



ROSNEFT

Q3 and 9M 2008 US GAAP Financial Results

December 1, 2008



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Q3 and 9M'08 Highlights

Positives

- Leading EBITDA and FCF growth:
 - EBITDA up to **USD 5.3 bln** in Q3'08 and **USD 17.1 bln** in 9M'08
 - Operating cash flow up to **USD 4.4 bln** in Q3'08 and **USD 13.8 bln** in 9M'08
 - FCF up to **USD 2.2 bln** in Q3'08 and **USD 7.3 bln** in 9M'08
- Net debt reduced by **USD 6.9 bln** during 9M'08
- Daily crude oil production up **8.3%** y-o-y vs 9M'07, organic growth **4.5%**
- Growth in refinery throughput and corresponding increase in petroleum product output (**+33.0%** y-o-y vs 9M'07)
- Growth in retail sales volumes and other support services

Challenges, Priorities

9M'08

- Real rouble appreciation against USD (**13.0%** for the year ended September 30)
- Tax payments (export duty and MET) increased by **91.0%** vs 9M'07

Q4'08 - 2009

- Continue to reduce real costs
- Business plan for 2009
 - Cash flow positive at Brent \$50/bbl
- Launch Vankor production
- Participate in continuing discussion to update tax regime
- Continue to optimize downstream activities, grow higher margin sales
- Participate in finalization of the Russian Energy strategy to 2030 (Government to review in December)
 - Incorporate into updated strategy of Rosneft



Macroeconomic Environment

	Q3'08	Q3'07	Δ, %	9M'08	9M'07	Δ, %
Average RUB/USD rate	24.25	25.51	(4.9%)	24.05	25.89	(7.1%)
Inflation for the period, %	1.9%	1.8%		10.6%	7.5%	
Real RUB appreciation/depreciation against USD for the period, %	(5.3)%	5.3%		7.5%	13.5%	
Urals price (av. Med and NWE), \$/bbl	113.2	72.2	56.8%	108.0	63.9	69.1%
Gasoil 0.2% (av. Med), \$/tonne	1,056.0	670.1	57.6%	1,028.2	603.4	70.4%
Fuel oil (av. Med), \$/tonne	615.6	365.1	68.6%	535.4	313.5	70.8%
High octane gasoline (av. Russia), \$/tonne	1,138.1	825.6	37.9%	1,043.8	749.4	39.3%
Diesel fuel (av. Russia), \$/tonne	992.8	582.6	70.4%	940.5	550.2	71.0%



Q3'08 and 9M'08 Results Overview

	Q3'08	Q3'07	Δ, %	9M'08	9M'07	Δ, %
Oil, mln bbl¹	194.90	191.41	1.8%	580.88	517.52	12.2%
Petroleum product output, mln t	12.07	11.93	1.2%	34.98	26.32	32.9%
Revenues, USD mln	20,690	13,742	50.6%	58,192	32,747	77.7%
EBITDA, USD mln	5,326	4,054 ²	31.4%	17,076	9,399 ²	81.7%
Net Income, USD mln	3,469	1,928³	79.9%	10,345	4,328³	139.0%
Operating cash flow, USD mln	4,413	489	802.5%	13,791	3,772 ⁴	265.6%
Net debt, USD mln	19,388⁵			19,388⁵		

¹ Production for Q3 and 9M 2007 is adjusted to reflect 50% in Tomskneft production (a 50% share in Tomskneft was sold on December 27, 2007).

² Adjusted for the effect of non-operating accrual of fines and penalties related to pre-acquisition Yuganskneftegaz tax debt.

³ Adjusted for the effect of non-operating accrual of fines and penalties related to pre-acquisition Yuganskneftegaz tax debt, and income from Yukos bankruptcy and related income tax.

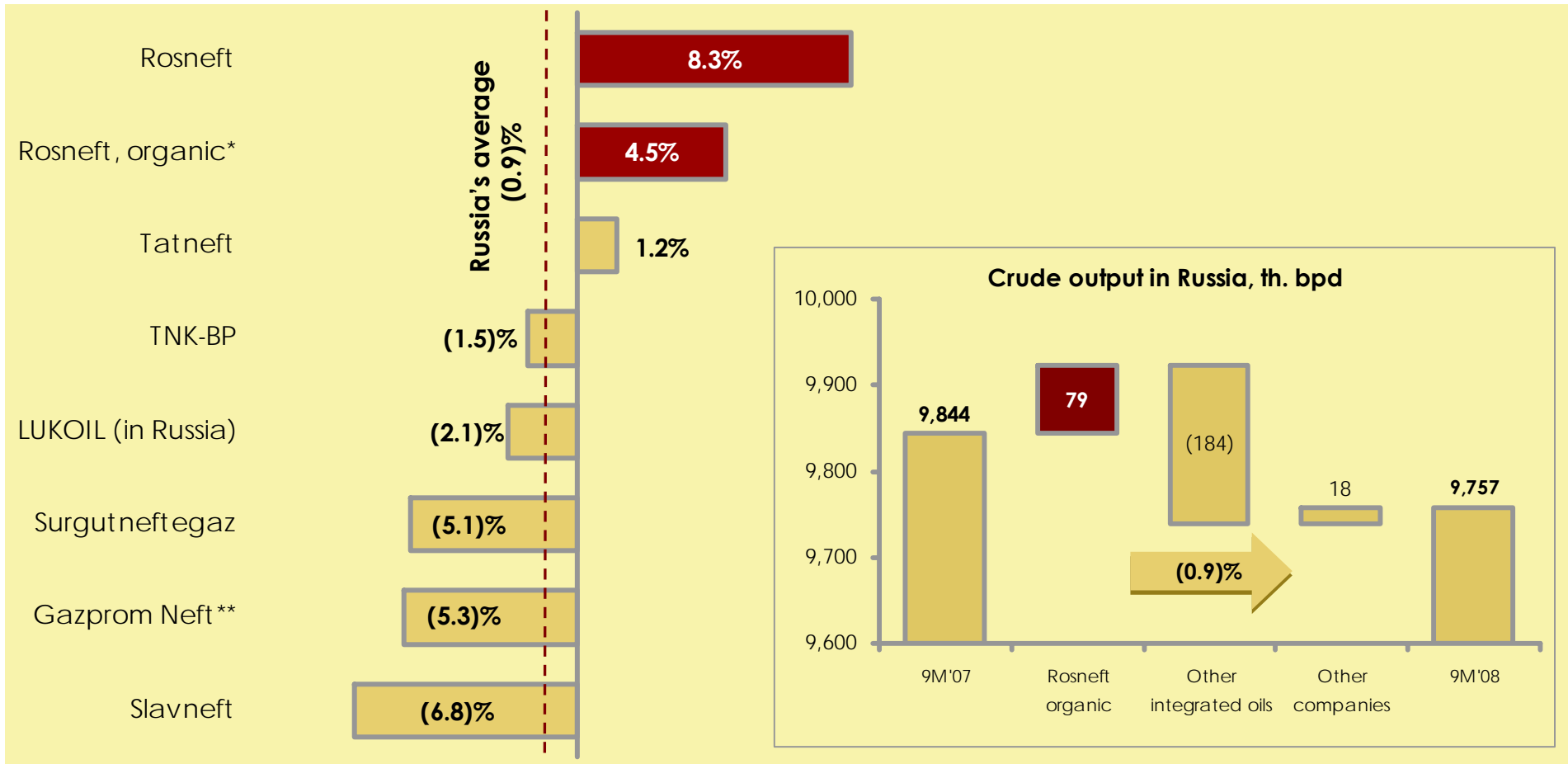
⁴ Adjusted for cash received in Yukos bankruptcy process.

⁵ Adjusted for cash deposits (reflected as short-term investments) used for debt settlement (placed till debt scheduled maturity).



Daily Crude Oil Production: Steady Organic Growth

Daily Crude Oil Production in Russia, 9M'08 vs 9M'07



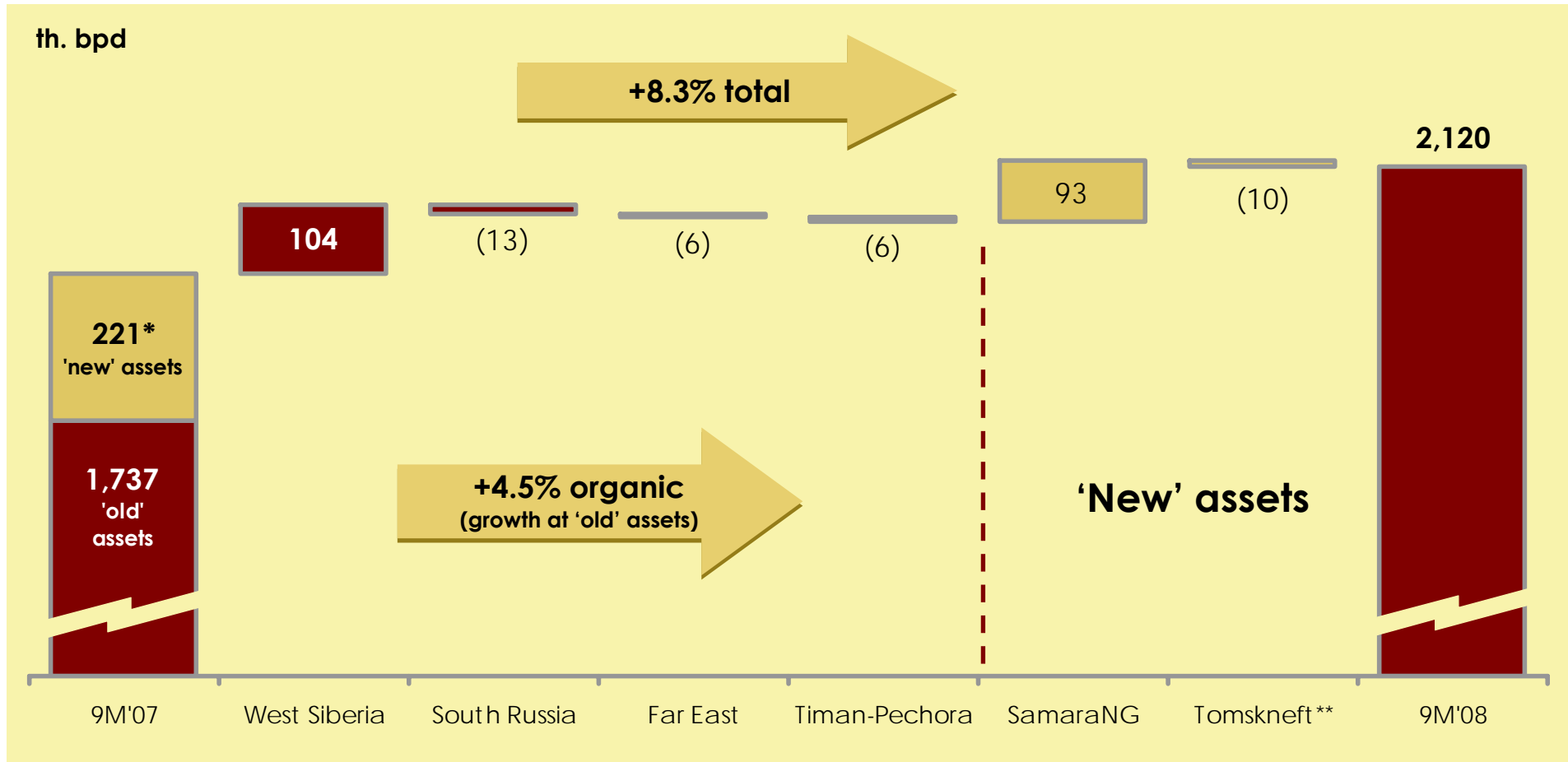
* Excluding acquisition of Tomskneft, Samaraneftgaz and VSNK.

** Excluding share in Tomskneft.



Daily Crude Oil Production: Steady Organic Growth (cont.)

