

Oil and gas monitor

Alexander Burgansky
+7 (495) 258 7904
ABurgansky@rencap.com

Ildar Davletshin
+7 (495) 258 7770, ext 4971
IDavletshin@rencap.com

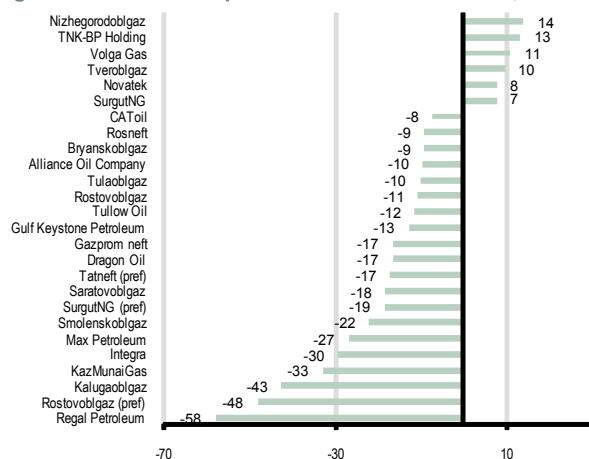
Tatyana Kalachova
+7 (727) 244-1583 x1583
TKalachova@rencap.com

Dragan Trajkov
+44 (207) 367-7941 x8941
DTrajkov@rencap.com

Report date:	7 June 2010
Total sector MktCap, \$mn	362,758
Target MktCap, \$mn	585,556
Weight In MSCI Russia, %	59.7
RenCap Index high	1,340
RenCap Index low	652
Average sector EV/sales	1.5
Average sector EV/EBITDA	4.9
Average sector P/E	6.8

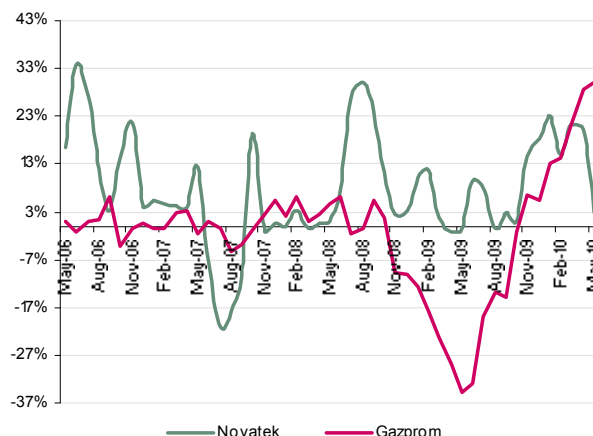
- Russia's crude output continues to grow.** Preliminary data reported by *Reuters* last week (2 June) indicates that Russia produced 10,041 kbpd of crude and gas condensate in May – up 0.1% MoM and up 2.5% YoY. This represents the 15th consecutive month of YoY gains since Mar 2009, following 14 months of declines. We attribute the production increase chiefly to the start-up of the Vankor field by Rosneft and the Uvat fields by TNK-BP, as well as the ramping-up of crude output from Sakhalin-2. YtD, for the first five months of 2010, Russia's crude and condensate production increased 2.8% YoY to 207.8mnt. TNK-BP demonstrated the highest production growth rate (3.6%), followed by Rosneft (3.1%). Tatneft saw a slight increase of 0.2%, while Gazprom neft's production was marginally down 0.1%. Both LUKOIL and Surgutneftegas saw declining production, down 1.6% and 1.3% respectively. We maintain our forecast that Russian crude and gas condensate output will grow 1.2% in 2010.
- Performance and ratings update.** EMEA oil and gas stocks were up 3.1% on average last week, underperforming the MSCI Renaissance Index (up 5.4%); but outperforming the MSCI Emerging Markets Index (up 0.8%), the Brent price (up 0.6%) and the Bloomberg World Oil and Gas Index (up 0.5%). Among the blue chips, Ukrnafta, Gazprom neft and KazMunaiGas demonstrated the best performance, up 19%, 7.4% and 5.8% respectively. Among the small caps, the best performers were Petroneft, Tethys Petroleum and Alliance Oil Company, up 13.9%, 11% and 3.7% respectively.
- Our watch list for the current week** Gazprom's press conferences on its strategy in the Asia Pacific region and in upstream and transportation segments .
- Chart of the week.** Russia's gas production in May 2010 was up 23.7% YoY to 51.2bcm, according to *Reuters*. Gazprom's gas production (including Gazprom neft) was up 30.3% YoY to 40.0bcm (down 10.3% MoM), while Novatek posted YoY growth of 2.8% to 2.7bcm (down 11.0% MoM), as shown in Figure 2. YtD, for the first five months of 2010, Gazprom and Novatek increased their gas output 20.7% and 16.5% respectively. In our view, the May data provide yet another sign of improving demand for natural gas, both domestically and in Europe, and support our positive investment stance on Gazprom.

Figure 1: Sector stock performance – three months, %



Source: RTS, Thomson Datastream, Bloomberg

Figure 2: Monthly gas production growth, % change YoY



Source: InfoTEK, Renaissance Capital

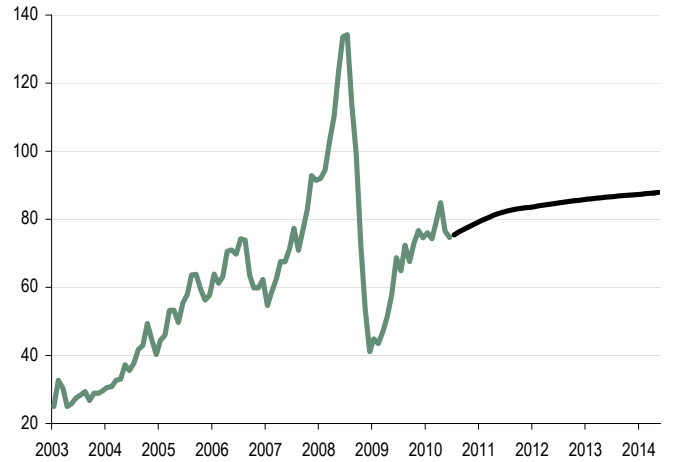
Oil price - Technical snapshot

Figure 3: Brent price - past six months, \$/bbl



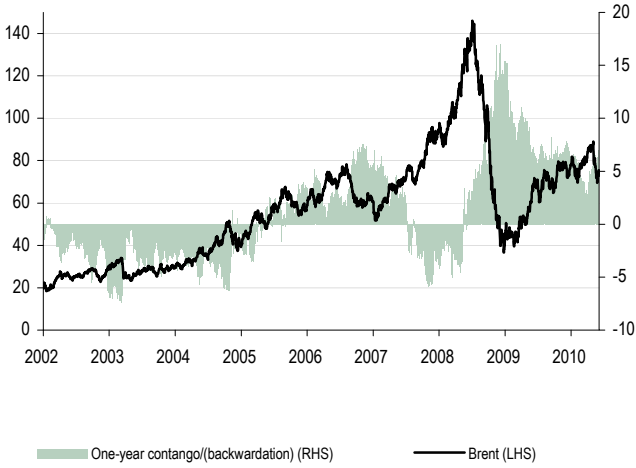
Source: Thomson Datastream

Figure 4: Brent futures, \$/bbl



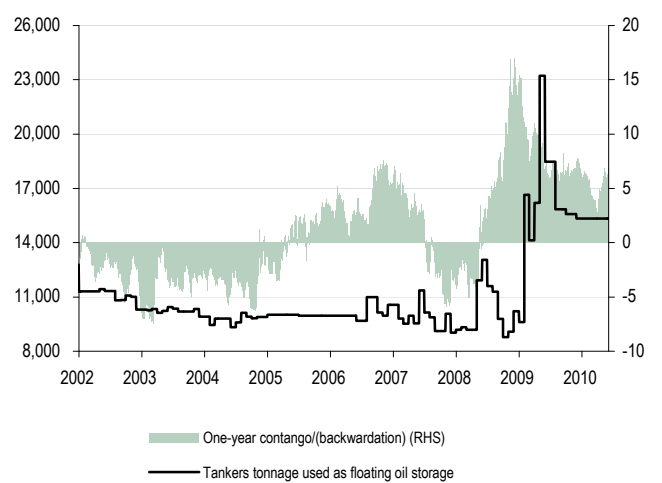
Source: Bloomberg, Renaissance Capital estimates

Figure 5: Contango or backwardation, \$/bbl



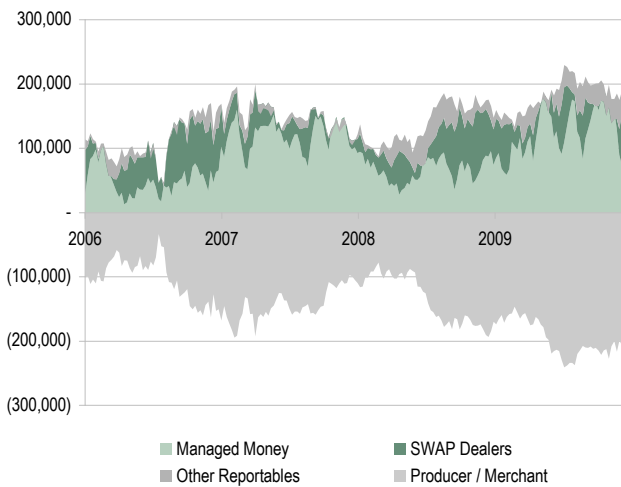
Source: Bloomberg

Figure 6: Contango or backwardation, \$/bbl



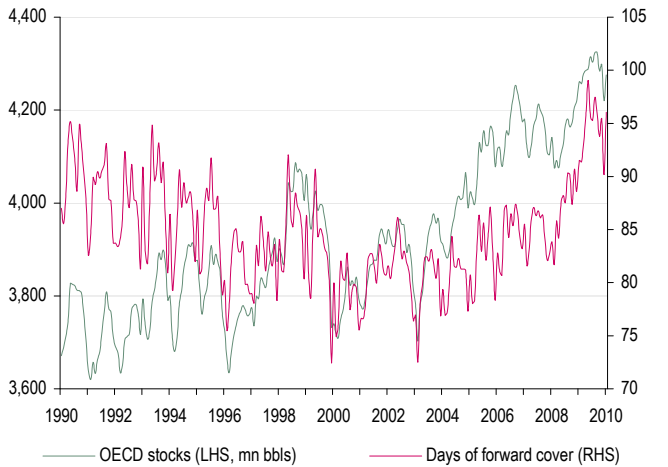
Source: Bloomberg

Figure 7: Oil futures open interest, '000 contracts



Source: Bloomberg

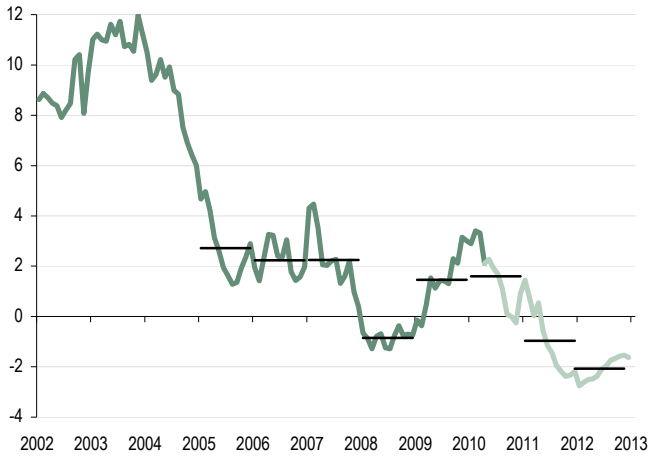
Figure 8: OECD stocks, mn bbl



Source: EIA, Renaissance Capital estimates

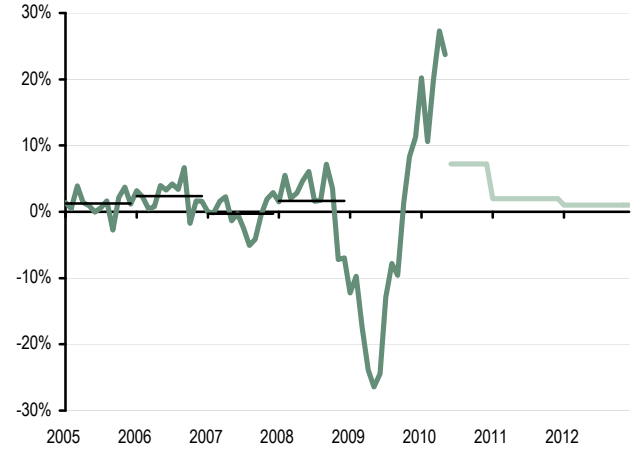
Russian oil and gas sector fundamentals

Figure 9: Crude production growth, % YoY



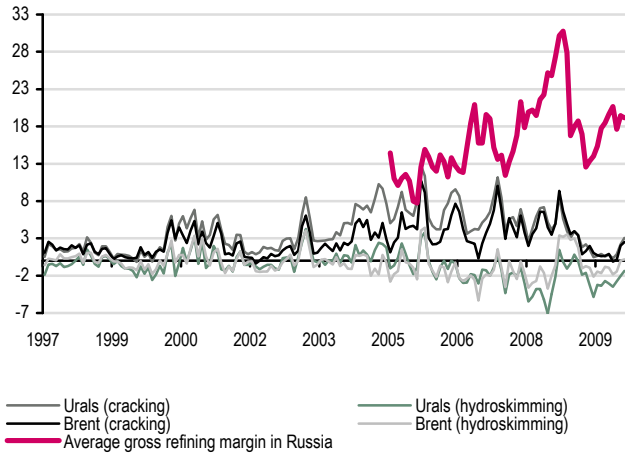
Source: InfoTEK, Renaissance Capital estimates

