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# **Sibneft Debt Financing Instruments**

**Galina Molodtsova**

## Advantage of Different Debt Instruments

### ➤ Eurobonds:

- ✓ Advantages: unsecured, long term, large amount.
- ✓ Disadvantages: high cost, expensive preparation.



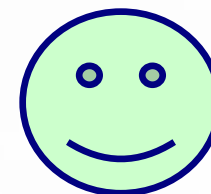
### ➤ Rouble Bonds:

- ✓ Advantages: Access to Rouble funds.
- ✓ Disadvantages: high cost, limited investor base.



### ➤ Export Finance:

- ✓ Advantages: low cost, fast access.
- ✓ Disadvantages: secured finance – pledged crude.



### ➤ Secured Rouble Lending:

- ✓ Advantages: easy to draw.
- ✓ Disadvantages: high cost, need to pledge assets.



## Total Gross Debt Position (1H 2004)

**1 437.4  
mln.USD**

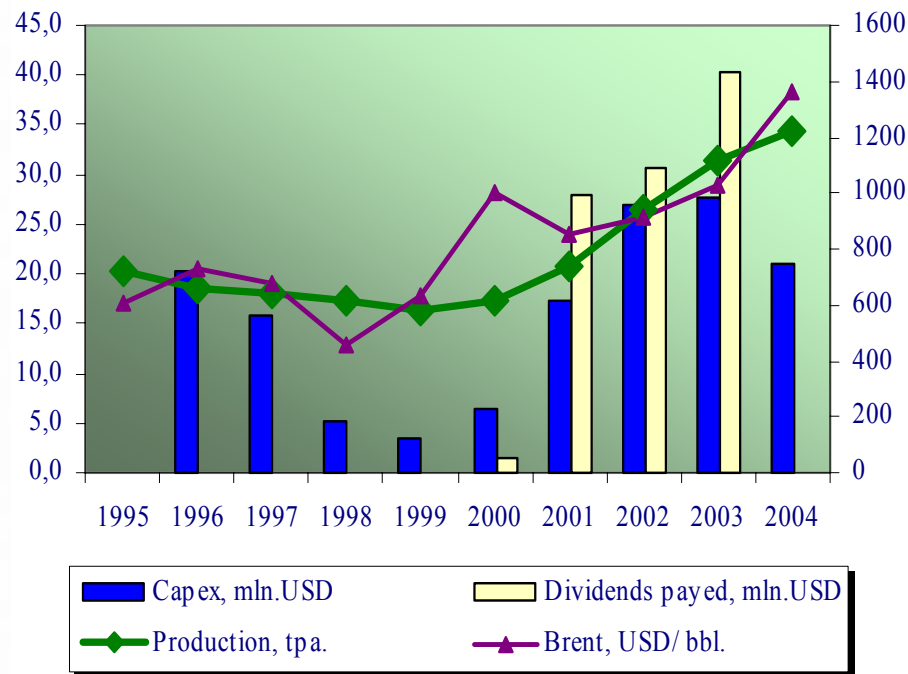
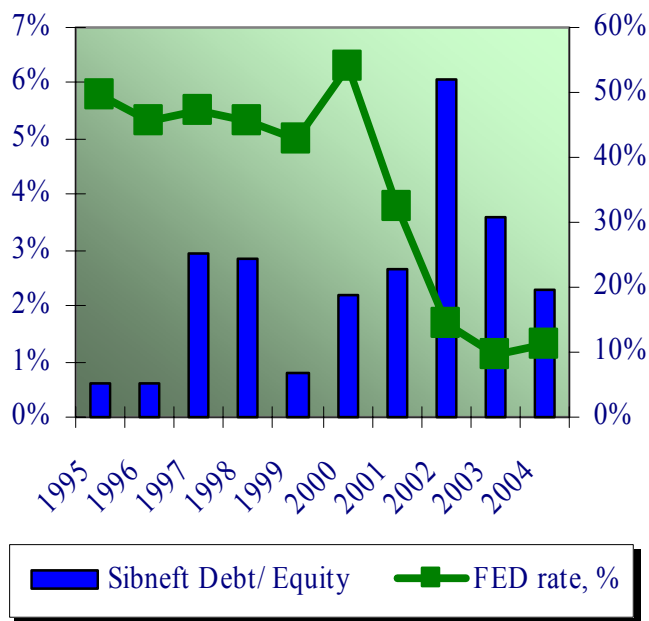
*of that ...*