Rosneft Daily Crude Oil Production Reconciliation, 9M'08 vs 9M'07



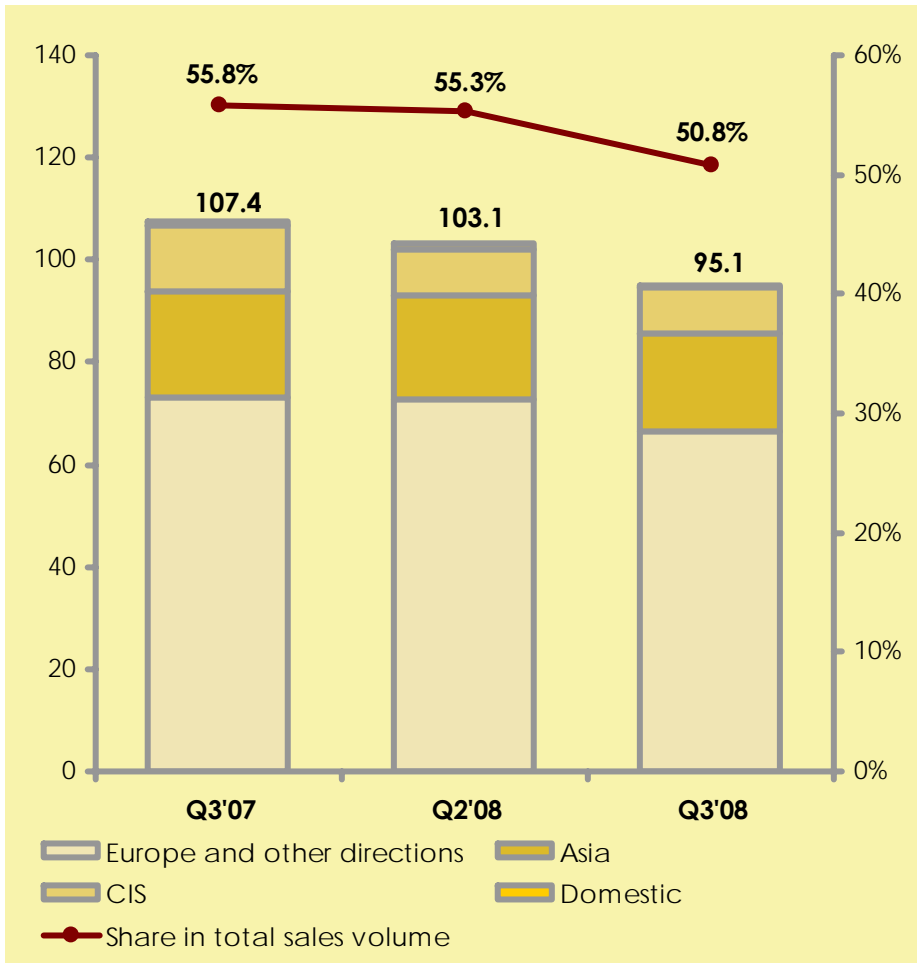
* Production by Samaraneftgaz, Tomskneft and VSNK from the date of acquisition in May 2007 to the end of September 2007, divided by 273.

** Since the date of sale of Tomskneft in December 2007 its production is accounted for on a 50.0% equity basis.

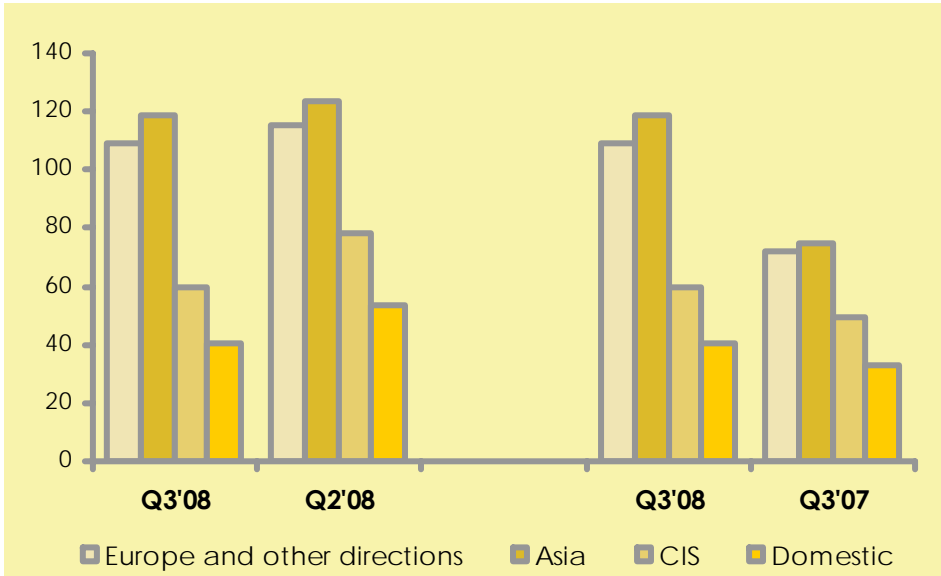


Crude Oil Sales

Crude Oil and Condensate Sales Volumes, mln bbl



Average Prices, USD/bbl

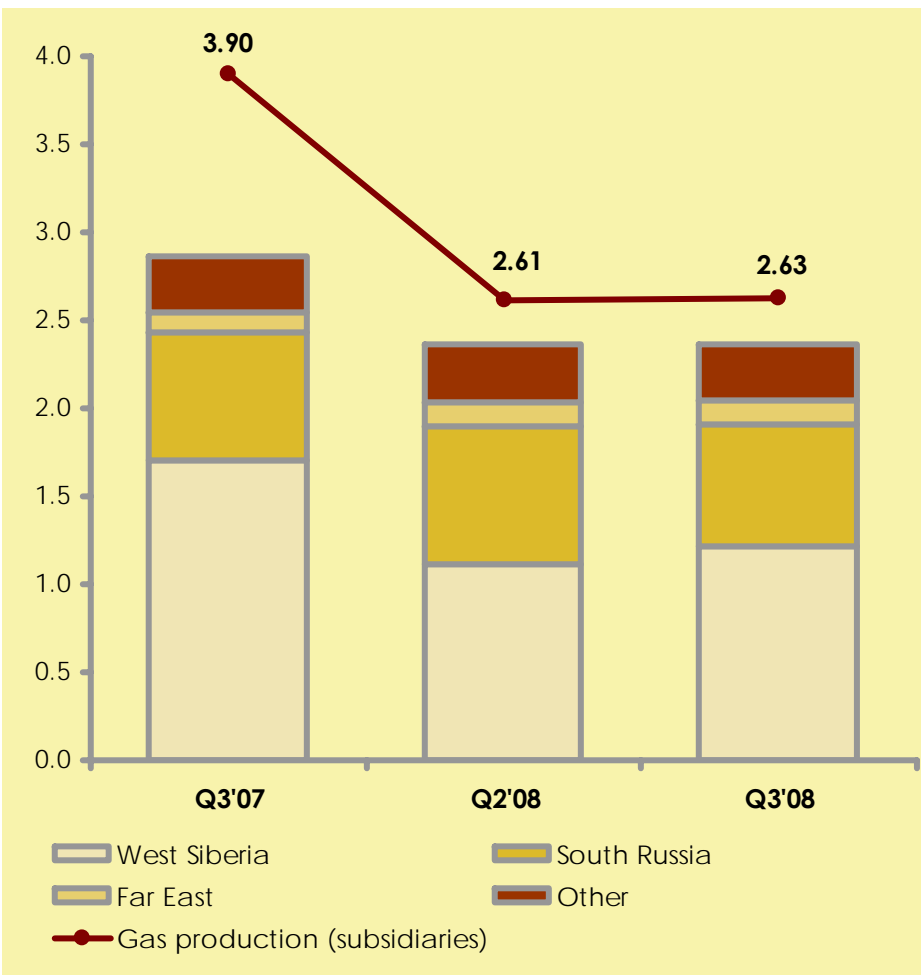


	Q3'08	Q2'08	Q3'08	Q3'07
	(USD/bbl)		(USD/bbl)	
Average Brent (Platts)	114.78	121.38	114.78	74.87
Urals (average Med+NWE) (Platts)	113.16	117.54	113.16	72.19
Rosneft export				
Europe and other direction	109.39	115.62	109.39	71.98
Asia	118.77	123.28	118.77	74.63

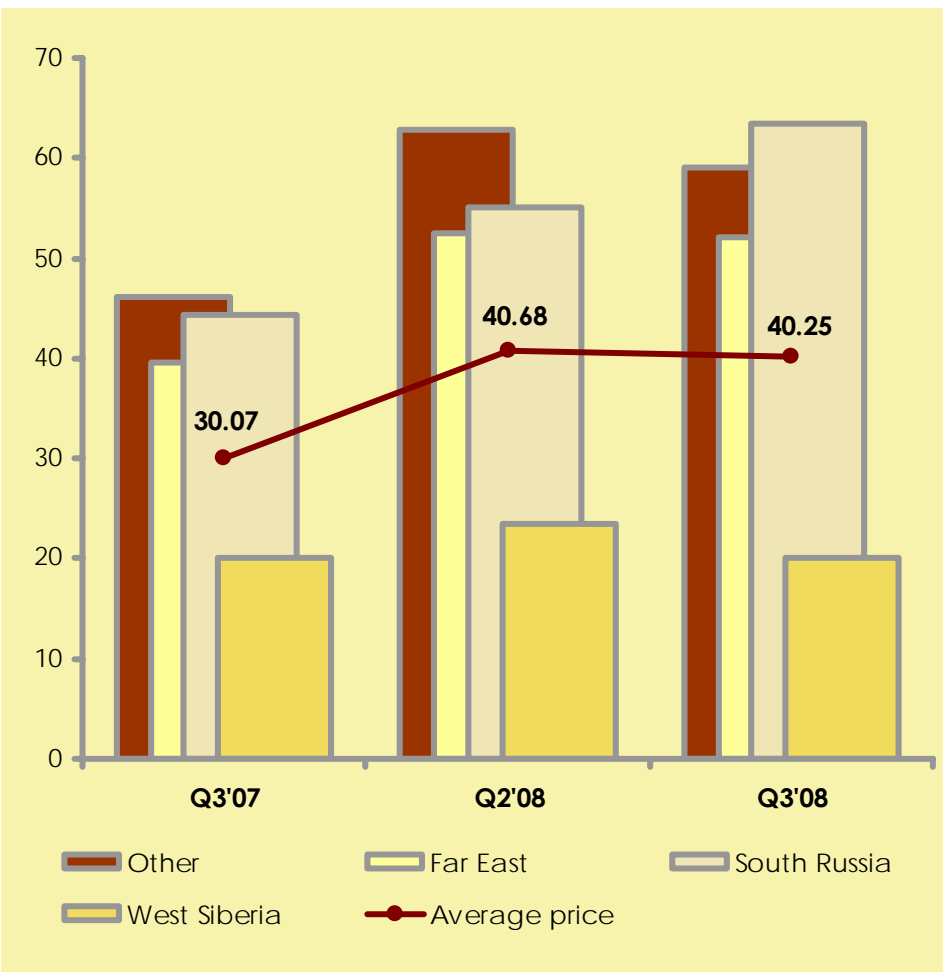


Gas Production and Sales

Gas Sales Volumes vs Production, bcm



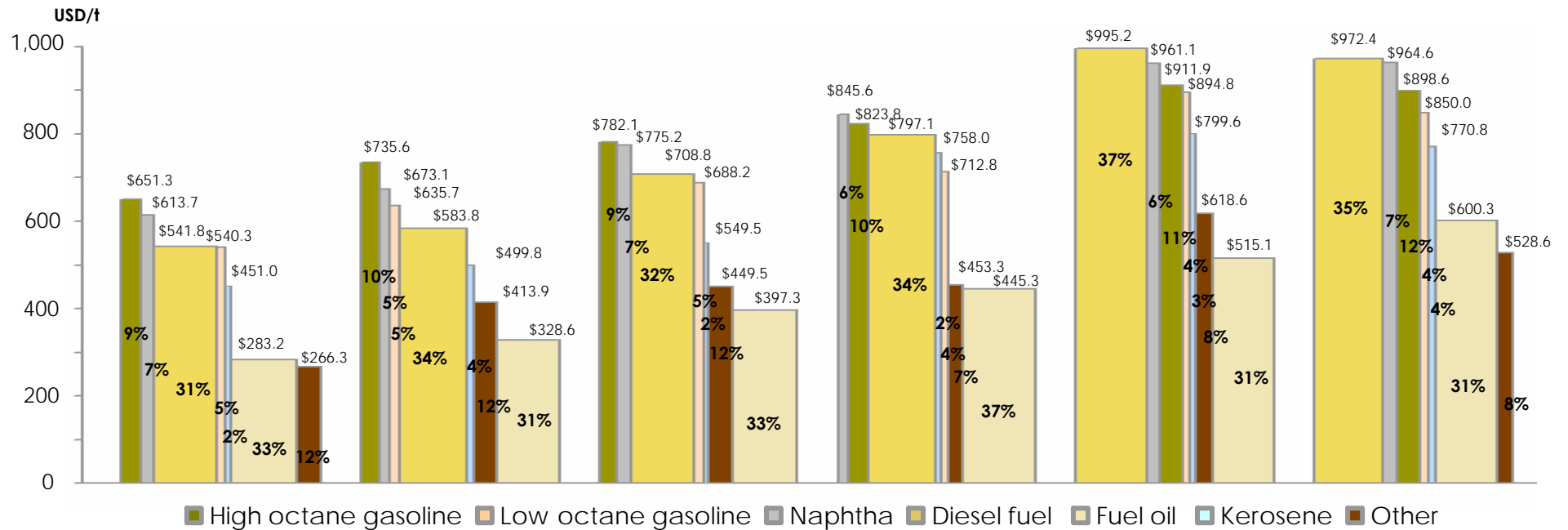
Gas Sales Prices, USD per 1,000 cubic meters