Figure 10: Gas production growth, % YoY



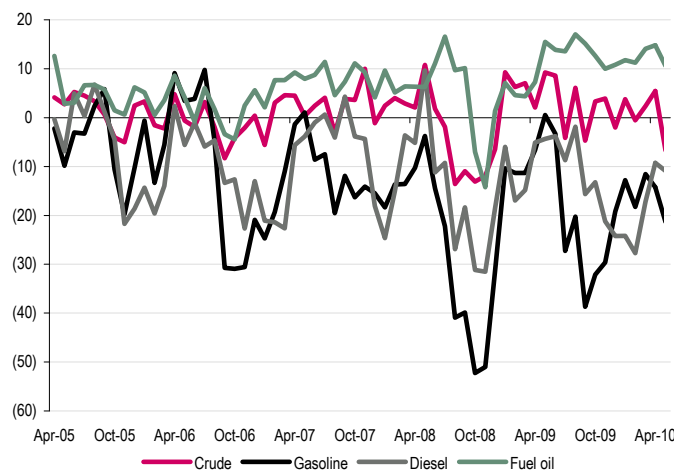
Source: InfoTEK, Renaissance Capital estimates

Figure 11: Refining margins in Russia vs Europe, \$/bbl



Source: IEA, Renaissance Capital estimates

Figure 12: Crude and oil products export margins, \$/bbl



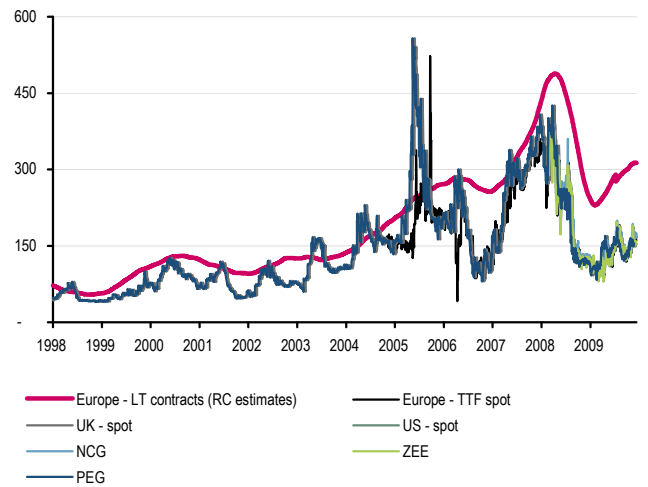
Source: Bloomberg, InfoTEK, Argus, Renaissance Capital estimates

Figure 13: Gross margin contribution for Russian crude exporters, \$/bbl



Source: Thomson Datastream, Renaissance Capital estimates

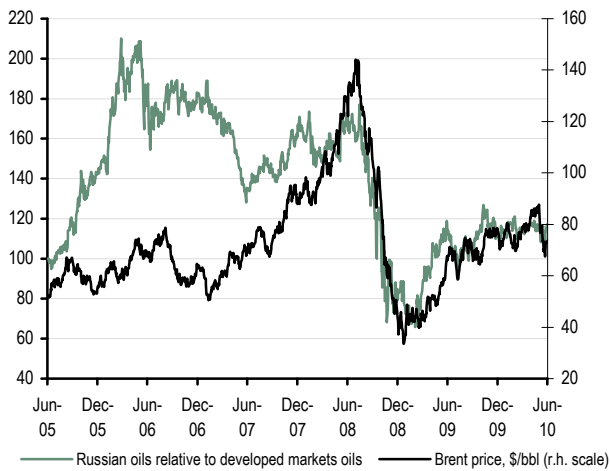
Figure 14: European gas prices, \$/mcm



Source: Thomson Datastream, Renaissance Capital estimates

Performance and valuations

Figure 15: Russian oils vs developed oils, past five years



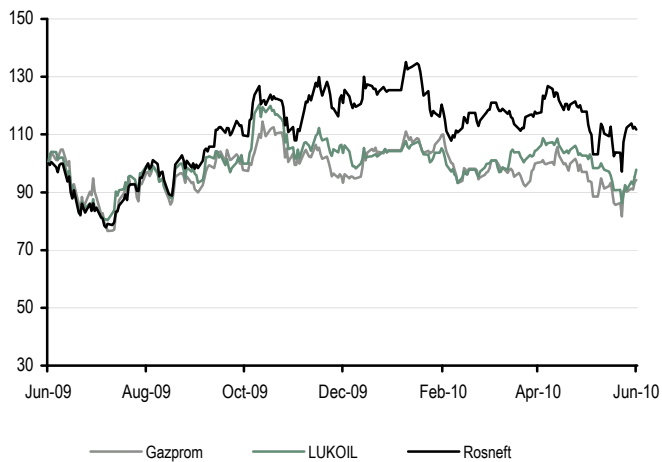
Source: Thomson Datastream

Figure 16: Russian oils vs developed oils, past 12 months



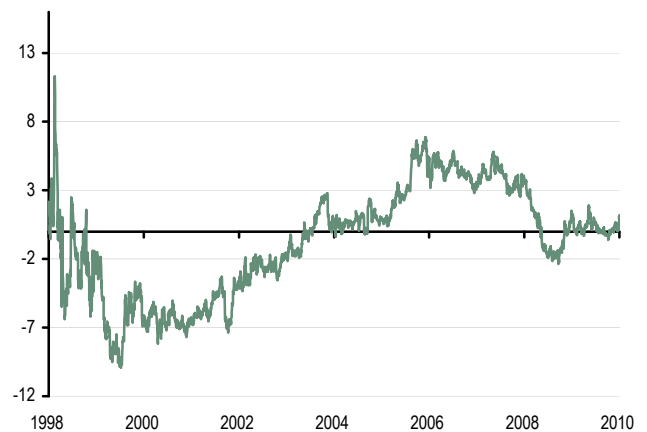
Source: Thomson Datastream

Figure 17: Russian oils vs Gazprom, past 12 months (rebased to 100)



Source: Thomson Datastream

Figure 18: P/E multiple difference: LUKOIL vs BP



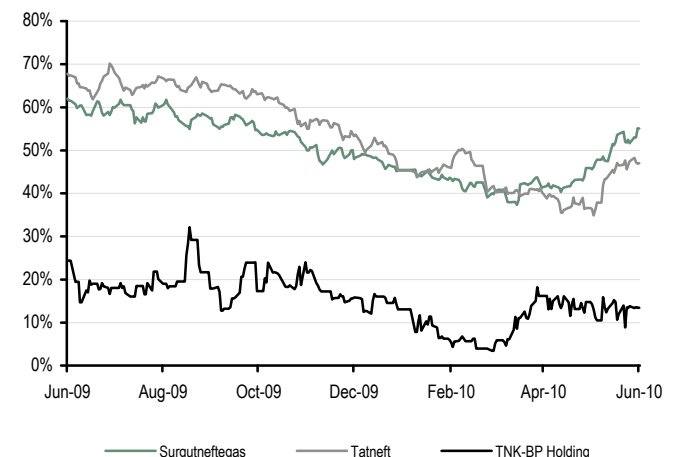
Source: Thomson Datastream

Figure 19: Russian oils vs currency dynamics



Source: Thomson Datastream

Figure 20: Preferred share price discount to commons



Source: Thomson Datastream, Bloomberg

Debt profile

Figure 21: Last reported net debt vs market cap, currency mn (unless stated otherwise)

Company	Country	Reporting period	Reporting standards	Currency	Cash	Short-term financial investments	Short-term debt	Long-term debt	Net debt, reporting currency mn	Net debt, \$mn*	MktCap, \$mn	Net debt/MktCap
Gazprom	Russia	4Q09	IFRS	RUB	254,631	52,137	436,616	1,189,049	1,318,897	43,608	125,065	0.35
Rosneft	Russia	1Q10	US GAAP	USD	1,405	2,018	7,438	14,774	18,789	18,789	69,146	0.27
LUKOIL	Russia	1Q10	US GAAP	USD	3,274	63	2,083	9,013	7,759	7,759	42,854	0.18
TNK-BP Holding	Russia	2H09	US GAAP	USD	483	-	634	1,591	1,742	1,742	31,935	0.05
Gazprom neft	Russia	1Q10	US GAAP	USD	820	44	698	3,648	3,482	3,482	18,813	0.19
Novatek	Russia	1Q10	IFRS	RUB	11,460	-	18,366	15,247	22,153	754	19,382	0.04
Surgutneftegas	Russia	1Q10	RAS	RUB	18,723	327,305	-	-	(346,028)	(11,784)	11,924	-0.99
Transneft	Russia	4Q09	IFRS	RUB	283,658	-	11,336	541,952	269,630	8,915	9,446	0.94
Tatneft	Russia	4Q09	US GAAP	RUB	24,912	10,614	71,228	16,588	52,290	1,729	9,087	0.19
Alliance Oil Company	Russia	1Q10	IFRS	USD	69	-	283	676	889	889	2,253	0.39
CAToil	Russia	1Q10	IFRS	EUR	32	-	2	-	(31)	(42)	459	-0.09
Integra	Russia	2H09	IFRS	USD	37	-	70	142	175	175	429	0.41
Volga Gas	Russia	4Q09	IFRS	USD	34	-	-	-	(34)	(34)	290	-0.12
Petronaft Resources	Russia	2H09	IFRS	USD	16	-	-	-	(16)	(16)	167	-0.09
Urals Energy	Russia	1H09	IFRS	USD	1	33	-	33	(1)	(1)	33	0
Ukrnafta	Ukraine	1Q10	UAS	UAH	312	-	-	355	43	5	1,773	0.00
Regal Petroleum	Ukraine	2H09	IFRS	USD	119	-	-	-	(119)	(119)	154	-0.77
KazMunaiGas	Kazakhstan	4Q09	IFRS	KZT	107,626	534,288	45,650	92,023	(504,241)	(3,395)	9,372	-0.36
Zhaikmunai	Kazakhstan	1Q10	IFRS	USD	117	-	-	356	240	240	1,472	0.16
Tethys Petroleum	Kazakhstan	4Q09	IFRS	USD	7	-	1	9	3	3	312	0.01
Max Petroleum	Kazakhstan	3Q09	IFRS	USD	6	-	-	124	119	119	96	1.23
Gulf Keystone Petroleum	Iraq	1H09	IFRS	USD	17	-	-	-	(17)	(17)	725	-0.02
Tullow Oil	Africa	2H09	IFRS	GBP	158	-	-	825	667	1,078	14,888	0.07
Afren	Africa	2H09	IFRS	USD	321	-	118	149	(54)	(54)	1,175	-0.05

