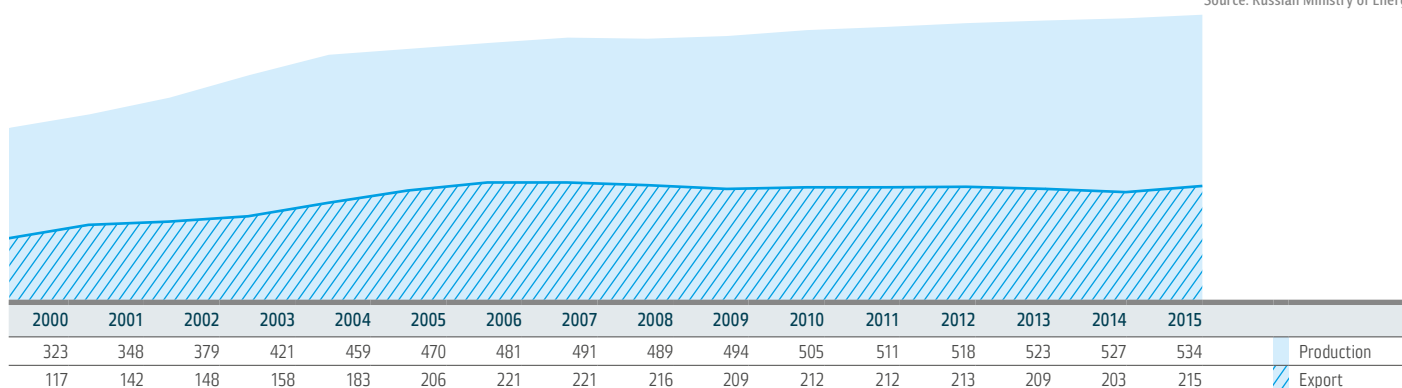


OIL PRODUCTION AND REFINING IN THE RUSSIAN FEDERATION

The main factors that influence oil production volume in Russia are the dynamics in global oil prices, exchange rates and tax regulations, which collectively determine the economic conditions of oil production for Russian companies. Domestic demand for petroleum products plays a secondary role. The mostly favourable situation on global raw commodity markets has contributed to growth in oil production in the Russian Federation over the last few years. Despite the decline in prices, oil production in the Russian Federation increased in 2015.

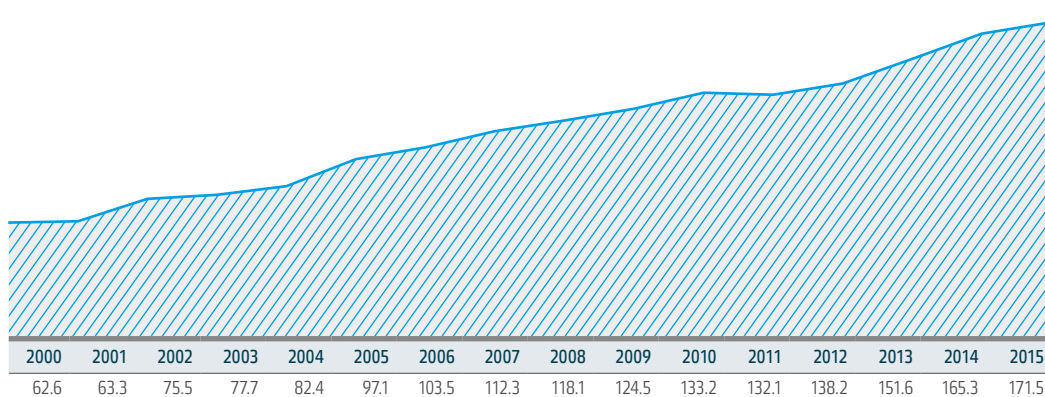
RUSSIAN OIL PRODUCTION-TO-EXPORT RATIO // mn t/year

Source: Russian Ministry of Energy



EXPORT OF PETROLEUM PRODUCTS // mn t

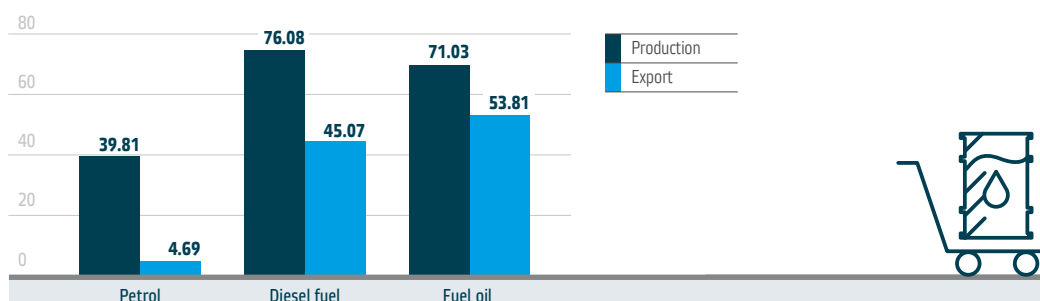
Source: Federal Customs Service



Despite steady growth in production, crude oil exports from the Russian Federation have not changed significantly over the last ten years. This can be attributed to growth in oil refining, which was supported by tax incentives, among other things.

