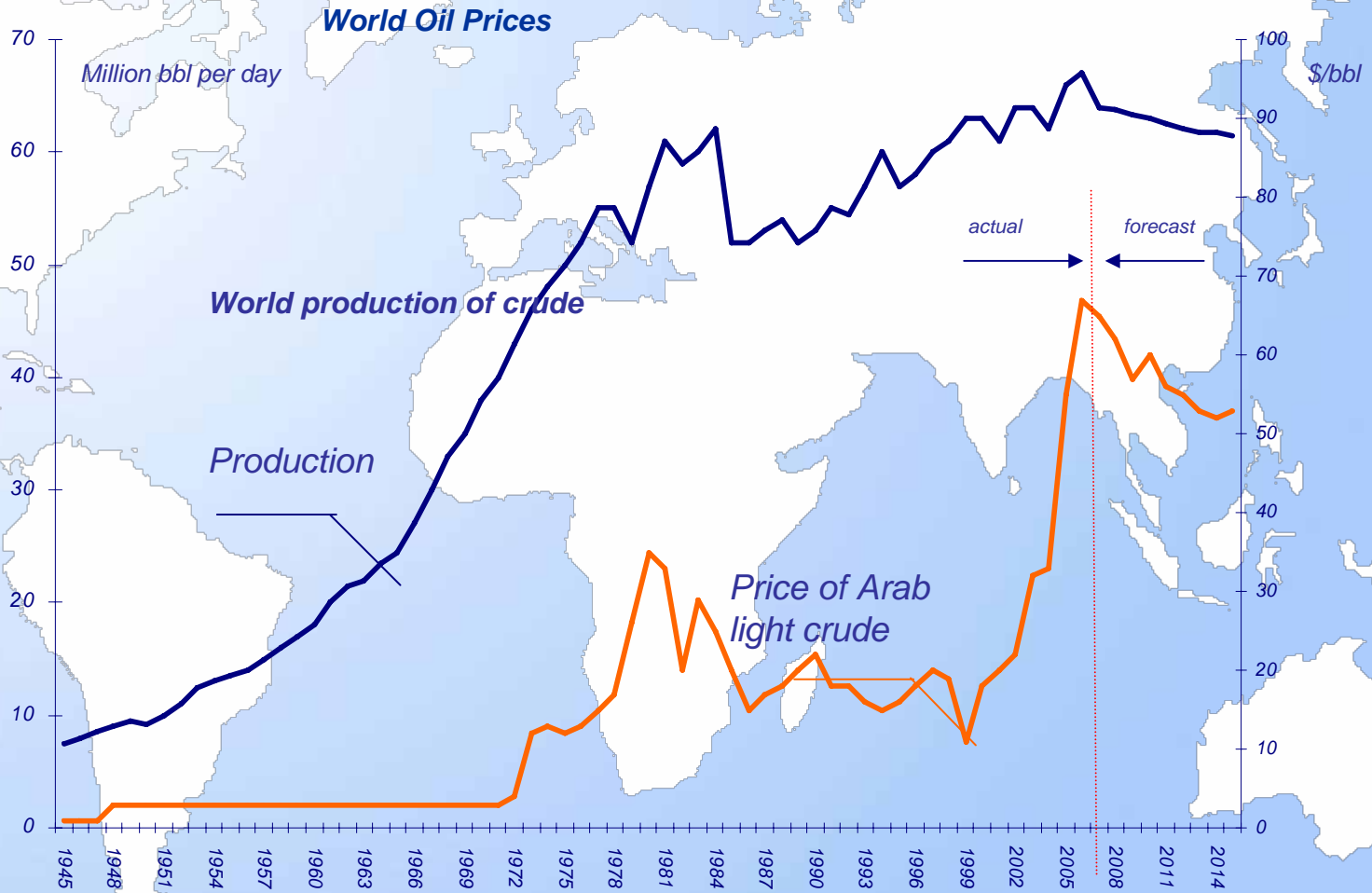
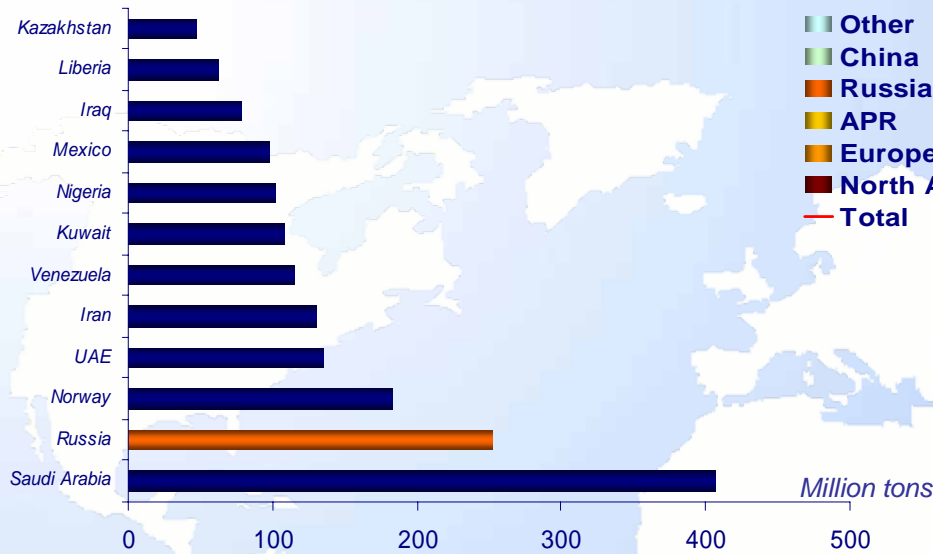


