



ALLIANCE
O I L C O M P A N Y

INVESTOR PRESENTATION

April 30, 2015





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HIGHLIGHTS FOR 2014 AND Q4 2014

Financial Results

Revenue 2014 of MUSD 3,505 (MUSD 3,746 in 2013)

Revenue Q4 2014 of MUSD 697 (MUSD 950 in Q4 2013)

EBITDA 2014 of MUSD 667 (MUSD 696 in 2013)

EBITDA Q4 2014 of MUSD 129 (MUSD 197 in Q4 2013)

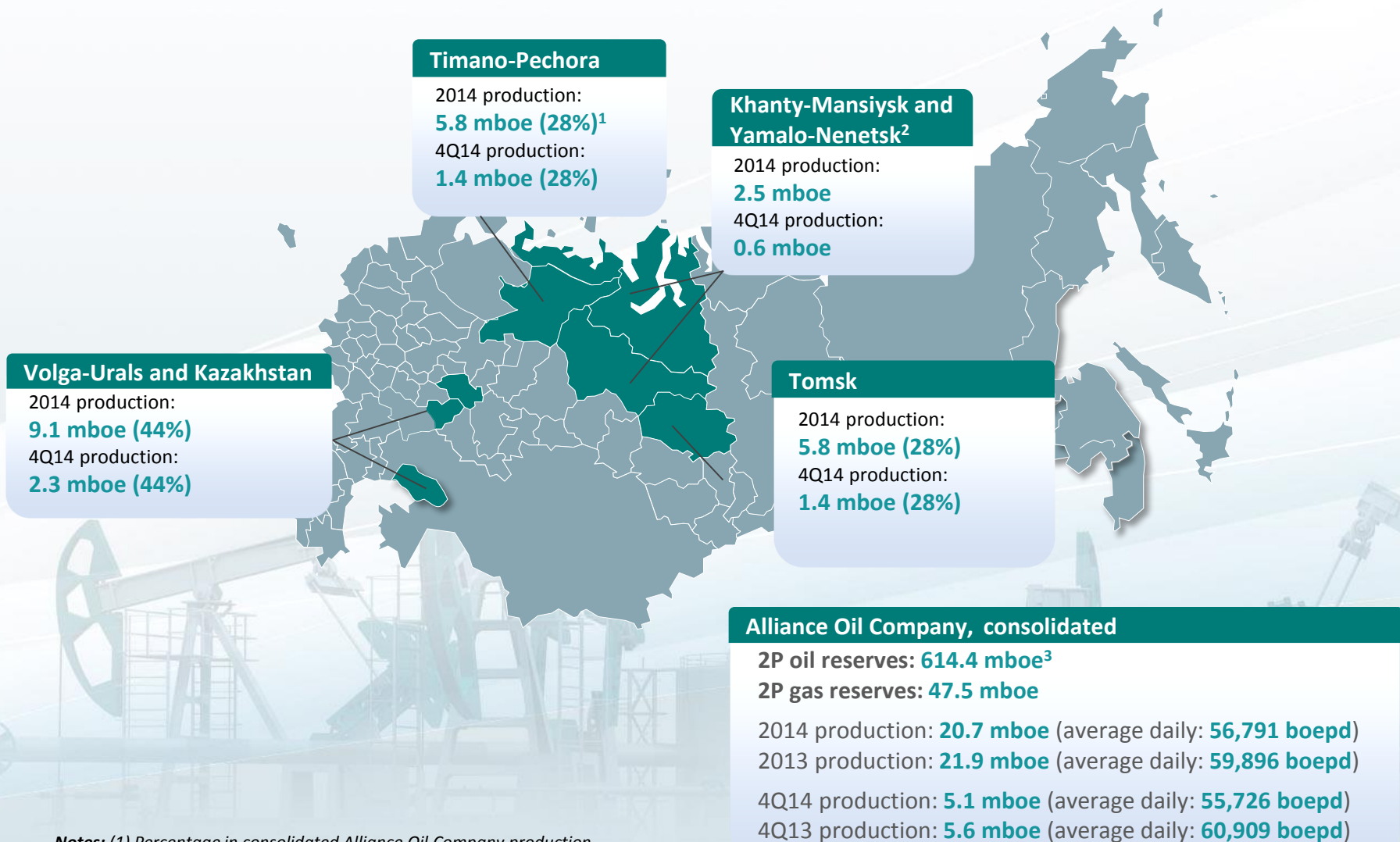
Loss for 2014 of MUSD 209 affected by FX loss of MUSD 418 (Profit of MUSD 65 in 2013)

Loss for Q4 2014 of MUSD 205 affected by FX loss of MUSD 252 (Loss of MUSD 81 in Q4 2013)

