



# Company history

## 1995

### Siberian Oil Company ('Sibneft')

Siberian Oil Company ('Sibneft') was formed by the decree of the President of the Russian Federation. The company was established by the government, which transferred its interest in the country's oil majors, including Noyabrskneftegaz, Noyabrskneftegazgeophysika, the Omsk Refinery and Omsknefteprodukt, to the holding company's authorised capital.

## 1996–1997

### Sibneft was privatised

To develop a market economy, the Government of the Russian Federation implemented the Sibneft privatisation plan. In 1996, private investors acquired 49% of the company share capital through auctions. In 1997, the Financial Oil Company won the auction to sell the government interest in Sibneft as part of the Shares for Loans government programme.

## 1998–2004

### Asset build-up

By implementing an aggressive growth strategy, Sibneft significantly expanded the geography of its production (the Tomsk Oblast and the Omsk Oblast) and sales network (the Sverdlovsk Oblast and the Tyumen Oblast, the Krasnoyarsk Krai, St Petersburg and Moscow). The company's major acquisitions during that period include the purchase of a 49.9% holding in Slavneft, which produces oil and gas in Western Siberia and the Krasnoyarsk Krai.

### Strong growth

A strong resource base, efficient refining assets and highly professional executives are the core drivers of the company's strong growth. Sibneft executives significantly upgraded production facilities, introduced cutting-edge technologies and streamlined its business processes.

## 2005

### Gazprom acquires controlling interest in Sibneft

The controlling interest (75.68%) in Sibneft was acquired by the Gazprom Group. On 13 May 2006, the company was renamed Gazprom Neft. The company's development priorities included the strategic goal to become a global player with a regionally diversified portfolio of assets across the entire value chain.



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## 2006

### Entering the market in Central Asia

Gazprom Neft entered the market in Central Asia and established a subsidiary, Gazprom Neft Asia, selling the company's petroleum products in Kyrgyzstan, Tajikistan and Kazakhstan.

## 2007

### Acquisition of Tomskneft JSC

In December 2007, to continue expanding its resource base, the company acquired 50% of shares in Tomskneft VNK, which produces oil and gas in the Tomsk Oblast and the Khanty-Mansi Autonomous Okrug-Yugra.

### Splitting business lines

Separate business units were set up by line of business, including Gazpromneft Marine Bunker, Gazpromneft-Lubricants, and Gazpromneft-Aero.

## 2008

### Refining modernisation

A major modernisation programme at the Omsk Refinery started. With total investment of P300 billion, this is an unprecedented initiative for the entire industry in terms of investment volume and the level of technology involved.

## 2009

### Expanding the resource base

Gazprom Neft expands its resource base and refining capacities by acquiring Naftna Industrija Srbije A.D., Novi Sad (NIS), and a controlling interest in Sibir Energy, while also increasing its share in the Moscow Refinery and obtaining access to the Salym oil fields. In April 2009, Gazprom Neft completed a transaction with Chevron Global Energy to purchase Chevron Italia s.p.a., an oils and lubricants production plant located in Bari (Italy).

The launch of a major rebranding programme for the Gazprom Neft retail network was a milestone for the company.

## 2010

### Global oil and gas market

Gazprom Neft continued its rapid expansion on the global oil and gas market, signing a contract to develop the Badra field in Iraq, and being appointed to lead the Junin-6 project in Venezuela. The company continued to enter new fuel markets outside Russia. For instance, it acquired a retail network of 20 filling stations and nine plots of land in Kazakhstan.

It also expanded its presence in the Russian market by joining a project, which was covered by SeverEnergia licences, to develop promising fields in the north of the Yamalo-Nenets Autonomous Okrug. In February, Gazprom Neft completed a transaction to buy STS-Service, a subdivision of the Swedish company Malka Oil, which develops fields in the Tomsk Oblast.

## The Moscow Refinery development programme

Gazprom Neft becomes a majority shareholder in the Moscow Refinery and initiates the most ambitious modernisation programme in the history of the Moscow Refinery, with the aim of increasing the level of environmental friendliness and production efficiency.



