



## 9M 2009 Performance Update

December, 2009

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# Integra at a glance



**Consolidated Revenue 9M2009 - US\$ 620MM**  
**Adjusted EBITDA 9M2009 - US\$ 90MM <sup>(1)</sup>**  
**Total Assets as of 30 September 2009 - US\$ 1.2BN**

	Drilling, Workover, IPM	Technology Services	Formation Evaluation	OFS Equipment Manufacturing
<b>Revenues 9M2009</b> <b>Adj. EBITDA 9M2009</b>	<ul style="list-style-type: none"> <li>US\$ 262MM</li> <li>US\$ 23MM</li> </ul>	<ul style="list-style-type: none"> <li>US\$ 108MM</li> <li>US\$ 39MM</li> </ul>	<ul style="list-style-type: none"> <li>US\$ 146MM</li> <li>US\$ 46MM</li> </ul>	<ul style="list-style-type: none"> <li>US\$ 98MM</li> <li>US\$ 14MM</li> </ul>
<b>Key Services</b>	<ul style="list-style-type: none"> <li>Drilling rig management</li> <li>Workovers</li> <li>Integrated Project Management</li> </ul>	<ul style="list-style-type: none"> <li>Drilling tools manufacturing</li> <li>Coil tubing</li> <li>Directional drilling</li> <li>Cementing</li> <li>Drill bits service</li> <li>Well logging</li> </ul>	<ul style="list-style-type: none"> <li>2-D, 3-D seismic surveys</li> <li>Seismic processing and interpretation</li> </ul>	<ul style="list-style-type: none"> <li>Heavy drilling rigs</li> <li>Cementing fleet</li> <li>Other equipment</li> </ul>
<b>Personnel <sup>(2)</sup></b>	<ul style="list-style-type: none"> <li>Ca. 5,300 employees<sup>(2)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Ca. 3,000 employees<sup>(2)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Ca. 5,900 employees<sup>(2)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Ca. 2,700 employees<sup>(2)</sup></li> </ul>
<b>Production Assets 9M2009</b>	<ul style="list-style-type: none"> <li>18 active drilling rigs</li> <li>105 workover crews</li> </ul>	<ul style="list-style-type: none"> <li>4 coil tubing units</li> <li>10 directional drilling crews</li> <li>8 cementing fleets</li> <li>25 logging crews</li> <li>3 drilling tools production sites</li> </ul>	<ul style="list-style-type: none"> <li>38 seismic crews</li> <li>1 interpretation facility</li> </ul>	<ul style="list-style-type: none"> <li>3 production sites</li> <li>1 service business unit</li> <li>R&amp;D facilities in Austin, TX and Ekaterinburg</li> </ul>
<b>Operating Statistics 9M2009</b>	<ul style="list-style-type: none"> <li>141 th meters drilled</li> <li>2,877 workover operations</li> </ul>		<ul style="list-style-type: none"> <li>602 th seismic shot points</li> </ul>	<ul style="list-style-type: none"> <li>7 rigs in production</li> <li>10 assembly units in production</li> <li>4+6 rigs and units completed</li> </ul>
<b>Key Customers</b>				

(1) Adjusted EBITDA represents profit (loss) before interest income (expenses), exchange rate translation differences, goodwill impairment, income taxes, depreciation and amortization, share of associates, share-based compensation and minority interest

(2) Personnel data as of August, 2009

# Corporate governance



## Board of Directors and key management

### John B. Fitzgibbons, Chairman

- Founder and former CEO, Khanty Mansiysk Oil Corporation (KMOC)
- Founder and President, J Fitzgibbons LLC and Brookline Partners LLC

### Antonio Campo, CEO

- Former President, LatAm Oilfield Services at Schlumberger

### Iosif Bakaleinik

- First VP of RUSAL
- Former First VP of TNK, Head of Economy and Finance

### John W. Kennedy

- Chairman, Vetco Int. and Wellstream Int. Ltd
- Former Executive VP, Halliburton