Operational Results

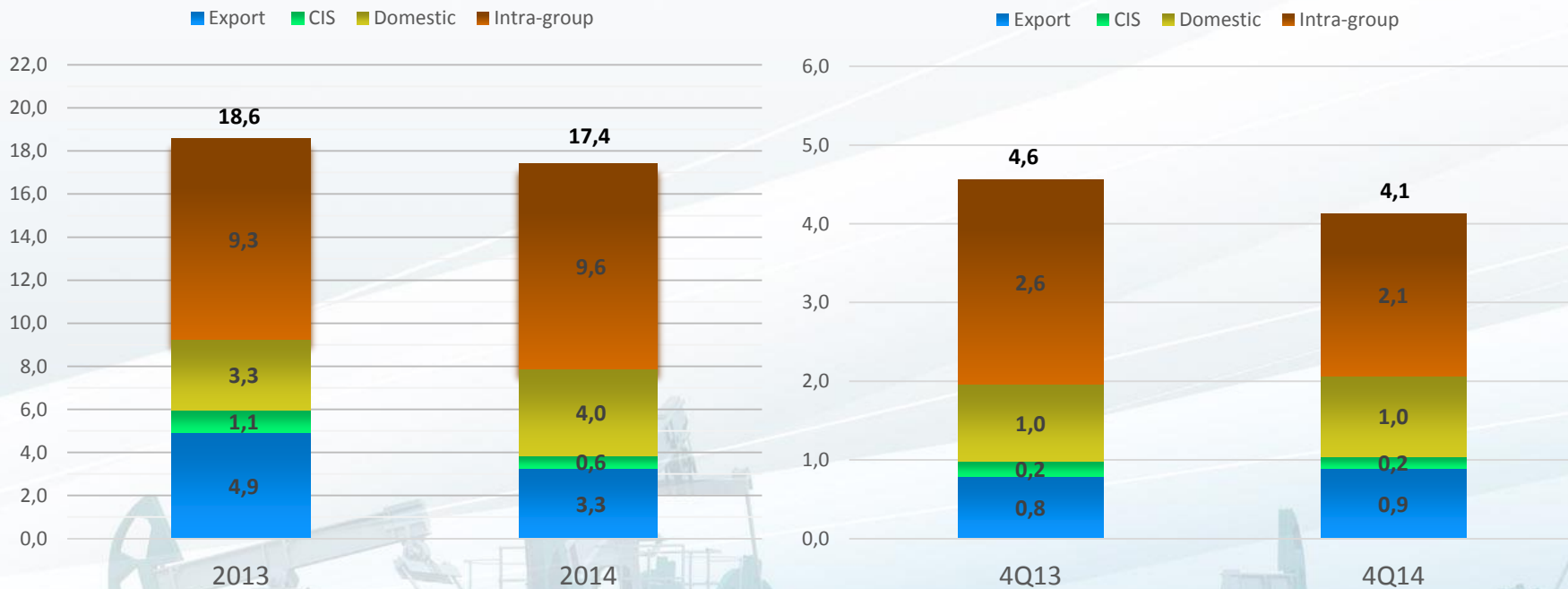
20.7 mboe produced in 2014 and 5.1 mboe in Q4 2014 (21.9 mboe in 2013 and 5.6 mboe in 4Q13)

33.1 mbbbl of oil refined in 2014 and 8.4 mbbbl in Q4 2014 (32.7 mbbbl in 2013 and 8.3 mbbbl in 4Q13)



Notes: (1) Percentage in consolidated Alliance Oil Company production.
 (2) Through the Group's operations with AROG (Alliance Repsol Oil & Gas), a joint venture with Repsol, which is accounted for under the equity method.
 (3) As per DeGolyer & MacNaughton as of 31 December 2014.

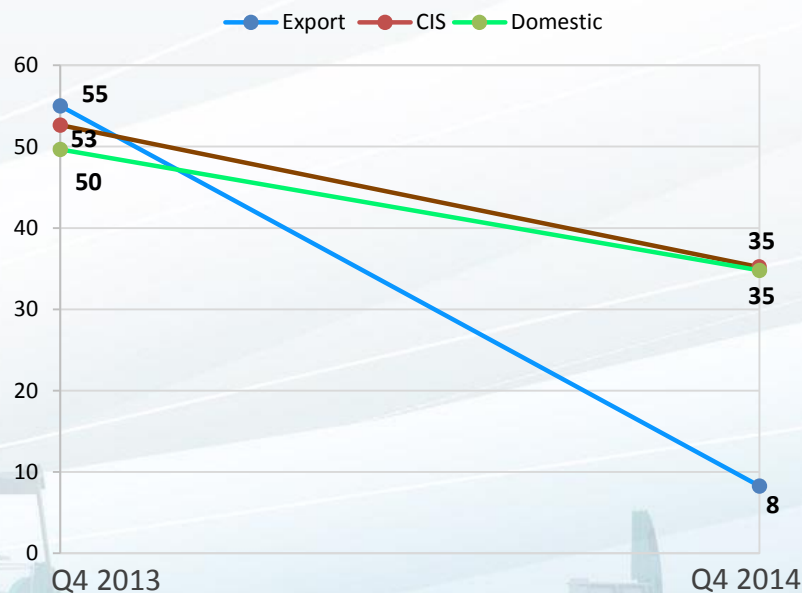
Crude Oil Sales, mbbbl



Decreased sales due to lower production Q-on-Q and Y-on-Y (Timano-Pechora region)

Preferential shipment to domestic market due to higher margin on domestic sales Y-on-Y

Crude Netback Prices, USD/bbl



Decreased netbacks in all destinations due to lower oil prices Q-on-Q and Y-on-Y

Reduced revenues from crude oil sales due to earlier prepaid shipments to offtakers at fixed FX rate Q-on-Q and Y-on-Y

Notes: The netback prices are calculated by deducting VAT, railway and pipeline transportation costs (for Russian domestic sales) or transportation, export duty, brokers' commission and certain other costs (for export sales) or transportation, brokers' commission and certain other costs (for CIS countries sales) from the gross price.

