

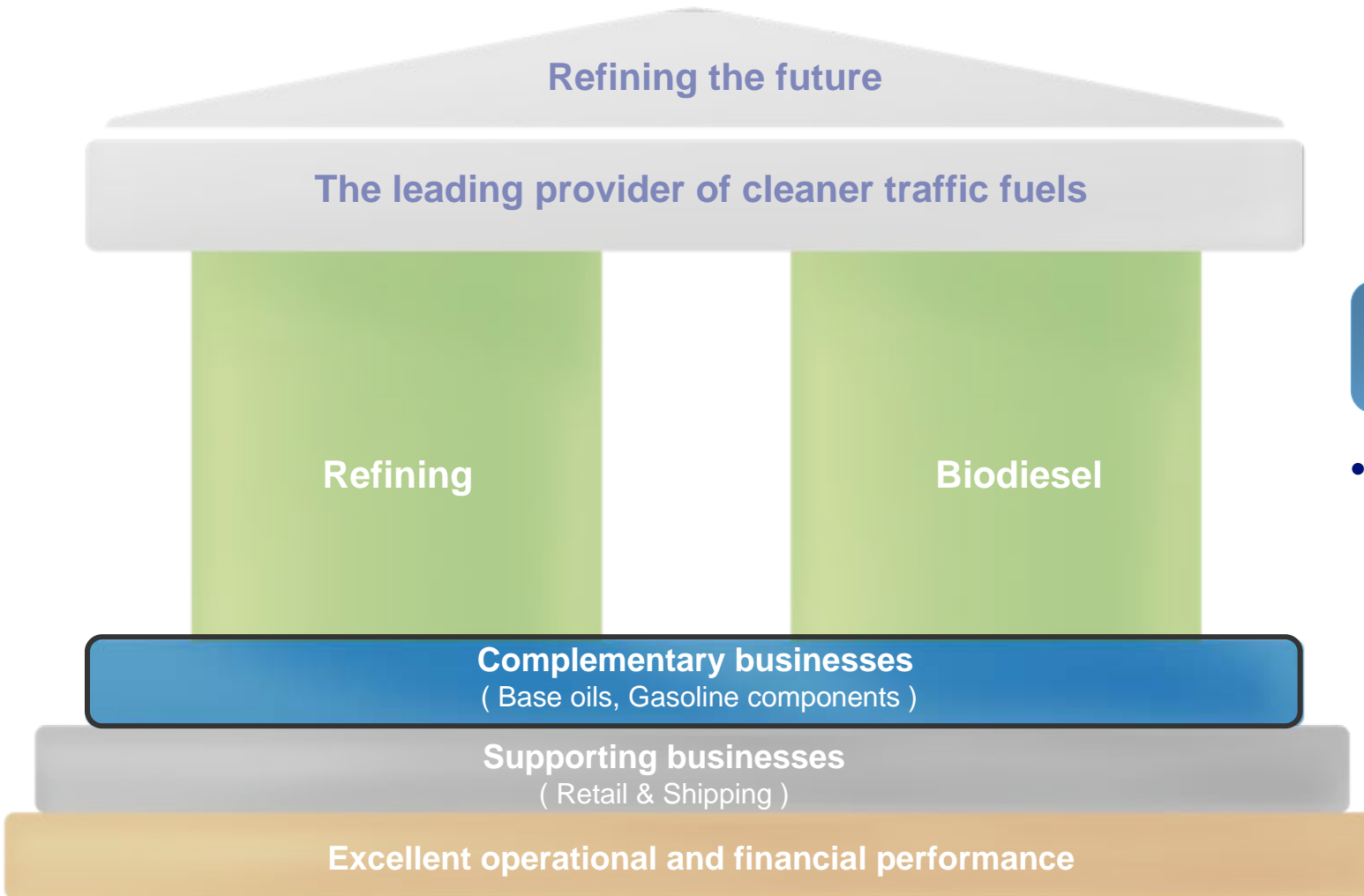
Complementary Businesses

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NESTE OIL

refining the future

●●● Synergistic growth in complementary businesses **NESTE OIL**



Complementary Businesses

- Offer attractive growth projects, often synergistic with the growth pillars



