

# Strategy in action

## STRATEGIC BENCHMARKS FOR 2025

The foundation of Gazprom Neft PJSC's operations is the Company's Development Strategy until 2025, which was approved by the Board of Directors in May 2013. In exploration and production, Gazprom Neft focuses on the effective development of its mature resource base and ensuring the maximum return on investments in new projects. In processing and sales, the focus remains on modernising refining facilities and maximising the sale of petroleum products via the Company's premium sales channels. As it implements the Strategy's plans on the horizon for 2025, the Company aims to create added value for the equity that shareholders have invested in the Russian oil and gas sector.

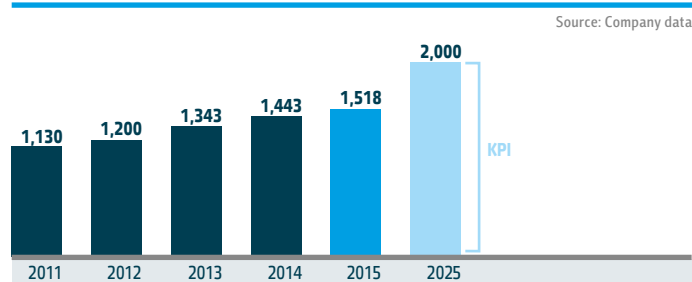
### GEOLOGICAL EXPLORATION AND PRODUCTION //

Gazprom Neft plans to increase hydrocarbon production to 100 million TOE per year by 2020 and maintain this level until 2025. The ratio of proven reserves to production is projected to remain at the current level. In order to achieve these goals, Gazprom Neft will make every effort to maximise the cost-effective recovery of the remaining reserves from the current resource base by employing the best practices for optimising

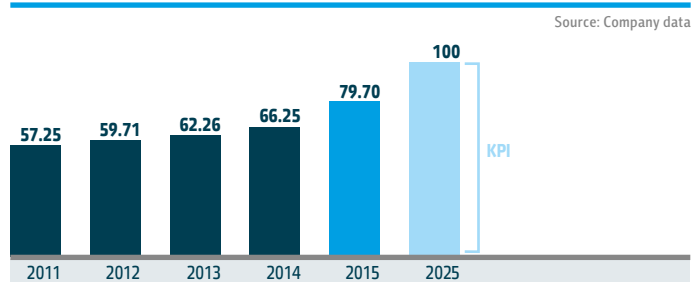
development, reducing the cost of proven technologies as well as utilising and introducing new technologies. The Company plans to set up a new production centre in the north of the Yamalo-Nenets Autonomous District.

Gazprom Neft is considering unconventional reserves as an opportunity for growth and will develop this asset class as a core element of its portfolio.

### PROVEN HYDROCARBON RESERVES (PRMS-SPE)<sup>1</sup> // mn TOE<sup>2</sup>



### HYDROCARBON PRODUCTION BY THE GAZPROM NEFT GROUP // mn TOE



**100** mn TOE  
Hydrocarbon production  
KPI for 2025

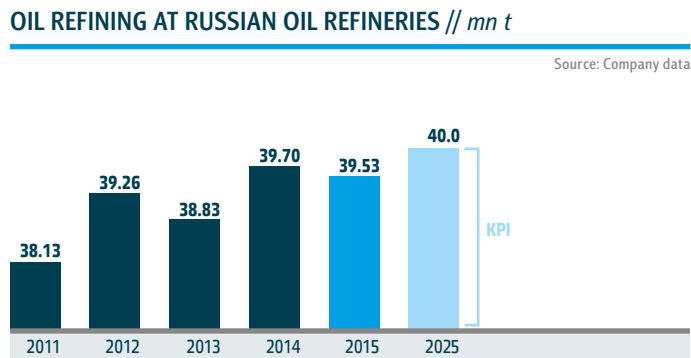
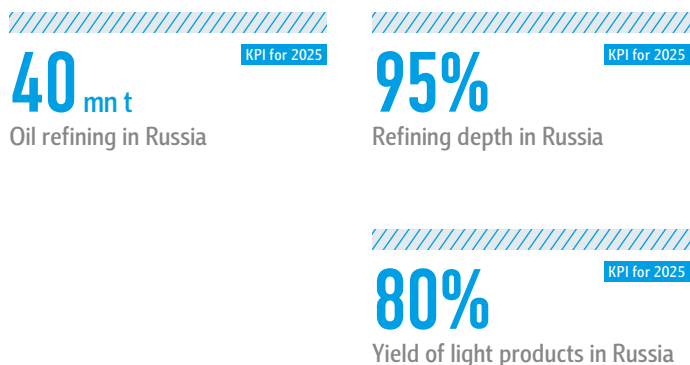
**20** years  
Reserve life  
(MR / production)  
KPI for 2025

<sup>1</sup> Excluding NIS a.d. Novi Sad.