### Felix Lubashevsky, President

- Former Executive VP Oilfield Services and Supply Chain Management, TNK-BP

### Neil Gaskell

- Former Group Treasurer, Shell
- Former Executive Director, Shell International

### J. Robert Maguire

- Former Co-Head and MD of Global Oil and Gas Group at Morgan Stanley

### Dmitry Avdeev, CFO

- Former Executive Director at Morgan Stanley

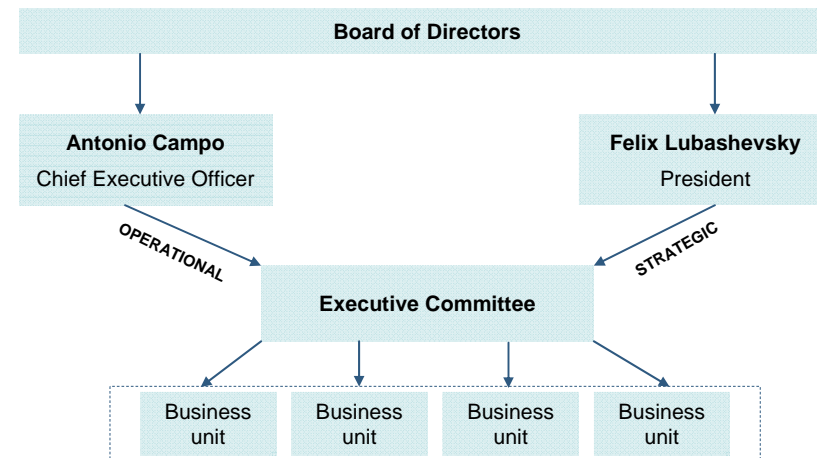
*Non-executive directors*

*Executive directors*

## Shareholder structure (post SPO)

- Management and Board of Directors - 18%
- Free float - 82%

## Change in corporate governance structure



## Corporate committees



# Key financial highlights

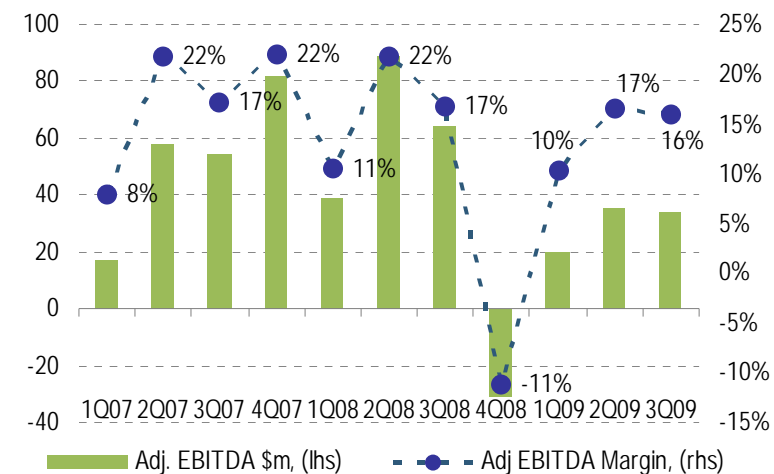


## Key financial highlights, US\$MM

	2007	2008	Chg. % 2008/2007	1H'08	1H'09	9M '08	9M '09	Chg. % 9M09/9M08
Revenue	1,177	1,446	+23%	786	405	1167	620	-47%
Adj. EBITDA <sup>(1)</sup>	211	162	-23%	129	55	193	90	-54%
Adj. EBITDA margin	17.9%	11.2%		16.4%	13.6%	16.5%	14.4%	
Net Loss	(51)	(272)	n/m	(5)	(22)			
Operating Cashflow	(9.7)	135	n/m	3	50	82	77	-6%
Capex	182	158	-13%	114	20	126	29	-76%
Free Cashflow	(192)	(-23)	n/m	(111)	30	(44)	48	n/m

Source: Company

## Consolidated Adj. EBITDA and margin



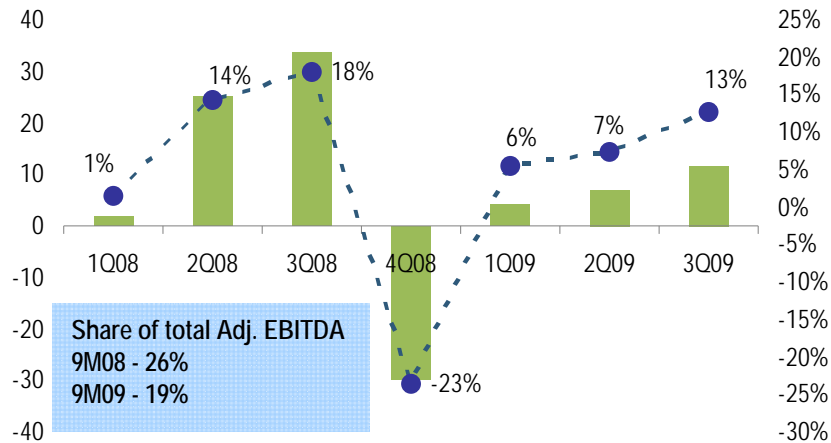
Source: Company

(1) Adjusted EBITDA represents profit (loss) before interest income (expenses), exchange translation difference, income taxes, depreciation and amortization, goodwill impairment, share-based compensation, share of results of associates and minority interest

