APPENDIX 3.
COMPANY HISTORY

1995
ESTABLISHMENT OF SIBERIAN OIL COMPANY OJSC
Siberian Oil Company OJSC was established under a decree of the President of the Russian Federation. The Russian Government founded the Company by contributing its stakes in some of Russia’s largest oil industry enterprises to the holding’s charter capital: Noyabrskneftegaz OJSC, Noyabrskneftegazgeophysika OJSC, Omsk Refinery OJSC and Omsknefteprodukt OJSC.

1996–1997
PRIVATISATION OF SIBERIAN OIL COMPANY OJSC
The Russian Government privatised Sibneft as part efforts to develop a market economy. Private investors bought 49% of Sibneft stock at auctions in 1996. In 1997, Financial Petroleum Company won an auction to purchase the government’s stake in Sibneft as part of the Government’s ‘Shares for Loans’ programme.

1998–2004
ASSET BUILD-UP
A proactive acquisition policy rapidly expanded the Company’s production territory (in the Tomsk and Omsk Regions) and the Company’s sales network (Sverdlovsk, Tyumen and Krasnoyarsk Regions, and the cities of St. Petersburg and Moscow). One of the Company’s major purchases during this period was its acquisition of 49.9% of the shares in Slavneft Oil JSC and Gas Company, which produced oil and gas in Western Siberia and the Krasnoyarsk Region.

RAPID DEVELOPMENT
Good resource potential, efficient refining capacities and professional management ensured the rapid development of the Company. Sibneft management worked hard to modernise production, introduce the latest technologies and optimise business processes.

2005
GAZPROM OJSC ACQUIRES CONTROLLING STAKE
The Gazprom Group bought a controlling interest in Sibneft OJSC (75.68%) and the Company’s name was changed to Gazprom Neft JSC on 13 May 2006. The new strategic objectives of Gazprom Neft were to become a global company with regionally diversified assets along the entire value chain.

2006
ENTRY TO THE CENTRAL ASIAN MARKET
Gazprom Neft entered the retail market in Central Asia by creating a subsidiary – Gazprom Neft Asia – to sell the Company’s petroleum products in Kyrgyzstan, Tajikistan and Kazakhstan.

2007
PURCHASE OF TOMSKNEFT OJSC
In December 2007, to further expand its resource base, Gazprom Neft acquired a 50% stake in Tomskneft (VNK), a company producing oil and gas in the Tomsk Region and Khanty-Mansi Autonomous District.

CREATION OF BUSINESS UNIT
Business units were set up within the Company to focus on activities in specific segments: Gazprom Neft Marine Bunker, Gazprom Neft-Lubricants and Gazprom Neft-Aero.

2008
PROJECTS IN VENEZUELA
Gazprom Neft OJSC, Rosneft OJSC, Lukoil OJSC, TNK-BP and Surgutneftegaz OJSC signed a Memorandum of Understanding on cooperation and joint participation in projects in Venezuela as part of the National Oil Consortium.

2009
BUILD-UP OF RESOURCE BASE
Gazprom Neft acquired new assets for its resource portfolio and refinery capacities: the Serbian oil company, NIS, and a controlling stake in Sibir Energy. The latter acquisition increased the Company’s ownership stake in the Moscow Refinery and gave it access to the Salym oil fields. In April 2009, the Company closed a deal with Chevron Global Energy to purchase the Chevron Italia s.p.a. oils and lubricants production plant in the city of Bari (Italy). Another milestone for the Company in 2009 was the launch of a large-scale rebranding programme for the Gazpromneft filling station chain.

2010
GLOBAL OIL AND GAS MARKET
Gazprom Neft actively expanded its presence in the global oil and gas market. The Company signed a contract to develop the Badra field in Iraq. In addition, Gazprom Neft was appointed the leading company in the Junin-6 project in Venezuela in 2010. The Company continued
entering new fuel markets outside of Russia with the acquisition of a retail chain of filling stations and nine land plots in Kazakhstan. It also expanded its presence on the Russian market by taking part in a project to develop promising fields in the north of the Yamalo-Nenets Autonomous District for which SeverEnergia LLC holds the development licenses. In February, Gazprom Neft closed a deal to purchase STS Service, a production unit of Sweden’s Malka Oil, which operates at fields in the Tomsk Region.

