

Performing In A Volatile Oil Market

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refining the future

Key Trends Impacting Refining Margins

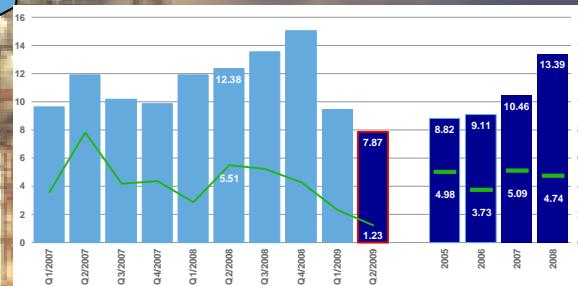
Demand growth to resume after steep drop

Supply growth slowing down

Regional imbalances

Heavy-light differential to widen moderately

Regulatory trends

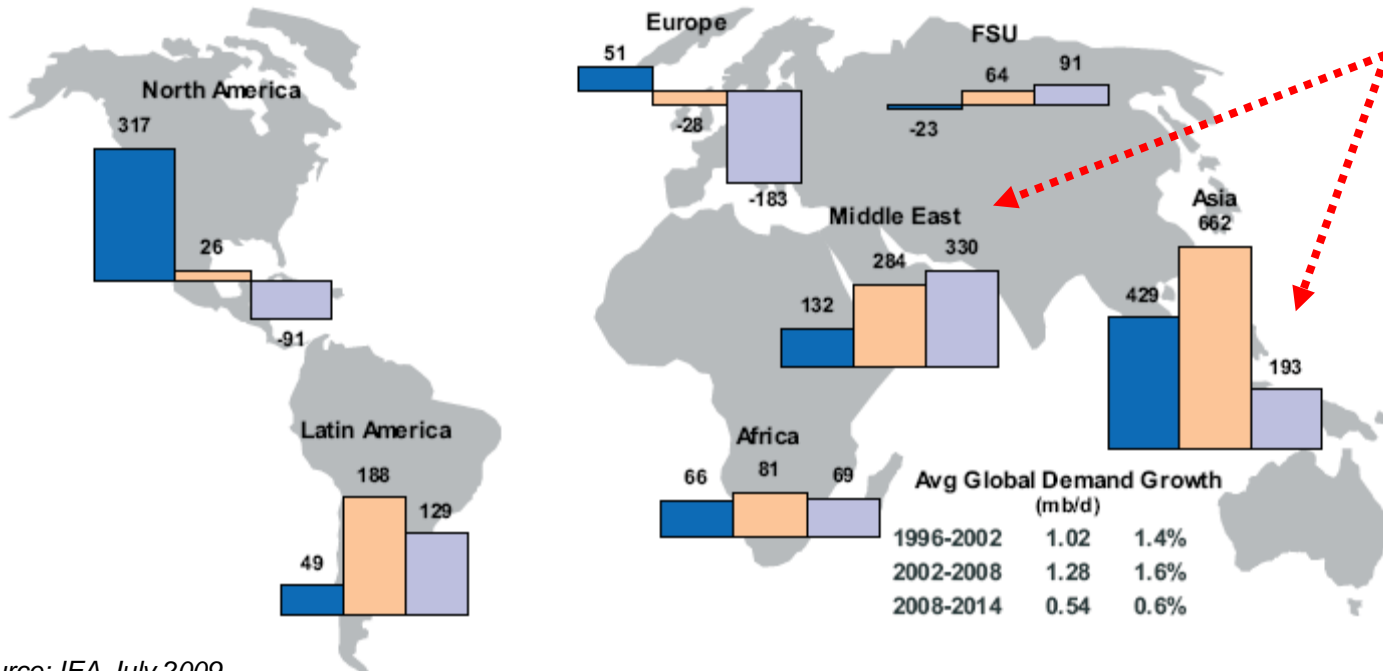


Demand Growth Shifting To Developing Markets

- 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

Average Global Demand Growth 1996-2002/2002-2008/2008-2014
thousand barrels per day

