



OIL REFINING

STRATEGIC GOALS

Key performance indicators (KPI) for 2025

40

MN T

OIL REFINING VOLUME
IN RUSSIA

95%

REFINING DEPTH
IN RUSSIA

80%

YIELD OF LIGHT
PETROLEUM PRODUCTS
IN RUSSIA

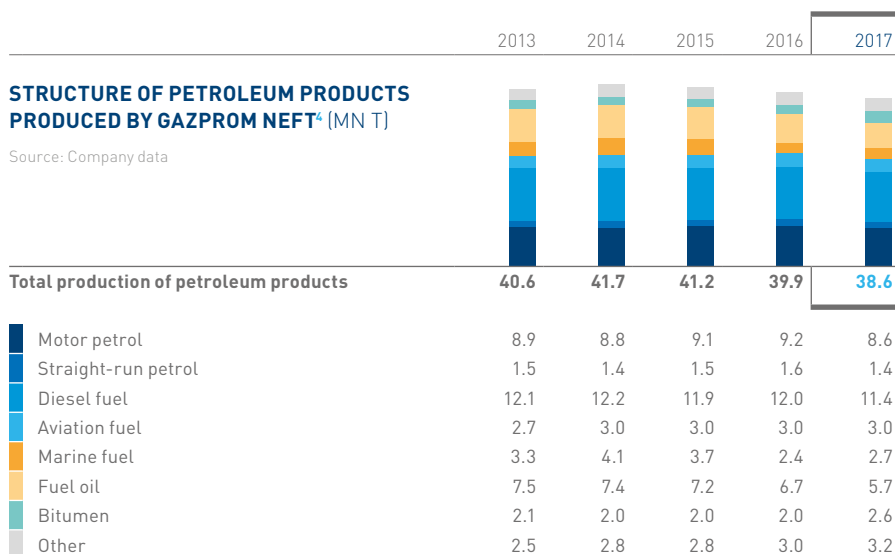
Modernizing oil refining facilities as well as growth in operating efficiency remain strategic priorities in oil refining. In 2015, the Company completed the first stage of the extensive modernization of its oil refineries, which aims to improve the quality of the petroleum products it manufactures, and is now carrying out the second stage of the modernization programme with the aim of increasing oil refining depth and expanding the yield of light petroleum products. In addition to projects to increase refining depth at its oil refineries, Gazprom Neft is also implementing major environmental projects to mitigate its environmental impact.

MILESTONES OF 2017

- The Moscow Oil Refinery completed the construction of the Biosphera biological treatment facilities and the reconstruction of a catalytic cracking unit
- The Omsk Oil Refinery upgraded a bitumen unit and completed construction and installation work on a modular hydrogen generating unit
- Slavneft-Yaroslavnfteorgsintez launched a plant for the production of third quality group base oils
- The Omsk Oil Refinery and Pancevo Refinery in Serbia launched construction on deep refining complexes
- The Downstream Efficiency Control Centre was opened

STRUCTURE OF PETROLEUM PRODUCTS PRODUCED BY GAZPROM NEFT* (MN T)

Source: Company data

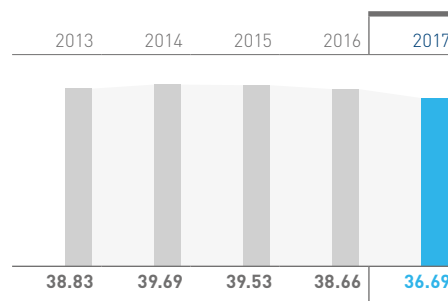


* Total production at the Company's refineries, including NIS and Mozyr Oil Refinery.

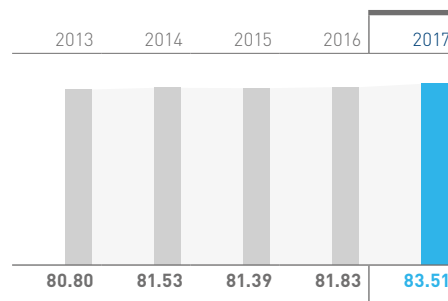
RESULTS OF 2017

Gazprom Neft reduced oil refining by 4% in 2017 as a result of planned overhauls and the reconstruction of production facilities at the Company's Russian refineries.

OIL REFINING AT RUSSIAN OIL REFINERIES (MN T)



DEPTH OF OIL REFINING AT OIL REFINERIES IN RUSSIA (%)



The decrease in the production volume of high-octane petrol gasoline and diesel fuel by 6.3% and 4.7% YoY, respectively, is due to a general decrease in the volume of oil refining at the Omsk and Moscow Oil Refineries. The 27.2% YoY increase in bitumen production resulted from growing demand on the domestic market and the expanded geography of exports. Fuel oil production declined compared with 2016 because of a decrease in oil refining as well as increase bitumen production.