* Translated into dollars using exchange rates as of the end of reporting period

Source: Company data, RTS, Thomson Financial

Valuations

Figure 22: Summary valuation for oil and gas companies we cover

	Reuters ticker	Rating	Currency	Target price	Current price 3-Jun-10	Upside potential	MktCap, \$mn	P/E			NI CAGR, %	EV/EBITDA			Div. yield, %		FCF yield, %		EV*/proved reserves, \$/boe, 2009	EV*/production, \$/boe, 2009	
								2010E	2011E	2012E		2010E-12E	2010E	2011E	2012E	2009	2010E	2010E			2011E
Russian gas producers																					
Gazprom (RC estimates)	GAZP.RTS	BUY	USD	11.8	5.3	123%	125,065	4.3	3.3	2.9	20	3.4	2.6	2.1	2.3	2.9	10.8	9.1	1.3	51	
Gazprom (consensus estimates)								4.5	4.0	3.8	5	3.5	3.1	2.7	1.3	1.7			1.3	52	
Novatek (RC estimates)	NVTK.RTS	HOLD	USD	4.4	6.4	-31%	19,382	20.6	18.0	13.2	21	15.5	12.7	9.3	1.9	2.3	4.9	7.0	2.7	89	
Novatek GDR (RC estimates)	NVTK.GB	HOLD	USD	54.0	73	-26%	22,044	23.4	20.4	15.0	24	17.6	14.5	10.6	2.1	2.6	5.6	8.0	3.1	102	
Novatek (consensus estimates)								13.7	11.3	10.7	23	10.3	8.7	8.0	0.9	1.1			2.7	89	
Cap-weighted average								8.7	7.3	5.7	21	6.7	5.4	4.0	2.2	2.8	9.4	8.7	1.7	62	
Russian oil producers																					
Rosneft (RC estimates)	ROSN.RTS	BUY	USD	8.5	7.2	18%	69,146	6.7	7.3	7.7	11	4.4	4.3	4.1	1.2	1.4	7.3	7.2	3.5	92	
Rosneft (consensus estimates)								6.6	5.9	5.6	1.7	4.5	4.0	3.5	0.8	1.2			3.7	96	
LUKOIL (RC estimates)	LKOH.RTS	BUY	USD	72.1	51	41%	42,854	5.5	4.8	4.3	12.1	3.2	2.8	2.3	4.2	5.0	10.1	15.3	2.6	56	
LUKOIL (consensus estimates)								5.1	4.9	4.6	-2.6	3.0	2.8	2.5	3.0	3.7			2.6	55	
TNK-BP Holding (RC estimates)	TNBP.RTS	HOLD	USD	2.00	1.97	2%	31,935	5.1	4.8	4.4	12.0	3.3	3.1	2.8	8.1	8.5	11.8	14.1	3.2	54	
TNK-BP Holding (RC estimates)	TNBPP.RTS	HOLD	USD	1.75	1.77	-1%									17.1	8.9					
TNK-BP Holding (consensus estimates)								5.4	4.7	4.5	2.4	3.4	2.9	2.7	9.2	8.7			3.1	53	
Surgutneftegas (RC estimates)	SNGS.RTS	BUY	USD	1.90	0.92	107%	11,924	3.1	3.6	3.3	0.5	n/a	n/a	n/a	2.9	2.5	14.9	24.4	-0.4	-10	
Surgutneftegas (RC estimates)	SNGSP.RTS	BUY	USD	0.90	0.41	118%									8.7	7.4					
Surgutneftegas (consensus estimates)								2.7	2.6	2.5	-2.7	n/a	n/a	n/a	2.2	2.2			-0.1	-3.6	
Gazprom neft (RC estimates)	SIBN.RTS	HOLD	USD	4.1	3.97	3%	18,813	9.2	7.7	7.8	-7.3	4.5	3.8	3.6	2.1	2.8	7.6	10.4	4.0	89	
Gazprom neft (consensus estimates)								5.3	4.6	4.4	-7.7	2.7	2.5	2.5	3.5	3.8			4.0	89	
Tatneft (RC estimates)	TATN.RTS	BUY	USD	8.70	4.37	99%	9,087	5.6	3.3	3.4	15.9	4.3	2.3	2.0	4.6	7.9	25.7	29.2	1.8	58	
Tatneft (RC estimates)	TATNP.RTS	BUY	USD	4.60	2.32	98%									8.9	8.7					
Tatneft (consensus estimates)								5.0	5.9	5.6	75.3	3.3	4.0	3.6	4.6	4.8			1.5	47	
Cap-weighted average								6.1	5.9	5.8	9.2	3.6	3.2	3.0	3.5	4.0	10.2	12.8	3.0	69	
Russian alternatives																					
Urals Energy (RC estimates)	UEN.L	BUY	GBP	0.37	0.12	209%	33	-0.5	27.7	-135.1	-92	-1.1	2.4	2.6	0.0	0.0	neg.	30.4	0.9	230.9	
Urals Energy (consensus estimates)								n/a	na	n/a	n/a	2.4	n/a	n/a	0.0	0.0			0.9	231	
Alliance Oil Company (RC estimates)	AOIL.ST	HOLD	SEK	103.1	92.9	11%	2,253	6.6	6.3	5.5	116	6.6	4.6	4.0	0.0	0.0	3.4	-5.8	9.4	161	
Alliance Oil Company (consensus estimates)								7.9	5.5	5.3	4	5.0	3.9	3.7	0.0	0.0			9.6	164	
Petronet Resources (RC estimates)	PTR.L	BUY	GBP	0.51	0.33	56%	167	n/a	17.5	4.0	n/a	-25.0	12.2	2.7	0.0	0.0	-7.4	-3.9	14.8	n/a	
Petronet Resources (consensus estimates)								44.5	3.7	3.6	n/a	12.8	2.9	2.7	0.0	0.0			n/a	n/a	
Volga Gas (RC estimates)	VGAS.L	BUY	GBP	3.40	2.45	39%	290	n/a	23.5	7.8	n/a	170.6	14.7	4.3	0.0	0.0	-7.9	0.4	15.4	n/a	
Volga Gas (consensus estimates)								n/a	5.3	5.0	1,441	9.8	3.3	2.3	0.0	0.0			14.9	n/a	
Cap-weighted average								6.5	9.6	4.2	113	23.3	6.5	4.2	0.0	0.0	1.6	-4.9	10.9	162	
Russian oil field services																					
CAToil (RC estimates)	O2C.DE	UR	EUR	UR	7.49	n/a	459	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
CAToil (consensus estimates)								16.2	12.9	12.2	44	6.0	5.3	4.3	4.0	0.0			n/a	n/a	
Integra (RC estimates)	INTEq.L	BUY	USD	6.0	2.37	153%	429	n/a	94	9.3	n/a	5.8	3.9	2.4	0.0	0.0	18.5	15.4	n/a	n/a	
Integra (consensus estimates)								1,073.4	13.4	12.7	n/a	4.8	3.5	3.0	0.0	0.0			n/a	n/a	
Cap-weighted average								527.1	13.1	12.4	44	5.4	4.4	3.7	2.1	0.0	18.5	15.4			
Transneft (RC estimates)	TRNFP.RTS	BUY	USD	1,816	875	108%	9,446	2.7	2.2	2.4	12	2.8	2.4	2.5	0.9	1.1	-19.4	-12.6	n/a	n/a	
Transneft (consensus estimates)								2.3	2.2	2.1	21	2.3	2.3	2.1	1.1	1.0			n/a	n/a	
Transneft (disc)/prem to Russian oil producers								-55%	-62%	-60%	3%	-22%	-26%	-16%	-3%	-3%	-30%	-25%			

Figure 22: Summary valuation for oil and gas companies we cover

	Reuters ticker	Rating	Currency	Target price	Current price 3-Jun-10	Upside potential	MktCap, \$mn	P/E			NI CAGR, %	EV/EBITDA			Div. yield, %		FCF yield, %		EV*/proved reserves, \$/boe, 2009	EV*/production, \$/boe, 2009
								2010E	2011E	2012E		2010E-12E	2010E	2011E	2012E	2009	2010E	2010E		
Ukraine																				
Ukrnafta (RC estimates)	UNAF.PFT	BUY	USD	28	32.7	-14%	1,773	5.9	4.1	3.7	43	3.3	2.3	2.1	17.0	7	7.5	11.8	2.8	46
Ukrnafta (consensus estimates)								7.4	5.7	5.4	4	4.8	3.4	3.9	10	18			2.8	47
Regal Petroleum (RC estimates)	RPT.L	BUY	GBP	0.89	0.33	167%	154	14	5.5	3.4	n/a	6	2.6	1.7	0.0	0.0	-7.5	-3.1	2.7	249
Regal Petroleum (consensus estimates)								14	4	3.9	n/a	1	1.5	1.9	0.0	0.0			0.9	79
Cap-weighted average								6.5	4.2	3.7	43.4	3.5	2.3	2.1	15.6	6.3	6.3	10.6	2.8	63
Central Asia																				
Dragon Oil	DGO.L	BUY	GBP	5.41	4.00	35%	3,014	7.3	5.1	6.0	25	2.9	1.9	1.7	0.0	0.0	3.5	13.7	n/a	130
Dragon Oil								7.3	5.8	5.2	n/a	0.0	0.0	0.0	0.0	0.0			n/a	89
Zhaikmunai (RC estimates)	ZKM.L	BUY	USD	13.00	7.85	66%	1,472	5.3	4.2	2.6	106	4.5	3.2	1.3	0.0	0.0	16.7	38.7	14.1	772
Zhaikmunai (consensus estimates)								10.7	5.2	4.7	n/a	8.3	4.2	4.0	0.0	0.0			12.1	663
KazMunaiGas (RC estimates)	KMG.L	BUY	USD	30.6	22.9	34%	9,372	4.9	4.3	4.3	13	3.2	2.8	2.8	0.0	0.0	17.6	19.7	8.1	41
KazMunaiGas (consensus estimates)								6.5	5.9	5.6	7	3.0	1.1	1.1	10.2	17.5			14.9	64.9
Max Petroleum (RC estimates)	MXP.L	BUY	GBP	0.30	0.15	100%	96	n/a	n/a	n/a	n/a	24.6	23.3	19.2	0.0	0.0	-7	-12	n/a	336
Max Petroleum (consensus estimates)								3.7	n/a	n/a	n/a	4.5	6.4	n/a	0.0	0.0			n/a	277
Tethys Petroleum (RC estimates)	TPL.TO	BUY	CAD	2.07	1.86	11%	312	n/a	n/a	799	n/a	n/a	23.9	23.1	0.0	0.0	-12.9	0.0	39.4	312
Tethys Petroleum (consensus estimates)								n/a	22	17.3	n/a	29	24.4	22.6	0.0	0.0			39.6	313
Cap-weighted average								4.9	4.8	4.5	n/a	3.4	3.4	3.3	8.5	14.6	16.4	21.4	9.8	145
Non-FSU Alternatives																				
Gulf Keystone Petroleum (RC estimates)	GKP.L	BUY	GBP	1.30	0.7	76%	725	n/a	n/a	n/a	n/a	n/a	108.5	n/a	0.0	0.0	-8.5	-5.9	n/a	n/a
Gulf Keystone Petroleum (consensus estimates)								n/a	50.4	n/a	n/a	61.3	16.7	n/a	0.0	0.0			n/a	n/a
Tullow Oil (RC estimates)	TLW.L	HOLD	GBP	11.00	11.5	-4%	14,888	215.9	42.2	n/a	n/a	37.6	16.1	n/a	0.0	0.0	-6.5	-2.4	n/a	728
Tullow Oil (consensus estimates)								92.9	28.1	n/a	n/a	24.9	11.3	n/a	0.5	0.5			n/a	792
Afren (RC estimates)	AFRE.L	BUY	GBP	1.35	0.9	50%	1,175	13.5	3.4	n/a	n/a	3.5	1.3	n/a	0.0	0.0	-14.1	22.1	n/a	165
Afren (consensus estimates)								9.3	3.3	n/a	n/a	3.0	0.9	n/a	0.0	0.0			n/a	456
Cap-weighted average								192.4	37.7	n/a	n/a	33.6	19.1	n/a	0.0	0.0	-7.1	0.8	n/a	657
Russian gas producers average (disc)/prem to Russian oil producers								43%	24%	-2%	12%	84%	67%	37%	-1%	-1%	-1%	-4%	-42%	-9%
Russian oil producers average (disc)/prem to alternatives								-5%	-39%	38%	-104%	-85%	-50%	-30%	3%	4%	9%	18%	-73%	-58%
Russian oil producers average (disc)/prem to Ukrnafta								4%	45%	59%	-34%	9%	39%	38%	-80%	-41%	35%	8%	7%	48%
Russian alternatives average (disc)/prem to FSU alternatives								31%	102%	-5%	n/a	585%	89%	27%	n/a	n/a	n/a	n/a	11%	12%

* For companies with ratings Under Review (UR) or Restricted (R) EV is calculated based on last reported net debt. For all other companies 2010E net debt is used in the calculations.