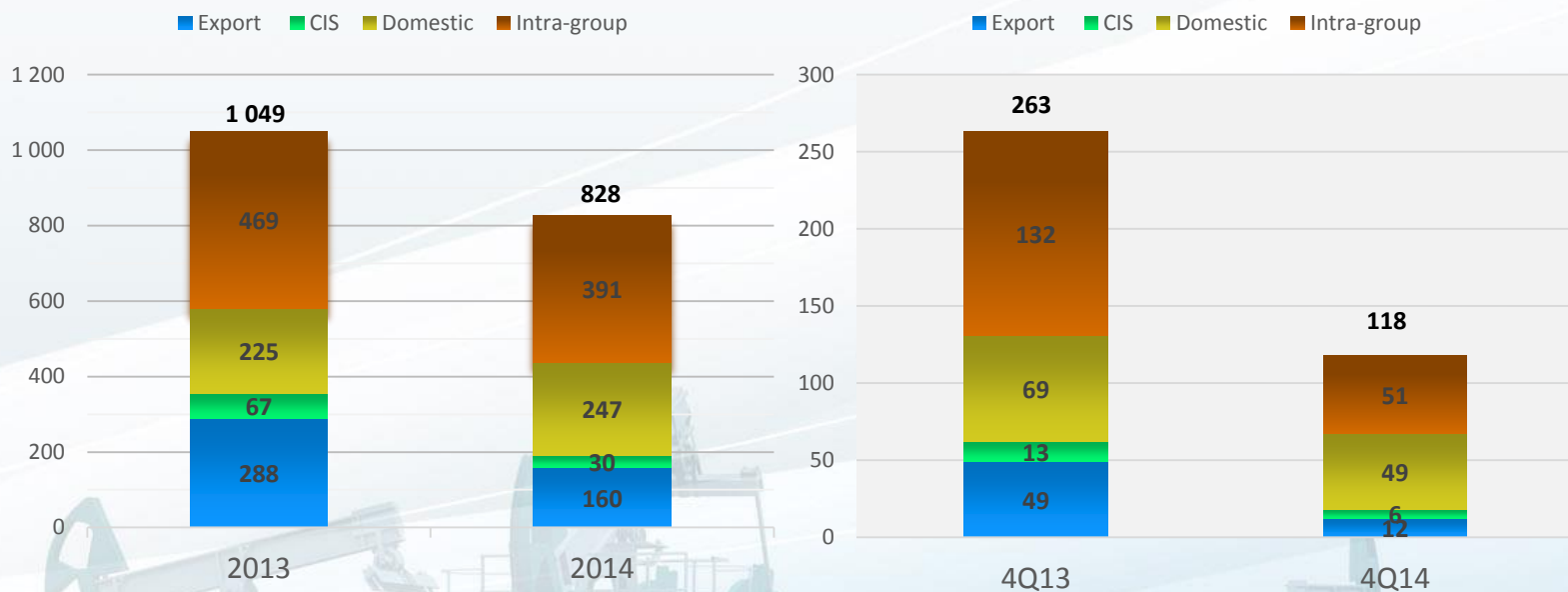
Gas Sales and Prices

	2013		2014		4Q13		4Q14	
	Gas	Gas liquids	Gas	Gas liquids	Gas	Gas liquids	Gas	Gas liquids
Sold volume, boe	2 485 034	436 355	2 586 059	471 859	836 665	145 433	640 581	109 934
Gross price, USD/boe	15,3	50,2	13,6	52,2	16,3	56,2	10,8	44,4
Net price, USD/boe	13,0	42,4	11,5	44,2	13,8	47,6	9,2	37,6

Increased sales volumes Y-on-Y although decreased Q-on-Q due to revised field development scheme

Gas and gas liquids economics negatively affected by increase in RUB/USD exchange rate

Revenue from sales of crude oil, gas and gas liquids, MUSD



Decreased sales due to lower production Q-on-Q and Y-on-Y (Timano-Pechora region)

Preferential shipment to domestic market due to higher margin on domestic sales Y-on-Y

Decreased USD-nominated oil prices in all destinations Q-on-Q and Y-on-Y

Reduced revenues from crude oil sales due to earlier prepaid shipments to offtakers at fixed FX rate Q-on-Q and Y-on-Y

DOWNSTREAM OPERATIONS

Assets and refining volumes

TOTAL

Retail gas stations: **291**
 Oil depots: **20**
 Marine terminals: **4**
 Jet fuel depot: **1**
 Railway tankers: **1 440**

Kamchatka region (assets acquired in March'14)

Retail gas stations: **18**
 Marine terminals: **2**
 Jet fuel depot: **1**

Far East: Amur, Primorsk and Khabarovsk regions

Retail gas stations: **260**
 Oil depots: **20**
 Marine terminals: **2**
 Railway tankers: **1 440**