Petroleum Product Revenues

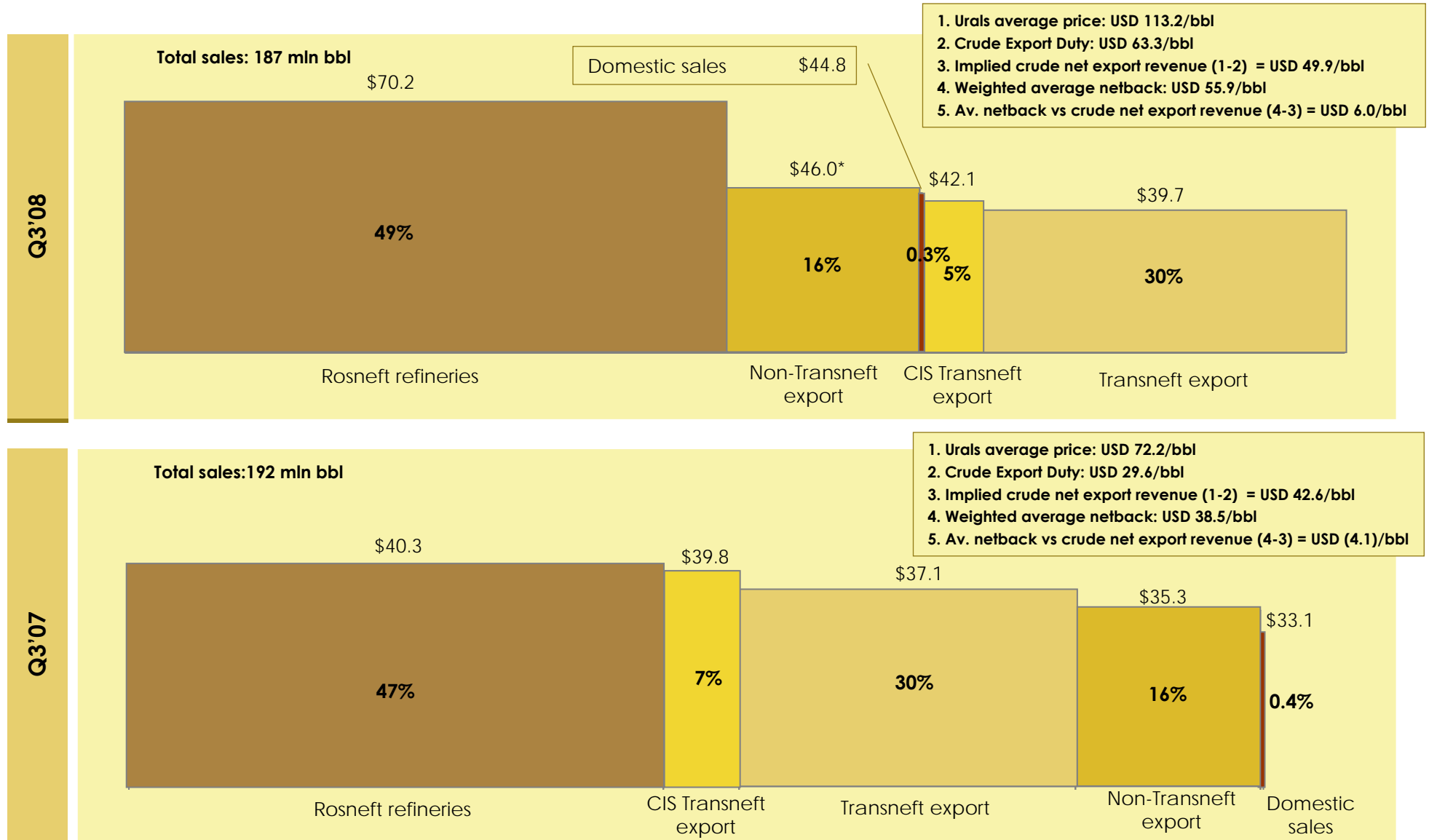
Petroleum Products: Average Prices and Volume Breakdown



	Q2'07	Q3'07	Q4'07	Q1'08	Q2'08	Q3'08
Revenue, USD mln	3,299	5,805	6,718	7,233	8,852	9,988
Excise and export duty, USD mln	520	965	1,145	1,341	1,440	1,922
Net revenue, USD mln	2,779	4,840	5,573	5,892	7,412	8,066
Volume sold, mln tonnes	7.55	11.51	11.58	11.23	11.17	12.47
Net revenue per tonne, USD	368	421	481	525	664	647



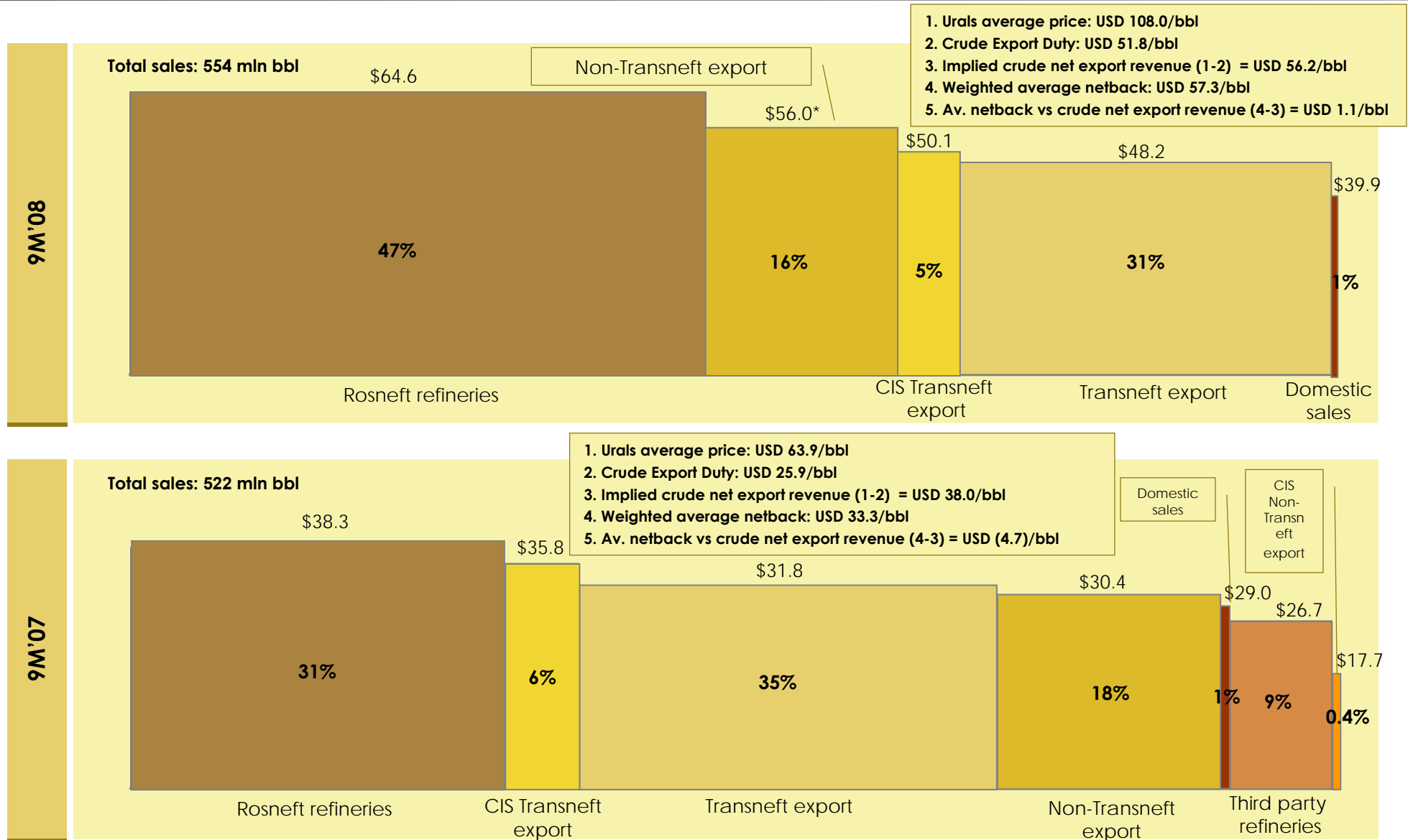
Average Netback Exceeds Crude Net Export Revenue



* Non-Transneft export netback is higher than Transneft export netback due to the effect of Sakhalin-1 exports which are not subject to export duty.



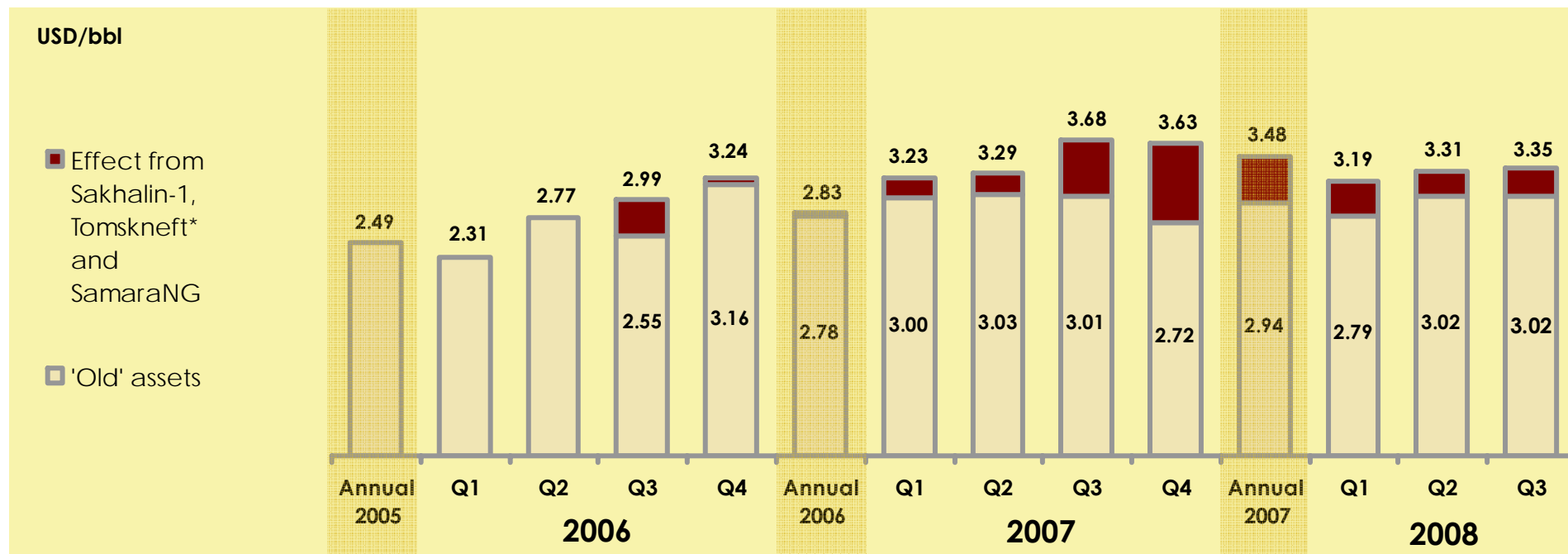
Average Netback Exceeds Crude Net Export Revenue (cont.)



* Non-Transneft export netback is higher than Transneft export netback due to the effect of Sakhalin-1 exports which are not subject to export duty.



Upstream Operating Expenses



RUB/USD average	28.29	28.16	27.20	26.81	26.59	27.19	26.31	25.86	25.51	24.65	25.58	24.26	23.63	24.25
RUB inflation**, %	10.9	16.4	17.1	18.9	20.9	20.9	25.0	27.8	29.3	30.4	30.4	36.7	41.8	44.2
Real RUB appreciation**, %	6.8	16.1	20.4	22.9	27.1	27.1	33.1	37.2	43.4	46.7	46.7	56.2	62.3	57.7

Upstream operating expenses include materials and electricity, workover, wages and salaries, and cost of transport to a trunk pipeline.