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## 2011

### Improved performance in production

Gazprom Neft saw a significant improvement in its operational performance thanks to further efficiency gains in developing existing fields, together with the acquisition of new assets. The company acquired a further 5.15% interest in Serbian company NIS, bringing its total holding in that company to 56.15%, as well as becoming the sole shareholder in Sibir Energy. The company also acquired its first assets in the Orenburg Oblast – the Tsarichanskoye and Kapitonovskoye fields, and the eastern block of the Orenburgskoye oil and gas condensate field (ONGKM). Drilling was initiated at the Badra field in the Republic of Iraq.



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### Premium-class fuels

The company started producing Euro 4 fuels at its refineries, and launched sales of the new G-Drive premium-class motor fuel via its own retail network. The company expanded the geography of its filling stations operation by entering the market in the Southern Federal District of the Russian Federation.



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### High-quality bitumen

The company implemented a project related to the process for preparing and handling feedstock for bitumen production at the Omsk Refinery to ensure stability in the quality of feedstock and bitumen produced. In 2011, a polymer modified bitumen (PMB) and bitumen emulsion facility supplied by MASSENZA (Italy) began operation.



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### Establishing Gazpromneft-Snabzheniye

A new subsidiary, Gazpromneft-Snabzhenie, was established as a result of spinning off the logistics function of the group's production and refining enterprises. The company currently provides a full range of logistics and procurement services not only to internal, but also to external clients – companies in fuel and energy, and other industries – and stands as one of the leading logistics operators in the Russian Arctic.



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## 2012

### Leadership in efficiency

Gazprom Neft is Russia's leading company in terms of hydrocarbon-production and refining growth, and in a number of performance metrics. The company started pilot oil production at two new major fields in the north of the Yamalo-Nenets Autonomous Okrug (the Vostochno-Messoyakhskoye and Novoportovskoye fields). The first stage of commercial production started at the Samburgskoye oil and gas condensate field owned by the Russian-Italian company SeverEnergiya, in which Gazprom Neft has a 25% holding.



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The formation and development of a new production cluster continued in the Orenburg Oblast. The company entered into new upstream projects in Iraq. The Moscow Refinery started producing Euro 4 gasolines, while the Omsk Refinery launched production of Euro 4 and Euro 5 gasolines, and the Euro 5 diesel fuel. Gazprom Neft started developing a sales network in Europe (in Serbia and Romania) under the GAZPROM brand.



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## Opening the GeoNavigator Drilling Control Centre

To improve the efficiency of advanced well construction, Gazprom Neft set up the GeoNavigator Drilling Control Centre. Its work is mainly based on the geo-steering technology, which involves quickly obtaining information on the geological model of a field, with adjustments made to the well trajectory in accordance with that. The use of cutting-edge technologies allows data to be transferred without delay to the Drilling Support Centre during drilling. New information is shown as part of the existing geological model of the field.

## 2013

### Strategy

The Gazprom Neft Board of Directors approved the company's Development Strategy having extended the planning horizon to 2025. The document also expands on the Strategy to 2020, determining ways of achieving the previously set targets in the key business segments – hydrocarbon production, refining, and petroleum product sales – taking into account changes in the industry and global economic environment. The company will continue to work to increase shareholder value through to 2025. The strategies for the developing the company's bunkering, aviation-fuel and lubricants businesses were also updated up to 2025.

### Start of production on the Arctic Shelf

In December 2013, Gazprom Neft produced the first oil from the Arctic Shelf at the Prirazlomnoye field in the Pechora Sea. The company was an operator at that field.

### Euro 5 fuels

The catalytic-cracking gasoline hydrotreatment units and light naphtha isomerisation facilities were commissioned at the Gazprom Neft Moscow Refinery. This allowed the plant to fully switch to the production of Euro 5 gasolines. Thus, all Gazprom Neft refineries switched to Euro 5 fuels, ahead of the deadlines set by the Technical Regulations of the Russian Federation.