The Republic of Buryatia

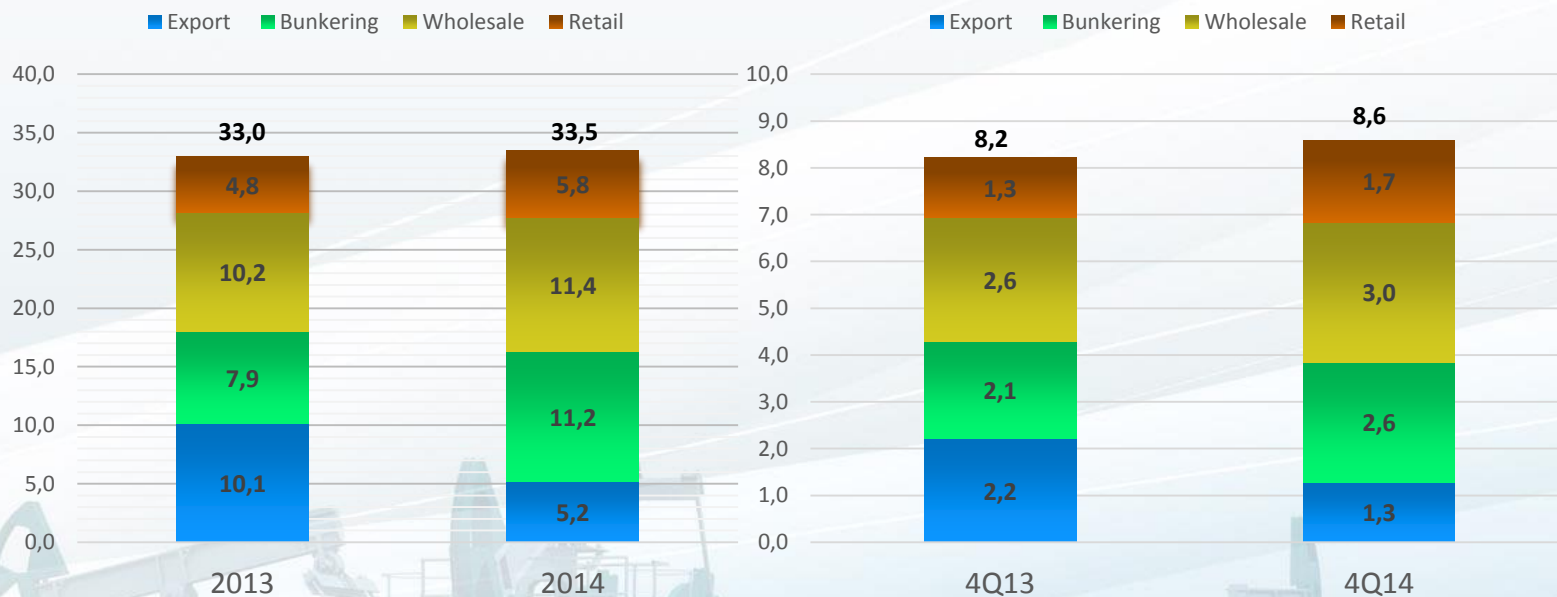
Retail gas stations:
13

Khabarovsk Oil Refinery

Refining volumes:

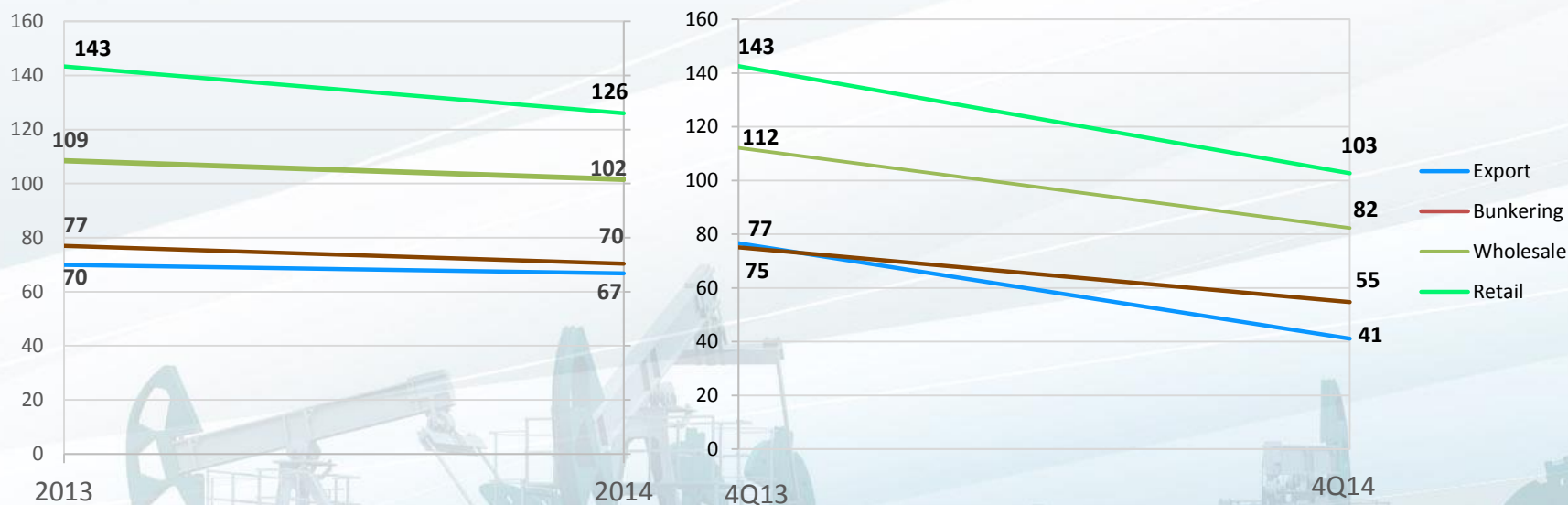
2014: **90,770 bopd** (2013: **89,562 bopd**)
 4Q14: **90,766 bopd** (4Q13: **89,742 bopd**)
 Throughput:
 2014: **32.2 mbbl** (2013: **31.9 mbbl**)
 4Q14: **8.1 mbbl** (4Q13: **8.0 mbbl**)

