - ✓ an undervaluation of this potentials among investors.

- Is our “belief” justified? We are convinced the answer is **YES!**
 - ✓ Discounted value of cash flows created by Sibneft technologies that can implemented at Slavneft provide us with our required return of 20%.
 - ✓ What has been done in Slavneft during the 2H 2002 proves that it can operate at the same level of effectiveness as Sibneft does.

2003 industrial forecasts for Slavneft

➤ *Lifting Costs*

Sibneft

2001 – 1.70 USD/bbl

2002 – 1.68 USD/ bbl

2003 – 1.68 USD/ bbl

Slavneft

2001 – 2.21 USD/ bbl

2002 – 2.2 USD/ bbl

* 2003 – 2,15 USD/ bbl

➤ *Well Productivity (old wells)*

Sibneft

2001 – 13,8 tons/well/day

2002 – 17,8 tons/well/day

2003 – 19,4 tons/well/day

Slavneft

2001 – 10,1 tons/well/day

2002 – 9,8 tons/well/day

* 2003 – 11,0 tons/well/day

➤ *Well Productivity (new wells)*

Sibneft

2001 – 65,0 tons/well/day

2002 – 91,1 tons/well/day

2003 – 95,0 tons/well/day

Slavneft

2001 – 18,0 tons/well/day

2002 – 32,0 tons/well/day

* 2003 – 40,0 tons/well/day

* - under new management