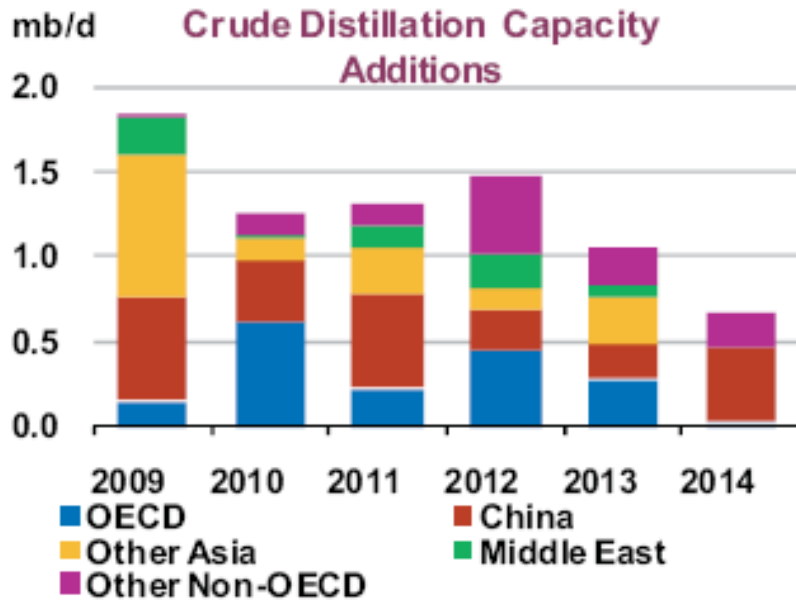


Source: IEA July 2009

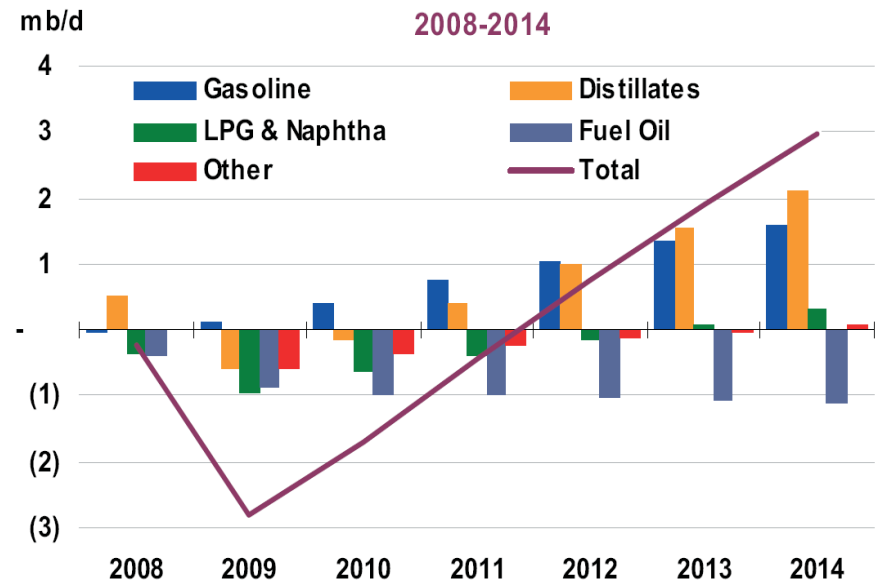
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Supply Growth Slowing Down – Restoring Global Demand Will Take Some Time