Oil Products Sales, mbbbl



Preferential shipments to the domestic market and for bunkering due to higher margins Q-on-Q and Y-on-Y

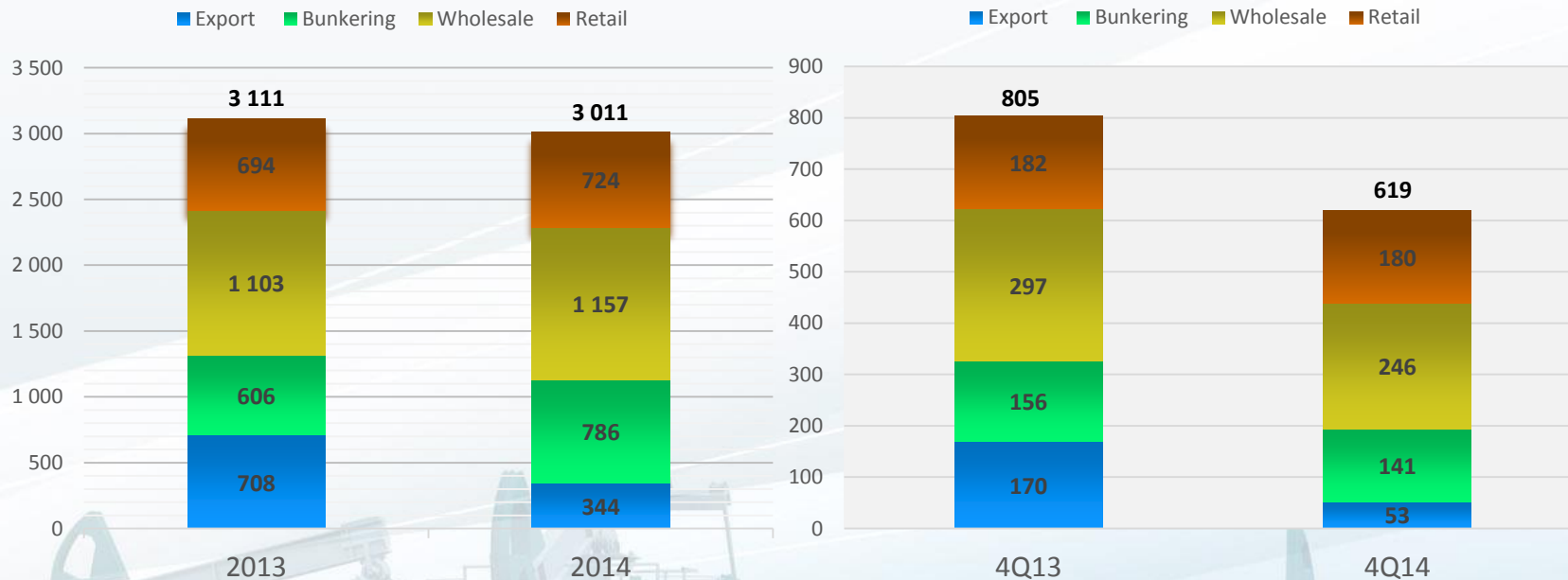
Oil Products Net Prices, USD/bbl



Net USD prices decreased due to RUB depreciation

(average RUB\USD exchange rate increased Q4 2014 vs Q4 2013 by 46%, 2014 FY vs 2013 FY by 21%)

Revenue from sales of oil products, MUSD



Preferential shipments to the domestic market and for bunkering due to higher margins Q-on-Q and Y-on-Y

Despite increased volumes and RUB-nominated prices in the domestic market Q-on-Q and Y-on-Y, total amount of revenue nominated in USD decreased due to dramatic increase in RUB/USD exchange rate