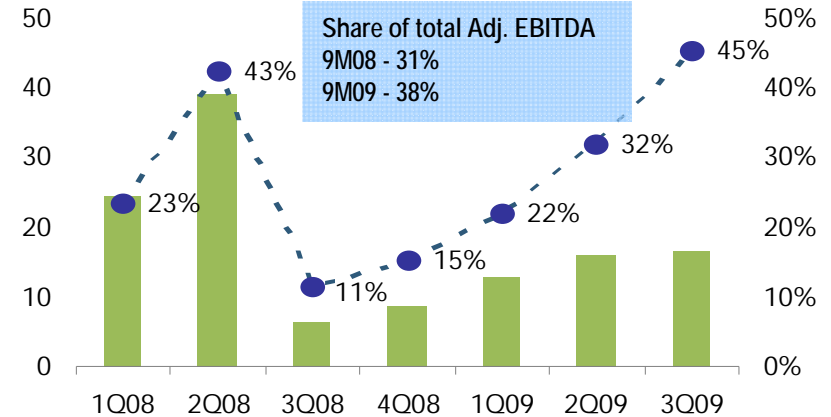
# Quarterly earnings dynamics



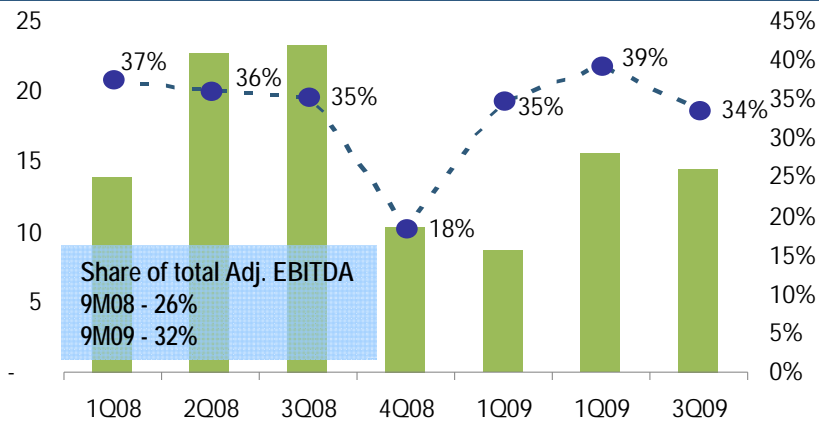
## Drilling, Workover, IPM



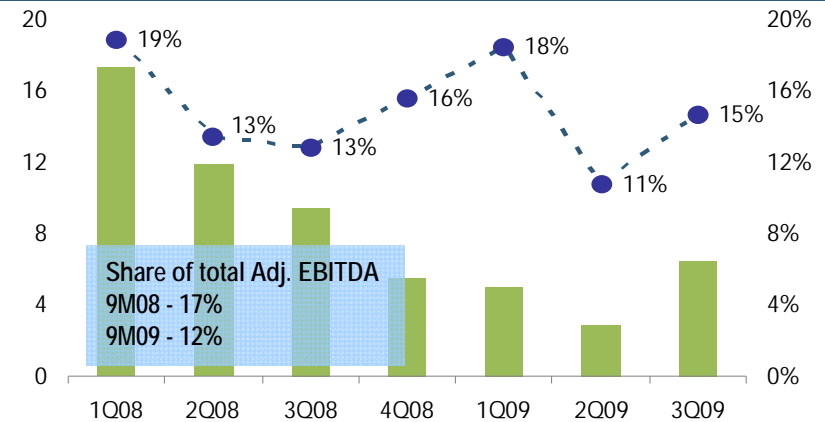
## Formation Evaluation



## Technology Services



## OFS Equipment Manufacturing



Source: Company

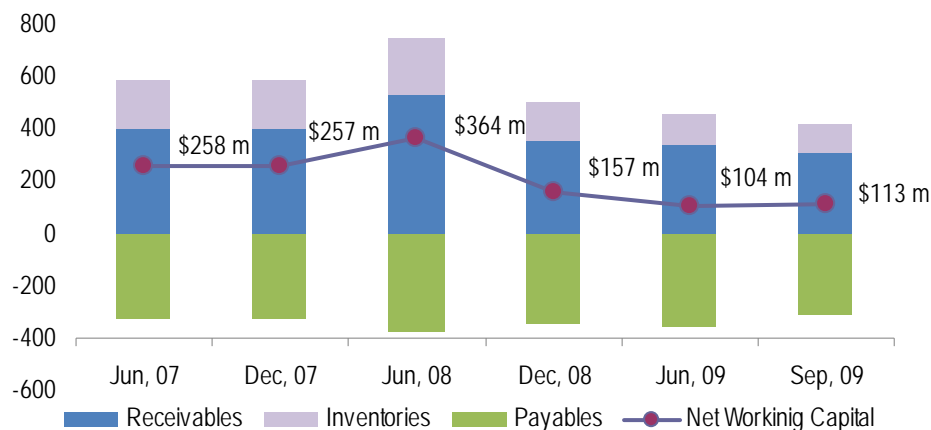
Adj. EBITDA, US\$MM (lhs)

Adj. EBITDA Margin (rhs)

# Cash flow and working capital trends



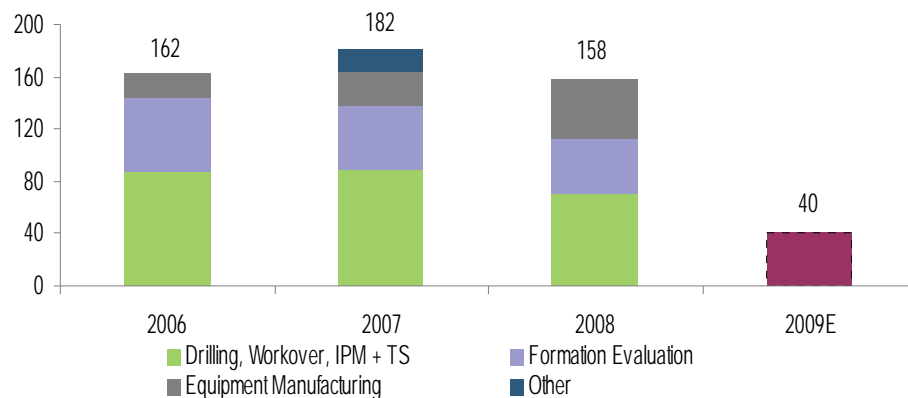