* Since 27.12.07, Tomskneft is accounted for on an equity basis

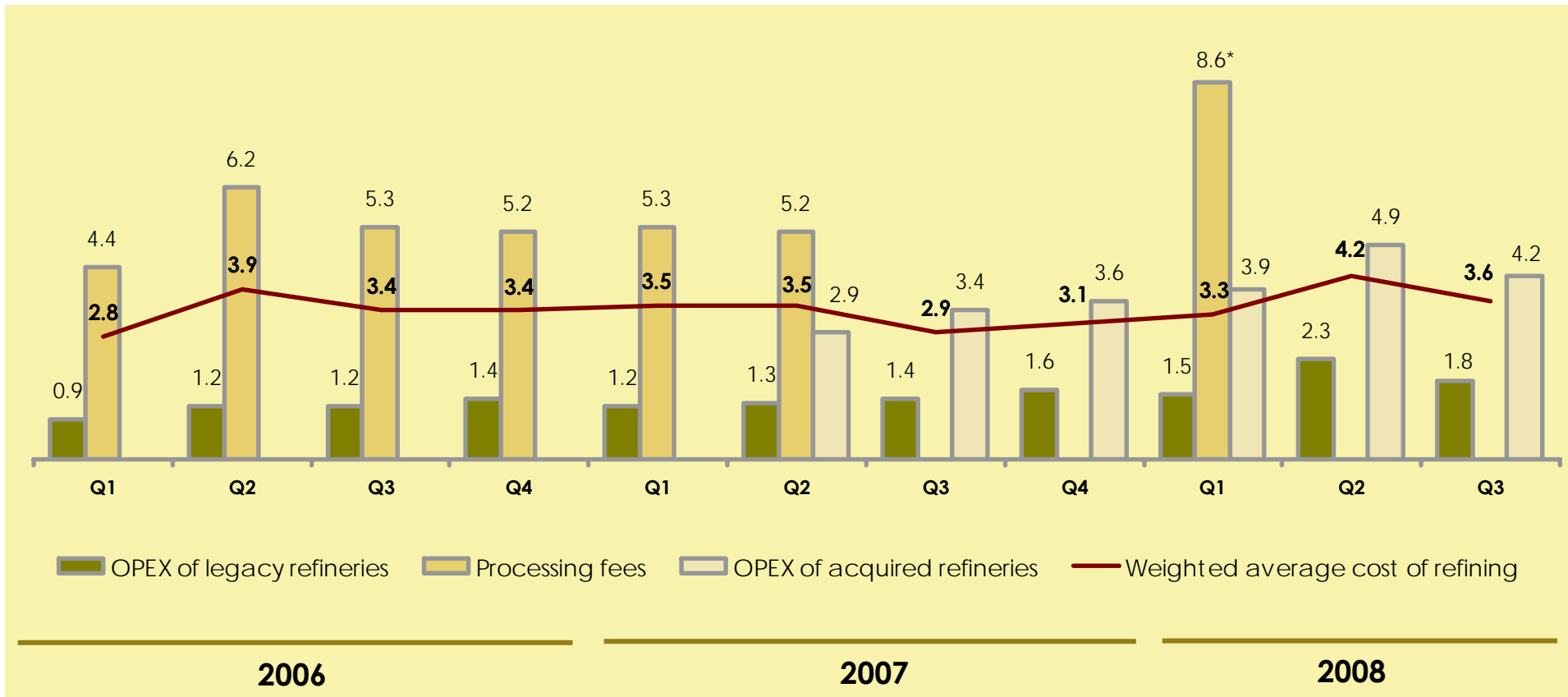
** Cumulative from 01.01.2005

Decrease in OPEX during Q3'07-Q1'08 is the result of Tomskneft deconsolidation and optimization of OPEX structure by consolidation of service companies.



Downstream Operating Expenses

Refining Costs, USD/bbl



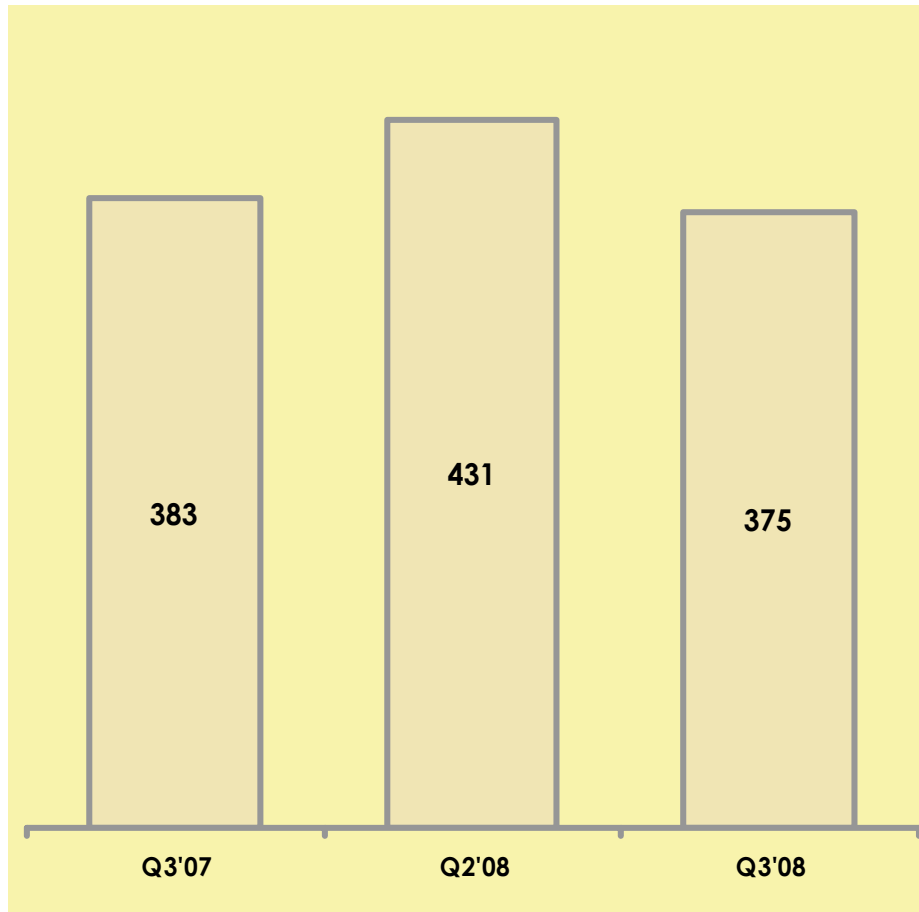
Third-party refineries were purchased in Q2'07. Rosneft fully consolidates these refineries since the date of acquisition. Expenses of own refineries do not include DD&A. OPEX of own refineries includes cost of materials, maintenance, fuel, electricity, wages and salary, rental payments and other items.

* Cost of processing at the Strezhevoi refinery after December 27, 2007. In February 2008, Rosneft stopped processing crude at the Strezhevoi refinery as Tomskneft started to directly process its crude at the refinery.

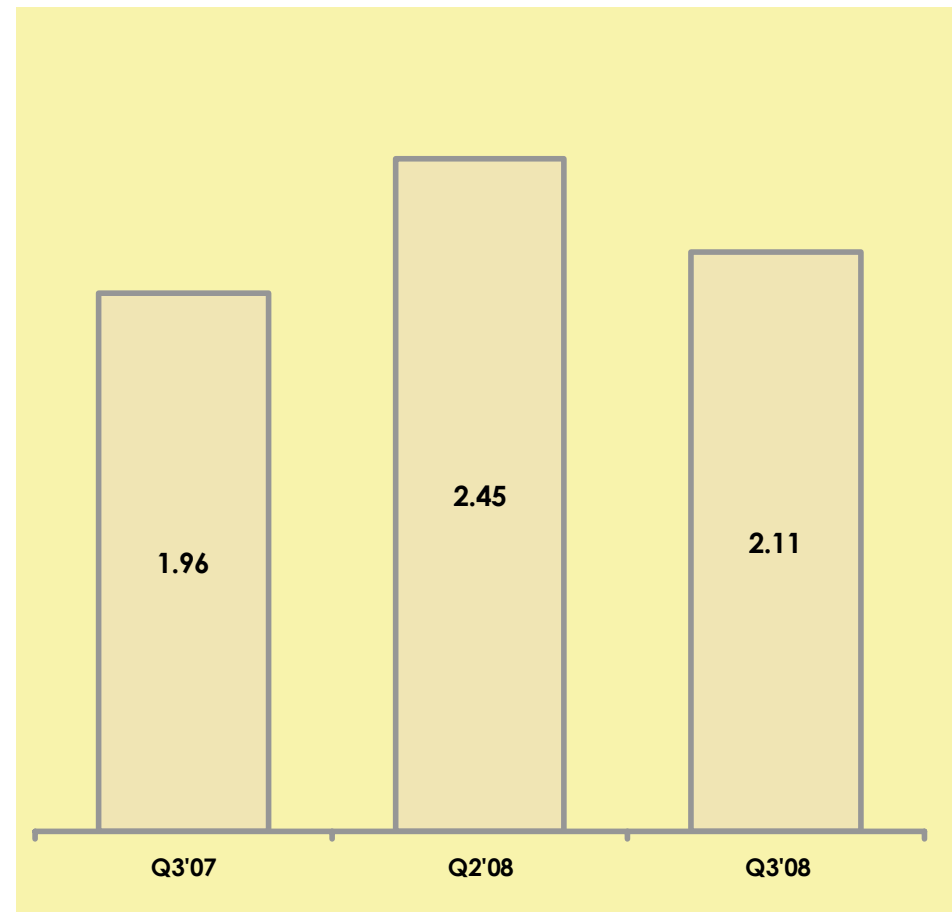


SG&A Expenses

USD mln



USD/bbl produced

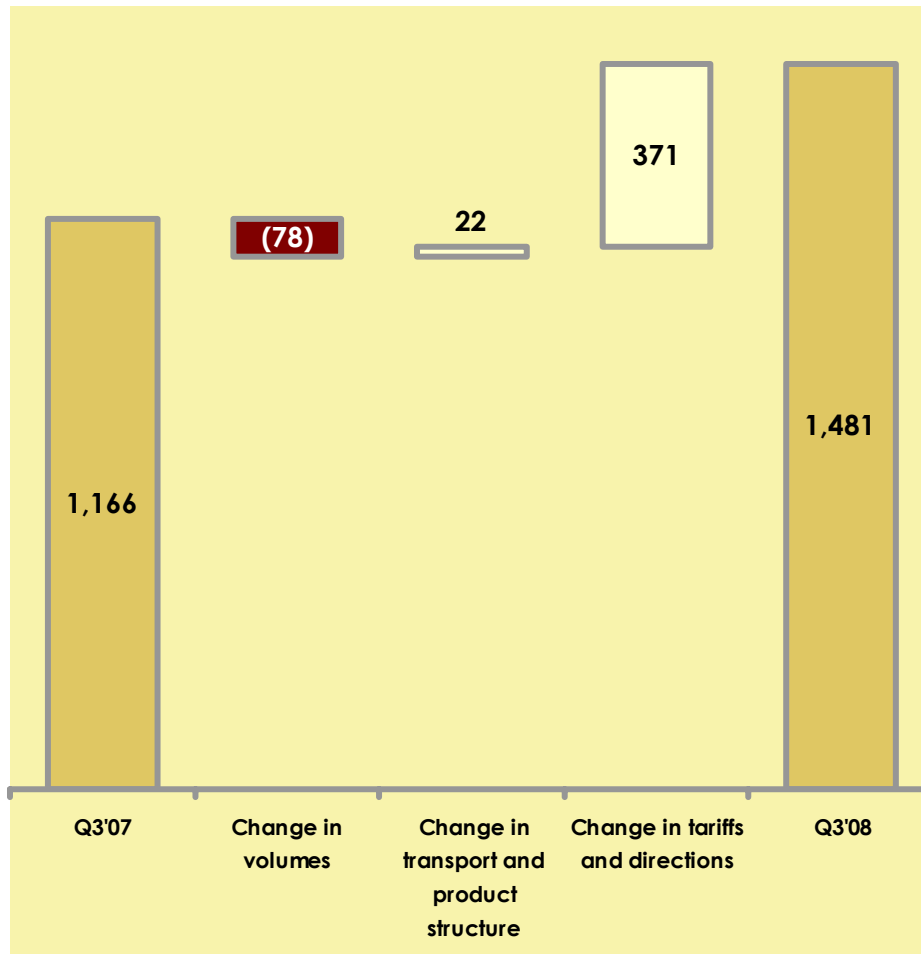


Selling, general and administrative expenses include payroll at headquarters and management-related subsidiaries, payroll of top management of operating subsidiaries, audit & consulting expenses, bad debt allowance and other costs.