	<i>Amount</i>	<i>Rate 2004</i>	<i>Maturity</i>
<b>Eurobond 1</b>	400 mln. USD	11%	2007
<b>Eurobond 2</b>	500 mln. USD	10.75%	2009
<b>Trade Finance:</b>			
ABN AMRO	3.0 mln. USD	Libor + 3.75%	July 2004
WestLB	175.1 mln. USD	Libor + 2.15%	December 2005
RZB	96.4 mln. USD	Libor + 3.25%	December 2005
ABN AMRO	62.0 mln.USD	Libor + 1.75%	June 2006
BNP Paribas	129.7 mln. USD	Libor + 3.00%	June 2007
<b>Other</b>	71.2 mln. USD	-	-

## Sibneft Debt Policy – Debt to Equity Ratio

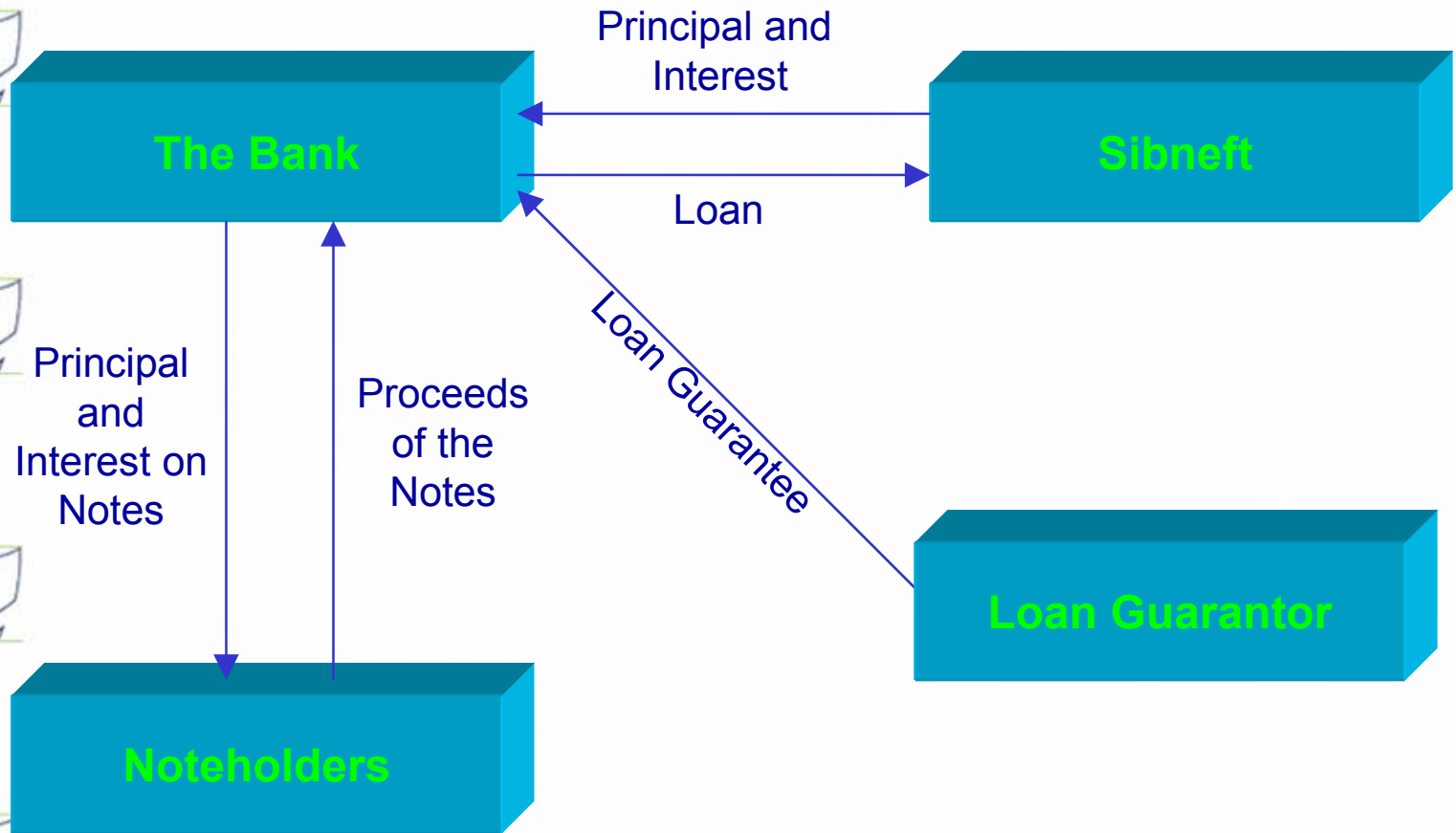
➤ Four corner-stones of our borrowing policy:

- ✓ Capex and Working Capital Requirements
- ✓ Dividend policy
- ✓ Oil price and Cash Flows
- ✓ Cost of debt

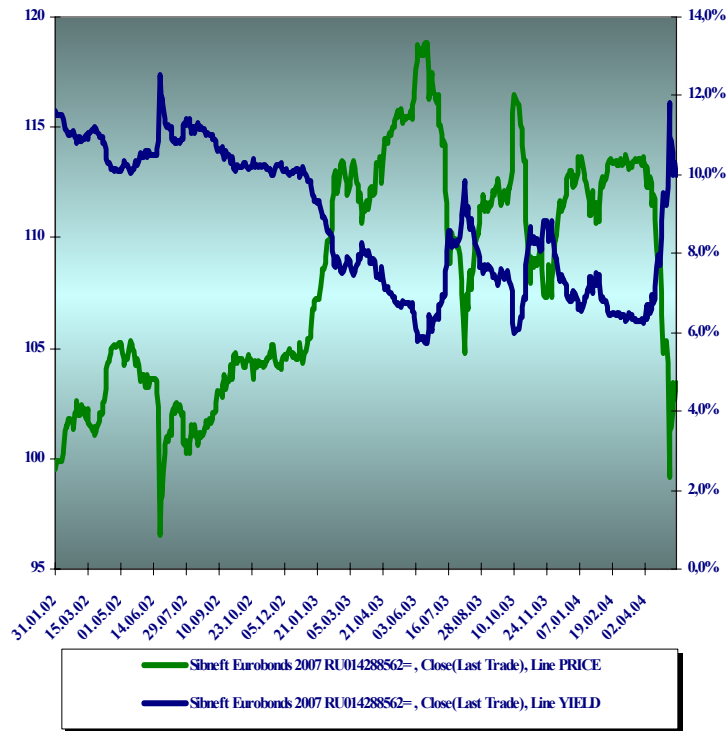


# **Eurobond Issues**

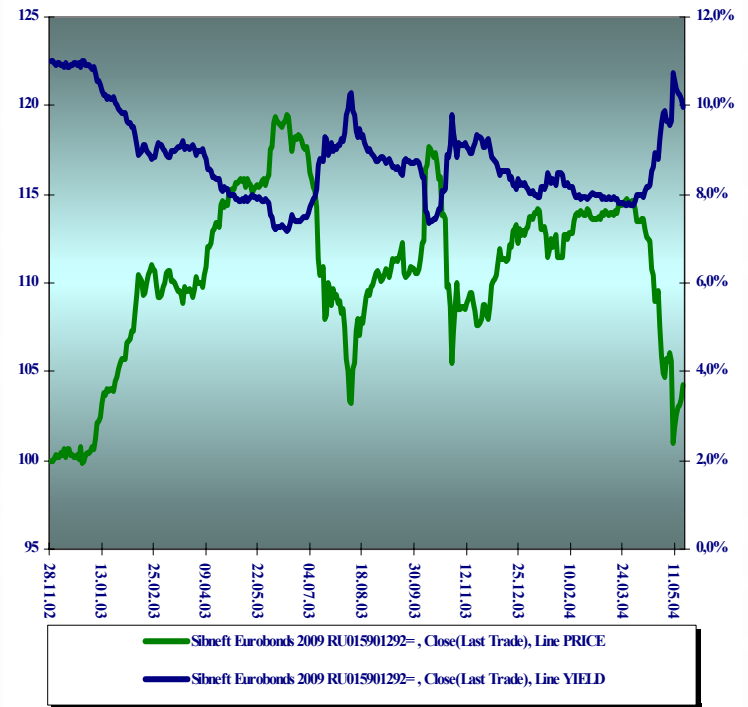
# Eurobond Transaction Structure



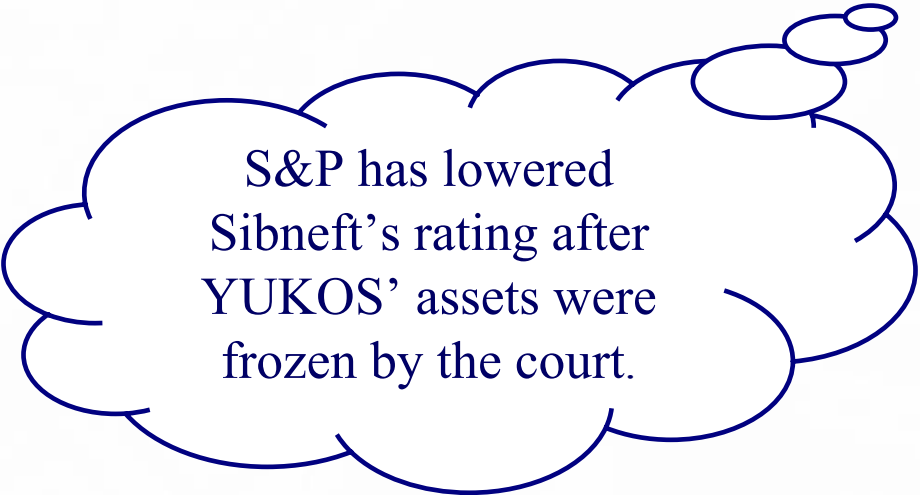
## 2007 Eurobond



## 2009 Eurobond



	2002	2003	2004
Moody's	Ba3	Ba3	Ba3
S&P	B+	B+	B

A hand-drawn blue thought bubble with a tail pointing towards the S&P rating in 2004.

S&P has lowered Sibneft's rating after YUKOS' assets were frozen by the court.