## Working capital by element, US\$MM



## Free Cash Flow, US\$MM



## Capex, US\$MM



Source: Company

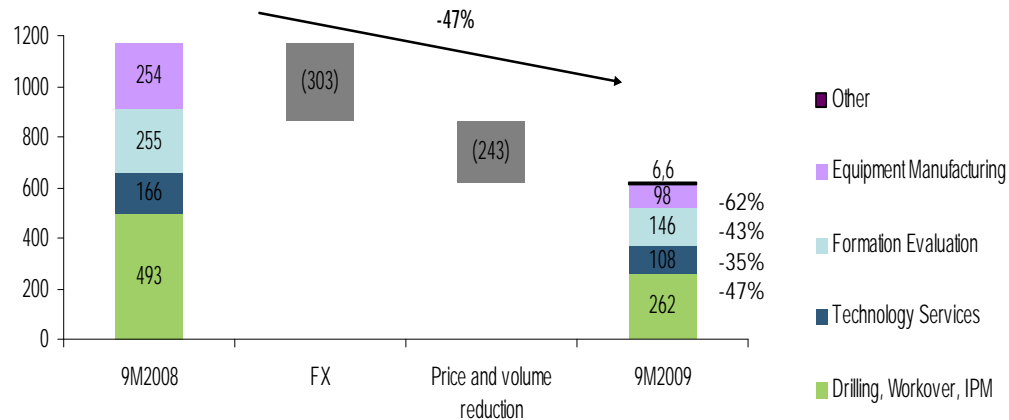
## Comments

- Net cash generated from operating activities was US\$ 77.0MM (vs. US\$ 82.2MM in 9M2008)
- Free cash flow was US\$ 48.1MM (vs. negative US\$ 44.1MM in 9M2008)
- Capital expenditures for 9M2009 were US\$ 28.9MM (vs. US \$126.3MM in 9M2008)