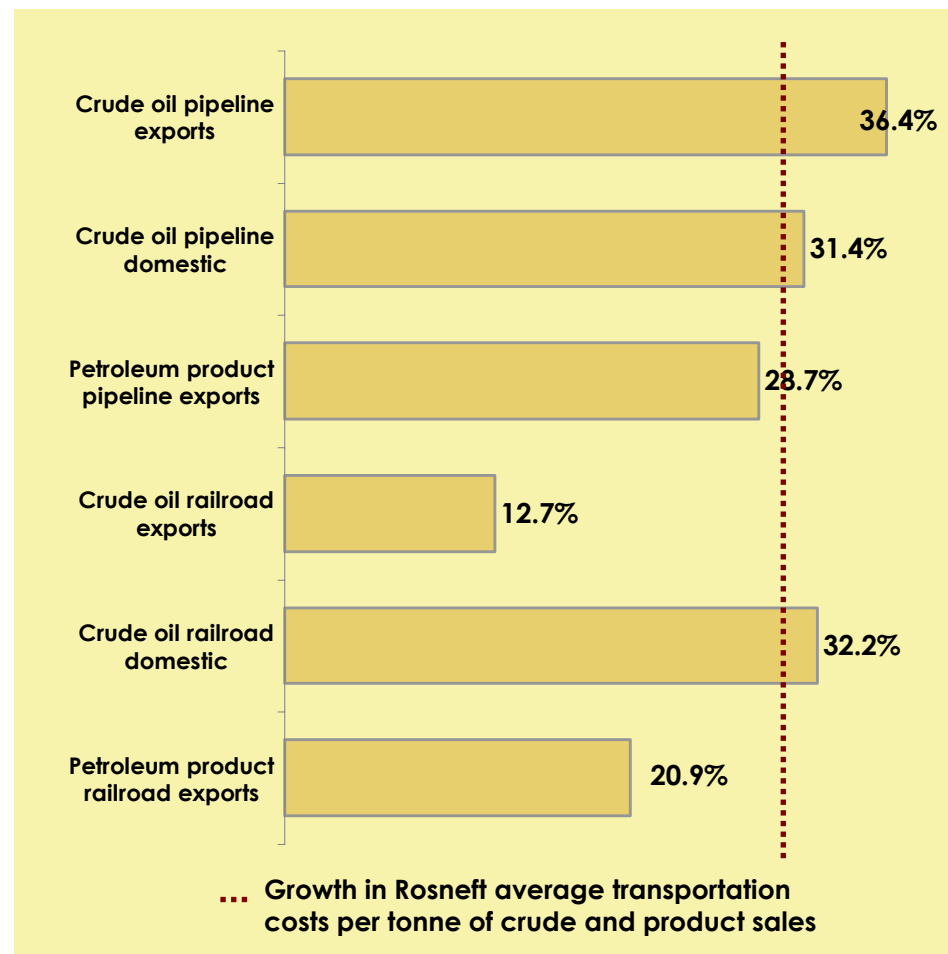


Transportation Costs: Q3'08 vs Q3'07

Transportation Costs (Q3'08 vs Q3'07), USD mln

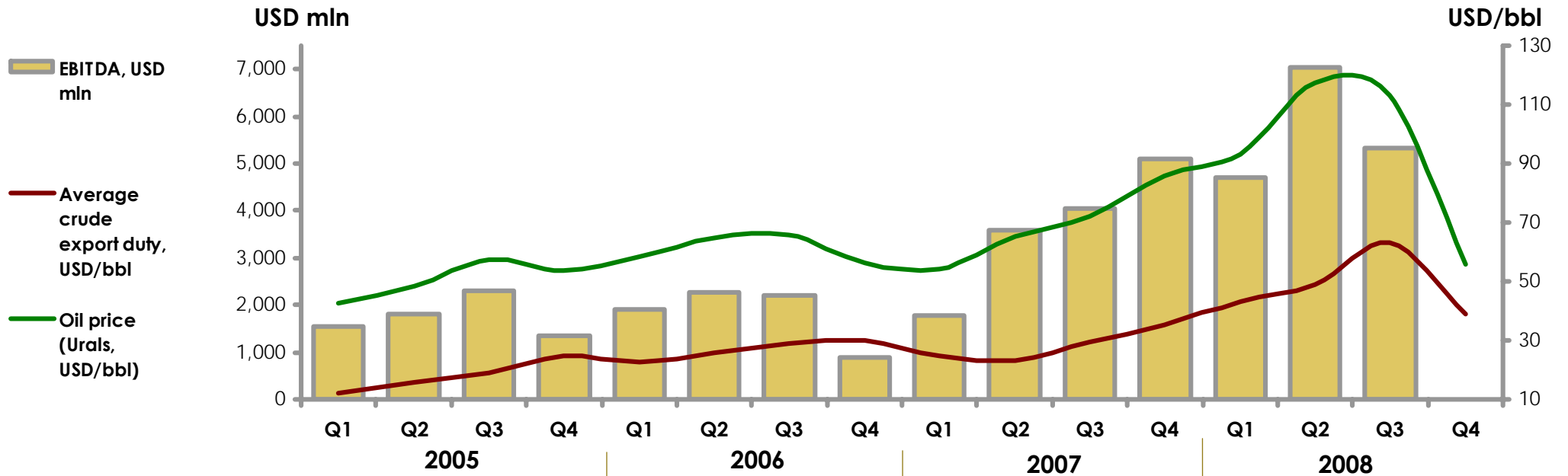


Average Change in Transportation Tariffs of Russian Monopolies in USD terms (Q3'08 vs Q3'07)





EBITDA Growth

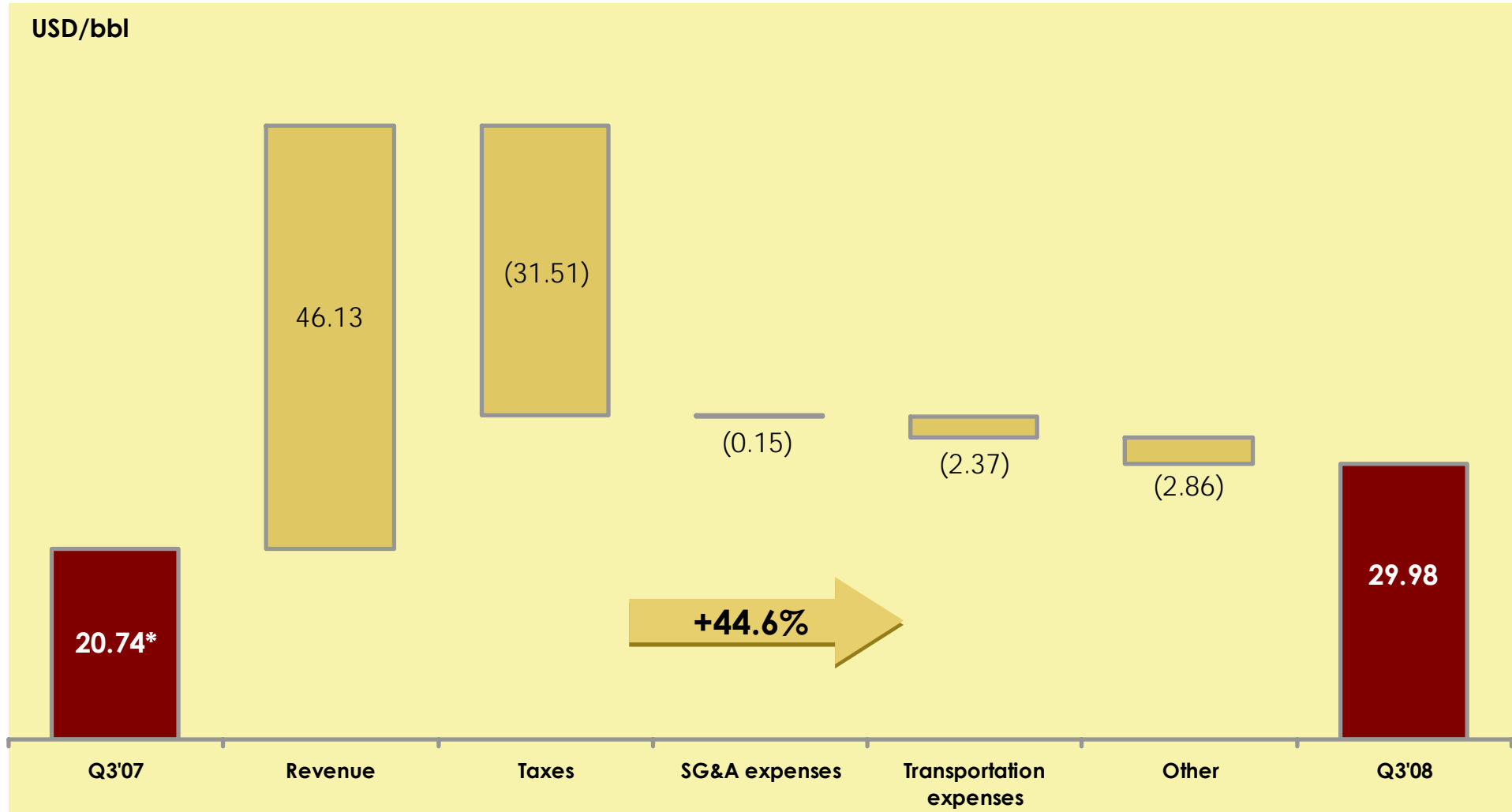


USD/bbl	2005				2006				2007				2008			
1. Av. Urals price	42.8	48.2	57.2	53.7	58.2	64.8	65.8	56.3	54.3	65.2	72.2	85.9	93.3	117.5	113.2	55.9*
2. Av. MET	7.4	8.6	10.6	9.8	10.8	12.2	12.5	10.3	9.9	12.4	13.9	16.9	18.6	23.7	22.6	10.2*
3. Av. export duty	12.1	15.5	18.8	24.5	22.8	26.0	28.8	29.8	24.6	23.4	29.5	35.3	43.0	49.1	63.3	38.8
4. Av. net export revenue after MET (=1-2-3)	23.2	24.1	27.9	19.3	24.6	26.5	24.5	16.2	19.9	29.4	28.8	33.8	31.7	44.7	27.3	6.9
5. EBITDA/bbl	12.0	13.9	16.8	9.4	14.0	15.8	14.3	5.8	12.0	20.9	21.1	25.7	26.6	40.2	30.0	TBD
6. Implied av. total cash cost to market (= 4-5)	11.2	10.2	11.1	9.9	10.6	10.7	10.3	10.4	7.9	8.5	7.7	8.1	5.1	4.5	(2.7)	TBD

* Based on a Urals price of USD 45 per barrel for December 2008.



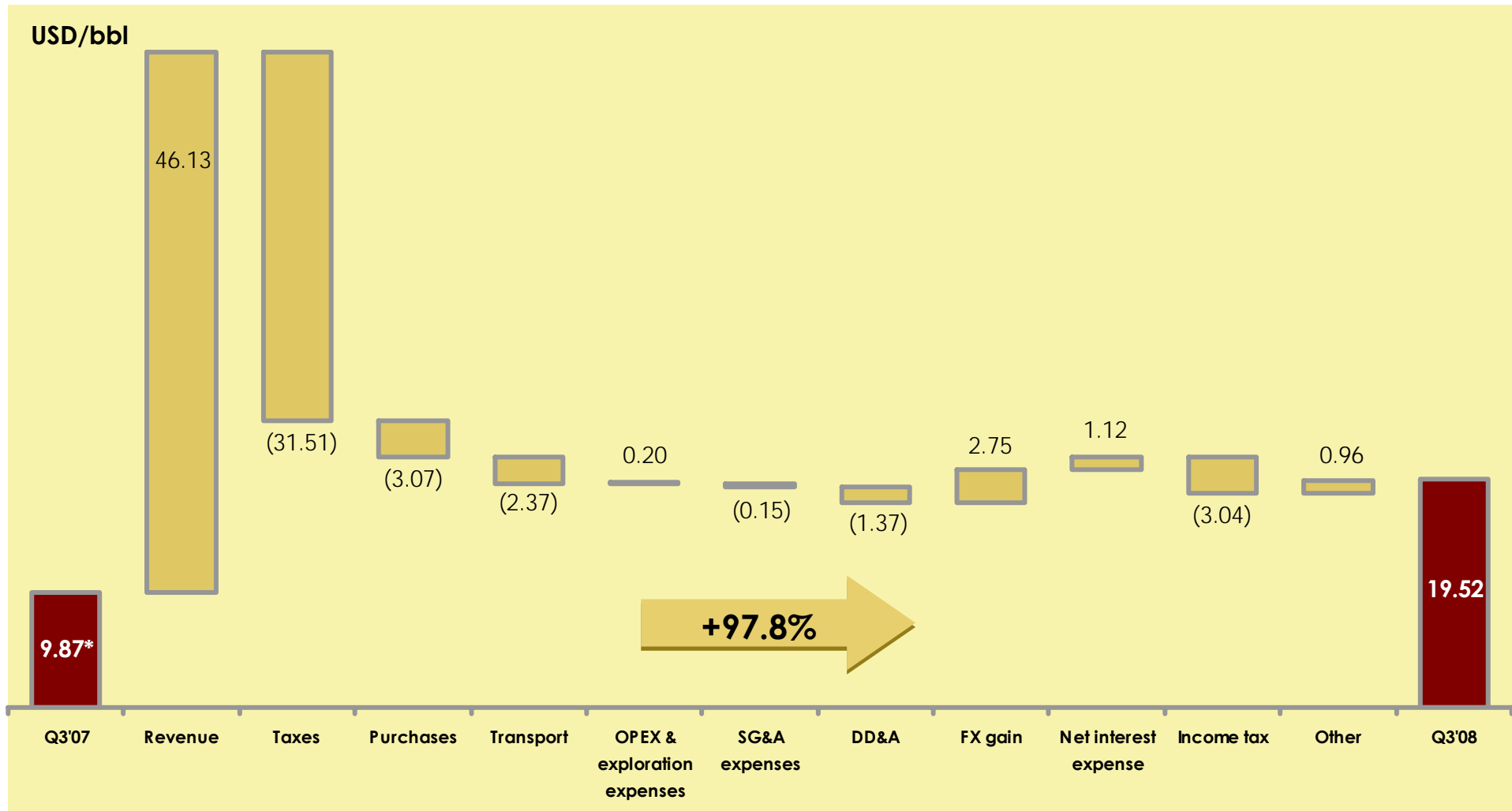
EBITDA/bbl Reconciliation: Q3'08 vs Q3'07



*Adjusted for the effect of non-operating accrual of fines and penalties related to pre-acquisition Yuganskneftegaz tax liabilities.