Background and Prospects of Russian Oil and Gas Industry Development

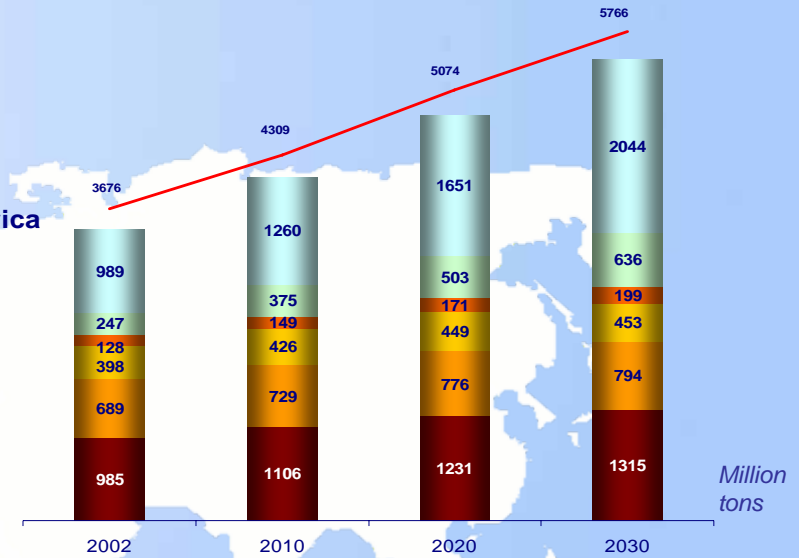
Lev Feodosyev



World supply of crude by country



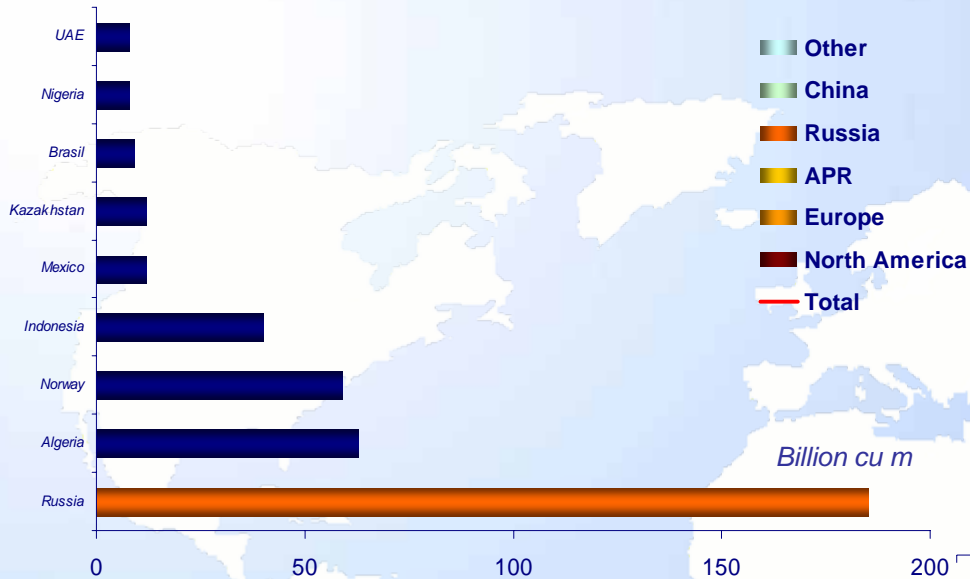
Forecast of worldwide consumption of crude*



