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February 21, 2008

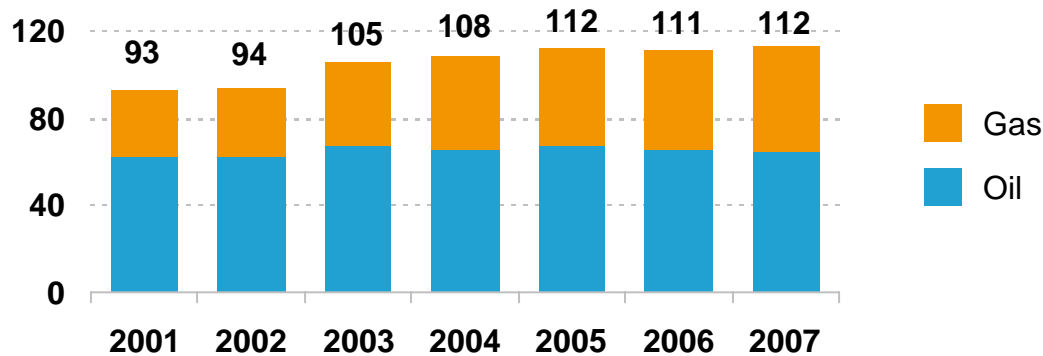
Oil & Gas – Strong growth and earnings perspectives

 **BASF**
The Chemical Company

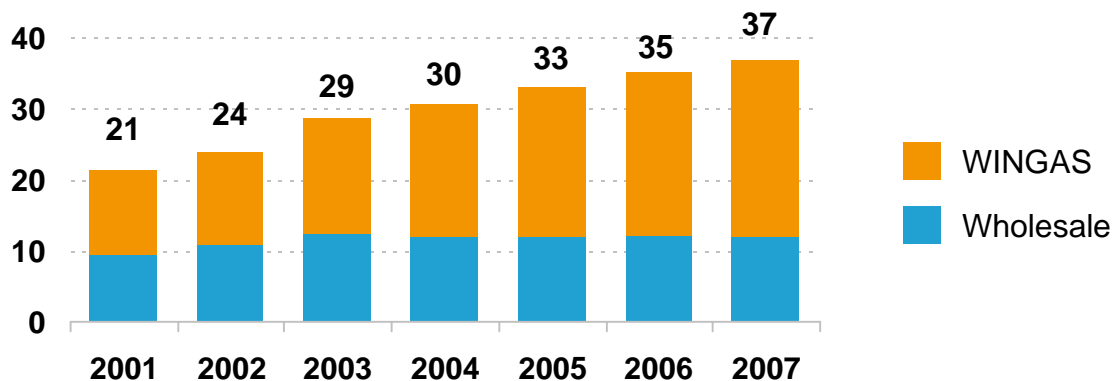


Oil & Gas – E&P and Gas Trading

**Production
in million boe**



**Gas Trading (including sales to BASF)
in billion m³**



Exploration & Production

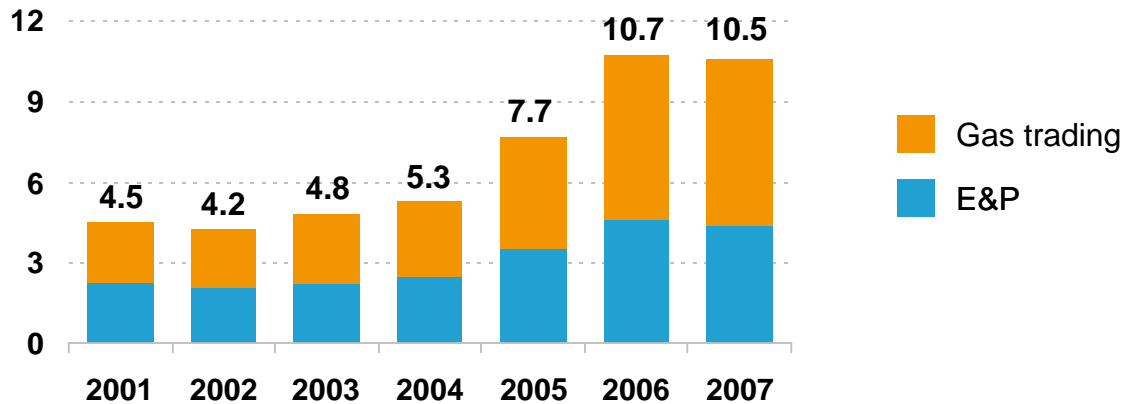
- 3% CAGR 2001-2007
- Gas share increased to ~40%
- Successful production launch at Yuzhno Russkoye gas field