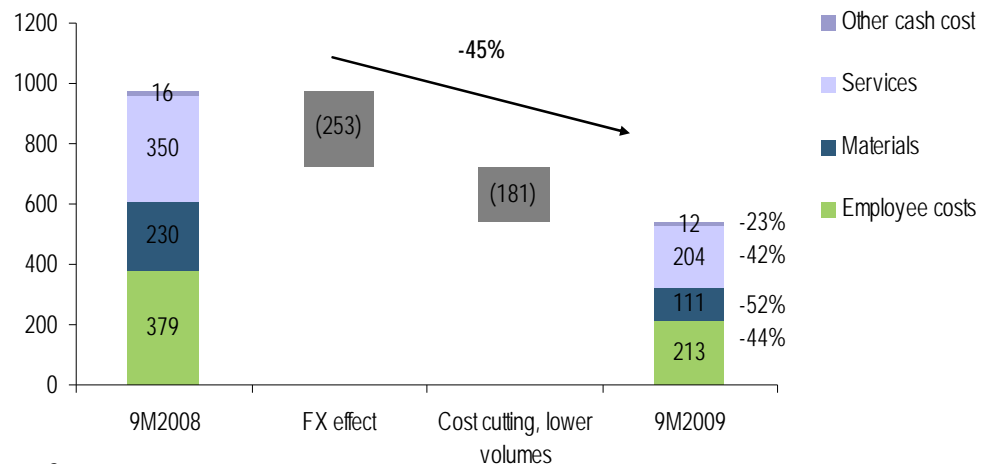
# Revenue and cost dynamics



## Revenue by segment in 9M2009 vs. 9M2008, US\$MM



## Operating cash costs in 9M2009 vs. 9M2008, US\$MM



Source: Company

## Factors affecting revenues

- Ruble depreciation
- Idling of a significant part of drilling capacity
- Lower greenfield exploration demand
- Moderate pricing declines
- Lower manufacturing orderbook

## Cost cutting measures

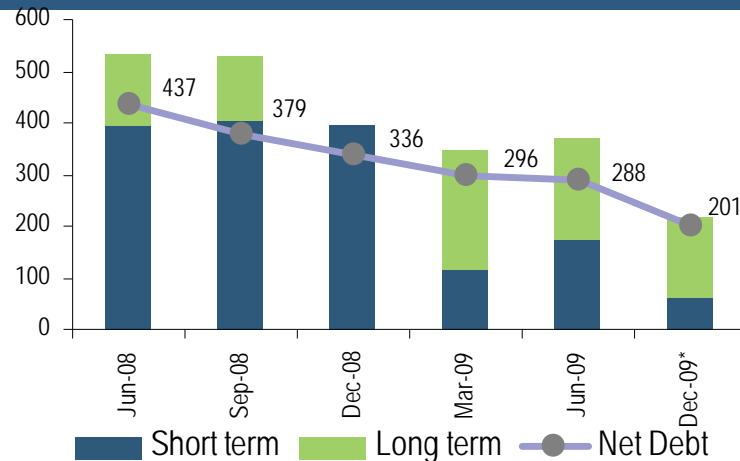
- 28% headcount reduction from March 2008, including a nearly 30% reduction in the Moscow head office
- Executive compensation is changed to fixed and variable components. Fixed component was cut 30-50%
- SG&A expenses reduced significantly (including reduction in rent, travel and 3<sup>rd</sup> party consultant expenses)



