

Oil market

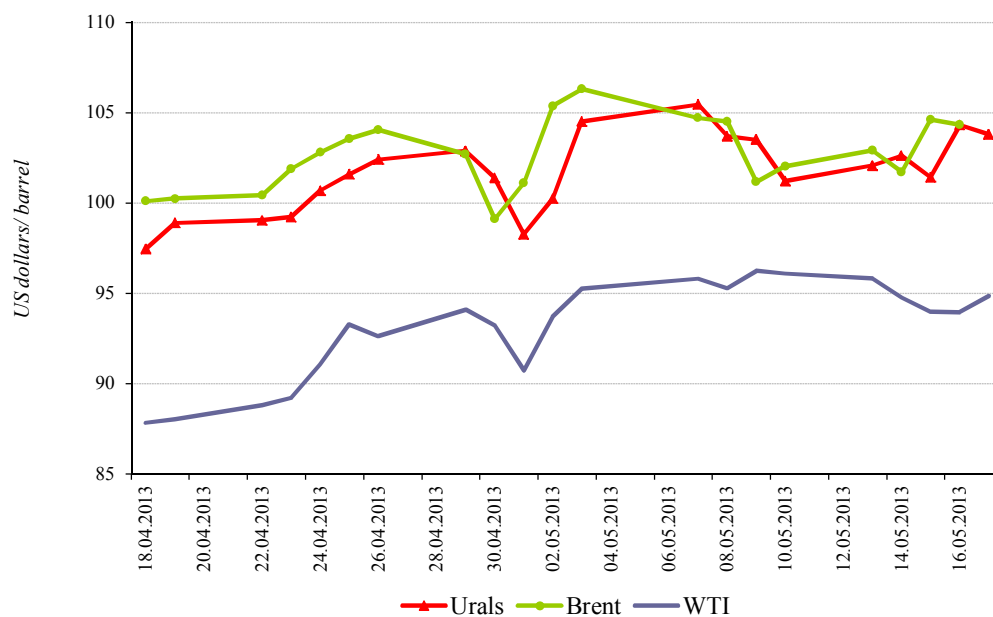
Current state in the oil market

In the course of the oil market monitoring conducted within the period from April 18, 2013 to May 18, 2013 the price for major oil grades (Urals, Brent, WTI) was fluctuating within the range from 88,0 to 106,3 US dollars per barrel.

Change in the average prices for oil:

On the average of the period	Urals		Brent		WTI	
	prices, USD / barrel	change, % compared to the previous period	prices, USD / barrel	change, % compared to the previous period	prices, USD / barrel	change, % compared to the previous period
18.03.2013-18.04.2013	104,1	95,1	105,8	93,9	93,2	100,6
18.04.2013-18.05.2013	101,7	97,9	102,7	97,0	93,5	100,5

Source: News Agency «Bloomberg»



Average prices of oil quotes in the period from April to May 2013 slightly declined.

The dynamics of oil prices since the beginning of the period was influenced by the following main events:

- Reduction in oil consumption forecasts.

Increase in oil production by OPEC (up to 30.46 against 30.18 million barrels per day in March), while maintaining oil consumption unchanged (+800 thousand barrels per day, till 89.7 million barrels per day) and a small increase in demand for crude oil (+100 thousand barrels per day till 29.8 million barrels per day) contributed to the continuation of a downward price trend. In addition, the expected increase in the volume of oil supplies by non-OPEC countries in the current year (+1,000,000 barrels per day till 53.96 million barrels per day) also slightly adjusted the price to decrease.

- Macro statistics of USA and Europe.

Continued recession in Europe and the decline of actual data indicators of business activity in the U.S. manufacturing sector also contributed to the retention of oil prices in the outset. On the other hand, uncertainty remains regarding the Fed's policy in stimulation of the economy, which does not allow oil quotes to drop significantly.

- The situation in the Middle East. Concerns about potential disruptions in oil

supplies from the Middle East due to the news from Syria gave support to world prices.

Kazakhstan

Kazakhstan intends to reduce import of gasoline and diesel fuel from Russia. It is assumed that this measure will relieve the Kazakh refinery storage. According to some analysts, this situation will worsen the retail sale of petroleum products and may lead to the destabilization of the fuel market in Kazakhstan: the deficit and the speculative rise in prices for fuels in the country and in the medium term there is a possibility of reorientation of suppliers from Russia to other markets.

According to the Ministry of Oil and Gas of RK, Kazakhstan continues works that are conducted in the country in order to supply regions with diesel fuel for spring planting. In general, for the spring sowing there will be shipped the same amount of fuel as in the last year, or about 360.0 thousand tons.

