

# Research and consulting



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Serving energy investors worldwide



# About us

RPI's Research and Consulting Department has vast experience in all areas of the oil and gas industry, including:

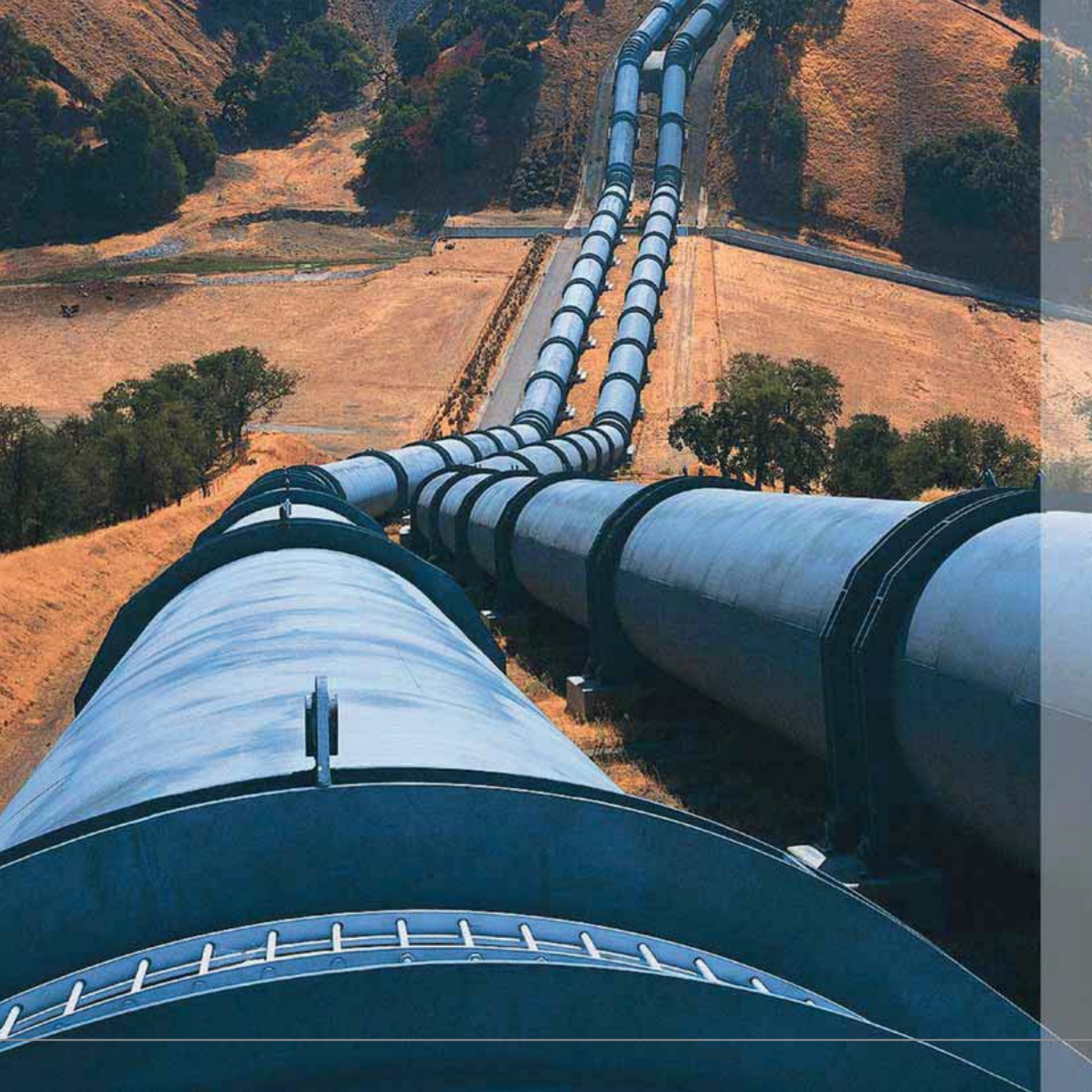
- Oil and gas production
- Refining and gas processing
- Exports of oil, gas and petroleum products from Russia and CIS countries
- Oil and gas oilfield services market, including drilling oil wells and construction of infrastructure transport facilities

RPI focuses on providing consulting services to energy companies operating in FSU and East European countries.

Analyzing various sources of information, facts and trends, we enable our clients to take precise decisions based on knowledge of ongoing industry processes. Our experts contribute to each project their understanding of interrelated processes in the cycle of operations ranging from upstream to downstream.

Our key challenge is to deliver results providing the client with the knowledge and information that can be used to achieve business development. Our methodology is underpinned by due diligence combined with an understanding of business processes and the client's assignment.

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# Services

## **Business development support**

- Research and analysis of oil and gas industry markets
- Assessing and working out new business opportunities
- Identifying potential partners, clients and suppliers
- Information support in negotiations with strategic partners

## **Consulting on business development strategy**

- Market analysis and marketing research
- Analysis of competitive environment
- Working out and assessing strategic alternatives
- Framing market entry strategy and options

## **M&A consulting**

- Identifying and attracting investors
  - Supporting and holding negotiations
  - Expert support in valuation of assets
  - Value chain analysis
  - Assisting in the formulation and implementation of integration processes
  - Communication support of deals
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# Why clients select RPI

## **Industry expertise**

Over the past 20 years the company has carried out a large number of projects in various areas of the oil and gas industry of FSU countries. The vast range of projects and their complexity has allowed the company's experts to gain top-notch skills and industry expertise.