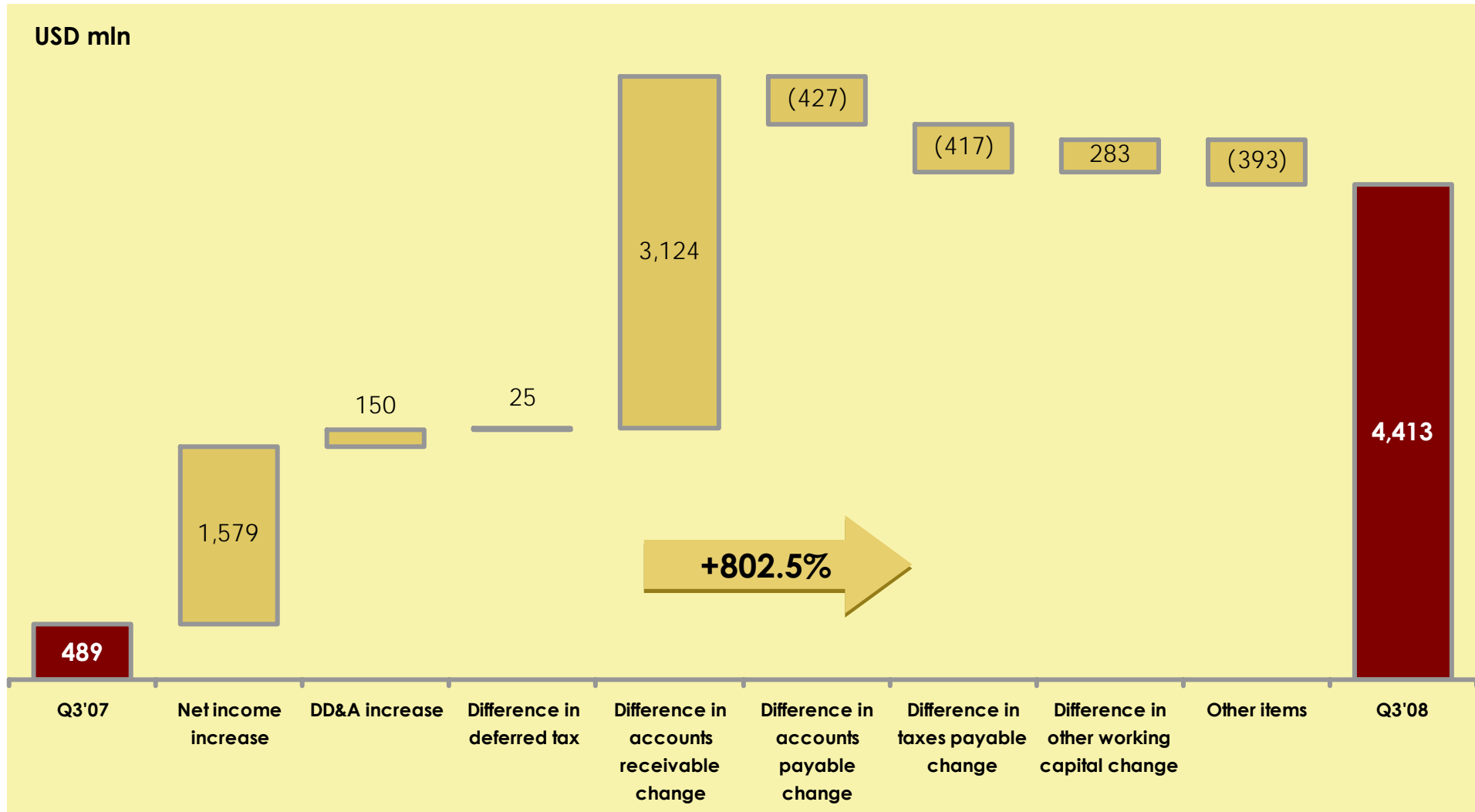
Net Income/bbl Reconciliation: Q3'08 vs Q3'07



* Adjusted for the effect of non-operating accrual of fines and penalties related to pre-acquisition Yuganskneftegaz tax liabilities.



Operating Cash Flow Reconciliation: Q3'08 vs Q3'07





Capital Expenditures

USD mln	9M'08	9M'07	Q3'08	Q3'07
Exploration and production	4,678	3,185	1,636	1,444
Yuganskneftegaz	2,048	1,713	732	727
Vankor	1,715	717	617	325
Purneftegaz	406	259	112	114
Severnaya Neft	144	154	53	68
Tomskneft	-	110	-	110
Samaraneftegaz	134	48	54	48
Other upstream ¹	231	184	68	52
Refining and marketing	828	486	274	282
OJSC NK Rosneft ²	113	59	11	5
Tuapse Refinery	115	43	31	13
Komsomolsk Refinery	45	44	18	12
Purchased Refineries	216	109	72	109
Marketing Business Units and Other downstream ³	339	231	142	143
Other	376	124	171	96
Sub Total	5,882	3,795	2,081	1,822
Acquisition of lots 17-18	-	288	-	288
Construction materials (Vankorneft, Yuganskneftegaz, etc.)	544	455	98	140
Total Capital Expenditures	6,426	4,538	2,179	2,250
License purchase	47	52	-	47
E&P capital expenditures per barrel produced, USD/bbl	8.83	6.19	9.21	7.39

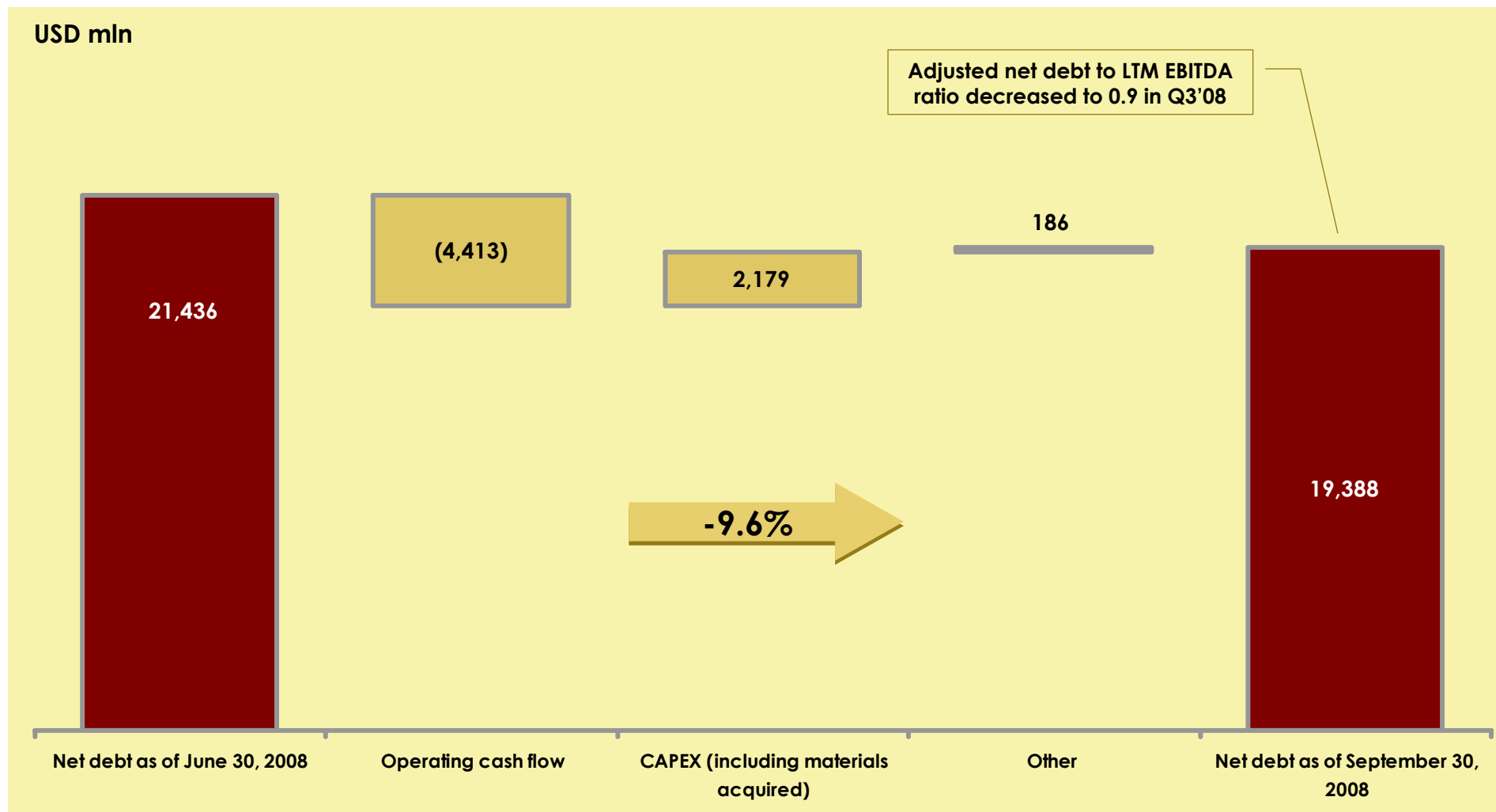
1 Includes Krasnodarneftegaz, Stavropolneftegaz, Sakhalinmorneftegaz, Grozneftegaz, Sakhalin-1 etc.

2 The growth is due to advances for gas-turbine equipment.

3 Mainly companies providing processing and storage services.



Net Debt Reconciliation*



* Net debt adjusted for cash deposits of USD 1,291 mln as of June 30, 2008 and USD 210 mln as of September 30, 2008 (reflected as short-term investments as they are placed for more than 3 months) that are intended for debt settlement and placed until debt maturity.



Rosneft Q3 and 9M 2008 US GAAP Financial Results

Appendix

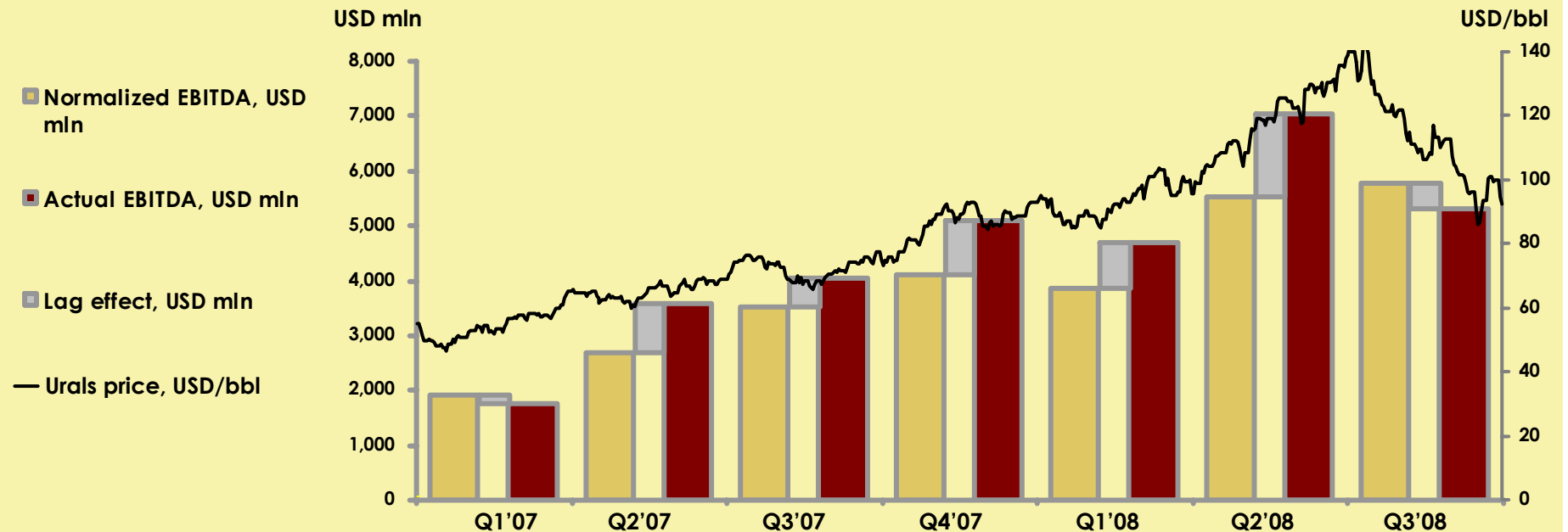


Adjustments to Net Income and EBITDA

USD mln	Q3'08	Q3'07	9M'08	9M'07
Net income	3,469	1,890	10,345	9,910
YNG tax penalties and fines	-	38	-	437
Gain from Yukos debt (net of tax effect)	-	-	-	(6,019)
Adjusted Net income	3,469	1,928	10,345	4,328
EBITDA	5,326	4,023	17,076	9,026
YNG tax penalties and fines	-	31	-	373
Adjusted EBITDA	5,326	4,054	17,076	9,399