# Debt profile – long term funding in place

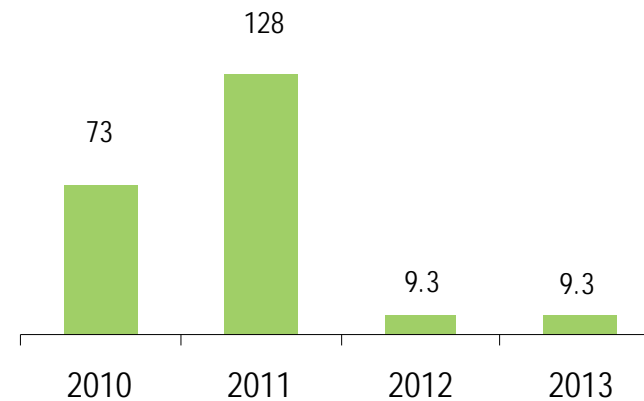


## Debt structure optimization, US\$ MM

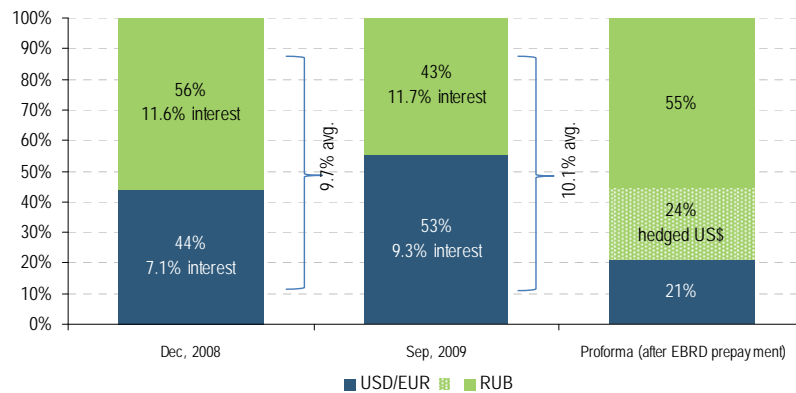


\*Debt figure assume partial prepayment of EBRD loan with funds not used for the prepayment of the Ruble Bond. Net Debt figure is as of Dec 2, 2009

## Debt maturity scenarios, US\$ MM



## Debt interest cost and currency breakdown



Source: Company

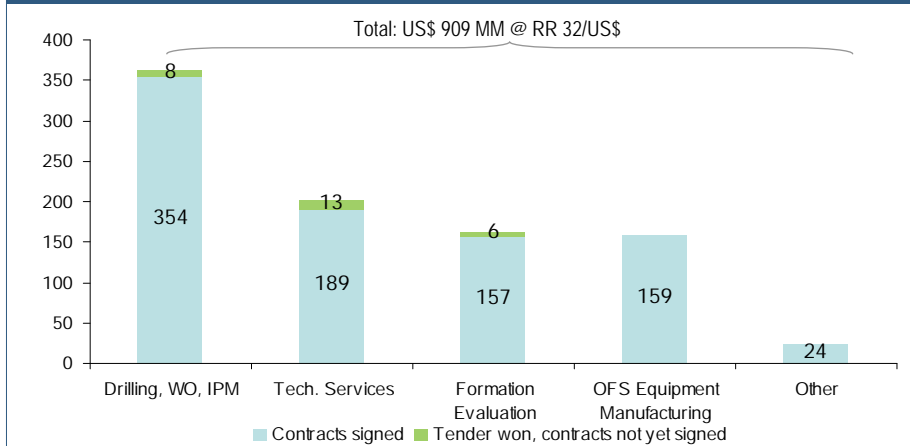
## Comments

- US\$ 443 MM of total debt repaid or refinanced in 2009 by long term facilities, equity financing and from cash generation
- Equity financing of \$95 MM in September, 2009 had allowed proportionate reduction in upcoming maturities in 2010-2013 and provided immediate liquidity for 2010 capex
- 88% (RR2.6 bn) of the Ruble bond issue were effectively rolled over to 2011
- Accumulated funds not used in bond repayment will be used to prepay EBRD Loan
- Foreign currency risk is partially hedged by RUB/US\$ forward contracts