WINGAS

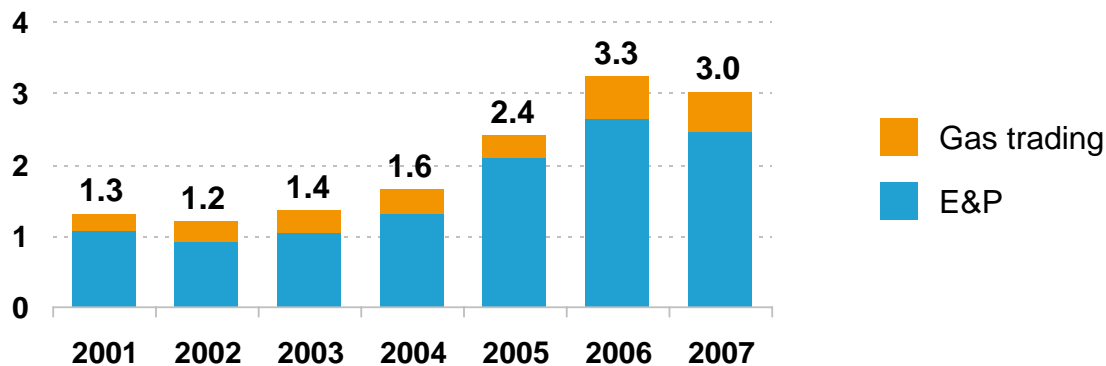
- 13% CAGR 2001-2007
- Gas sales to BASF 3.9 billion m³ (~16%)
- Gas Trading business is successfully maintaining its growth course
- Several contracts with new customers have been concluded

Oil & Gas – Sales and EBIT

Sales
in billion Euro



EBIT
in billion Euro



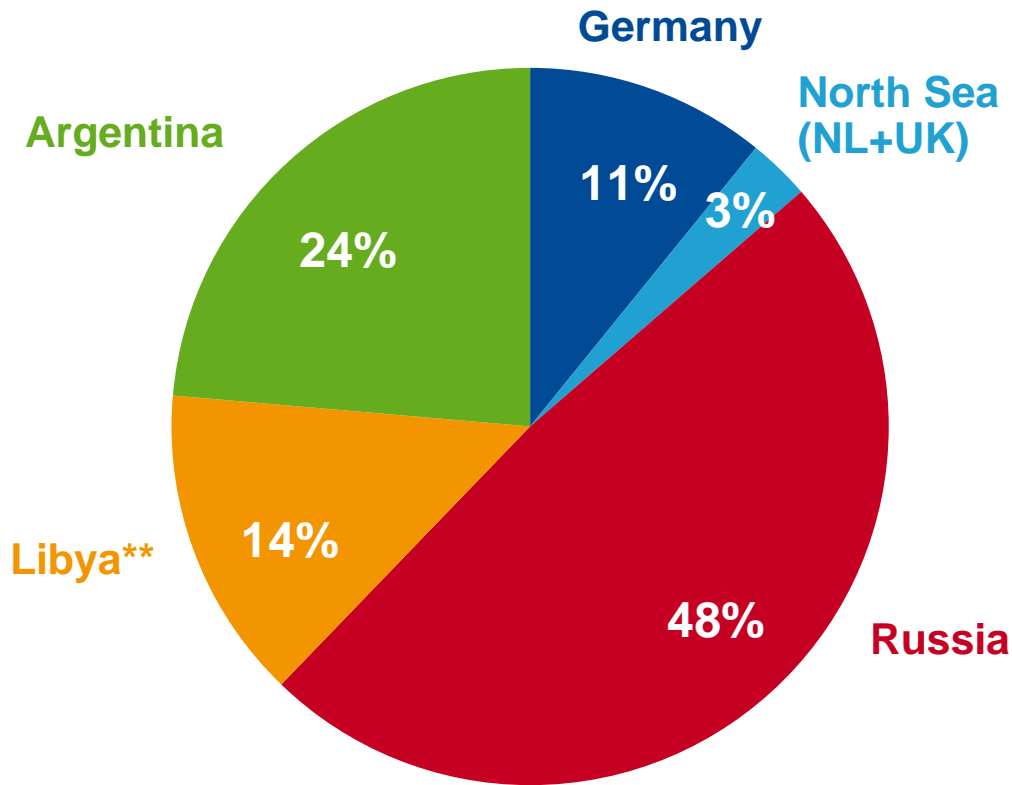
Sales

- 15% CAGR 2001-2007
- Boost in 2005-2007 from
 - higher oil and gas prices
 - increased sales in gas trading