Export Duty Lag Effect



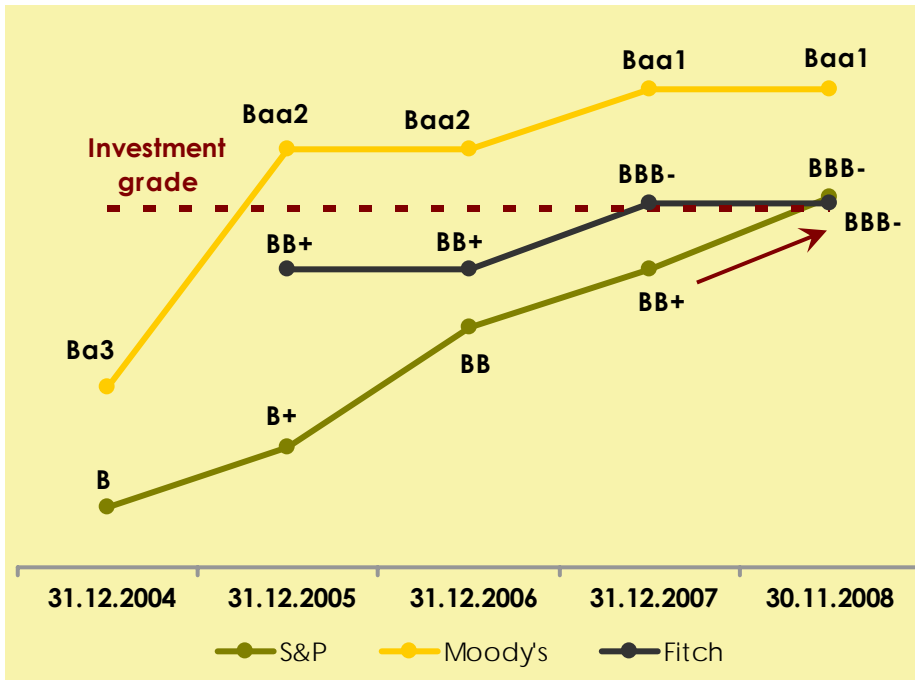
1. Rosneft EBITDA, USD mln	1,776	3,581	4,054	5,084	4,698	7,052	5,326
2. Average crude export duty paid*, USD/bbl	21.7	19.8	26.3	30.8	36.3	45.7	56.9
3. Normalized crude export duty, USD/bbl	20.6	26.9	30.0	38.1	43.2	57.0	54.4
4. Crude export duty lag = (3-2)*volume, USD mln	(111)	777	396	825	655	1,158	(239)
5. Average product export duty paid*, USD/t	104.3	91.4	119.5	144.2	161.9	181.3	249.5
6. Normalized product export duty, USD/t	96.2	123.2	142.8	171.6	190.2	240.3	217.3
7. Product export duty lag = (6-5)*volume, USD mln	(28)	122	135	165	180	372	(212)
8. Total export duty lag effect = 4+7	(139)	899	531	990	835	1,530	(451)
9. Normalized EBITDA = 1-8	1,915	2,682	3,523	4,094	3,863	5,522	5,777

* Average export duty paid is lower than that set by the Russian government because exports to some CIS countries and Sakhalin-1 crude exports are not taxed.

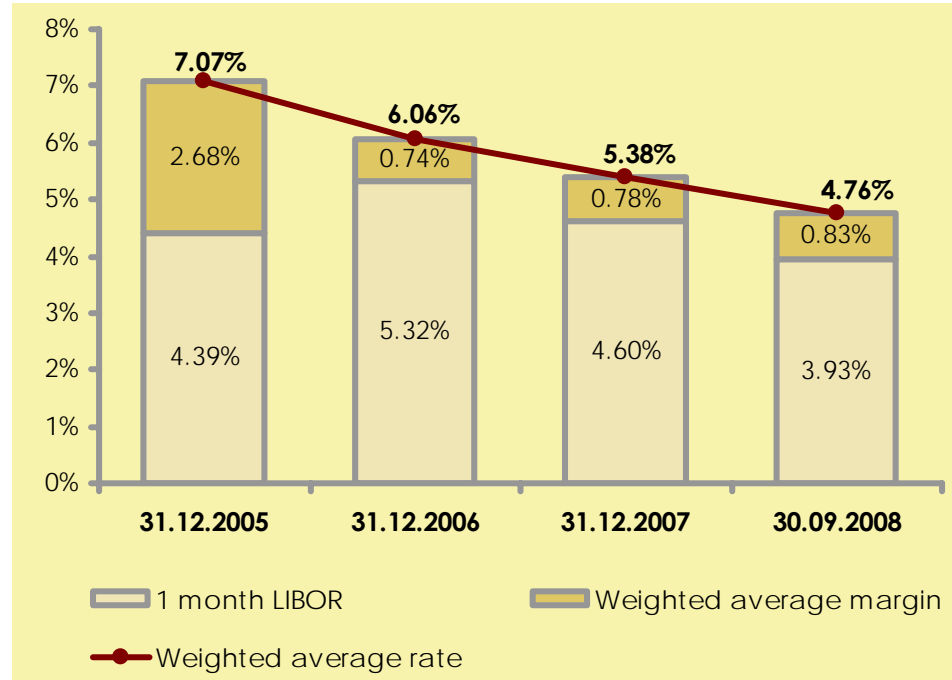


Improving Credit Ratings and Reducing Weighted Average Cost of Borrowing

Improvement in Rosneft Credit Ratings



Weighted Average Cost of Borrowing



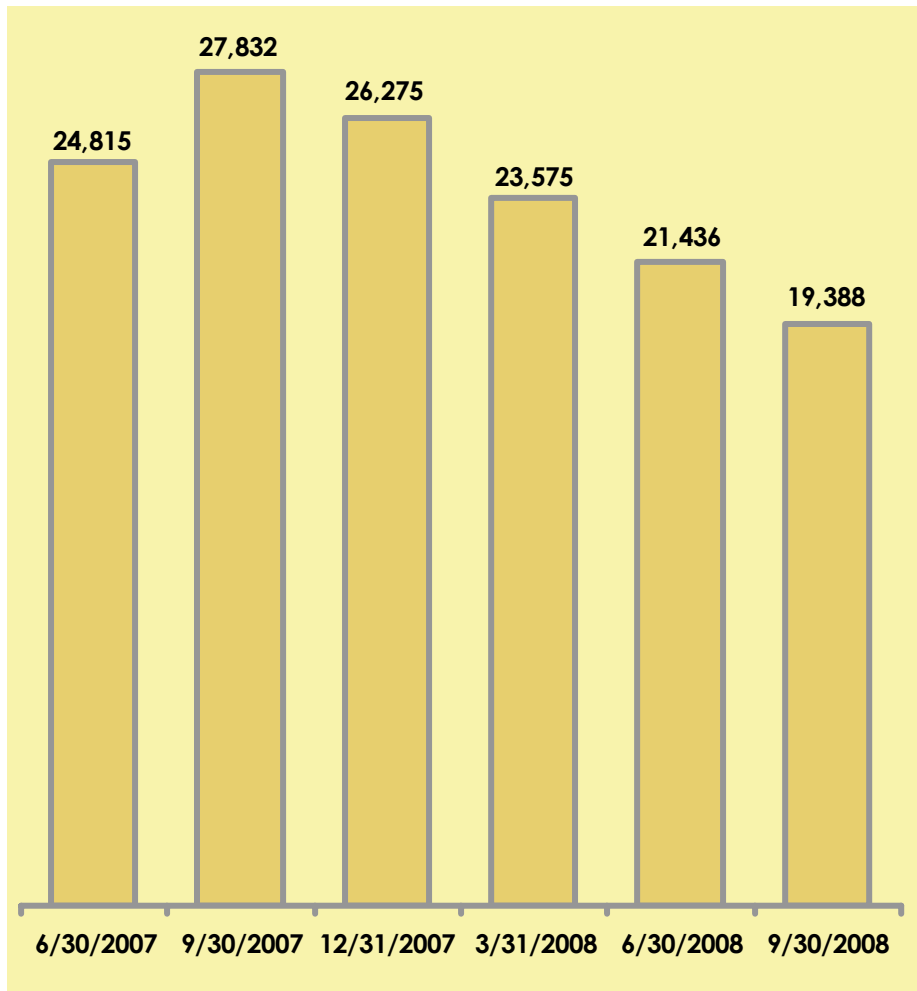
In 2008, Rosneft continues to efficiently manage its capital structure:

- Credit rating upgrade by S&P
- Investment grade rating from all the three major agencies
- Successful debt refinancing and reduction of weighted average cost of debt
- Strict observance of covenants

