

THE COMPANY TODAY

GAZPROM NEFT IS A VERTICALLY INTEGRATED OIL COMPANY (VIOC) WHOSE PRINCIPAL ACTIVITIES INCLUDE THE EXPLORATION, DEVELOPMENT, PRODUCTION, AND SALE OF CRUDE OIL AND GAS AS WELL AS OIL REFINING AND THE PRODUCTION AND SALE OF PETROLEUM PRODUCTS.

The Company operates in Russia's largest oil and gas regions and also has production projects outside of Russia in such countries as Iraq and Venezuela, among others. The Company's primary refining facilities are located in Russia's Omsk, Moscow, and Yaroslavl Regions in addition to Serbia.

Gazprom Neft is a major player on the energy market. The Company produces and supplies a broad range of petroleum products for a number of industries both in Russia and abroad.

In terms of proven hydrocarbon reserves according to PRMS-SPE classification, Gazprom Neft is comparable with the world's largest oil companies.

8

**MAJOR PRODUCTION
PROJECTS IN RUSSIA¹**

>2,000

OUTLETS

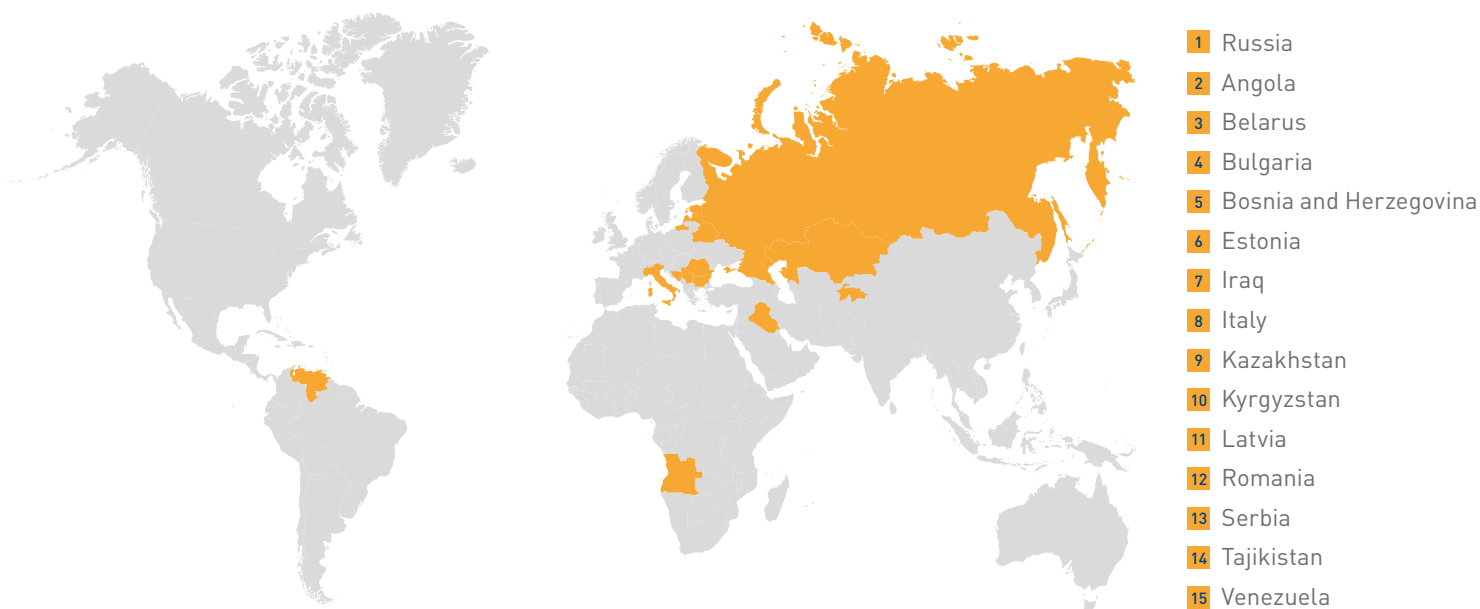
IN THE PETROLEUM PRODUCT
WHOLESALE AND RETAIL SALES
NETWORK

5

OIL REFINERIES²



REGIONS OF OPERATION

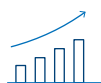


¹ — Only includes projects for which reserves have been estimated.

² — Oil refining takes place at three of the Company's oil refineries – the Omsk Oil Refinery, Moscow Oil Refinery, and NIS. In addition, Gazprom Neft owns stakes in Stavneft-YANOS and utilizes part of the refining facilities of Mozyr Oil Refinery (only on the conditions of customer-supplied raw materials).

³ — According to data of the Central Dispatching Department of the Fuel and Energy Complex among VIOCs.

⁴ — In recent years, the Company has spent 25% of its consolidated IFRS results on dividends.



LEADERSHIP ON THE RUSSIAN MARKET

No. 1

17.38%

ROE (RETURN ON EQUITY)

13.9%

ROACE (RETURN ON AVERAGE CAPITAL EMPLOYED)

20.1

T/DAY
PUMPED THROUGH 1 FILLING STATION IN RUSSIA

No. 2

64.1%

YIELD OF LIGHT PETROLEUM PRODUCTS²

83.5%

OIL REFINING DEPTH³

1,051.33

RUB
EBITDA PER BARREL OF OIL PRODUCED

No. 3

89.75

MN TOE
HYDROCARBON PRODUCTION

62.43

MN T
OIL PRODUCTION

36.69

MN T
OIL REFINING IN RUSSIA

 For more, see the 'Oil industry of the Russian Federation' section, p. 46



CAPITALIZATION AND INCOME FOR SHAREHOLDERS

The common shares of Gazprom Neft circulate in Russia on the main trading platforms of the unified exchange Moscow Exchange PJSC. Globally the Company's shares trade in the form of American Depositary Receipts (ADRs) in OTC trading in the UK via the LSE IOB system and in the U.S. via the OTCQx system as well as in other countries.

According to the dividend policy of Gazprom Neft PJSC, at least 15% of the consolidated IFRS result, or 25% of RAS net profit, is distributed for dividends.⁴

 For more, see the 'Interaction with investors and shareholders' section, p. 172

RUB 1.16^{TN}

THE COMPANY'S CAPITALIZATION AS OF 31 DECEMBER 2017

RUB 50.64^{BN} +65%

TOTAL DIVIDENDS PAID FOR 2016




INVESTMENT APPEAL

WELL-DEVELOPED INNOVATIVE INFRASTRUCTURE

- Multi-fold increase in the yield of fields and the incorporation of difficult reserves in production due to new technologies.
- More new opportunities for logistics, refining, and marketing through digitalization.

SUCCESSFUL PROJECT MANAGEMENT AT ALL STAGES OF THE LIFE CYCLE

- Effective development of a mature resource base.
- Ensuring a maximum return on investment for new projects.

 For more, see the 'Strategy in action' section, p. 18

HIGH REFINING EFFICIENCY

- Modernization of oil refineries with increased refining depth and yield of light petroleum products.
- Minimization of environmental risks.