<sup>2</sup> KPI for 2025 calculated based on two approved KPI: Reserve life of 20 years and commercial hydrocarbon production of 100 mn TOE per year.

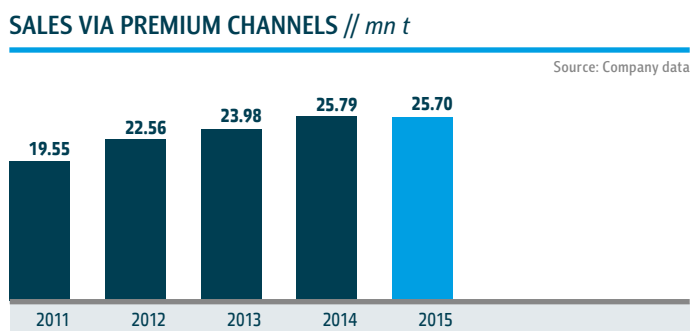
**OIL REFINING** // Modernising refining facilities as well as enhancing operational efficiency remain among the Company's top strategic priorities for developing its oil refining business in Russia. The Company has completed the first stage of a large-scale oil refinery modernisation project that aims to improve the quality of the petroleum products it manufactures and has moved on to the second phase in which the goal is to increase the refining depth and improve the yield indicators of light

petroleum products. Work completed on projects to improve operational efficiency and increase the refining depth as well as the yield of light petroleum products at facilities in the Russian Federation. A detailed plan has been drawn up for a programme to modernise YANOS, a catalytic cracking unit has been rebuilt at the Omsk Oil Refinery and preparations have begun to rebuild a unit at the Moscow Oil Refinery.



**SALES** // Gazprom Neft has two core sales segments: sales of motor fuels via its Gazpromneft filling station network along with small wholesale channels as well as sales of petroleum products to industrial consumers. Special goals have been established for each segment. The targeted scale of Gazprom

Neft's sales business should ensure the ability to place 100% of its petroleum products on markets through its own sales channels in order to provide maximum coverage for the entire value chain in the oil business.

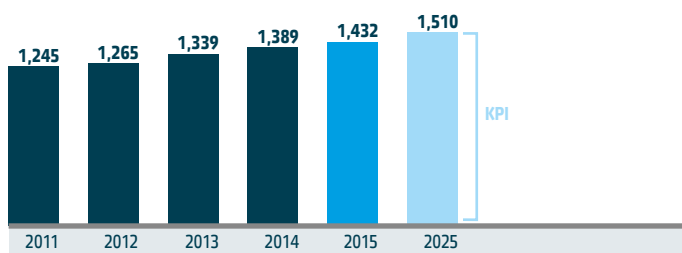


**MOTOR FUEL SALES** // Gazprom Neft plans to boost total sales of motor fuel in the Russian Federation and the CIS by 2025 primarily through a 20% increase in the retail sales channel. The Company is planning to expand its filling station network in the Russian Federation and the CIS in order to achieve this goal.



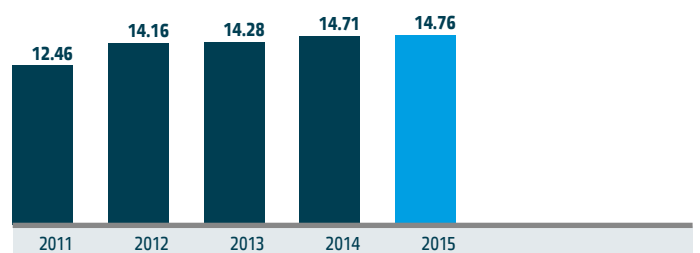
**NUMBER OF FILLING STATIONS IN RUSSIA AND THE CIS // stations**

Source: Company data



**SALES VOLUME VIA FILLING STATIONS AND PETROLEUM STORAGE DEPOTS IN RUSSIA // mn t**

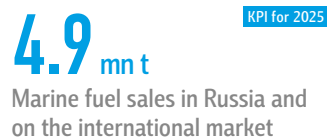
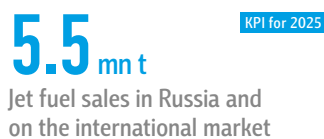
Source: Company data



**SALES OF PETROLEUM PRODUCTS TO INDUSTRIAL CONSUMERS** // Gazprom Neft has spun off separate businesses for the sale of jet fuel, lubricants, bituminous materials, petrochemical products and bunkering in order to improve the efficiency of petroleum product sales.

