RUSSIAN PROJECTS

NOVY PORT

The operator of the Novy Port project is LLC Gazprom Neft Novy Port. Gazprom Neft has a stake of 90% in the company. Hydrocarbon reserves according to international standards (proved + probable) amounted to 127.1 mn TOE as of 31 December 2014. A total of 170,000 tonnes of oil has been extracted since the launch of the Novoportovskoye field.

Information about reserves at the Novoportovskoye field

<table>
<thead>
<tr>
<th>PRMS</th>
<th>proved</th>
<th>probable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil + condensate, mn t</td>
<td>46.2</td>
<td>42.7</td>
</tr>
<tr>
<td>Marketable gas, bn m³</td>
<td>28.1</td>
<td>19.5</td>
</tr>
<tr>
<td>Total, mn TOE</td>
<td>68.8</td>
<td>58.3</td>
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PROJECT GEOGRAPHY

The Novoportovskoye oil and gas condensate field is the northernmost of the Yamal oil and gas condensate fields under development and is located in the southeast of the peninsula in the Yamalo-Nenets Autonomous District (250 km north of Nadym and 30 km from the Gulf of Ob). The nearest railway station Payuta is 200 km away (only by winter roads).

PROJECT HISTORY

1964

Discovery of the Novoportovskoye field.

2011

In order to consolidate this field within Gazprom Neft, the license and assets of the Novoportovskoye field were separated into LLC Gazprom Neft Novy Port, which was established as a result of reorganisation via a spin-off from LLC Gazprom Dobycha Nadym.

Gazprom Neft confirmed the feasibility of establishing year-round oil exports from the field by sea.

2012

Testing conducted on exploration wells with positive results far exceeding expectations.

Construction completed on the first phase of the Oil Central Production Facility (CPF).

The field entered the stage of pilot operation in December.

Drilling started on Multi-well Pad No. 2.
2013

First winter shipments of oil by road began from the field in February.
First well drilled at Multi-well Pad No. 1.
First hydraulic fracturing operation performed in the Yamalsky District of the Yamalo-Nenets Autonomous District.
All operating activities transferred to LLC Gazprom Neft Novy Port in July.
Preparations completed on conceptual solutions for geology and development with respect to the distribution of wells and gas injection into productive strata, and
solutions approved for energy supplies and the transportation of oil, gas and condensate.
Contract concluded for the transshipment of oil during the 2014 summer period.
Cooperation agreement concluded with Rosmorport.

2014

The Reservoir Development Plan for the Novoportovskoye field was defended.
Testing programme completed on exploration wells with positive results. Oil flow rates of up to 90 tonnes per day obtained for some wells with the volume water cut
of the products not exceeding 10%.
A production drilling programme began (Multi-well Pads No. 3 and 3.1).
The Company’s Investment Committee approved funding for Phase 1 of the Project.
First summer shipment of oil by marine tanker fleet, marking the first time raw commodities were exported from the field by sea and sent to European consumers. Over
the entire period, a total of 101,035.722 tonnes of oil were shipped by four tankers instead of the planned 82,500 tonnes. Favourable conclusion obtained from the State
Expert Evaluation Department on facilities to be built in 2015: the CPF (5.5 mn tonnes per year), the Delivery and Acceptance Facility (5.5 mn tonnes per year), the Oil
Delivery Pipeline. Line 2 (diameter of 530 mm, length of 103 km), 110-kV overhead power lines (length of 103 km), the Gas Turbine Power Plant (stages 1 and 2 —
96 MW), the Oil Loading Terminal (40,000 tonnes per day) and the Compressor Station with a Complex Gas Treatment Unit (7.2 bn m$^3$ per year).
Range of work completed to lay an underwater pipeline and install pilot poles during the summer period as part of the construction of an oil loading terminal.
Documents sent to the Russian Ministry of Energy to receive tax incentives on the export duty.
Maximum validity period for the preferential MET rate on oil extended from 2016 through 2021 for subsoil resource sections on the Yamal Peninsula in the Yamalo-
Nenets Autonomous District.

The development of the fields of the Far North both on land and offshore play an important role in the long-term
development strategy of Gazprom Neft. We have been working on setting up a new production cluster in the north of the
Yamalo-Nenets Autonomous District for several years now. It includes complex and capital-intensive projects since the lack
of infrastructure and harsh climatic conditions require an individual approach to each one. However, in the near future these
fields in particular will become a growth point that will make an important contribution to the increase in production
by Gazprom Neft to 100 mn TOE per year. The start of summer shipments of Novy Port oil opens a new channel for the
transportation of raw commodities — by sea. The experience gained from utilising this route will help us implement all the
scheduled plans and begin the year-round commercial development of the Novoportovskoye field in 2016.44

ALEXANDER DYUKOV
Chairman of the Management Board of OJSC Gazprom Neft

PROJECT DEVELOPMENT PLANS

The commercial operation of the field is slated to start in 2016.
Depending on the geological structure of the reservoir, Jurassic deposits (41% of reserves) are to be developed using horizontal wells and multi-stage hydraulic
fracturing, while Neocomian deposits (reservoirs of the Novy Port group — 36% of reserves) are to be developed using horizontal wells with the length of the horizontal
section ranging from 1,000 to 1,500 metres.

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