Capital Markets Day

Porvoo Site Visit and Helsinki Capital Markets Day Presentations

NESTE OIL

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Operations At The Porvoo Refinery

Ilkka Poranen
Senior Vice President, Production and Logistics

Capital Markets Day
29 September 2009

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The Porvoo Site Is The Largest Industrial Area In The Nordic Countries (1,300 Hectares)

Porvoo Is A Very Integrated site

- Neste Oil's Porvoo refinery

- Borealis Polymers (Petrochemicals, polyolefin plants)
- Ashland Finland (Polyester resins)
- StyroChem Finland (Polystyrene)
- AGA (Nitrogen, oxygen)
- Gasum (Natural gas)
- M-I Finland (Flow improver additives)
- Finnish National Railways
- Innogas (LPG)

Altogether, around 4,000 people work at the Porvoo industrial site (1,200 at the refinery)

Key Aspects Of The Porvoo Refinery

- One of the most advanced and versatile refineries in Europe, established in 1965
- Very high complexity (12.1 in Nelson, 14.5 in Solomon)
- Crude distillation capacity, 205,000 bbl/d (annual output close to 12 Mmt)
- Extensive storage facilities: 121 above-ground tanks (total capacity 3 Mm3), 24 underground caverns (total capacity 5.6 Mm3)
- Largest harbor in Finland in volume terms (draft 15.3 meters)
- Own truck and rail terminals
- Own power generation facilities for steam and electricity
- Connected to national natural gas network
- Very close and tight cooperation with Neste Jacobs and R&D
- Certified management systems (ISO 9001, ISO 14001, OHSAS 18001)

Performance Of Our Refineries (Solomon Study 2008)

Porvoo

Net cash margin ($/bbl)

Energy intensity, maintenance

Refinery utilization

Naantali

Refinery utilization

Energy intensity, net cash margin

Maintenance

Targets:

Porvoo

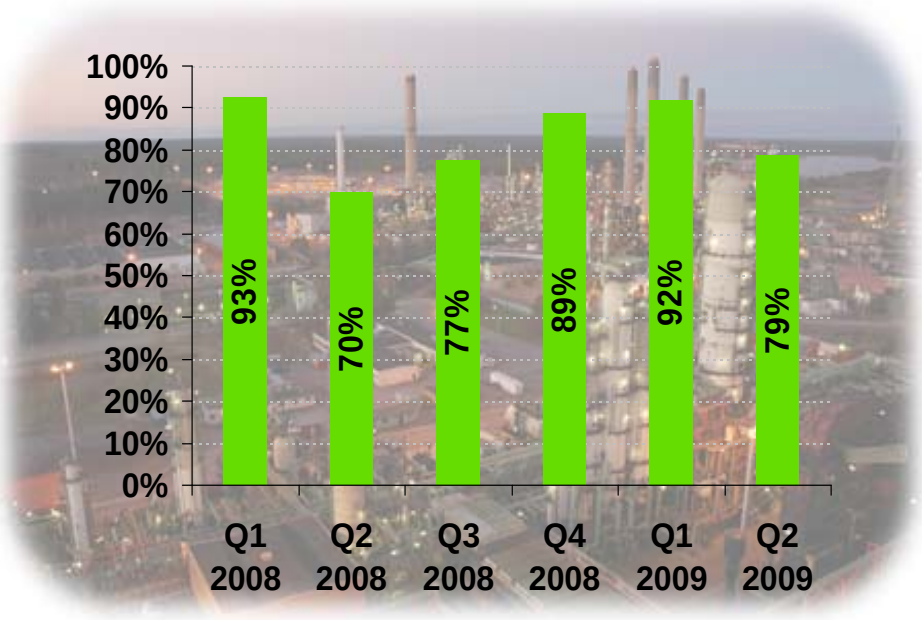
To rank top among Western European refineries in all aspects by 2012

Naantali

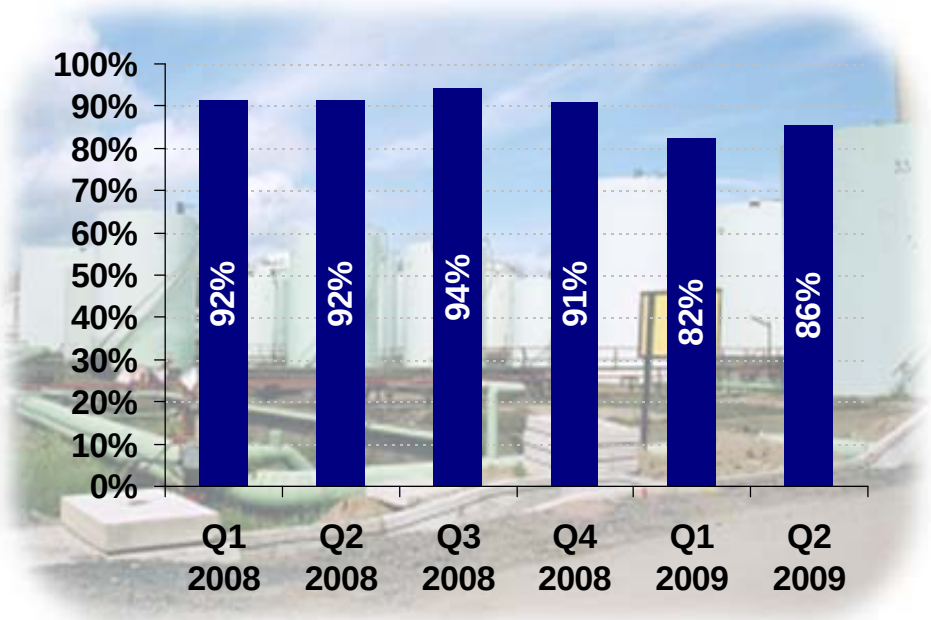
To improve maintenance efficiency performance

Refinery Capacity Utilization

Porvoo



Naantali



- **Porvoo: Challenges on PL4 reflected in low utilization**
- **Naantali's performance has been stable**
- **Porvoo will improve its utilization rate by implementing PL4 development program and carrying out major turnaround in April 2010**

Note: Utilization calculations are based on Solomon methodology

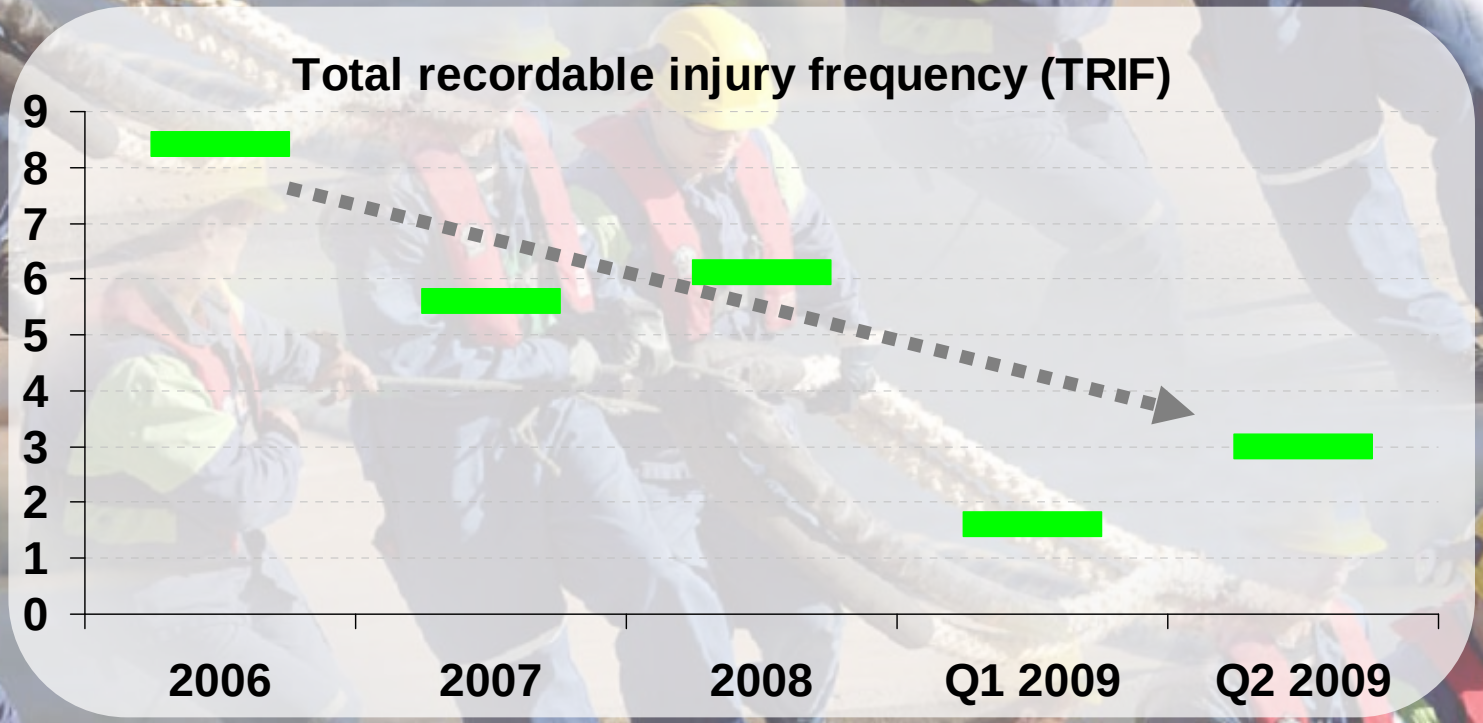
Update On Production Line 4 (diesel line)

- Challenges in operational and safety-related issues during the last couple of years have led to
  - Lower-than-expected utilization rate
  - Additional maintenance costs
- Development plan for the unit includes several investigations and corrective actions and is designed to:
  - Stabilize operations
  - Optimize performance
- Dedicated personnel will focus only on performance improvement
- The line is now operating normally

Experience Of NExBTL Technology

- The first commercial renewable diesel plant based on our proprietary NExBTL technology was started up in summer 2007
  - Some technical and operational challenges were faced and mitigated
  - The first plant will continue to have a pilot plant role
- The second NExBTL plant was started up in July 2009
  - The commissioning and start-up was carried out successfully without a single malfunction or delay
- The expansion of pretreatment capacity will be completed by the end of October
- Both units are running steadily and have even exceeded their design parameters

Work Continues To Enhance Safety Performance



- Major annual improvement since early 2000
- Target is zero accidents

TRIF = total recordable injury frequency (number of cases per million hours worked)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Developing The Future

Lars Peter Lindfors
Senior Vice President, Technology & Strategy

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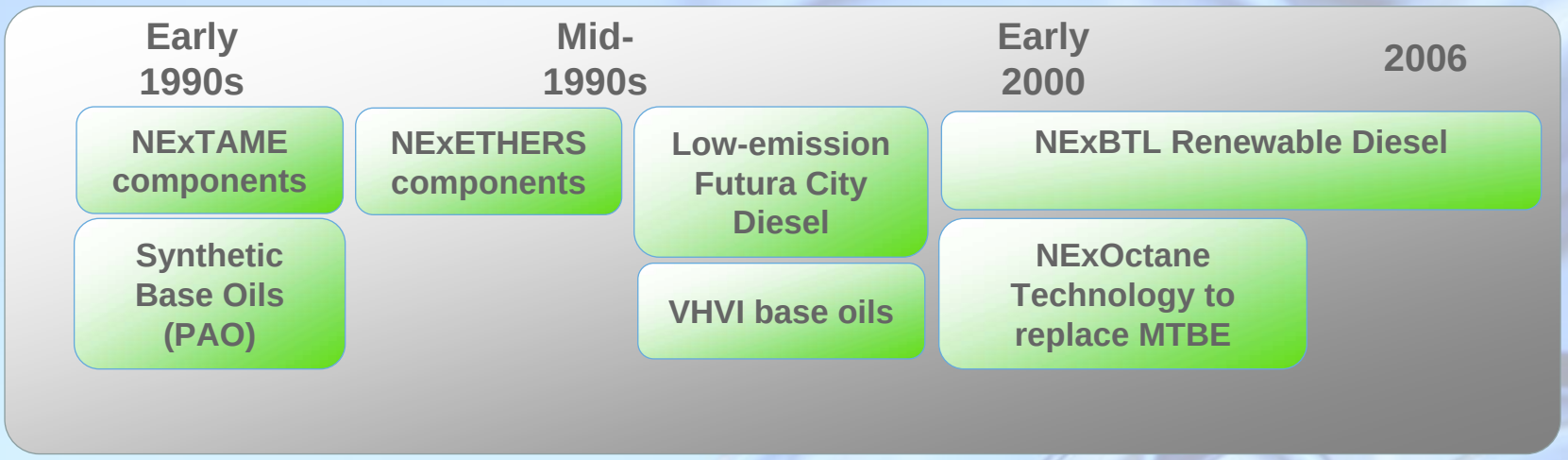
Role And Targets Of Research & Technology

Contributes to the Group's competitiveness and growth by:

- Supporting market entry of new products
- Supporting productivity of conversion units
- Engaging in technology and catalyst development
- Developing renewable feedstocks
- Implementing an active IPR policy

Neste Oil's Track Record In Technology



Product launches

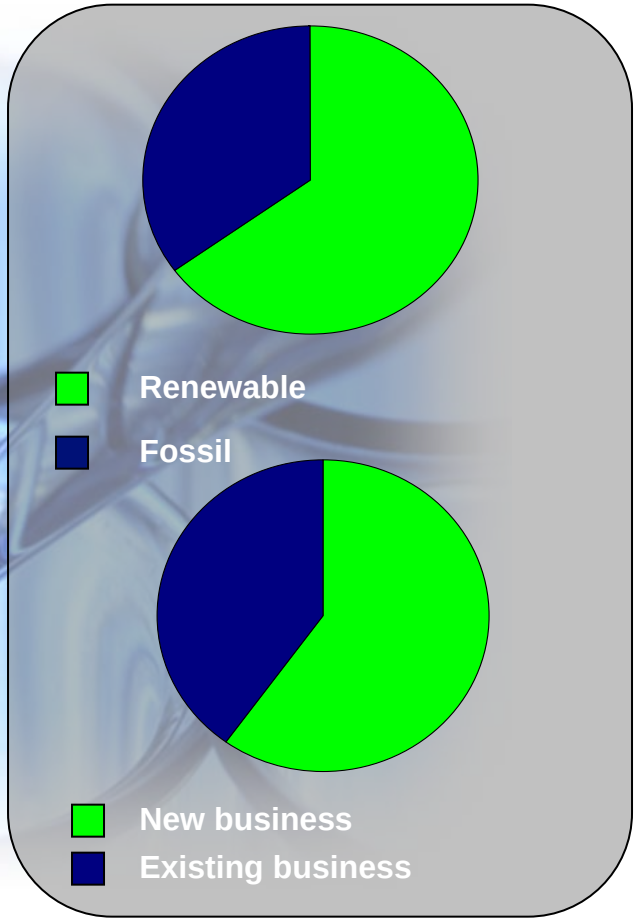
1985: Lead-free gasoline with MTBE component
1989: 92-octane gasoline replaced by 95E
1993: Low-emission Futura City Diesel
1997: VHVI base oils
2004: All gasoline and diesel sulfur-free
2005-: NExBTL renewable diesel

R&T Is Focused On Renewables

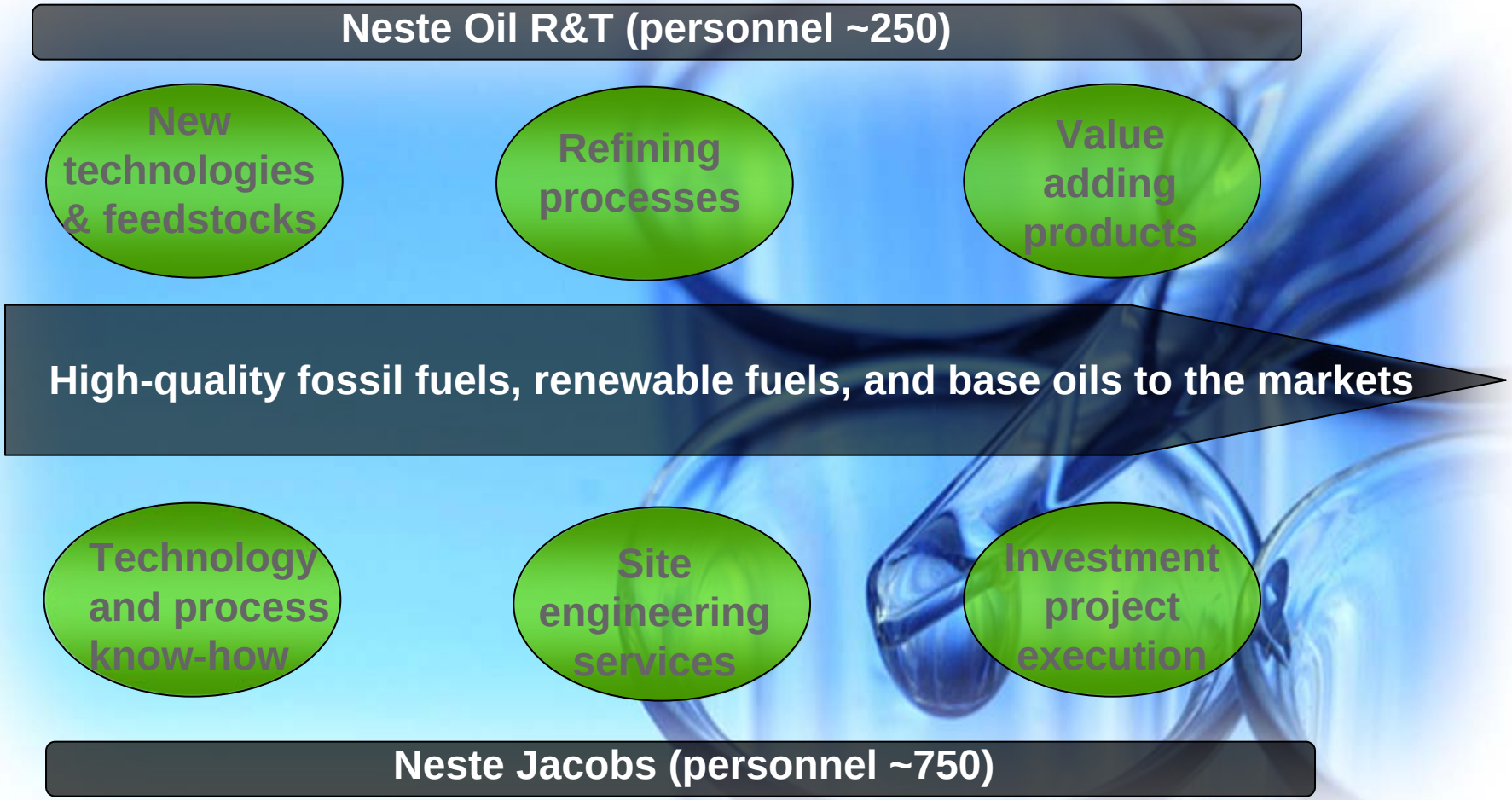
R&T expenditure breakdown, 2009

EUR millions

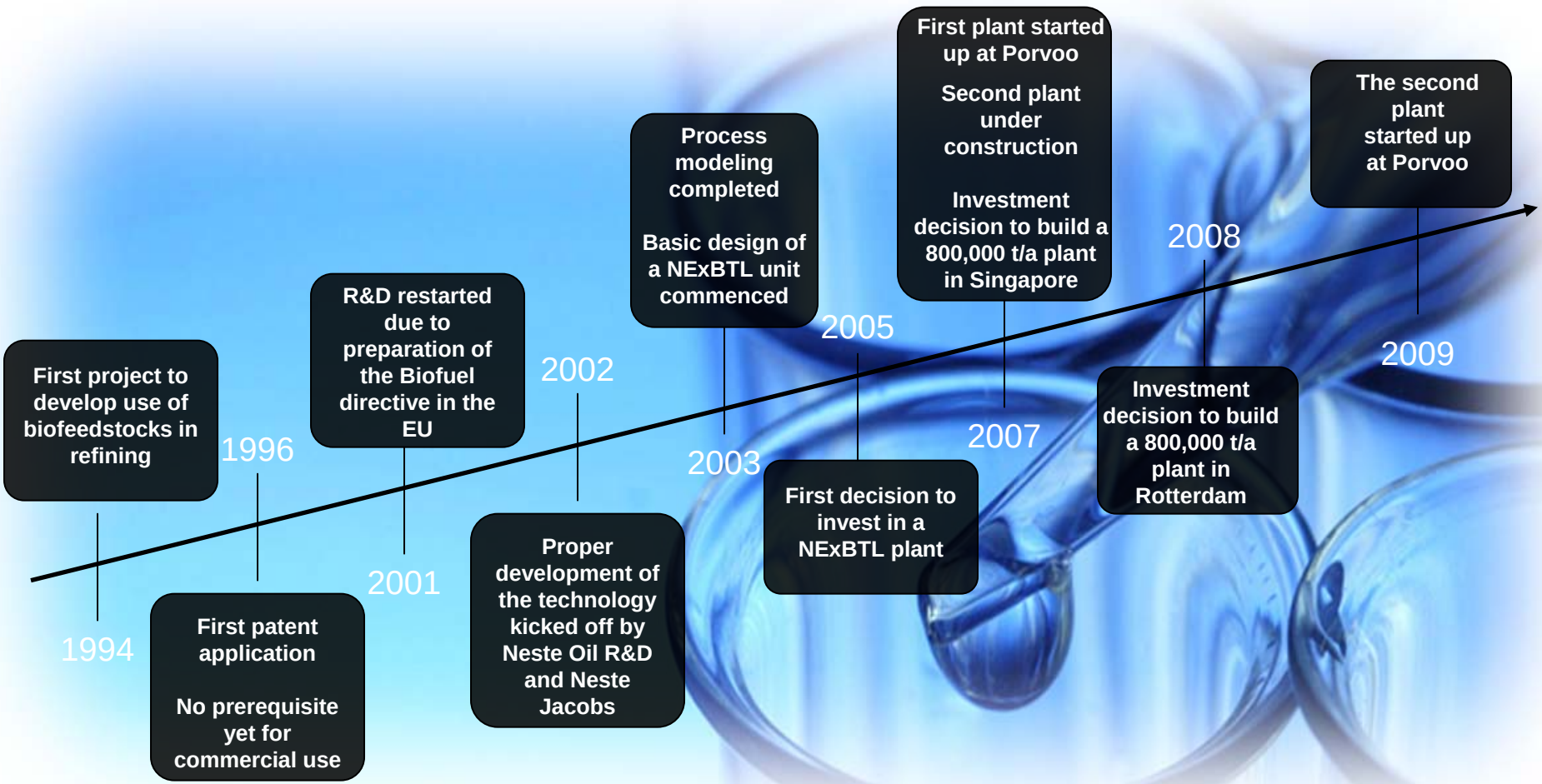
Feedstocks	13
Technology development	16
Products	8
TOTAL	37



R&T And Neste Jacobs: From Innovation To Success



The Evolution Of NExBTL Renewable Diesel



R&T Roadmap

Renewable Feedstocks

New technology and products

Refining of fossil feedstocks

Short-term **Long-term**

- Alternative feedstocks (e.g. algae, microbes)
- Oil plants, animal fats
- BTL (wood-based)
- BioJet, Bio base oils
- NExBTL
- Product quality enhancement
- Conversion technologies