Base oils is key component in automotive lubricant production

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Base oils companies

Additive companies

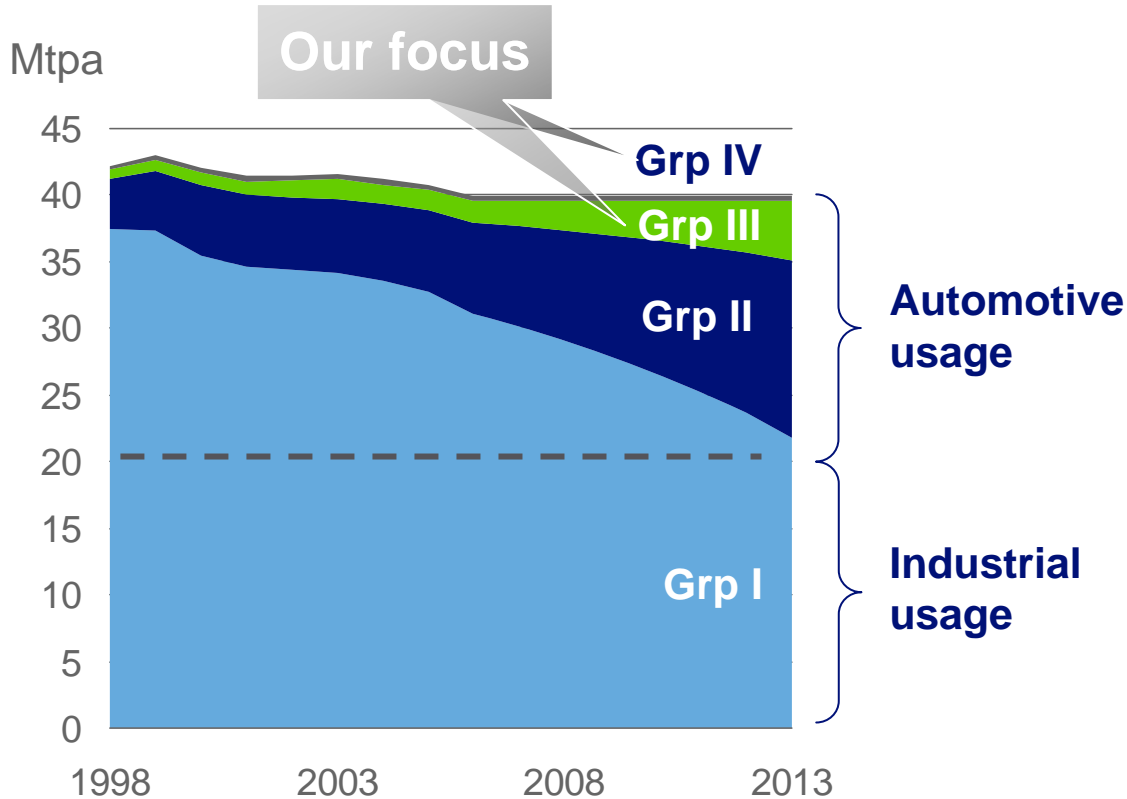
Lubricant manufacturer

Retail channel (Service fill)

Auto manufacturers



Global Base oils capacity outlook (1990-2013)