### Bitumen business development

The company acquired assets in Russia (Ryazan) and Kazakhstan to develop its bitumen business. In 2013, Gazprom Neft and the French oil company Total established a joint venture to produce and sell polymer-modified bitumen for road construction under the G-Way Styrelf brand, and bitumen emulsions at the Moscow Refinery.

## 2014

### Developing production projects

Gazprom Neft obtained first oil from the Badra field in Iraq, and started commercial supply of oil into the Iraqi pipeline system. The company also shipped oil from the Novoportovskoye field over the summer season, which was the first time crude oil was delivered from that field to European consumers by sea.

### Arctic Shelf production

The company produced the millionth barrel of the new Arctic crude blend (ARCO) at the Prirazlomnoye field. Drilling of a new exploration well started at the Dolginskoye oil field on the Pechora Sea shelf.

**New licences acquired**

Gazprom Neft obtained licences for the Kuvaysky and Yagodny licence blocks in the Orenburg Oblast.

**2015****New capacities commissioned**

Gazprom Neft and SIBUR launched Yuzhno-Priobsky Gas Processing Plant (GPP).

**Russia's best employer**

Gazprom Neft became Russia's Best Employer in the 2015 Russia's Best Employers ranking released by HeadHunter, up two places from last year.

**New licences acquired**

Gazprom Neft acquired the licence to develop the Zapadno-Yubileynoye field in the Yamalo-Nenets Autonomous Okrug, and several new licences – for the Yuilsky-3, Lyaminsky-6, Severo-Ityakhsy-1, Maloyugansky and Zapadno-Zimny licence blocks – in the Khanty-Mansi Autonomous Okrug–Yugra.

**Oil production**

The millionth tonne of ARCO oil was produced at the Prirazlomnoye field, the millionth tonne of oil produced at the Badra field, Iraq, and commercial production at Sarqala field, Kurdistan Region of Iraq, reaches its millionth barrel.

**2016****Arctic assets**

Gazprom Neft completed the commissioning of all its Arctic assets, including the Prirazlomnoye and Novoportovskoye fields, and the Messoyakha group of fields. Gazprom Neft began year-round shipping of Novy Port oil through the Arctic Gates transshipment terminal. The instruction to commence operation of the terminal was given by President of the Russian Federation Vladimir Putin.

**Catalyst production**

Gazpromneft Catalytic Systems was set up as part of the Gazprom Neft Group to implement a project on building cat-cracking catalyst and hydroprocessing-catalyst production facilities. The working group of the Ministry of Energy of the Russian Federation awarded the project the status of a national project.

**Rospolychem acquisition**

In June 2016, Gazpromneft–Lubricants Ltd. acquired 100% of Rospolychem Group shares, and acquired an asset with a full production cycle for complex esters.

**NOVA-BRIT acquisition**

Gazpromneft Bitumen Materials acquired a 75% holding in the charter capital of NOVA-BRIT, a company specialising in the production of bituminous sealants under the BRIT® brand for construction, repair and maintenance of motorways, airfields, etc.



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## Opening an R&D centre

Gazprom Neft opened the largest and the most high-technology specialist bitumens research and development facility (R&D Centre) in Russia.

## 2017

### New fields discovered

The new promising Neptune field with 415 million tonnes of oil reserves in place was discovered on the shelf of the Sea of Okhotsk near Sakhalin Island. Another new field was discovered in the Khanty-Mansi Autonomous Okrug. The field was named after the company's former head of production Alexander Zhagrin. The field's proved and probable (2P) reserves stood at 2.74 mtoe as at 31 December 2018, with initial recoverable reserves estimated at 211 million tonnes of oil following further investigations at the field in 2021.

### Gazprom Neft takes the lead in the national project for investigating the Bazhenov Formation

The Ministry of Energy of the Russian Federation gave the 'Developing Domestic Technologies and High-technology Equipment to Develop Reserves at the Bazhenov Formation' project the status of a national project. The Bazhenov Technology Centre – a subsidiary of Gazprom Neft – becomes the project operator.

