

FAQ BY INVESTORS

? How much capital investment is planned for 2018? Does the Company expect to expand its investment programme with the start of the second modernization phase to increase refining depth?

! The investment programme is expected to be at the level of the 2017 programme. At the same time, we expect that the ratio of investment for refining will increase since the projects in the second stage of oil refinery modernization have entered the active phase. The completion of these projects will significantly improve the technical level and profitability of our refineries.

? Is it true that even if the OPEC+ deal is prolonged, the plans for production volumes at new projects will not be revised? If so, what are your expectations for production at the Novoportovskoye, Prirazlomnoye, and East Messoyakha fields for 2018?

! Of course, our main priority right now is the development of new projects. Due to OPEC+ constraints, the Company has seen the rate of decline in production at mature fields increase, but for us this is a tool for regulation in accordance with the current market situation. We believe that once the quota to reduce production as part of OPEC+ decreases, we will be able to quickly resume production at mature fields. Production at new projects will not be restricted. In 2018, planned production will be about 6.8 million tonnes for the Novy Port project, roughly 4.3 million tonnes for the Messoyakha project (100% share of the project), and approximately 3.6 million tonnes for the Prirazlomnoye field.

? What work is planned at the Ayashsky license area in 2018 in connection with the field's discovery? What production volumes and timeframe might we be talking about?

! According to preliminary estimates, the new Neptune field has geological reserves of 255 million tonnes of oil equivalent. In 2018, we plan to conduct an ongoing estimate of reserves and approve it. We will also assess potential output. It's still too early to talk about specific figures. The Neptune deposit is slated to be incorporated into development before 2025. In doing so, the Company is forming a long-term production asset portfolio.

? How has the OPEC+ deal affected the financial results of Gazprom Neft PJSC?

! It's safe to say that the Company has benefited: the growth in oil prices has more than made up for the effect from the containment in production. It's hard to demonstrate this in absolute figures, but maximum optimization has been seen in production and concentration at high-efficiency wells.

? How much oil does the Company plan to refine in 2018?

! In 2017, the Company's refineries refined 40.1 million tonnes of oil, a decrease of 1.8 million tonnes compared with 2016, due to the following objective factors: the full-scale reconstruction of the catalytic cracking unit at the Moscow Oil Refinery and scheduled repairs at the Omsk Oil Refinery.

In 2018, oil refining is planned at the level of 2016. Everything will depend on the market conditions and the efficiency of refining.

? How big is the borrowing programme for 2018? How comfortable is the Company with the current level of debt?

! The amount of borrowings in 2018 is expected to be at the level of repayments. The loan portfolio is not likely to change – the Company's total debt has not increased for two years. As for the current level of debt, the Company is comfortable with it. As of 31 December 2017, the net debt/EBITDA ratio was 1.2. This is a very good indicator for a rapidly growing company.

We see no need to reduce the loan portfolio of Gazprom Neft PJSC given such a low net debt/EBITDA ratio and the Company's current sustainability, but we don't plan to increase it either. With a positive free cash flow, we have enough money to finance the investment programme.

? State-owned companies face the challenge of transitioning to spending 50% of their net profit on dividends. If Gazprom PJSC switches to this amount of payments, is Gazprom Neft ready to follow suit?

! Given the positive free cash flow and comfortable level of debt, Gazprom Neft PJSC has the necessary financial resources to transition to this amount of payments. However, it must be kept in mind that the dividend policy is a matter of balance. For investors, it's important that they have a decent return that is based on the size of dividends and growth in the value of shares. In 2017, Gazprom Neft PJSC became the industry leader in terms of total shareholders return. The Company is increasing dividends. They are growing on a per share basis. For 2017, dividends are expected to increase by more than 30% compared with 2016.