2011

PRODUCTION GROWTH

Gazprom Neft substantially improved its operating performance by purchasing new assets and through the more efficient development of existing fields. The Company purchased a further 5.15% stake in Serbia’s NIS, thus raising its overall holding to 56.15%, became the sole shareholder in Sibir Energy and also acquired its first assets in the Orenburg Region – the Tsarichanskoje and Kapitonovskoye fields as well as the eastern part of the Orenburg field. Drilling began at the Badra field in Iraq.

PREMIUM FUEL

The Company began manufacturing environmental grade 4 gasolines at its oil refineries and launched sales of a new G-Drive premium-class motor fuel at its Gazpromneft filling station network, which was further expanded when the Company entered the market of Russia’s Southern Federal District.

HIGH QUALITY BITUMINOUS MATERIALS

A project was implemented to prepare raw materials for bitumen production at the Omsk Oil Refinery, ensuring the stable quality of raw commodities for bitumen production and guaranteeing the quality of the finished products manufactured using the refinery processing unit. An industrial unit was launched in 2011 to produce polymerbitumen binders and bitumen emulsions from Italy’s MASSENZA.

2012

A LEADER IN EFFICIENCY

Gazprom Neft holds the leading position in Russia in terms of hydrocarbon production and refining growth rates in addition to a number of efficiency metrics. The Company launched pilot oil production at two major new fields in the north of the Yamalo-Nenets Autonomous District: East Messoyakha and Novoportovskoye. The first stage of commercial production began at the Samburgskoye oil and gas condensate field, which belongs to the Russian-Italian company SeverEnergia, in which Gazprom Neft holds a 25% stake. The formation and development of a new production cluster continued in the Orenburg region. The Company entered into new projects for the exploration and development of hydrocarbon reserves in Iraq. The Moscow Oil Refinery switched to producing environmental grade 4 gasolines, while the Omsk Oil Refinery began producing Euro 4 and Euro 5 gasolines and Euro 5 diesel. Gazprom Neft started developing a retail network in Europe (Serbia and Romania) under the Gazprom brand.

2013

STRATEGY

The Gazprom Neft Board of Directors approved the Company’s development strategy, which it has extended to 2025. This builds on the strategy to 2020, which aimed to achieve goals set for the main business segments – hydrocarbon production, refining and sales of petroleum products – taking into account changing conditions in the industry and the global economy. The Company aims to continue actively increasing shareholder value in the period until 2025. The development plans for the marine and aviation fuel business and lubricant production business were brought forward to 2025.

PRODUCTION LAUNCHED ON ARCTIC SHELF

Gazprom Neft is the operator of the Prirazlomnnoye field in the Pechora Sea, which produced the first oil from the Arctic shelf in December 2013.

EURO-5 FUEL STANDARD

A hydro-processing facility for catalytic gasoline and a light naphtha isomerisation unit was commissioned at Gazprom Neft’s Moscow refinery. This enabled the plant to switch entirely to producing Euro-5 grade gasolines. All of the Company’s refineries have thus completed the switch over to the Euro-5 standard well ahead of the deadline specified in Russian legislation.

BITUMEN BUSINESS DEVELOPMENT

The Company acquired assets in Ryazan and Kazakhstan to develop its bitumen business. In 2013, Gazprom Neft and France’s Total established a joint venture to produce and sell polymer-modified bitumen (PMB) under the G-Way Styrelf brand as well as bitumen emulsions at the Moscow Oil Refinery.
2014

**DEVELOPMENT OF PRODUCTION PROJECTS**

Gazprom Neft obtained the first oil at the Badra oil field in Iraq and began the commercial shipment of oil into the Iraqi pipeline system. The Company made the first summer shipment from the Novoportovskoye field, marking the first time that raw commodities were exported from the field by sea and sent to European consumers.

