



OIL REFINING

STRATEGIC OBJECTIVES

KPI for 2025

40

MN T

OIL REFINING VOLUME
IN RUSSIA

95%

REFINING DEPTH
IN RUSSIA

80%

YIELD OF LIGHT
PETROLEUM PRODUCTS
IN RUSSIA

Modernizing oil refining facilities as well as growth in operating efficiency remain strategic priorities for Gazprom Neft PJSC as it develops its oil refining business in Russia. The Company has completed the first stage of the extensive modernisation of its oil refineries, which aims to improve the quality of the petroleum products it manufactures, and is now carrying out the second stage of the modernisation programme with the aim of increasing oil refining depth and expanding the yield of light petroleum products. In addition to projects to increase refining depth at its oil refineries, Gazprom Neft is also implementing major environmental projects to mitigate its environmental impact.

MILESTONES OF 2017

- The Moscow Oil Refinery completed the construction of the Biosphera biological treatment facilities and the reconstruction of a catalytic cracking unit, increasing its capacity to 2.6 million tonnes per year as a result
- The Omsk Oil Refinery upgraded a bitumen unit and completed construction and installation work on a modular hydrogen generating unit
- Slavneft-Yaroslavnfteorgsintez launched a plant for the production of third quality group base oils
- The Omsk Oil Refinery and Pancevo Refinery in Serbia launched construction on deep refining complexes
- The Downstream Efficiency Control Centre was opened

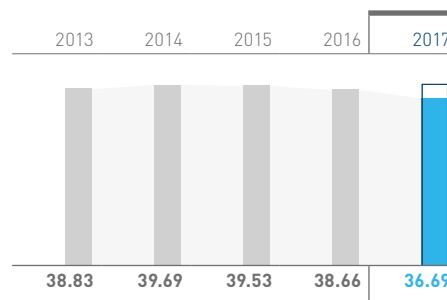
“The refinery modernization programme is calculated until 2023–2025. The first stage has been completed and the second stage is in the active phase. We will see the effects of the second stage as early as 2019. The profitability of the refineries will expand as the next new refining facilities are introduced”.

Alexey Yankevich

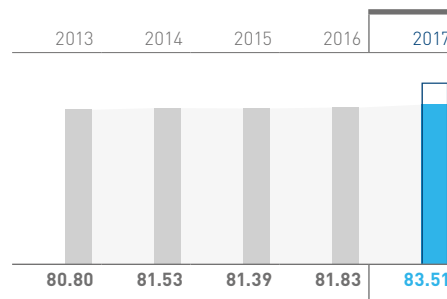
Deputy CEO
for Economics and Finance
Gazprom Neft PJSC

DYNAMICS OF KEY INDICATORS

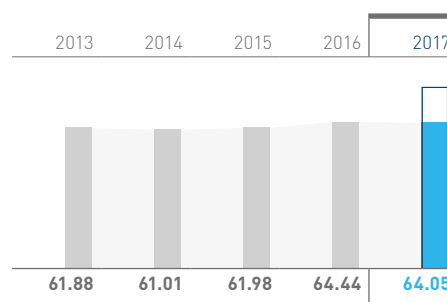
OIL REFINING AT RUSSIAN OIL REFINERIES (MN T)



REFINING DEPTH AT RUSSIAN OIL REFINERIES (%)



YIELD OF LIGHT PETROLEUM PRODUCTS AT RUSSIAN OIL REFINERIES (%)





SALES

STRATEGIC OBJECTIVES

KPI for 2025

100%

VOLUME OF PRODUCTS MANUFACTURED AT THE COMPANY'S RUSSIAN OIL REFINERIES SOLD VIA ITS HIGH-MARGIN SALES CHANNELS

Gazprom Neft PJSC has two main sales segments: the sale of motor fuels via the Gazpromneft filling station network and small-scale wholesale channels as well as the sale of petroleum products to industrial consumers. Specialized goals have been set for each segment. The target scale of Gazprom Neft's sales business should ensure the ability to sell 100% of the petroleum products it manufactures on the market via its own sales channels for maximum coverage of the entire value chain in the oil business.