Neste Oil's IPR portfolio

- 65 patented innovations (Close to 600 patents / applications)
- 85 trademarks (Close to 400 individual trademarks / applications)

- IPR activity has increased in renewable fuels in particular

  Invention disclosures in renewables:
  - ✓ 1-8/2009: 24 new disclosures
  - ✓ 2008: 8 disclosures
  - ✓ 2000-2007 annual average of 4 disclosures

- Importance of IPR-related issues has increased globally

- Neste Oil's IPR strategy
  - ✓ To build a larger IPR portfolio in existing and new innovations to secure the growth strategy
  - ✓ Strengthen and broaden the IPR portfolio to maintain competitiveness
  - ✓ Monitor possible rights infringements and act accordingly
  - ✓ Strong IPR opens up new business possibilities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On The Road To Greater Success

Matti Lievonen
President & CEO

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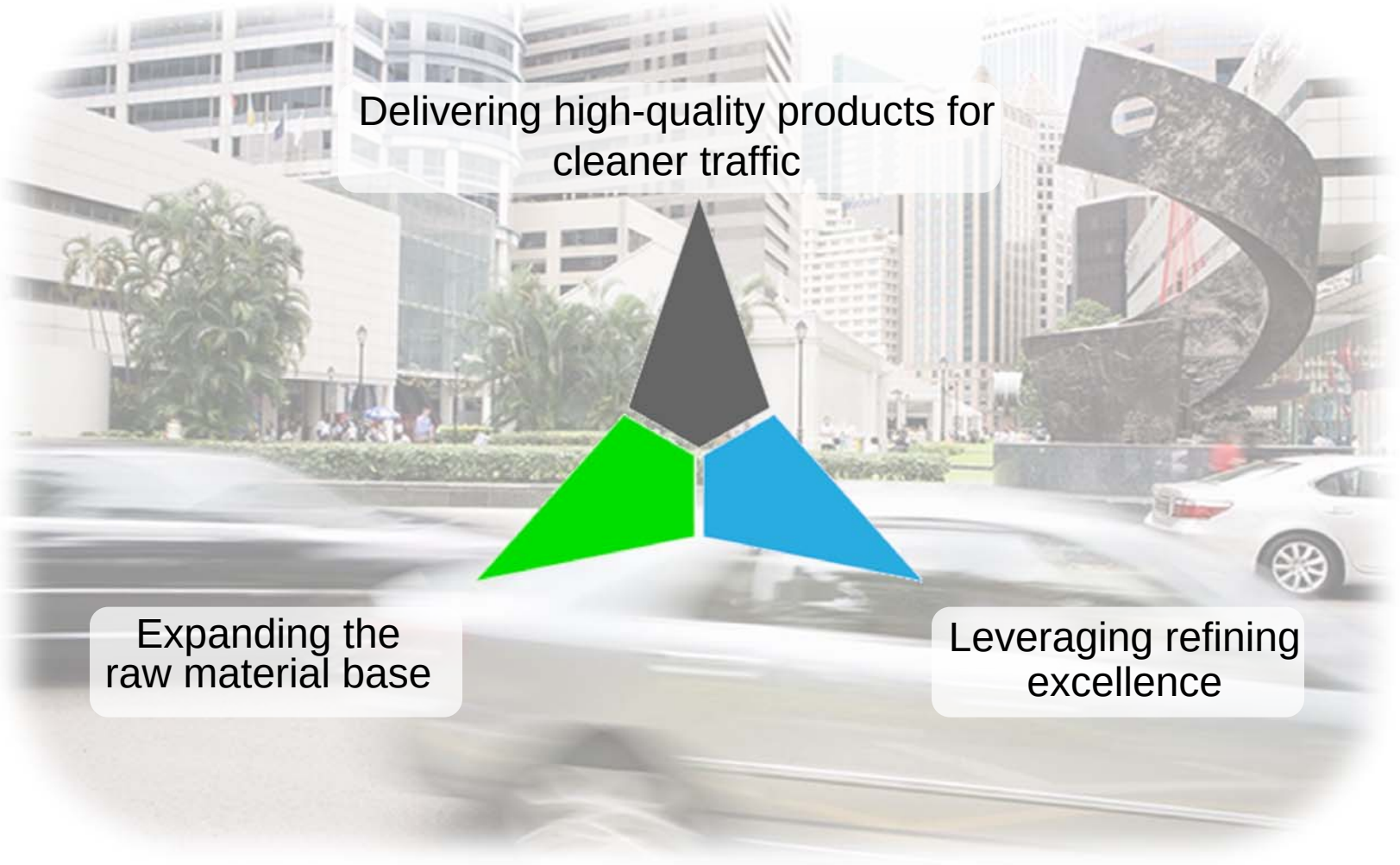
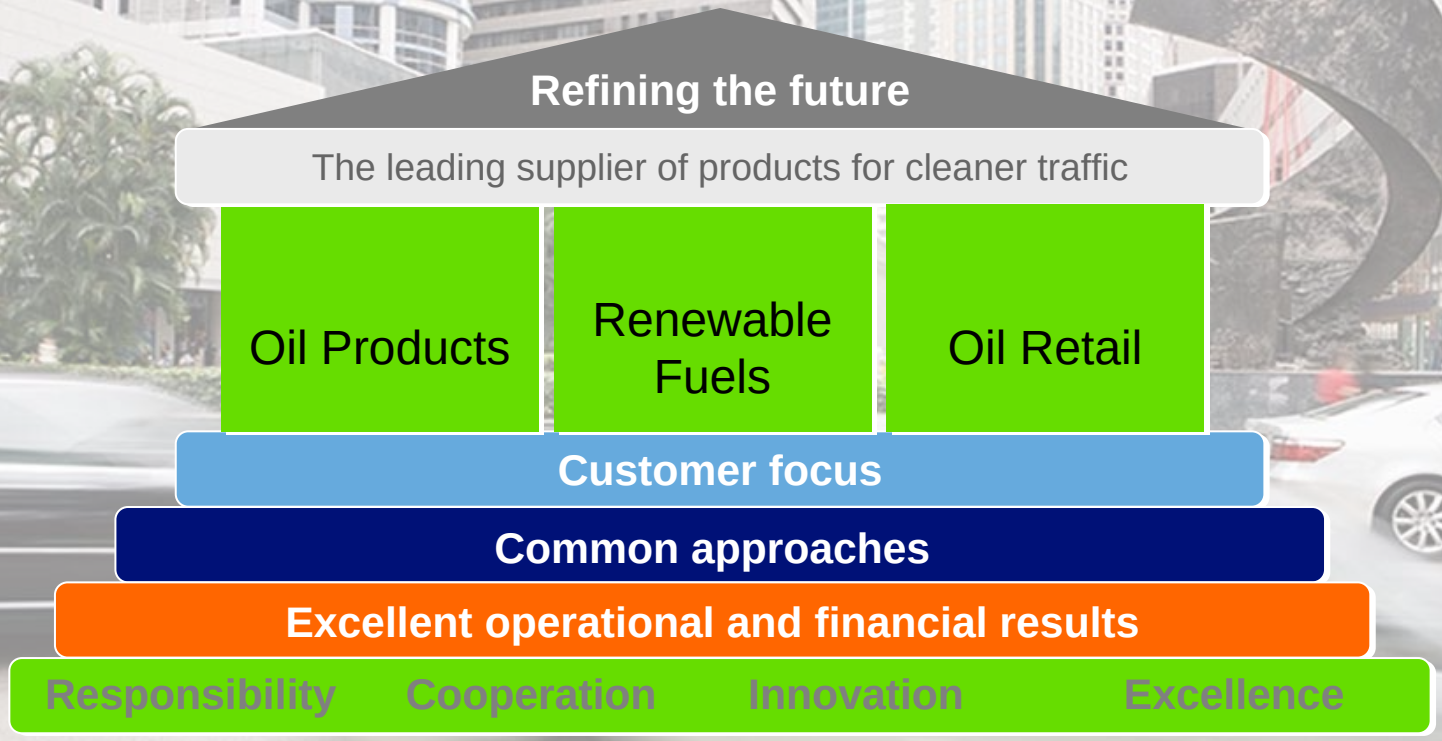
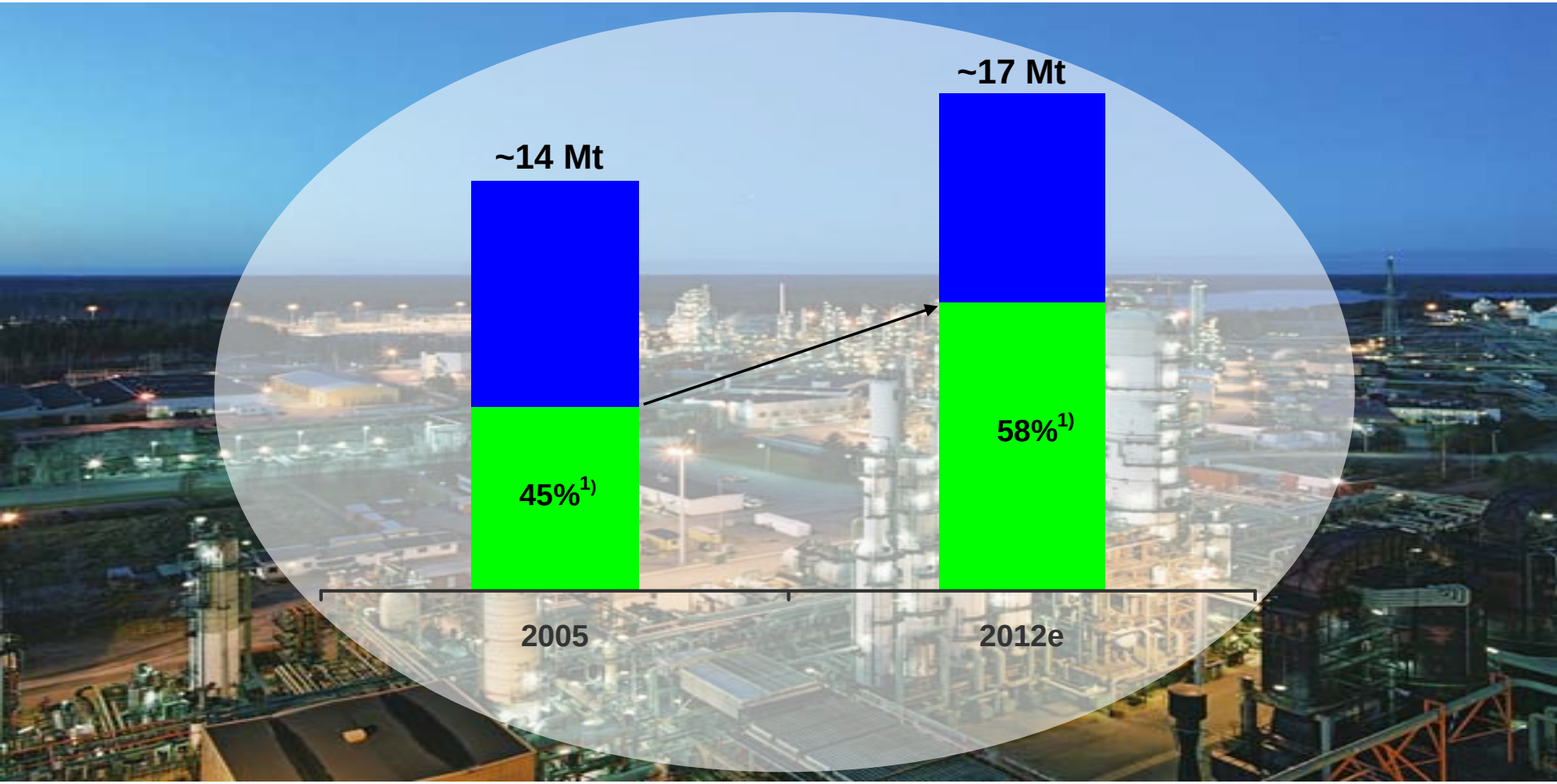
Basis For Neste Oil's Strategy



One Company, Common Goals

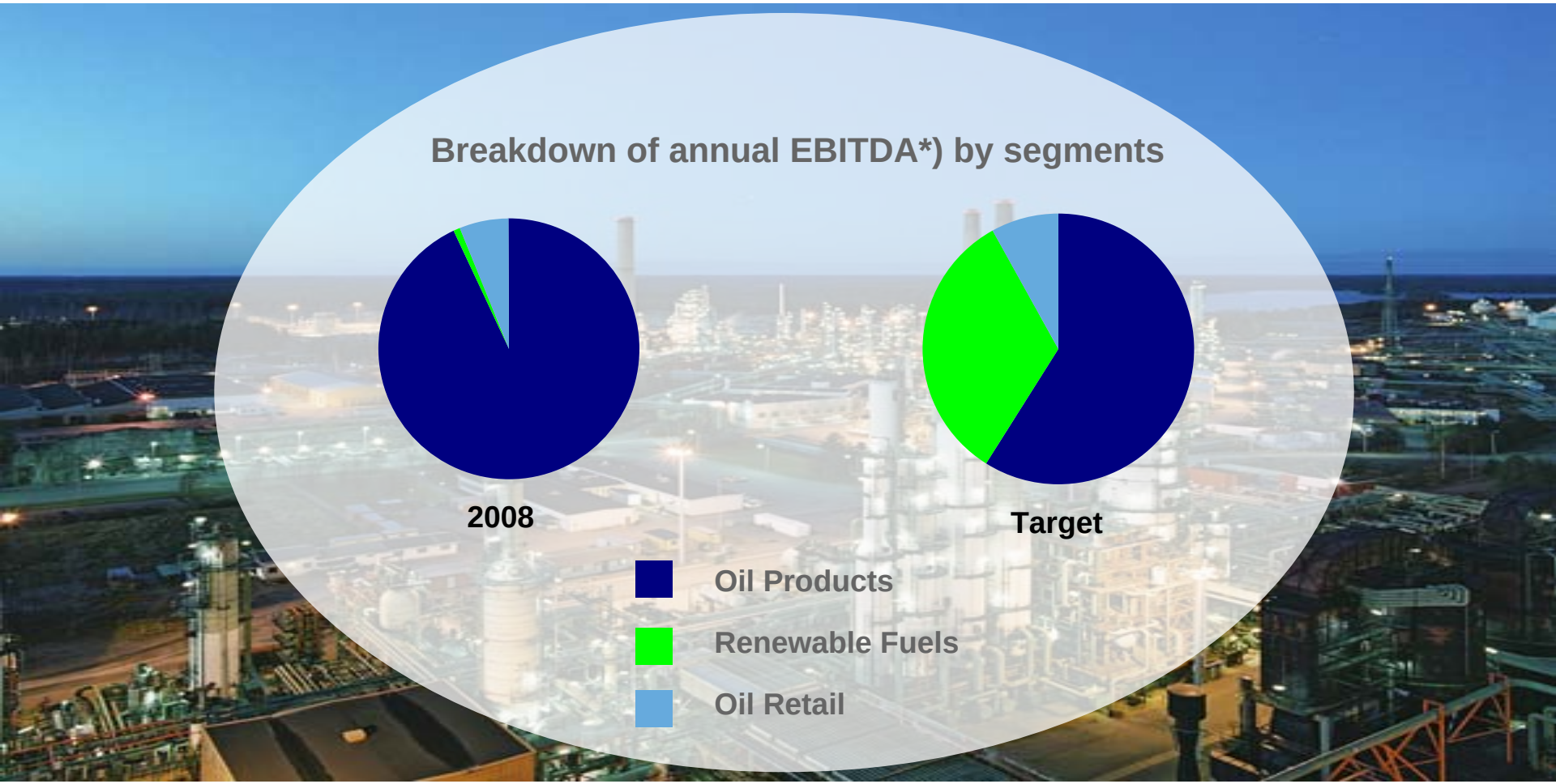


Focusing On Production Of Higher Value Products



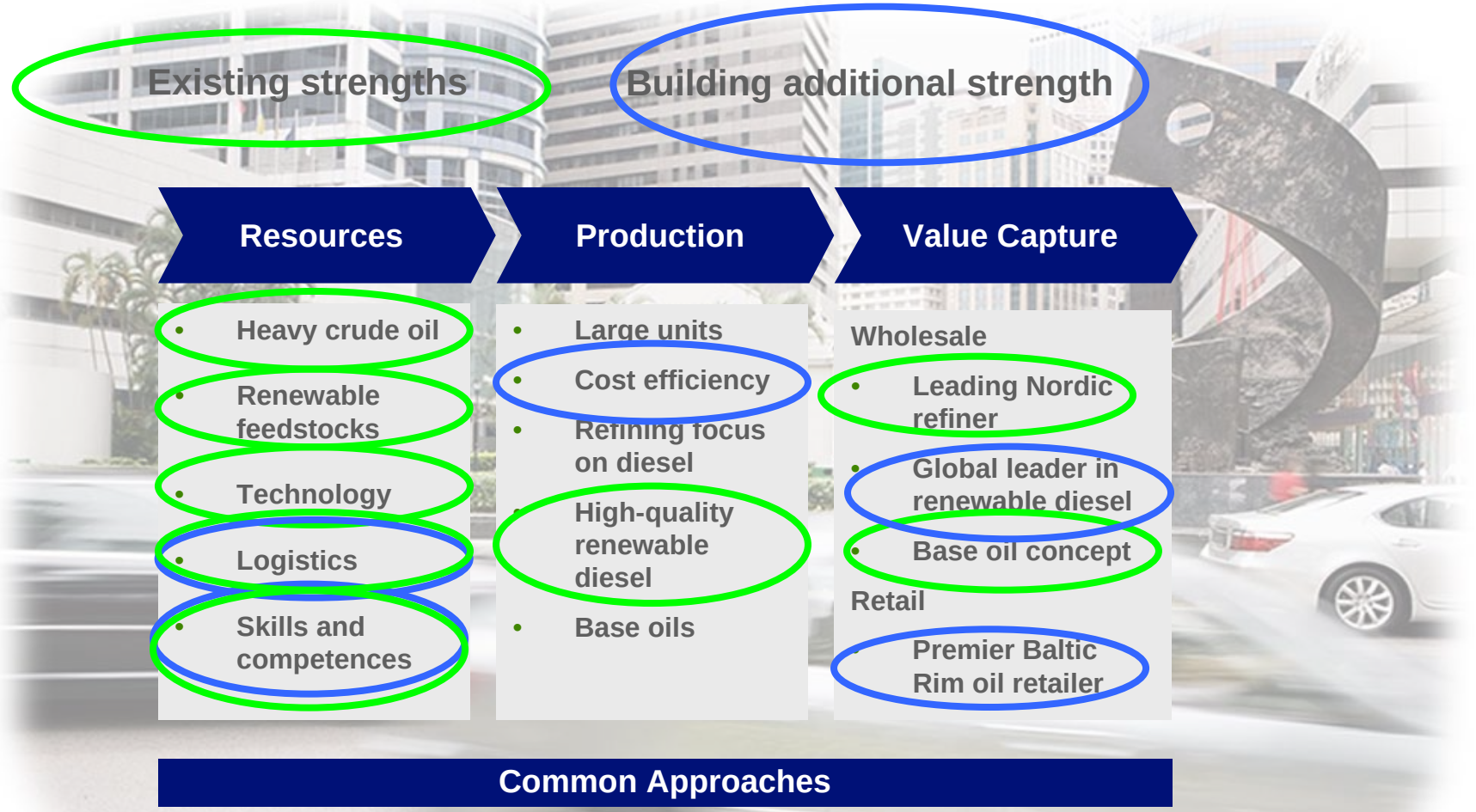
1) Represents proportion of crude oil-based middle distillates, base oils and renewable diesel in total production

Renewable Fuels Will Be A Significant Profit Contributor

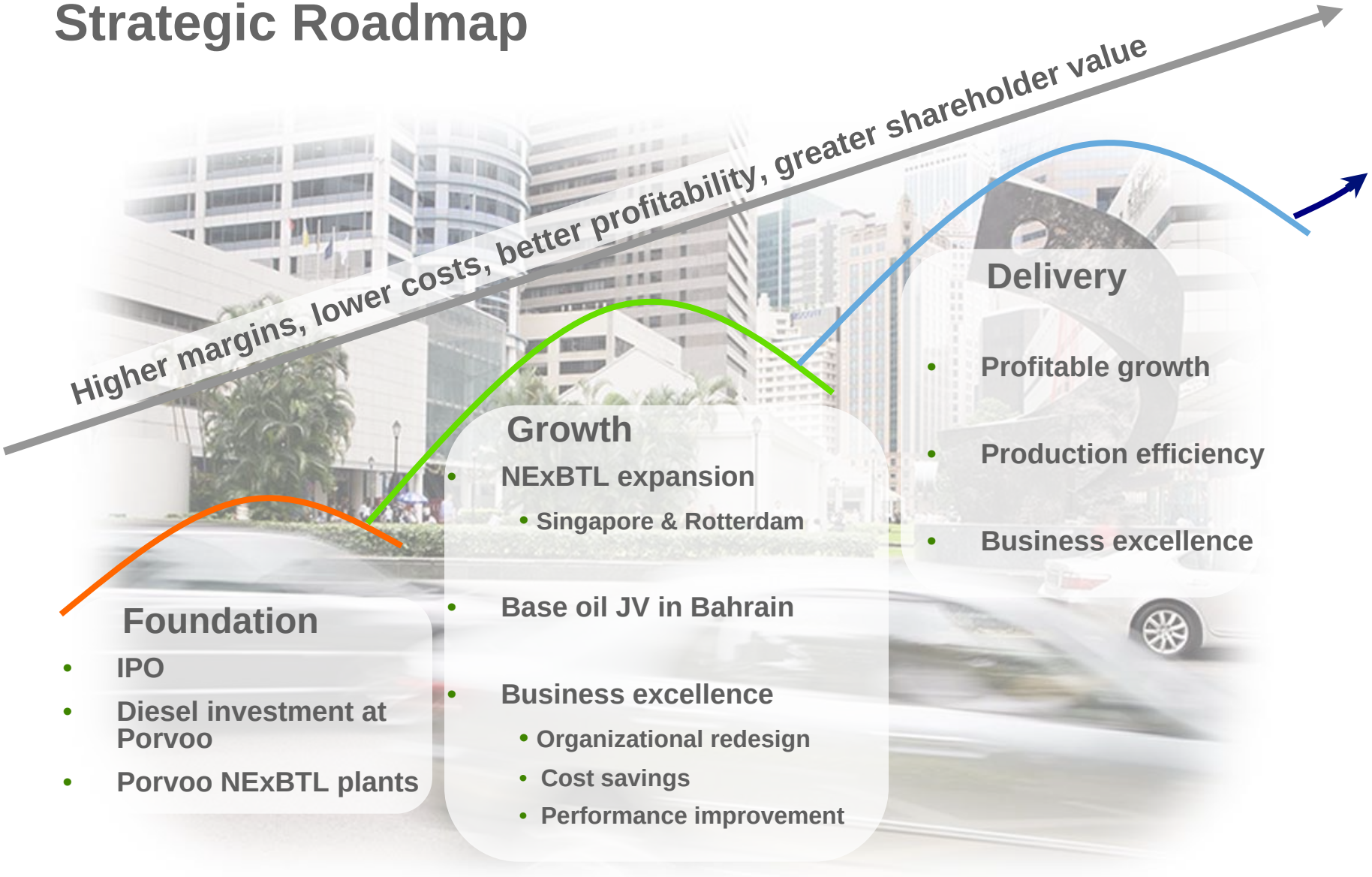


*) comparable EBITDA, excluding Others

Neste Oil's Business Model



Strategic Roadmap



Key Messages On Strategy

Past deliverables

- Share of diesel increased
- Renewable fuels growth initiated
- Position in base oils established
- Transformation of Oil Retail started
- New organization structure built

