

From Rigs to Riches

Oilmen vs. Financiers in the Russian Oil Sector

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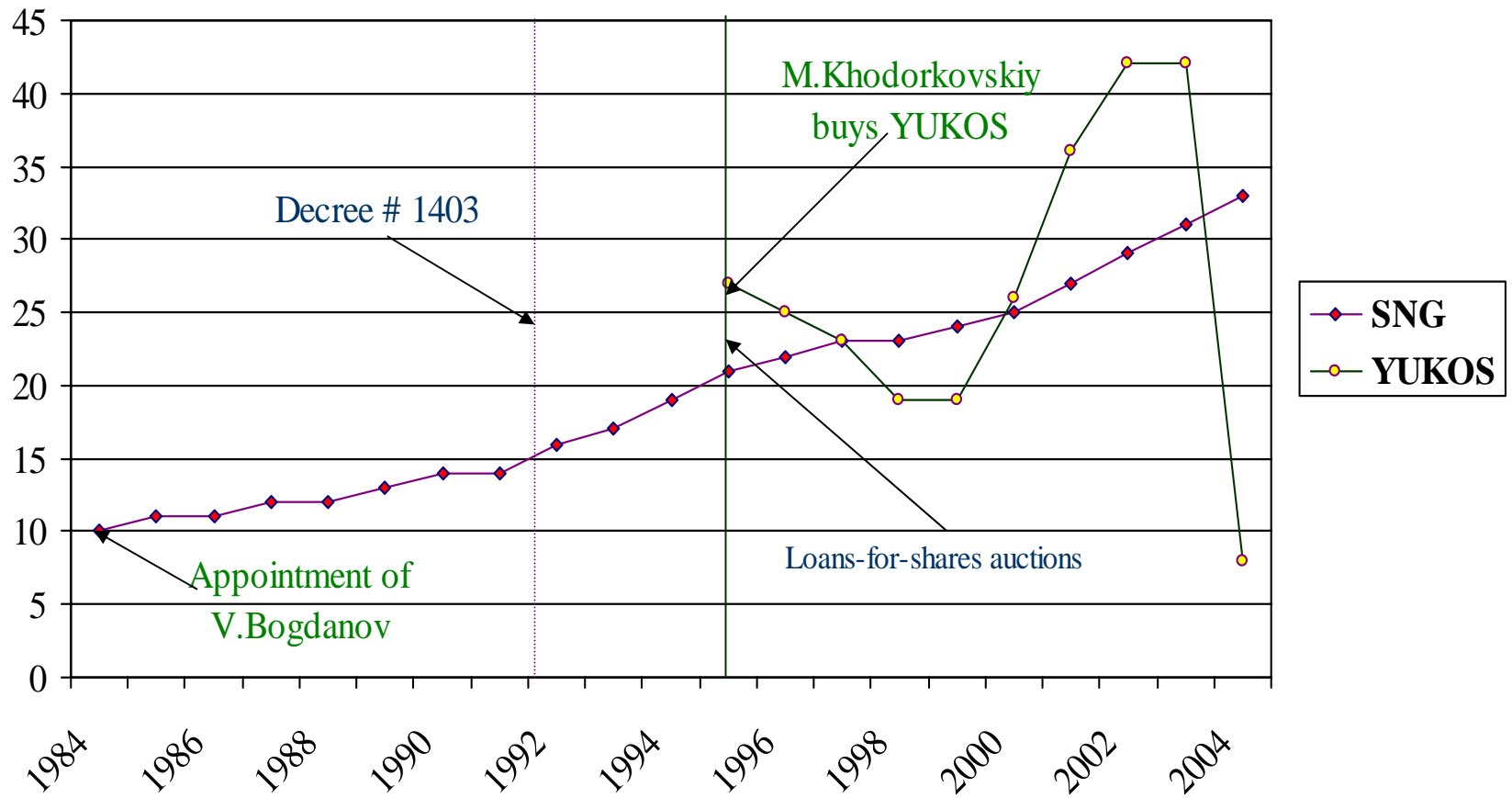
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Five New Commandments of Doing the Oil Business in Russia

- **Be a good corporate citizen;**
- **Be a conscientious tax payer;**
- **Be politically correct;**
- **Be patriotic;**
- **Be sensible about your licenses.**

Wheel of Fortune



Alternative Survival/Success Strategies

SNG/Bogdanov

- Evolutionary development
- Production-minded
- Advanced/conservative production methods
- Internal growth
- Financial conservatism
- Distance from foreigners; support of domestic producer
- Insufficient reforms
- Closed
- Rudimentary corporate governance
- Low key
- The general who walks to work
- Apolitical, but etatist
- Minds his own business
- Paternalism; strong on CSR

YUKOS/Khodorkovskiy

- Revolutionary development
- Commercial-minded
- Advanced/aggressive production methods
- Expansionist growth
- Financial adventurism
- Internationalized and Westernized
- Pioneer of reforms
- Open
- Leader in corporate governance
- High profile
- The richest man in Russia
- Democratic opposition
- Political ambitions
- Focus on enlightenment

Russian Eight (?) Sisters

	Proved reserves, bln bbls, 2002, SPE	Oil production, mln tons		Oil exports, mln tons		Drilling in 2003, thousand meters		Number of oil wells, Dec. 2003	
		2002	2003	2002	2003	Dev.	Expl.	Total	Idle
YUKOS	13.7	69.3	80.7	24.4	26.8	1,180.9	43.1	17,797	5,536 (31%)
LUKOIL	15.3	75.4	78.8	25.5	25.7	1,073.4	125.3	27,473	5,034 (19%)
TNK-BP	9.4		61.5						
Surgutneftegas	6.6	49.2	54.0	17.4	18.2	2,777.5	244.1	16,964	2,137 (12%)
TNK	7.2	37.5	42.9	12.7	16.2	399.2	21.9	16,162	6,730 (41%)
Sibneft	4.6	26.3	31.3	10.3	11.3	687.8	50.6	7,997	4,517 (56%)
Tatneft	6.0	24.6	24.6	8.7	9.3	602.5	48.2	21,477	3,120 (14%)
Rosneft	2.9	16.1	19.5	6.0	6.9	483.2	39.1	8,836	603 (6%)
SIDANCO	2.2	16.2	18.6	5.3	5.8	131.9	N/a	8121	2486 (30%)
Slavneft	1.6	14.7	18.0	5.4	5.7	251.8	N/a	3953	642 (8%)
Bashneft	N/a	12.0	12.0	4.1	3.7	333.9	70.9	18,505	3,485 (19%)

Oil Production Race: YUKOS Vs. Surgutneftegas

