



Charles Gee & Co Russia: PROJECTS ACCOMPLISHED

2008





Vankor project overview



VANKOR Oil Field main figures

- **License owner:** Rosneft (through subsidiaries Vankorneft and Taimyrneft)
- **Reserves discovered:** 1988
- **Trial wells drilled:** 2005-2006
- **Total reserves proved (with adjacent areas):** over 600 mio tons
- **Total trial wells drilled:** 13
- **Total wells to be put into operation:** 278
- **Commercial oil production to be commenced:** 2008
- **Estimated annual production:** 16-18 MIO tons yearly
- **International subcontractors:** Halliburton, SNC Lavalin, Schlumberger, VECO, Alderley Neftegaz, Trican, Siemens, Exterran
- **Pipeline connections:** 550 km to Purpe rail station, connection to Eastern export oil pipeline, 700 km pipeline to Dikson (to the northern seas)
- **Investments total estimated:** US\$ 3.5 Billion into drilling and facilities



VANKOR Geography and transport routes

ALL ROADS ARE STILL ICE ROADS, OPERATIONAL DECEMBER-MARCH

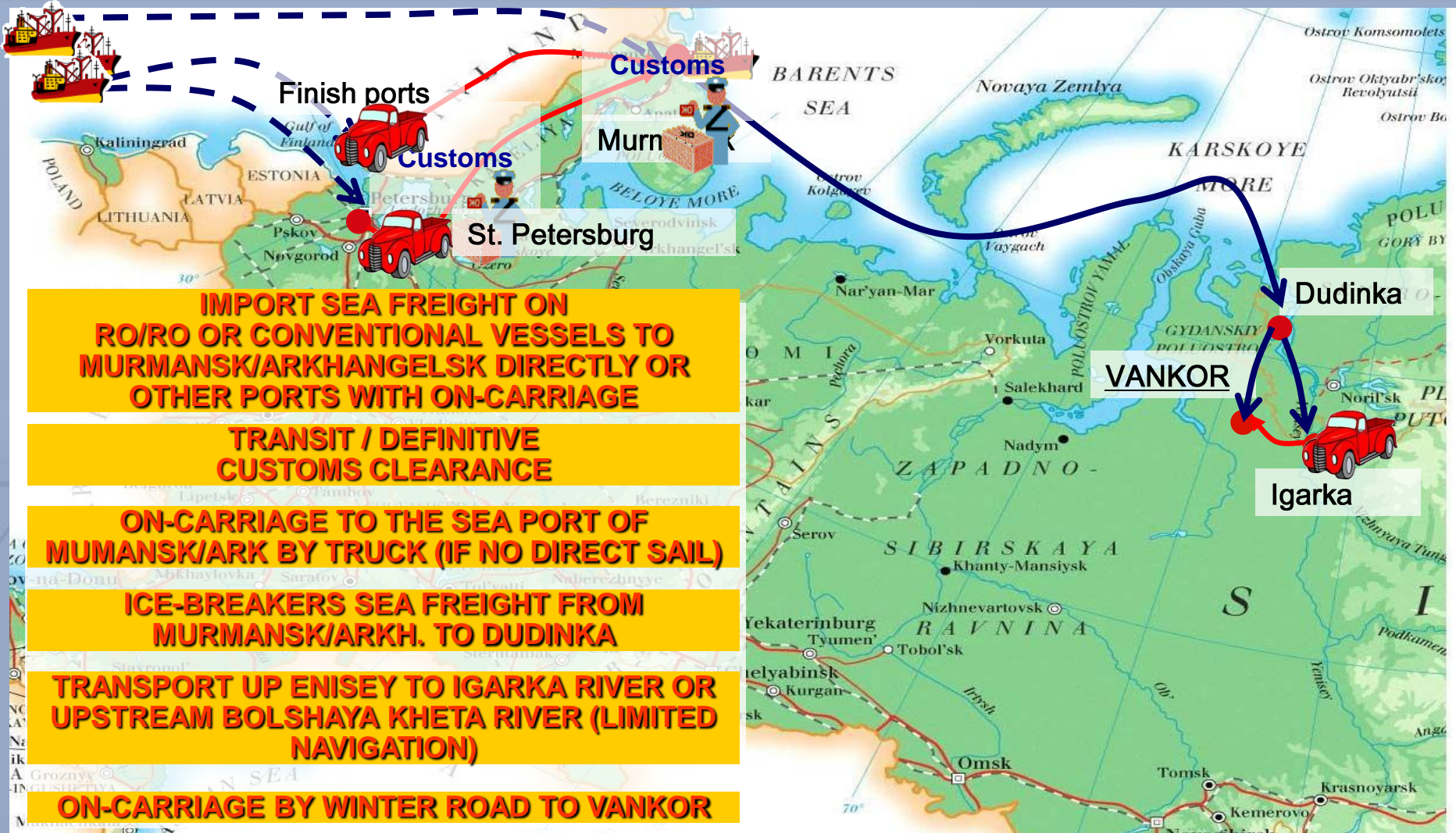




Transport route



VANKOR cargo delivery setup: via Northern sea route



IMPORT SEA FREIGHT ON RO/RO OR CONVENTIONAL VESSELS TO MURMANSK/ARKHANGELSK DIRECTLY OR OTHER PORTS WITH ON-CARRIAGE

TRANSIT / DEFINITIVE CUSTOMS CLEARANCE

ON-CARRIAGE TO THE SEA PORT OF MUMANSK/ARKH BY TRUCK (IF NO DIRECT SAIL)