Challenges

Short to medium term

- Demand / supply
- Operational efficiency, costs
- Palm oil sustainability
- Competing technologies
- Regulation

Long term

- Oil demand
- Substitution
- Feedstock
- Sustainability

Delivery

Profitable growth

- Renewable diesel
- Base oils
- Baltic Rim retail

Production efficiency

- Refining and logistics system performance

Business excellence

- Organizational development
- Process development
- Performance culture

Future opportunities

- Nordic industry consolidation
- BTL and upstream

Main Business Trends And Our Responses

GHG regulation

- Increasing the share of renewables
- Smaller carbon footprint for refineries and logistics
- Fact-based advocacy; calculation and analysis

Growth in developing markets

- Good geographical spread of investments
- Capitalizing on regional imbalances
- Logistical flexibility

Higher energy prices long term

- Improving energy efficiency
- Growth in renewables
- Meeting competition with alternative fuels and substitutes

Changing consumer preferences

Stronger Neste Oil brand image via:

- Ease of use and convenience at retail sites
- Building product quality on renewable content
- Developing a sustainable business model

Roles Of Business Areas And Production & Logistics

Role

- Maximizing cash flow from refinery products by enhanced customer value offering
- Profitable growth generator in low carbon fuel market
- Captive marketing channel and the spearhead for the Neste Oil brand
- Cost-efficient and reliable operator of production and logistics system

Focus Areas and Challenges

- Strong market position around the Baltic Sea Area
- Capitalizing on logistics advantage
- Customer asset management
- Base oil growth

- Delivery of Singapore and Rotterdam projects
- Influencing regulatory processes
- Ensuring sustainable feedstock supply
- R&D focus on new products and processes

- Reaching premier position in focus market areas
- Lowest unit costs
- Optimizing sales margin

- PL4 performance
- Porvoo 2010 major turnaround
- Achieving premier refinery and fleet performance
- Singapore and Rotterdam start-up and operation

Organization

Matti Lievonen
President & CEO

Common functions

- **Production & Logistics** Ilkka Poranen
- **Finance** Ilkka Salonen
- **Human Recources** Hannele Jakosuo-Jansson
- **Sustainability & HSSE** Simo Honkanen
- **Technology & Strategy** Lars Peter Lindfors
- **Communications** Osmo Kammonen
- **Legal Affairs** Matti Hautakangas*

*Secretary to the Neste Executive Board, not a member

Business Areas

Oil Products	Renewable Fuels	Oil Retail
Matti Lehmus	**Jarmo Honkamaa** Deputy CEO	**Sakari Toivola**

We Are Committed To Delivering

Profitable growth

- Singapore and Rotterdam NExBTL projects
- Base oil growth
- Premier position in Baltic Rim retail

Production efficiency

- Porvoo Production Line 4 performance
- Refinery and fleet performance improvement
- Singapore and Rotterdam start-up and operation
- Efficient retail network and logistics

Business excellence

- Organizational and competence development
- Performance culture
- Cost leadership
- Customer focus
- Process improvement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Delivering Future Growth

Jarmo Honkamaa
Executive Vice President, Renewable Fuels
Deputy CEO

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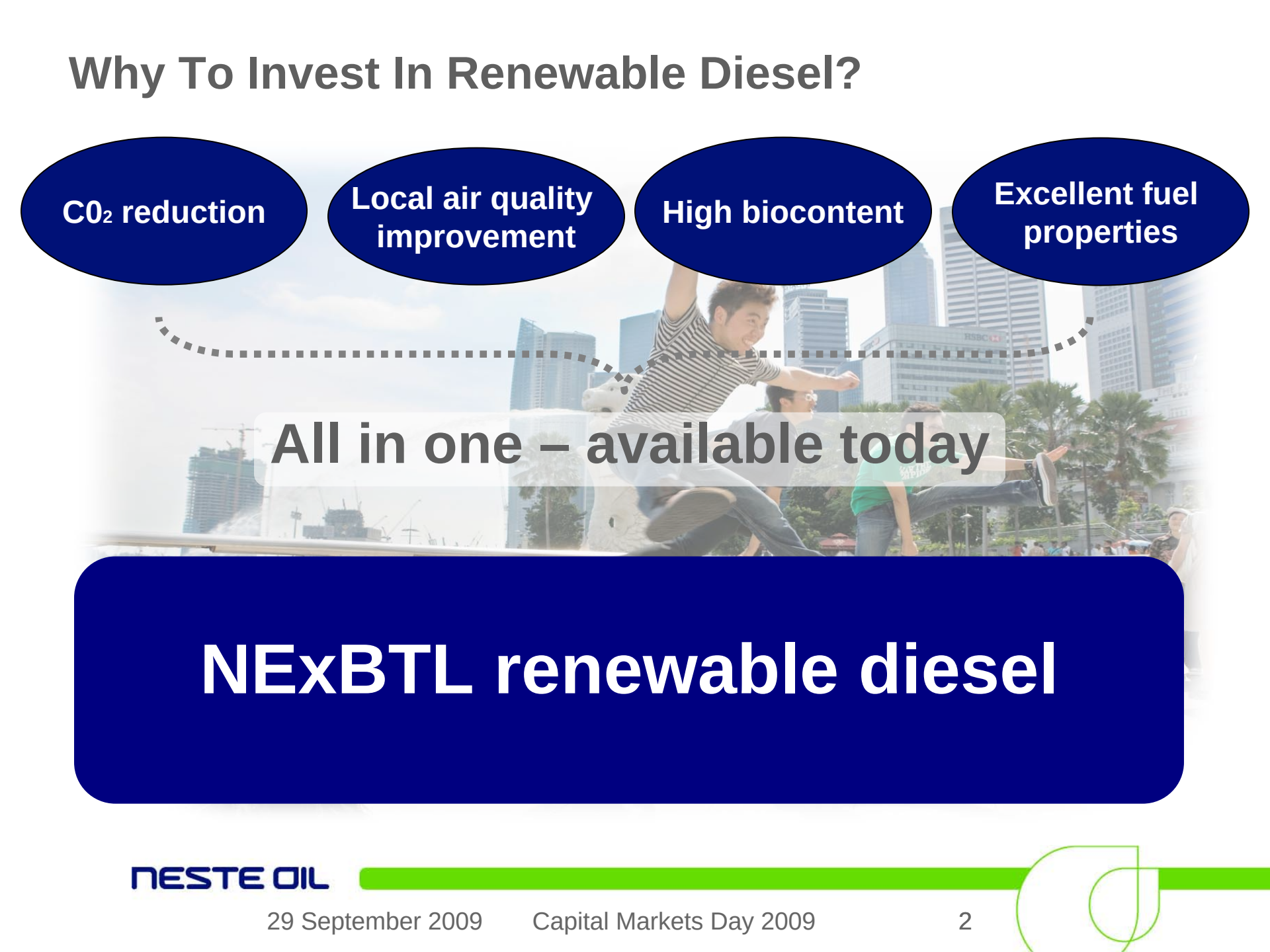
Why To Invest In Renewable Diesel?

- CO_2 reduction
- Local air quality improvement
- High biocontent
- Excellent fuel properties



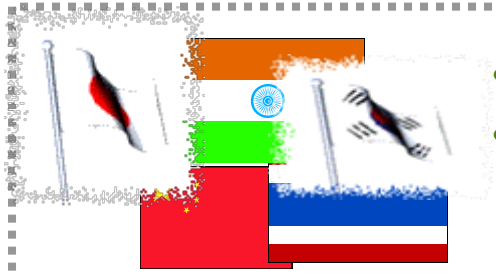
All in one – available today

NExBTL renewable diesel

Biofuel Legislation Is Progressing Globally

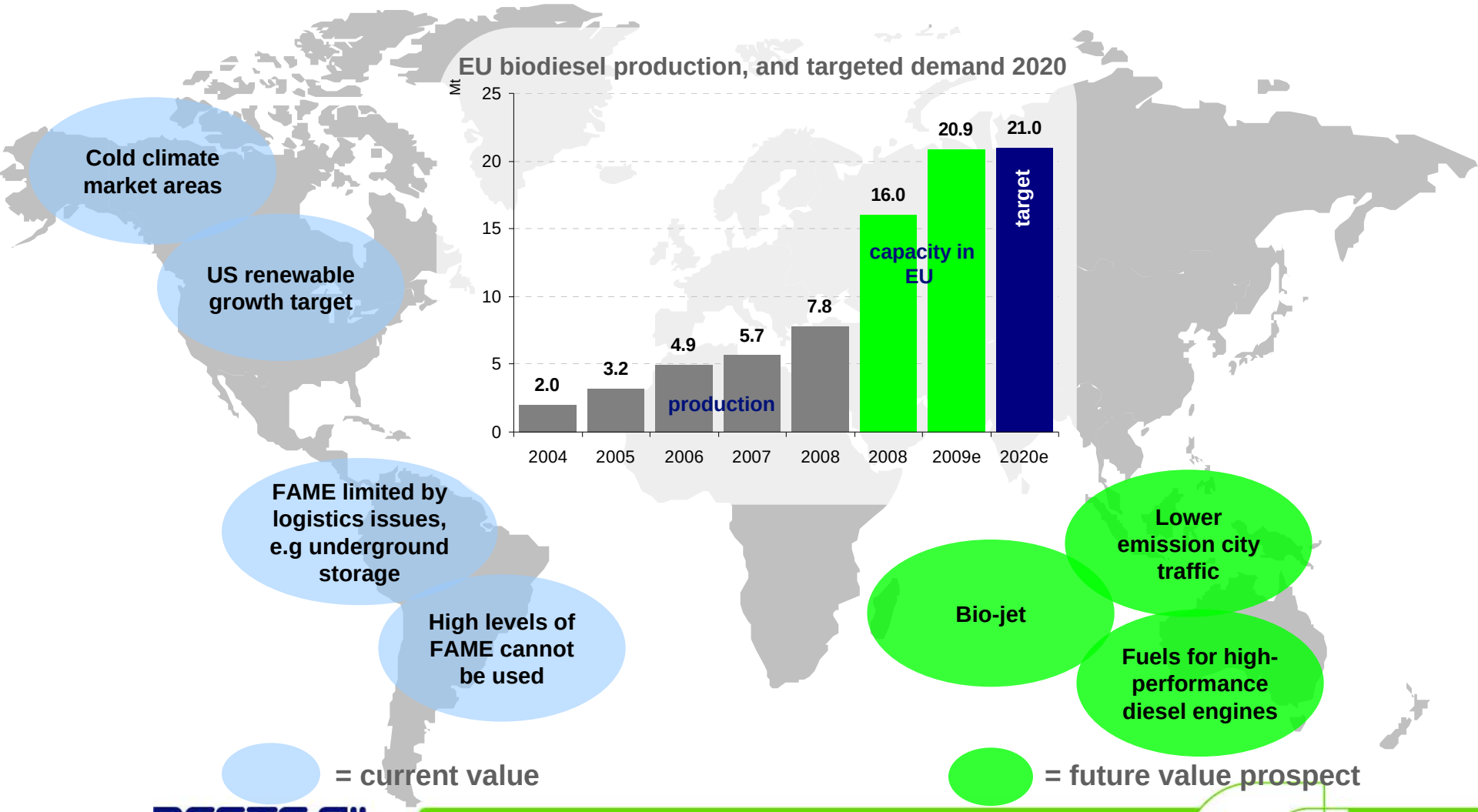
- Renewable Energy Directive (RED) to be implemented during 2010
- 10 % mandate by energy content for renewable traffic fuels by 2020 confirmed, but countries like Finland plans to accelerate implementation and increase targets

- Renewable Fuels Standard (RFS 2) to be approved by the end of 2009
  - Share of renewable fuels to increase from approx. 7 % in 2010 to approx 20 % in 2022

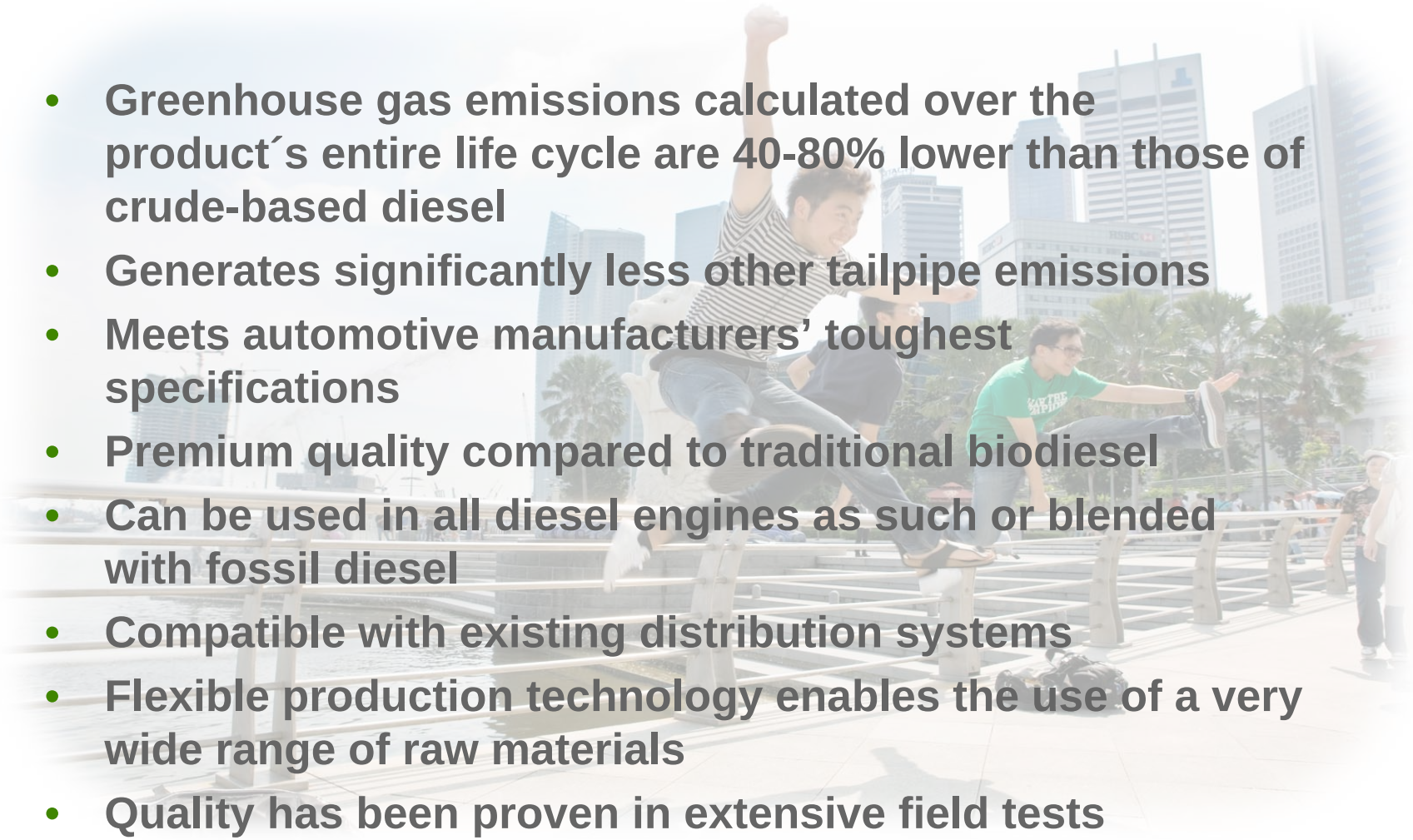


- Trend is towards increasing use of biofuels
- Rapidly growing air quality problems are seeing major urban areas looking for new solutions such as NExBTL renewable diesel

Potential Market For NExBTL Will Grow Globally To At Least 35 Million Tons By 2020



NExBTL Is The World's Best And Cleanest Diesel



- Greenhouse gas emissions calculated over the product´s entire life cycle are 40-80% lower than those of crude-based diesel
- Generates significantly less other tailpipe emissions
- Meets automotive manufacturers' toughest specifications
- Premium quality compared to traditional biodiesel
- Can be used in all diesel engines as such or blended with fossil diesel
- Compatible with existing distribution systems
- Flexible production technology enables the use of a very wide range of raw materials
- Quality has been proven in extensive field tests

Excellent results from long-term NExBTL field tests:

‘Biofuels as a step toward zero-emission transport‘

- **14 Mercedes-Benz trucks and buses in everyday service for the past year**
- **Significant reduction of pollutants and CO_2 emissions**
- **1 million kilometers covered without any issues**

- **Daimler:** “*The results from the first year of testing show that the fuel works perfectly in Mercedes-Benz trucks and buses and is tolerated very well by the engines. “This is very important for our customers because the previously used biodiesel from the so-called first generation of biofuels often leads to more frequent maintenance checks, which in turn leads to higher costs for the vehicle operators.”*

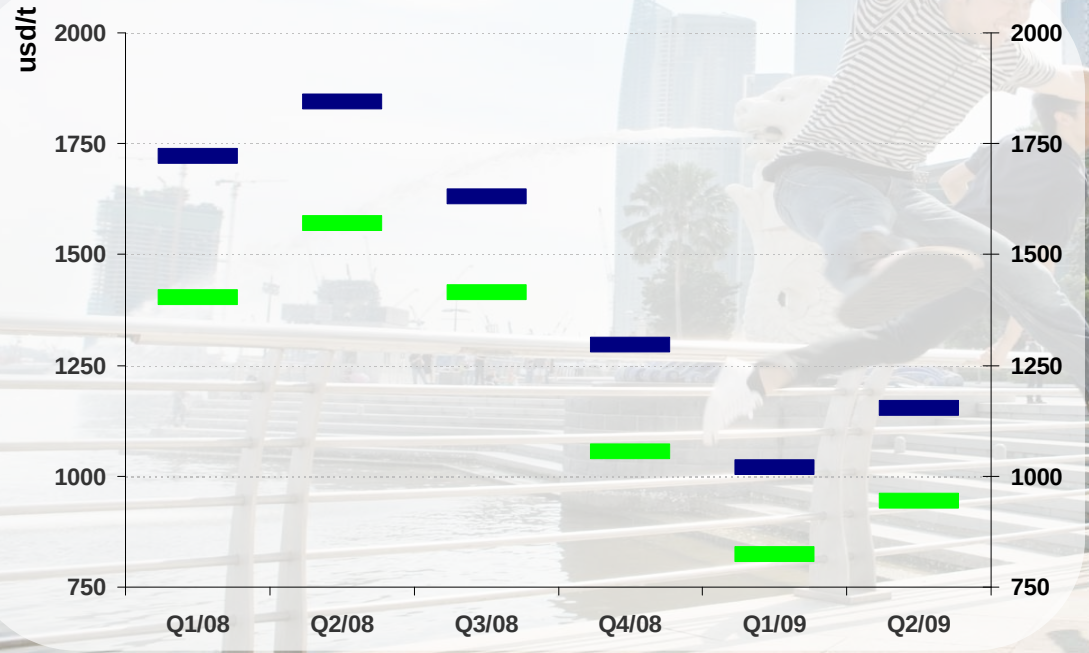
NExBTL Properties Justify Premium Pricing

Fuel properties	Biodiesel	Sulfur-free diesel fuel[1)]	NExBTL
Density at +15°C (kg/m^3)	≈ 885	≈ 835	775 ... 785
Cetane number	≈ 51	≈ 53	≈ 84 ... 99[2)]
Cloud point (°C)	≈ - 5	≈ - 5	≈ - 5 ... - 30
Heating value (MJ/kg)	≈ 38	≈ 43	≈ 44
Sulfur content (mg/kg)	< 10	< 10	≈ 0
Product stability	Unstable	Stable	Stable

NExBTL characteristics

- CO_2 reduction
- Cleaner emissions
- No implications for existing car pool
- No need to relax specifications to achieve high bio content
- Distribution in using existing oil refinery logistics
- No need to compromise fuel quality

