

JSC Gazprom Neft announces today its unaudited consolidated results in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Moscow, 11 February 2011

2010 net income attributable to Gazprom Neft: US\$ 3,239 million

Summary of 2010 and Fourth Quarter results

4th quarter	3rd quarter	Δ, %		2010	2009	2008	Δ, % 2010-2009	2009-2008
9,063	8,387	8.1	Revenue (US\$ million)	32,772	24,166	33,870	35.6	(28.7)
1,240	1,181	5.0	Income before income taxes	4,368	3,897	6,161	12.1	(36.7)
2,079	2,011	3.4	Adjusted EBITDA ¹ (US\$ million)	7,226	5,977	8,610	20.9	(30.6)
20.6	20.5	0.5	\$ per boe of production	18.5	16.2	23.8	14.2	(31.9)
873	865	0.9	Net income attributable to Gazprom Neft (US\$ million)	3,239	3,013	4,658	7.5	(35.3)
0.2	0.2	0.9	\$ per common share	0.7	0.6	1.0	7.5	(35.1)
8.6	8.8	(1.9)	\$ per boe of production	8.3	8.2	12.9	1.5	(36.5)
1,073	1,955	(45.1)	Net cash provided by operating activities (US\$ million)	5,392	3,475	5,483	55.2	(36.6)
10.6	19.9	(46.6)	\$ per boe of production	13.8	9.4	15.2	46.6	(37.8)

¹ EBITDA is a non-GAAP measure. A reconciliation of EBITDA to income before income taxes is provided in the Appendix

2010 highlights

- Achieved 6% hydrocarbon production growth and 13% refinery throughput increase from 2009
- Acquired 25.5% stake in SeverEnergiya
- Signed PSA with Equatorial Guinea and service agreement to develop Iraq's Badra oil field
- Started construction of new mild hydrocracker and diesel hydrotreater complex at Pancevo in Serbia (NIS)
- Declared project leader for field development at Junin-6 in Venezuela
- Reached investment decision to establish Messoyakhaneftegaz JV with TNK-BP
- Penetrated Kazakh retail market through network acquisition
- Rebranded 921 retail stations (including 455 partially-completed stations)
- Launched G-Family lubricants brand

Fourth Quarter 2010 highlights

- Launched Cenomanian gas production at Muravlenkovskoye and Novogodneye fields
- Streamed isomerization (Isomalk-2), polymer-asphalt binder and bitumen emulsion production units at Omsk Refinery
- Introduced new high-performance 95 octane gasoline under "G-Drive" brand in St. Petersburg area

Key Financial and Operating Data

4th quarter	3rd quarter	Δ, %		2010	2009	2008	Δ, %	
							2010-2009	2009-2008
9,063	8,387	8.1	Revenues (US\$ million)	32,772	24,166	33,870	35.6	(28.7)
2,079	2,011	3.4	Adjusted EBITDA (US\$ million)	7,226	5,977	8,610	20.9	(30.6)
873	865	0.9	Net income attributable to Gazprom Neft (US\$ million)	3,239	3,013	4,658	7.5	(35.3)
100.98	98.17	2.9	Hydrocarbon production including our share in equity affiliates (millions of boe)	389.57	367.94	361.07	5.9	1.9
92.57	93.29	(0.8)	Crude oil production including our share in equity affiliates (millions bbl)	366.13	349.35	342.97	4.8	1.9
50.41	29.31	72.0	Marketable gas production including our share in equity affiliates (bcf)	140.53	111.42	108.65	26.1	2.5
9.43	9.67	(2.5)	Production of petroleum products at own and equity affiliates refineries (millions of tonnes)	35.66	31.51	26.74	13.2	17.8