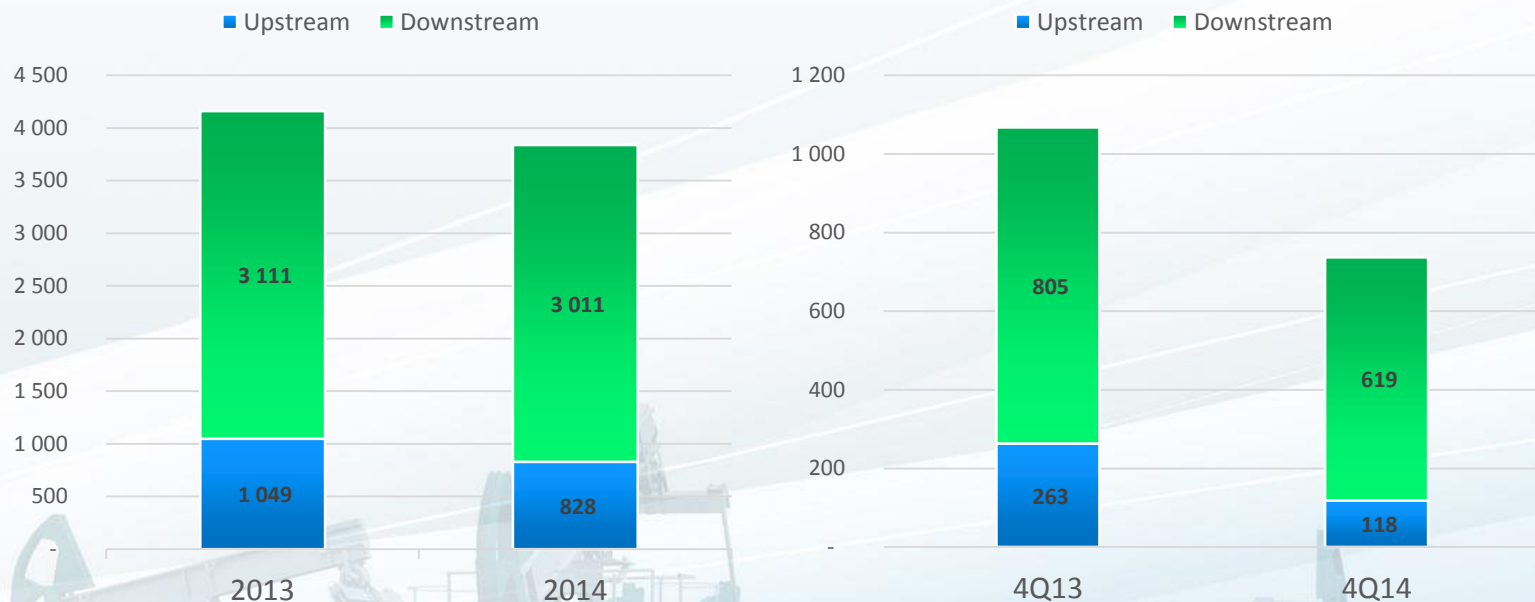
		FY 2013	FY 2014	Q4 2013	Q4 2014
Macro	RUB/USD exchange rate, average	31,85	38,42	32,53	47,42
	Urals, average	107,38	97,27	107,68	74,89
Profit or loss, MUSD	Revenue	3 746	3 505	950	697
	Operating income/(loss)	397	372	70	62
	EBITDA	696	667	197	129
	EBITDA Margin	19%	19%	21%	18%
	FX gain/(loss)	-16	-418	5	-252
	Profit/(Loss) for the period	65	-209	-81	-205
Statement of financial position, MUSD	Total assets	5 970	3 749	5 970	3 749
	Cash and cash equivalents	293	317	293	317
	Total debt	2 269	2 229	2 269	2 229
Cash flow, MUSD	Total cash flow from/(used in) operating activities	489	549	301	-29
	Total cash flow used for investments	-859	-379	-339	-44
	Total cash flow from/(used in) financing activities	280	67	59	-84

Stable EBITDA margin

Group's financials negatively affected by RUB depreciation (RUB-denominated assets and results presented in USD)

Profit for FY 2014 and 4Q14 was negatively affected by FX loss of MUSD 418 and MUSD 252 respectively, primarily arising from USD-denominated loans

