

## COMPANY PROFILE

STRATEGIC REPORT  
PERFORMANCE  
TECHNOLOGICAL DEVELOPMENT  
GOVERNANCE SYSTEM  
SUSTAINABLE DEVELOPMENT  
APPENDICES

## 2019 HIGHLIGHTS

The company increased hydrocarbon production in 2019 primarily through its projects in the Arctic, allowing it to maintain revenue and EBITDA year on year and to increase dividend payments. This is in spite of a significant fall in oil prices on the domestic and international markets.



«Gazprom Neft ended the 2019 financial year with a good financial and operational performance, price adjustments on the global oil market notwithstanding. Various projects throughout the company's refining facilities involving the construction of major new complexes moved into their final stages. With the protection of the environment being an overriding and non-negotiable priority for the company, it is vital that our plants comply with the highest environmental standards.

**Alexander Dyukov**

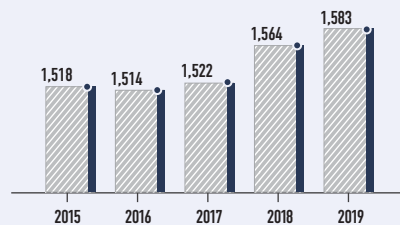
Chairman of the Management Board, CEO, Gazprom Neft PJSC

## Reserves and production growth

# +32

new licence blocks

Proved reserves, mtoe

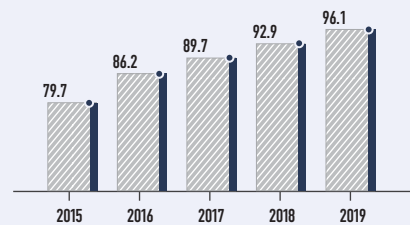


Gazprom Neft actively expanded its resource base throughout 2019, adding 32 new licence blocks in the year. The company also increased its project portfolio significantly, having started developing oil-rim deposits, Achimovsky deposits, and Necomian-Jurassic gas and gas-condensate deposits at Gazprom PJSC fields, using long-term risk-operatorship agreements.

# +3.5%

increase in hydrocarbon production

Hydrocarbon production, mtoe



Hydrocarbon production (including joint-venture interests) was up 3.5% year on year in 2019: this growth was driven by higher production at the Novoportovskoye and Vostochno-Messoyakhskoye fields, in the Orenburg Oblast and at new oil-rim projects, as well as the company increasing its interest in Arcticgas.

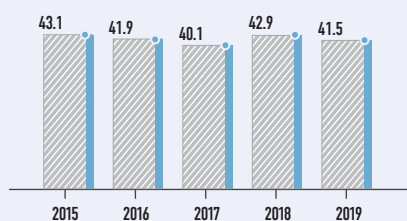
**p. 54** For details, see the Resource Base and Production section

## Advanced oil-refining technologies

# 41.5<sup>mt</sup>

refining volumes

### Refineries throughput, mt

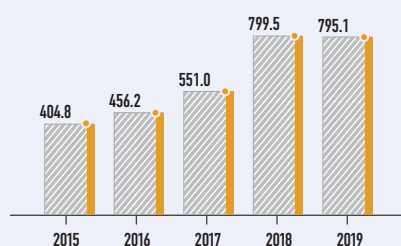


Refining throughput decreased in 2019 as a result of planned refurbishment at the Group's refineries. The company has continued its refineries development programme directed at increasing both the conversion rate and the output of in-demand petroleum products, as well as improving the environmental performance of its refineries.

**p. 68** For details, see the Refining section.

## Stable financial performance

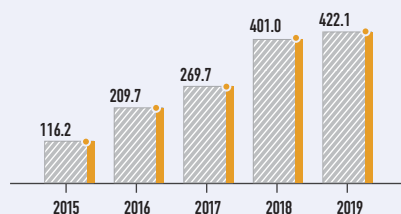
### Adjusted EBITDA, ₺ billion



Adjusted EBITDA remained almost flat year on year in spite of a decline in oil prices on the domestic and international markets.

**p. 98** For details, see the Financial Performance section.

### Net profit<sup>1</sup>, ₺ billion



The company reached a record-high net profit in 2019 thanks to the appreciation of the rouble and the positive impact of net financial income and expenses.

## Strong safety performance

# 0

accidents

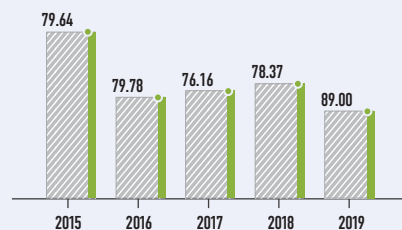
# -34%

reduction in FAR<sup>2</sup> to a five-year average

# -42%

reduction in associated petroleum gas (APG) flaring

### APG utilisation rate, %



Gazprom Neft is committed to increasing APG utilisation levels as it brings new fields into commercial development and increases hydrocarbon production: the company's objective in this regard is to achieve an APG-utilisation level of at least 95% by 2022, even in the face of increasing production.

/ 1 / Including profit attributable to non-controlling interest.

/ 2 / Fatal accident rate