PRODUCTION AND EXPORT OF CORE PETROLEUM PRODUCTS IN 2015 // mn t

Source: Central Dispatch Department of the Fuel and Energy Complex

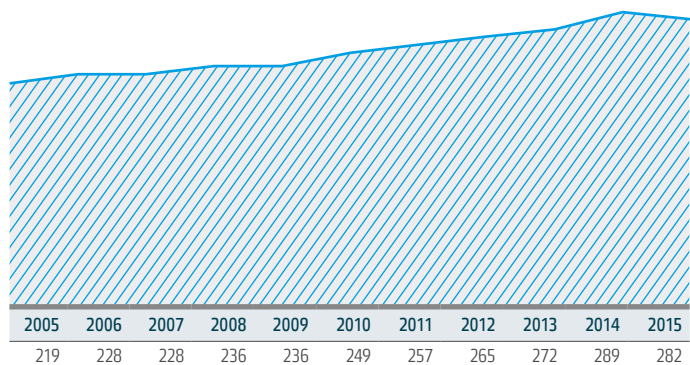


Petroleum product exports from Russia have increased significantly in recent years and these positive dynamics continued in 2015.



PRIMARY OIL REFINING // mn t/year

Source: Russian Ministry of Energy



Russia reduced primary oil refining volumes in 2015 as the production and export of crude oil increased. This resulted from the cumulative impact of lower petroleum product prices and a tax manoeuvre that diminished the appeal of exporting dark petroleum products. Fuel oil production saw the sharpest decline, while growth was seen in the volume of petrol production.

69.2 mn t $\downarrow 9.2\%$

Fuel oil production in Russia in 2015

76.1 mn t $\downarrow 1.6\%$

Diesel production in Russia in 2015

9.7 mn t $\downarrow 10.6\%$

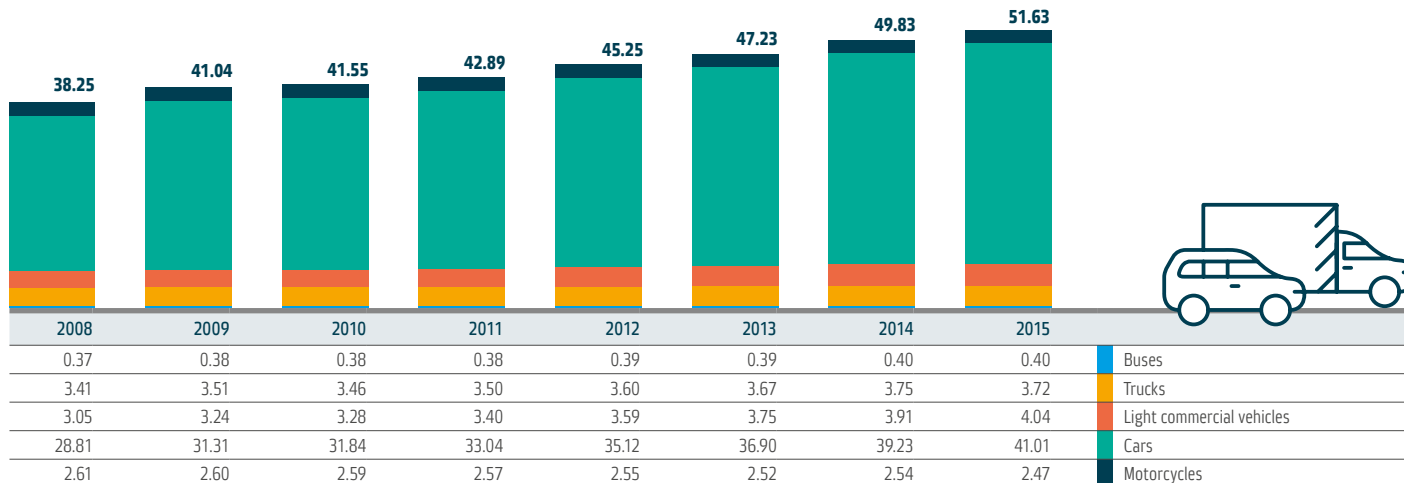
Kerosene production in Russia in 2015

39.8 mn t $\uparrow 3.9\%$

Petrol production in Russia in 2015

VEHICLES IN RUSSIA¹ // mn vehicles

Source: Autostat



¹ Data given as of 1 January of the corresponding year.

Just like the rest of the world, the dynamics in demand for petroleum products within the country is above all determined by the number of passenger cars. Increased car ownership has kept up demand for petroleum products in the Russian Federation in recent years. Economic difficulties led to a decline in domestic petrol and diesel consumption in 2015, yet the number of vehicles in the country continued to expand.

3.6%

Growth in the number of vehicles in Russia in 2015

79.4%

Proportion of passenger cars among all vehicles in Russia in 2015