ICE-BREAKERS SEA FREIGHT FROM MURMANSK/ARKH. TO DUDINKA

TRANSPORT UP ENISEY TO IGARKA RIVER OR UPSTREAM BOLSHAYA KHETA RIVER (LIMITED NAVIGATION)

ON-CARRIAGE BY WINTER ROAD TO VANKOR



VANKOR cargo delivery setup: via Northern sea route

Advantages:

- Less rigid size & weight limitation (compared to rail)
- Transit customs might be avoided
- Lower transport costs (on average – if direct sailing to Murmansk/Arkhangelsk)
- Large lots of the cargo being eligible for single lot transport – in case chartered vessel is operated)
- Rosneft built facilities for unloading the cargo at Priluki base 14 km north from Igarka town, including 100 t capacity floating crane

Bottlenecks:

- Dependence on the Northern sea route navigation, on Dudinka sea/river port operations (out of operations 7-8 months a year), Bolshaya Kheta river (only 2 weeks a year – long navigation)



VANKOR cargo delivery setup: by rail main carriage



- IMPORT SEA FREIGHT ON RO/RO VESSELS**
- TRANSIT / DEFINITIVE CUSTOMS CLEARANCE**
- BLOCK TRAIN ASSEMBLY & RAIL FREIGHT TO NOVY URENGOY / KRASNOYARSK**
- CUSTOMS CLEARANCE (IF NOT DONE PREVIOUSLY)**
- RIVER FREIGHT DOWN YENISEY RIVER FROM KRASNOYARSK TO IGARKA**
- ON-CARRIAGE BY WINTER ROAD TO VANKOR OIL FIELD**



VANKOR cargo delivery setup: main carriage by rail

Advantages:

- Whole year operations up to Novy Urengoy / Krasnoyarsk
- Comparatively low cost of rail transport
- Possibility to stock cargo at transshipment points near to destination
- Multiple choice of customs clearance region (Baltic / Krasnoyarsk / Salekhard)
- Whole year operations of Baltic sea routes

Bottlenecks:

- Weight & size limitations for the railways, unacceptable costs for highly-outsized cargo
- For transport via Krasnoyarsk (Vankor project center) downstream Yenisey river navigation is only open in Summer (Rosneft usually takes it onto themselves)
- Congestion at railways and for Yenisey transport
- Winter roads operational Nov/Dec – Mar/Apr only (137 km of winter road from Korotchaevo to Vankor + 280 km of solid road)



VANKOR cargo delivery setup: other transport issues

Urgent cargo delivery:

- Airfreight to Novy Urengoy airport via Moscow, customs clearance to be done in Moscow (IL-86 aircraft shift flights, combi). On-carriage from Novy Urengoy to the site by helicopters
- Airfreight to Ekaterinburg for on-carriage by truck to Novy Urengoy
- Airfreight to Krasnoyarsk (B-747F from Moscow / Frankfurt for further on-carriage by truck/rail/river)

Container freight:

- Usually routed via Krasnoyarsk in Summer or via Novy Urengoy by rail

Future changes in Vankor logistics:

- Solid road to be built from Purpe to Vankor
- Dudinka sea/river port under reconstruction
- Krasnoyarsk rail/river transshipment facilities being upgraded



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Vankor experience

2009



Charles Gee & Co Russia Unique competences for Vankor project – Sea freight

Sea freight:

- Service contracts tariffs with major Ro/Ro and (upon request) charter carriers for import freight
- Experience in full scope of operations via Northern Shipping route, including customs clearance of project cargo and transshipment operations at the on-the-way ports
- Sea freight documents (including cargo plan) elaboration and approval with authorities involved
- Experience and knowledge of handling bulk cargo at Finnish, Baltic ports, Saint-Petersburg, Murmansk, Akchangel'sk, Krasnoyarsk, Dudinka sea/river ports, Priluki Vankorneft base