Russia

Pricing and data on changes of retail prices in Russia for gasoline and diesel fuel as of May 15, 2013 compared with the prices of April 25, 2013.

	29.04.2013	20.05.2013	Change in % (+/-)
	<i>price, RUB</i>	<i>price, RUB</i>	<i>to the previous registration</i>
1. Automobile gasoline	29,35	29,29	-0,2
<i>including:</i>			
AI-80 grade	26,89	26,88	0,0
AI-92 grade	28,46	28,39	-0,2
AI-95 and up	31,13	31,08	-0,2
2. Diesel fuel	31,09	31,03	-0,2

Source: Federal Service of State Statistics of Russia

According to the Federal State Statistics Service of Russian Federation as of May 20, 2013 the average consumer prices for gasoline since the beginning of 2013 increased by 1.5 percent and diesel fuel - by 1.2 per cent, partly due to seasonal factors.

According to the Ministry of Finance of Russian Federation, since June 2013 oil export duty in Russia will be decreased by 19 US dollars and will reach 359.4 US dollars. This follows from the average price monitoring and the formula for calculating the export duty.

According to the Deputy Prime Minister, the Government does not intend to sharply raise the excise tax on gasoline "Euro-4" and "Euro-5" classes. The growth of fiscal charges will be gradual and insignificant and will have a major impact on the retail price of fuel. In this case, the final decision on the matter is still pending.

Kyrgyzstan

Prices and data on average retail price changes of gasoline and diesel fuel in May¹ 2013 compared with the prices in April 2013.

Cities	AI-95		AI-92		Diesel Fuel	
	<i>price, KGS</i>	<i>Change in % (+/-)</i>	<i>price, KGS</i>	<i>price, KGS</i>	<i>Change in % (+/-)</i>	<i>price, KGS</i>
Bishkek	40,69	-1,60	36,59	-2,08	39,95	0,73
Karakol	40,93	-1,13	36,95	-1,38	39,27	0,38
Jalal-Abad	43,09	-1,36	39,23	-2,24	42,53	1,23

¹ Average gasoline prices as of May 18, 2013

Naryn	41,40	0,00	36,50	-3,82	40,05	0,56
Batken	-		39,67	-1,63	43,46	0,59
Osh	42,41	-0,49	38,71	-1,62	41,43	0,56
Talas	40,69	-1,55	35,90	-2,38	38,46	1,93
Tokmok	40,90	-1,15	36,08	-2,16	39,05	0,61
Kara-Balta	-	-	36,38	-2,69	40,06	1,10
Average for the republic	41,20	-1,33	37,22	-2,02	40,43	0,74

Source: National Statistical Committee of Kyrgyz Republic "-" - lack of goods

The average price for gasoline (AI-92 and AI-95) in Kyrgyzstan as of May 21, 2013 decreased by 66 tyins compared to prices in April 2013, and by 1.9 KGS, compared with the average price in December 2012. The price of diesel fuel in the republic as of May 21 increased compared to prices in April 2013 by 30 tyin and compared to December 2012 by 40 tyin (+1.0 percent).

Government has made a decision to increase the excise tax on gasoline twice (2200 KGS per ton instead of the previous 1,100 KGS per ton). According to the president of the Association of Oil Traders of Kyrgyzstan, there will not be any rise in fuel prices before the end of spring field work. Thus in July, if conditions remain the same, the prices may go up by 40-50 tyin (about 1 percent of the current level), and direct contribution to the increase in inflation will be around 0.2 percentage points

There was signed a contract with OC "Rosneft" for exploration, production and supply of oil and gas. By agreement, this contract involves the occupation of areas not covered by JSC "Gazprom" and may lead to some reduction in competition and fuel prices in the medium term.

According to the president of the Association of Oil Traders of Kyrgyzstan, in August of this year the Chinese oil refinery will start to work, which will provide 60 percent of the country's needs. According to him, it is planned to build two more factories.

Natural gas

Kyrgyzstan

Discussions on privatization of "KyrgyzGas" by Russian JSC "Gazprom" are still in the process. According to the First Deputy Prime Minister, the privatization agreement will be signed at the end of May this year.

According to the NSC of KR the cost of gas (natural and liquefied) for 16 days in May of this year has not changed, but since the beginning of the year increased by 1 percent.

Electricity

Kyrgyzstan

According to the news agency "Tazabek", the government intends to reduce the export of electricity in 2013. According to Deputy Prime Minister, the country will not be able to export electricity over 5 billion kWh, as today is a shortage of about 2 kWh. Local governments were instructed to move to alternative sources of heating.