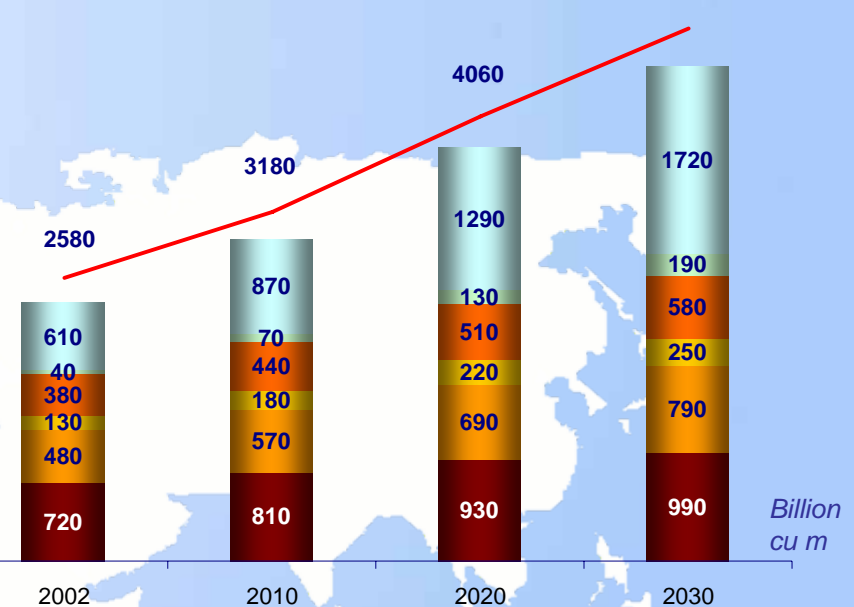
Crude	GDP growth, %	Crude reserves, billion tons	Crude production, Million tons pa	Domestic consumption, Million tons pa	Exported crude, Million tons pa
Saudi Arabia	5.00	35.70	463.00	75.00	407.00
RUSSIA	6.4	34.41	470.00	207.00	252.00
Iran	6.30	17.84	205.00	70.00	133.00
UAE	5.70	13.33	130.00	15.00	135.00
Kuwait	6.80	13.17	126.00	15.00	108.50
Venezuela	16.80	10.64	140.00	25.00	115.00
Norway	3.30	1.35	173.00	10.00	183.00

*Source: Ministry of Industry and Energy of the RF

World supply of gas by country



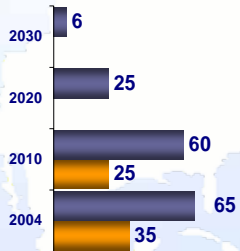
Forecast of worldwide consumption of gas* 4860



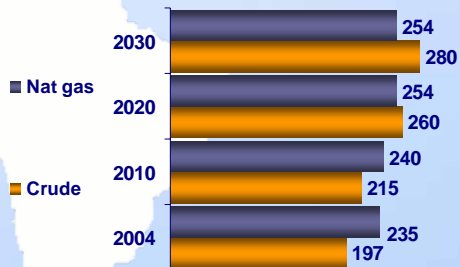
Nat Gas	GDP growth, %	Reserves of nat gas, trillion cu m	Nat gas production, billion cu m	Domestic consumption, billion cu m	Nat gas exports, billion cu m
RUSSIA	6,4	48	639	454	185
Iran	6,30	26,70	85	79	6
Indonesia	4,90	2,60	87	58	40
Algeria	6,10	4,80	90	27	63
Norway	3,30	1,72	64	5	59