NExBTL Premium Compared To Biodiesel

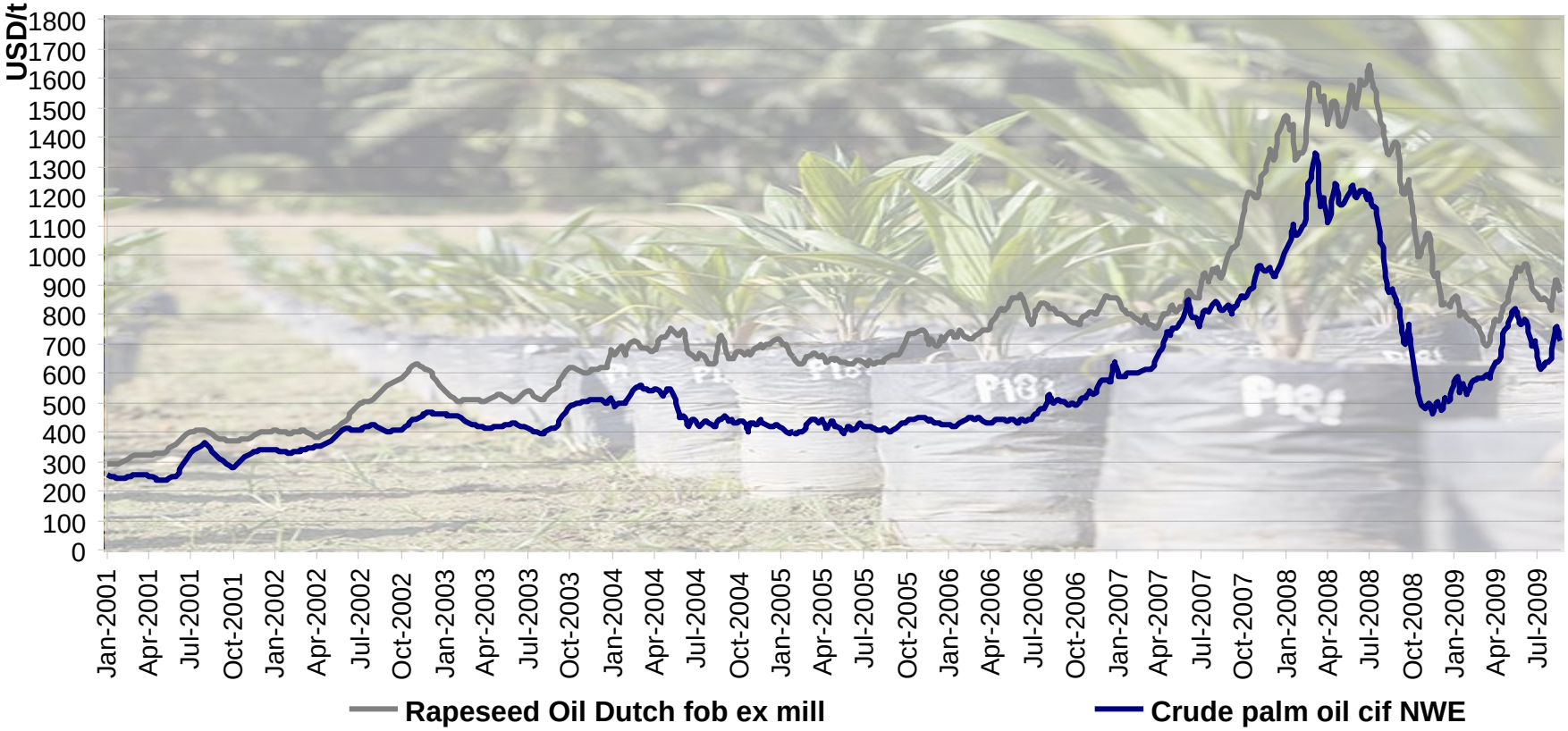


Average premium in Q1/08-Q2/09: $240/t

NExBTL value drivers

+ Technical blending value
+ Energy content
+ Other properties and ease of use

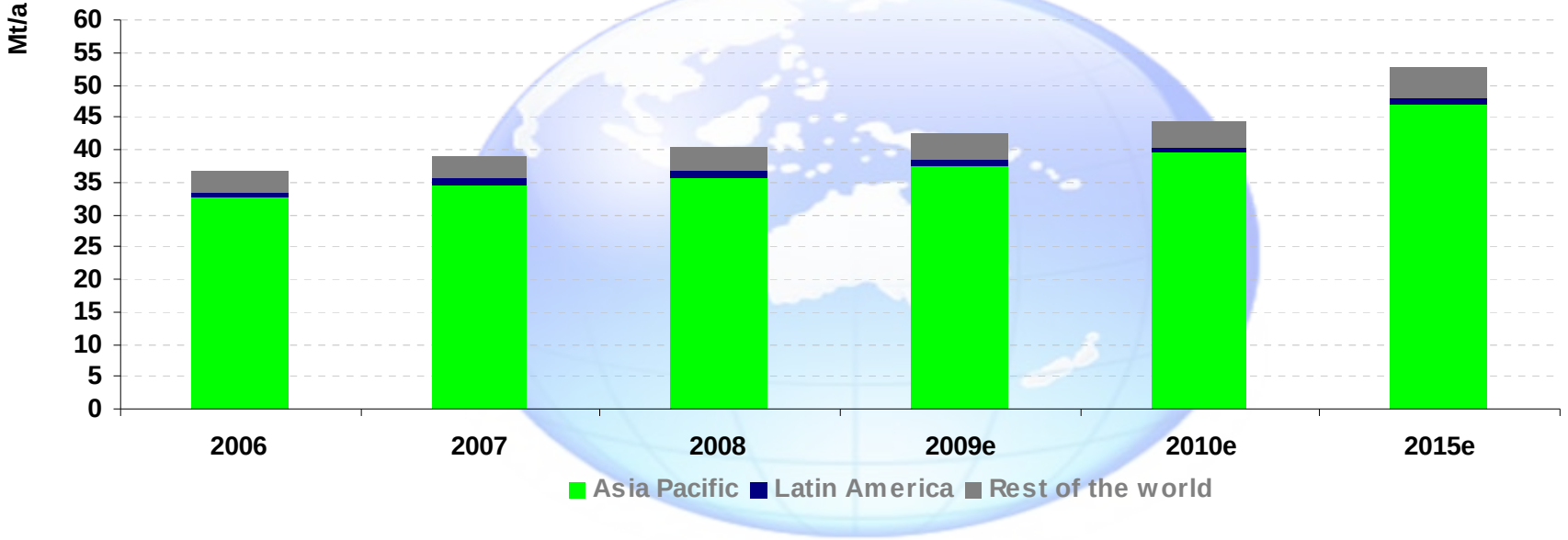
Feedstock Flexibility Helps NExBTL Economics



Average rapeseed – palm oil differential between 2001-2009 approx.$200/t

Source: OilWorld

Projected Global Palm Oil Production



Source: Woodmackenzie multi-client study Global Biofuels 2020

- **Neste Oil's maximum requirement will be around 2.4 Mt/a, which corresponds to approx. 4% of estimated production in 2010**
- **Energy use of palm oil will grow, but biofuels will only account for 5% of total production**
- **Neste Oil is currently the biggest customer for certified palm oil**

NExBTL Economics Look Healthy

Note: the following is based partly on assumptions and is shown for modelling purposes only

Estimated NExBTL margin in the 12-month period (July 08 – June 09)

	$/NExBTLt
Gross Margin [1)]	**400**
Utilities & hydrogen [2)]	125
Sales Margin	**275**
Fixed costs [2)]	50
Net Cash margin (EBITDA)	**225**

1) **Gross Margin: NExBTL price and by-products revenue less feedstock costs, including logistics and sustainability cost. All figures are average market prices for July 2008 – June 2009.**
2) **Operating costs are based on estimated average annual costs at the Porvoo, Singapore and Rotterdam plants during normal operations**

NExBTL yield is assumed at 80% of total feed. The remainder consists mainly water, biogas and some biogasoline. These yields might vary depending on the operating mode of each plant.

NExBTL Projects Are Proceeding According To Plan

Plant	Capacity	Investment	Status
Porvoo 1	170,000 t	€100 million	Onstream
Porvoo 2	170,000 t	< €100 million	Onstream
Singapore	800,000 t	€550 million	Completion in H2/2010
Rotterdam	800,000 t	€670 million	Completion in summer 2011

- Start-up of Porvoo 2 plant this summer was a success
- Singapore and Rotterdam organizations are growing rapidly during 2009
- Feedstock and sales negotiations for Singapore and Rotterdam are underway
- Experience from running the Porvoo plants will be valuable when starting up the new plants

NOSE: JV With Stora Enso To Develop Renewable Diesel From Forest Residues

- Demonstration plant at Stora Enso's Varkaus Mill in Finland
  - Start-up in late 2009
  - Expand production to commercial scale
- The project combines expertise from Neste Oil, Stora Enso, and VTT (Technical Research Centre of Finland)

Steam (energy equivalent to 100,000 t/a of fuel oil)

Forest biomass 1 million t/a

Drying

Gasifier

Gas purification to Ultra Clean Gas

Fischer-Tropcsh Synthesis

Biodiesel crude wax to refining, 100 000 t/a

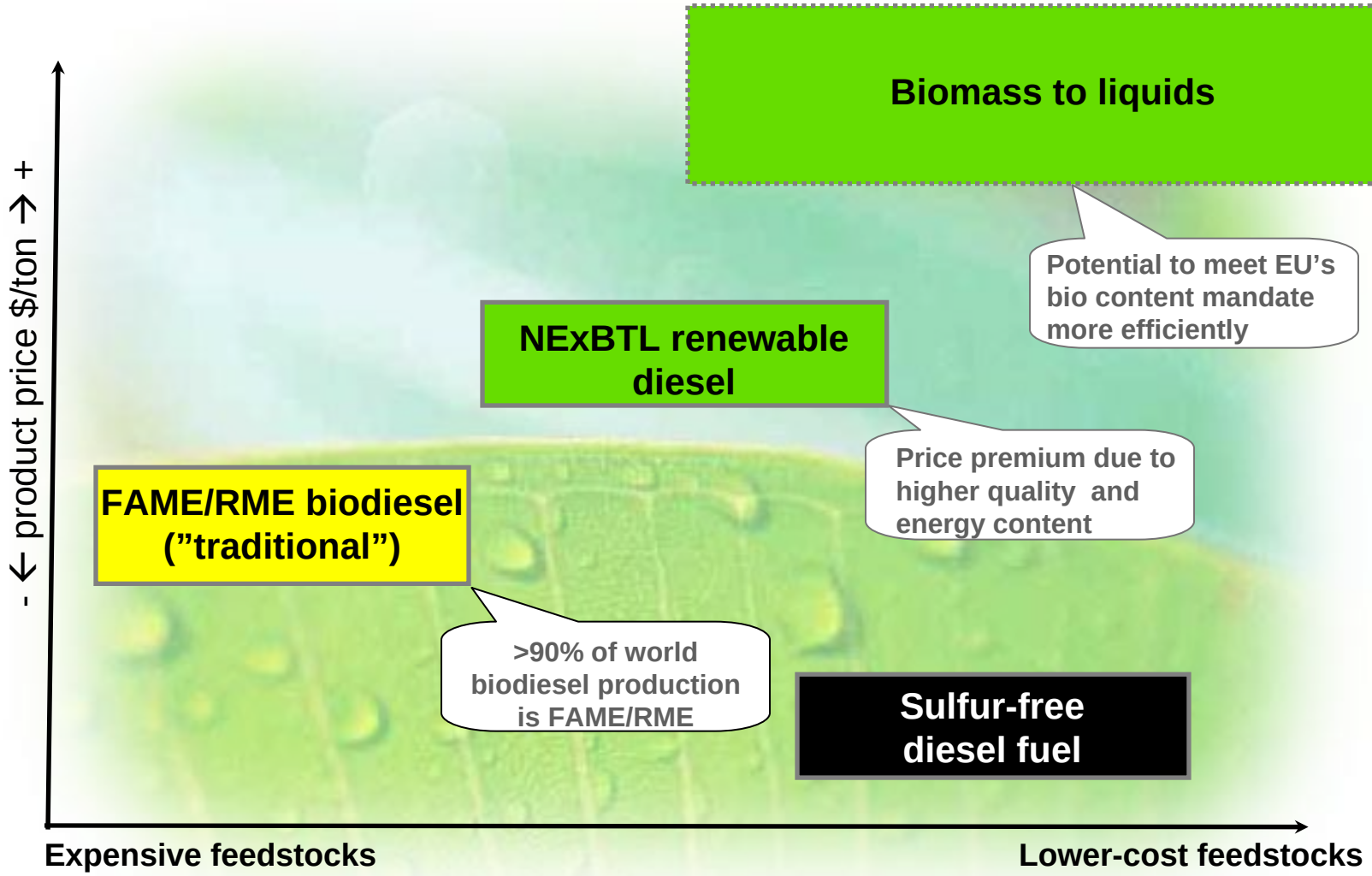
REFINING WAX INTO FUEL

STORAENSO

NESTE OIL

STORAENSO Joint Venture NESTE OIL

Competitiveness Of Neste Oil's Renewable Fuels



illustrative example

Summary

World leader in renewable diesel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Developing Sustainable Business Model

Simo Honkanen
Senior Vice President, Sustainability and HSSE

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Neste Oil Is A Leader In:

TECHNOLOGY

SUSTAINABILITY

HSSE

Sustainability: Economical - Ecological - Social

Dow Jones Sustainability Indexes
Member 2009/10

Neste Oil has been selected as an index component three times globally and 1st time on a European level.

- **Overall score improved by 1%**
- **Economic dimension: best in the industry**
- **Environmental dimension: good**
- **Social dimension: better than average within the industry**
- **Best improved dimensions: brand management, standards for suppliers and stakeholder engagement**

Our Sustainability Policy Statement

- We are socially responsible, environmentally sound and economically viable
- All our actions are safe for us, our neighbors, contractors, customers and the environment
- We act responsibly in society and respect human rights wherever we operate
- We provide our customers with products that help tackle sustainability issues such as global climate change and improve local air quality
- We are committed to engaging with our stakeholders and participating in multi-stakeholder initiatives to help develop more sustainable solutions
- We use natural resources responsibly and are actively working towards a more sustainable supply chain

Sustainability And HSSE - Foundation Of Responsible Operations

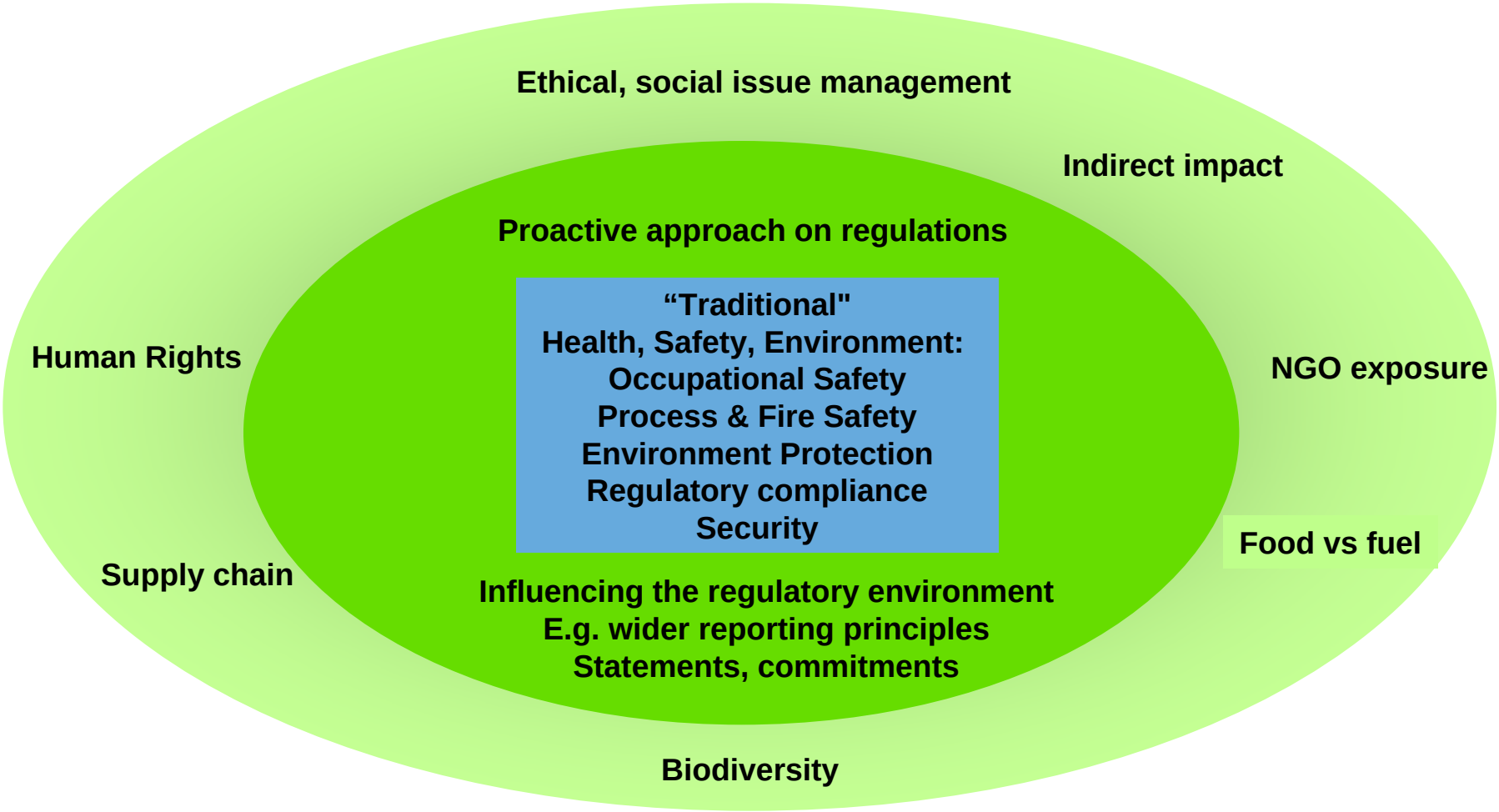
- Creating a sustainable business model

Our Role:
Ensuring safe operations and responsible procedures across all activities. Supporting the Business through reduced risk position and contributing leading stakeholder perception in operational excellence, responsible and environmentally sound performance and sustainability.






Our Businesses Have Different Requirements

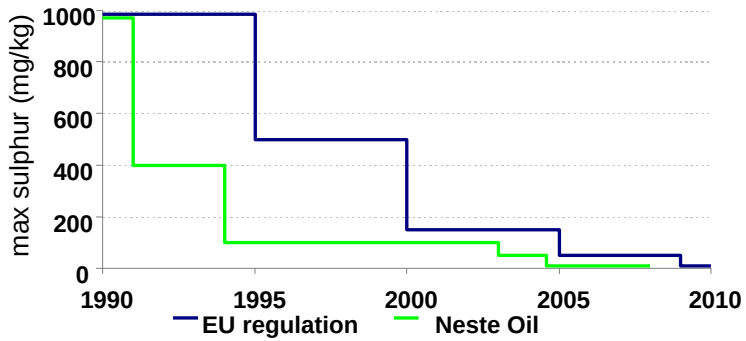


Environmental Analysis

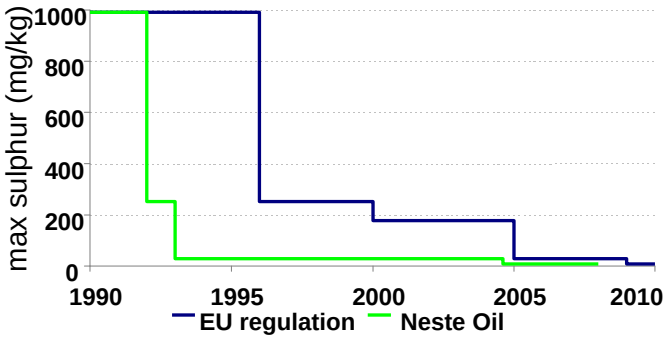
Area	Role	Business Implications
Environment, Product Stewardship	**Measuring performance and environment; management systems; compliance**	**- Legislation continues moving towards stricter regulations; e.g. BAT, REACH - Liability resulting from non-compliance becoming more severe - Increased need for environmental awareness - Monitoring of regulative changes essential**
Sustainability, Regulatory Affairs	**Fulfilling regulatory requirements; ensuring sustainable procedures and leading perception**	**- European legislation is critical; window to influence developments is open - NGO's and IGO's are leading the debate - Risk of subjective political decision making (science ignored) - Identify the cost implications of sustainability - Building up and maintaining outstanding procedures**
Safety	**Behaviour-based, fire and process safety; ensuring safe operations**	**- Good basic safety performance must be the foundation - Improved safety performance needed to lower risk position - Harmonised safety procedures required across the Group - Increased need for process safety awareness in daily work - Ensuring good safety performance at new plants - Increase visibility in the field; observation tours**

Neste Oil's Strong Track Record In HSSE

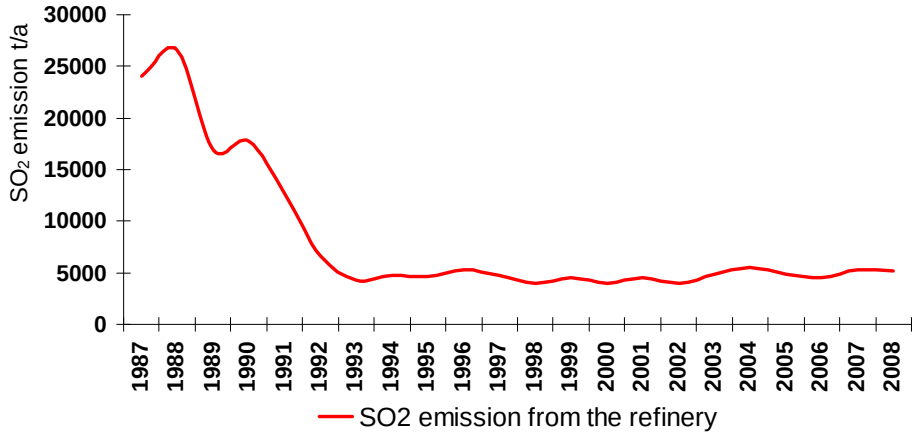
Sulfur in motor gasoline



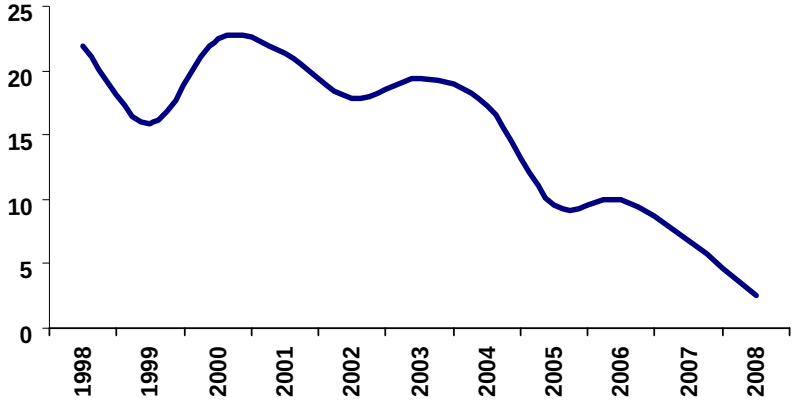
Sulfur in diesel



Environment: SO_2 emissions Porvoo refinery

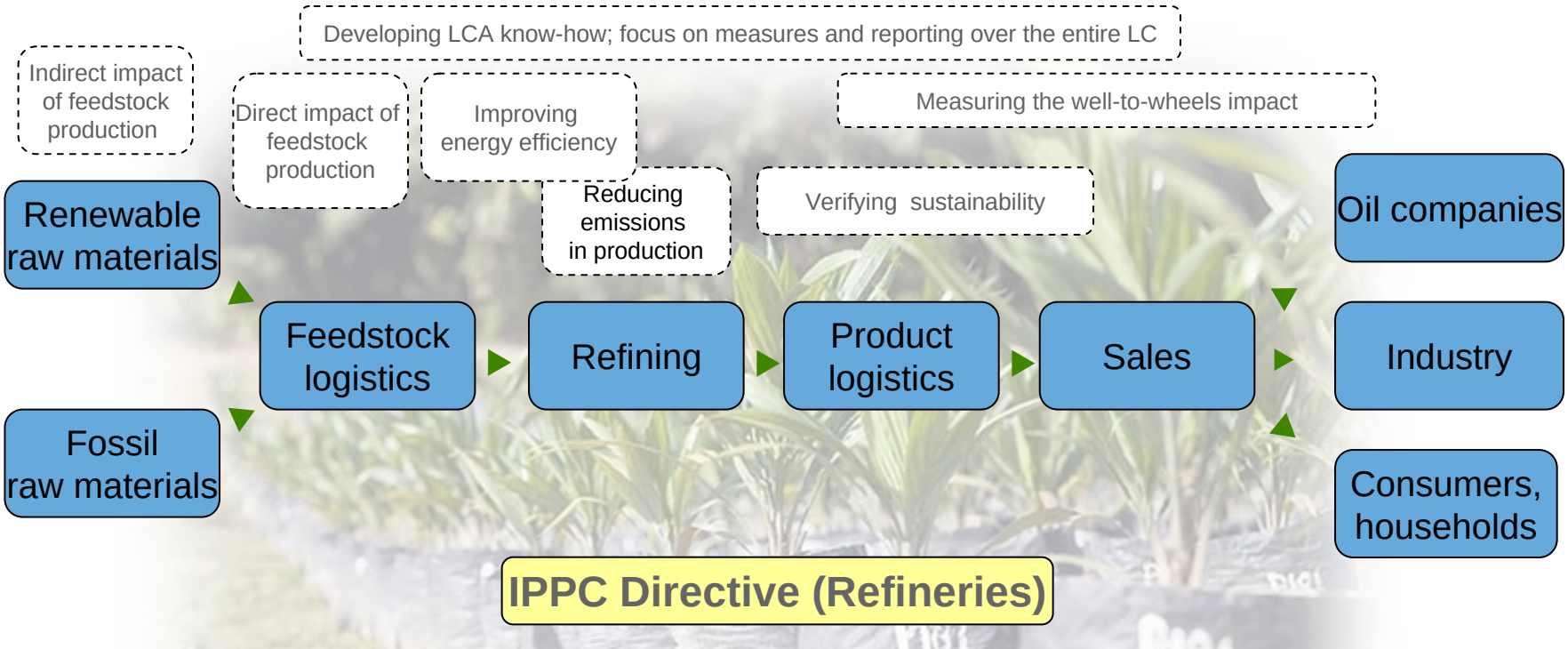


Safety (TRIF, oil refining, own personnel)