Revenue Breakdown, MUSD

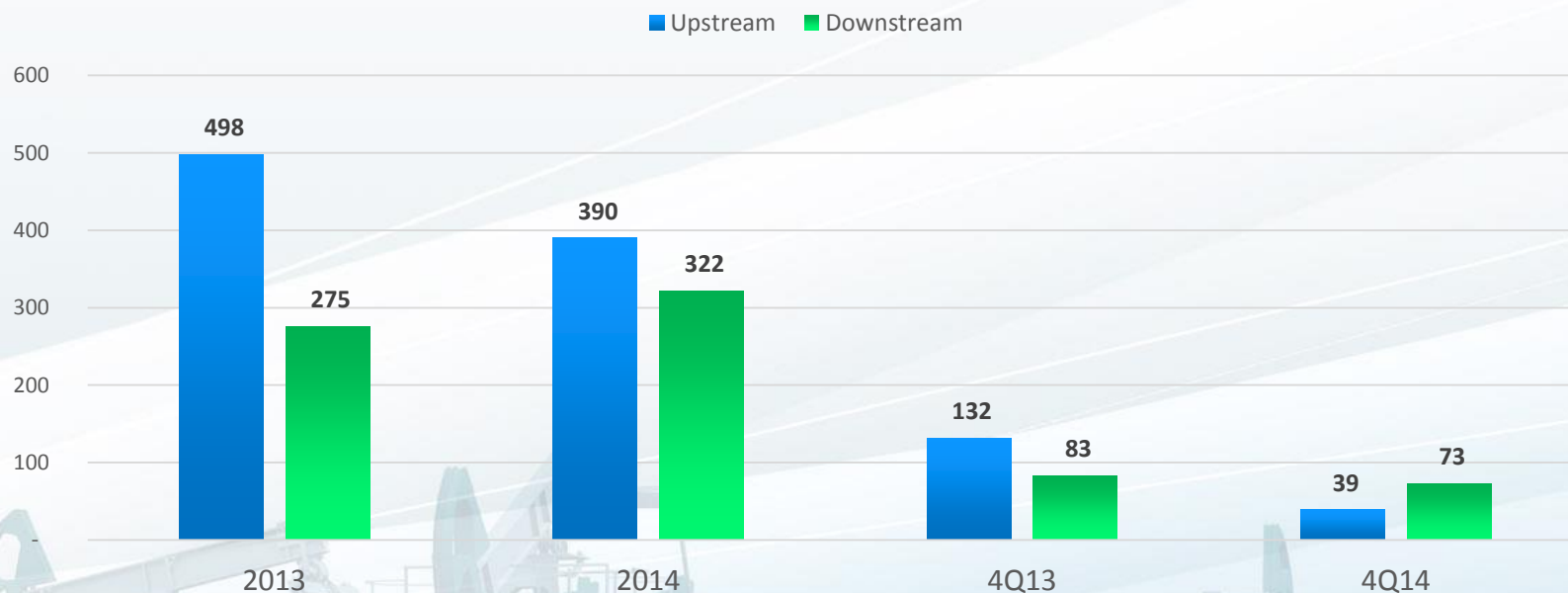


Upstream segment revenue decreased primarily due to RUB depreciation and earlier prepaid shipments to offtakers at fixed FX rate

Downstream segment revenue decreased primarily due to RUB depreciation

Notes: Segment revenue is based on total sold volumes including external and intra-group. Segment revenue excludes other income.

EBITDA Distribution, MUSD

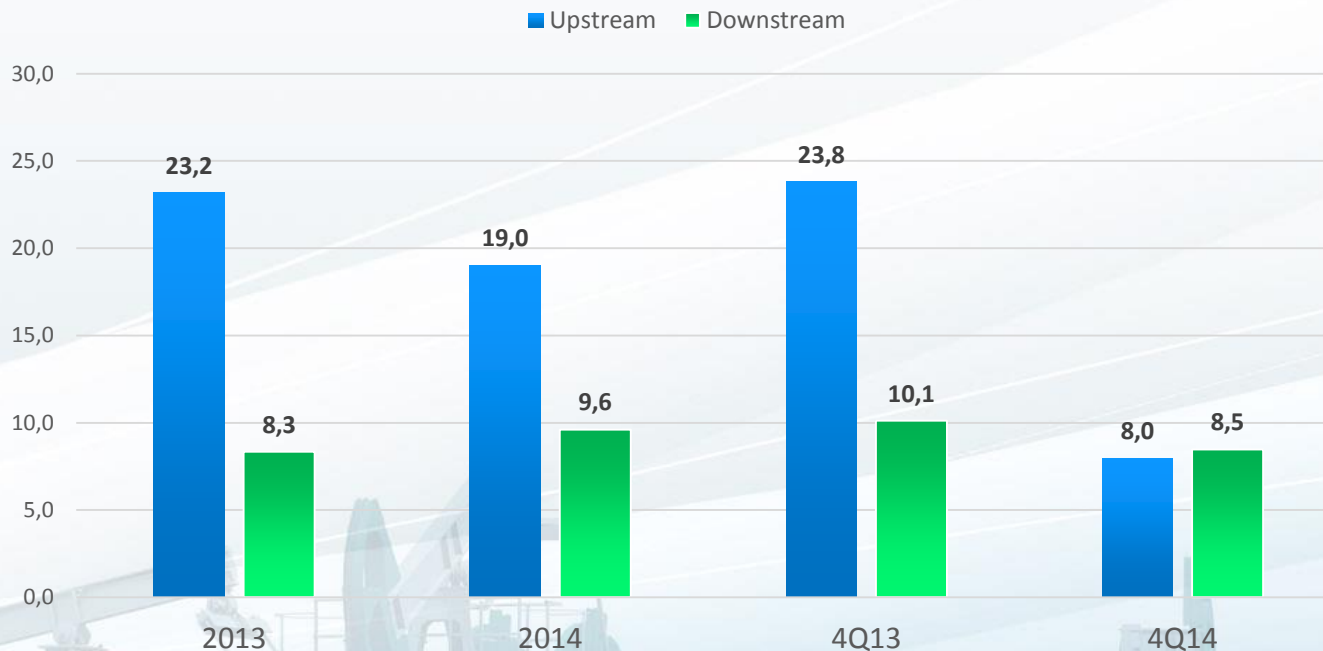


Upstream segment EBITDA decreased primarily due to RUB depreciation and earlier prepaid shipments to offtakers at fixed FX rate

Downstream segment EBITDA decreased primarily due to RUB depreciation

Notes: EBITDA for Upstream and Downstream segments is based on IFRS financial information. Segment EBITDA is based on total sold volumes including external and intra-group.

EBITDA, USD/bbl



Upstream segment EBITDA decreased primarily due to RUB depreciation and earlier prepaid shipments to offtakers at fixed FX rate

Downstream segment EBITDA negatively affected by RUB depreciation

Notes: EBITDA for Upstream and Downstream segments is based on IFRS financial information. Segment EBITDA is based on total sold volumes including external and intra-group.