### Digital Upstream Control Centre

Gazpromneft-Khantos launched the Upstream Control Centre as part of the Digital Field programme. The centre combined solutions for improving production efficiency and created a single integrated environment.

### Deep conversion at the Pančevo Refinery

Naftna Industrija Srbije (NIS, with 56.15% of shares owned by Gazprom Neft) started the construction of a new deep-conversion facility based on delayed coking technology at the Pančevo Refinery (Serbia).

### Biological treatment facilities at the Moscow Refinery

Gazprom Neft completed the construction of the cutting-edge Biosphere biological treatment facilities at its Moscow Refinery. Overall, the company invested €9 billion in that project. Construction of the facility began at the Omsk Refinery.

## 2018

### New strategy to set a global industry benchmark

The Gazprom Neft Board of Directors approved the new Strategy 2030 for the company to become a global industry benchmark in terms of performance, technology and safety.

To implement the Strategy, the company needs to adapt to new approaches and external challenges. To achieve that, the company launched a major operational, organisational, cultural and digital transformation covering all aspects of its operations.

### Advanced icebreakers

Gazprom Neft completed its Arctic fleet of support vessels, including the Alexander Sannikov and Andrey Vilkitsky icebreaker vessels.

These two vessels were both the most high-technology and powerful vessels in their class and, like all other Gazprom Neft's facilities, released zero emissions. The icebreakers ensure the uninterrupted operation of the tanker fleet in offloading crude oil from the Arctic Gates oil terminal. They do not escort tankers to Murmansk, but they operate in the Gulf of Ob.

### New fields discovered

The Triton field with 137 mtoe of hydrocarbons in place was discovered in the Sea of Okhotsk near Sakhalin Island. The second discovery in the region indicated that the company's new strategic production cluster was beginning to form in the Russian Far East. A total of four new fields, and 27 hydrocarbon deposits, were discovered at Gazprom Neft licence blocks and recorded in the Russian State Register of Mineral Reserves in 2018.

### New approach to geological exploration

Gazprom Neft established Gazpromneft-GEO, a competency centre for managing large-scale geological-exploration projects. Its purpose is to integrate the company's financial and management resources in relation to geological exploration, ensuring turn-key project management and stable replenishment of the company's resource base with new cost-effective reserves.

### Efficiency Control Centre

The Gazprom Neft Downstream Efficiency Control Centre (DECC) became fully operational. It was designed to manage performance throughout the entire value chain: from oil being received at refineries, to retail sales of oil products, as part of a single digital platform. It uses predictive analytic tools, neural networks, artificial intelligence, and digital twins of production facilities. The automated integrated-planning system, which is unique in the Russian oil and gas industry, streamlines refining volumes, feedstock delivery and the petroleum product mix 60 days ahead.

### Digital transformation

The Gazprom Neft Digital Transformation Directorate was established. The new subdivision was set up to develop and implement the company's long-term digital strategy. Thanks to digital transformation, by 2030, Gazprom Neft looks set to achieve a doubling in efficiency in terms of both time and cost of its exploration activities. It will also, in the same timescale, improve the quality of those activities, accelerate the implementation of major oil and gas production projects by 40%, and reduce production management costs by 10%. In addition, Gazprom Neft also expects the digital transformation to help it achieve an increase in its operating revenues

### New HSE system

As it said in its updated Development Strategy, the company set a goal of becoming a global industry leader in HSE by 2030. A risk-based approach became the basis for HSE transformation. Company experts prepared several projects to be implemented, including Goals (the identification of priority risks), the Safety Framework (development and implementation of risk mitigating measures), and Certification, Examination, and Investigation (control over the roll-out of those mitigating measures across the company).