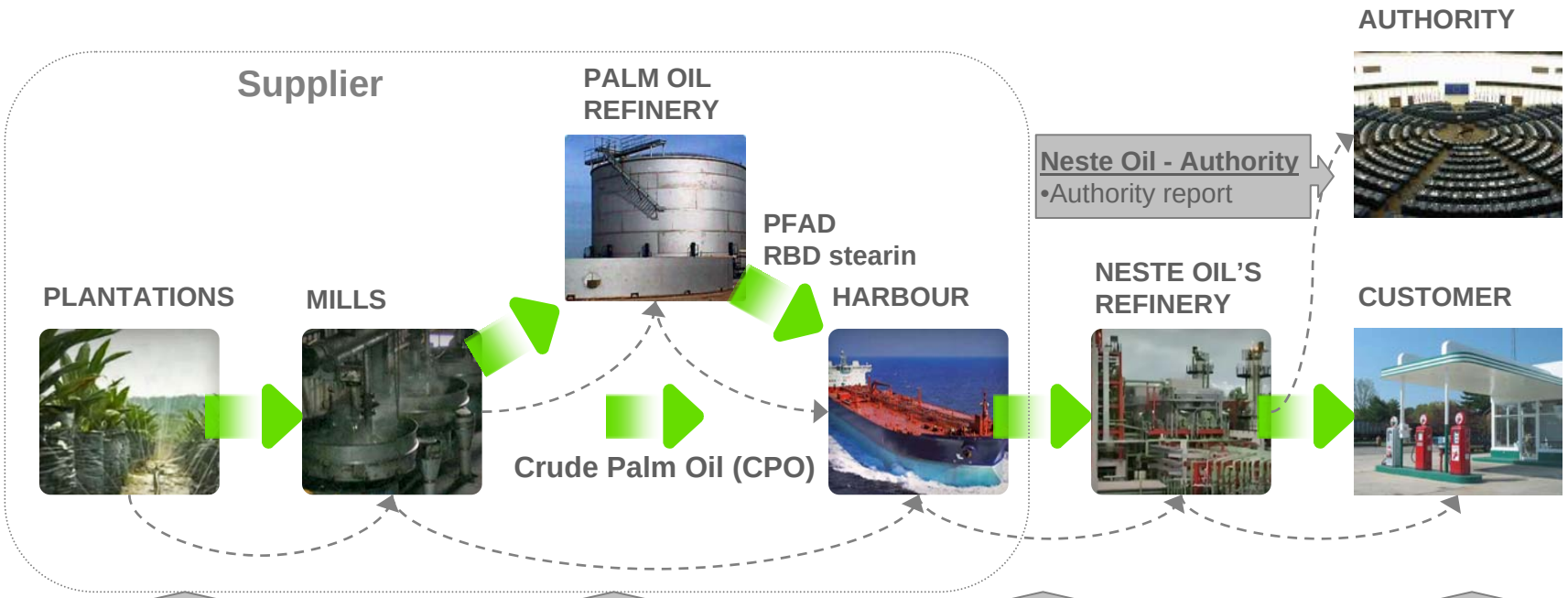


- **"HSSE" is getting a wider content and covers the whole supply chain**
- **Outstanding companies are committed to continuous improvements over the whole life cycle of their products**

Supply Chain Management Is The Key



Neste Oil's Palm Oil Chain Of Custody



Plantation - Mill
- Approved mills (Appendix of the agreement including name of plantation, Previous land use, plantation history and establishment year)
- Truck loading/discharging (FFB) documents

Mill - (Refinery) - Harbour
- Summary of plantations of origin for each barge
- Summary of discharging of barges
- History of shore tanks of harbour

Supplier - Neste Oil
- B/L
- Shoretanks measurement (+)
- CoC report (++)
- Certificate of quantity (+)
- Certification of quality (+)
- Certification of origin/T2L
- RSPO certificates
- Ullage report (+)

Neste Oil - Customer
- Customer specific reports
- B/L
- Shoretanks measurement (+)
- CoC report (++)
- Certificate of quantity (+)
- Certification of quality (+)
- Certification of origin/T2L
- RSPO certificates
- Ullage report (+)

PFAD = Palm Fatty Acid Distillate
RBD stearin = Refined Bleached and Deodorized stearin

Life in Borneo November 2008

Neste Oil's View On Feedstocks

Read More About Our Approach To Sustainability

www.nesteoil.com/....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Performing In A Volatile Oil Market

Matti Lehmus
Executive Vice President, Oil Products

Capital Markets Day
29 September 2009

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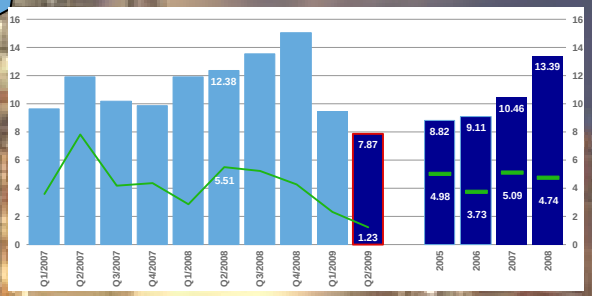
Key Trends Impacting Refining Margins

Supply growth slowing down

Demand growth to resume after steep drop

Regional imbalances



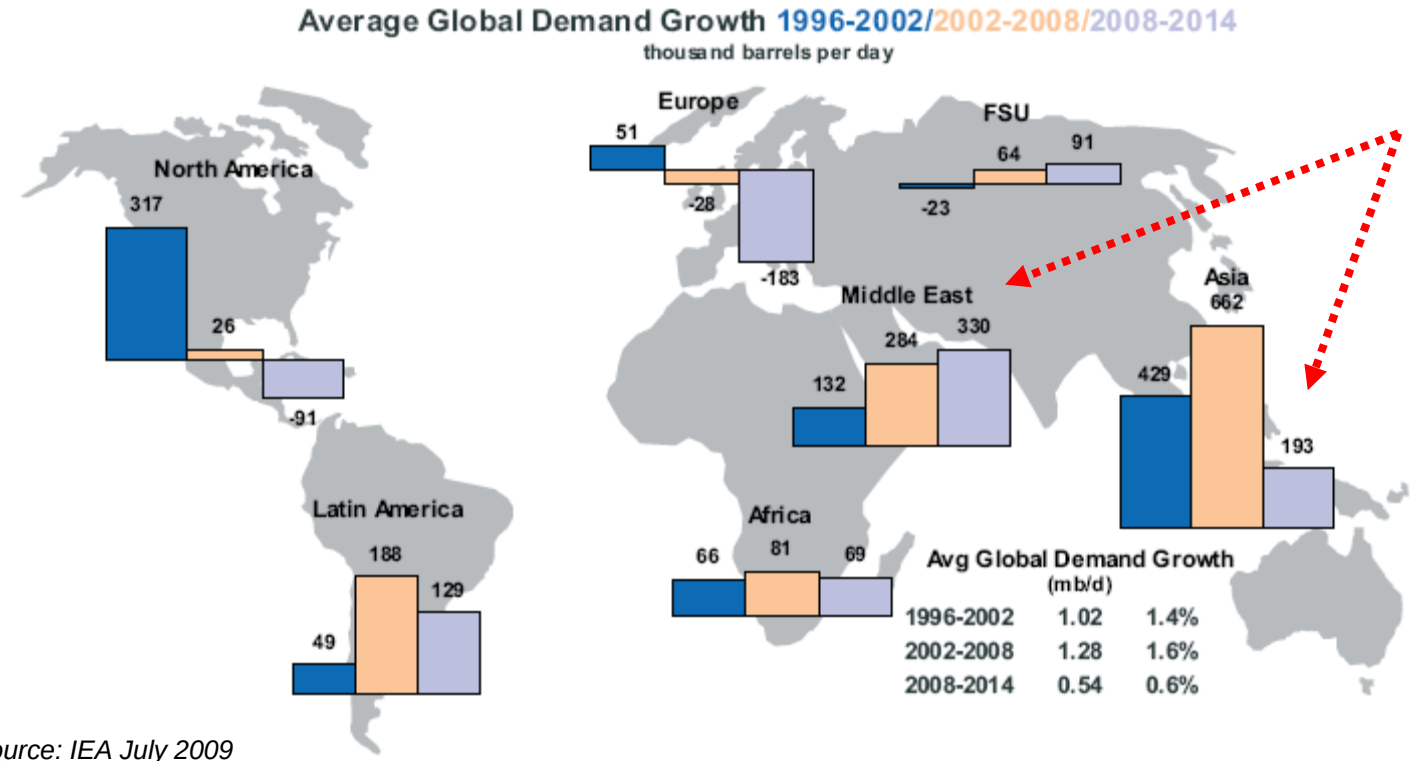
Heavy-light differential to widen moderately

Regulatory trends

Demand Growth Shifting To Developing Markets

- Global growth set to continue at 1.4 %/a after the steep drop in 2009
- Asia and Middle East are the main growth markets while OECD demand continues to shrink

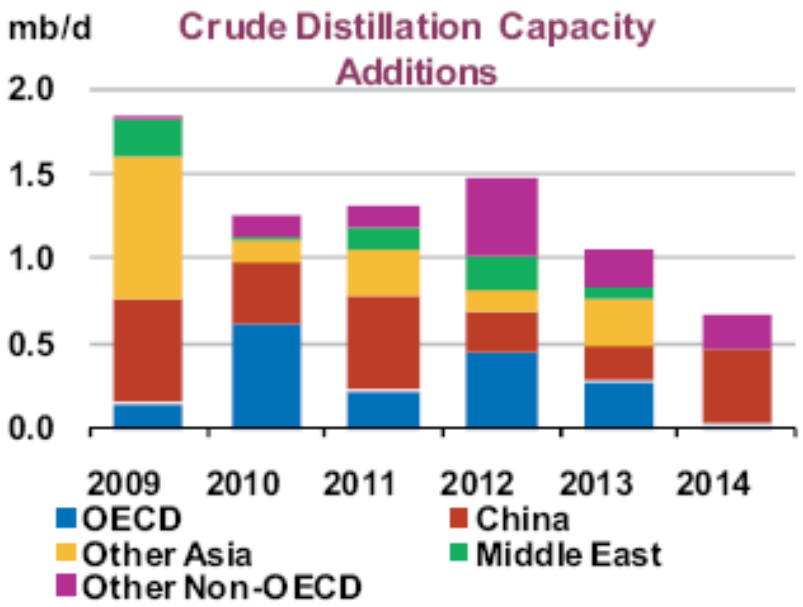
	Mbpd (2008)	Growth %/a in 08-14
North America	24.3	-0.4
OECD Europe	15.2	-1.3
OECD Pacific	8.0	-3.3
Asia	17.5	2.3
Middle East	7.0	4.3
Latin America	5.9	2.1
FSU	4.2	2.1



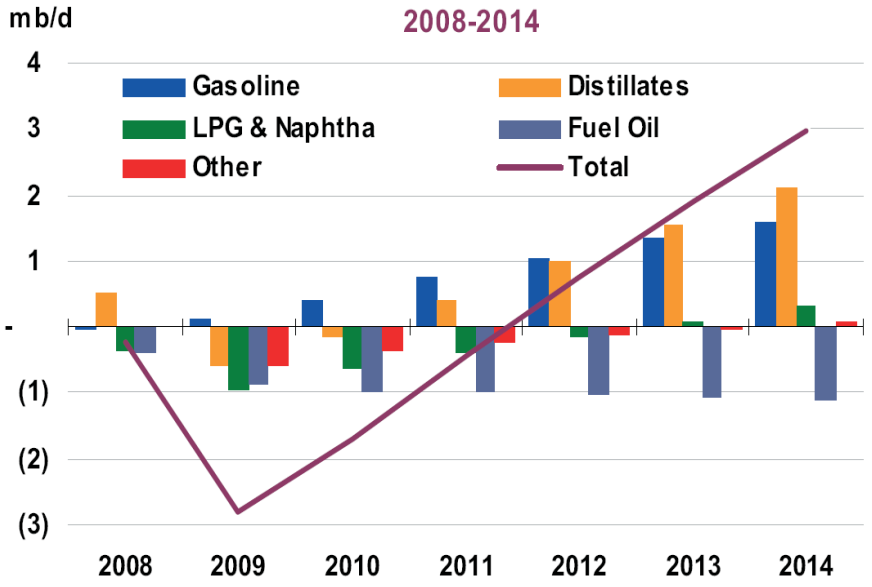
Source: IEA July 2009

Supply Growth Slowing Down – Restoring Global Demand Will Take Some Time

Global supply growth forecast 2008-14: Investment postponements reducing growth



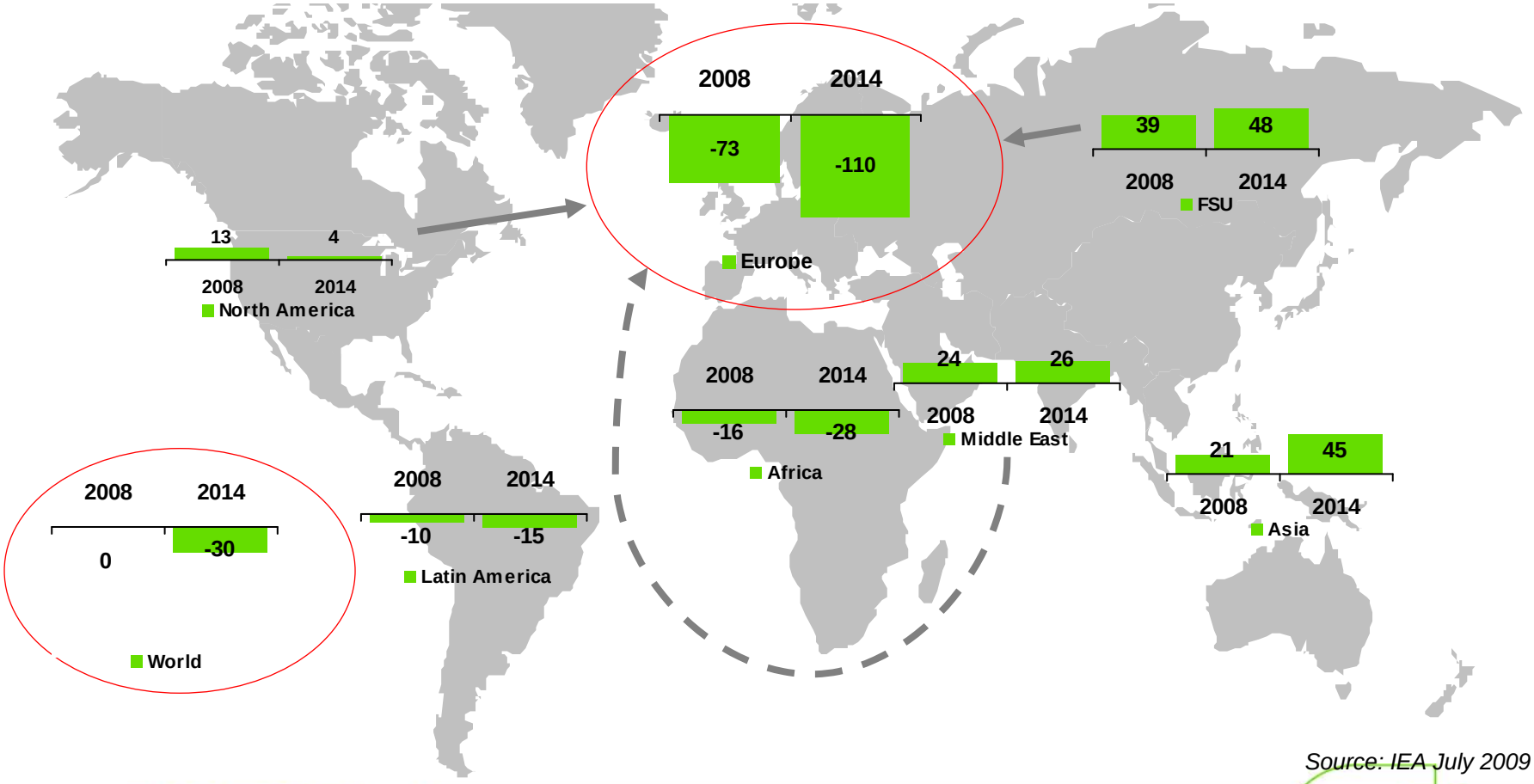
Global demand growth forecast 2008-14: Distillates and gasoline driving growth



Source: IEA June2009

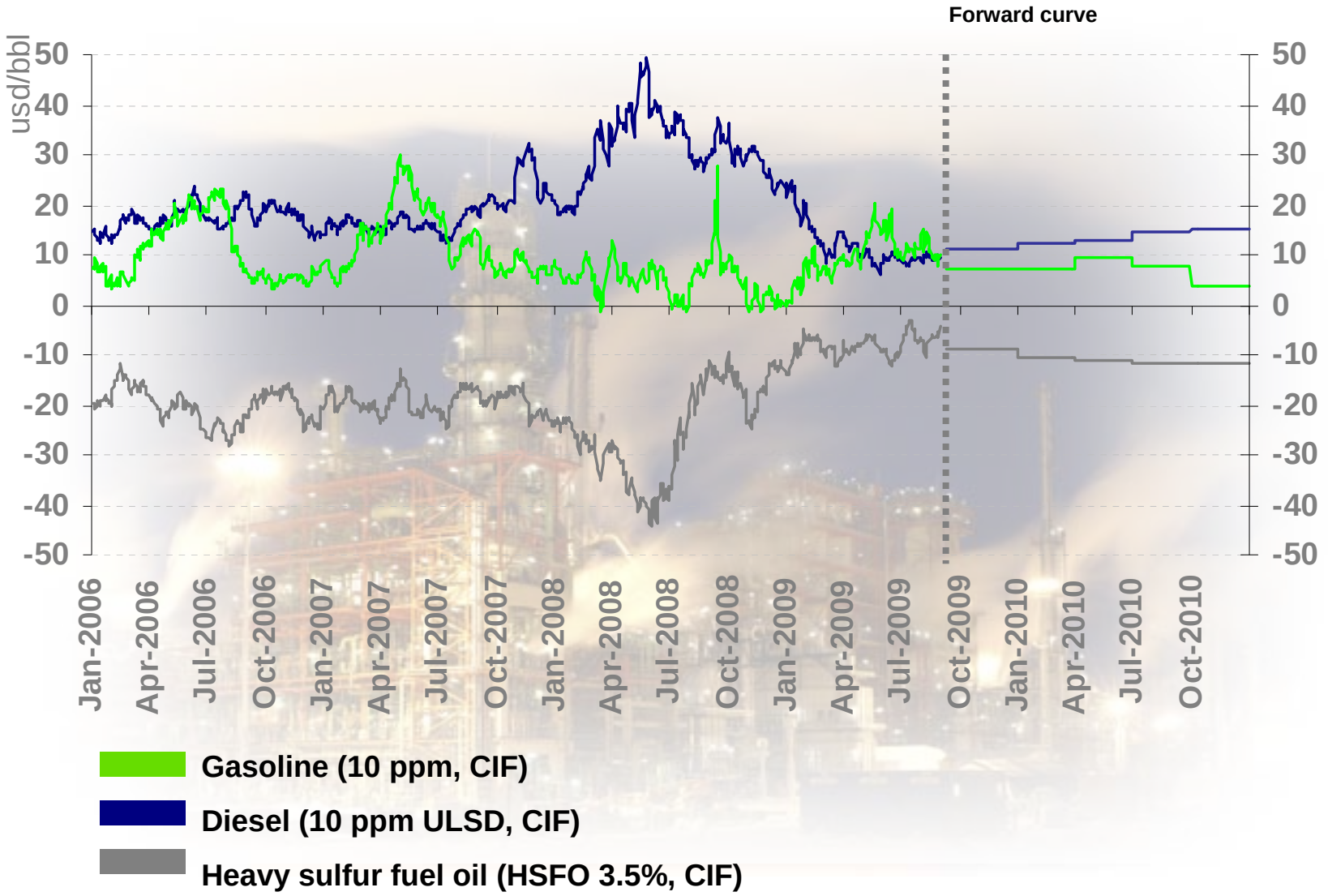
Distillate And Fuel Oil Balances Will Eventually Tighten Again Despite Supply Growth

Forecasted regional evolution of middle distillates supply/demand balance 2008-14 (Mt/a)



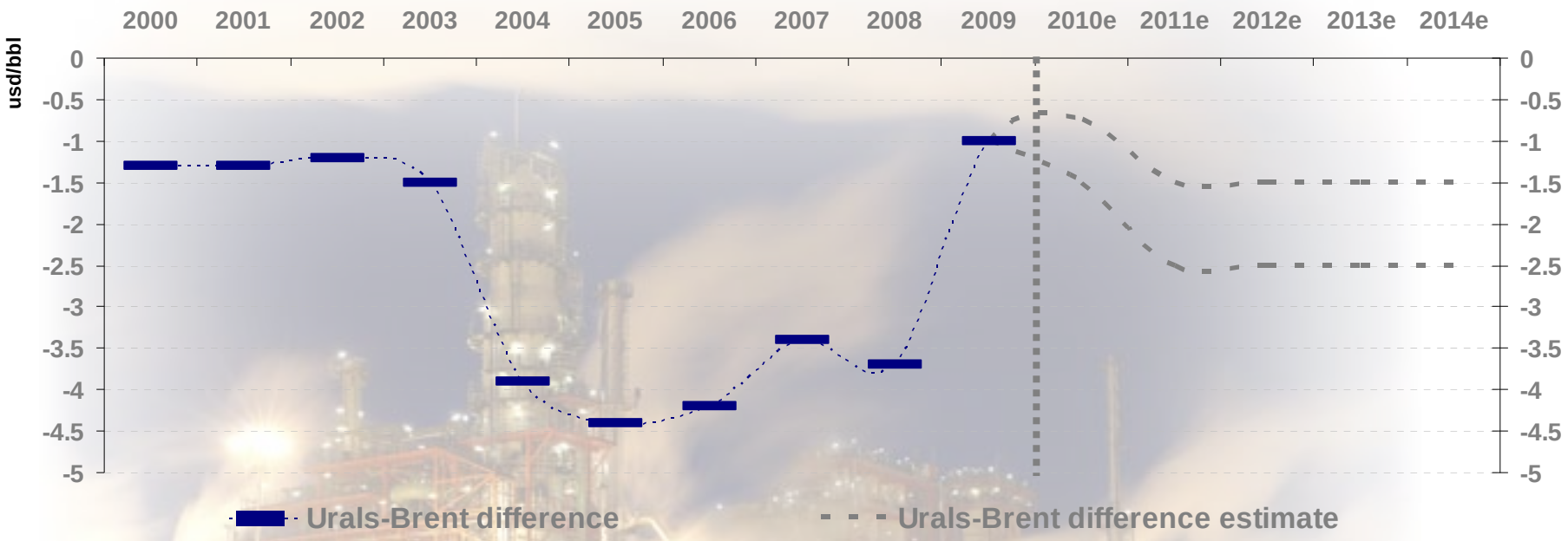
Source: IEA July 2009

Gradual Recovery Expected For Diesel Margins



Sources: PVM. Tullet Prebon, Mitsui, Platt´s

Heavy-light Differential Is Expected To Widen Moderately



Key drivers affecting the differential

- Nominal crude price
- Fuel oil balance
- OPEC run cuts of heavy crudes
- Arbitrage flows to USG and Asia
- Development of export logistics infrastructure

