

Oil refining

In 2015, Gazprom Neft maintained its position as one of the leading Russian oil companies in terms of refining volumes. The Company refined 43.07 million tonnes of oil last year. The oil refinery modernisation programmes under way since 2009 enabled the Company to enhance the quality of the manufactured products, improve the environmental performance of motor fuels and minimise the environmental impact of refineries.

GOALS AND RESULTS IN 2015

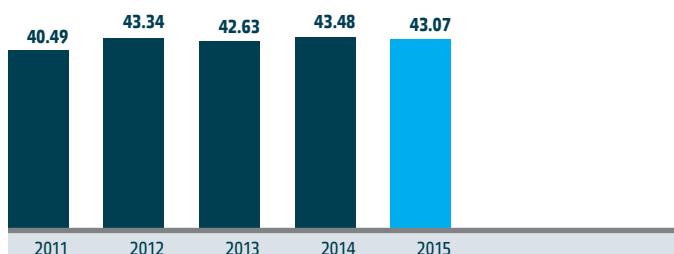
Goals	Results
REFINING	
Enhancing the Company's refining technology on the basis of proprietary research and development projects, including with the creation of a test bed for a unique solid-acid alkylation process (recycling spent butane-butylene fraction into an alkylate – a high-octane gasoline component)	Over the course of the year, the Company built a solid acid alkylation pilot plant jointly with the Topchiyev Institute of Petrochemical Synthesis of the Russian Academy of Sciences. At present, the main equipment has been installed and is being connected. The facility is to be launched in June 2016.
Decision on the establishment of a modern facility in Omsk for the production of catalysts for oil refining processes	The Omsk Oil Refinery began implementing the "Aluminium Oxide-Based Crude Deep Conversion Catalysts" project.
OMSK OIL REFINERY	
Completion of pre-project documentation and start of the construction phase for the following facilities: <ul style="list-style-type: none"> ➤ deep oil refining facility; ➤ atmospheric-vacuum oil refining unit with a preliminary electric desalting unit; ➤ delayed coking unit. 	Design documentation was completed, a state expert evaluation was carried out and construction permits were obtained. A working design was started, and long-lead equipment (LLE) was contracted and put into operation.
MOSCOW OIL REFINERY	
Start of work on the EP+Cm contract for the "Euro+" integrated oil refining facility project.	As regards engineering (preparation of working documentation), 30% of a 3D model has been prepared, a contractor has begun issuing drawings for the performance of work and equipment has been contracted to an extent that is sufficient to start construction and installation work.
Start of construction on biological treatment plants	Construction began on the Biosphera biological treatment facilities. For more, see the "Safe development" section of this Report.

Other events of the reporting year:

- The Moscow Oil Refinery commissioned the modern GFP-2 gas fractionation plant, which made it possible to expand the plant's range of products, increase the production of high-octane petrol with the exception of low-octane petrol and reduce emissions of harmful substances;
- The Omsk Oil Refinery completed construction on two production facilities: the AT-9 primary oil refining complex and the KT-1/1 catalytic cracking unit, which resulted in an increase in oil refining depth with increased yield of light petroleum products and a reduction in sulphur content in the petrol pool to the level of Class 5 requirements;
- NIS developed a concept for the "deep refining" project and completed a basic design for a delayed coking unit.

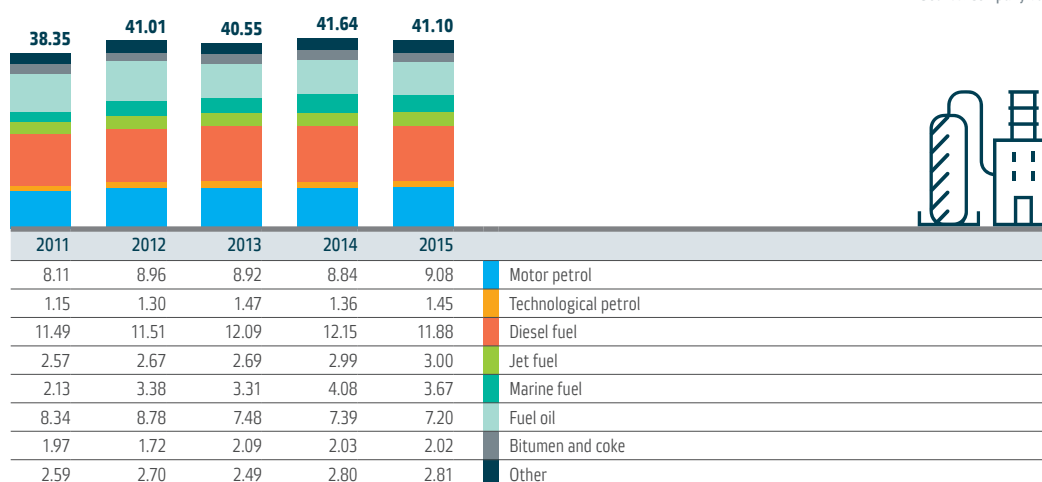
OIL REFINING VOLUME // mn t

Source: Company data



GAZPROM NEFT PETROLEUM PRODUCT PRODUCTION STRUCTURE // mn t

Source: Company data



41.10 mn t

of commercial petroleum products manufactured in 2015



Sale of oil and petroleum products

The Company sold 6.14 million tonnes of oil to the domestic market in 2015, an increase of 2.18 million tonnes from 2014. The sale of petroleum products in physical terms edged down slightly 0.1% in volume terms, but grew 3.4% in value.

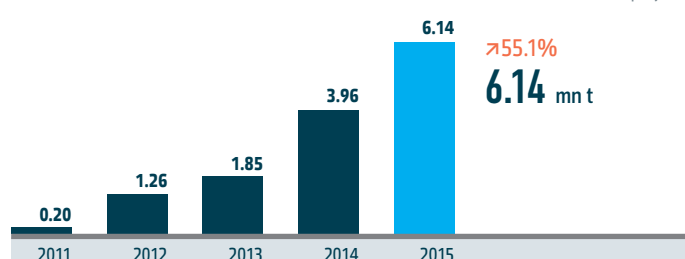
Gazprom Neft exported 12.04 million tonnes of oil in absolute terms in the reporting year, or 12.5% more than in 2014. The increase is attributable to growth in oil exports from the Company's Arctic regions. The decrease in petroleum product sales in non-CIS countries resulted from a reduction in the volume of trading operations with third-party resources by Gazpromneft-Trading as well as the decreased volume of oil refining at the Mozyr Oil Refinery in the Republic of Belarus by subsidiary Gazpromneft-Belnefteprodukt.

12.04 mn t $\uparrow 12.5\%$

of oil exported in absolute terms by Gazprom Neft in 2015

OIL SALES ON THE DOMESTIC MARKET // mn t

Source: Company data



DYNAMICS OF PETROLEUM PRODUCT EXPORTS TO NON-CIS AND CIS COUNTRIES // mn t

Source: Company data