SALE OF MOTOR FUELS

STRATEGIC OBJECTIVES

KPI for 2025

19.6

MNT
VOLUME OF MOTOR FUEL SALES IN RUSSIA AND CIS COUNTRIES

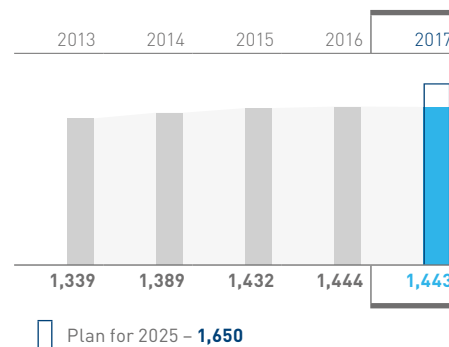
1,650

NUMBER OF RETAIL NETWORK STATIONS IN RUSSIA AND CIS COUNTRIES²

Gazprom Neft PJSC plans to increase the total volume of motor fuel sales in Russia and CIS countries by 2025 primarily due to growth in the retail sales channel. To this end, the Company plans to increase its filling station network in Russia and CIS countries.

DYNAMICS OF KEY INDICATORS

NUMBER OF FILLING STATIONS IN RUSSIA AND CIS COUNTRIES¹



MILESTONES OF 2017

- As of the end of 2017, Gazprom Neft's network in Russia and the CIS totalled 1,443 filling stations (including franchises)²
- The Company strengthened its positions on the motor fuel retail market in the Russian Federation. The Company's share of the Russian retail markets for petrol and diesel fuel was 14.9% and 19.1%, respectively
- Average daily sales at 1 filling station in the Russian Federation exceeded 20 tonnes per day
- Retail motor fuel sales in Russia and the CIS increased by 6%
- New branded petrol is available on the market – G Drive 100, Opti 92 and Opti 95. The active promotion of Diesel Opti fuel has begun on regional markets

¹ — Including franchises.

² — The decrease in the number of petrol stations by one station in 2017 was due to the optimization of the retail network in CIS countries.

PETROLEUM PRODUCT SALES TO INDUSTRIAL CONSUMERS

STRATEGIC OBJECTIVES

KPI for 2025

5.5

MNT

SALES OF AVIATION FUEL IN RUSSIA AND ON THE GLOBAL MARKET

2.7

MNT

SALES OF MARINE FUEL IN RUSSIA AND ON THE GLOBAL MARKET

2.3

MNT

SALES OF BITUMEN IN RUSSIA AND ON THE GLOBAL MARKET

1.38

MNT

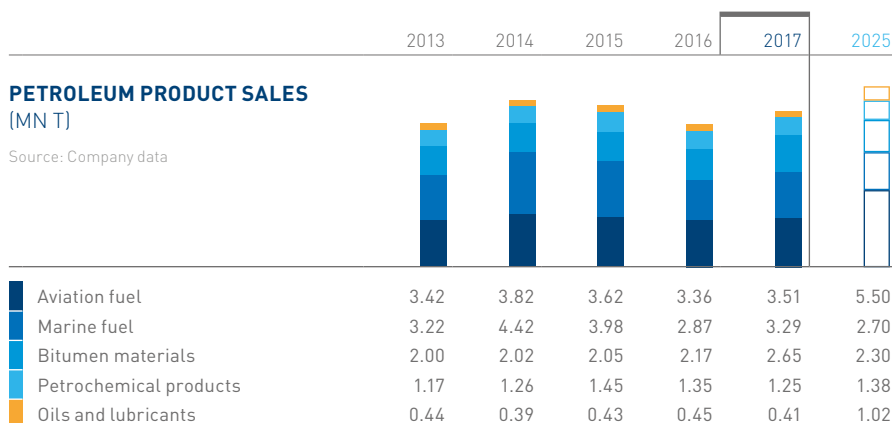
SALES OF PETROCHEMICAL PRODUCTS IN RUSSIA AND ON THE GLOBAL MARKET

1.02

MNT

SALES OF OILS AND LUBRICANTS IN RUSSIA AND ON THE GLOBAL MARKET

DYNAMICS OF KEY INDICATORS



For more, see the 'Sales of oil and petroleum products' section, p. 68

In an effort to improve the efficiency of petroleum product sales, Gazprom Neft has spun off separate business units to sell aviation fuel, lubricants, bitumen materials, petrochemical products, and marine fuel. The Company plans to further increase sales in the business units and boost its market share. In addition, Gazprom Neft PJSC plans to introduce new products to the market and also develop its sales capacity.

MILESTONES OF 2017

- The total number of airports in the aviation fuel sales network has grown to 249
- The high-profile International Aviation Fuel Forum was held in Russia for the first time in partnership with IATA
- Gazprom Neft was the first Russian vertically integrated oil companies to launch production of the eco-friendly marine fuel TAS-80 with sulphur content of <0.1% and oils under the Gazpromneft Drilline brand, which is used as a synthetic basis for drilling fluids
- A line of marine oils under the Gazpromneft Ocean brand was introduced on the Russian and international markets
- The number of G-Energy Service branded service stations grew to 120
- Total bitumen sales increased by 22.0%