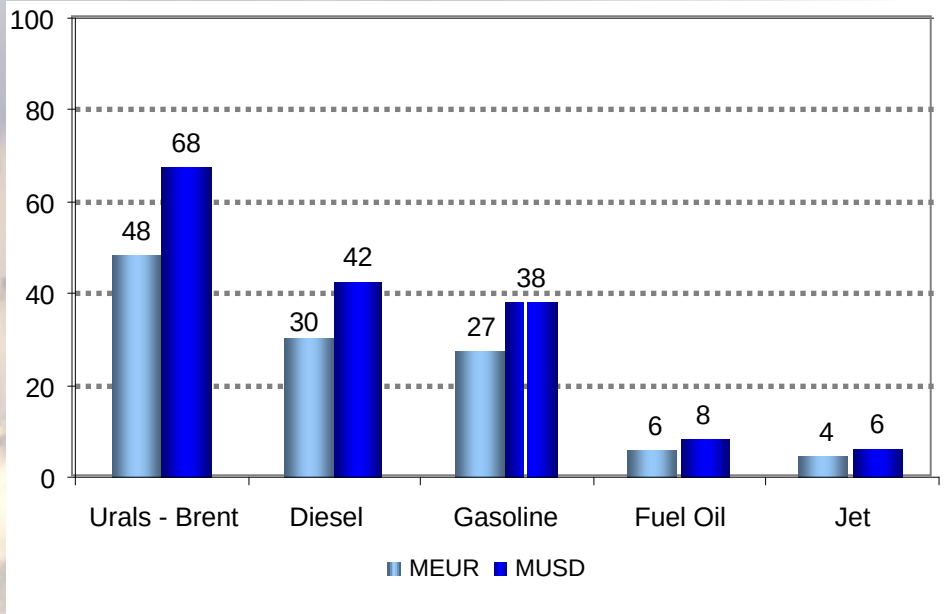
Macroeconomic recovery expected to lead to moderately wider Urals differentials

Data source: history Argus, forecast Neste Oil view and Wood Mackenzie

Neste Oil Is Well Positioned In The Current Market

- Focus on middle distillates - distillates-driven growth to resume
- Access to competitive feedstock supply and ability to process heavy crudes
- Ability to produce high-value product slate (high-quality diesel, gasoline and base oils)
- Logistics flexibility

Estimated impact of $1/bbl change in key market parameters on Oil Products' annual comparable EBIT



Note: Assumed USD/EUR exchange rate is 1.4

Oil Products' Business Priorities

Strong position in focus markets

- Focus on strong position in Baltic Sea market
- Provide solutions to meet growing biomandate
- Focus on highest-value export markets

Growth in selected market areas

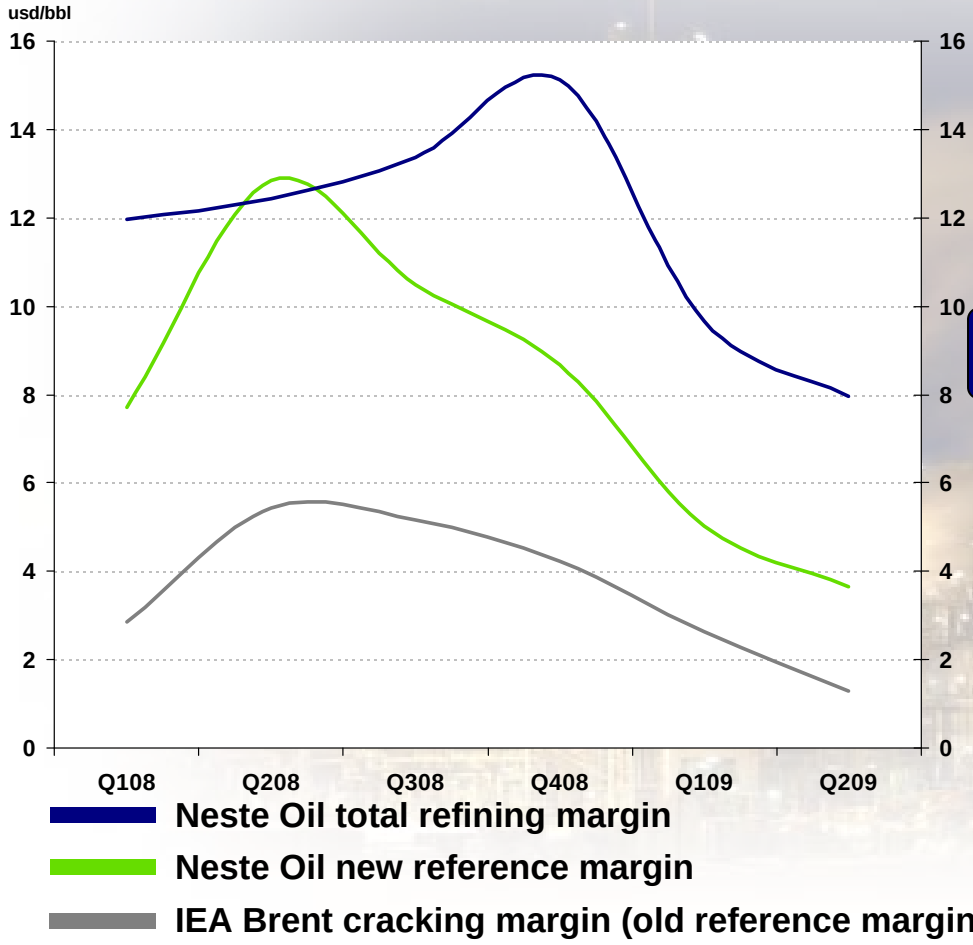
- Implement growth in the Base Oils business
- Support growth in renewable fuels and leverage synergies

Business excellence

- PL4 operational efficiency and maximize value of production
- Fixed cost reduction
- Working capital management (inventories, payment terms)
- Supply chain optimization in line with market potential
- Value creation from logistics assets

Introducing New Reference Margin

New and old reference margin vs Neste Oil's total refining margin



Improve correlation between reference and total refining margin

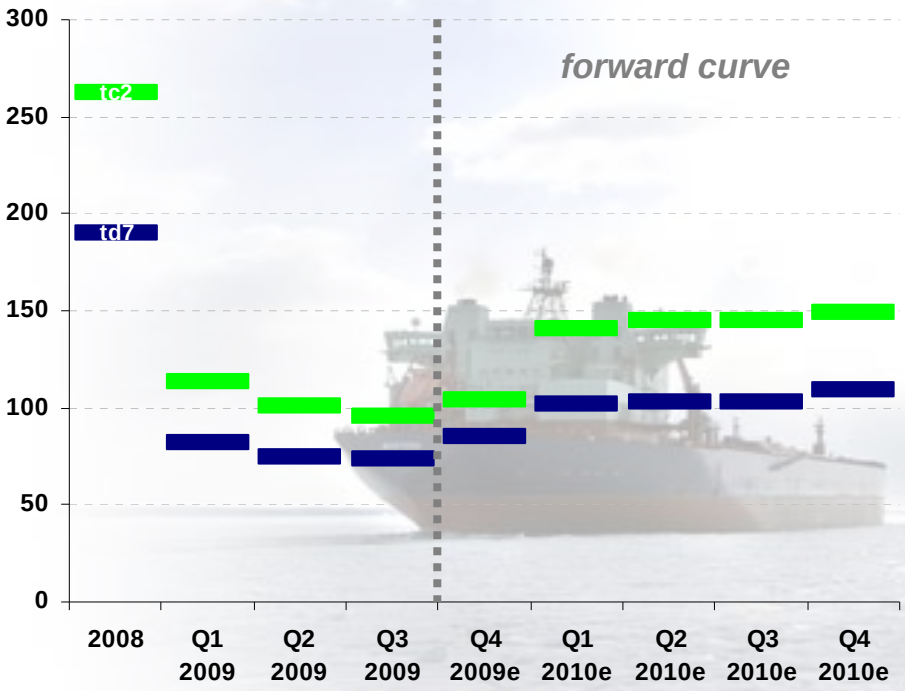
- Pricing basis at refineries
- Feed structure comparable to Neste Oil
- Product yields comparable to Neste Oil
- Similar cost structure

Key differences between Neste reference margin and total refining margin

- Actual product yield structure and feedstocks
- Actual product sales distribution, price differentials and timing
- Actual variable costs (production and freights)
- Base oils contribution
- Contango contribution

Shipping Update

Freight rate outlook



TD7 = Crude oil freight rate from North Sea to Rotterdam
TC2 = Product freight rate from New York to Rotterdam

Business outlook

Strategy focused on reliable and cost-efficient shipping services

- logistics needs in Neste Oil's logistics chain
- capture opportunities in selected third-party business areas

Fleet optimization to support business performance

- expiry of 10 time charters over 2009-10

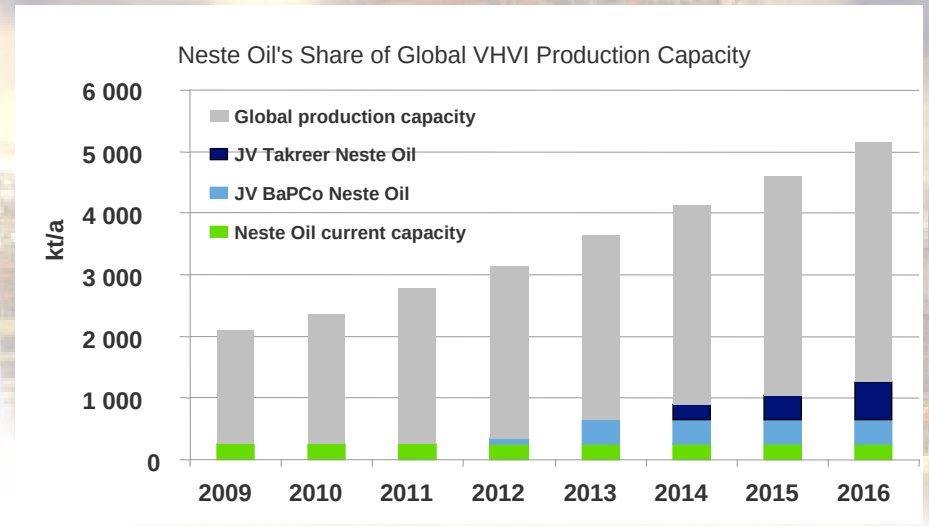
Performance improvement programme initiated

TD7 and TC2 data source: Imarex

Base Oils Update

Business outlook

- **Short term market outlook - demand and margins recovering gradually**
- **Long term business growth driven by demand**
  - Demand growth driven by regulation
  - Neste Oil to maintain position in global top 3
- **Expected production capacity growth reflects expected demand growth:**



Strategy implementation

- **Bahrain project on schedule and on budget**
  - Construction progress currently >25%
  - Neste Oil ownership 45 %
  - Nameplate capacity 400 kta (Group III)
  - Neste Oil's investment cost EUR 130 million
  - Start-up in H2/20011
- **JV project in Abu Dhabi at the planning stage**
  - Majority JV partner Takreer
  - Design phase proceeding well – potential for investment decision during 2010
  - Planned capacity of approx. about 500 ktpa Group III base oils and 120 ktpa Group II base oils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Details On New Reference Margin

Feed/Product	Reference Price
REB	Urals RDAM usd/bbl
Brent dated	Brent dtd + Freight TD7 usd/bbl
Products are priced in MT at Platts NWE Cargoes CIF	
Propane	Propane (7000+ MT)
Butane	Butane (3000+ MT)
Gasoline 10ppm	Premium unl 10 ppm
Naphtha	Naphtha
Jet	Jet
Diesel 10ppm	ULSD 10 ppm
LSFO	1.0 pct
HSFO	3.5 pct

Details On New Reference Margin

Feeds	Formula
REB	Standard share of REB 55 % * Price
Brent dated	Standard share of Brent dtd 45 % * Price
	SUM(above) = Feed cost usd/bbl
Products	
Propane	Standard yield 1 % * Price / weighted average bbl-multiplier of feed (7,39)**
Butane	Standard yield 1 % * Price / weighted average bbl-multiplier of feed
Gasoline 10ppm	Standard yield 30 % * Price / weighted average bbl-multiplier of feed
Naphtha	Standard yield 1 % * Price / weighted average bbl-multiplier of feed
Jet	Standard yield 5 % * Price / weighted average bbl-multiplier of feed
Diesel 10ppm	Standard yield 45 % * Price / weighted average bbl-multiplier of feed
LSFO	Standard yield 1 % * Price / weighted average bbl-multiplier of feed
HSFO	Standard yield 9 % * Price / weighted average bbl-multiplier of feed
	SUM(above) = Product value usd/bbl
Neste Oil Reference Margin	**= Product value – Feed cost – Standard refining variable costs (2 usd/bbl) - Sales freight (1,02 usd/bbl) *** **

Item	Reference Price
REB	Urals/Brent CIF differential Rotterdam (Platt's) usd/bbl – Freight Primorsk/Rotterdam + Freight Primorsk/Porvoo
Brent dated	Brent dtd (Platt's) + Freight Sullom Voe/Porvoo
Product prices	Platt's CIF Cargoes quotes usd/t

**** REB bbl-multiplier 7,25 and Brent dtd bbl-multiplier 7,55**

***** Sales freight is fixed standard 15 usd/ton. An estimate is made that 50% of production is exported. Freight formula = 15 * 50% / 7,39**

Freights:

- **Primorsk/Rotterdam freight usd/bbl**
  = flat rate 8,42 usd/ton * WS TD17 (month ave) / 100 / 7,25
- **Primorsk/Porvoo freight usd/bbl**
  = flat rate 4,01 usd/ton * WS TD17 (month ave) / 100 / 7,25
- **Sullom Voe/Porvoo freight usd/bbl**
  = flat rate 8,79 usd/ton * WS TD7 (month ave) / 100 / 7,55

Keeping Things Simple

Sakari Toivola
Executive Vice President, Oil Retail

Capital Markets Day
29 September 2009

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Business Environment

Demand

Economic slowdown has reduced demand in 2009*

- Finland: gasoline -2 %, diesel -4 % (over 10% in trucking)
- The Baltics and Northwest Russia: -10-15%, Poland: flat

Competition

Tough competition in a transparent market

- Volumes are shifting from attended to unattended stations in Finland and around the Baltic Rim where our competiveness has increased thanks to our unattended station concept and strong brand

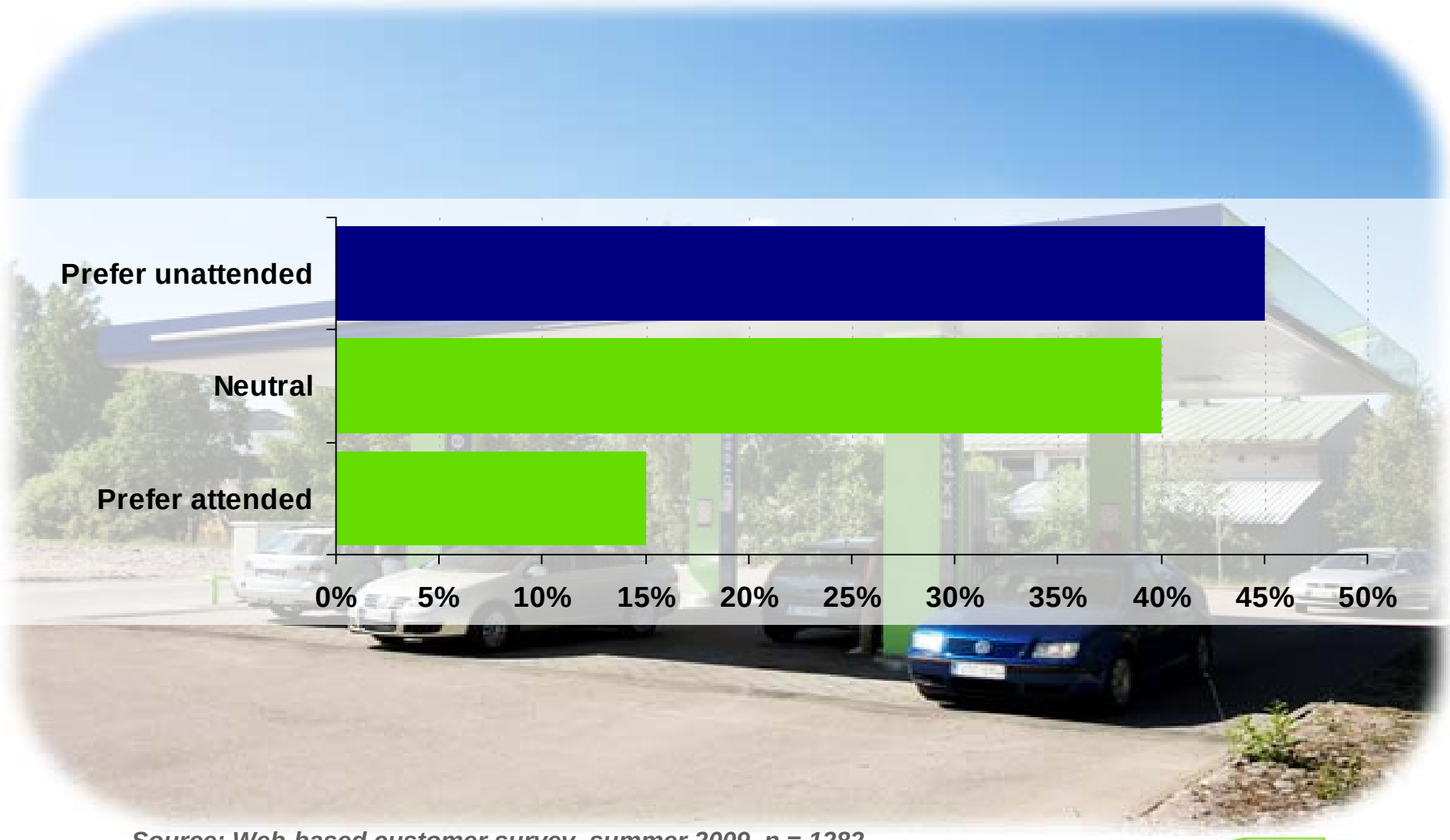
Margin

Flat margins expected

- Tight market share competition and falling demand

**) compared to 2008*

Finnish Customers Seem To Prefer Unattended Stations



Source: Web-based customer survey, summer 2009, n = 1282

Oil Retail's Top Priorities

Customer loyalty and market position

Optimal pricing

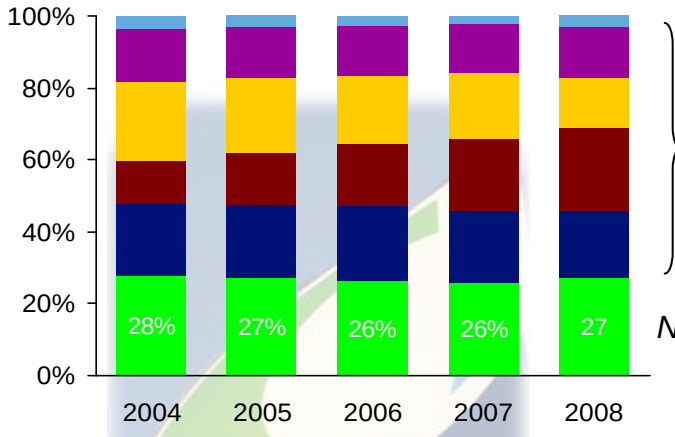
Maximize profitability

Neste Oil brand

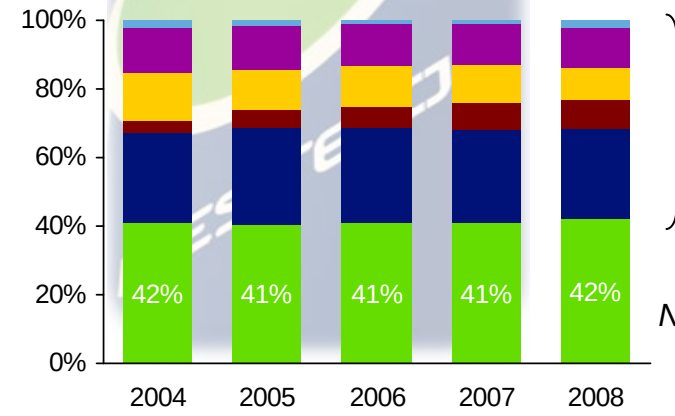
Lowest unit cost

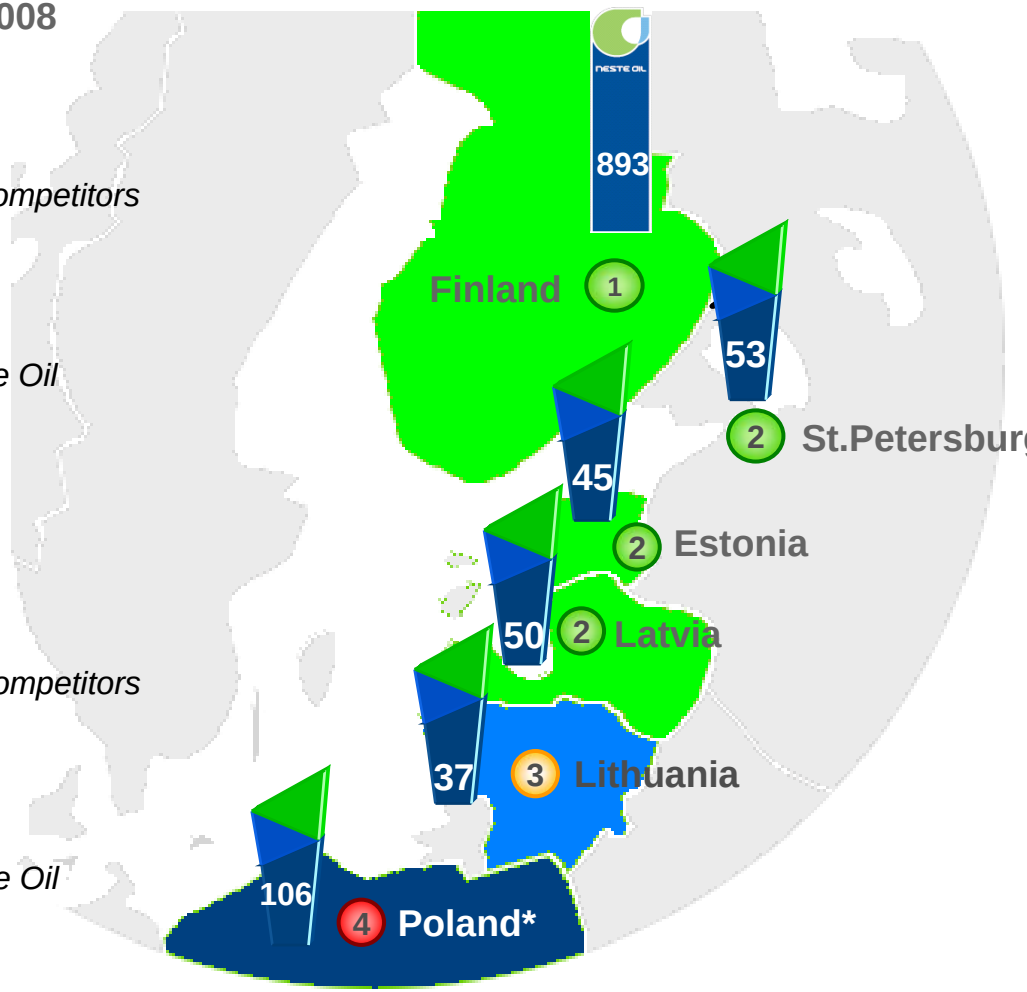
Leader In Finland – Second In St. Petersburg