Crude Oil Economics, USD/bbl ¹	FY13	FY14	4Q13	4Q14
Revenue	53,32	45,78	52,99	27,09
Production Costs	6,78	6,75	6,76	5,26
Production and Other Taxes	14,01	13,21	14,62	9,66
SG&A and Other ²	7,66	5,52	5,70	4,41
EBITDA	24,87	20,30	25,91	7,76

EBITDA decreased primarily due to RUB depreciation and earlier prepaid shipments to offtakers at fixed FX rate

Gas and Gas Liquids Economics, USD/boe	2013	2014	4Q13	4Q14
Revenue	17,37	16,56	18,81	13,32
Production Costs	2,25	1,94	1,87	1,92
Production and Other Taxes	2,45	2,77	2,59	2,22
SG&A and Other	0,27	-0,13	0,22	-0,13
EBITDA	12,40	11,98	14,12	9,30

Gas and gas liquids economics negatively affected by increase in RUB/USD exchange rate

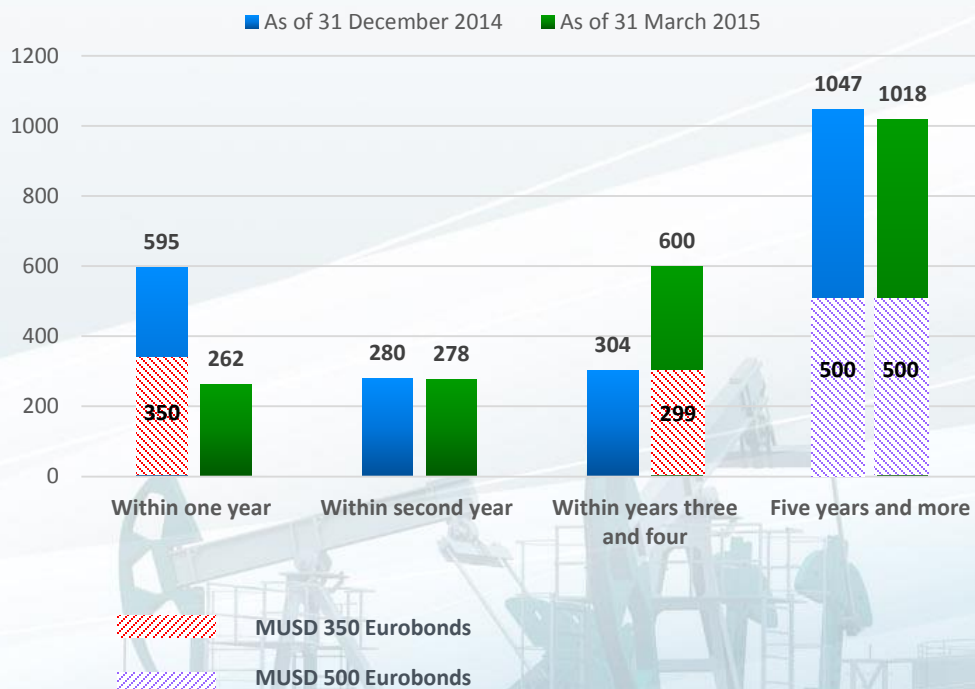
Notes: (1) Based on total upstream sold volume including external and intra-group; (2) Selling, administrative and other income/expenses, include transportation tariffs and other selling expenses, administrative expenses and other operating income/expense.

Downstream Economics, USD/bbl ¹	FY 2013	FY 2014	4Q13	4Q14
Revenue	94,27	89,97	97,97	72,08
Refining	3,58	4,15	3,78	3,69
Crude Oil Transportation	18,36	15,13	18,03	11,35
Cost of Crude Oil	43,73	40,59	44,97	28,76
Excise and Other Taxes	4,18	6,00	5,28	5,94
Oil Products Purchased for Resale	6,86	5,39	5,47	4,58
SG&A and Other ²	9,21	9,10	10,32	9,28
EBITDA	8,35	9,61	10,12	8,48

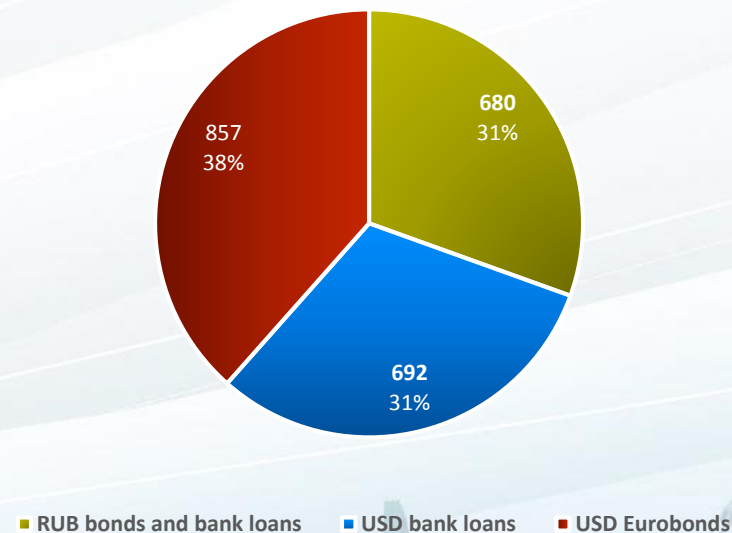
Downstream segment EBITDA negatively affected by RUB depreciation

Notes: (1) Based on total downstream sold volume including external and intra-group; (2) Selling, administrative and other income/expenses, include transportation tariffs and other selling expenses, administrative expenses and other operating income/expense.

Debt Maturity Profile¹, MUSD



Total Debt by currency as of 31 December 2014, MUSD²



Cash on balance MUSD 317

Total debt of MUSD 2,229²

Net debt of MUSD 1,912

Notes: (1) Future cash flows for the repayment of loan principal. (2) Including interest accrued and net of unamortized issue costs.