



MESSAGE FROM THE CHAIRMAN OF THE MANAGEMENT BOARD



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The results of 2015 confirmed Gazprom Neft's ability to adapt to changing macroeconomic conditions. The Company achieved significant results in all areas of its operations, increasing production volumes to record levels, strengthening its positions on sales markets, implementing a number of important innovative and environmental projects, and continuing the development of social investment programmes.

Gazprom Neft celebrated its twentieth anniversary in 2015. Highlights of the anniversary year included the millionth tonne of oil produced at the Prirazlomnoye field and the completion of construction of the Gates of the Arctic oil loading terminal at the Novy Port field for year-round crude shipments. The Company also successfully completed the first stage of the study of Bazhenov formation reserves at the South Priobskoye field.

Key projects were implemented as part of a large-scale programme to modernise oil refineries. Reconstruction was completed on major production facilities at the Omsk Oil Refinery — a fuel oil advanced processing unit and primary oil refining unit. Gazprom Neft launched a project to develop catalyst production at the refinery. This project aims to ensure the country's oil refining industry has the high-quality Russian-made products it needs to produce Euro-5 standard fuel. The Moscow Oil Refinery began construction on the Biosphera biological treatment facilities and also became the first Russian oil refinery to install an automated air quality monitoring system. These projects were all part of comprehensive work carried out by Gazprom Neft to improve environmental safety and protect natural resources.

Gazprom Neft devoted special attention to innovative activities last year, which enabled the Company to increase production at mature fields, include previously unprofitable hard-to-recover reserves in development work and offer promising innovative products to the market. The Omsk Oil Refinery produced its first pilot batch of needle coke in 2015. Gazprom Neft polymer-bitumen materials were used to build experimental road sections in Kazakhstan, marking the first time they have been used outside of Russia. The Company has consistently increased supplies of high-tech Russian-made motor oils and lubricants to the domestic market. Agreements on phasing out imports of lubricant materials were concluded with the governments of several Russian regions in 2015. Testing of a new technology for the utilisation of associated petroleum gas was successfully carried out in Tomsk.

The Company continued work to improve industrial and occupational safety levels. The "Goal — Zero: No Harm to People, Objects or the Environment" campaign launched in 2015 identifies an action plan for subsequent years. In order to achieve this goal, Gazprom Neft is carrying out a large-scale project to improve workplace safety culture that not only encompasses employees but contracting organisation specialists as well. Such work enabled the Company to further solidify the trend of reduced incidents and injuries at work and improve these indicators compared with 2014.

The employees of Gazprom Neft are the Company's key resource, and the professional development of personnel is a strategic priority. In 2015, more than 80% of the Company's employees took part in different educational programmes. The Company introduced a Knowledge and Innovation Management System that consolidates the Company's intellectual potential and improves the effective distribution and application of knowledge. The Company opened a specialised Gazprom Neft department at Gubkin Russian State University of Oil and Gas as part of its efforts to attract young specialists to the university, while recipients of the Company's scholarships from Kurdistan began studying at St Petersburg State Mining University. Gazprom Neft ranked first in a rating of Russian employers in 2015 according to the Headhunter.ru portal.

The Company actively developed programmes to support the socioeconomic development of the regions where it operates and improve the quality of life of local communities. The "Native Towns" social investment programme encompassed 34 regions, where a total of 450 projects were implemented. This work resulted in local communities being more proactive in resolving regional development issues. A total of 379 projects were submitted as part of the Gazprom Neft grant competition for social initiatives in 2015.

In 2016, Gazprom Neft will continue to develop in accordance with its strategic priorities. The Company's strategic advantages, key resources and professional team will enable it to confidently move forward while remaining one of the leaders in the industry, an attractive

employer and a responsible social investor.