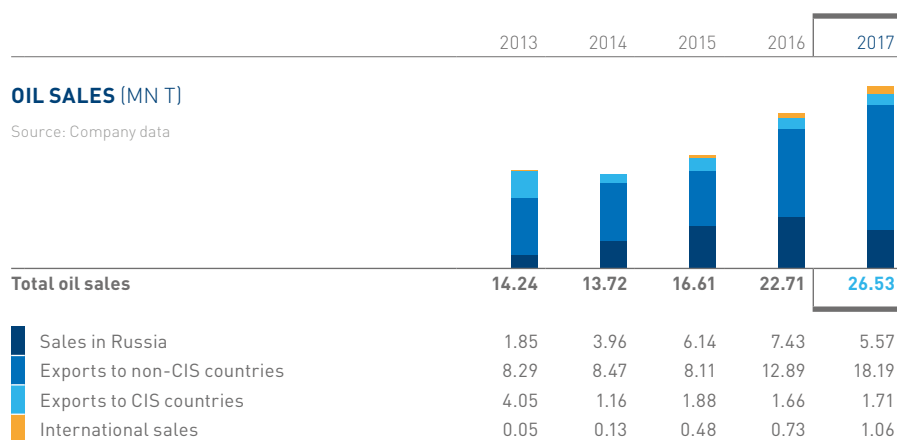


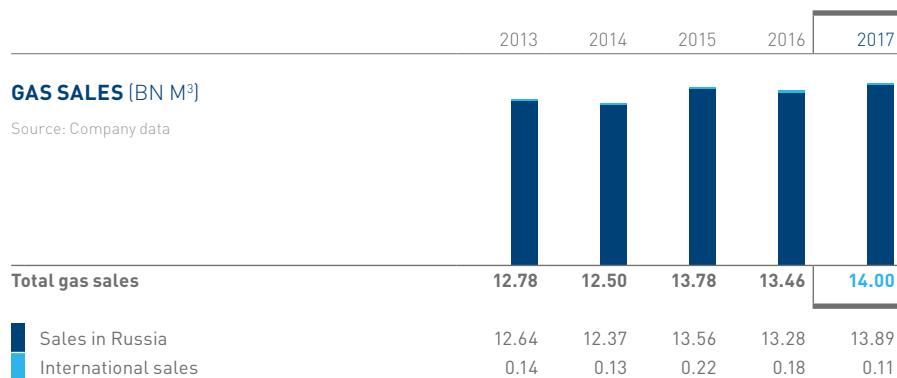
## OIL SALES

Oil sales increased by 16.8% in 2017 compared with the previous year to 26.5 million tonnes due to an increase in exports and international oil sales.<sup>1</sup> An increase in production at the Novoportovskoye, Messoyakha, and Prirazlomnoye fields as well as a decrease in the supply of oil to the Group's refineries contributed to a 41.1% increase in oil exports to non-CIS countries versus the 2016 level. A 45.2% increase in sales on the international market is due to expanded production in Iraq. The 25% YoY decrease in oil sales in the domestic market is primarily the result of the diminished economic efficiency of trading operations.

The Company is actively expanding its tanker fleet in order to support the transportation of growing volumes of oil from the Novoportovskoye field. Four Arc7 ice class tankers began exporting oil from the Novoportovskoye field in 2017, as the total number of tankers of this type expanded to six. Thus, the Company's tanker fleet for oil exports in 2018 will consist of six Arc7 ice class tankers and two Arc5 ice class tankers. Taking into account the further increase in oil production, the Company decided to commission a seventh Shturman Albanov-type tanker, which will be built in 2019.



## GAS SALES



**Total gas sales (natural gas and associated gas, excluding the gas in Gazprom Neft's share in the Northgas and Arcticgas joint ventures) on the domestic market increased by 4.6% YoY due to an increase in natural gas production by subsidiaries.**

<sup>1</sup> — International sales – sales by Gazprom Neft subsidiaries.