## **Industry connections and access to top managers of leading Russian and foreign companies**

Since its inception, virtually all of RPI's clients have been leading industry Russian and foreign companies. The range of services provided by the company implies that in most cases its clients are top executives of client companies.

## **Mobility and ability to carry out integrated client projects**

The approaches and methods used at the company in many cases make it possible to deliver an integrated set of client services. This saves a lot of time and resources in the process of achieving the business goals of client companies.





# Examples of past projects

## **Market research of independent gas producers in Russia**

The project was devoted to an analysis of key aspects of the independent gas producers' market in Russia, including:

1. Analysis of the current situation (feedstock base, production and distribution),
2. Determination and analysis of main trading scheme, indicative prices and efficiency of gas supplies,
3. Analysis of outlook for market development

## **Research of oil and gas industry potential in Russia**

The project included an industry overview to bring the client up to speed on the main trends and players in the oil and gas industry, an analysis of various opportunities in line with the assigned criteria. The purpose of the project was to study the key factors driving industry development and an analysis of current potential in the various segments of the industry.

## **Overview of oil refining and petrochemical industry**

The assignment included a study of the oil refining and petrochemical capacities in Russia, Kazakhstan and Turkmenistan, an analysis of the ownership structure and production capacities, including technical parameters and degree of utilization. RPI experts analyzed current market barriers and factors impacting the industry investment climate.

## **Study of feedstock market for the production of technical carbon in Russia**

The study included a survey of plans and capacities which manufacture feedstock for technical carbon, an assessment of production and consumption volumes, pricing mechanisms and identification of main market players.

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# Examples of past projects (continued)

## **Research of LPG market in Russia and CIS**

The project included an overview of the LPG market, profiles of main producers and consumers in the market, analysis of investment opportunities and an assessment of project risks. This project was part of work by RPI experts to work out a company strategy to enter the CIS market.

## **Research report on the quality of automobile diesel fuel in the retail market of the European part of Russia**

The project included: determining the quality characteristics of diesel fuel made by Russian producers and general characteristics of the diesel fuel market, an analysis of the regional footprint of companies in the region. RPI experts also studied the outlook for introduction of Euro-2 standards in Russia.

## **Research report on potential suppliers of crude oil for refining complex**

Purpose of the project: to secure additional supplies of crude oil. The report included a study of the market situation in supplier countries, an analysis of the efficiency of supplies through a marine terminal, a study of the business reputation of potential suppliers and partners, and analysis of the competitive environment. RPI experts participated in working out alternative oil supply routes from Russian and Kazakhstan, and conducted preliminary work with potential suppliers.

## **Analysis of an export scheme for an oil company**

The purpose of the project was to study ways and means to raise the efficiency of oil exports to Poland and Germany. Transportation routes were studied, the mediator chain was analyzed as well as current pricing mechanisms.

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# Examples of past projects (continued)

## **Creation of databases for service companies in Russia**

RPI experts performed the following tasks: compiled a list of service companies by categories, collected data on companies, including an assessment of the size of business and operating and financial indices of companies, the structure of services provided, ownership structure and main areas of development.

## **Promoting the services of a company manufacturing equipment on the market for oil and gas companies**

Purpose of the project: to work out a communication and marketing strategy. The project consisted of the following stages: analyzing the market and identifying potential clients, selecting mechanisms for entering the market and operating guidelines for the market, working out a marketing program and offering practical assistance in implementing marketing strategy.

## **Analysis and forecast of the Russian market for petroleum products**

RPI experts conducted a research report devoted to the market of petroleum products in Russia and Europe. The topics included condition of the market, value chain analysis of production and output, export and domestic consumption, with 10-year forecasts made for the various groups of products. The study was required for a feasibility study and financial evaluation of a project aimed at building a petroleum products pipeline.

## **Supporting business development of a foreign crude oil pipeline operator**

The project included several consecutive stages: 1) an overview of the state of the oil pipeline market of Russia and a description of oil pipeline operators, oil companies and main pipeline users, 2) drawing up a list of potential partners and working out strategic proposals for negotiations and planning actions with regard to each company, 3) administrative and managerial support in arranging negotiations with short-listed companies 4) supporting negotiation processes.

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# Client references about RPI









# Client references about RPI (continued)

“... In 2000-01, RPI management played an important role in negotiations with YUKOS and LUKOIL, which led to the stipulation of a strategically important deal with the former company... This could not have been achieved without the professional input, connections, expertise and intense efforts of our colleagues from RPI...”

**Stephen F. Hunkus**

*General director Mazeikiu Nafta*

“RPI has helped us formulate our negotiating strategies in the FSU...We have saved substantial time and money by using RPI’s consulting service.”

**Ann Pickard**

*Vice President Mobil Oil*

“I recommend to you RPI, both as a provider of ongoing research and as a consultant for specific projects. In a country where accurate information is a most scarce resource, RPI’s qualifications are impressive.”

**W. David Rossiter**

*Vice President Conoco*

“Of the consulting firms that I have used in the former Soviet Union, RPI has provided the best quality information, especially considering our budget and time constraints.”

**Geoff Wilkinson**

*Project Manager UNOCAL*

“RPI is the authoritative source of information on the energy industry in the former Soviet Union. In an environment where politics are crucial for any investment project, no one has better sources or insights than RPI.”

**James E. Searing**

*Director of International Business Services Ernst & Young*

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## Overview

- ✓ Russian Subsoil Regime: current developments
- ✓ Foreign investment restrictions?
- ✓ Russian M&A in general: major issues
- ✓ Special features of Russian oil and gas M&A

LeDroit, Linn, O'Neill & MacNeil

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# Clients



Schlumberger

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