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



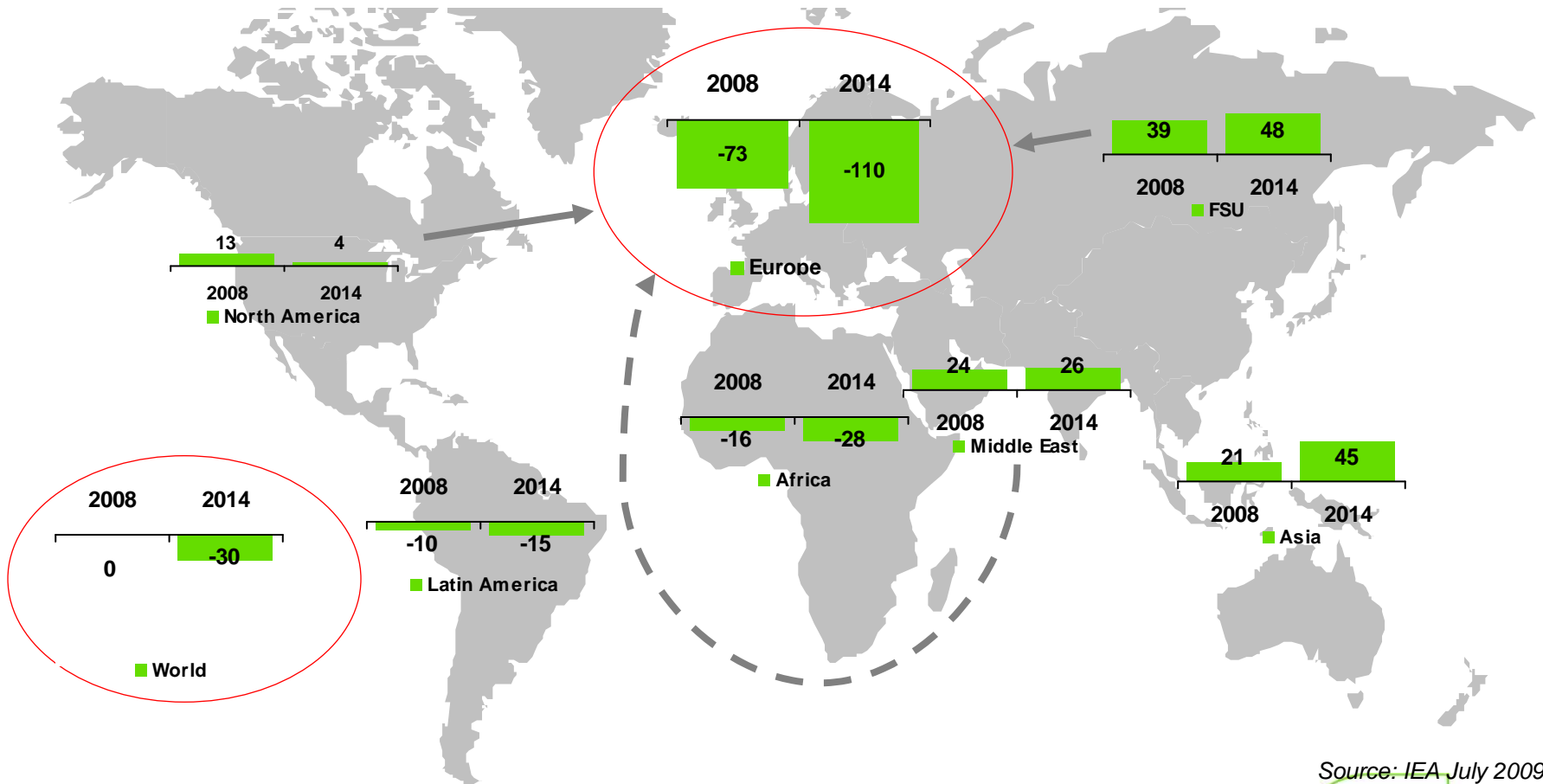
**Global demand growth forecast 2008-14:
Distillates and gasoline driving growth**