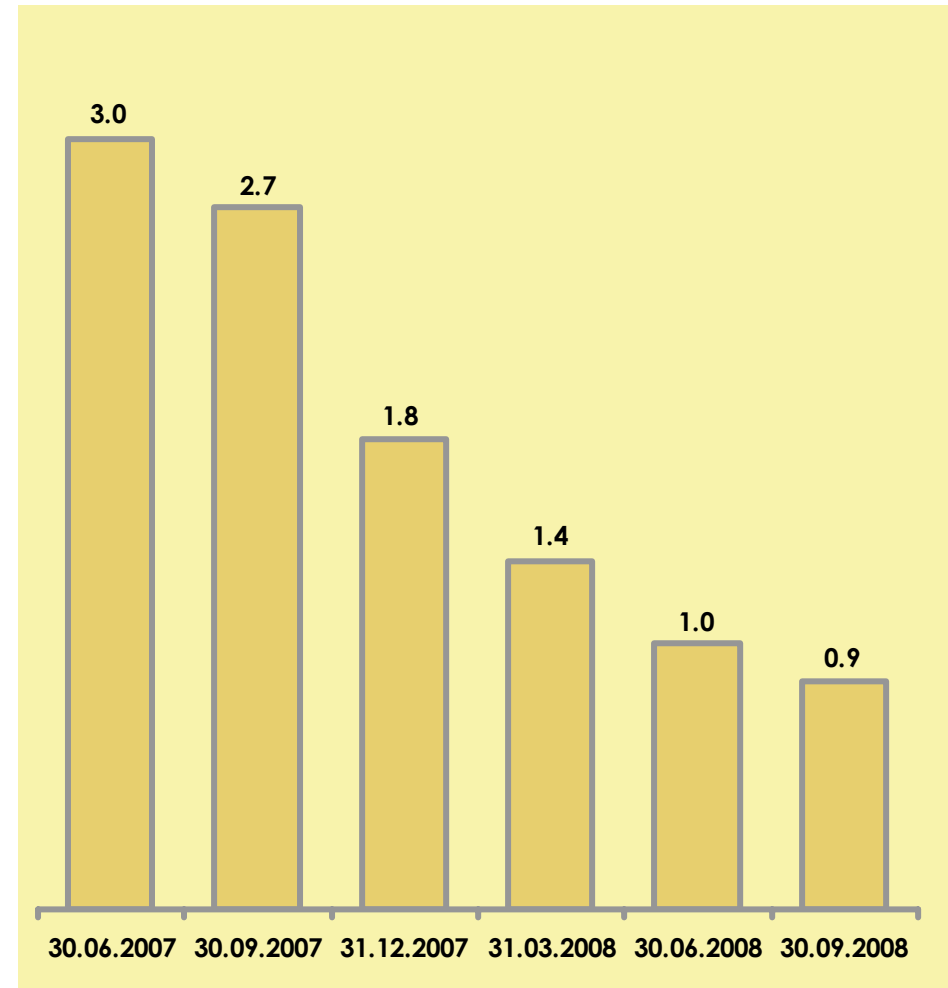


Reduction of Net Debt

Net debt, USD mln

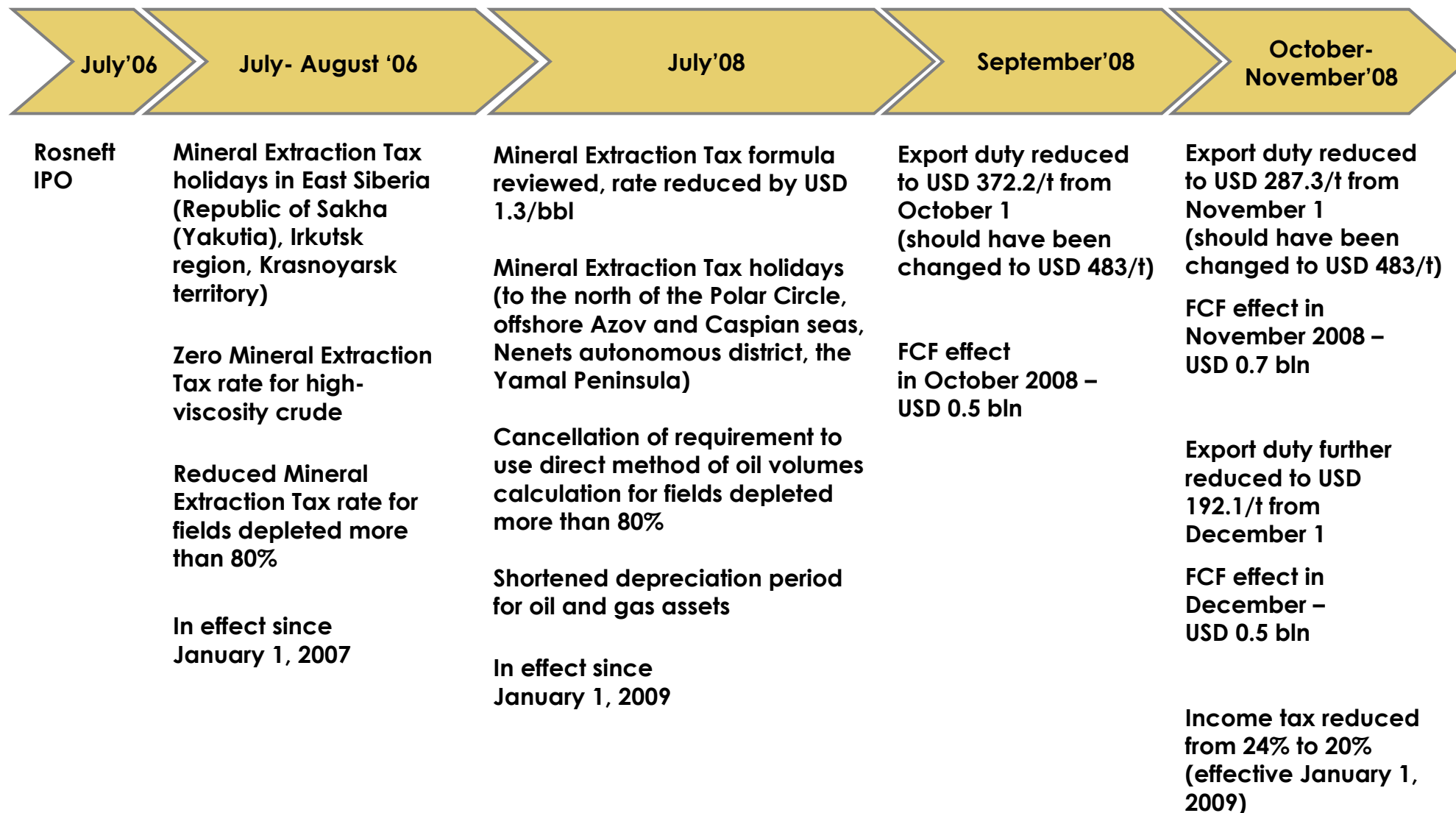


Net debt to LTM EBITDA



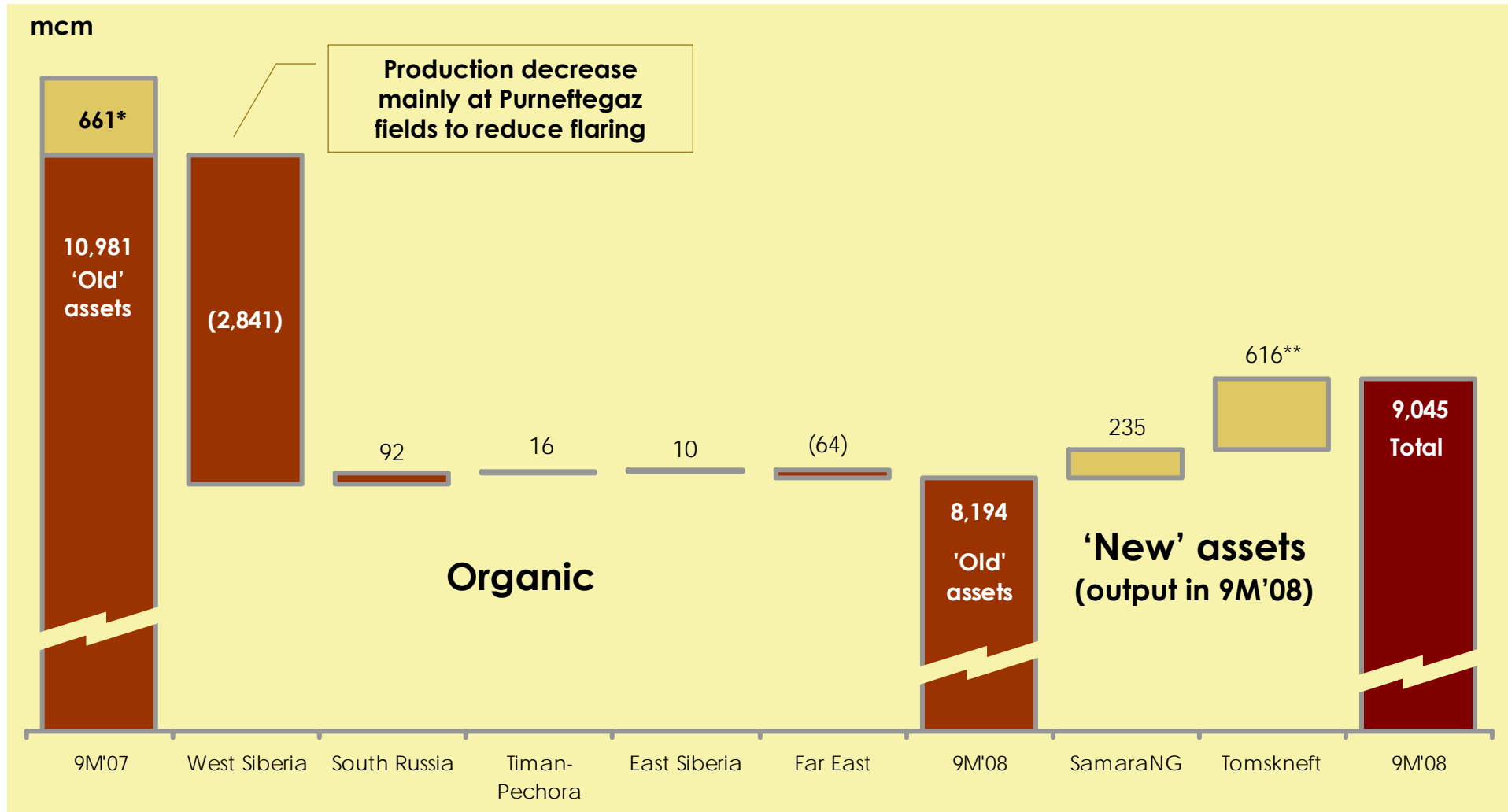


Progress on Tax Regime





Gas Production Reconciliation: 9M'08 vs 9M'07

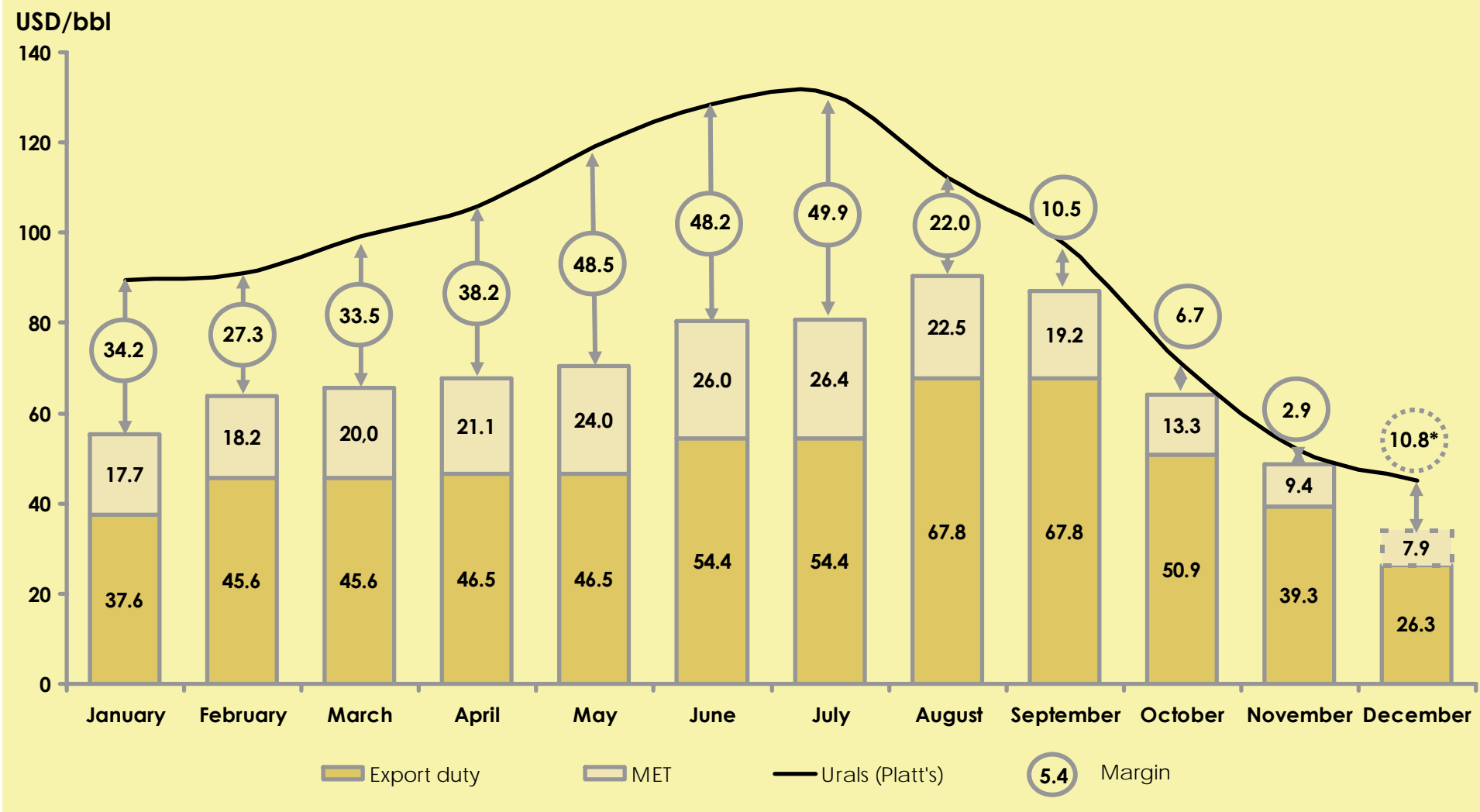


* Production by Samaraneftgaz, Tomskneft and VSNK from the date of acquisition in May 2007 through September 30, 2007.

** 50% share in Tomskneft production.



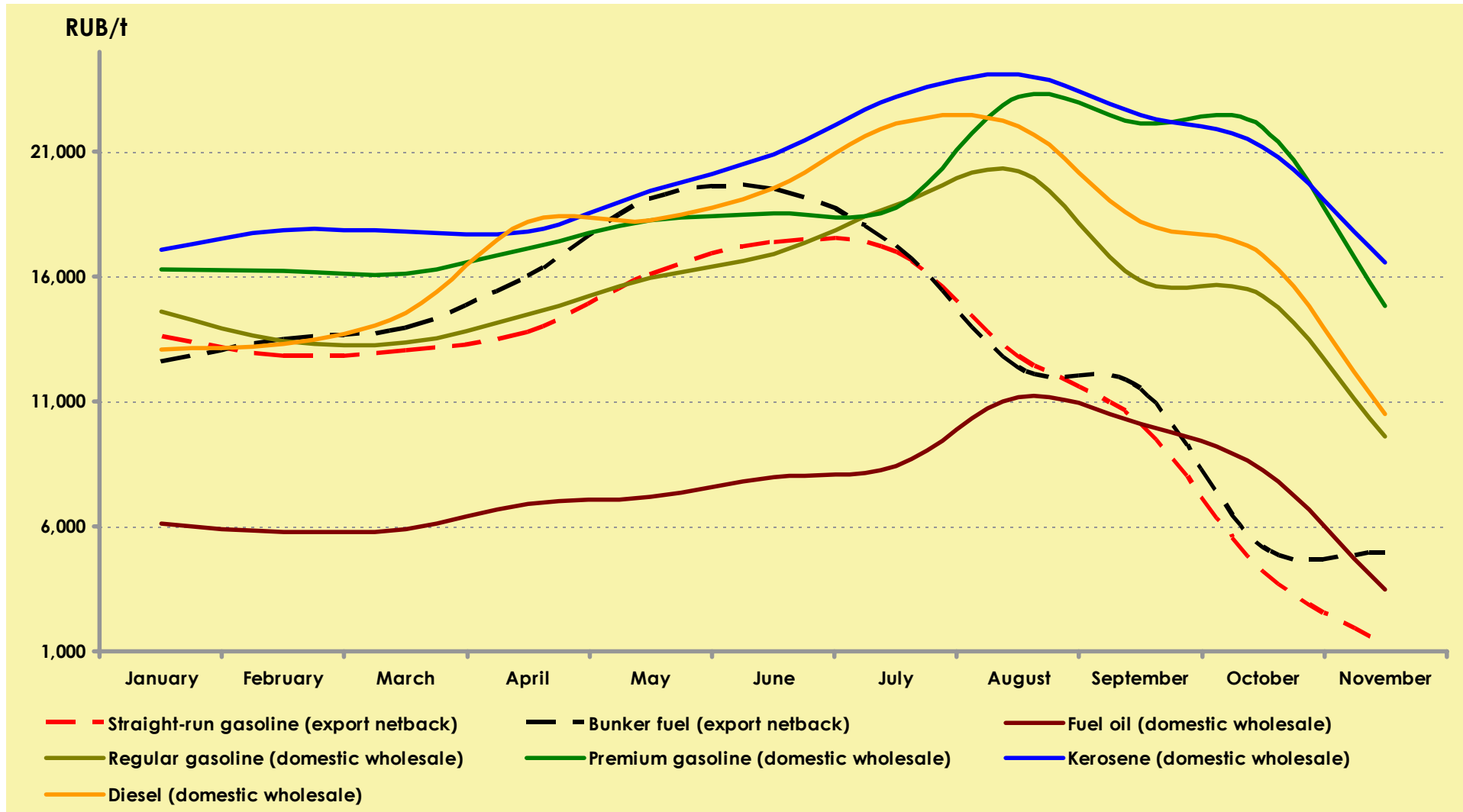
Net Revenue of an Oil Exporter in 2008



* Based on a Urals price of USD 45 per barrel for December 2008.



Petroleum Product Prices in 2008 (Rosneft Refineries)*



* Refinery-gate export netback or domestic wholesale price net of VAT and excise (average for Rosneft refineries).