EBIT

- 15% CAGR 2001-2007
- Oil price in Euro terms remained flat in 2007 vs. 2006
- Gas Trading margins suffered from time lag effects in 2007

Oil & Gas – Reserves



Total proven reserves: 1,132 million boe

- Proven reserves without Achimgaz* increased by 39% to 1,132 million boe
- R/P ratio for oil & gas increased by 3 years to 10.3 years
- High reserve replenishment rate of 389% mainly driven by closing of asset swap with Gazprom
- Reserves mix shifting to gas

* according to SEC guidelines

**Libyan concession (C96/C97) at 51%

Structure of the asset swap

BASF receives



Yuzhno Russkoye

BASF receives 25% less one share with voting rights plus 10% participation without voting rights in Serverneftegazprom (SNG)

BASF receives the profits from the sale of 35% of the gas produced

Gazprom receives



WINGAS

Gazprom receives in addition to the present shareholding of 35% 15% minus one share of WINGAS GmbH



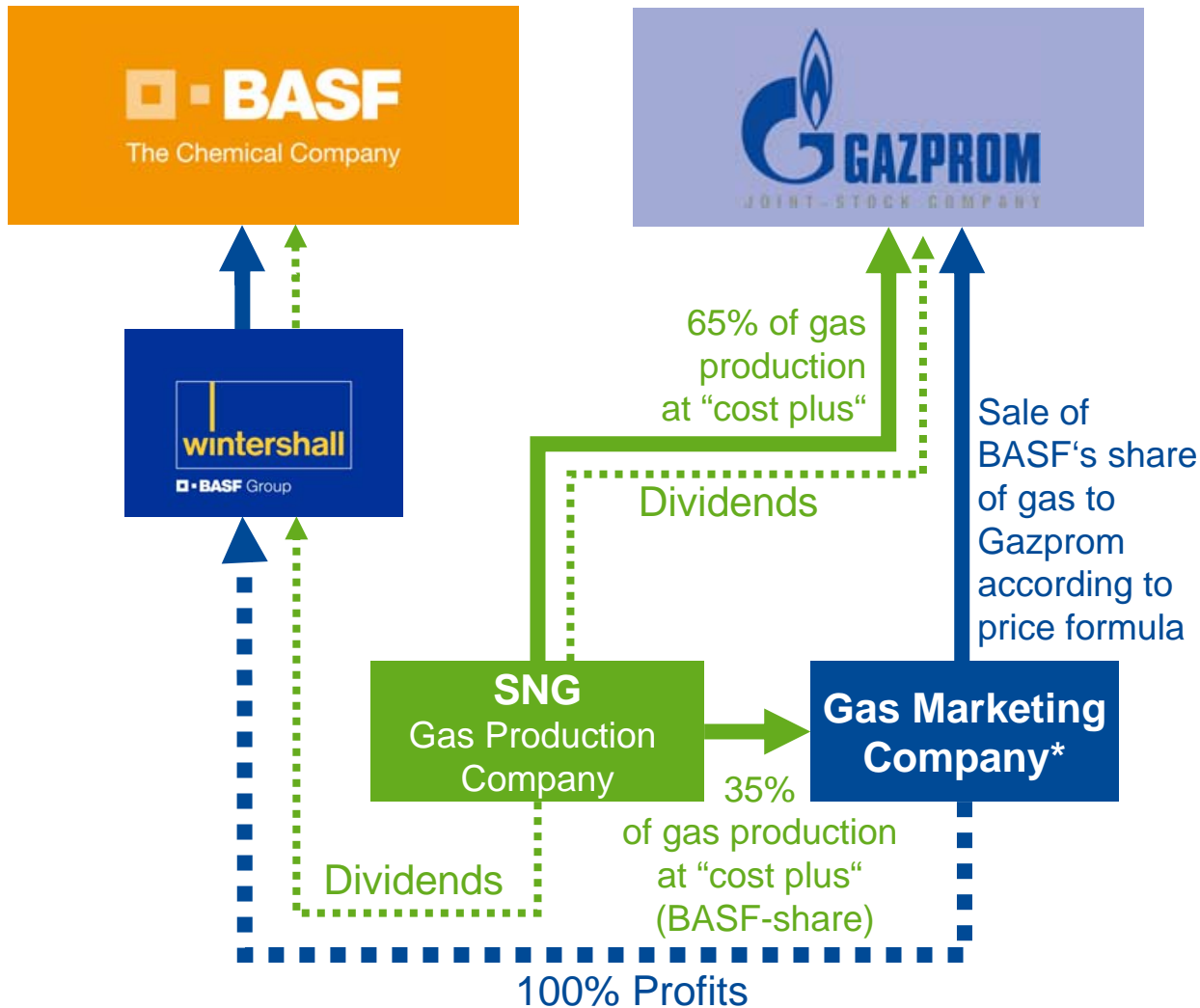
Libya onshore

Gazprom receives a 49% stake of a German Wintershall subsidiary which holds the Libyan onshore concessions (C96/C97)

Cash payment to Gazprom

€540 million

Asset swap: Yuzhno Russkoye Gas and profit flows



- BASF share of 35% of gas production is sold by SNG to Gas Marketing Company at cost plus margin
- Remaining 65% of gas production is sold directly to Gazprom at cost plus margin
- Cost plus margin of SNG is distributed via dividends to shareholders (double-digit million Euro amount p.a.)
- Gas Marketing Company is selling-on BASF's share of gas to Gazprom according to agreed price formula
- Price formula is a mix of netback export price and Russian domestic prices

Financial impact of asset swap

	Million €
Fair Value of given assets (15% WINGAS, 49% Libya)	850
Cash Payments	598
• Compensation of value of received assets	540
• Earnings 2006 (15% WINGAS; 49% Libya)	58
Total	1,448

	Million €
Fair Value of received assets (35% Yuzhno Russkoye)	
Intangible assets* (Value of gas marketing contract)	1,762
Investment in SNG (BASF's share in equity value of SNG)	110
Deferred taxes	-424
Total	1,448