Gasoline market shares in Finland, 2004-2008



Diesel market shares in Finland, 2004-2008





= market position

**in present market areas*

Targeting Lower Unit Costs

- Unit costs are the most important profitability driver in the retail business
- In general, an unattended stations are the most cost-efficient due to their low fixed costs
- Fixed costs of an unattended site are roughly 1/3 compared to those of attended stations
- Our unit costs in Finland are already the lowest in the sector

	Unit cost €/ton*
Neste Oil	0,75
Competitor 1	0,83
Competitor 2	0,85
Competitor 3	1,16

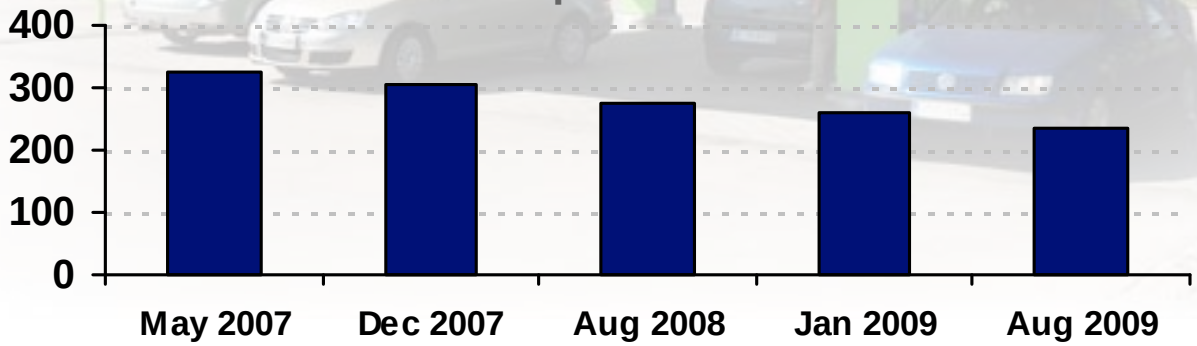
** Source: financial statements and FOGF*

- The unattended site concept has made us competitive in the Baltics, where demand is down but our volumes have remained healthy

Cost Savings In The Finnish Organization

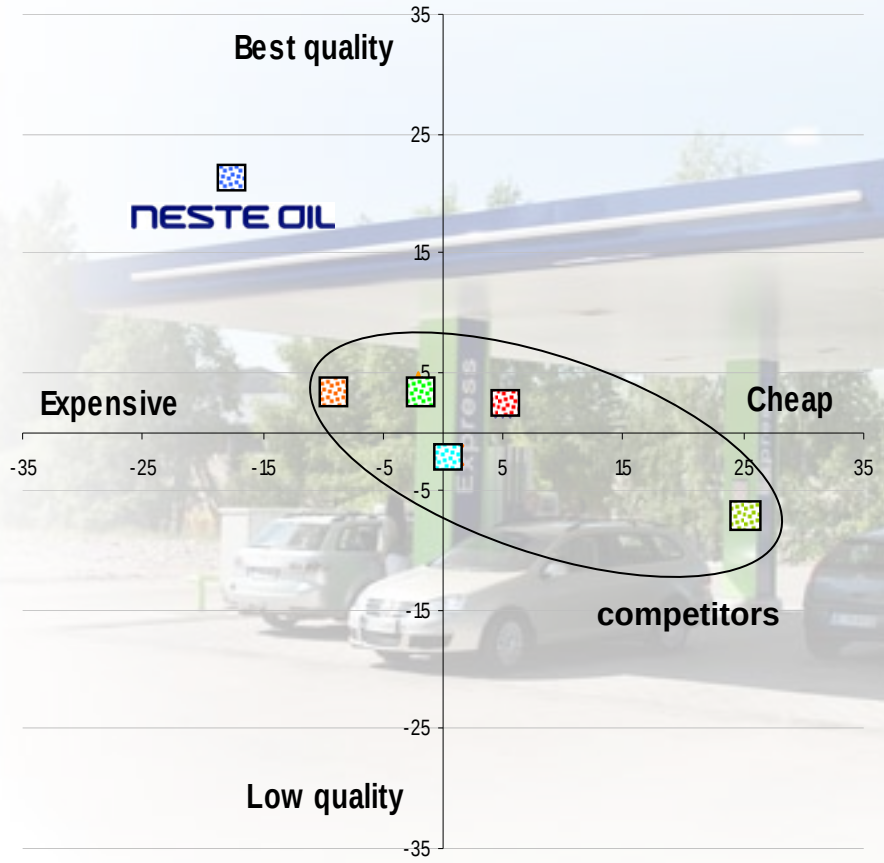
- **Project was started in 2007 to strengthen our position in Finland by**
  - Improving cost efficiency
  - Revitalizing our brand image
  - Optimizing the network
- **Target of saving EUR 10 million in fixed costs by 2010 will be met**
- **Headcount will drop by 40% (personnel have accounted for roughly 30% of fixed costs)**
- **Other savings will come from caretaking, trucking freights, maintenance, etc.**
- **Some of these savings have already materialized and are improving Retail's profitability in 2009**

Oil Retail's manpower in Finland



Neste Oil Brand

Fuel price-quality image in Finland



- Oil Retail is the spearhead for the Neste Oil brand
- Target is to be the leader in fuels and forecourt quality
- Good results from revamping image and quality of sites in Finland
- Strong brand helps differentiate our product

Source: Taloustutkimus research, June 2009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Financial Discussion

Ilkka Salonen
Chief Financial Officer

Capital Markets Day
29 September 2009

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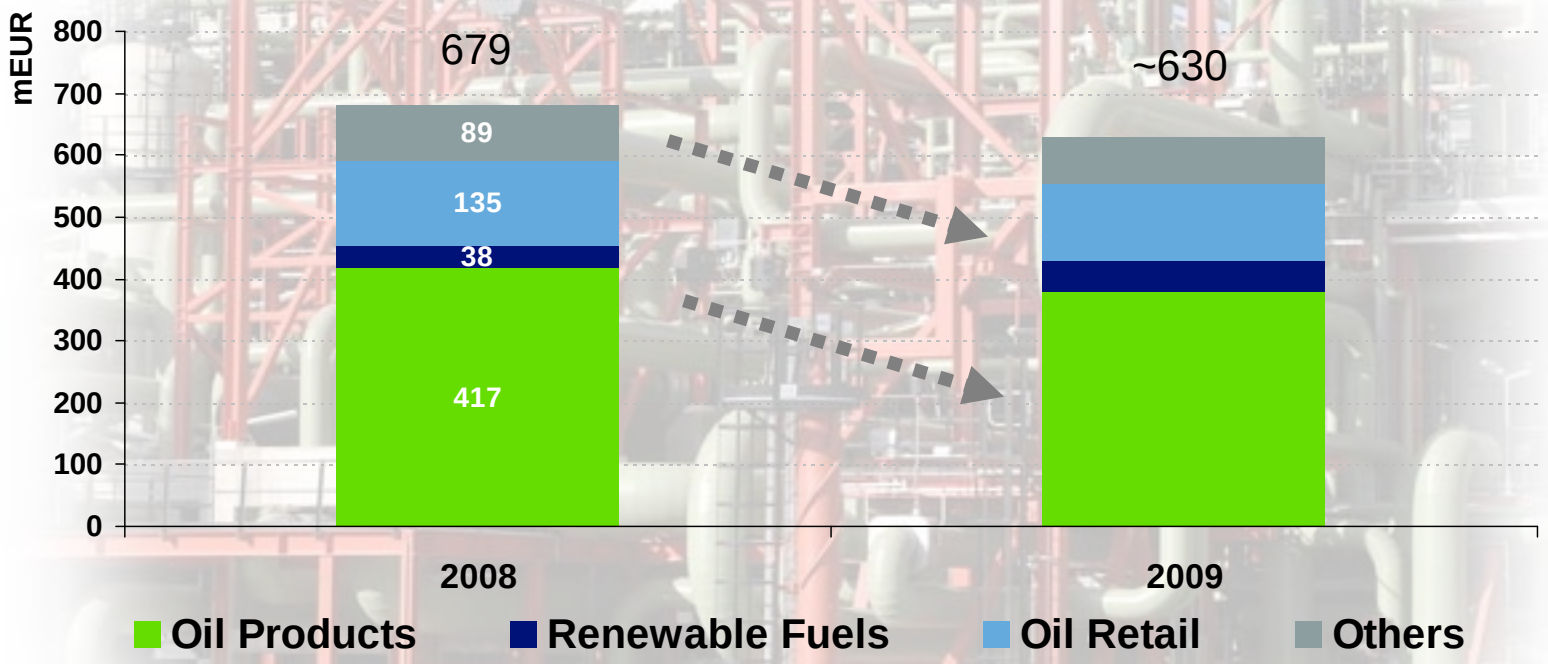
The Group's Fixed Costs



Refinery Production Costs

		2008					2009	
		Q1/08	Q2/08	Q3/08	Q4/08	2008	Q1/09	Q2/09
Refined products	Million barrels	27.9	26.2	27.9	29.0	111.0	26.9	25.8
Exchange rate	EUR/USD	1.50	1.56	1.50	1.32	1.47	1.30	1.36
Maintenance costs	EUR million	18.8	28.7	24.6	26.5	98.6	18.9	32.4
	$/bbl	1.0	1.7	1.3	1.2	1.3	0.9	1.7
Utilities costs	EUR million	63.7	61.8	62.0	69.9	257.6	49.1	52.7
	$/bbl	3.4	3.7	3.4	3.2	3.4	2.4	2.8
Other costs	EUR million	34.9	34.1	28.3	60.8	158.0	32.6	36.4
	$/bbl	1.9	2.0	1.5	2.8	2.1	1.6	1.9
External sales	EUR million	-16.9	-16.2	-17.3	-18.6	-69.0	-16.6	-16.4
	$/bbl	-0.9	-1.0	-0.9	-0.9	-0.9	-0.8	-0.9
Total	EUR million	100.5	108.4	97.6	138.6	445.2	84.0	105.1
	$/bbl	5.4	6.4	5.3	6.3	5.9	4.1	5.5

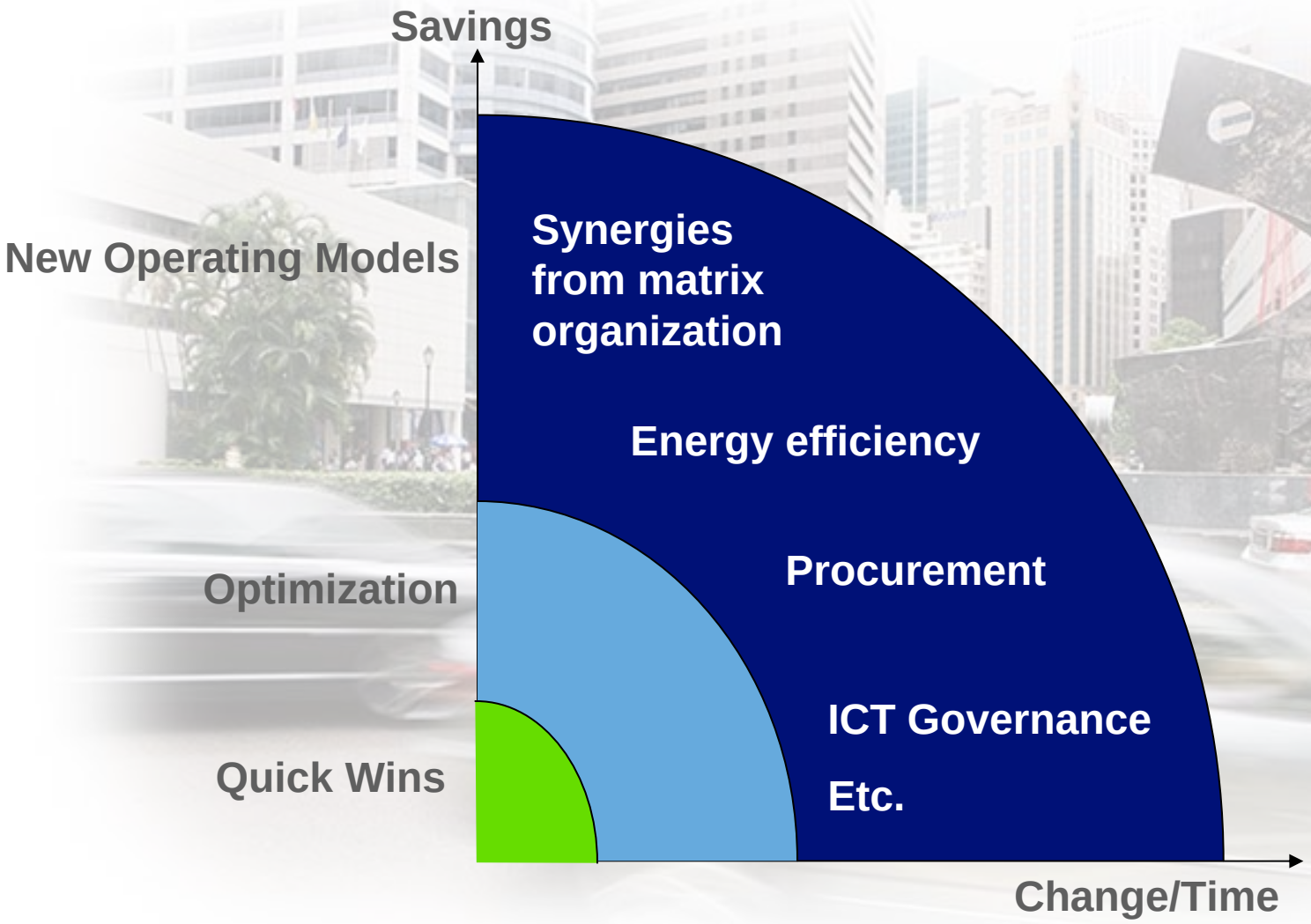
Maintenance costs consist of e.g. personnel, contractor and material costs.
Utilities costs consist of e.g. natural gas, electricity, steam and water, catalysts and chemicals.
Other costs consist of e.g. production and other personnel as well as administration and services costs.
External sales include sales to other companies at the Porvoo industrial site.

Cost-Savings Programme Under Way

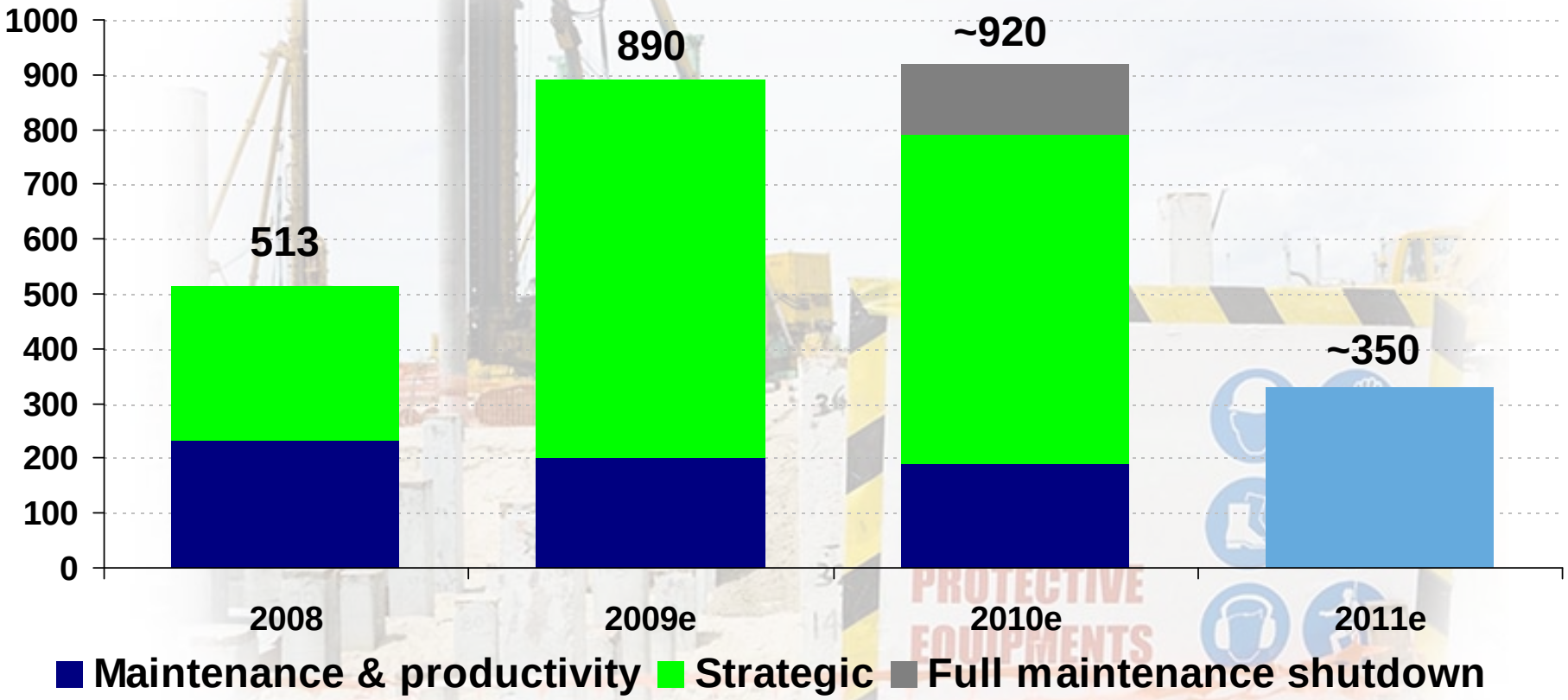
- Fixed costs savings target set at EUR 60 million
- Half of the EUR 60 million will be saved via personnel costs
  - Final decisions will be made in October
- Cost cuts in day-to-day operations started in early 2009 and have already materialized, e.g. in:
  - Planning and consultancy costs
  - Advertising and travel costs
  - Holiday payments

→ approx. EUR 20 million savings expected from these in 2009

On The Way To Cost Leadership



Investments In 2008-2011

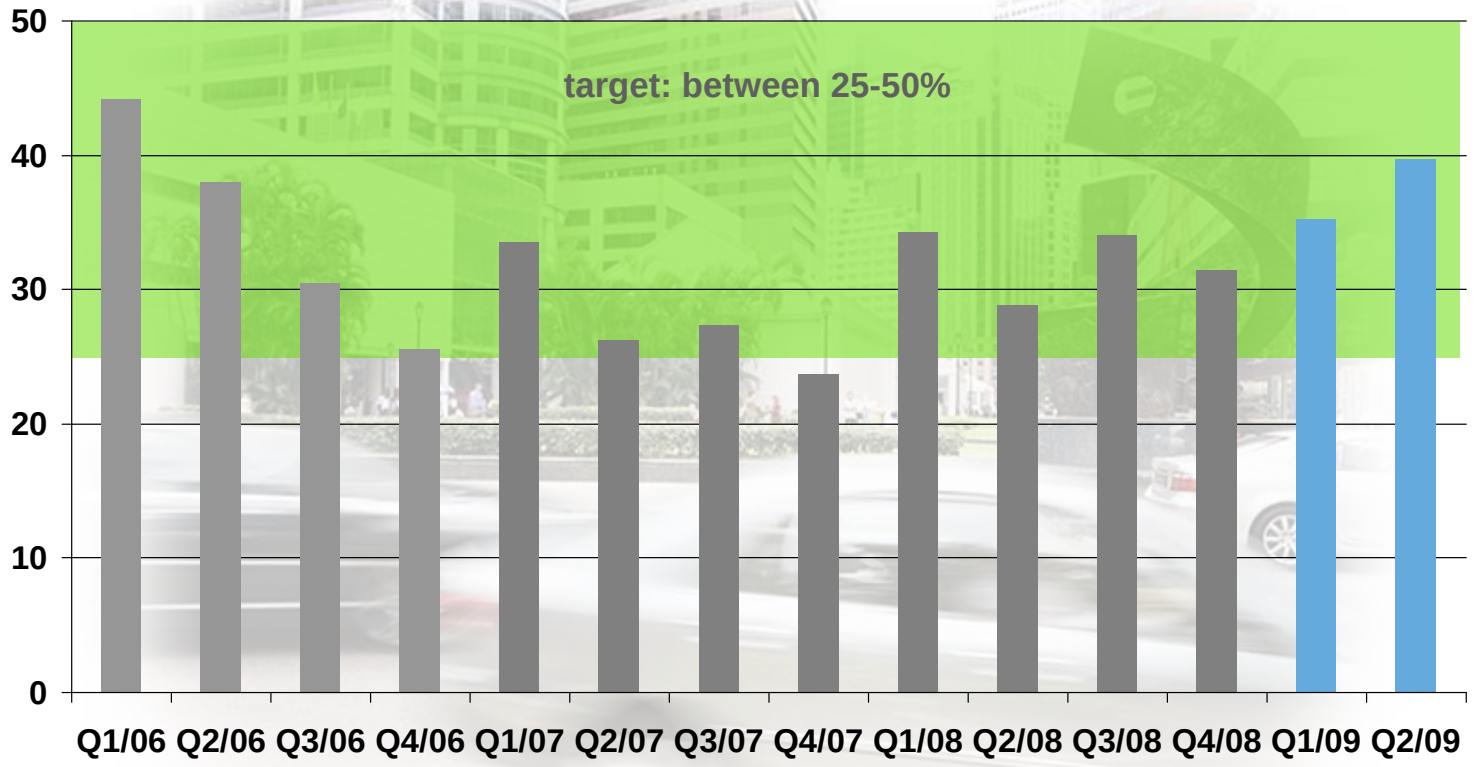


Financing Profitable Growth

- Neste Oil liquidity position (cash & committed unutilized credit facilities) at the end of Q2 09 EUR 1.4 billion
- Neste Oil issued a EUR 300 million domestic bond in early September
  - Maturity 7 years and a coupon rate of 6.00%
  - The issue was oversubscribed with a total order book of EUR 950 million
  - Final allocation: 2/3 to Finland and 1/3 abroad
- The objective of the issuance was to further improve liquidity position, to diversify funding sources and to extend the debt maturity profile