Source: IEA June2009

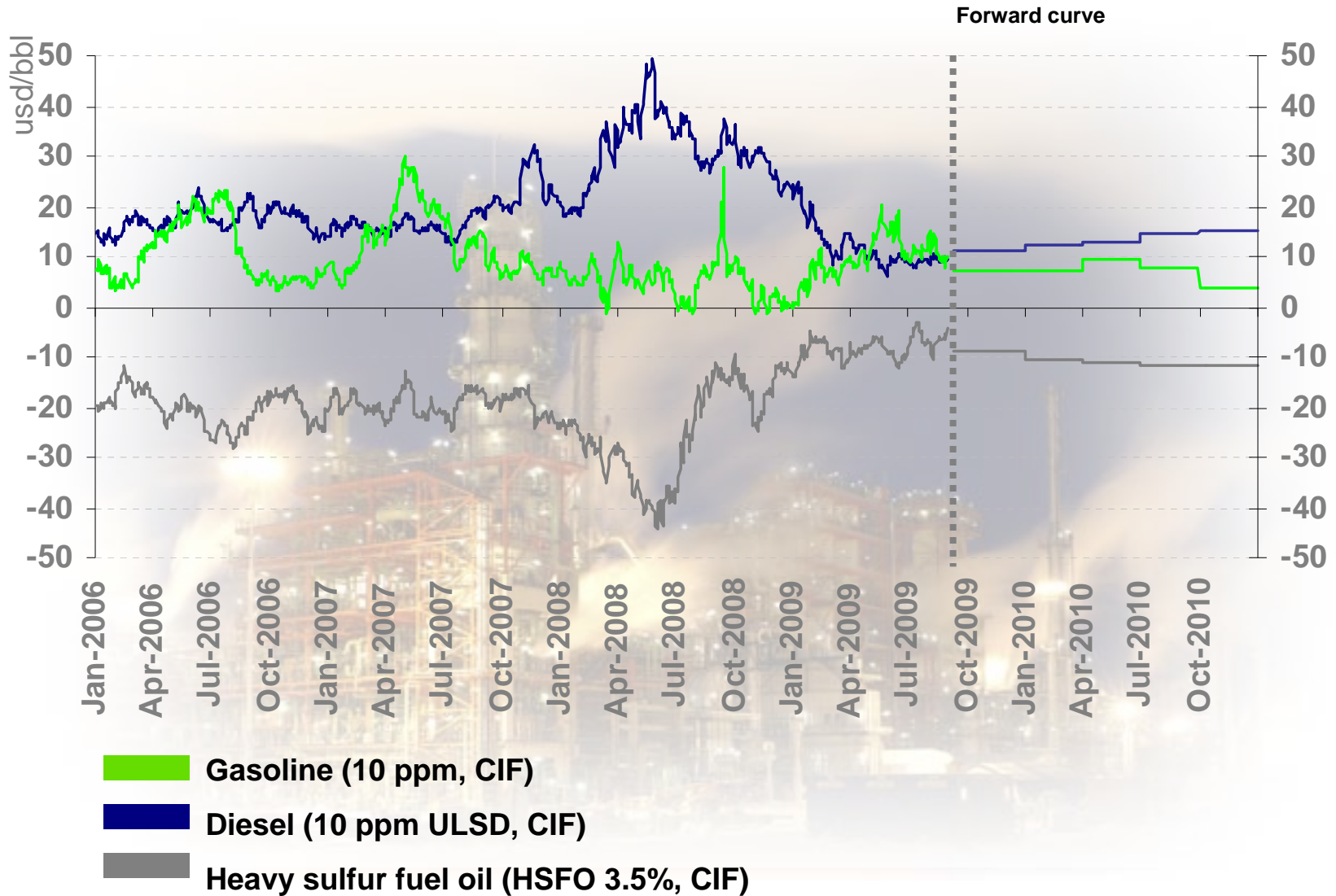
Distillate And Fuel Oil Balances Will Eventually Tighten Again Despite Supply Growth

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



Source: IEA July 2009

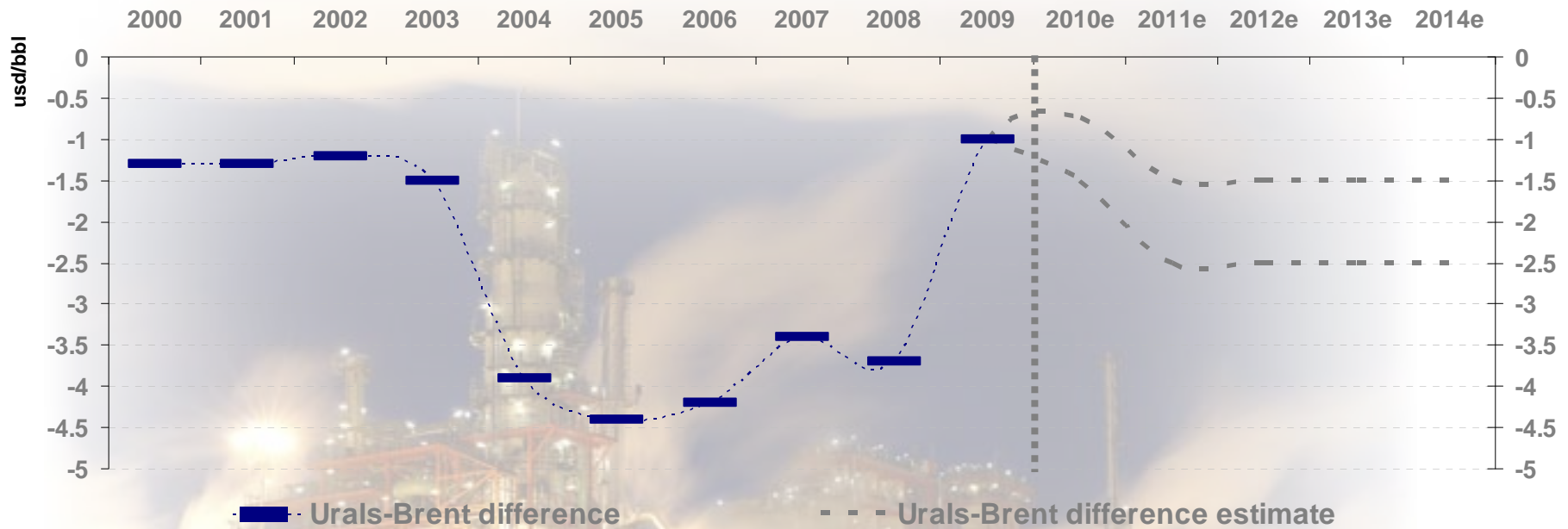
Gradual Recovery Expected For Diesel Margins