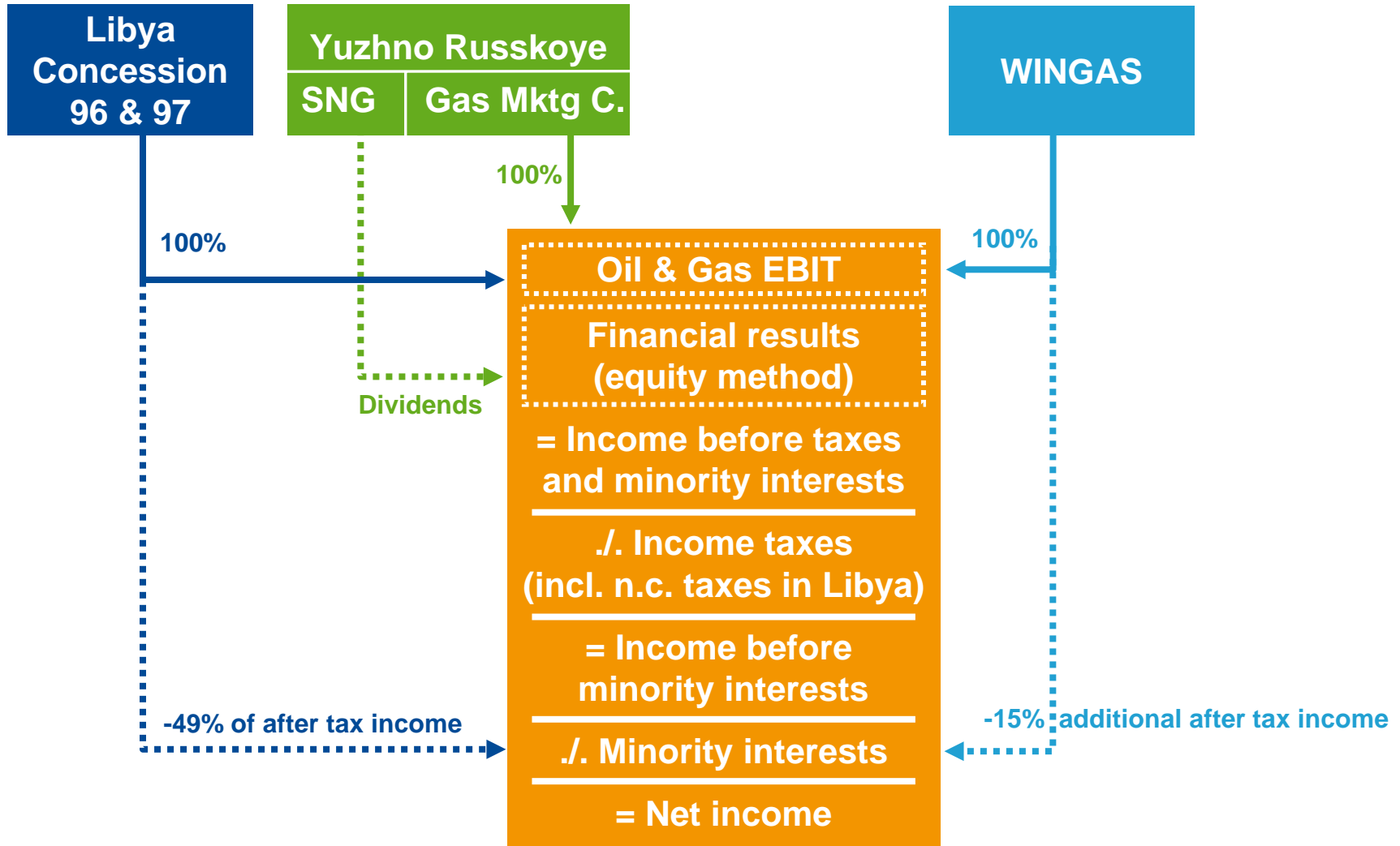
Cash payments include

- Cash compensation to Gazprom to balance the value of swapped assets
- Balancing of earnings of WINGAS and Libya in 2006 as of effective date of swap agreement June 1st, 2006
- WINGAS and Libya earnings in 2007 will be distributed via dividends in 2008

* including deferred taxes (IFRS regulation)