*Source: Ministry of Industry and Energy of the RF

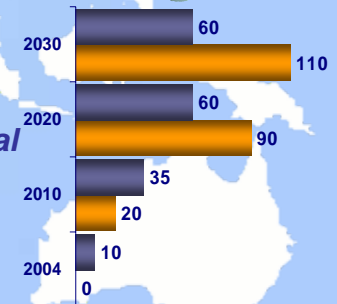
Forecast of crude and natural gas supplies to North America



Forecast of crude and natural gas supplies to EUROPE



Forecast of crude and natural gas supplies to APR

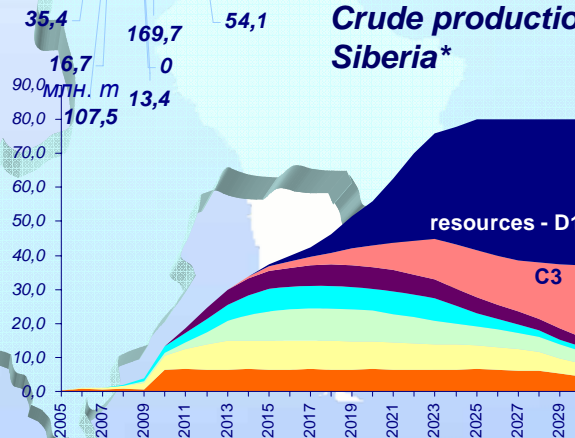


Russia is an economically and politically reliable strategic partner capable of supplying a wide range of fuel and energy products to satisfy other countries' needs in terms of achieving economic growth targets on the long-term basis.