Results for 2010 compared with 2009

- Higher oil prices in 2010 supported improved financial results, with a 36% growth in revenue driving a 21% rise in EBITDA and 8% growth in net income
- Production volumes increased compared with the previous year as crude production grew by 5% and marketable gas production rose by over 26%, pushing overall hydrocarbon production to 390 MMboe
- A 4% appreciation in the value of the Ruble against the dollar resulted in an increase in the Company's operating expenses
- Interest expenses were lower due to lower effective interest rates as a result of our ongoing optimization of the debt portfolio
- Reported net income attributable to Gazprom Neft shareholders was US\$ 3,239 million, compared with adjusted net income US\$ 2,685 million on 2009, an increase of 21%.
 - 2009 figure excludes gains on investment, which had a positive impact of US\$ 470 million. This 2009 gain related to the acquisition of Sibir Energy
 - 2009 figure excludes losses on the sale of investment, which had a negative impact of US\$ 142 million. This 2009 loss related to the sale of Sibneft-Chulotka LLC

Results for 4Q 2010 compared with 3Q 2010

- Higher oil prices supported improved results with an 8% growth in revenue driving a 3% rise in EBITDA.
- Production volumes increased compared with the previous quarter by 3%

- Higher prices were somewhat offset by higher export duties and Mineral Extraction Taxes
- Operating income for the quarter was US\$ 1,427 million, compared with US\$ 1,273 million in the previous quarter, an increase of 12%
- Interest expenses were lower due to lower effective interest rates
- Reported net income attributable to Gazprom Neft shareholders was US\$ 873 million (including a US\$ 107 million provision for a Federal Antimonopoly Service fine). Excluding that one-off item, net income was US\$ 980 million, an increase of 13% compared with US\$ 865 million in 3Q 2010.

A more detailed review of variances is provided in the Operational Data and Analysis and Financial Data and Analysis sections below.

Operational data and analysis

Exploration Drilling and Discoveries

	2010	2009	2008	Δ, %	
				2010-2009	2009-2008
Consolidated subsidiaries					
Exploration drilling (th. meters)	64	38	66	67.8	(42.5)
Exploration wells drilled	19	13	21	46.2	(38.1)
New fields discovered	1	3	1	-	-
New reservoirs discovered	17	6	28	-	-
Equity affiliates					
Exploration drilling (th. meters)	76	25	62	203.2	(59.4)
Exploration wells drilled	15	9	23	66.7	(60.9)
New reservoirs discovered	27	3	10	-	-

- Increased exploration activity resulting from a higher oil price environment as overall exploration work doubled across the fields of consolidated subsidiaries and equity affiliates
- Among consolidated and equity affiliates, 1 new field and 44 new reservoirs were discovered
- 89% drilling success rate at consolidated subsidiaries fields and 87% success rate at equity affiliates fields

Oil and gas reserves

(MMboe)	Share in equity investees					Total
	Gazprom Neft	Slavneft	Tomskneft	SPD	Severnaya Energia	
<i>Proved Reserves (December 31, 2008)</i>	4,847	1,369	592	-	-	6,808
Production	(237)	(72)	(45)	(14)	-	(368)
Revision of previous estimates	362	192	154	-	-	708
Purchases of minerals in place	17	-	-	297	-	314
<i>Proved Reserves (December 31, 2009)</i>	4,989	1,489	701	283	-	7,462
Production	(249)	(69)	(42)	(30)	-	(390)
Revision of previous estimates	539	(494)	(43)	(3)	-	(1)
Purchases of minerals in place	-	-	-	-	455	455
<i>Proved Reserves (December 31, 2010)</i>	5,279	926	616	250	455	7,526
Total group probable reserves	2,598	1,460	382	121	965	5,526
Total group possible reserves	2,120	1,349	232	57	917	4,675

- The Company had 5,279 million barrels of oil equivalent (BOE), including proved crude oil reserves of 4,663 million barrels and proved gas reserves of 3.7 trillion cubic feet as of December 31, 2010.
- The Company's total proved reserves including equity investees were 7,526 million BOE, including proved crude oil reserves of 6,441 million barrels and proved gas reserves of 6.5 trillion cubic feet as of December 31, 2010