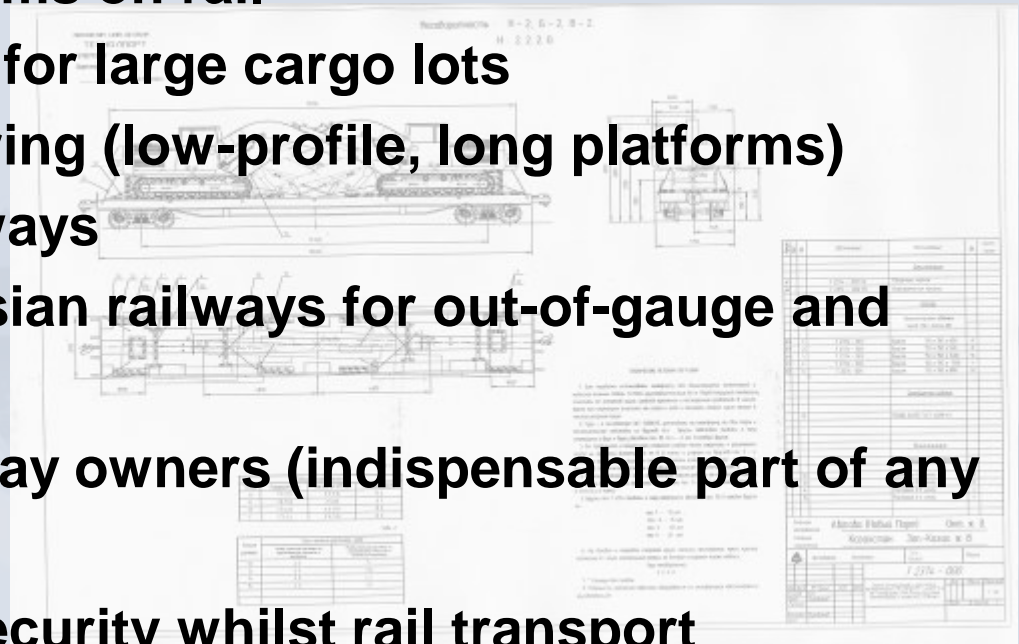




Charles Gee & Co Russia, unique competences for Vankor project – Rail freight

Rail freight:

- Contractual relation with OAO “RZD”, OAO “Transcontainer” and their respective Rail agents in Baltic states & Finland
- Experience in transshipping / handling / lashing / securing out-of-gauge and heavyweight items on rail
- Block trains consolidation for large cargo lots
- Special rail transport ordering (low-profile, long platforms)
- Drawings for Russian railways
- Obtaining permits for Russian railways for out-of-gauge and heavyweight cargoes
- Contacts with private railway owners (indispensable part of any rail freight in Russia)
- Arrangement of guard & security whilst rail transport





Charles Gee & Co Russia unique competences for Vankor project – Road freight

Road freight:

- Long-term relations with Russian, Lithuanian, Finnish owners of low-bed trailers
- Experience in transshipping / handling / lashing / securing out-of-gauge and heavyweight items onto trucks
- Obtaining permits for road freight of out-of-gauge and heavyweight cargoes
- Arranging escort for out-of-gauge and heavyweight items
- Knowledge of Vankor subcontractors trucking facilities





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Project 1 – Winter 08

2009



Project accomplished: UK inland operations & sea freight

**Delivery on low-profile trailer
to the port of Tilbury**



**Transshipment onto mafi-
trailers at the port of Tilbury**



On the mafi loaded



- **Largest piece dimension:** 10.3 x 3.7 x 4.0 m
- **Largest piece weight:** ~22 tons
- **Quantity of items (start-up shipment):** 6 pieces
- **Cargo:** fragile, valuable
- **Major task:** Delivery before expiry of the winter road (dispatch inland UK Jan, 28 delivery Korotchaevo Mar, 13)



Project accomplished: Port of Saint-Petersburg operations

Cargo loaded and secured on the railcar



- **Customs documents drawn on behalf of the Importer. Customs clearance accomplished within 1 day from the date of the documents availability, single customs code, 0% duty**
- **Low-profile transporters – special equipment used for rail carriage, drawing for OGO cargo made and approved**
- **Lashing and securing of the cargo on the rail**



Project accomplished: Korotchaevo – railway station of destination

Cargo unloaded from railcars at Korotchaevo



March, 13:

- **Unloaded from railcars**
- **Dispatched directly from the railway station to Vankor site by winter road**
- **Acceptance documents signed by the final consignee, remitted to the customer**



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Project 2 – Summer 08

2009



Project accomplished: UK inland operations & sea freight

Intermediary storage and Port of Tilbury operations





Project accomplished: UK inland operations & sea freight

Loading onboard the marine vessel, lashing and securing





Project accomplished: Murmansk customs clearance

Customs clearance at Murmansk customs and port operations in Murmansk

- **Vessel arrival at Murmansk at 23.00 day 1**
- **Vessel departure from Murmansk with released cargo at 1 6.00 day 2 – total 8 working hours spent for customs clearance**
- **No customs inspection**
- **Cargo (3 02 tons, 50 pieces, 1 968 m³) cleared under 1 customs code, 0% duty level**
- **Cargo plan approved by Murmansk port authorities in advance**



Project accomplished: Port of Dudinka operations

Dudinka port transshipment: Marine vessel – Quay - Barge

- Vessel arrival Dudinka at 1 8.00 day 1
- Vessel unloading complete at 1 6.00 day 2
- Barges loading commenced 1 9.00 day 2
- Barges departure 1 0.00 day 3





Project accomplished: Port of Dudinka operations

Dudinka port transshipment: Marine vessel – Quay - Barge





Project accomplished: Unloading Priluki

Unloading at Priluki base





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Thank you for your attention!