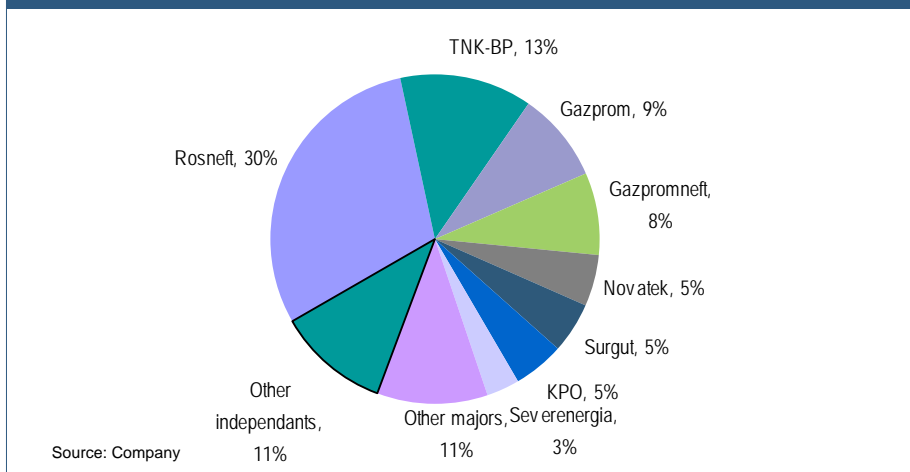
# Order book status



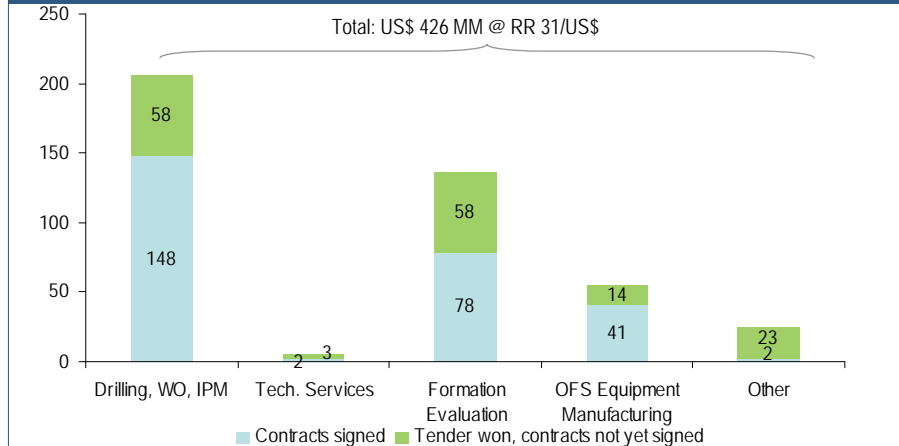
## 2009 Order book as of November 30, 2009, US\$MM



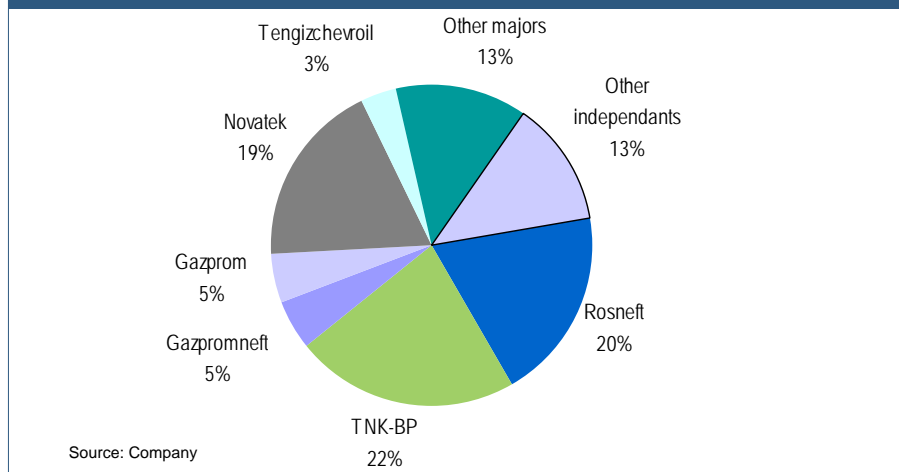
## 2009 Order book (by customer)



## 2010 Order book as of November 30, 2009, US\$MM



## 2010 Order book (by customer)



# Integra: well-positioned to capture growth



Wide geographical presence in key oil and gas regions of Russia and the CIS. International presence (Venezuela)



Experienced engineering team and Integra Research & Development facility (Austin, USA) provide clients with highly complex project solutions (IPM, rig, downhole motor and turbine designs) and increase profitability of the Company

Substantial investment in assets upgrade and replacement

- US\$ 500MM of capex in '06-08
- 97% asset replacement ratio

Completed upgrades:

- Seismic (Sercel vibrators, new channels)
- Tech. services (GE dir. drilling units)
- Manufacturing (Pama milling system)

Launch of new services with high margins and short delivery cycles

- Coil tubing
- Directional drilling

Share of high margin services in revenue structure increased in 9M2009

Ongoing transformation of legal and management structure increasing transparency, flexibility and tax efficiency

- >40 operating entities in 2006
- 13 operating entities in 2009
- Management integration completed

Diversified client base, long-term relationships with largest upstream investors

Improved cost and working capital structure allows flexible pricing

- Significant cost cutting in 1H 2009
- Strong improvement in working capital management and cash flows
- Balanced currency structure of revenues and costs reducing FX risk