### Setting up JVs

Gazprom Neft, Mubadala Petroleum and the Russian Direct Investment Fund (RDIF) set up a joint venture to develop fields in the Tomsk Oblast and the Omsk Oblast in Russia's Western Siberia, using Gazpromneft-Vostok capacities. The key opportunities for the JV are related to developing technologies for prospecting and production from hard-to-recover pre-Jurassic (Palaeozoic) hydrocarbon deposits.

A joint venture was also established by Gazprom Neft and the Spanish company Repsol to carry out geological exploration at the Karabashsky 10 licence block in the Khanty-Mansi Autonomous Okrug-Yugra. The block adjoins the Karabashsky licence blocks owned by Eurotek Yugra, another joint venture of Gazprom Neft and Repsol.



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### **Acquiring new assets**

In 2018, Gazprom Neft acquired 100% of shares of Enercom LLC, which holds a licence for the Solnechny licence block in the Orenburg Oblast. The new asset will form part of the Orenburg production cluster.

In 2018, reorganisation of Arcticgas was also completed, which provided for equal participation (50/50) of Gazprom Neft PJSC and NOVATEK. This will allow the synergy of the shared use of competencies in hydrocarbon production, regional experience and infrastructure to be realised.

Gazprom Neft acquired a production and logistics terminal in Salsk in the Rostov Oblast. This asset is to form an important part of the logistics system, which ensures the supply of modern bitumen products to southern regions of Russia.

### **Cultural transformation**

In the framework of the company's comprehensive transformation on its path towards implementing Strategy 2030, Gazprom Neft launched a large-scale project to transform its corporate culture. Its new engagement philosophy involves a shift from top-down management towards facilitative leadership. Gazprom Neft's updated corporate values were adopted by the company's Management Board. The transformation of corporate culture involves shaping behaviour in a way that helps the company to achieve its strategic goals.

## **2019**

### **Operational transformation**

Gazprom Neft started the roll-out of the Etalon Operations Management System (OMS) at all its assets. Pilot projects to implement the OMS have shown that the system is highly efficient. The Etalon OMS Development Code (OMS Code) was approved. It sets out standard OMS implementation principles to maximise operational efficiency.

### **Digital transformation**

The Gazprom Neft Board of Directors adopted its Digital Transformation Strategy in 2018. It was developed in line with the company's general development strategy to 2030 in order to ensure its implementation. The company's digital transformation is based around more than 40 programmes for changing technological and operational processes throughout Gazprom Neft. The aim of these programmes is to transition to new management systems and to significantly increase the efficiency and operational safety across assets.

Gazprom Neft created competency centres on machine learning and artificial intelligence, virtual and augmented reality, video content analysis, blockchain technology, robotics and additive technologies, unmanned technologies, industrial Internet of Things, and wearable technology.

### **New prospecting areas**

Gazprom Neft entered two new prospecting areas: the Taymyr Peninsula (in the Dolgano-Nenetsky District in the Krasnoyarsk Krai) and the north of the Tazovsky Peninsula. The company was granted a subsoil licence for geological exploration at 12 licence blocks in the western part of the Taymyr Peninsula based on applications, and won the auction for the Severo-Yamburgsky licence block. In June 2019, Gazprom Neft and Royal Dutch Shell signed an agreement of intent to establish a joint venture to develop the Leskinsky and Pukhutsyayakhsky licence blocks on the Gydan Peninsula

### **The Achimov Formation development**

Gazprom Neft and the Government of the Yamalo-Nenets Autonomous Okrug started to create a technology centre for developing the Achimov Formation. A pilot testing site will be created based on Achimovsky strata at the Yamburgskoye field. The company also plans to create an integrated information platform and a data centre to facilitate experience sharing.

Gazprom Neft had previously built the Digital Model for the Achimov Formation covering the entire Western Siberia. It is the first model of its kind in the industry.

### The Chayandinskoye field development

Gazprom Neft is creating a new production cluster. An oil deposit at the Chayandinskoye oil and gas-condensate field in the Sakha Republic (Yakutia) will be an important part of it. This field's oil reserves in place (263 mt) make it unique. The company is developing its oil rim under an operating agreement with Gazprom Neft Dobycha Noyabrsk LLC, which is developing gas deposits at the asset. In late 2019, Gazprom Neft initiated pilot development of the field, and shipped its first batch of marketable oil. Peak production from these oil rims is expected by 2023, at about three million tonnes of oil equivalent per year.