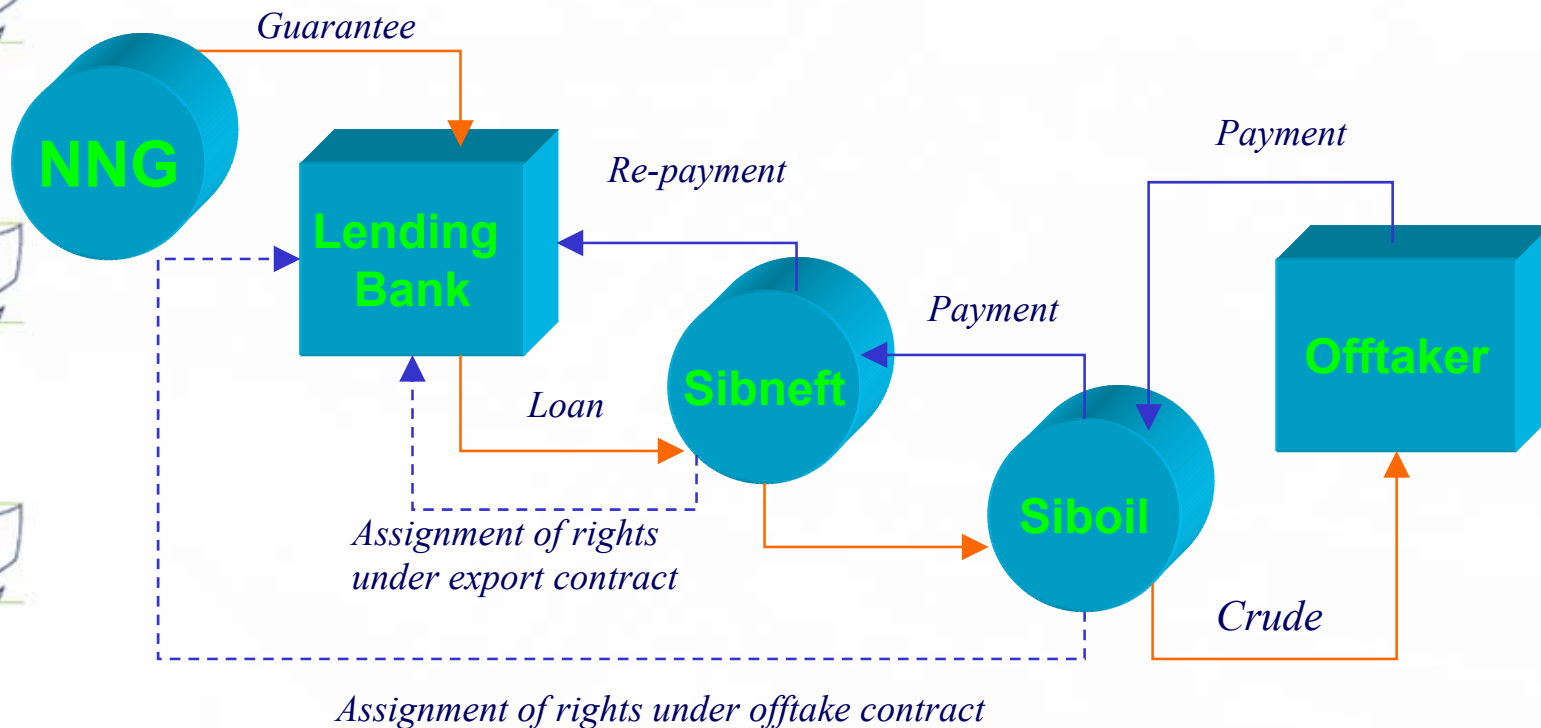
## Corporate Eurobond Issuance and Yields

	<i>Volume, mln \$</i>	<i>Current Yield, %</i>	<i>Maturity Date</i>	<i>Rating</i>
<i>Rosneft 06</i>	\$150	4,97	20.11.2006	B/B2
<i>Sibneft 07</i>	\$400	8,19	13.02.2007	B/Ba3
<i>Gazprom 07</i>	\$500	5,21	25.04.2007	BB-/Ba2
<i>TNK 07</i>	\$700	6,4	06.11.2007	BB-/Ba3
<i>Sibneft 09</i>	\$500	8,96	15.01.2009	B/Ba3
<i>Gazprom 09</i>	\$700	6,69	21.10.2009	BB-/Ba2
<i>Gazprom 13</i>	\$1750	7,79	01.03.2013	BB-/Ba2
<i>Gazprom 20</i>	\$1250	6,75	01.02.2020	BBB-/
<i>Gazprom 34 (put)</i>	\$1200	7,49	28.04.2034	BB-/Ba2
<i>Gazprom 10</i>	€ 1 000	6,8	27.09.2010	BB-/Ba2