Asset swap

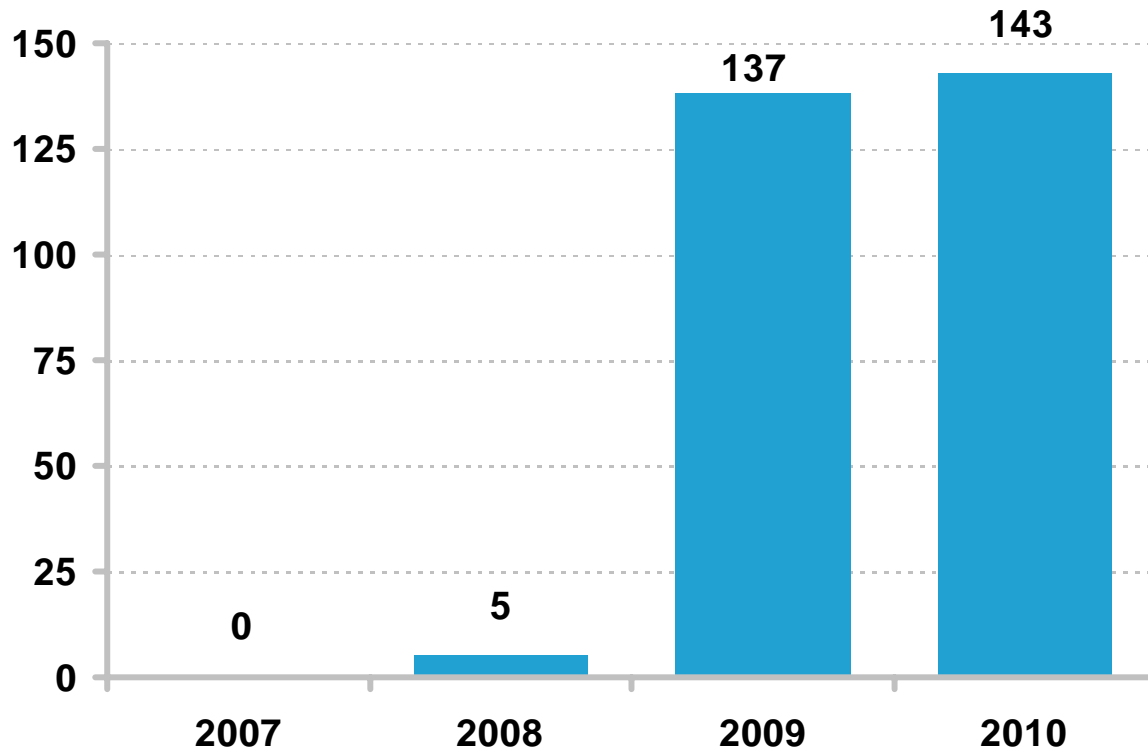
Impact on BASF's P&L structure



Asset swap

Estimated net effect on BASF net income

Net income in €million



- Asset swap has already a positive impact in 2008 due to higher than expected production at Yuzhno Russkoye gas field
- Strong contribution to net income as of 2009

