

## Portfolio analysis

**In accordance with best practices, Gazprom Neft does not evaluate its investments in isolation, but as part of its portfolio.**

Multiple alternative development options are generated for each asset in production, refining, and sales and any of them may be included in the final portfolio. The Company uses its own analytical tools to regularly evaluate hundreds of possible options and generate optimal combinations of project portfolios from them.

The Company's goal is to select the optimal portfolio taking into account strategic goals, investment restrictions, the permissible debt burden, the significance of the project for the state, the level of risk, and synergy with future projects. A portfolio analysis allows for making the best investment decisions in all areas of the Company's operations, whether it's developing a new field, building an oil refinery, developing a sales network, or buying or selling an asset.

## DIGITAL TRANSFORMATION

**Total volume  
off data accumulated  
in the Gazprom Neft system**

**6 000** TB

Digital transformation is one of the most important aspects of the business development strategy for Gazprom Neft. New generation production management systems are being created in all segments of the Company's operations. They involve the integrated management of all services to maximize asset value, the use of digital counterparts to optimize operating modes and maintenance plans, and the use of cognitive systems to support decision-making by operators. Projects are implemented at all stages of the value chain, from extracting enterprises to the sale of petroleum products.

At present, the Company's data processing centres have accumulated huge amounts of information – approximately 6,000 TB. Gazprom Neft is effectively exploring opportunities for the monetization of such information. In particular, individual components of big data technologies have been tested or applied in production to solve business challenges as regards projecting the effectiveness of complex geological and technical measures, clustering wells, and automating the interpretation of seismic research results. For its part, the Efficiency Control Centre was established within the Downstream Division and is responsible for managing the division's entire value chain.

## Knowledge Dissemination System

**The Knowledge Dissemination System (KDS) is a tool that helps coordinate the management and exchange of knowledge in matters concerning oil exploration and production within the Gazprom Neft Group in order to solve technological and production objectives. It is designed based on an analysis of the world's best knowledge management systems.**

The KDS systematizes information about the best practices employed by the Company in matters concerning exploration and production. Employees have access to documents that contain experience with resolving production-related challenges, lessons that have been learned, and useful practices that have been identified as well as descriptions of technologies, scientific articles, and publications by the Company's employees.

The KDS enables the user to conduct a comparative analysis and select optimal technical solutions in accordance with the necessary criteria. It also stores data on all tests of new equipment conducted within the Company.

At the end of 2017, the KDS contained and actively used more than 8,000 documents. The monthly number of requests in the KDS exceeded 52,000.