Source: Company data, RTS, Thomson Financial and Renaissance Capital for estimates

Figure 23: Comparable multiples analysis for oil companies

	Country	Reuters ticker	Currency	Price 3-Jun-10	MktCap, \$mn	P/E			NI CAGR, % 2010E-2012E	EV/EBITDA			Div. yield, %		EV/proved reserves, \$/boe, 2009	EV/production, \$/boe, 2009
						2010E	2011E	2012E		2010E	2011E	2012E	2010E	2011E		
Russian oil companies																
Rosneft (RC estimates)	Russia	ROSN.RTS	USD	7.20	69,146	6.7	7.3	7.7	11.3	4.4	4.3	4.1	1.2	1.4	3.5	92.0
Rosneft (consensus estimates)						6.6	5.9	5.6	2	4.5	4.0	3.5	0.8	1.2	3.7	96.1
LUKOIL (RC estimates)	Russia	LKOH.RTS	USD	51.0	42,854	5.5	4.8	4.3	12.1	3.2	2.8	2.3	4.2	5.0	2.6	56.0
LUKOIL (consensus estimates)						5.1	4.9	4.6	-2.6	3.0	2.8	2.5	3.0	3.7	2.6	55.0
TNK-BP Holding (RC estimates)	Russia	TNBP.RTS	USD	1.97	31,935	5.1	4.8	4.4	12	3.3	3.1	2.8	8.1	8.5	3.2	54.2
TNK-BP Holding (consensus estimates)						5.4	4.7	4.5	2	3.4	2.9	2.7	9.2	8.7	3.1	52.7
Surgutneftegas (RC estimates)	Russia	SNGS.RTS	USD	0.92	11,924	3.1	3.6	3.3	0.5	-0.7	-1.2	-1.3	2.9	2.5	-0.4	-9.5
Surgutneftegas (consensus estimates)						2.7	2.6	2.5	-3	0	0	-0.7	2.2	2.2	-0.1	-3.6
Gazprom neft (RC estimates)	Russia	SIBN.RTS	USD	3.97	18,813	9.2	7.7	7.8	-7	4.5	3.8	3.6	2.1	2.8	4.0	89.3
Gazprom neft (consensus estimates)						5.3	4.6	4.4	-8	2.7	2.5	2.5	3.5	3.8	4.0	89.3
Tatneft (RC estimates)	Russia	TATN.RTS	USD	4.37	9,087	5.6	3.3	3.4	16	4.3	2.3	2.0	4.6	7.9	1.8	58.3
Tatneft (consensus estimates)						5.0	5.9	5.6	75	3.3	4.0	3.6	4.6	4.8	1.5	47.1
Cap-weighted average						6.1	5.9	5.8	9.2	3.6	3.2	3.0	3.5	4.0	3.0	68.5
Other FSU oil companies																
Ukrnafta (RC estimates)	Ukraine	UNAF.PFT	USD	32.7	1,773	5.9	4.1	3.7	43	3.3	2.3	2.1	0.6	6.8	2.8	46.3
Ukrnafta (consensus estimates)						7.4	5.7	5.7	4	4.8	3.4	4.1	10.2	17.5	2.8	47.2
Zhaikmunai (RC estimates)	Kazakhstan	ZKM.L	USD	7.9	1,472	5.3	4.2	2.6	106	4.5	3.2	1.3	0.0	0.0	14.1	772.2
Zhaikmunai (consensus estimates)						10.7	5.2	4.7	n/a	4.5	3.2	1.3	0.0	0.0	12.1	663.3
KazMunaiGas (RC estimates)	Kazakhstan	KMG.L	USD	22.9	9,372	4.9	4.3	4.3	13	3.2	2.8	2.8	0.0	0.0	8.1	40.8
KazMunaiGas (consensus estimates)					10,572	6.5	5.9	5.6	7	3.0	1.1	1.1	10.2	17.5	14.9	64.9
Cap-weighted average						5.8	5.0	4.8	18	3.2	2.0	1.9	4.7	8.5	11.2	98.6
Other GEM oil companies																
Petrochina	China	601857.SS	RMB	11	281,292	18.6	14.0	12.4	11	8.7	7.1	6.5	2.6	3.2	14.1	261.1
Petrobras	Brazil	PETR3.BR	BRL	32	145,015	8.4	8.9	7.6	2	5.4	5.5	5.1	3.0	2.7	16.5	229.0
Sinopec	China	386.HK	CNY	5.29	104,004	11.5	10.8	10.3	32	6.7	6.1	5.5	3.9	3.9	34.0	382.6
ONGC	India	ONGC.IN	INR	1,211	55,116	12.8	10.6	n/a	11	5.3	4.7	n/a	2.8	3.1	7.4	137.7
CNOOC	China	883.HK	CNY	10.92	71,409	16.5	11.2	9.8	4	8.5	6.1	5.4	3.1	3.1	26.2	307.7
Cap-weighted average						14.5	11.8	9.7	11	7.4	6.3	5.4	2.9	3.2	18.5	267.9
International oil companies																
ExxonMobil	USA	XOM.US	USD	62	288,211	14.8	10.1	8.3	-7.6	6.1	4.1	3.5	2.7	2.8	13.6	250.5
BP	UK	BP/.GB	USD	6.3	118,339	8.5	5.9	5.2	-3.9	4.2	3.3	2.9	8.9	8.7	8.0	99.9
Royal Dutch Shell	Holland/UK	RDSB.GB	USD	26	160,887	13.9	8.9	7.0	4.3	5.3	4.4	3.7	6.5	6.5	13.7	168.2
Total	France	FP.FR	EUR	39	111,838	11.7	8.7	7.9	-5.9	5.2	3.8	3.3	5.9	6.0	12.3	154.9
Chevron	USA	CVX.US	USD	74	148,459	15.3	8.4	7.3	-4.6	5.1	3.3	2.9	3.6	3.8	13.5	160.3
ConocoPhillips	USA	COP.US	USD	52	77,363	14.1	8.1	6.8	-11.5	5.3	3.5	3.0	3.7	4.0	9.6	114.7
Cap-weighted average						13.5	8.7	7.3	-4.6	5.4	3.9	3.3	4.8	4.9	12.4	178.0
Russian oil average (disc)/prem to other FSU						6%	18%	23%	-9%	12%	60%	58%	-1.2%	-4.5%	-73%	-31%
Russian oil average (disc)/prem to GEM						-58%	-50%	-40%	-2%	-51%	-49%	-45%	0.5%	0.8%	-84%	-74%
Russian oil average (disc)/prem to international oil companies						-55%	-33%	-20%	14%	-33%	-16%	-10%	-1.3%	-0.9%	-76%	-62%

Reserve ratios for the Russian companies are calculated using SPE measures. Those for other companies are on an SEC basis.

Source: Company data, RTS, Thomson Financial and Renaissance Capital for estimates

Figure 24: Comparable multiples analysis for gas companies

	Country	Reuters ticker	Currency	Price 3-Jun-10	MktCap, \$mn	P/E			NI CAGR, %	EV/EBITDA			Div. yield, %		EV/proved reserves, \$/boe, 2009	EV/production, \$/boe, 2009
						2010E	2011E	2012E	2010E-2012E	2010E	2011E	2012E	2010E	2011E		
Russian gas companies																
Gazprom (RC estimates)	Russia	GAZP.RTS	USD	5.3	125,065	4.3	3.3	2.9	20	3.4	2.6	2.1	2.3	2.9	1.3	50.8
Gazprom (consensus estimates)						4.5	4.0	3.8	5	3.5	3.1	2.7	1.3	1.7	1.3	51.8
Novatek (RC estimates)	Russia	NVTK.RTS	USD	6.4	19,382	20.6	18.0	13.2	21	15.5	12.7	9.3	1.9	2.3	2.7	89.3
Novatek (consensus estimates)						13.7	11.3	10.7	23	10.3	8.7	8.0	0.9	1.1	2.7	88.7
Cap-weighted average						6.5	5.3	4.3	21	5.0	4.0	3.0	2.2	2.8	1.5	56.0
International gas companies																
GDF SUEZ	France	GSZ.FR	EUR	26	71,446	13.0	12.8	11.5	-8	6.6	6.2	5.7	5.7	6.0	n/a	n/a
Quicksilver Resources	USA	KWK.US	USD	12	2,064	13.9	15.0	14.1	-12	22.3	7.7	7.0	0.0	0.0	12.4	286
Murphy Oil	USA	MUR.US	USD	52	9,982	16.7	10.6	7.9	-9	4.7	3.9	3.1	1.9	2.0	28.0	242
Devon Energy	USA	DVN.US	USD	66	29,670	17.6	10.5	9.9	-11	7.6	4.8	4.8	1.0	1.0	12.8	131
Chesapeake Energy	USA	CHK.US	USD	25	16,182	10.2	8.1	7.9	1	6.4	5.5	5.1	1.2	1.2	13.9	199
Encana	Canada	ECA.CA	USD	33	24,725	7.2	20.8	20.1	-35	3.5	5.6	5.9	4.2	2.4	9.5	111
Pioneer Natural Resources	USA	PXD.US	USD	68	7,826	n/a	26.8	18.9	4	13.3	7.8	6.0	0.1	0.2	10.7	230
Apache	USA	APA.US	USD	90	30,219	16.0	8.7	6.4	7	5.7	4.2	3.3	0.7	0.7	14.8	182
Anadarko Petroleum	USA	APC.US	USD	46	22,788	n/a	22.2	15.6	-15	7.4	4.5	3.8	0.8	0.8	14.5	161
XTO Energy	USA	XTO.US	USD	44	25,437	12.2	22.1	27.1	-22	5.3	6.1	6.0	1.1	1.1	15.0	244
BG Group	UK	BG/.GB	GBP	10.8	53,231	16.3	14.0	12.1	0	7.9	6.9	6.1	1.1	1.3	24.0	261
Cap-weighted average						12.4	14.6	13.2	-8.6	6.8	5.7	5.2	2.4	2.3	16.5	198
Russian gas average (disc)/prem to international gas companies						-48%	-64%	-68%	29%	-26%	-30%	-42%	-0.2%	0.5%	-91%	-72%

Reserve ratios for the Russian companies are calculated using SPE measures. Those for other companies are on an SEC basis. For companies with no listing in Russia share prices are as of 8 Jan 2010

Source: Company data, RTS, Thomson Financial and Renaissance Capital for estimates

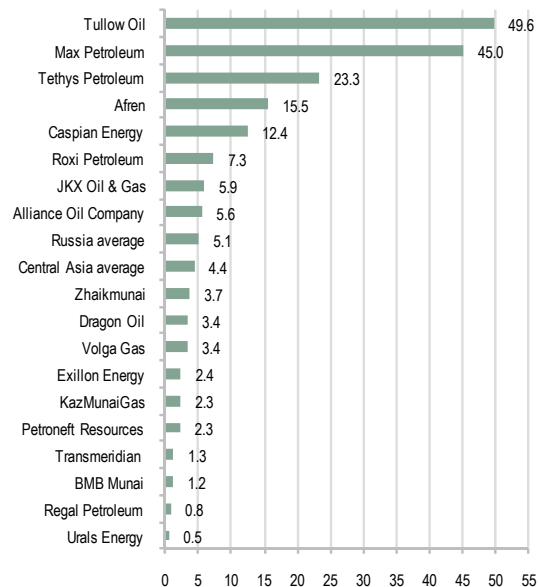
Figure 25: Comparable multiples analysis for alternative oil and gas companies

	Country	Reuters ticker	Currency	Current price 3-Jun-10	MktCap, \$mn	P/E			EV/EBITDA			EV/production			EV*/reserves (2P), \$/boe	EV*/resources, \$/boe
						2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E		
Petronet Resources	Russia	PTR.L	GBP	0.33	166.9	17.5	4.0	2.8	11.4	2.5	1.7	146.6	39.1	27.2	2.3	0.4
Urals Energy	Russia	UEN.L	GBP	0.12	33.0	33.8	n/a	n/a	2.6	2.9	3.5	25.4	22.9	22.9	0.5	0.4
Volga Gas	Russia	VGAS.L	GBP	2.45	289.8	23.5	7.8	4.8	12.3	2.9	1.8	158.5	51.8	35.7	3.4	1.1
Alliance Oil Company	Russia	AOIL.ST	SEK	92.94	2,253	6.3	5.5	4.1	4.6	3.3	2.5	167.4	107.9	82.4	5.6	4.2
Russia average						9.2	6.0	4.0	5.8	3.2	2.4	163.5	96.8	73.4	5.1	3.6
Regal Petroleum	Ukraine	RPT.L	GBP	0.33	154.1	13.6	5.5	3.4	6.2	2.6	1.7	99.1	59.6	44.0	0.8	0.4
Zhaikmunai	Kazakhstan	ZKM.L	USD	7.85	1,472	5.3	4.2	2.6	4.5	3.2	1.3	296.6	118.4	62.7	3.7	1.8
Dragon Oil	Turkmenistan	DGO.L	GBP	4.00	3,014	7.3	5.1	6.0	2.9	1.9	1.7	112.9	89.3	61.1	3.4	1.9
KazMunaiGas	Kazakhstan	KGM.L	USD	22.91	9,372	4.9	4.3	4.3	3.2	2.8	2.8	126.3	128.8	131.8	2.3	2.2
Max Petroleum	Kazakhstan	MXP.L	GBP	0.15	96.3	n/a	n/a	n/a	7.5	11.2	17.3	282.1	178.5	130.6	45.0	0.2
Tethys Petroleum	Kazakhstan	TPL.TO	CAD	1.86	312.4	n/a	n/a	n/a	28.3	23.1	21.1	87.7	95.8	118.2	23.3	0.9
FSU average						4.0	3.4	3.2	3.9	3.1	2.9	140.8	118.4	108.7	3.4	2.0
Gulf Keystone Petroleum	Iraq	GKP.L	GBP	0.74	725	n/a	n/a	n/a	n/a	108.5	n/a	n/a	659.8	-5.9	n/a	1.8
Tullow Oil	Africa	TLW.L	GBP	11.48	14,888	215.9	42.2	n/a	37.6	16.1	n/a	728.3	477.5	-2.4	49.6	5.4
Afren	Africa	AFRE.L	GBP	0.90	1,175	13.5	3.4	n/a	3.5	1.3	n/a	153.8	58.6	22.1	15.5	2.9
Non-FSU average						192.4	37.7	n/a	33.6	19.1	n/a	656.7	456.1	-0.8	45.1	5.1

* For companies with ratings Under Review (UR) or Restricted (R) EV is calculated based on last reported net debt. For all other companies 2010E net debt is used in the calculations.