### Alternative energy at the Omsk Refinery

Gazprom Neft commissioned a 1MW solar power plant with 2,500 solar panels at the Omsk Refinery. It supplies electricity to all administrative buildings at the Omsk Refinery. The estimated annual electricity output at the power plant will amount to 1.2 million kWh, which will mean avoiding over 6,300 tonnes of CO<sub>2</sub> emissions every year.

### High-technology fuel terminal

Gazprom Neft commissioned the Gladkoye fuel terminal in the Leningrad Oblast. Gladkoye is the only terminal in Russia equipped with metering units that enable automated monitoring of the volume and characteristics of petroleum products. A digital twin of the fuel terminal contains all project information since the start of construction. The terminal infrastructure enables transshipment of up to one million tonnes of petroleum products every year, and the tank farm can simultaneously store 40,000 cubic metres of products.

### Environmentally-friendly bunker fuel

The company started producing and selling bunker fuel with sulphur content of less than 0.1%. This meets the requirements of the International Convention for the Prevention of Pollution from Ships (MARPOL), in accordance with which the use of fuels with sulphur content exceeding 0.5% has been banned for all international shipping operations starting from 1 January 2020. The composition of the RMG-180 (type M) hybrid fuel has been developed by Gazprom Neft specialists. The company also introduced a new marine oil for engines which use ultra-low sulphur fuel oil with sulphur content not exceeding 0.1%.

### Supplying bitumen materials to Latin America

Gazprom Neft supplied polymer-bitumen binders (PBB) for construction of the largest infrastructure facility in Latin America: the Bi-Oceanic Road Corridor, which is to connect the eastern and western coast of the continent to form a single transportation network. Innovative bitumen produced by the Gazprom Neft Ryazan Bitumen Binders Plant is being used to pave a 277-kilometre-long section of the highway on the border between Brazil and Paraguay. A special PBB formula for the Bi-Oceanic Road Corridor has been developed at the Gazprom Neft research centre.

### Consolidation of a 100% holding in Poliom

Launched in 2013, Poliom is one of the largest polypropylene producers in Russia, with the capacity of 218,400 tonnes per year. In 2019, Gazprom Neft and SIBUR purchased a 50% holding in Poliom from a partner on a parity basis. As a result, Gazprom Neft and SIBUR acquired 100% of the plant shares.

### Construction of a catalyst plant in Omsk

Gazprom Neft started building a high-tech oil-refining catalyst production facility in Omsk. The new plant with a capacity of 21,000 tonnes per year will produce catalysts for the key Euro 5 fuel-production processes, and deep conversion. The Ministry of Energy of the Russian Federation has granted this initiative the status of a national project. Gazprom Neft



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establishes a new production cluster in Eastern Siberia, one important element of which will be the oil deposit at the Chayandinskoye oil and gas condensate field in the Republic of Sakha (Yakutia). This field is unique in that its recoverable reserves stand at 263 million tonnes of oil. The company is developing the field's oil-rim deposits under a long-term risk-based operatorship contract with Gazprom Dobycha Noyabrsk, which is developing the gas portion of that asset. Pilot development of the oil portion of the field and shipment of the first commercial oil started at the end of 2019. Peak production at the rim will be reached by 2023, and is expected to be about three million tonnes of oil equivalent per year.

### **The federal 'Clean Air' project**

Gazprom Neft is implementing the federal 'Clean Air' project, part of the Russian Government's 'Ecology' project, which aims to reduce emissions by 20% in industrial cities with low air quality by the end of 2024. The programme includes nine projects to upgrade the Omsk Refinery. Gazprom Neft plans to invest over ₺100 billion in these projects.