**PRODUCTION ON THE ARCTIC SHELF**

The one millionth barrel of the new ARCO (Arctic Oil) blend was produced at the Prirazlomnoy field. The drilling of a new exploration well began at the Dolginskoye oil field on the Pechora Sea shelf.

**ACQUISITION OF NEW LICENSES**

Gazprom Neft obtained access to the licenses for the Kuvaevsky and Yagodny license areas in the Orenburg Region. The subsoil resources of the license areas are capable of maintaining and increasing the Company’s oil production level.

2015

**COMMISSIONING OF NEW FACILITIES**

Gazprom Neft and Sibur commissioned the South Priobsky Gas Processing Plant.

**RUSSIA’S BEST EMPLOYER**

Gazprom Neft was declared Russia’s best employer (in the Russian Employers 2015 rating conducted by the Headhunter recruiting holding). The Company rose two positions compared with the 2014 results.

**ACQUISITION OF NEW LICENSES**

Gazprom Neft obtained a license to develop the West Yubileynoye field in the Yamalo-Nenets Autonomous District. The Company obtained new licenses in the Khanty-Mansi Autonomous District at the Yuiisky-3, Lyaminsky-6, North Ityakhsky-1, Maloyugansky and West Zimny sections.

**OIL PRODUCTION**

The one millionth tonne of the ARCO oil blend was produced at the Prirazlomnoy field. The one millionth barrel of commercial oil was produced at the Sarqala field in Iraq’s Kurdish region. The one millionth tonne of oil was produced at the Badra field in Iraq.

2016

**Gazprom Neft has completed the commissioning of its Arctic assets - Prirazlomnoy, Novoportovskoye and the fields of the Messoyakha group.**

The Gates of the Arctic offshore oil terminal has launched operations in the Gulf of Ob. The terminal is a key facility in the unique arrangement for transporting oil from the Novoportovskoye field via the Northern Sea Route.

In order to improve the efficiency of management processes for production assets in the Orenburg Region, the reorganisation of Gazprom Neft Orenburg CJSC was completed in 2016 via the acquisition of Centre for Science-Intensive Technologies CJSC (which owns licences for the right to use the subsoil resources of the Tsarichansky area, Filatovskoye field and Tsarichansky field) and Zhivoy Istok CJSC (which owns licences for the right to use the subsoil resources of the Baleykinskoye field and Uransky area) with the simultaneous transformation of Gazprom Neft Orenburg CJSC into Gazprom Neft Orenburg LLC.

A centralised energy service enterprise called Gazpromneft-Energy Service LLC in which the sole participant is Gazprom Neft PJSC was established in order to provide energy services to the Gazprom Neft Group’s production assets located in the Moscow and Omsk regions.

Gazpromneft-Catalytic Systems (100% of the charter capital is owned by Gazprom Neft PJSC) was established within the structure of the Gazprom Neft Group to implement a project to build catalytic cracking catalyst and hydrogenating process catalyst production facilities. This project has been granted the status of a national project based on a decision by a Ministry of Energy working group.

In June 2016, Gazpromneft-Lubricants LLC acquired 100% shares/interest in the assets of the Rospolikhim Group of Companies: Sovkhimtekh CJSC, Polieifir LLC and BSV-KHIM LLC. As a result of the transaction, the Gazprom Neft Group acquired an asset with a full ester production cycle.

Gazpromneft-Bitumen Materials LLC acquired a 75% stake in the charter capital of NOVA-Brit LLC, a company that specialises in the production of bitumen-derived encapsulating materials under the BRIT® brand, which are used for the construction, repair and maintenance of roads, airfields and artificial structures and also in civil engineering. The company’s products meet international quality standards.

A transaction was closed to acquire a 100% stake in the charter capital of CHUKOTKAEROSBYT LLC as part of the Gazprom Neft Group’s project to acquire the aviation fuel business at airports of the Chukotka Autonomous District.