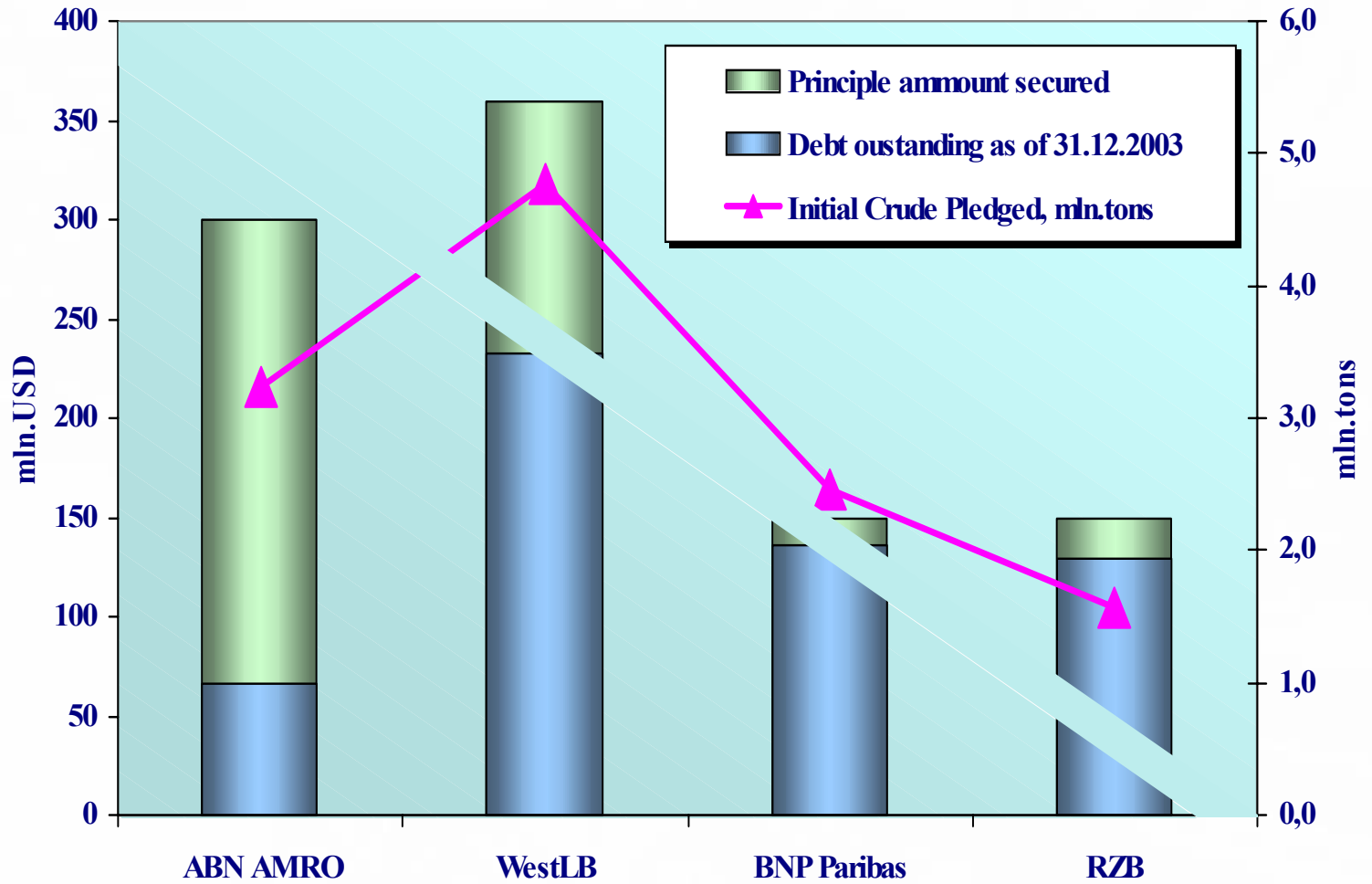
# Export Finance

# Typical Structure for Export Backed Finance

- Loans secured by crude exports significantly cheaper than unsecured finance.