Sources: PVM, Tullet Prebon, Mitsui, Platt's

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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

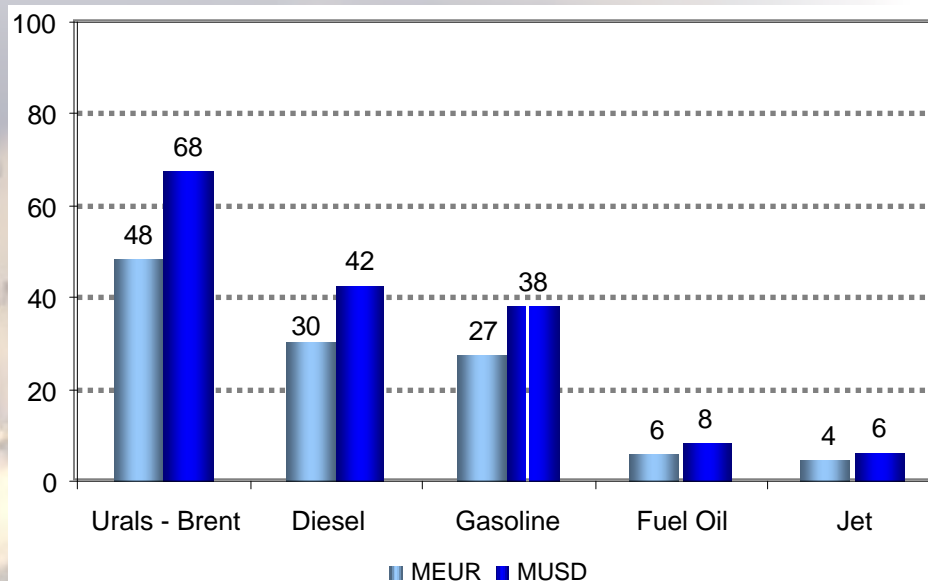
Data source: history Argus, forecast Neste Oil view and Wood Mackenzie

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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