### **Expedition under the 'Narwhal: Legend of the Arctic' project**

Gazprom Neft successfully completed the first exploratory expedition as part of the 'Narwhal: Legend of the Arctic' project. Explorers discovered unique data on the life of narwhals in the Russian part of the Arctic, and this will form the basis for the comprehensive programme to study this species up to 2022. The 'Narwhal: Legend of the Arctic' project is an environmental project forming part of the large-scale 'Time of the Arctic' programme launched by Gazprom Neft.

## **2020**

### **The future of oil refining**

Operation has started on a unique Euro+ oil-refining complex at the Moscow Refinery, facilitating full-cycle production as well as allowing the decommissioning of five previous-generation installations. A deep refining complex has been commissioned at Serbian subsidiary NIS. It will increase refining depth to a record 99%, and will deliver an almost 40% increase in production of diesel fuels. Construction of a diesel hydrotreatment facility (complete with de-waxing unit) is coming to completion at the Omsk Refinery, as is the reconstruction of a catalytic reforming unit.

### **Partnerships**

Gazprom Neft entered into agreement with Shell on expanding development of the Salym group of fields. A licence for the Salymkiy-2 block in Khanty-Mansiysk Autonomous District-Yugra was added to the asset portfolio of Salym Petroleum Development, a joint venture between these two companies. In addition, the companies established a joint venture to develop a major hydrocarbon cluster in the Gydan Peninsula. A partnership was established with Zarubezhneft to develop technologies for hard-to-recover reserves in the Khanty-Mansi Autonomous Okrug, and a similar business for hard-to-recover-reserves in the Orenburg Oblast was established in partnership with LUKOIL and Tatneft.

### **New fuels**

Russia's first cargo and passenger ship-to-ship LNG-bunkering vessel, the Dmitry Mendeleev, has been launched.

In 2020, Gazprom Neft became the first oil company in Russia to join the Society for Gas as a Marine Fuel (SGMF), the international community which brings together over 140 companies, including bunkering-tanker providers and owners; gas-fuel producers and suppliers; shipping companies; and LNG infrastructure operators.

### **Promising new distribution markets**

Gazprom Neft started supplying Arctic oil to buyers in Asia-Pacific Region and completed its first delivery of Novy Port crude oil to China. The company is utilising a unique transport and logistics strategy in managing oil deliveries from its Arctic fields, ensuring year-round consignments, at minimum cost. The tanker's route from Murmansk to Yantai was chartered through the seas of the Arctic, as well as three oceans.

## Production of oil-refining catalysts

Gazprom Neft continues the construction of Russia's first ever modern refining-catalyst manufacturing plant. Procurement of all essential equipment – 70 % of which has been produced in Russia – is now complete. Work is now finished on the infrastructure facilities, with installation of key production buildings now underway. The industry's unique Catalyst-Technology Development Centre was opened. This R&D facility is fitted out with cutting-edge equipment and will facilitate research into and fine-tuning of catalyst production technologies for the oil refining industry. Industrial testing of the company's proprietary advanced diesel hydrotreatment catalyst was successfully completed. St Petersburg's State Institute of Technology was among the project's scientific partners.



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## The Zima project

Gazprom Neft began full-scale development of its Zima project (with potential resources of 840 million tonnes of oil) in the Khanty-Mansi Autonomous Okrug–Yugra. The flagship asset on this project – the Alexander Zhagrin field – produced one million tonnes of hydrocarbons in its first year in development. Peak production at this field will reach 6.5 million tonnes of oil by 2024.



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## New projects in Yamalo-Nenets Autonomous Okrug

Preparations are now underway for developing Neocomian-Jurassic deposits at the Bovanenkovskoye oil and gas condensate field and the Kharasaveyskoye gas condensate field in the Yamal Peninsula. Peak production at these assets is expected to be reached in 2031, at more than 38 billion cubic metres (bcm) of gas and up to 4.1 million tonnes of condensate per year. The company is also preparing to develop Achimovsky and oil-rim deposits at the Urengoykoye oil and gas condensate field in the Nadym-Pur-Tazovsky area of the Yamalo-Nenets Autonomous Okrug.