According to the Minister of Energy and Industry, in 2013 the volume of water in the Toktogul reservoir will be 16 billion cubic meters. In fact, as of May 21, 2013, the volume of water reservoirs was 11.4 billion cubic meters that decreased by 22.0 percent compared to the same period in 2012.

The review was organized based on the data: New Agency «24.kg», New Agency «Reuters», New Agency «RBK», New Agency «Kazakhstan Today», New Agency «Tazabek», New Agency «CentrAsia», New Agency «KirTag», New Agency «ITAR-TASS», New Agency «REGNUM»

Chart 1: Urals from 01.01.2011 to 20.05.2013

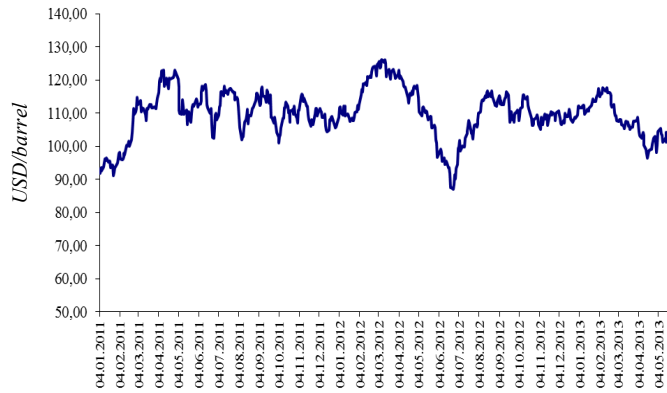


Chart 2: Brent from 01.01.2011 to 20.05.2013

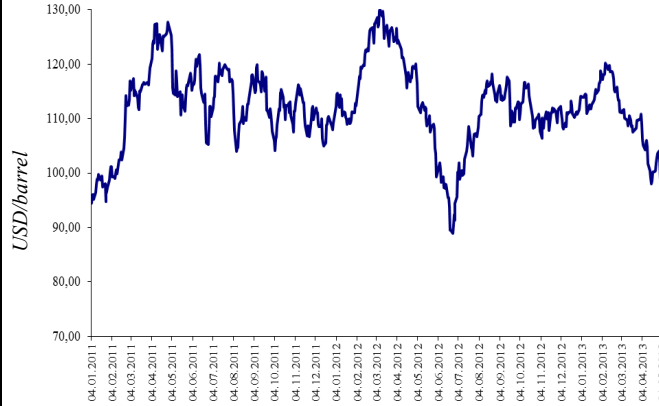


Chart 3: WTI from 01.01.2011 to 20.05.2013



Chart 4: Urals from 20.04.2013 to 20.05.2013

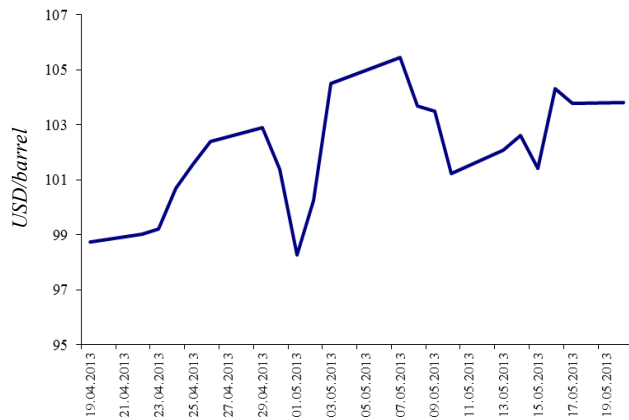


Chart 5: Brent from 20.04.2013 to 20.05.2013

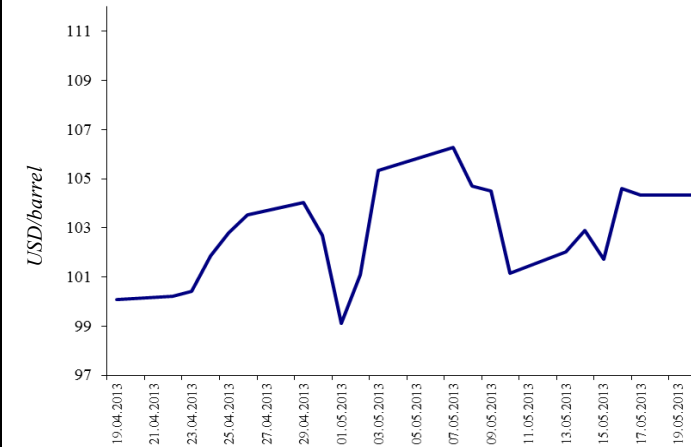


Chart 6: WTI from 20.04.2013 to 20.05.2013