- Reserve estimates are made by independent reservoir engineers DeGolyer and MacNaughton on the basis of the standards of the Society of Petroleum Engineers (SPE) Petroleum Reserves Management System (PRMS)
- The PRMS reserves figures provided in the table differ from those reported in the supplementary information on oil and gas activities included with our consolidated financial statements. Oil and gas reserves included in that supplementary information are prepared using definitions provided by the US Securities and Exchange Commission (SEC), which require the use of a 12-month average of the first day of the month price for each month within the reporting period. The PRMS reserves in the above table use management's best estimate of future crude oil and natural gas prices.

Production Drilling

4th quarter	3rd quarter	Δ, %		2010	2009	2008	Δ, %	
							2010-2009	2009-2008
Consolidated subsidiaries								
665	765	(13.1)	Production drilling (th. meters)	2,610	2,259	2,033	15.5	11.1
192	220	(12.7)	Production wells drilled	746	667	611	11.8	9.2
15.92	16.03	(0.7)	Average well flow (tonnes per day)	15.92	16.34	16.93	(2.6)	(3.5)
82.44	82.17	0.3	Watercut, %	82.44	82.11	81.94	0.4	0.2
Equity affiliates								
454	531	(14.5)	Production drilling (th. meters)	1,623	1,151	1,082	41.0	6.4
135	124	8.9	Production wells drilled	407	333	308	22.2	8.1

- Increased production drilling followed the recovery of oil prices in late 2009 through 2010
- Amount of new wells drilled at consolidated subsidiaries fields increased by 12% to 746 wells due to active Priobskoye field development
- Amount of new wells drilled at equity affiliates fields increased by 22% to 407 wells

Production

4th quarter	3rd quarter	Δ, %		2010	2009	2008	2010-2009	Δ, %	2009-2008
			Crude oil	(MMbbl)					
31.39	32.71	(4.0)	Noyabrskneftegaz	129.12	138.05	154.27	(6.5)		(10.5)
17.95	17.63	1.8	Yugra	69.25	60.82	54.13	13.9		12.4
2.74	2.77	(1.1)	Gazprom Neft	11.10	12.97	15.38	(14.4)		(15.7)
2.01	1.85	8.6	NIS	7.17	5.14	-	39.5		-
4.00	3.91	2.3	Others	13.56	7.95	4.81	70.6		65.3
58.09	58.87	(1.3)	Total crude oil production by consolidated subsidiaries	230.20	224.93	228.59	2.3		(1.6)
16.88	16.90	(0.1)	Share in Slavneft	67.33	69.35	71.94	(2.9)		(3.6)
9.80	9.79	0.1	Share in Tomskneft	38.72	40.73	42.44	(4.9)		(4.0)
7.80	7.73	0.9	Share in SPD	29.88	14.34	-	108.4		-
34.48	34.42	0.2	Total share in production of equity affiliates	135.93	124.42	114.38	9.3		8.8
92.57	93.29	(0.8)	Total crude oil production	366.13	349.35	342.97	4.8		1.9
			Gas	(Bcf)					
41.05	21.90	87.4	Gazprom Neft (own)	107.93	73.22	67.87	47.4		7.9
2.97	2.84	4.6	Share in Slavneft	11.91	13.25	13.10	(10.1)		1.1
6.39	4.57	39.8	Share in Tomskneft	20.69	24.95	27.68	(17.1)		(9.9)
50.41	29.31	72.0	Total gas production	140.53	111.42	108.65	26.1		2.5
			Hydrocarbons	(MMboe)					
64.93	62.52	3.9	Gazprom Neft (own)	248.19	237.14	239.90	4.7		(1.2)
17.38	17.37	0.1	Share in Slavneft	69.32	71.56	74.12	(3.1)		(3.5)
10.87	10.55	3.0	Share in Tomskneft	42.18	44.90	47.05	(6.1)		(4.6)
7.80	7.73	0.9	Share in SPD	29.88	14.34	-	108.4		-
100.98	98.17	2.9	Total hydrocarbon production	389.57	367.94	361.07	5.9		1.9
1.10	1.07	2.6	Daily crude oil production (kboepd)	1.07	1.01	0.99	5.9		1.9