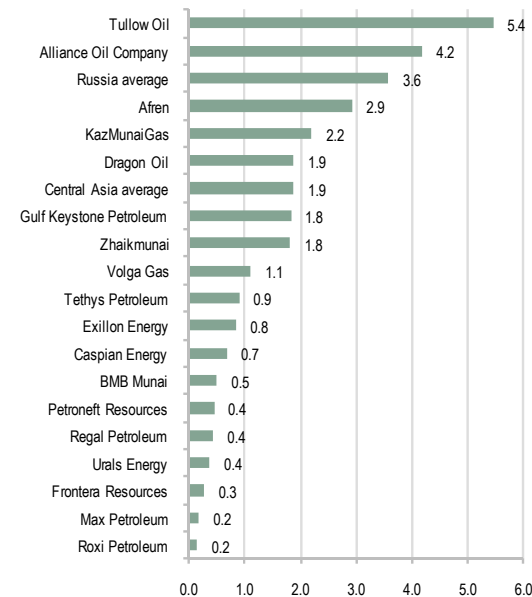
Source: Company data, Thomson Financial, Renaissance Capital estimates

Figure 26: EV/2P reserves valuations for E&P alternatives, \$/boe



Source: Company data, Thomson Financial, Renaissance Capital estimates for companies from Figure 25, unless their ratings are Restricted

Figure 27: EV/Total resources valuations for E&P alternatives, \$/boe



Source: Company data, Thomson Financial, Renaissance Capital estimates for companies from Figure 25, unless their ratings are Restricted

Figure 28: Comparable multiples analysis for oil field service companies

	Country	Reuters ticker	Currency	Price 3-Jun-10	MktCap, \$mn	P/E			NI CAGR, % 2010E-2012E	EV/EBITDA			Dividend yield, %	
						2010E	2011E	2012E		2010E	2011E	2012E	2009	2010E
Russian OFS companies														
CAToil (RC estimates)	Russia	O2C.DE	EUR	7.5	459	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
CAToil (consensus estimates)						16.2	12.9	12.2	44	6.0	5.3	4.3	4.0	0.0
Integra (RC estimates)	Russia	INTEq.L	USD	2.4	429	n/a	94	9.3	n/a	5.8	3.9	2.4	0.0	0.0
Integra (consensus estimates)						1073.4	13.4	12.7	n/a	4.8	3.5	3.0	0.0	0.0
Eurasia Drilling (consensus estimates)	Russia	EDCL.GB	USD	18.2	2,616	15.7	11.0	8.9	10	7.8	5.9	4.8	1.2	1.3
Cap-weighted average						145.3	11.5	9.8	15	7.2	5.5	4.5	1.4	0.9
North American OFS companies														
Baker Hughes Inc	USA	BHI.US	USD	39.4	16,896	28.3	21.1	12.2	-6	10.4	8.2	5.5	1.5	1.4
BJ Services Co	USA	BJS.US	USD	23.2	6,808	36.8	51.9	18.3	-15	12.5	13.9	8.3	0.9	0.9
Calfrac Well Services Ltd	Canada	CFW.CA	CAD	19.0	783	n/a	28.6	12.2	56	14.3	7.5	5.0	0.5	0.5
Halliburton Co	USA	HAL.US	USD	23.6	21,392	18.4	16.3	11.0	-10	7.7	6.9	5.2	1.5	1.5
Transocean Inc	USA	RIG.US	USD	51.1	16,352	4.4	5.8	5.1	-11	4.3	4.5	3.8	0.0	4.3
Schlumberger Ltd	USA	SLB.US	USD	56.6	67,549	20.1	19.1	13.7	-4	10.3	9.8	7.3	1.5	1.5
Trican Well Service Ltd	Canada	TCW.CA	CAD	12.8	1,752	n/a	25.8	14.1	27	29.2	9.1	5.9	0.7	0.8
Weatherford International Ltd	USA	WFT.US	USD	13.7	10,157	28.0	24.2	11.2	-14	9.4	8.4	6.1	0.0	0.0
Cap-weighted average						20.0	19.5	12.2	-6	9.5	8.6	6.3	1.2	1.7
European OFS companies														
Aker Kvaerner ASA	Norway	AKSO.NO	NOK	92.1	3,879	12.0	13.1	12.1	13	6.6	7.3	6.7	2.8	2.6
Fugro NV	Holland	FUR.NL	EUR	41.8	4,019	12.4	13.2	11.2	1	6.9	6.8	5.7	3.6	3.6
Cie Generale de Geophysique-Veritas	France	GA.FR	EUR	17.5	3,231	33.3	36.4	13.6	-17	5.3	5.3	3.9	0.0	0.0
Petrofac Ltd	UK	PFC.GB	USD	17.5	6,038	17.1	15.4	13.7	18	8.5	8.0	6.7	2.1	2.2
Petroleum Geo-Services ASA	Norway	PGS.NO	USD	9.9	1,955	6.1	17.0	8.3	-18	4.1	5.1	3.4	0.0	0.0
SeaDrill Ltd	Norway	SDRL.NO	USD	20.8	8,286	7.8	6.8	6.1	48	8.7	7.2	6.3	2.6	10.7
Saipem SpA	Italy	SPM.IT	EUR	25.3	13,616	15.2	15.2	13.7	4	8.7	8.5	7.3	2.2	2.2
John Wood Group PLC	UK	WG/.GB	USD	4.6	2,452	11.2	12.8	10.5	-3	5.9	6.4	5.3	2.2	2.2
Cap-weighted average						14.2	14.8	11.5	12	7.7	7.4	6.3	2.2	3.7
Russian OFS average (disc)/prem to North American OFS companies						626%	-41%	-19%	21%	-24%	-36%	-28%	0.3%	-0.7%
Russian OFS average (disc)/prem to European OFS companies						922%	-22%	-14%	3%	-7%	-25%	-28%	-0.7%	-2.8%

* For companies with no listing in Russia share prices are as of 8 Jan 2010

Source: Company data, Thomson Financial, Renaissance Capital estimates

Figure 29: Comparable multiples analysis for Transneft

	Country	Reuters ticker	Currency	Share price 3-Jun-10	MktCap, \$mn	EV/IC 2009	Pre-tax ROIC, % 2009	EV/EBITDA			P/E			Dividend yield, %		
								2010E	2011E	2012E	2010E	2011E	2012E	2009	2010E	
Russian comparable companies																
Transneft (RC estimates)	Russia	TRNFP.RTS	USD	875	9,446	0.53	15	2.8	2.4	2.5	2.7	2.2	2.4	0.9	1.1	
Transneft (consensus estimates)								2.3	2.3	2.1	2.3	2.2	2.1	1.1	1.0	
Gazprom (RC estimates)	Russia	GAZP.RTS	USD	5.3	125,065	6.73	14 (5*)	3.4	2.6	2.1	4.3	3.3	2.9	2.3	2.9	
Gazprom (consensus estimates)								3.5	3.1	2.7	4.5	4.0	3.8	1.3	1.7	
Cap-weighted average						6.30	109	3.3	2.6	2.1	4.2	3.3	2.9	2.2	2.8	
International peer group																
Elia	Belgium	ELI.BR	EUR	26.1	1,538	0.86	6	11.3	10.7	10.4	14.9	13.7	12.9	5.3	5.4	
Red Electrica	Spain	REE.MC	EUR	32	5,355	1.14	9	9.2	8.5	8.0	13.2	11.5	10.2	4.6	5.1	
Terna	Italy	TRN.MI	EUR	3.08	7,518	1.41	9	9.9	9.8	9.6	17.3	16.0	15.4	6.1	6.1	
Transelectrica	Romania	TSEL.BX	RON	17.7	383	0.71	8	6.3	6.0	5.7	94.8	14.0	11.0	0.2	3.6	
Cap-weighted average						1.24	9	9.7	9.4	9.0	17.6	14.1	13.2	5.3	5.6	
Transneft (disc)/prem to international peer group							-57%	6%	-71%	-75%	-72%	-84%	-84%	-82%	-4.4%	-4.5%

Source: Company data, RTS, Thomson Financial, Renaissance Capital estimates

Figure 30: Comparable multiple analysis for gas distributors

Company name	Ticker	Country	Currency	Current ask price 3-Jun-10	Target price	Upside potential	Rating	MktCap, \$mn	EV, \$mn	Trailing multiples, based on last available FY financials			Div. yield	EV/km multiple, \$/m for gas distribution in service (including other activities)
										EV/Sales	EV/EBITDA	PE		
Russian gas distributors														
Bryanskoblgaz	BROG.RTS	Russia	USD	250	624	150%	BUY	27	27	2.41	15.0	58	0.13%	1.6
Gaz-Servis	GSRB.RTS	Russia	USD	210	136	-35%	SELL	147	143	4.38	26.5	93	0.22%	3.5
Kalugaoblgaz	KLOG.RTS	Russia	USD	400	796	99%	BUY	12	10	1.32	7.0	18	0.00%	1.8
Kirovoblgaz	KROG.RTS	Russia	USD	340	126	-63%	SELL	34	33	4.30	34.3	41	0.08%	12.4
Komigaz	KGAZ.RTS	Russia	USD	17	40	135%	BUY	6	6	1.66	4.8	12	0.22%	4.4
Komigaz	KGAZP.RTS		USD	13	28	115%	BUY						0.29%	
Kostromaoblgaz	KOOG.RTS	Russia	USD	310	593	91%	BUY	17	16	2.15	8.9	18	0.15%	5.8
Lipetskoblgaz	LPOG.RTS	Russia	USD	200	355	78%	BUY	24	26	1.68	7.2	16.4	0.03%	1.6
Nizhegorodoblgaz	NNOG.RTS	Russia	USD	2.0	1.2	-40%	SELL	56	54	2.68	7.2	10.5	0.00%	2.8
Oreloblgaz	ORGZ.RTS	Russia	USD	250	257	3%	BUY	9	9	2.05	12.1	n/a	0.00%	1.1
Orenburgoblgaz	OROG.RTS	Russia	USD	900	1,862	107%	HOLD	69	69	3.40	11.1	43	0.06%	2.7
Rostovoblgaz	RTBG.RTS	Russia	USD	285	374	31%	BUY	38	46	1.86	6.0	8	0.42%	2.5
Rostovoblgaz	RTBGP.RTS		USD	150	262	75%	HOLD						0.81%	
Saratovoblgaz	SROG.RTS	Russia	USD	8	21	164%	BUY	29	35	3.62	20.3	n/a	0.00%	1.4
Smolenskoblgaz	SMOG.RTS	Russia	USD	84	160	90%	BUY	34	33	3.32	19.1	53	0.11%	5.3
Stavropolkraigaz	STKG.RTS	Russia	USD	350	221	-37%	SELL	43	53	3.25	26.7	57	0.01%	1.2
Stavropolkraigaz	STKGP.RTS		USD	200	155	-23%	SELL						0.05%	
Tambovoblgaz	TOGZ.RTS	Russia	USD	30	43	43%	HOLD	26	26	4.02	16.0	34	0.46%	2.3
Tulaoblgaz	TUOG.RTS	Russia	USD	239	544	128%	BUY	38	37	3.39	18.0	69	0.07%	3.6
Tveroblgaz	TVEO.RTS	Russia	USD	115	181	57%	HOLD	21	18	1.62	6.4	17	0.39%	2.9
Tyumenmezhraigaz	TMRG.RTS	Russia	USD	179	380	112%	BUY	7	6	0.70	8.2	18	0.00%	0.6
Vladimiroblgaz	VLOG.RTS	Russia	USD	800	914	14%	BUY	36	36	3.86	16.2	30	0.02%	5.2
Volgogradoblgaz	VLGZ.RTS	Russia	USD	290	813	180%	BUY	25	24	2.11	11.5	33	0.02%	3.0
Voronezhoblgaz	VOGZ.RTS	Russia	USD	3.4	7.7	127%	BUY	75	76	4.64	18.9	42	0.07%	3.5
Yaroslavlbgaz	YROG.RTS	Russia	USD	225	278	24%	HOLD	16	15	3.01	28.0	42	0.12%	5.1
Cap-weighted average										3.36	17.53	44.87	0.13%	3.5
Czech gas distributors														
Severomoravska Plynarenska	PLYK.CP	Czech Republic	CZK	5,716	n/a	n/a	n/a	562	509	0.71	4.48	7.03	0.05	38
Vychodoceska Plynarenska	VYPL.CP	Czech Republic	CZK	4,970	n/a	n/a	n/a	227	187	0.41	3.65	6.59	7.5%	17
Cap-weighted average										0.62	4.24	6.9	5.98%	32
US gas distributors														
Laclede Group	LG.US	USA	USD	33	n/a	n/a	n/a	726	1,171	0.59	8.47	14.36	4.3%	45
Southwest Gas Corporation	SWX.US	USA	USD	30	n/a	n/a	n/a	1,321	2,526	1.33	6.34	15.13	3.2%	78
RGC Resources	RGCO.US	USA	USD	31	n/a	n/a	n/a	69	90	0.83	7.53	20.14	3.8%	49
Cap-weighted average										1.06	7.11	15.03	3.59%	66
Russian gas distributors relative to Czech gas distributors										438%	314%	550%	-98%	-89%
Russian gas distributors relative to US gas distributors										217%	147%	199%	-96%	-95%