Achimgaz

Pilot wells confirm expectations

Achimgaz (50% BASF, 50% Gazprom)

- Total investment 1.1 billion Euro (BASF share 0.6 billion Euro)
- Wintershall provides technical expertise for development of complex Achimov reservoirs
- Estimated plateau production: up to 8 billion m³/a, to be reached approx. by 2015
- Total reserves*: 200 billion m³ gas, 40 million t condensate
- Drilling of six production wells of Pilot phase nearly completed; start of production first half 2008
- Well test results confirm expectations

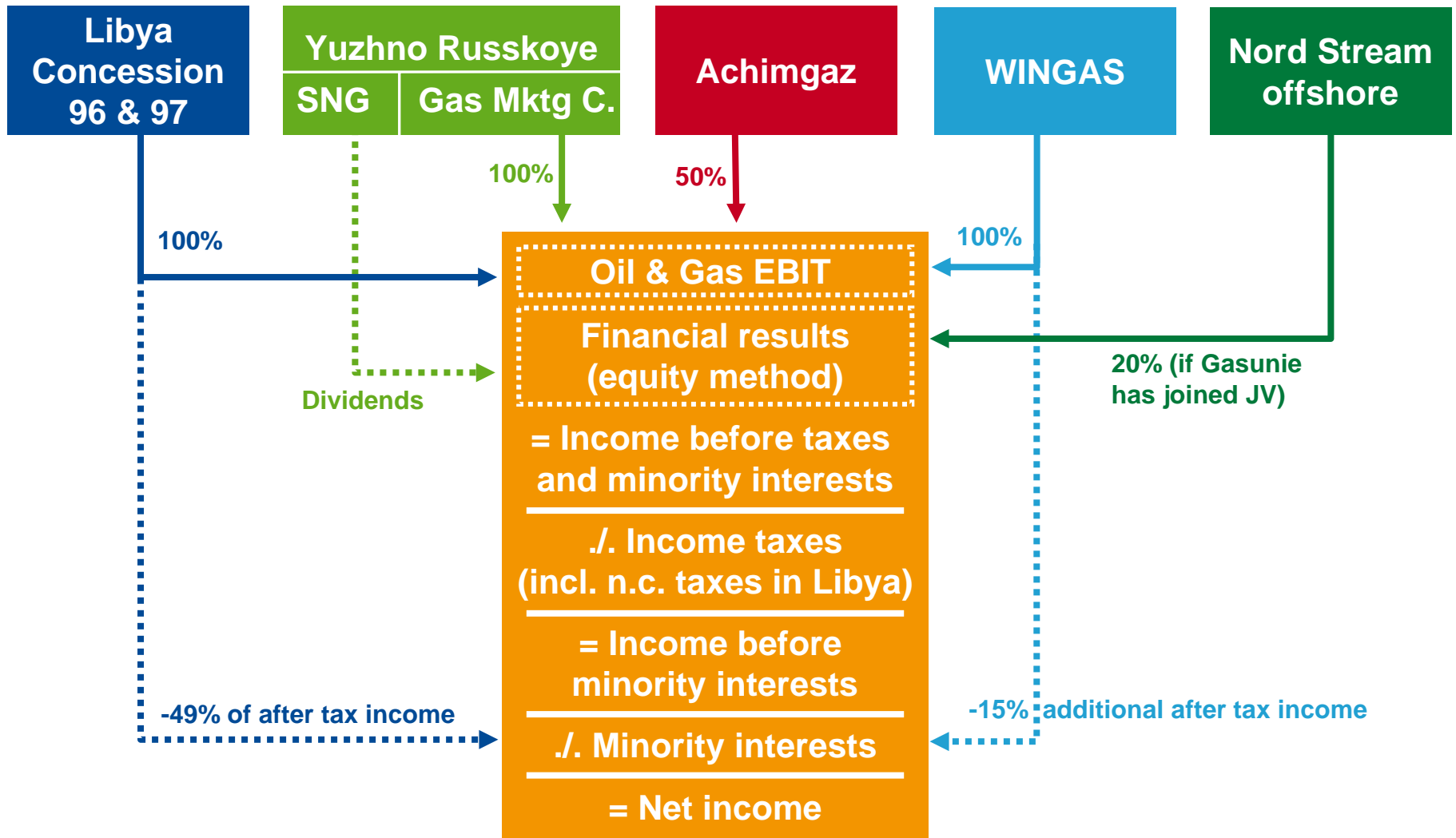


Nord Stream Northern European Gas Pipeline

- Major infrastructure project to supply Western Europe with Russian gas (capacity 55 bn m³) via two 1,200 km subsea pipelines
- Pipe-laying works on the first line commencing mid 2009, and to be completed in 2010; first gas to be delivered spring 2011
- Gazprom holding 51%, BASF 24.5%, E.ON 24.5%; if Gasunie enters JV with 9% (principle agreement is signed with Gazprom) BASF's and E.ON's share reduces to 20% each
- The total investment for the offshore pipelines* and Germany onshore connection is under review and will be communicated after detailed engineering



New projects with Gazprom Impact on BASF's P&L structure



New projects with Gazprom

Impact on BASF P&L

Million €	2007	2008	2009	2010	2015
Incremental EBIT	3	165	302	328	400
Financial result	-4	10	48	45	120
= Incremental income bef. taxes & minority interest	-1	175	350	373	520
./. Interests	4	44	53	51	} 126
./. Taxes	1	29	68	82	
./. Minority Interests	10	110	106	98	94
= Incremental net income	-16	-8	123	142	300

- The figures represent the incremental impact of new projects with Gazprom
- EBIT and Financial Result include
 - Yuzhno Russkoye: Gas Mktg Company + Dividends of SNG
 - Achimgaz (50%)
 - Nord Stream (20%)
- Minority Interests:
 - WINGAS (15% share)
 - Libya C96, C97 (49%)
- Assumptions:
Brent range \$60-75 per bbl, \$/€ 1.40 – 1.45

Oil & Gas

Pursuing ambitious growth targets

2007	2010
Crude oil and natural gas production of 112 million barrel oil equivalent	→ Increasing crude oil and natural gas production to 140 million barrel oil equivalent
Natural gas sales of 37 billion cubic meters	→ Increasing natural gas sales to 40 billion cubic meters
Investments 2001-2007: €3.5 billion*	→ Major investments 2008-2010: €3.0 billion
Net income Oil & Gas: €812 million**	→ Net income Oil & Gas: €780 – 910 million***