Reserves of C1+C2 gas, billion cu m Easter Siberia

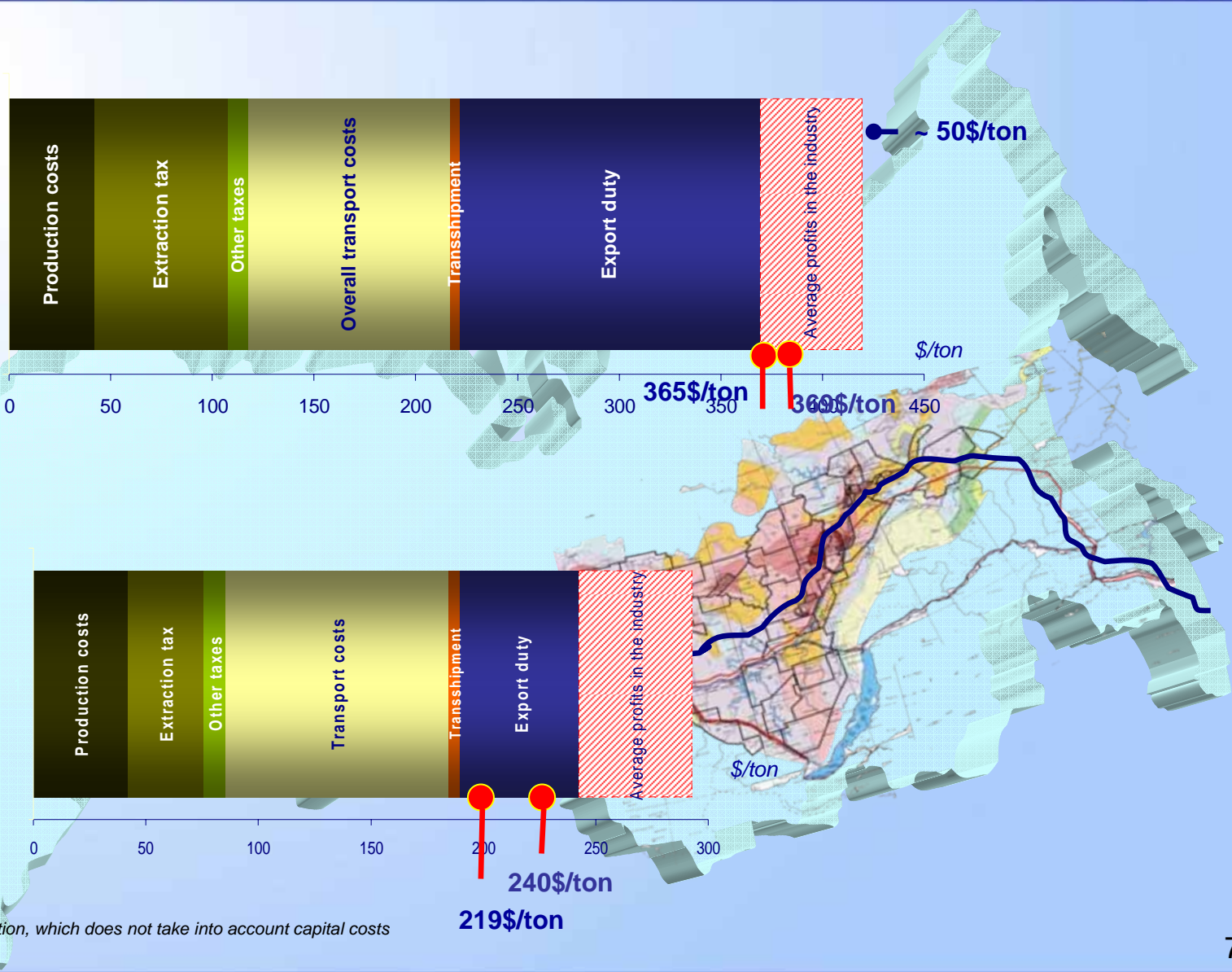


Crude production in Easter Siberia*



- Satellite field
- Kuyumbinskoye field
- Yuruvbcheno-Tokhomskoye field
- Verkhnechonskoye field
- Talokanskoje field

Breakdown of costs related to supplying crude to the APR markets from Eastern Siberia

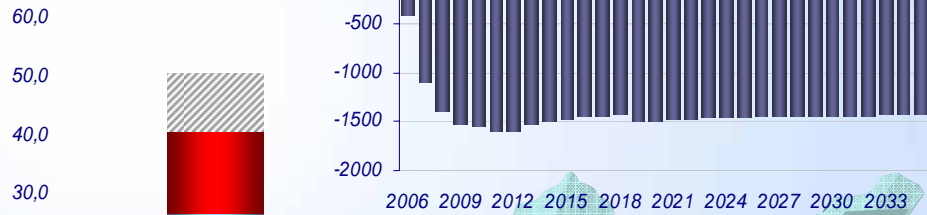


URALS 50 \$/bbl

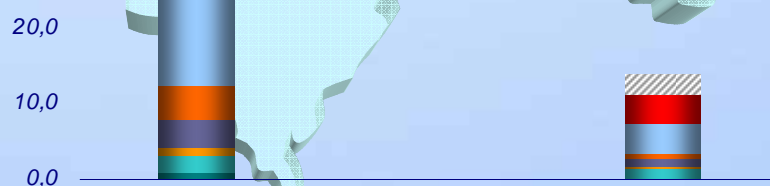
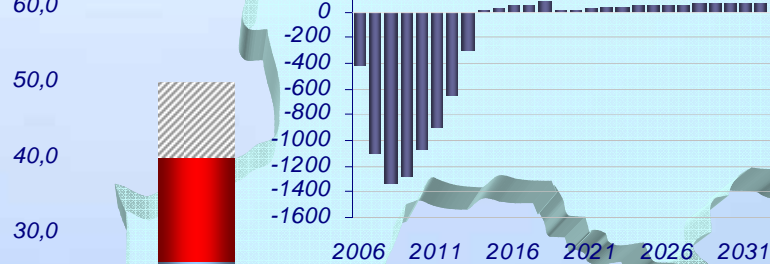
URALS 30 \$/bbl

