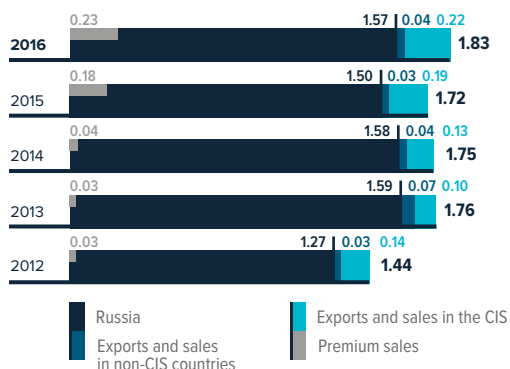


BITUMEN MATERIALS

SALES OF BITUMEN MATERIALS (mn t)

Source: Company data



↑ 0.2 p.p.
31.3%

market share of the Russian Federation²

With modern bitumen material production facilities in Moscow, Omsk, Yaroslavl, Ryazan and Vyazma, Gazprom Neft is one of the biggest producers and suppliers of bitumen products in Russia. In addition to its Russian plants, the Company manufactures bitumen products in Serbia and Kazakhstan. Total bitumen material sales amounted to 1.83 million tonnes in 2016, a 6.4% increase from 2015. The Company's share of the conventional bitumen materials market in the Russian Federation increased to 31.3% (+0.2 p.p.).

Gazprom Neft considerably strengthened its positions on the premium bitumen materials market in 2016 by acquiring a controlling stake in Nova-Brit LLC (Vyazma), a major manufacturer of innovative bitumen products. Thanks to the purchase of the stake in Nova-Brit LLC, the Company entered the market for high-tech bitumen products used to build roads, airfield runways and pipelines in addition to industrial construction. The Company began supplying premium bitumen products to the markets of Poland, Uruguay, Costa Rica, Paraguay, Brazil and Serbia in 2016. The expansion in the range and geography of supplies enabled the Company to increase sales of premium products by 88% to 105,000 tonnes.

The Company shipped and delivered an all-time high of 377,000 tonnes of binders using branded carriers during the reporting period, an 80% increase from 2015.

¹ Packaged oils market.

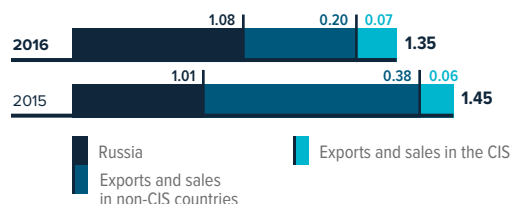
² Total bitumen market in the Russian Federation.

³ Separation of the petrochemical production segment included in reporting from 2015.

PETROCHEMICALS

SALES OF BASIC PETROCHEMICAL PRODUCTS³ (mn t)

Source: Company data



Gazprom Neft is a major Russian manufacturer of a number of basic petrochemical products – aromatic hydrocarbons (benzene, paraxylene, orthoxylene and toluene) and propane-propylene fraction products (propylene liquefied petroleum gas). Basic petrochemical products are manufactured at all Gazprom Neft oil refineries (Omsk, Moscow and Yaroslavl). The production of petrochemical products for further stages of added value (polypropylene) takes place at integrated enterprises – Neftekhimiya NPP (Moscow) and Poliom LLC (Omsk).

In 2016, both integrated enterprises achieved record levels of equipment productivity and polypropylene production: 130,000 tonnes at Neftekhimiya NPP and 203,000 tonnes at Poliom LLC. Taking into account the Company's stakes in these assets, Gazprom Neft's polypropylene production increased by 7% in 2016 versus the previous year and totaled 116,000 tonnes.

Poliom LLC introduced and certified an integrated management system during the reporting period in accordance with the requirements of the international standards: ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2007.