

STRATEGY

IN ACTION

STRATEGIC BENCHMARKS AND PRIORITIES

KEY STRATEGIC PRIORITIES FOR 2017

1



EXPLORATION AND PRODUCTION

- > Maximising the return on investment from new projects
- > Effective development of a depleted resource base
- > Preserving all resource base development options to ensure new production areas

2



SALES AND REFINING

- > Implementing projects to modernise the Omsk and Moscow oil refineries in order to increase oil refining depth and the yield of light petroleum products and also to enhance operating efficiency
- > Maximising sales of petroleum products via the Company's premium sales channels

THE COMPANY'S ACTIVITIES ARE BASED ON THE GAZPROM NEFT PJSC DEVELOPMENT STRATEGY UNTIL 2025, WHICH WAS APPROVED BY THE BOARD OF DIRECTORS IN 2013 AND UPDATED IN 2015 AND 2016. DESPITE THE CONTINUED INSTABILITY IN THE EXTERNAL ENVIRONMENT, THE COMPANY'S KEY STRATEGIC PRIORITIES UNTIL 2025 REMAIN RELEVANT.



GEOLOGICAL EXPLORATION WORK AND PRODUCTION

STRATEGIC OBJECTIVES

KPI for 2025

100
mn TOE

hydrocarbon
production volume

15 years

availability of proven
reserves
(TP¹/production)

100%

annual replacement
ratio of proven
and probable reserves (2P category)
excluding acquisitions

Gazprom Neft intends to increase hydrocarbon production to 100 million TOE per year by 2020 and maintain this level until 2025. The Company plans to maintain a 15-year ratio of proven reserves to production. In order to achieve these goals, Gazprom Neft will strive to employ the most cost-effective methods to recover the remaining reserves from the current resource base by utilising the best practices for optimising field development, reducing the cost of proven technologies as well as acquiring and introducing new technologies. Gazprom Neft is considering unconventional reserves as a growth opportunity and will develop this class of assets as a key component of its portfolio.

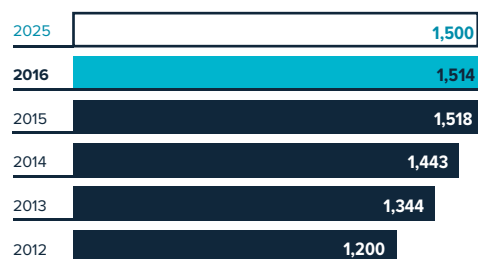
MILESTONES OF 2016

- > Year-round shipments of oil from the Novoportovskoye field began via the Gates of the Arctic sea terminal
- > Commercial operations were launched at the East Messoyakha field, the northernmost Russian oil field under development
- > Six Arc7 tankers and an icebreaker for their support were launched to support year-round oil shipments from the Novoportovskoye field. The first two tankers were transferred to the Company in September and October 2016

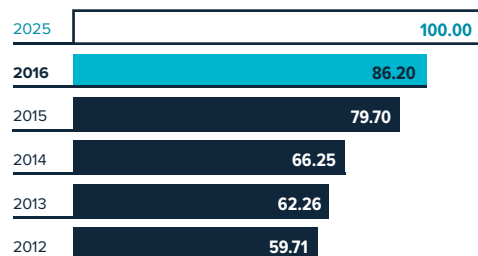
¹ TP – total proven reserves.

DYNAMICS OF KEY INDICATORS

PROVEN HYDROCARBON RESERVES (PRMS-SPE) (mn TOE)



HYDROCARBON PRODUCTION (mn TOE)



2P RESERVE REPLACEMENT RATIO EXCLUDING ACQUISITIONS (%)

