


SUCCESS OF THE CHOSEN STRATEGY AND FUTURE GROWTH

The dramatic changes on the global oil market without question have impacted the implementation of the Gazprom Neft Strategy and forced the Company to update its short-term priorities. Nevertheless, Gazprom Neft remains on pace to successfully implement its Development Strategy until 2025.

Updates to Gazprom Neft's strategic vision in 2015–2016:

- The Company has made consistent progress in achieving its strategic goals.
- There were significant external changes and increased uncertainty in 2014–2015.
- The forecast for achieving the Company's strategic goals remains positive.
- The Strategy has shown resistance to external changes.
- The Company ensures its investment portfolio remains flexible given the highly uncertain external environment.

Gazprom Neft has a balanced project portfolio, making it possible to effectively manage production amidst rapidly changing market conditions.

 See "Strategy in action" section on page 23

2014 results:

66.25 mn TOE
hydrocarbon production

2015 results:

79.70 mn TOE
hydrocarbon production

- production maintained and increased at mature assets
- implementation of promising projects

Strategic goal for 2025:

100 mn TOE
hydrocarbon production

MAINTAINING AND INCREASING PRODUCTION AT MATURE ASSETS //

In addition to work at conventional and mature fields, Gazprom Neft continues to develop a number of promising projects and prepare them for commercial production. This approach will enable the Company to launch production at new fields in the shortest possible time and increase the flow of oil by the time the market returns to high oil prices.

KEY RESULTS OF 2015

- commissioning of the Kulginskoye and South Tabaganskoye fields (part of the South Pudinsky licence area);
- two low efficiency fields were re-categorised as profitable in 2015: North Pyamaliyakhskoye and Baleykinskoye.

PROMISING PROJECTS //

NOVY PORT



- Start of year-round shipments – 1st half 2016.

Milestones of 2015

- shipment of 317,000 tonnes: by vehicle – 24,000 tonnes, winter sea shipments – 112,000 tonnes, summer sea shipments – 181,000 tonnes;
- Arctic terminal installed and the Baltika ice-breaker arrived to accommodate personnel during commissioning work;
- 34 km installed of a second branch of a pressure pipeline and struts lowered to bottom for the underground part of the pipeline;
- supply of gas turbine units.

MESSOYAKHA



- Start of hydrocarbon production – Q4 2016.

Milestones of 2015

- pile foundations and modular structures installed for the central gathering facility;
- assembly of 6 units and the machine room building of the gas turbine power plant;
- 58 km of the linear part of an oil pipeline built;
- geological exploration programme completed in full.

PRIRAZLOMNOYE



- Start of hydrocarbon production – Q4 2013.

Milestones of 2015

- annual production totalled 870,000 tonnes of oil;
- construction completed on four wells;
- addendum to the technological development plan drafted and approved;
- first and second stages of shift camp accepted and commissioned.