

DIVIDEND HISTORY

COMPANY'S DIVIDEND HISTORY

| Indicator | 2013 | 2014 | 2015 | 2016 | 9M 2017 ¹ |
|--|---|---|---|---|--|
| Amount of dividends accrued per one share, RUB | 9.38 (including dividends for H1 2013) | 6.47 (including dividends for H1 2014) | 6.47 (including dividends for H1) | 10.68 | 10.0 |
| Total amount of dividends accrued per share of a particular category, RUB | 44,473,390,614 | 30,676,208,664 | 30,676,208,664 | 50,637,080,144 | 47,412,996,390 |
| Percentage of US GAAP/IFRS net profit | 25 | 25 | 28 | 25 | 25 |
| Compilation date of list of persons entitled to receive dividends | 23/06/2014 | 22/06/2015 | 27/06/2016 | 26/06/2017 | 29/12/2017 |
| Meeting date of issuer's governing body at which the decision was made to pay dividends and the date and number of the minutes | 06/06/2014 Minutes No. 0101/01 dated 10/06/2014 | 05/06/2015 Minutes No. 0101/01 dated 09/06/2015 | 10/06/2016 Minutes No. 0101/01 dated 14/06/2016 | 09/06/2017 Minutes No. 0101/01 dated 14/06/2017 | 15/12/2017 Minutes No 0101/02 dated 20/12/2017 |
| Deadline given for payment of declared dividends | before 28/07/2014 | before 27/07/2015 | before 01/08/2016 | before 31/07/2017 | before 12/02/2018 |
| Form and other conditions of payment of declared dividends | In cash form | In cash form | In cash form | In cash form | In cash form |
| Proportion of dividends paid in the total amount of announced dividends for shares of this category (type) (%) | 99.99 | 99.99 | 99.96 | 99.98 | 99.99 |

COMPARISON OF TOTAL RETURN

SHAREHOLDER'S TOTAL RETURN IN 2017

Source: Company data, Moscow Exchange PJSC

| Indicator | Gazprom Neft | LUKOIL | Rosneft | Tatneft | NOVATEK |
|--|--------------|----------|---------|---------|---------|
| Price at start of period (03/01/2017), RUB | 222.60 | 3,575.00 | 419.50 | 445.20 | 783.00 |
| Price at end of period (29/12/2017), RUB | 244.10 | 3,334.50 | 291.50 | 478.80 | 677.70 |
| Growth in market value, % | 9.7 | (6.7) | (30.5) | 7.5 | (13.4) |
| Dividends | 10.68 | 195.00 | 5.98 | 22.81 | 13.90 |
| Dividend yield, % | 4.8 | 5.5 | 1.4 | 5.1 | 1.8 |
| TSR, % | 14.5 | (1.3) | (29.1) | 12.7 | (11.7) |

DEBT PORTFOLIO AND CREDIT RATINGS

As far as funding for its activities, Gazprom Neft relies both on internal funding sources generated by income from operating activities as well as borrowed funds. When determining the ratio of debt and internal financing within the capital structure, the Company seeks to achieve an optimal balance between the overall value of capital, on the one hand, and ensuring long-term sustainable development, on the other hand.

¹ — 20 April 2018. The Company's Board of Directors recommended that the General Meeting of Shareholders pay dividends of RUB 15 per share (taking into account previously paid dividends for the first 9 months of 2017).

CORE PRINCIPLES OF DEBT PORTFOLIO MANAGEMENT

The Company adheres to a rather conservative debt financing policy. One of the key principles of the debt policy is to ensure a high level of financial sustainability for which an important indicator is the 'Net Debt/EBITDA' ratio and 'Consolidated financial debt/consolidated EBITDA' ratio as calculated for the Gazprom Neft Group. According to the terms of the Company's loan agreements, the value of the 'Consolidated financial debt/consolidated EBITDA' ratio should not exceed 3. As of the end of the reporting period (and also over the five-year period preceding the reporting date), the ratio's value was lower than the specified threshold.

The other conditions of loan agreements and issuing documentation on bonds and Eurobonds were also observed in full during the reporting period.

Disclosing the results of activities for the management of the Gazprom Neft Group's debt portfolio on the official corporate website ensures the information transparency of the debt policy. During the reporting year, the Company kept the relevant section of its website updated.

PRIMARY DEBT FINANCING TOOLS

As of the end of 2017, the Company's debt portfolio included such debt financing instruments as bilateral credit facilities (including revolving facilities), syndicated credit facilities, local bonds, Eurobonds, and a credit under the guarantee of the Export Credit Agency (ECA). The diversified structure of the Company's debt portfolio makes it possible to maintain a flexible borrowing policy given the volatility of the debt capital markets.

When raising debt financing, the Company takes into account the specifics of the activities being funded as well as conditions on debt capital markets.