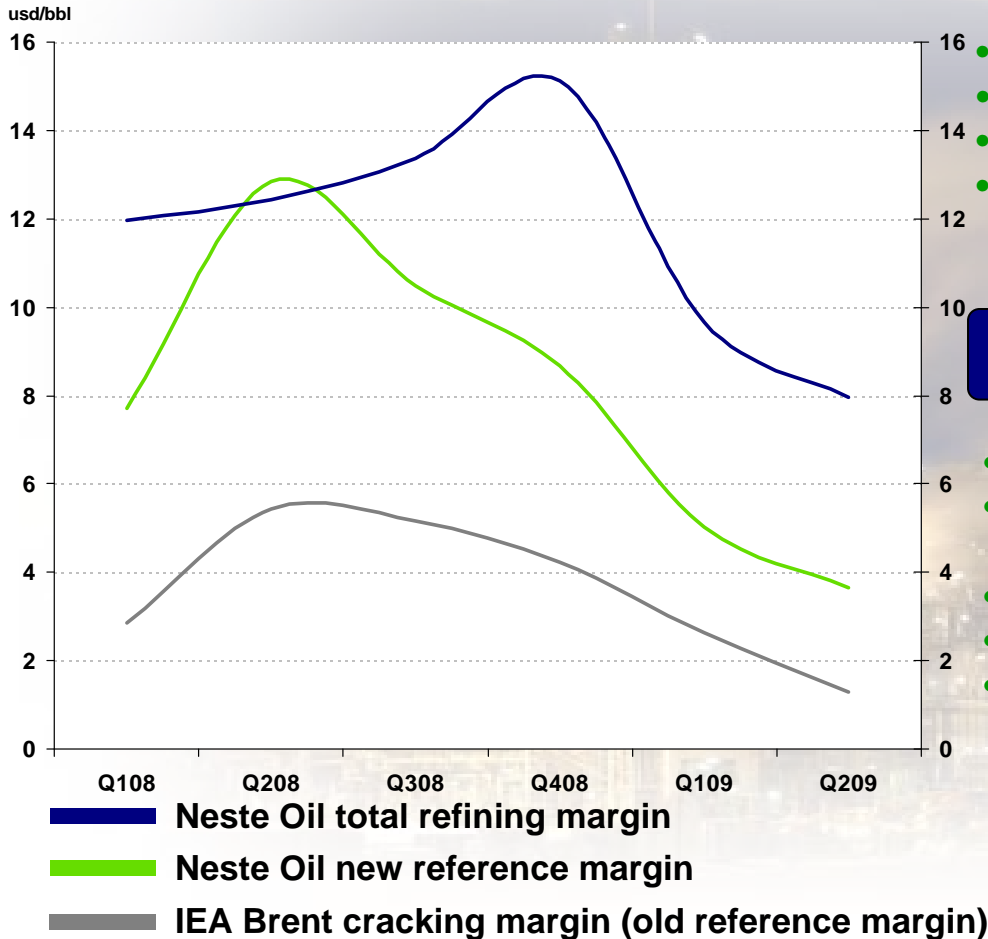
Business excellence

- 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

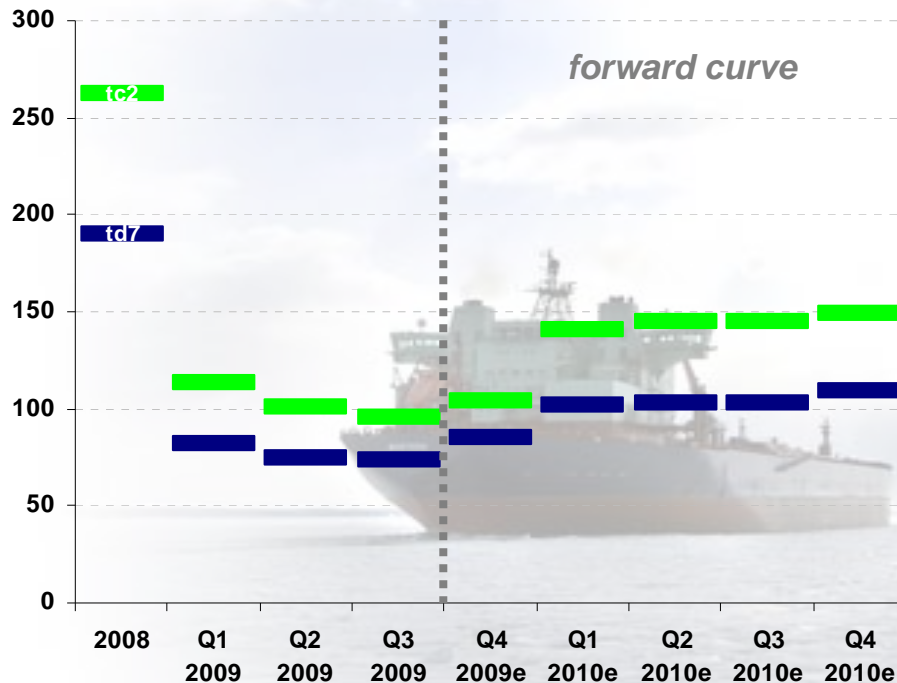
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Shipping Update

Freight rate outlook



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

TD7 and TC2 data source: Imarex

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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

Base Oils Update

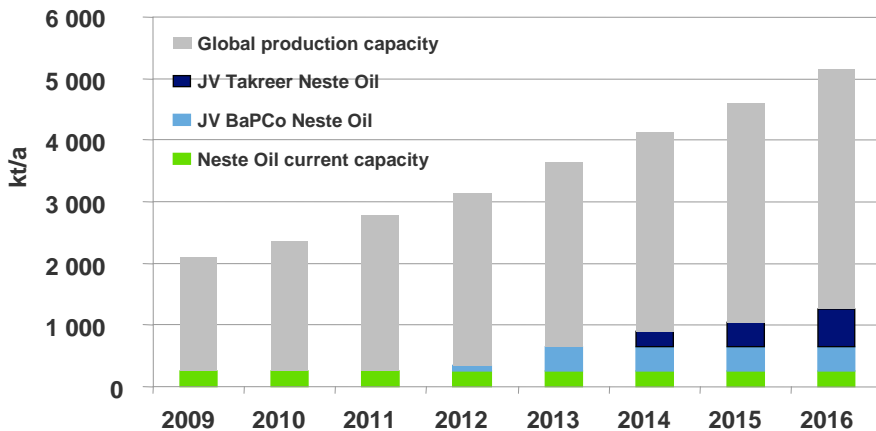
Business outlook

- 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

Neste Oil's Share of Global VHV1 Production Capacity





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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