Market characteristics

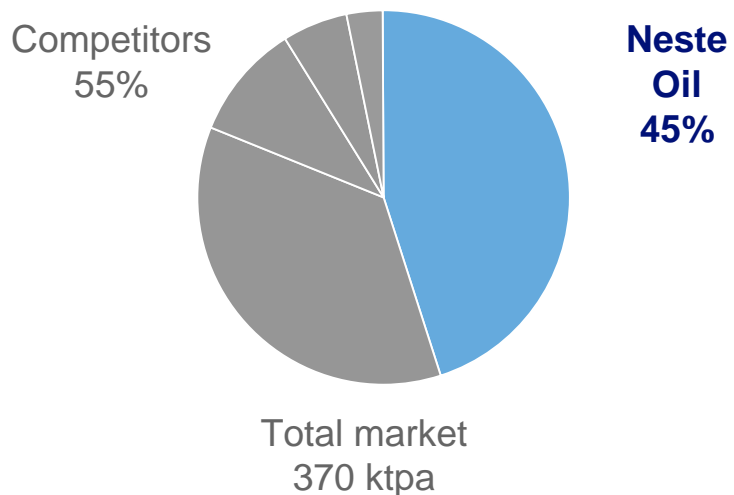
- Small niche market but attractive
- Market is shifting to higher quality base oils
- Clear synergies with refining provide additional margin

Sources: ExxonMobil; Neste Oil; Fuels & Lubes

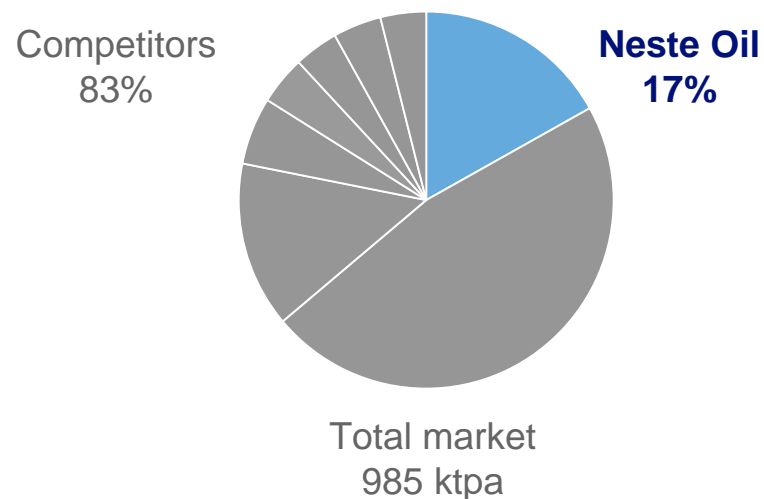


We will leverage our market position to exploit growth opportunities

European merchant market (group III) 2005



Global merchant market (group III) 2005



Key strategic advantages

- Focus on higher quality base oils
- Extensive portfolio of car industry approvals
- Broad customer portfolio
- Leading position in Europe



Growth through synergistic projects or partnerships

Growth opportunities in base oils

Synergistic growth with refining

- Base oils plant integrated with potential Hydrocracker projects in refining
- Higher margins for integrated project compared to standalone Hydrocracker investment

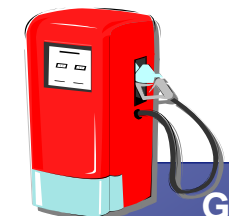
Attractive partnerships opportunities

- Leveraging our base oils capabilities together with partners with suitable feedstock
- Bapco JV is an example of this win-win approach



High-quality components allow use of low value blend-stocks

Gasoline blend-stocks from main refinery units	Examples	Key concern
	<ul style="list-style-type: none"> Gasoline stocks from crude distiller and upgrading units LPG 	<ul style="list-style-type: none"> Lower than desired octane
Bio-components blended per regulation	Examples	Key concern
	Bio-ethanol	<ul style="list-style-type: none"> Increases vapour pressure



Gasoline that meets stringent specifications

Specialty gasoline components	Examples	Solution
	Iso-octane, Alkylate, Isomerate, (MTBE being phased out)	<ul style="list-style-type: none"> Increases octane Reduces vapour pressure

Our focus



Increasing demand for clean gasoline components due to...

- Globally tightening specifications
- Phase-out of MTBE in the US
- Increasing ethanol content in gasoline



... creates an opportunity for producers

- Convert MTBE units to iso-octane / alkylate
- High margins for gasoline components
 - Increasing blending value
 - Wide feedstock/product price differentials at high crude prices



- Interesting opportunities exist
 - Exploit current technological expertise
 - Leverage trading infrastructure
- Investments clearly linked to our refining strategy will be considered

