

## UTILISATION OF ASSOCIATED PETROLEUM GAS

Associated petroleum gas (APG) is released during the extraction of oil at almost all fields. In order to improve the useful utilisation of APG, Gazprom Neft carries out projects to efficiently process APG directly in the regions where it operates. Implementing such programmes is one of the Company strategic objectives. The construction of infrastructure and modern APG utilisation facilities will make it possible to fully develop the assets under production and significantly reduce greenhouse gas emissions.

In 2015, key projects to improve APG utilisation levels included:

- **THE CONSTRUCTION OF RUSSIA'S LARGEST COMPLEX GAS TREATMENT PLANT (CGTP) AT THE NOVY PORT FIELD IN THE YNAD.** The plant is designed to compress, purify and dehydrate APG and utilise it by injecting it back into the productive formation. The commissioning of the CGTP will make it possible to utilise up to 95% of APG at the Novy Port field. The first phase of the CGTP is to be launched in early 2017. It will be able to treat up to 4 billion m<sup>3</sup> of APG per year. The CGTP has design capacity of more than 7 billion m<sup>3</sup> per year.

- **THE TESTING OF NEW APG UTILISATION TECHNOLOGY IN THE TOMSK REGION.** Using the soft steam reforming unit, natural gas liquids contained in APG are processed into gas that may be used for power generation needs or pumped into a pipeline for transportation to consumers. The Company plans to consider the prospect of employing this technology at projects located in remote regions or where the construction of major units is not economically profitable.
- **THE COMMISSIONING OF THE SOUTH PRIORSKY GAS PROCESSING PLANT.** The joint venture between Gazprom Neft and SIBUR allows for utilising APG and producing natural gas liquids, which are valuable raw materials for the petrochemical industry. The South Priorsky GPP has processing capacity of 900 million m<sup>3</sup> of APG per year. The target component recovery factor exceeds 95%, which is consistent with modern global requirements.

The Company's total investment in APG utilisation projects amounted to RUB 27.7 billion in 2015, a more than five-fold increase from the 2014 level. The growth in investments is above all due to the significant increase in capital investment in the construction of gas infrastructure at the Novy Port and Messoyakha fields.

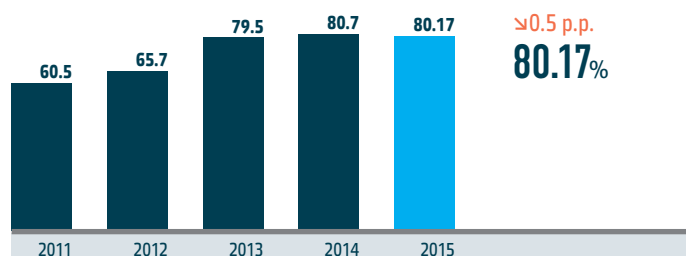
The reduction in APG utilisation levels in 2015 is attributable to growth in the APG production/flaring volume as a result of additional drilling in areas with a high oil/gas ratio.



**RUB 27.7 bn**  
total investment by Gazprom Neft  
in APG utilisation projects in 2015

### APG UTILISATION LEVEL<sup>1</sup> // %

Source: Company data



<sup>1</sup> APG utilisation data presented based on the Company's current assets.

### APG PRODUCTION AND USAGE // mn m<sup>3</sup>

Source: Company data