Based on this principle, Gazprom Neft had the following borrowings in 2017:

- five placements of local bonds for a total of RUB 70 billion. The coupon rate was one of the lowest on the market as of the placement date for the relevant bond issues among Russian corporate borrowers that are comparable with the Company in terms of ratings;
- the drawdown of RUB 76.3 billion under loan agreements signed in 2016-2017 (excluding drawdowns for unscheduled refinancing for the purpose of improving the attributes of the Gazprom Neft Group's debt portfolio).

The aforementioned borrowed funds were used for general corporate purposes.

The Company also repaid RUB 326.0 billion in previously received borrowings in 2017, including the unscheduled repayment of RUB 256.9 billion in order to improve the attributes of the Gazprom Neft Group's debt portfolio.

As a result of the Company's borrowings and repayments described above, changes to the debt of other companies of the Gazprom Neft Group (NIS a.o. Novi Sad, Gazpromneft-Moscow Oil Refinery JSC, and others), and the rouble revaluation of borrowings denominated in foreign currency, the debt portfolio of the Gazprom Neft Group increased from RUB 676.4 billion as of 31 December 2016 to RUB 680.4 billion as of 31 December 2017.

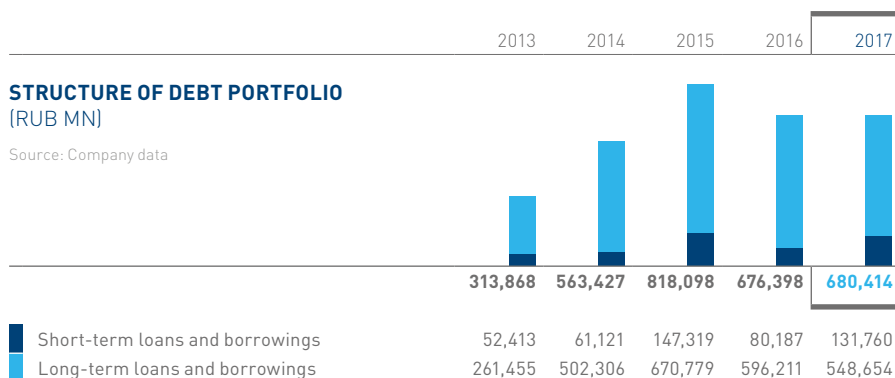
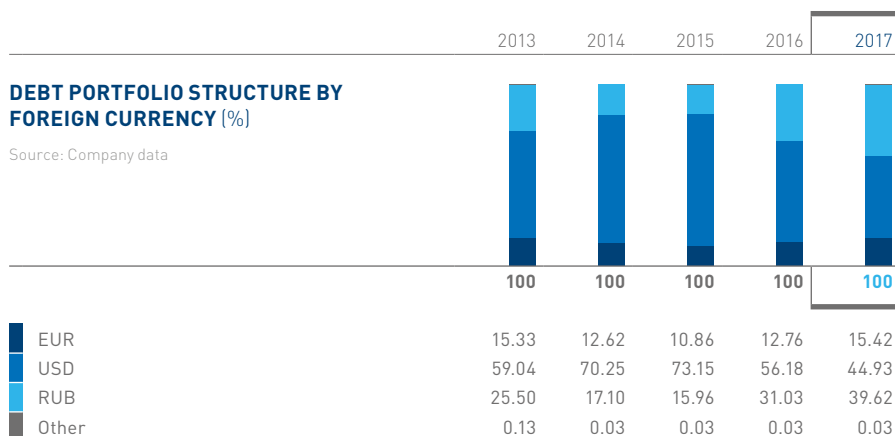
DEBT/EBITDA RATIO

Source: Company data

| Indicator | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----------------------|------|------|------|------|------|
| Net debt/EBITDA | 0.59 | 1.44 | 1.90 | 1.60 | 1.19 |
| Debt/EBITDA | 0.99 | 1.87 | 2.37 | 1.68 | 1.39 |
| Debt/EBITDA threshold | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |

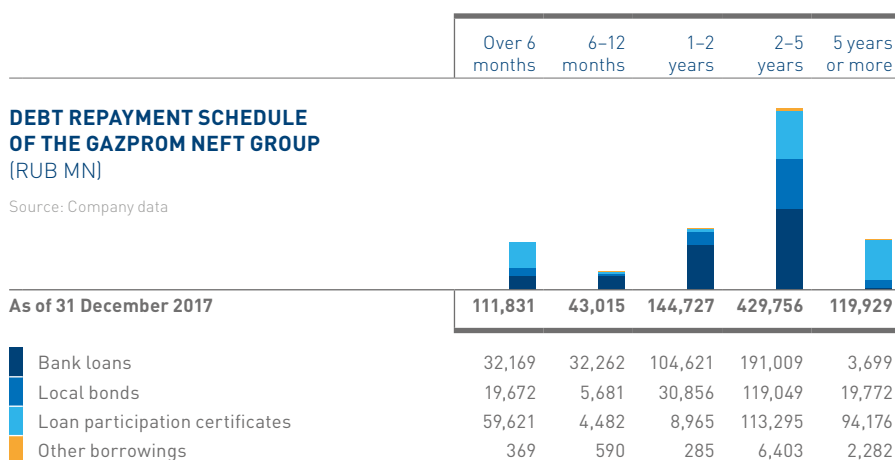
KEY ATTRIBUTES OF THE DEBT PORTFOLIO

Long-term borrowings dominate the Gazprom Neft Group's debt portfolio in terms of maturity date, thus minimizing the risk of the inability to refinance debt in 2018.



