

MESSAGE FROM THE CHAIRMAN OF THE MANAGEMENT BOARD



Dear Shareholders and Investors,

Oil companies were forced to work under conditions of global macroeconomic instability in 2015, and Gazprom Neft was no exception. However, despite the external challenges, the Company finished the year of its twentieth anniversary with unprecedented growth in production and demonstrated the resilience of its key operating indicators. For us, this is above all evidence of the strength of the safety margin that Gazprom Neft has been building over the 20 years of its operations.

The Company's potential received a highly favourable assessment last year from China's largest rating agency Dagong Global Credit Rating, which for the first time assigned Gazprom Neft an international scale long-term issuer credit rating of 'AA-' with a stable outlook. This means the Company will have greater opportunities to raise capital on Asian financial markets. Gazprom Neft increased production by a record 20.3% last year to 79.7 million tonnes of oil equivalent. We continue to implement plans to develop major new projects during a challenging time for the oil industry. The Prirazlomnye project remains a huge success as the Company has produced its millionth tonne of oil on Russia's Arctic shelf. Preparations for major new projects in the north of the Yamalo-Nenets Autonomous District – Messoyakha and Novy Port – are in the final stages. We have completed construction on the Gates of the Arctic shipment terminal and commissioned the South Priobsky Gas Processing Plant, which will increase the utilisation of associated gas at the South Priobskoye field to 95%.

Gazprom Neft continues to expand its resource base: last year 2P hydrocarbon reserves increased by 5.2%, thus the Company has compensated for its production by 196%. The introduction of the latest technologies has resulted in growth in hydrocarbon output at mature fields that have already peaked in terms of production. Projects are actively under way as part of the

second phase of an ambitious programme to modernise Gazprom Neft oil refineries that aims to enhance the efficiency of production processes and increase refining depth and the yield of light petroleum products. The Moscow Oil Refinery has launched construction on the Biosphera biological treatment facilities, one of the Company's most important environmental projects. The Omsk Oil Refinery, the company's largest refining asset, has completed a project involving the extensive reconstruction of key facilities: the primary oil refining unit and the fuel oil deep processing complex. The Company also began implementing a key project for the entire Russian oil refining industry last year at Omsk Oil Refinery to develop the production of catalysts that are required to manufacture fuel of the highest environmental standard – Euro 5.

Despite the negative market dynamics, Gazprom Neft managed to build up its presence in premium sales channels. In 2015, we expanded the geography of the jet fuel business and increased our share of the bituminous materials market as well as the volume of petroleum products sold via the Gazpromneft filling station network. The Company boosted sales of lubricants by 21.1% thanks to an effective import substitution programme.

We managed to achieve a lot last year. I am confident that Gazprom Neft will have new opportunities to develop its business in 2016, while the company's safety margin and experience will enable it to respond effectively to all external challenges in the future and find new solutions to complex problems.

A handwritten signature in blue ink, appearing to read 'A. Dyukov', written over a large, light blue oval graphic.

ALEXANDER DYUKOV
Chairman of the Management Board and CEO
Gazprom Neft PJSC