

THE COMPANY TODAY

GAZPROM NEFT IS A VERTICALLY INTEGRATED OIL COMPANY WHOSE PRINCIPAL ACTIVITIES INCLUDE THE EXPLORATION, DEVELOPMENT, PRODUCTION AND SALE OF CRUDE OIL AND GAS AS WELL AS 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 currently 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 SPE (PRMS) classification, Gazprom Neft is comparable with the largest oil companies in the world.

10
major production projects

5
oil refineries¹

>2,000
petroleum product wholesale and retail network outlets

REGIONS OF OPERATION



1. Russia
2. Belarus
3. Bosnia and Herzegovina
4. Venezuela
5. Iraq
6. Italy
7. Kazakhstan
8. Kyrgyzstan
9. Latvia
10. Romania
11. Serbia
12. Tajikistan
13. Estonia



The online version of the Annual Report contains additional information about the distribution by region of:

- > new projects
- > geological prospecting
- > production projects
- > refining and sales assets
- > average number of employees.

¹ 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 Slavneft-YANOS and Mozyr Oil Refinery and utilises part of their refining facilities (only on the conditions of customer-supplied raw materials). The volume of oil refined at the Mozyr Oil Refinery is determined based on a schedule approved by the Russian Ministry of Energy. Gazprom Neft can refine up to 50% of the oil supplied to the refinery. The actual volume at the refinery is determined based on its cost-effectiveness.



LEADERSHIP ON THE RUSSIAN MARKET

No. 1

Filling station pumping

19.3 t/day

Yield of light petroleum products

64.4%

No. 2

Petroleum product sales in Russia

27.11 mn t

Oil refining depth

81.8%

Motor fuel sales

14.75 mn t

No. 3

Hydrocarbon production among VIOC in Russia

86.20 mn TOE

Oil and condensate refining in Russia

38.66 mn t

> For more, see the 'Oil industry of the Russian Federation' section, [p. 16](#)



CAPITALISATION 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 ADRs, primarily in OTC trading in the UK via the LSE IOB system, in the U.S. via the OTCQx system as well as in other countries.

> For more, see the 'Dividend policy' section, [p. 138](#)

The Company's capitalisation as of 31 December 2016 exceeded

RUB 1 tn

The Company paid out dividends for 2015

RUB 6.47 per share

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.



INVESTMENT APPEAL

1

EFFICIENCY IN A WIDE RANGE OF OIL PRICES

Gazprom Neft's highly efficient and balanced business model, which combines the advantages of the upstream and downstream segments, enables the Company to generate profit with oil prices at any level.

2

STRATEGY IMPLEMENTATION AND FUTURE GROWTH

The stability of the Company's position enables Gazprom Neft to continue implementing its main development projects, which in turn creates conditions for the Company's long-term growth and the implementation of its strategy.

> For more, see the 'Advantages of the business model in strategy implementation' section, [p. 21](#)