DEBT REPAYMENT SCHEDULE

Based on the Gazprom Neft Group's debt repayment schedule, the Company does not anticipate any significant increase in the debt refinancing burden in 2018–2019. However, given the Company's measures to meet the needs of future periods, this increase is not expected to have a negative effect on the Gazprom Neft Group.



POTENTIAL INSTRUMENTS FOR ATTRACTING FINANCING IN 2018

The Company not only fulfilled its Financial Borrowing Programme in 2017 utilizing the most effective tools, but also took a number of important steps to ensure its ability to attract financing in 2018, including the signing of several loan agreements with major Russian banks.

The Group is considering various options for financing in 2018, including but not limited to rouble-denominated bonds, credit facilities, and project financing.

In order to ensure the ability to promptly raise debt financing in the form of a local bond issue, the Company registered a multi-currency Exchange Bond Programme in 2015. The undrawn limit under the programme was the equivalent of RUB 30 billion as of the end of 2017. The Programme remains in effect for 30 years, thus enabling the Company to promptly organize an issue(s) of exchange bonds for a period of up to 30 years inclusive if the need arises. The Company is also actively involved in improving legislation on the securities market as regards the placement and circulation of local bonds as part of the Bond Issuers Committee of the Moscow Exchange.

In 2017, the Company repaid previous borrowings for a total of

RUB 326^{BN}

CREDIT RATINGS

In July 2017, Russia’s Analytical Credit Rating Agency (ACRA) assigned Gazprom Neft a high long-term credit rating of AAA (RU) with a stable outlook for the first time. The credit rating was assigned according to the national scale for the Russian Federation.

In 2017, the Chinese rating agency Dagong Global Credit Rating upgraded Gazprom Neft’s credit rating from negative to stable.

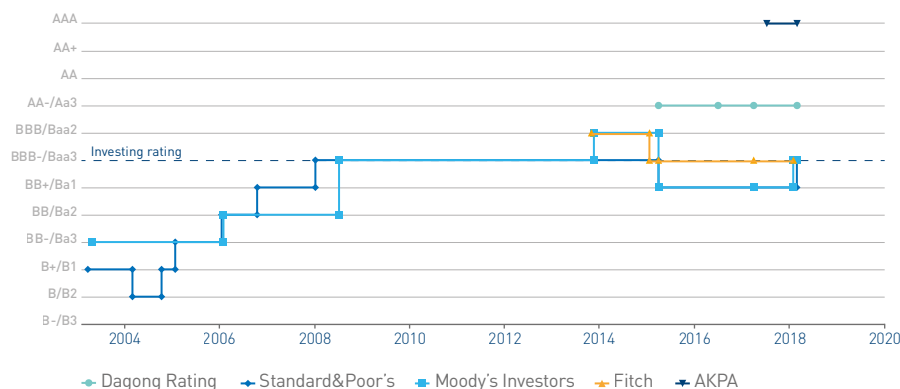
In 2017, the following international rating agencies upgraded Gazprom Neft’s credit rating:

- Standard & Poor’s outlook – positive;
- Fitch outlook – positive;
- Moody’s outlook – stable.

Events after the reporting date:

- Moody’s upgraded its rating to Baa3 with a positive outlook in January 2018;
- Standard & Poor’s upgraded its rating to BBB– with a stable outlook in February 2018.

CREDIT RATINGS OF GAZPROM NEFT PJSC



In 2017, the Chinese rating agency Dagong Global Credit Rating upgraded Gazprom Neft’s credit rating from negative to stable.

CREDIT RATINGS OF GAZPROM NEFT PJSC AS OF MARCH 2018

STANDARD & POOR’S

BBB–

STABLE
INTERNATIONAL RATING SCALE

MOODY’S

Baa3

POSITIVE
INTERNATIONAL RATING SCALE

FITCH

BBB–

POSITIVE
LONG-TERM ISSUER DEFAULT RATING IN FOREIGN AND NATIONAL CURRENCIES

DAGONG GLOBAL CREDIT RATING

AA–

STABLE
LONG-TERM CREDIT RATING FOR LIABILITIES IN FOREIGN CURRENCY

AA

STABLE
LONG-TERM CREDIT RATING FOR LIABILITIES IN NATIONAL CURRENCY

ACRA

AAA (RU)

STABLE
NATIONAL RATING SCALE FOR THE RUSSIAN FEDERATION