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## Associated petroleum gas (APG) utilisation

The APG utilisation project, which is unique in the industry, was implemented at the Messoyakha group of fields in Yamalo-Nenets Autonomous Okrug. Gas is injected into undeveloped gas-bearing strata at the Zapadno-Messoyakhskoye field from the neighbouring Vostochno-Messoyakhskoye field which is under development. The gas transmission system belonging to the Urmano-Archchinskaya group of fields and the Yuzhno-Pudinsky license area was launched in Tomsk Oblast, leading to an increase of up to 95% in the overall APG utilisation rate at the company's assets in that region. The second-phase complex of the compressor station at the process line No. 4 was commissioned and the existing compressor units upgraded at Vostochny (Eastern) Block of the Orenburgskoye field. That led to improvements in the environmental friendliness of production and brought the APG utilisation rate at this major asset to 98%.



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## Environmental policy

Gazprom Neft became a signatory to the United Nations Global Compact (the world's largest corporate sustainability initiative), and was also among the leaders in this year's Carbon Disclosure Project (CDP) ratings: the world's most authoritative corporate climate responsibility survey. The company was awarded a ranking of "B" – the highest level achieved by any Russian oil company.



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## Supporting higher education

Gazprom Neft presented a digital platform for participation in the "League of Universities", a project directed at developing partnerships with Russian universities and higher educational institutions. This new digital platform forms a cohesive and integrated space for communication between partnering universities, putting together cross-functional teams, providing access to universities, R&D centres and the company's resources, and creates a single database for joint projects. The project already brings together 24 higher educational institutions from 13 regions of Russia.



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## **Digital logistics**

Gazprom Neft and Gazprombank have developed an integrated supply-chain management platform, Isource. The platform is a supply chain “digital twin”, automating procurement, logistics and financial operations. These services support clients at every stage, from the formation of requirements to inventory management, making it possible to monitor the company's most important business processes. In the autumn of 2020, Gazprom Neft took part in the Russian Ministry of Transport's federal experiment to introduce electronic consignment notes in passenger and freight transportation.

## **The company's “Antivirus” programme**

Gazprom Neft developed and put in place a system of barriers involving technical and organisational measures to combat the spread of COVID-19. As part of the company's “Antivirus” programme, the company arranged over one million COVID-19 tests covering both company employees and contracting organisations; established over 140 buffer zones to ensure “clean” shifts throughout the company's upstream assets; the company's production facilities and offices are equipped with access systems based on health status integrated into the corporate digital anti-epidemiological monitoring system. These measures allowed Gazprom Neft to ensure the continuity of all its production processes.

## **Helping society fight the COVID-19 pandemic**

As part of its “Antivirus” programme, the company helped medics on the frontline in the fight against COVID-19. Gazprom Neft supplied regional hospitals with ventilators, high-accuracy PCR-testing laboratories, rapid testing systems for diagnosing the virus, as well as provided almost three million pieces of personal protective equipment (PPE) to medical workers. At the beginning of the pandemic, Gazprom Neft offered free servicing for emergency services vehicles in the regions of operation, as well as providing free fuel for doctors and volunteers.

## **Developing driverless (unmanned) technologies**

Gazprom Neft has tested the full range of unmanned technologies at its production facilities. Unmanned KAMAZ trucks have undergone successful testing at the Vostochno-Messoyahskoye field, and the driverless Gazelle NEXT electric vehicle was tested at the Yuzhno-Priobskoye field currently under development by the company. Gazprom Neft also tested a prototype of the KAMAZ Group's Chelnok (“Shuttle”) unmanned goods vehicle at the Moscow Refinery's Terminal smart logistics space.

The company also expanded the use of unmanned aerial vehicles (UAVs or “drones”) at its oilfields. New tasks for drones include cargo deliveries to standalone Arctic fields, conducting geomagnetic surveying, land mapping and laser scanning for putting together digital terrain models.