

GAZPROM NEFT TODAY

Gazprom Neft is a vertically integrated company engaged in oil and natural gas exploration, production and sales, oil refining, and production and sales of petroleum products. We lead the oil sector in terms of efficiency.

Gazprom Neft comprises over 70 oil production, refining and sales companies in Russia, CIS and non-CIS countries. The Company boasts one of the industry's best crude refining-to-production ratios and ranks among Russia's Top 3 major hydrocarbon producers by volume. Our exploration, production and refining operations seek to introduce cutting-edge technologies, which propels the country's oil industry.

In 2018, we delivered record financial results, posting the highest profit in our history. An innovation-driven company, Gazprom

Neft leverages the best available solutions to achieve its strategic goals.

Gazprom Neft's ordinary shares are listed on the Moscow Exchange in Russia. The Company's shares are also traded overseas in the form of American depositary receipts (ADRs), mainly in the UK's OTC market via the LSE IOB system.

Geography of operations



- 1 Russia
- 2 Angola
- 3 Belarus
- 4 Bulgaria
- 5 Bosnia and Herzegovina
- 6 Venezuela
- 7 Iraq
- 8 Italy
- 9 Kazakhstan
- 10 Kyrgyzstan
- 11 Latvia
- 12 Romania
- 13 Serbia
- 14 Tajikistan
- 15 Estonia

L

Core business

Gazprom Neft's operating model is built on vertical integration. By operating across the value chain, including exploration, oil field development, production, refining, and sales of oil and petroleum products, the Company remains resilient and is well-positioned to increase efficiency going forward.

In order to keep up with the ever-changing market trends, achieve an even higher return on average capital employed, and meet its social obligations, Gazprom Neft is continuously improving on the strong points of each segment:

- > enhances hydrocarbon and petroleum replacement to meet long-term energy demand;
- > implements hydrocarbon exploration and production projects on oil and oil and gas fields in Russia and abroad, both onshore and offshore;
- > develops the existing and builds new facilities for processing hydrocarbons and producing premium petroleum products that comply with the current technological, environmental and economic standards;
- > makes each stage of the production chain more efficient and environmentally safe;
- > expands the products and services offering for clients;
- > fosters direct contacts with its retail and wholesale customers in Russia and beyond via a vast own sales network;
- > maintains direct contacts with retail and wholesale buyers in Russia and beyond via its vast own sales network.

OIL&GAS EXPLORATION AND PRODUCTION

Gazprom Neft's portfolio includes conventional and offshore oil and gas fields in a variety of development stages (from exploration to mature fields) in Russia and abroad, serving as the platform to increase output and maximise profit in line with the market environment. With 2,841 mtoe of aggregate proven and probable reserves (including the Company's share in subsidiaries' reserves accounted for by the equity method and excluding NIS reserves), Gazprom Neft ranks side by side with the world's largest oil companies.

OIL REFINING

Gazprom Neft is among Russia's leaders in oil refining, consistently working to improve the efficiency of the production processes in this area. The Company operates three own refineries in Omsk, Moscow and Pančevo (Serbia) and has access to the refining capacities of the Slavneft-YANOS joint venture in Yaroslavl and Mozyr Refinery in the Republic of Belarus. The Company is implementing massive technology and environmental compliance upgrades at its refineries in order to improve their efficiency and safety.

SALES OF OIL AND PETROLEUM PRODUCTS

Gazprom Neft sells oil and petroleum products across Russia and in over 70 other countries. Its filling stations constitute one of the largest and most geographically diverse distribution networks on Russia's retail motor fuel market.

Gazprom Neft improves the efficiency of its sales by splitting the relevant processes into different business lines: retail sales and small wholesale of motor fuels, petroleum product sales to industrial customers, including aviation and marine fuel sales, as well as production and distribution of lubricants and bitumen products. The Company has set up dedicated subsidiaries to perform these functions.

Gazprom Neft is among the top suppliers of motor fuel to the domestic market and a leader in the Russian retail aviation fuel market. By growing its distribution network and expanding its product range, the Company is able to win ever-larger shares in the Russian lubricant and bitumen markets.

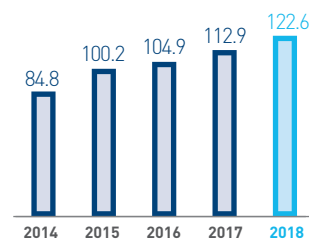
Sustainable development

TALENT POOL DEVELOPMENT

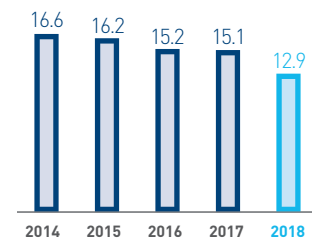
The Company takes steps to attract, engage and retain the best available employees, while also working hard to develop its employer brand. Thanks to this, Gazprom Neft has been recognised as a top employer in Russia.

For more details on talent pool development, see p. 72

Average monthly salary (₽ '000)



Turnover rate (%)



HEALTH AND SAFETY

Ongoing introduction of global best practices in health and safety helped the Company cut its injury rates.

12

₽ BN

investments in health and safety improvements

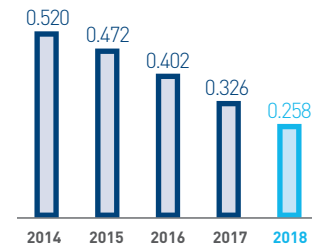
-21%

LTIF REDUCTION

y-o-y

For more details on health and safety, see p. 94

Lost Time Injury Frequency Rate



ENVIRONMENT

The Company strictly complies with Russian environmental laws and puts in every effort to reduce the negative impact of its operations, investing heavily in environmental protection. Minimising its environmental footprint is a key priority for the Company.

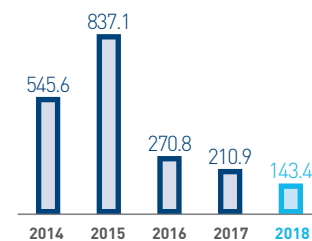
19

₽ BN

investments in environmental protection

For more details on environmental protection, see p. 101

Environmental impact fees (₽ m)





CONTRACTOR MANAGEMENT RESPONSIBILITY

Compliance with corporate safety standards is a key criterion in selecting Gazprom Neft's contractors. Ensuring conformity with legislative and corporate industrial safety requirements is far from being the only focus area in the Company's contractor relations policies. At Gazprom Neft, we seek to create an environment that would promote workplace safety and encourage suppliers to build long-term partnerships with the Company.

For more details on supply chain responsibility, **see p. 92**



SOCIAL INVESTMENTS

The Home Towns social investment programme is one of the most successful business initiatives for the development of local communities in Russia. In 2012, Gazprom Neft chose to combine all its social investment initiatives into a single programme, shifting focus from targeted support towards a social investment approach ensuring consistent improvement of living standards across the Company's footprint.

6.8
P BN
in social
investments

> 250
SOCIAL PROJECTS
completed

For more details on social investments, **see p. 127**



ENERGY CONSUMPTION AND EFFICIENCY

To improve energy efficiency, the Company upgrades equipment at its key production facilities and conducts regular energy audits, which serve as a basis for action plans to lower specific power consumption.

462
M KWH
energy savings
in the Upstream
Division in 2018

For more details on energy efficiency, **see p. 115**