Source: Company data, Bloomberg, RTS, Renaissance Capital estimates

Figure 31: Price performance of oil and gas companies under our coverage

	Reuters ticker	Currency	Current price 3-Jun-10	52 weeks		Share price performance (abs.)*, %				Share price performance (rel. to Bloomberg World Oil and Gas Index), %				Share price performance (rel. to MSREN Index), %				Share price performance (rel. to MSCI EM Index), %					
				High	Low	1W	1M	3M	12M	1W	1M	3M	12M	1W	1M	3M	12M	1W	1M	3M	12M		
Russian gas producers																							
Gazprom	GAZP.RTS	USD	5.3	7.0	4.1	3.7	-8.9	-6.8	-7.2	3.3	-0.5	1.5	0.0	-1.7	2.1	-1.9	-18.3	2.9	-2.2	-3.0	-25.4		
Novatek	NVTK.RTS	USD	6.4	7.1	3.5	1.3	-5.6	7.8	37.6	0.9	2.8	16.1	44.8	-4.0	5.4	12.7	26.5	0.5	1.1	11.6	19.4		
Cap-weighted average						3.4	-8.4	-4.8	-1.1	2.9	0.0	3.5	6.0	-2.0	2.5	0.1	-12.3	2.6	-1.8	-1.0	-19.4		
Russian oil producers																							
Rosneft	ROSN.RTS	USD	7.2	9.2	4.8	1.5	-11.0	-9.4	10.1	1.0	-2.6	-1.1	17.2	-3.9	-0.1	-4.5	-1.0	0.6	-4.4	-5.6	-8.2		
LUKOIL	LKOH.RTS	USD	51	67	40	6.3	-10.6	-5.8	-3.6	5.8	-2.2	2.4	3.6	0.9	0.4	-0.9	-14.7	5.4	-3.9	-2.0	-21.8		
TNK-BP Holding	TNBP.RTS	USD	2.0	2.0	0.5	-1.8	-9.0	13.1	73.2	-2.2	-0.6	21.4	80.3	-7.1	1.9	18.0	62.1	-2.6	-2.4	16.9	54.9		
TNK-BP Holding	TNBPP.RTS	USD	1.8	1.8	0.4	4.1	-5.5	7.0	104.6	3.7	2.9	15.2	111.8	-1.3	5.5	11.9	93.5	3.3	1.2	10.8	86.3		
Surgutneftegas	SNGS.RTS	USD	0.9	1.2	0.4	1.8	-7.5	7.5	14.0	1.3	0.9	15.8	21.1	-3.6	3.5	12.4	2.8	0.9	-0.8	11.3	-4.3		
Surgutneftegas	SNGSP.RTS	USD	0.4	0.6	0.2	3.0	-23.1	-18.7	34.7	2.5	-14.7	-10.4	41.8	-2.4	-12.2	-13.8	23.6	2.2	-16.5	-14.9	16.4		
Gazprom neft	SIBN.RTS	USD	4.0	6.4	2.6	7.4	-26.2	-16.8	16.8	6.9	-17.8	-8.5	23.9	2.0	-15.2	-11.9	5.7	6.5	-19.5	-12.9	-1.5		
Tatneft	TATN.RTS	USD	4.4	5.2	2.9	4.1	-11.7	-7.5	3.1	3.6	-3.3	0.8	10.3	-1.3	-0.8	-2.6	-8.0	3.3	-5.0	-3.7	-15.2		
Tatneft	TATNP.RTS	USD	2.32	3.3	1.0	3.5	-26.2	-17.4	69.5	3.0	-17.8	-9.1	76.7	-1.9	-15.3	-12.5	58.4	2.7	-19.5	-13.6	51.3		
Cap-weighted average						2.8	-12.2	-4.7	19.0	2.4	-3.8	3.6	26.2	-2.5	-1.2	0.2	7.9	2.0	-5.5	-0.8	0.8		
Alternatives																							
Urals Energy	UEN.L	GBP	0.12	0.19	0.05	0.9	-32.3	73.5	3.1	0.4	-23.9	81.8	10.3	-4.5	-21.4	78.4	-8.0	0.1	-25.7	77.3	-15.2		
Alliance Oil Company	AOIL.ST	SEK	93	125	75	3.7	-15.8	-9.7	-6.9	3.3	-7.4	-1.4	0.3	-1.6	-4.9	-4.8	-18.0	2.9	-9.2	-5.8	-25.1		
Petronet Resources	PTRL	GBP	0.33	0.35	0.13	13.9	-9.5	35.3	109.6	13.5	-1.1	43.6	116.7	8.6	1.4	40.2	98.4	13.1	-2.8	39.1	91.3		
Volga Gas	VGAS.L	GBP	2.45	3.00	0.64	-2.9	-14.2	10.8	171.8	-3.3	-5.8	19.1	178.9	-8.2	-3.2	15.7	160.6	-3.7	-7.5	14.6	153.5		
Cap-weighted average						3.0	-15.8	-6.3	13.4	2.5	-7.4	2.0	20.5	-2.4	-4.9	-1.4	2.2	2.1	-9.2	-2.5	-4.9		
Oil field services																							
CAToil	O2C.DE	EUR	7.5	8.77	3.51	-0.8	-12.6	-7.7	25.7	-1.3	-4.2	0.6	32.9	-6.2	-1.7	-2.8	14.6	-1.7	-6.0	-3.9	7.4		
Integra	INTEq.L	USD	2.4	3.82	1.65	-1.3	-19.1	-29.5	20.5	-1.7	-10.7	-21.2	27.7	-6.6	-8.1	-24.6	9.4	-2.1	-12.4	-25.7	2.2		
Cap-weighted average						-1.0	-15.8	-18.2	23.2	-1.5	-7.4	-10.0	30.4	-6.4	-4.8	-13.3	12.1	-1.9	-9.1	-14.4	4.9		
Russia cap-weighted average						3.1	-10.8	-4.5	11.6	2.6	-2.4	3.8	18.8	-2.3	0.1	0.4	0.5	2.3	-4.1	-0.7	-6.7		
Ukraine																							
Ukrnafta	UNAF.PFT	USD	32.7	38.8	14.3	19.0	-14.9	27.5	55.1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
Regal Petroleum	RPT.L	GBP	0.33	1.21	0.35	-6.1	-23.5	-58.4	-60.7	-6.6	-15.1	-50.1	-53.5	-11.5	-12.5	-53.5	-71.8	-6.9	-16.8	-54.5	-78.9		
Ukraine cap-weighted average						17.0	-15.6	20.6	45.8	-0.5	-1.2	-4.0	-4.3	-0.9	-1.0	-4.3	-5.7	-0.6	-1.3	-4.4	-6.3		
Central Asia																							
Tethys Petroleum	TPL.TO	CAD	1.86	2.1	0.39	11.0	-1.4	-0.2	406.3	10.5	7.0	8.1	413.4	5.6	9.5	4.7	395.1	10.2	5.3	3.6	388.0		
Zhaikmunai	ZKM.L	USD	7.85	9.0	3.60	-2.5	-13.1	-2.5	92.6	-3.0	-4.7	5.8	99.7	-7.9	-2.2	2.4	81.5	-3.3	-6.5	1.3	74.3		
Max Petroleum	MXP.L	GBP	0.15	0.30	0.04	4.7	-21.6	-27.0	2.5	4.3	-13.2	-18.7	9.6	-0.6	-10.7	-22.1	-8.7	3.9	-15.0	-23.2	-15.8		
KazMunaiGas	KMGq.L	USD	22.9	27.7	17.50	19	-6.5	-5.4	11.9	19.0	1.9	2.9	19.0	14.1	4.5	-0.5	0.7	18.6	0.2	-1.6	-6.4		
Dragon Oil	DGO.L	GBP	4.0	5.0	3.04	2.4	-20.3	-16.8	-9.7	1.9	-11.9	-8.5	-2.6	-3.0	-9.3	-11.9	-20.9	1.6	-13.6	-13.0	-28.0		
FSU cap-weighted average						16.2	-7.3	-5.1	33.3	15.8	1.1	3.2	40.4	10.9	3.6	-0.2	22.2	15.4	-0.7	-1.3	15.0		
Non-FSU alternatives																							

Figure 31: Price performance of oil and gas companies under our coverage

	Reuters ticker	Currency	Current price 3-Jun-10	52 weeks		Share price performance (abs.)*, %				Share price performance (rel. to Bloomberg World Oil and Gas Index), %				Share price performance (rel. to MSREN Index), %				Share price performance (rel. to MSCI EM Index), %			
				High	Low	1W	1M	3M	12M	1W	1M	3M	12M	1W	1M	3M	12M	1W	1M	3M	12M
Gulf Keystone Petroleum	GKP.L	GBP	0.74	1.24	0.11	-3.6	-5.9	-12.9	318.6	-4.1	2.5	-4.6	325.7	-9.0	5.1	-8.0	307.4	-4.5	0.8	-9.1	300.3
Tullow Oil	TLW.L	GBP	11.48	13.69	8.49	10.3	1.7	-11.6	6.4	9.8	10.1	-3.3	13.5	4.9	12.7	-6.7	-4.7	9.4	8.4	-7.8	-11.9
Afren	AFRE.L	GBP	0.90	1.06	0.41	2.0	-2.5	-3.2	59.0	1.6	5.9	5.1	66.2	-3.3	8.4	1.7	47.9	1.2	4.1	0.7	40.7
Non-FSU cap-weighted average						9.1	1.1	-11.1	23.5	8.6	9.5	-2.8	30.7	3.7	12.0	-6.2	12.4	8.3	7.7	-7.3	5.3
Bloomberg World Oil & Gas Index						0.5	-8.4	-8.3	-7.1	-	-	-	-	-4.9	2.5	-3.4	-18.3	-0.4	-1.7	-4.5	-25.4
MSCI Renaissance Index						5.4	-10.9	-4.9	11.1	4.9	-2.5	3.4	18.3	-	-	-	-	4.5	-4.3	-1.1	-7.1