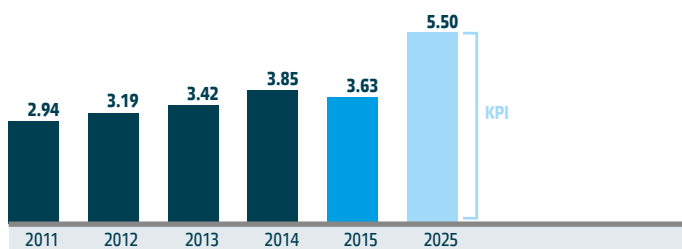
The Company aims to further increase the sales and market shares of these businesses. In addition, Gazprom Neft plans to enter markets for new products and also develop its own sales capacity. The Company has set the benchmark of increasing sales of petroleum products by 30% by 2025.

The Gazpromneft-Aero sales network focuses on boosting sales of jet fuel, further expanding the network of its refuelling complexes and increasing the number of airports where it operates. The Company also plans to further develop its bunkering business through increased sales despite a planned reduction in fuel oil production at the Company's oil refineries as a result of improved refining depth as well as the development of its terminal network and an expansion in the bunkering fleet in the Russian Federation.



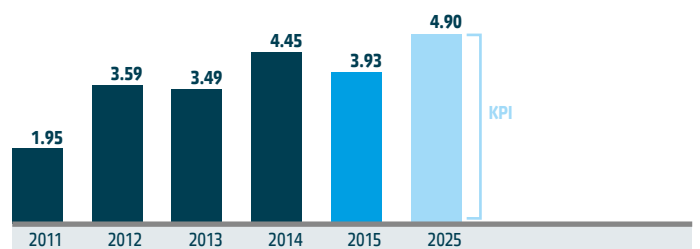
**MARINE FUEL SALES<sup>1</sup> // mn t**

Source: Company data



**MARINE FUEL SALES<sup>1</sup> // mn t**

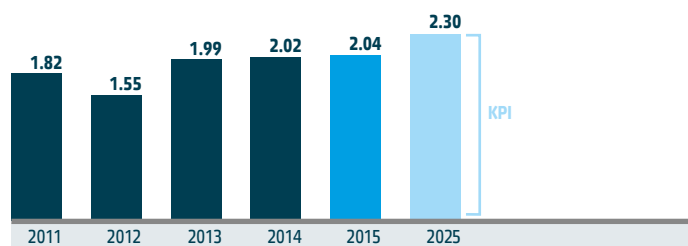
Source: Company data



<sup>1</sup> Total sales, including premium and non-premium sales in Russia and on the international market.

### BITUMEN SALES<sup>1</sup> // mn t

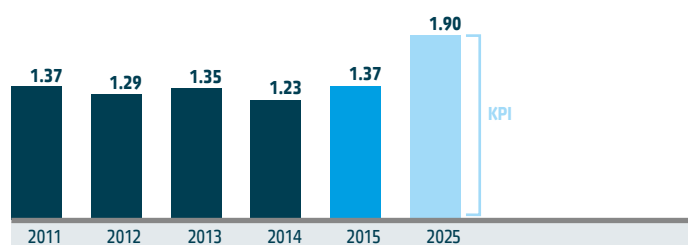
Source: Company data



**2.30** mn t KPI for 2025  
 Bitumen sales in Russia  
 and on the international market

### SALES OF PETROCHEMICAL PRODUCTS<sup>1</sup> // mn t

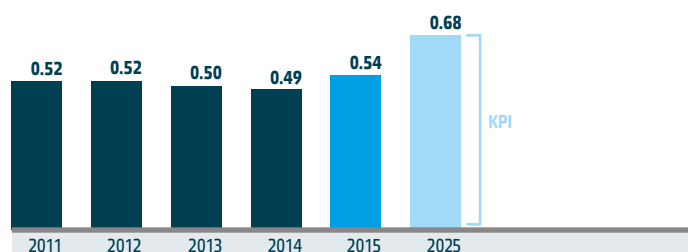
Source: Company data



**1.90** mn t KPI for 2025  
 Sales of petrochemical  
 products in Russia and on the  
 international market

### SALES OF OILS AND LUBRICANTS<sup>1</sup> // mn t

Source: Company data



**0.68** mn t KPI for 2025  
 Sales of oils and lubricants  
 sales in Russia and on the  
 international market

<sup>1</sup> Total sales, including premium and non-premium sales in Russia and on the international market.