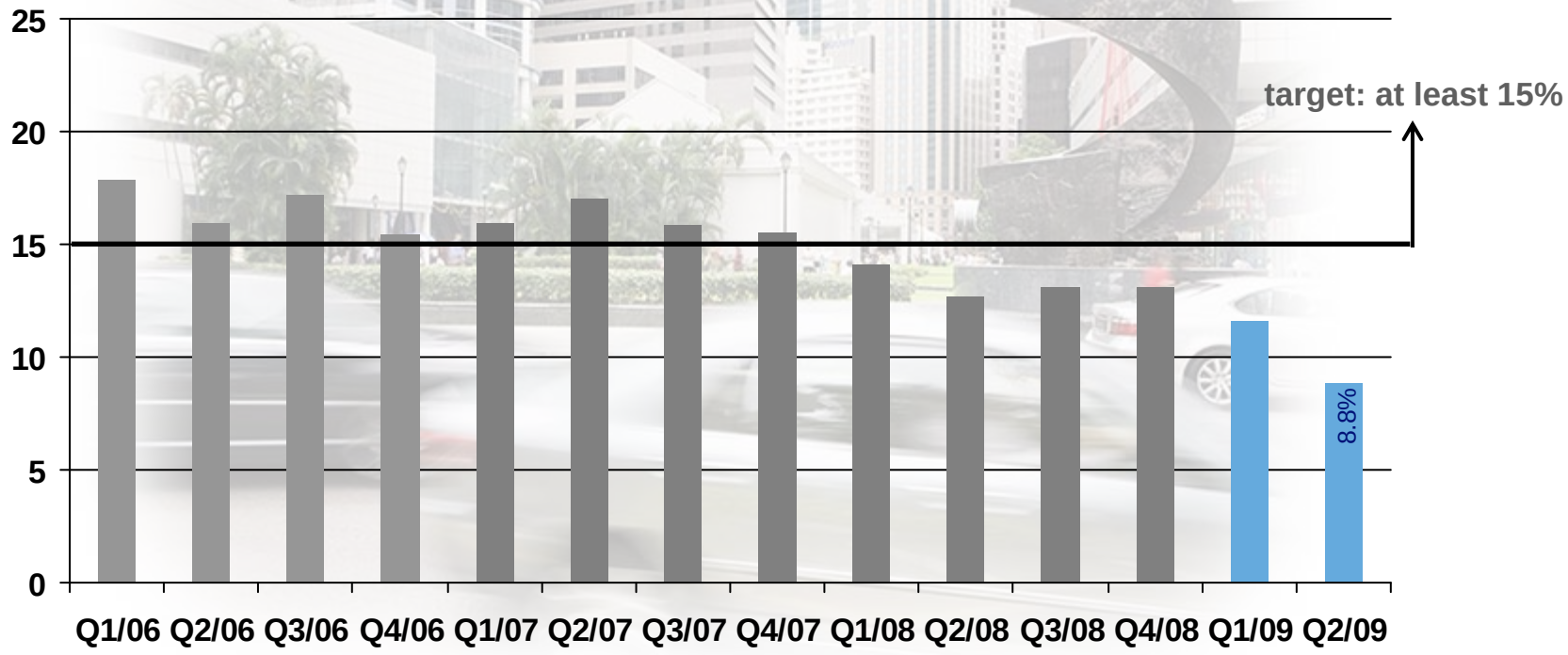
Financial Targets Challenged, But Unchanged

Leverage (Net debt to net debt + equity), %



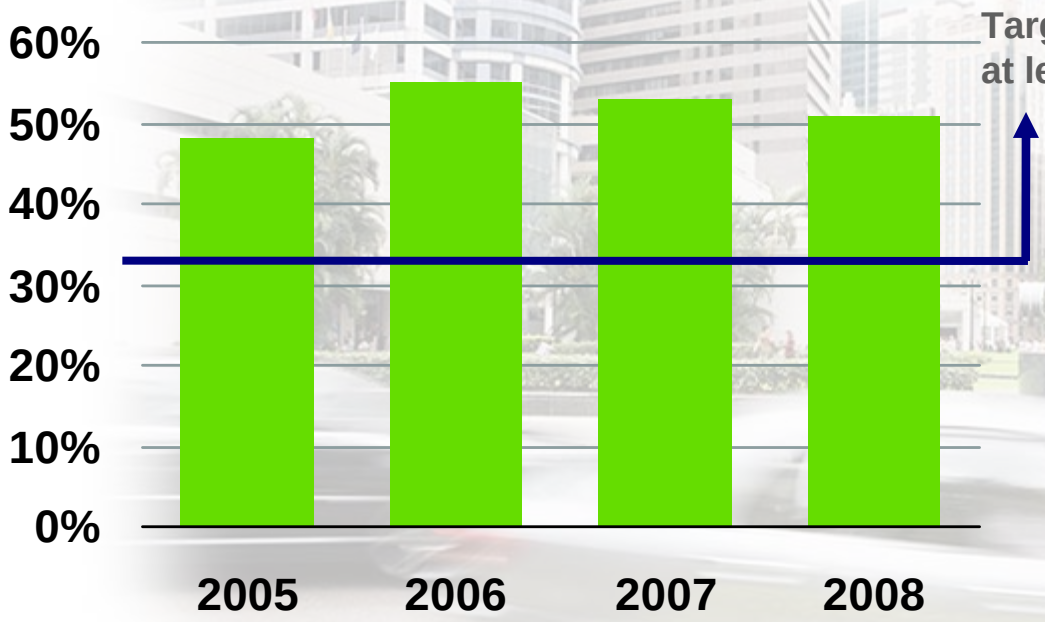
Financial Targets Challenged, But Unchanged

Return on average capital employed after tax (ROACE) *),%



**) After tax, rolling 4 quarters*

Dividend Policy Unchanged: At Least 33% Payout*



Year	Dividend
2005	EUR 0.8
2006	EUR 0.9
2007	EUR 1.0
2008	EUR 0.8

**) payout from comparable net profit*

Appendix

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Neste Oil's credit programs in place

Revolving Credit Facility 2005

EUR 1.5 billion

5 years +1+1

Mandated Lead Arrangers: Barclays Capital, BNP Paribas, Citigroup, Nordea and SEB

Participating Banks: Calyon, Svenska Handelsbanken, Danske Bank, Sampo Bank ,Pohjola Bank, Royal Bank of Scotland, HSBC, Dresdner Bank, Swedbank, ABN Amro Bank, Bank DnB NORD, Bank of Tokyo-Mitsubishi, ING Bank, Deutsche Bank, BBVA, Societe Generale, DBS Bank

Domestic Bond 2005 & 2009

7 years fixed rate note 2/2005
Issued: EUR 120 million
Coupon rate: 3.50%, issue price: 99.606%, mid-swap + 0.60%
7 years fixed rate note 1/2009
Issued: EUR 300 million
Coupon rate: 6.00%, issue price: 99.463%, mid-swap + 3.00%
Arrangers: Sampo Bank, Pohjola Bank and Nordea Bank

Domestic Commercial Paper Program 2005

Total of EUR 400 million unsecured short term notes with maturities less than one year

Dealers: Pohjola Bank, Nordea, Sampo Bank plc, Skandinaviska Enskilda Banken AB (publ) and Svenska Handelsbanken AB (publ).

Overdraft Facilities

EUR 50 million per bank totaling EUR 150 million

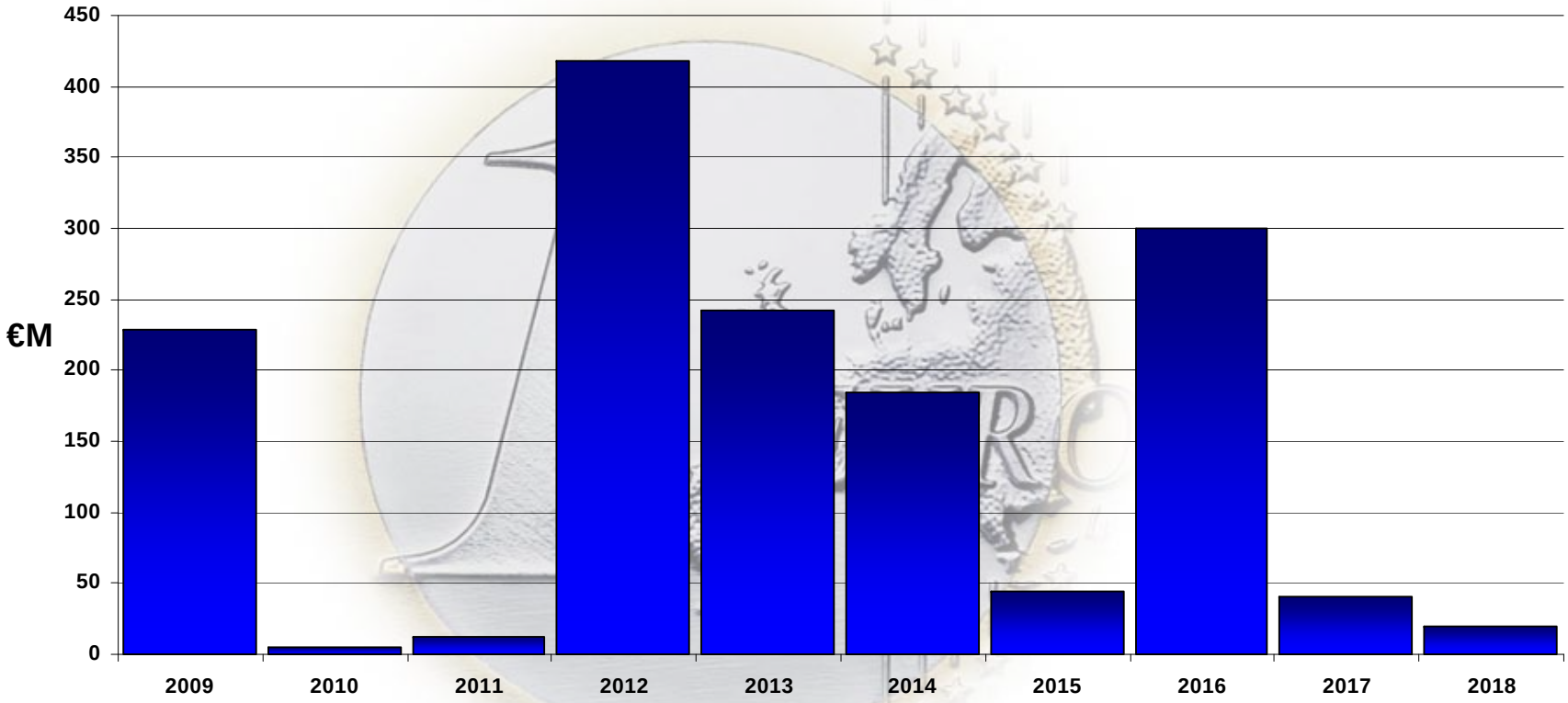
Investment Loans 2005-2007

Loans from EIB and NIB totaling EUR 230 million

Bilateral Loans 2008

Loans from Scandinavian financial institutions totaling EUR 315 million, average maturity 5 y.

Maturity Profile On 14 September 2009



- **Average maturity 4.2 years (including EUR 300m Domestic Bond) vs. 3.8 years in Q2**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Conclusions

Matti Lievonen
President & CEO

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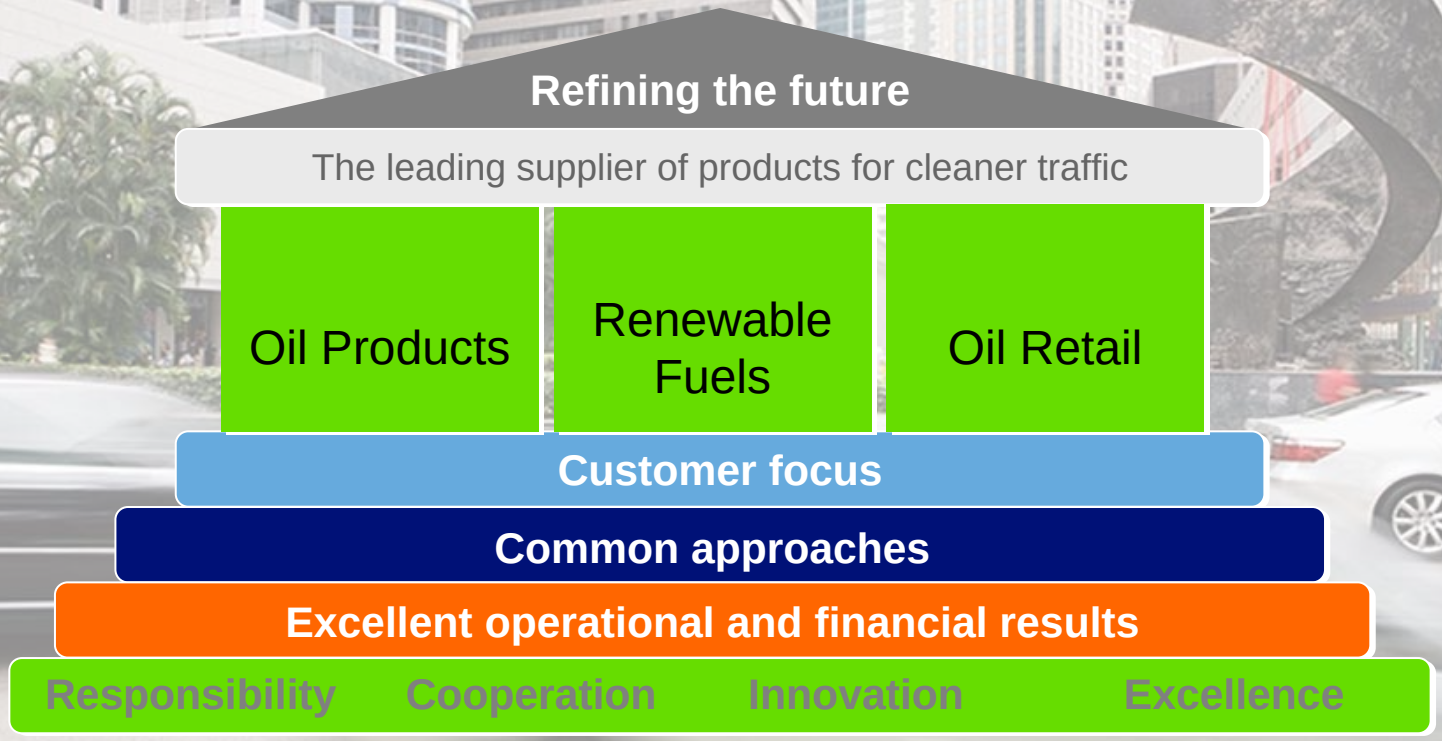
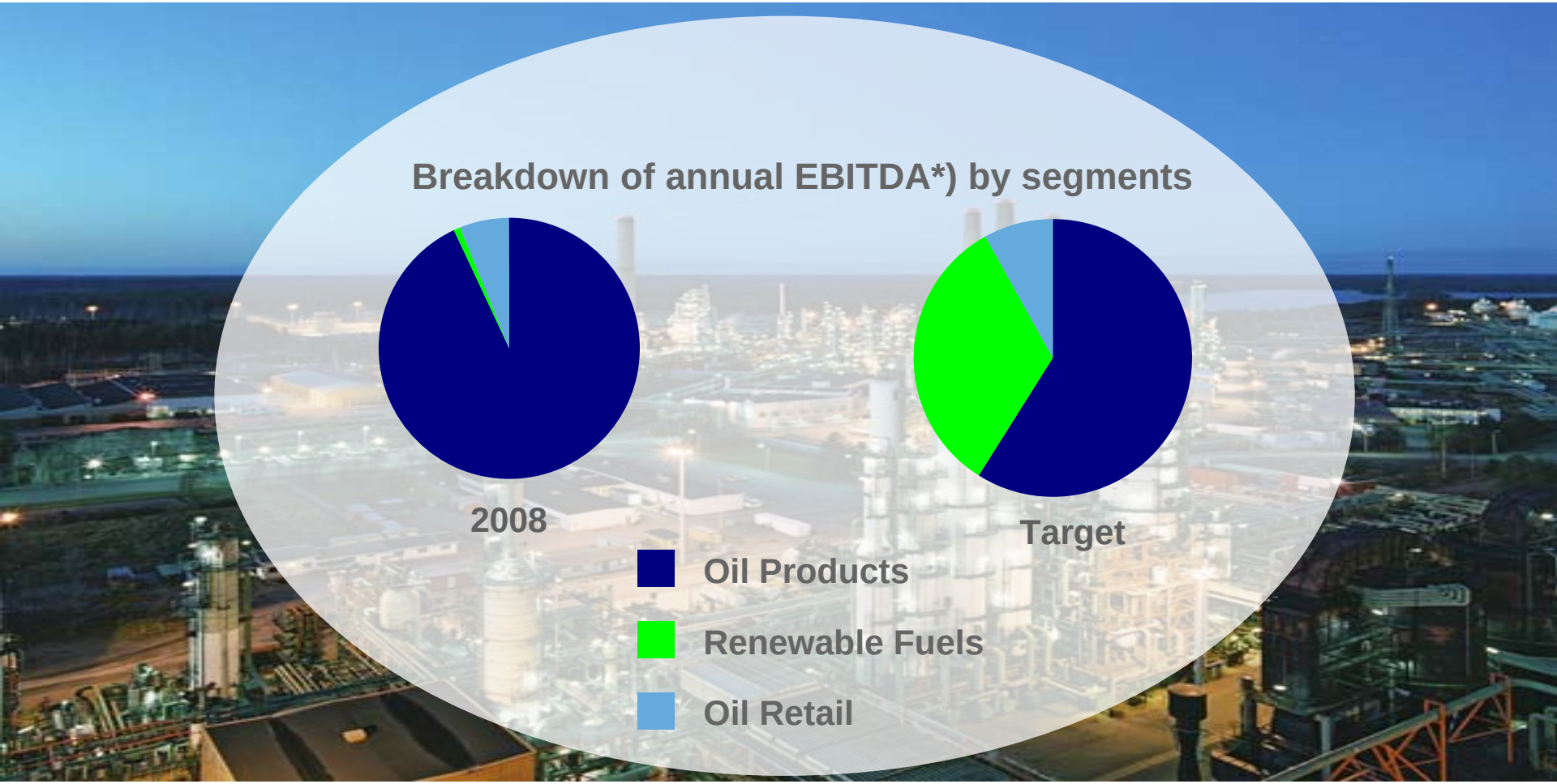
Moving In The Right Direction

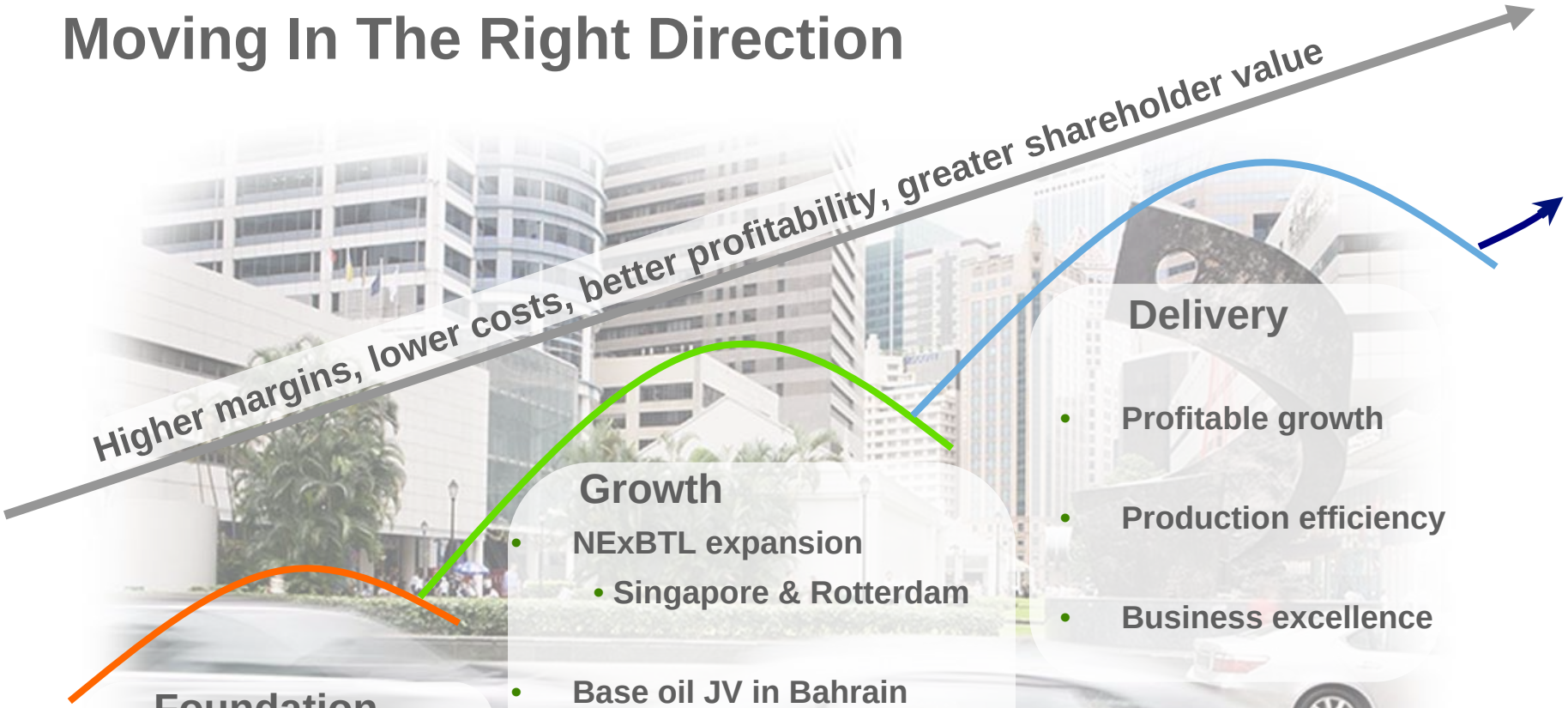


Moving In The Right Direction



*) comparable EBITDA, excluding Others

Moving In The Right Direction



Foundation

- IPO
- Diesel investment to Porvoo
- Porvoo NExBTL plants

Growth

- NExBTL expansion
  - Singapore & Rotterdam
- Base oil JV in Bahrain
- Business excellence
  - Organizational redesign
  - Cost savings
  - Performance improvement

Delivery

- Profitable growth
- Production efficiency
- Business excellence

2005-2007 | 2008-2009 | 2010-2012

Our Promise


Leader in clean fuels
Cost leadership
Production efficiency
Transparency
Sustainability
Profitability
Shareholder value


refining the future
NESTE OIL