Source: RTS, Bloomberg

Figure 32: Price performance of Russian oil and gas transportation companies

	Reuters ticker	Current price, \$ 3-Jun-10	52 weeks		Share price performance (abs.), %				Share price performance (rel. to MSREN Index), %				Share price performance (rel. to MSCI EM Index), %			
			High	Low	1W	1M	3M	12M	1W	1M	3M	12M	1W	1M	3M	12M
Oil transportation																
Transneft	TRNFP.RTS	875	1,394	402	4.2	-19.5	4.7	62.4	-1.1	-8.6	9.6	51.3	3.4	-12.9	8.5	44.1
Gas distribution																
Bryanskoblgaz	BROG.RTS	249	999	220	-7.8	-7.8	-9.5	n/a	-13.1	3.2	-4.6	n/a	-8.6	-1.1	-5.6	n/a
Gaz-Servis	GSRB.RTS	210	250	200	0.0	0.0	0.0	n/a	-5.4	10.9	4.9	n/a	-0.8	6.7	3.8	n/a
Kalugaoblgaz	KLOG.RTS	400	800	200	0.0	-13.0	-42.9	n/a	-5.4	-2.1	-38.0	n/a	-0.8	-6.4	-39.0	n/a
Kirovoblgaz	KROG.RTS	340	380	380	0.0	0.0	0.0	n/a	-5.4	10.9	4.9	n/a	-0.8	6.7	3.8	n/a
Komigaz	KGAZ.RTS	17	30	17	0.0	0.0	-2.9	n/a	-5.4	10.9	2.0	n/a	-0.8	6.7	1.0	n/a
Komigaz	KGAZP.RTS	13	13	10	0.0	0.0	0.0	n/a	-5.4	10.9	4.9	n/a	-0.8	6.7	3.8	n/a
Kostromaoblgaz	KOOG.RTS	310	300	200	0.0	0.0	0.0	n/a	-5.4	10.9	4.9	n/a	-0.8	6.7	3.8	n/a
Lipetskoblgaz*	LPOG.RTS	200	40	22	0.0	-50.0	-50.0	n/a	-5.4	-39.1	-45.1	n/a	-0.8	-43.3	-46.2	n/a
Nizhegorodoblgaz	NNOG.RTS	2.1	2	1.45	2.5	-6.4	13.9	n/a	-2.9	4.5	18.8	n/a	1.7	0.3	17.7	n/a
Oreloblgaz	ORGZ.RTS	250	250	150	0.0	0.0	0.0	n/a	-5.4	10.9	4.9	n/a	-0.8	6.7	3.8	n/a
Orenburgoblgaz	OROG.RTS	950	1,500	1400	5.6	5.6	0.0	n/a	0.2	16.5	4.9	n/a	4.7	12.2	3.8	n/a
Rostovoblgaz	RTBG.RTS	285	900	360	-10.9	14.0	-10.9	n/a	-16.3	24.9	-6.0	n/a	-11.8	20.7	-7.1	n/a
Rostovoblgaz	RTBGP.RTS	150	419	250	0.0	0.0	-48.3	n/a	-5.4	10.9	-43.4	n/a	-0.8	6.7	-44.5	n/a
Saratovoblgaz	SROG.RTS	7.95	18	5	0.0	-11.7	-18.5	n/a	-5.4	-0.7	-13.6	n/a	-0.8	-5.0	-14.6	n/a
Smolenskoblgaz	SMOG.RTS	70	159	70	-12.5	-12.5	-22.2	n/a	-17.9	-1.6	-17.3	n/a	-13.3	-5.8	-18.4	n/a
Stavropolkraigaz	STKG.RTS	350	700	325	0.0	0.0	0.0	n/a	-5.4	10.9	4.9	n/a	-0.8	6.7	3.8	n/a
Stavropolkraigaz	STKGP.RTS	200	500	130	0.0	0.0	0.0	n/a	-5.4	10.9	4.9	n/a	-0.8	6.7	3.8	n/a
Tambovoblgaz	TOGZ.RTS	30	80	27	0.0	0.0	0.0	n/a	-5.4	10.9	4.9	n/a	-0.8	6.7	3.8	n/a
Tulaoblgaz	TUOG.RTS	224	599	140	-6.3	-6.3	-10.4	n/a	-11.6	4.7	-5.5	n/a	-7.1	0.4	-6.6	n/a
Tveroblgaz	TVEO.RTS	115	165	100	0.0	0.0	9.5	n/a	-5.4	10.9	14.4	n/a	-0.8	6.7	13.3	n/a
Tyumenmezhraigaz	TMRG.RTS	179	200	170	0.0	0.0	0.0	n/a	-5.4	10.9	4.9	n/a	-0.8	6.7	3.8	n/a
Vladimiroblgaz	VLOG.RTS	800	800	250	0.0	0.0	60.0	n/a	-5.4	10.9	64.9	n/a	-0.8	6.7	63.8	n/a
Volgogradoblgaz	VLGZ.RTS	290	800	500	0.0	0.0	0.0	n/a	-5.4	10.9	4.9	n/a	-0.8	6.7	3.8	n/a
Voronezhoblgaz	VOGZ.RTS	3.4	3.9	1.9	0.0	0.0	-3.1	n/a	-5.4	10.9	1.8	n/a	-0.8	6.7	0.7	n/a
Yaroslavl oblgaz	YROG.RTS	225	300	225	0.0	0.0	-2.2	n/a	-5.4	10.9	2.7	n/a	-0.8	6.7	1.6	n/a
Cap-weighted average					-0.8	-2.4	-1.3	0.0	-6.2	8.5	3.6	-11.1	-1.7	4.2	2.5	-18.3
MSCI Renaissance Index					5.4	-10.9	-4.9	11.1	-	-	-	-	4.5	-4.3	-1.1	-7.1
MSCI EM Index					0.8	-6.7	-3.8	18.3	-4.5	4.3	1.1	7.1	-	-	-	-

* Due to absence of ask prices, we use doubled bid prices

Source: RTS, Bloomberg

Calendar

Figure 33: Calendar of important corporate events

Date	Company	Event
7-Jun	Gazprom	Gazprom press-conference on Gazprom's strategy in Far East and Asia Pacific regions
9-Jun	Gazprom	Gazprom press-conference on Gazprom's strategy in upstream and transportation
Mid June	Regal Petroleum	AGM
18-Jun	Rosneft	AGM
21-Jun	Gazprom	Gazprom press-conference on electricity strategy and gas sales in Russian regions
22-Jun	Gazprom	Gazprom press-conference on gas exports to Europe
23-Jun	Petronet	AGM
24-Jun	Gazprom	Gazprom press-conference on financial policy
Late June	Transneft	FY09 IFRS results
Late June	Tatneft	1Q09 US GAAP
Late June	LUKOIL	AGM
24-Jun	Gazprom neft	AGM
25-Jun	Tatneft	AGM
25-Jun	Gazprom	AGM
26-Jun	Surgutneftegas	AGM
29-Jun	Bashneft	AGM
30-Jun	TNK-BP Holding	AGM
30-Jun	Transneft	AGM
Early July	Alliance Oil Company	2Q10 production results
Late July	Ukrnafta	2Q10 UAS
Early August	Transneft	1Q10 IFRS
Early August	Surgutneftegas	2Q10 RAS
Mid August	Tethys Petroleum	2Q10 US GAAP

Source: Company data, Renaissance Capital estimates

Disclosures appendix

Analysts certification and disclaimer

This research report has been prepared by the research analyst(s), whose name(s) appear(s) on the front page of this document, to provide background information about the issuer or issuers (collectively, the "Issuer") and the securities and markets that are the subject matter of this report. Each research analyst hereby certifies that with respect to the Issuer and such securities and markets, this document has been produced independently of the Issuer and all the views expressed in this document accurately reflect his or her personal views about the Issuer and any and all of such securities and markets. Each research analyst and/or persons connected with any research analyst may have interacted with sales and trading personnel, or similar, for the purpose of gathering, synthesizing and interpreting market information. If the date of this report is not current, the views and contents may not reflect the research analysts' current thinking.

Each research analyst also certifies that no part of his or her compensation was, or will be, directly or indirectly related to the specific ratings, forecasts, estimates, opinions or views in this research report. Research analysts' compensation is determined based upon activities and services intended to benefit the investor clients of Renaissance Securities (Cyprus) Limited and any of its affiliates ("Renaissance Capital"). Like all of Renaissance Capital's employees, research analysts receive compensation that is impacted by overall Renaissance Capital profitability, which includes revenues from other business units within Renaissance Capital.

Important issuer disclosures

Important issuer disclosures outline currently known conflicts of interest that may unknowingly bias or affect the objectivity of the analyst(s) with respect to an issuer that is the subject matter of this report. Disclosure(s) apply to Renaissance Securities (Cyprus) Limited or any of its direct or indirect subsidiaries or affiliates (which are individually or collectively referred to as "Renaissance Capital") with respect to any issuer or the issuer's securities.

A complete set of disclosure statements associated with the issuers discussed in the Report is available using the 'Stock Finder' or 'Bond Finder' for individual issuers on the Renaissance Capital Research Portal at: <http://research.rencap.com/eng/default.asp>

Investment ratings

Investment ratings may be determined by the following standard ranges: **Buy** (expected total return of 15% or more); **Hold** (expected total return of 0-15%); and **Sell** (expected negative total return). Standard ranges do not always apply to emerging markets securities and ratings may be assigned on the basis of the research analyst's knowledge of the securities.

Investment ratings are a function of the research analyst's expectation of total return on equity (forecast price appreciation and dividend yield within the next 12 months, unless stated otherwise in the report). Investment ratings are determined at the time of initiation of coverage of an issuer of equity securities or a change in target price of any of the issuer's equity securities. At other times, the expected total returns may fall outside of the range used at the time of setting a rating because of price movement and/or volatility. Such interim deviations will be permitted but will be subject to review by Renaissance Capital's Research Management.

Where the relevant issuer has a significant material event with further information pending or to be announced, it may be necessary to temporarily place the investment rating **Under Review**. This does not revise the previously published rating, but indicates that the analyst is actively reviewing the investment rating or waiting for sufficient information to re-evaluate the analyst's expectation of total return on equity.

If data upon which the rating is based is no longer valid, but updated data is not anticipated to be available in the near future, the investment rating may be **Suspended** until further notice. The analyst may also choose to temporarily suspend maintenance of the investment rating when unable to provide an independent expectation of total return due to circumstances beyond the analyst's control such as an actual, apparent or potential conflict of interest or best business practice obligations. The analyst may not be at liberty to explain the reason for the suspension other than to Renaissance Capital's Research Management and Compliance Officers. Previously published investment ratings should not be relied upon as they may no longer reflect the analysts' current expectations of total return.

If issuing of research is restricted due to legal, regulatory or contractual obligations publishing investment ratings will be **Restricted**. Previously published investment ratings should not be relied upon as they may no longer reflect the analysts' current expectations of total return. While restricted, the analyst may not always be able to keep you informed of events or provide background information relating to the issuer.

If for any reason Renaissance Capital no longer wishes to provide continuous coverage of an issuer, investment ratings for the issuer will be **Terminated**. A notice will be published whenever formal coverage of an issuer is discontinued.

Where Renaissance Capital has not expressed a commitment to provide continuous coverage and/or an expectation of total return, to keep you informed, analysts may prepare reports covering significant events or background information without an investment rating (**Unrated**).

Your decision to buy or sell a security should be based upon your personal investment objectives and should be made only after evaluating the security's expected performance and risk.

Renaissance Capital equity research distribution ratings

Investment Rating Distribution			Oil and gas		
Renaissance Capital Research			Oil and gas		
Buy	161	40%	Buy	9	38%
Hold	61	15%	Hold	3	13%
Sell	15	4%	Sell	0	0%
Under Review	13	3%	Under Review	3	13%
Suspended	0	0%	Suspended	0	0%
Restricted	0	0%	Restricted	0	0%
Unrated	151	38%	Unrated	9	38%
401			24		
Investment Banking Relationships*			Oil and gas		
Renaissance Capital Research			Oil and gas		
Buy	6	75%	Buy	1	50%
Hold	2	25%	Hold	1	50%
Sell	0	0%	Sell	0	0%
Under review	0	0%	Under review	0	0%
Suspended	0	0%	Suspended	0	0%
Restricted	0	0%	Restricted	0	0%
Unrated	0	0%	Unrated	0	0%
8			2		

*Companies from which RenCap has received compensation within the past 12 months.
 NR – Not Rated
 UR – Under Review

© 2010 Renaissance Securities (Cyprus) Limited, an indirect subsidiary of Renaissance Capital Holdings Limited ("Renaissance Capital"), which together with other subsidiaries operates outside of the USA under the brand name of Renaissance Capital, **for contact details see Bloomberg page RENA, or contact the relevant office.** All rights reserved. This document and/or information has been prepared by and, except as otherwise specified herein, is communicated by Renaissance Securities (Cyprus) Limited, regulated by the Cyprus Securities and Exchange Commission (License No: KEPEY 053/04). The RenCap-NES Leading GDP Indicator is a model that seeks to forecast GDP growth and was developed by and is the exclusive property of Renaissance Capital and the New Economic School (e-mail: nes@nes.ru).