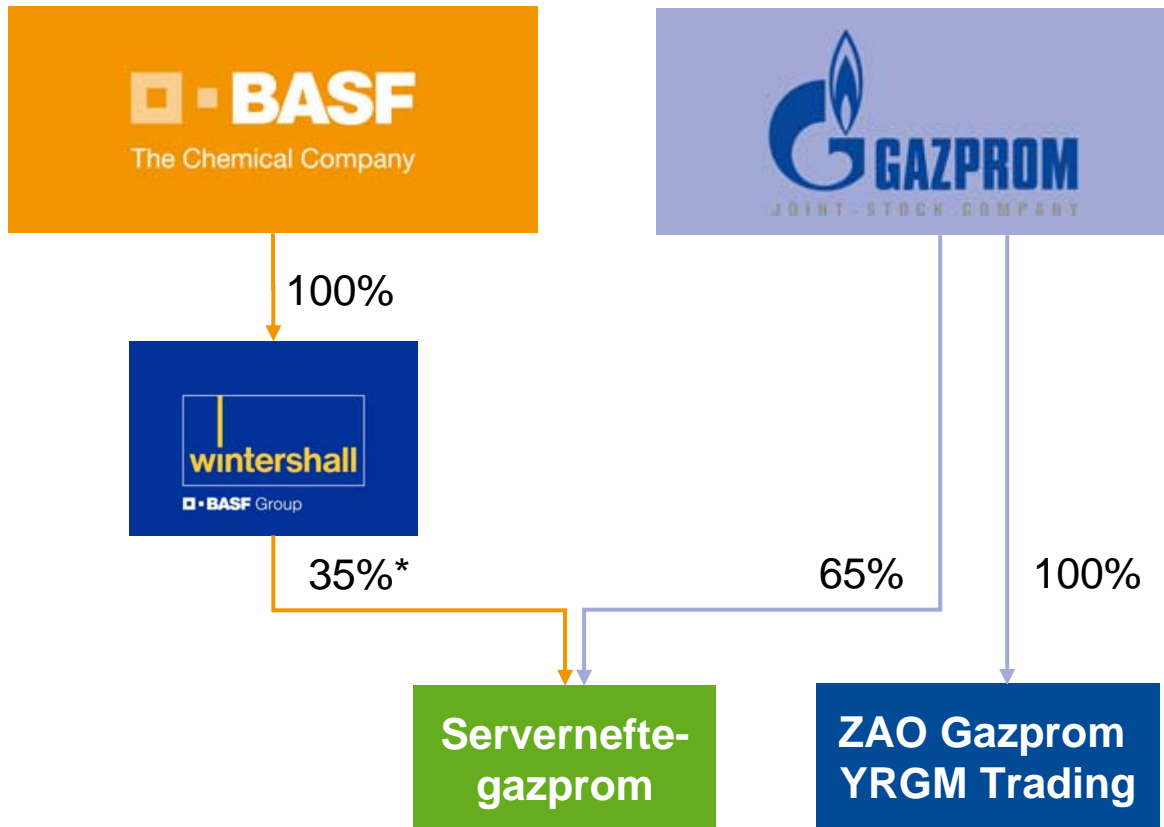
* Excl. asset swap with Gazprom

**Brent average 2007 of \$/bbl 72.39, \$/€ 1.37;
Libya C96/C97: BASF 51%, WINGAS: BASF 50%, effective December 2007

*** Brent range of \$60 (\$/€ 1.40) – \$75 per barrel (\$/€ 1.45) including Yuzhno Russkoye 35%, Libya onshore C96/C97 51%; WINGAS: 50% BASF plus one share; subject to contract prolongation, no major changes in market frame-work

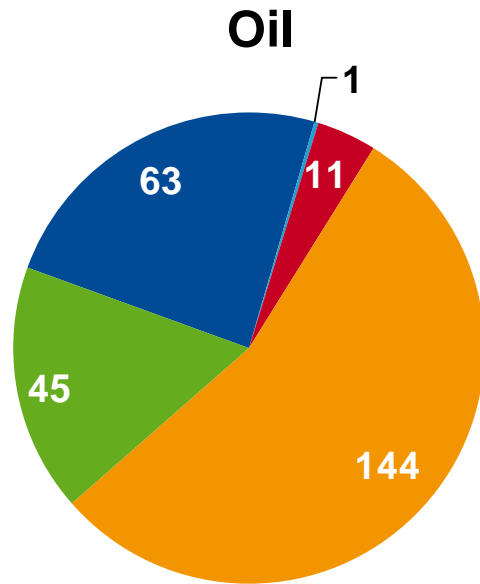
Backup

Asset swap Organizational structure

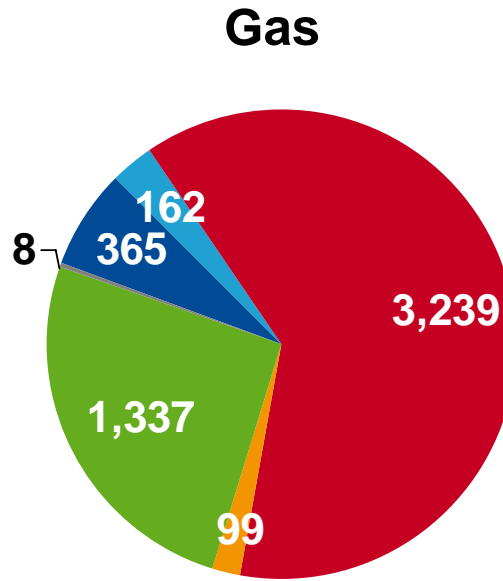


- SNG holds the license in Yuzhno Russkoye gas field
- BASF holds 25% less one share with voting rights plus 10% participation without voting rights in Serverneftegazprom (SNG)
- ZAO Gazprom YRGM Trading, the project company which markets the BASF share of the produced gas, is fully owned by Gazprom

Oil & Gas – Reserves 2007



**Total proven oil reserves:
264 million bbl**



**Total proven gas reserves:
5,210 billion scf**



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Disclaimer

This presentation may contain forward-looking statements. These statements are based on current expectations, estimates and projections of BASF management and currently available information. They are not guarantees of future performance, involve certain risks and uncertainties that are difficult to predict and are based upon assumptions as to future events that may not prove to be accurate.

Many factors could cause the actual results, performance or achievements of BASF to be materially different from those that may be expressed or implied by such statements. Such factors include those discussed in BASF's Financial Report 2006 on pages 72ff. We do not assume any obligation to update the forward-looking statements contained in this presentation.



The Chemical Company