# Trade Finance – Debt Facilities over Crude Pledged



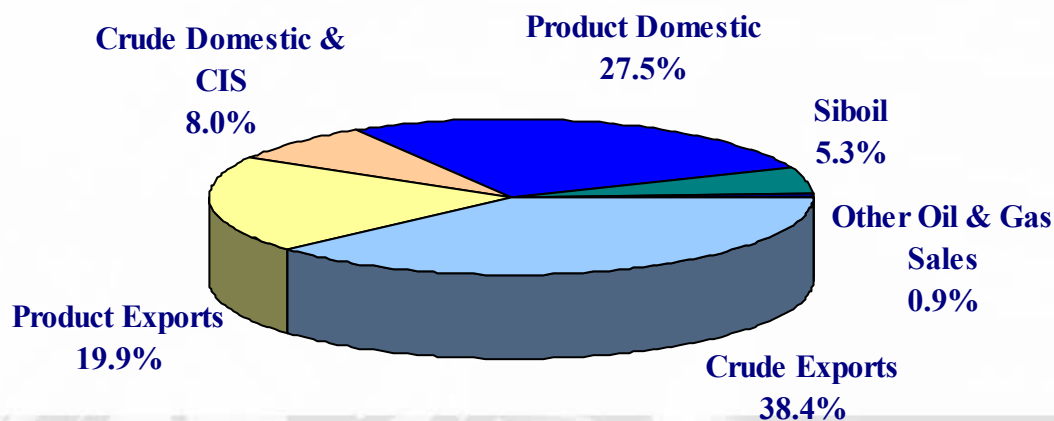
# Financial Stability

## Stable Financial History

<i>(mln. USD)</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>1H 2004</i>
Total Revenues	3 575.7	4 776.7	6 716.5	4 013.5
EBITDA	1 719.2	1 803.1	2 337.1	1 504.2
Net Income	1 305.3	1 160.5	2 278.4	992.0
CapEx	618.7	959.4	984.7	336.8
Cash Flow from Operations	1 311.3	1 286.0	2 523.5	593.3
Debt/ Equity Ratio	0,23	0,52	0,31	0,23
Total Debt/ EBITDA	0,54	1,24	0,68	-

## Diversified Revenues – Export vs. Domestic

<i>(mln. USD)</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>1H 2004</i>
Crude exports	1 188	1 840	2 386	1 456
Oil product exports	546	722	1 259	753
Crude sales (domestic and CIS)	-	207	585	303
Oil product sales (domestic)	1 487	1 566	1 655*	1 040
Siboil re-sale and commission	217	347	653	364
Other oil & gas sales	11	29	52	33
<b>Total revenues from oil &amp; gas sales</b>	<b>3 449</b>	<b>4 711</b>	<b>6 590</b>	<b>3 950</b>



\* Beginning with 2003, domestic oil product sales are reported excluding excise tax.

## Balance Sheet Highlights

<i>(mln. USD)</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>1H 2004</i>
Cash and equivalents	51.6	620.9	104.6	80.7
Accounts receivable	765.8	1 356.9	1 321.4	1 690.2
Net oil and gas properties / PP&E	3 241.2	3 853.4	4 269.9	4 328.9
<b>Total assets</b>	<b>5 712.8</b>	<b>7 548.5</b>	<b>8 150.0</b>	<b>8 861.4</b>
Short-term debt & current portion of long-term debt	314.9	578.7	368.3	276.6
Long-term debt	608.3	1 658.1	1 221.0	1 160.8
Accounts payable and accrued liabilities	294.6	706.2	846.9	775.0
Income and other taxes	140.7	134.2	189.0	205.6
Minority interest	1.7	-	-	-
Shareholder capital	4 036.7	4 291.5	5 137.5	6 129.5
<b>Total liabilities / share capital</b>	<b>5 712.8</b>	<b>7 548.5</b>	<b>8 150.0</b>	<b>8 861.4</b>



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