This document is for information purposes only. The information presented herein does not comprise a prospectus of securities for the purposes of EU Directive 2003/71/EC or Federal Law No. 39-FZ of 22 April 1994 (as amended) of the Russian Federation "On the Securities Market". Any decision to purchase securities in any proposed offering should be made solely on the basis of the information to be contained in the final prospectus published in relation to such offering. This document does not form a fiduciary relationship or constitute advice and is not and should not be construed as an offer, or a solicitation of an offer, or an invitation or inducement to engage in investment activity, and cannot be relied upon as a representation that any particular transaction necessarily could have been or can be effected at the stated price. This document is not an advertisement of securities. Opinions expressed herein may differ or be contrary to opinions expressed by other business areas or groups of Renaissance Capital as a result of using different assumptions and criteria. All such information and opinions are subject to change without notice, and neither Renaissance Capital nor any of its subsidiaries or affiliates is under any obligation to update or keep current the information contained herein or in any other medium.

Descriptions of any company or companies or their securities or the markets or developments mentioned herein are not intended to be complete. This document and/or information should not be regarded by recipients as a substitute for the exercise of their own judgment as the information has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient. The application of taxation laws depends on an investor's individual circumstances and, accordingly, each investor should seek independent professional advice on taxation implications before making any investment decision. The information and opinions herein have been compiled or arrived at based on information obtained from sources believed to be reliable and in good faith. Such information has not been independently verified, is provided on an 'as is' basis and no representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness, reliability, merchantability or fitness for a particular purpose of such information and opinions, except with respect to information concerning Renaissance Capital, its subsidiaries and affiliates. All statements of opinion and all projections, forecasts, or statements relating to expectations regarding future events or the possible future performance of investments represent Renaissance Capital's own assessment and interpretation of information available to them currently.

The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Options, derivative products and futures are not suitable for all investors and trading in these instruments is considered risky. Past performance is not necessarily indicative of future results. The value of investments may fall as well as rise and the investor may not get back the amount initially invested. Some investments may not be readily realisable since the market in the securities is illiquid or there is no secondary market for the investor's interest and therefore valuing the investment and identifying the risk to which the investor is exposed may be difficult to quantify. Investments in illiquid securities involve a high degree of risk and are suitable only for sophisticated investors who can tolerate such risk and do not require an investment easily and quickly converted into cash. Foreign-currency-denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or the price of, or income derived from, the investment. Other risk factors affecting the price, value or income of an investment include but are not necessarily limited to political risks, economic risks, credit risks, and market risks. Investing in emerging markets such as Russia, other CIS, African or Asian countries and emerging markets securities involves a high degree of risk and investors should perform their own due diligence before investing.

Excluding significant beneficial ownership of securities where Renaissance Capital has expressed a commitment to provide continuous coverage in relation to an issuer or an issuer's securities, Renaissance Capital and its affiliates, their directors, representatives, employees (excluding the US broker-dealer unless specifically disclosed), or clients may have or have had interests in the securities of issuers described in the Investment Research or long or short positions in any of the securities mentioned in the Investment Research or other related financial instruments at any time and may make a purchase and/or sale, or offer to make a purchase and/or sale, of any such securities or other financial instruments from time to time in the open market or otherwise, in each case as principals or as agents. Where Renaissance Capital has not expressed a commitment to provide continuous coverage in relation to an issuer or an issuer's securities, Renaissance Capital and its affiliates (excluding the US broker-dealer unless specifically disclosed) may act or have acted as market maker in the securities or other financial instruments described in the Investment Research, or in securities underlying or related to such securities. Employees of Renaissance Capital or its affiliates may serve or have served as officers or directors of the relevant companies. Renaissance Capital and its affiliates may have or have had a relationship with or provide or have provided investment banking, capital markets, advisory, investment management, and/or other financial services to the relevant companies,

and have established and maintain information barriers, such as 'Chinese Walls', to control the flow of information contained in one or more areas within the Renaissance Group of companies to which Renaissance Capital belongs, into other areas, units, groups or affiliates of the Renaissance Group.

The information herein is not intended for distribution to the public and may not be reproduced, redistributed or published, in whole or in part, for any purpose without the written permission of Renaissance Capital, and neither Renaissance Capital nor any of its affiliates accepts any liability whatsoever for the actions of third parties in this respect. This information may not be used to create any financial instruments or products or any indices. Neither Renaissance Capital and its affiliates, nor their directors, representatives, or employees accept any liability for any direct or consequential loss or damage arising out of the use of all or any part of the information herein.

Bermuda: Neither the Bermuda Monetary Authority nor the Registrar of Companies of Bermuda has approved the contents of this document and any statement to the contrary, express or otherwise, would constitute a material misstatement and an offence.

EEA States: Distributed by Renaissance Securities (Cyprus) Limited, regulated by Cyprus Securities and Exchange Commission, or Renaissance Capital Limited, member of the London Stock Exchange and regulated in the UK by the Financial Services Authority ("FSA") in relation to designated investment business (as detailed in the FSA rules). **Cyprus:** Except as otherwise specified herein the information herein is not intended for, and should not be relied upon by, retail clients of Renaissance Securities (Cyprus) Limited. The Cyprus Securities and Exchange Commission Investor Compensation Fund is available where Renaissance Securities (Cyprus) Limited is unable to meet its liabilities to its retail clients, as specified in the Customer Documents Pack. **United Kingdom:** Approved and distributed by Renaissance Capital Limited only to persons who are eligible counterparties or professional clients (as detailed in the FSA Rules). The information herein does not apply to, and should not be relied upon by, retail clients; neither the FSA's protection rules nor compensation scheme may be applied.

Ghana: Distributed through NewWorld Renaissance Securities Ltd, a licenced broker dealer in Accra and an affiliate of Renaissance Capital.

Kazakhstan: Distributed by Renaissance Capital Investments Kazakhstan JSC, regulated by the Agency for the Regulation and Supervision of the Financial Market and Financial Organizations.

Kenya: Distributed by Renaissance Capital (Kenya) Limited, regulated by the Capital Markets Authority.

Nigeria: Distributed by RenCap Securities (Nigeria) Limited, member of The Nigerian Stock Exchange, or Renaissance Securities (Nigeria) Limited, entities regulated by the Securities and Exchange Commission.

Russia: Distributed by CJSC Renaissance Capital, LLC Renaissance Broker, or Renaissance Online Limited, entities regulated by the Federal Financial Markets Service.

Ukraine: Distributed by Renaissance Capital LLC, authorized to perform professional activities on the Ukrainian stock market.

United States: Distributed in the United States by RenCap Securities, Inc., member of FINRA and SIPC, or by a non-US subsidiary or affiliate of Renaissance Capital Holdings Limited that is not registered as a US broker-dealer (a "non-US affiliate"), to major US institutional investors only. RenCap Securities, Inc. accepts responsibility for the content of a research report prepared by another non-US affiliate when distributed to US persons by RenCap Securities, Inc. Although it has accepted responsibility for the content of this research report when distributed to US investors, RenCap Securities, Inc. did not contribute to the preparation of this report and the analysts authoring this are not employed by, and are not associated persons of, RenCap Securities, Inc. Among other things, this means that the entity issuing this report and the analysts authoring this report are not subject to all the disclosures and other US regulatory requirements to which RenCap Securities, Inc. and its employees and associated persons are subject. Any US person receiving this report who wishes to effect transactions in any securities referred to herein should contact RenCap Securities, Inc., not its non-US affiliate. RenCap Securities, Inc. is a subsidiary of Renaissance Capital Holdings Limited and forms a part of a group of companies operating outside of the United States as "Renaissance Capital". Contact: RenCap Securities, Inc., 780 Third Avenue, 20th Floor, New York, New York 10017, Telephone: +1 (212) 824-1099.

Zambia: Distributed through Pangaea Renaissance Securities Ltd, a licenced broker dealer in Lusaka and an affiliate of Renaissance Capital.

Zimbabwe: Distributed by the representative office in Harare of Renaissance Africa (Mauritius) Limited, part of the Renaissance Group.

Other distribution: The distribution of this document in other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restriction.

Additional information (including information about the RenCap-NES Leading GDP Indicator) and supporting documentation is available upon request.

Renaissance Capital

**Renaissance Securities
(Cyprus) Ltd.**
Alpha Business Centre, 8th
Floor
27 Pindarou Street
1060 Nicosia
Republic of Cyprus
T +357 (22) 505 800
F + 357(22) 676 755

**Renaissance Capital
Moscow City**
Naberezhnaya Tower, Block C
10, Presnenskaya Nab.
Moscow 123317 Russia
T + 7 (495) 258 7777
F + 7 (495) 258 7778
www.rencap.com

Renaissance Capital Ltd.
One Angel Court
Cophthall Avenue
London EC2R 7HJ
United Kingdom
T + 44 (20) 7367 7777
F + 44 (20) 7367 7778

**Renaissance Capital
Kazakhstan**
Esentai Tower
77/7 Al-Farabi Avenue
Almaty 050060 Kazakhstan
T + 7 (727) 244 1544
F + 7 (727) 244 1545

Renaissance Securities (Nigeria) Ltd
5th Floor, Professional Centre
Plot 1B, Bank PHB Crescent
Victoria Island, Lagos
Nigeria
T +234 (1) 448 5300
F +234 (1) 448 5353

Renaissance Capital
6th Floor, Purshottam Place
Westlands Road
P.O. Box 40560-00100
Nairobi, Kenya
T +254 (20) 368 2000
F +254 (20) 368 2339

Renaissance Capital Ukraine
Parus Business Center,
2 Mechnykova Street, 14th Floor
Kyiv 01601, Ukraine
T +38 (044) 492-7383
F +38 (044) 492-7393

Renaissance Capital Research

Head of Research
Roland Nash
+ 7 (495) 258 7916
RNash@rencap.com

Head of Equity Research
Alexander Burgansky
+ 7 (495) 258 7904
ABurgansky@rencap.com

Head of Macro/Fixed Income Research
Alexei Moisseev
+ 7 (495) 258 7946
AMoisseev@rencap.com

Head of Russia Research
Natasha Zagvozdina
+ 7 (495) 258 7753
NZagvozdina@rencap.com

Head of Central Asia Research
Milena Ivanova-Venturini
+ 7 (727) 244 1544
MlvanovaVenturini@rencap.com

Head of Africa Research
Kato Mukuru
+234 (1) 448 5300
KMukuru@rencap.com

Banking
+ 7 (495) 258 7748
David Nangle
DNangle@rencap.com
Milena Ivanova-Venturini
Armen Gasparyan

Metals & Mining
+ 44 (20) 7367 7781
Rob Edwards
REdwards@rencap.com
Boris Krasnojenov
Andrew Jones

Ukraine
+38 (044) 492-7383
Anastasiya Golovach
Vitaliy Shushkovsky
Konstantin Fastovets

Africa Macro & Strategy
+234 1 448 5300
Samir Gadio
SGadio@rencap.com

**Chemicals/Engineering/Building
materials**
+ 7 (495) 783 5653
Marina Alexeenkova
MAlexeenkova@rencap.com
Mikhail Safin

Oil & Gas
+ 7 (495) 258 7904
Alexander Burgansky
ABurgansky@rencap.com
Irina Elinevskaya
Ildar Davletshin
Tatyana Kalachova (Central Asia)
Dragan Trajkov (Africa)

Macro & Fixed Income Research
+ 7 (495) 258 7946
Alexei Moisseev
AMoisseev@rencap.com
Nikolai Podguzov
Petr Grishin
Maxim Raskosnov
Andrey Markov
Anastasiya Golovach (Ukraine)
Anton Nikitin
Ilya Zhila

Africa Financials
+234 1 448 5300
Kato Mukuru
KMukuru@rencap.com

Consumer/Retail/Agriculture
+ 7 (495) 258 7753
Natasha Zagvozdina
NZagvozdina@rencap.com
Ulyana Lenvalskaya
Konstantin Fastovets (Ukraine)

Media/Technology/Real Estate
+ 7 (495) 258 4350
David Ferguson
DFerguson@rencap.com

Africa Oil & Gas
+44 207 367 7941 x8941
Dragan Trajkov
DTrajkov@rencap.com

Central Asia
+ 7 (727) 244 1544
Milena Ivanova-Venturini
Tatyana Kalachova
Ekaterina Gazadze

Telecoms/Transportation
+ 7 (495) 258 7902
Alexander Kazbegi
AKazbegi@rencap.com
Ivan Kim

East Africa
+254 (20) 368-2316 x2316
Mbithe Muema
MMuema@rencap.com
Eric Musau

Equity Strategy
+ 7 (495) 258 7916
Roland Nash
RNash@rencap.com
Tom Mundy
Ovanes Oganisian
Vitaliy Shushkovsky (Ukraine)

Utilities
+ 44 (20) 7367 7793
Derek Weaving
DWeaving@rencap.com
Vladimir Sklyar

Southern Africa
+263 (11) 356-255
Anthea Alexander
AAlexander@rencap.com

West Africa
+234 (1) 448-5300 x5385
Akinbamidele Akintola
AAkintola@rencap.com