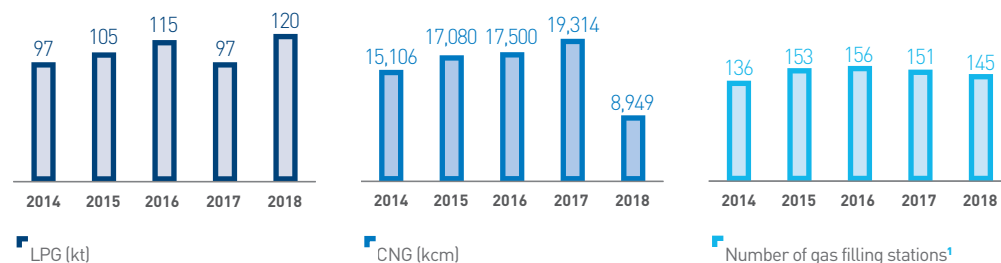


Sales of gas motor fuel and number of filling stations

Source: Company data



Gas motor fuels

In 2018, the Company sold its CNG production and marketing business to Gazprom Gas-Engine Fuel as part of its efforts to optimise operations on the compressed natural gas (CNG) market. In the reporting period, CNG sales decreased 53.7% year-on-year to 8,949 kcm.

By contrast, sales of liquefied petroleum gas (LPG) increased substantially. In 2018, LPG sales were up 23.7% reaching 120 kt due to an 18.8 kt increase in domestic sales and the launch of LPG sales in Kazakhstan, where 3.2 kt of the product was sold.

In 2018, the number of gas filling stations integrated into Gazprom Neft's multi-fuel filling facilities decreased by six to 145 stations.

AVIATION REFUELLING

In 2018, the Company strengthened its leadership on the retail jet fuel market in Russia. Its market share increased 0.7 pp to 26.3%.

Premium sales amounted to 3.1 mt, up 10.2% year-on-year. The growth resulted from both increased domestic sales and expanded international operations, including sales at Manas refuelling terminal in Kyrgyzstan and higher reselling volumes.

In 2018, the Group's international footprint expanded to include a total of 260 airports in 66 countries. Gazpromneft-Aero started refuelling operations in Malaysia and Gambia and significantly increased its activities at Chinese and Tunisian airports.

26.3%

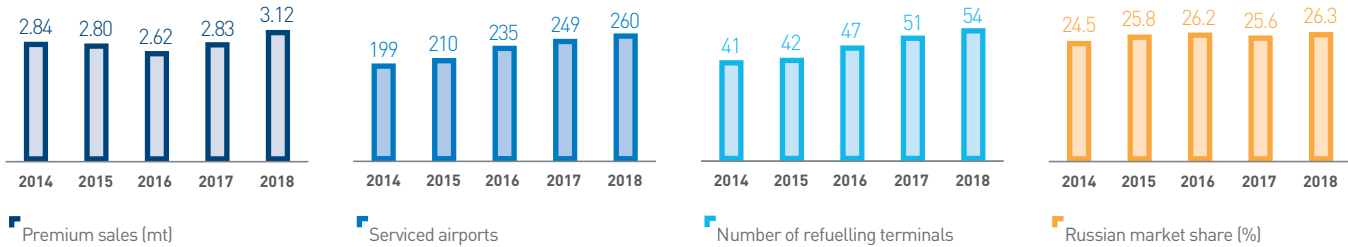
Company's share in the retail jet fuel market, 2018

¹ Number of automotive gas filling stations integrated into Gazprom Neft's multi-fuel refuelling facilities.

² Number of automotive CNG filling stations.

Aviation refuelling³

Source: Company data



In 2018, Gazprom Neft was the first to apply a distributed ledger (blockchain) technology on the Russian jet fuel market. In collaboration with S7 Airlines and Alfa Bank and Gazpromneft-Aero, an operator of the Company's jet-fuel business, developed a smart fuel supply contract and performed aircraft refuelling with online payment.

The company presented its insight into the smart contract implementation at the global IATA4 Aviation Fuel Forum in Singapore. Several major international companies from Europe and Asia expressed their interest in it.

Technology

First robotic refuelling terminal

In order to implement the fully automated process control concept at a modern refuelling terminal, the Company is working to introduce robotic solutions.

In 2018, Gazprom Neft unveiled a prototype robotic system for loading petroleum products into an airfield refueller truck at the Sheremetyevo International Airport. For the first time in Russia, a robotic arm was used for jet fuel loading in a completely unmanned operation.

The pilot project was implemented by Gazpromneft-Aero and Gazprom Neft's Digital Innovation Centre (DIC) together with the Russian State Scientific Centre for Robotics and Technical Cybernetics (RTC). The robotic arm testing is continuing to ensure its further use at airport refuelling terminals.



First robotised refuelling terminal



"We are going to become a global smart refuelling operator"



Refuelling via blockchain (coverage by Russia 24 TV Channel)

³ Figures from this point onward are total premium sales of Gazprom Neft Group.

⁴ International Air Transport Association.