

Hydrocarbon balance

RAW MATERIALS BASE

Factors behind growth in raw materials base:

- geological exploration (GE) performed by Gazprom Neft and its joint ventures;
- increased stakes in the companies LLC SeverEnergiya and CJSC Northgas.

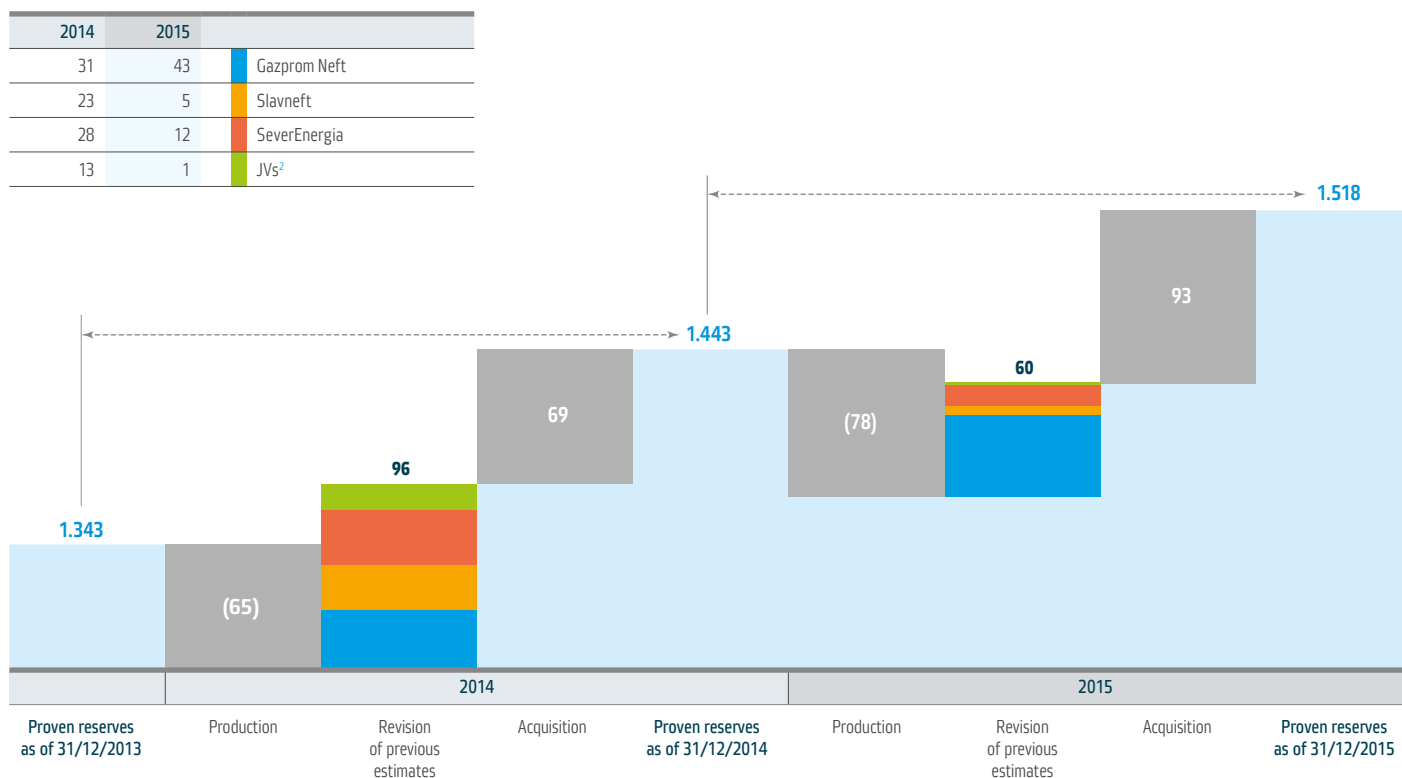
Subsidiaries have seen their resource bases deteriorate in terms of the remaining commercial reserves as most of the highly productive fields transition to late stage development and less efficient hydrocarbon fields are opened. The use of horizontal drilling technologies may help to effectively develop these reserves.

The Company's reserves are audited according to PRMS-SPE standards and the more conservative SEC standards. Based on the report of DeGolyer and MacNaughton's independent reservoir engineers, total proven and probable hydrocarbon reserves (including the Company's stake in the reserves of affiliates accounted for using the equity method) amounted to 2,699 million TOE (1,840 million tonnes of oil, 1,070 billion m³ of gas), excluding NIS, as of 31 December 2015. The Company's current proven reserves-to-production ratio according to PRMS classification is more than 20 years.

PRMS proven hydrocarbon reserves increased by 75 million TOE in 2015.

DYNAMICS OF THE RAW MATERIALS BASE FOR 2014–2015¹ // mn TOE

Source: Company data



¹ Data does not include reserves and production volume of NIS a. d. Novi Sad.

² JVs include Tomsneft, SPD, Northgas and Messoyakha.