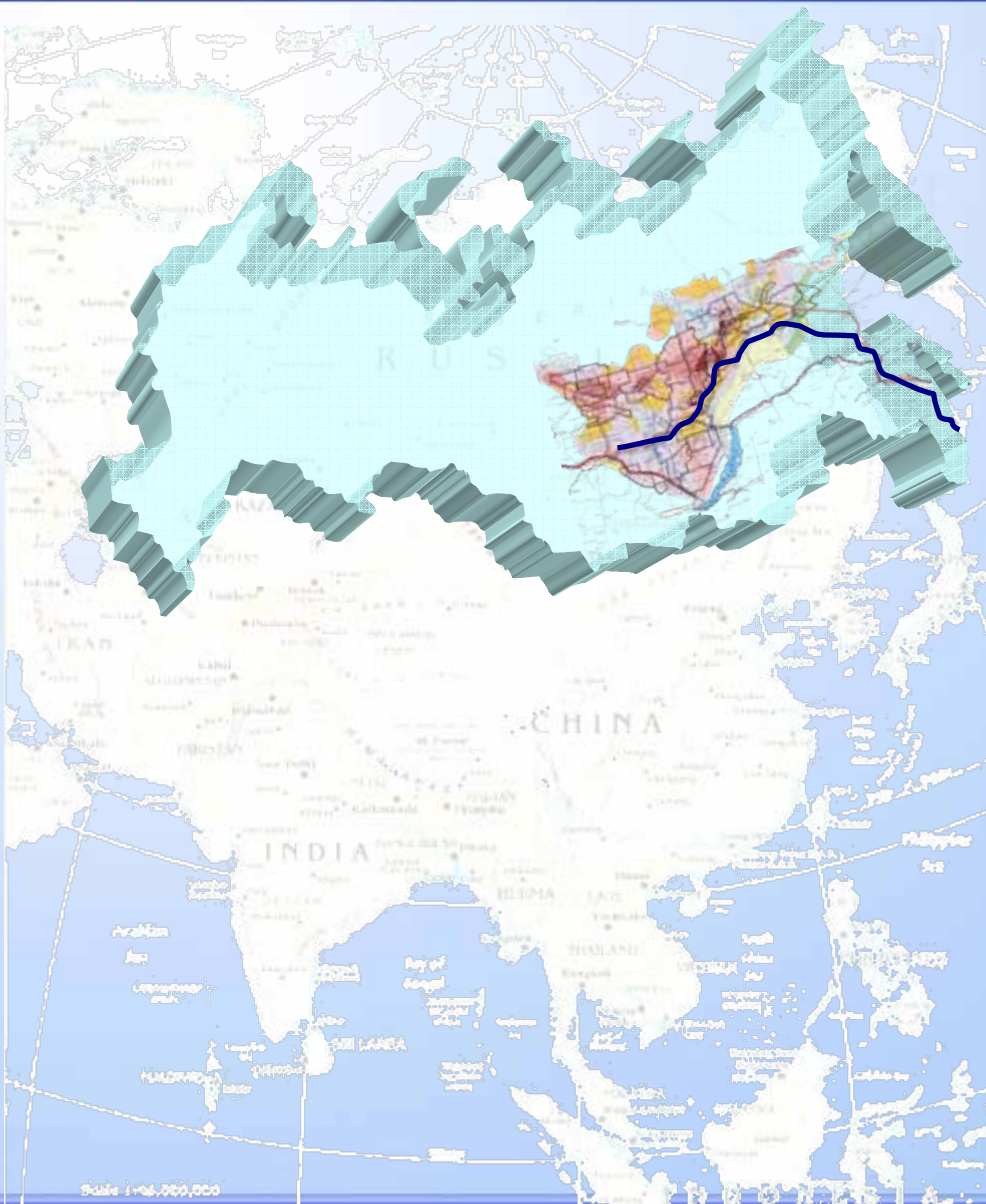
Optimistic evaluation, which does not take into account capital costs

\$/barrel



\$/barrel





1. ***Tax holiday for new field developers***
2. ***MET rate differentiation based on the degree of a field's depletion***
3. ***New principles of imputing excise duty on petroleum products to stimulate production of higher quality fuels***
4. ***Zero import duties on refining equipment***
5. ***Adoption of technical regulations for motor gasoil, diesel and other petroleum products and lubes, to be designed by the Ministry of Industry and Energy of the RF***
6. ***Institution of an exchange for crude and petroleum products trading***
7. ***Public-private partnership***