- Crude oil production grew by 5% in 2010, driven by the following:
 - Increased crude oil production at the Priobskoe field (Yugra) due to an increase of drilling and hydrofracs
 - Full-year consolidation of Salym Petroleum Development (SPD)
- Gas production grew by 26% in 2010 due to the Cenomanian gas production startup at Muravlenkkovskoye and Novogodneye fields in 4Q 2010
 - Gas production increased by 72% in 4Q 2010
- Total Group hydrocarbon production increased by 3% and 6% to 100.98 MMBoe and 389.57 MMBoe in 4Q and FY2010 respectively, as compared to 3Q 2010 and FY2009

Refining

4th quarter	3rd quarter	Δ, %	(MMtonnes)	2010	2009	2008	2010-2009	Δ, %	2009-2008
Refining throughput:									
4.75	5.07	(6.3)	Omsk	18.98	18.43	18.37	3.0		0.3
2.74	2.39	14.6	Moscow	8.91	5.78	3.27	54.2		76.8
0.65	0.83	(21.7)	Panchevo and Novi Sad	2.85	2.39	-	19.2		-
1.90	1.93	(1.6)	Share in Yaroslavl	7.15	6.83	6.75	4.7		1.2
10.04	10.22	(1.8)	Total refining throughput	37.89	33.43	28.39	13.3		17.8
Production of petroleum products									
1.73	1.71	1.2	High octane gasoline	6.40	5.68	4.33	12.7		31.2
0.22	0.26	(15.4)	Low octane gasoline	0.86	0.95	1.14	(9.5)		(16.7)
0.30	0.44	(31.8)	Naphtha	1.63	2.12	1.91	(23.1)		11.0
3.10	3.05	1.6	Diesel	11.47	9.94	9.01	15.4		10.3
2.35	1.81	29.8	Fuel oil	7.80	6.01	5.75	29.8		4.5
0.52	0.78	(33.3)	Jet fuel	2.44	2.11	1.81	15.6		16.6
1.21	1.62	(25.3)	Other	5.06	4.70	2.79	7.7		68.5
9.43	9.67	(2.5)	Total production	35.66	31.51	26.74	13.2		17.8

- Refining continues to show strong performance, with throughputs growing by 13% in 2010 amid increases across all of the Group's refining assets
 - Most notably, Moscow refinery throughputs grew by 54% on the year as the Group's share of equity access increased following Sibir Energy acquisition
- Output of high octane gasoline grew by 13% following product line optimization stemming from increased demand for the premium product
- High-value jet fuel production grew by 16%, boosting our position as leaders in the Russian aviation fuel market
- Output of Euro 4 standard diesel grew by 15% due to ongoing modernization of refineries

Products Marketing

4th quarter	3rd quarter	Δ, %		2010	2009	2008	2010-2009	Δ, %	2009-2008
Active petrol stations (units)									
947	926	2.3	In Russia	947	921	763	2.8		20.7
181	172	5.2	In CIS	181	152	102	19.1		49.0
468	470	(0.4)	In Eastern Europe	468	473	-	(1.1)		-
1,596	1,568	1.8	Total petrol stations	1,596	1,546	865	3.2		78.7
Average daily sales per one retail site in Russia (tonnes per day)									
11.10	10.80	2.8		10.10	9.10	9.40	11.0		(3.2)

- Overall sitecount grew by more than 3% as retail footprint expanded in Russia and CIS following the acquisition of a retail chain in Kazakhstan and organic development in Russia

Results of Operations

4th quarter	3rd quarter	Δ, %	(in US\$ million)	2010	2009	2008	Δ, % 2010-2009	2009-2008
9,063	8,387	8.1	Revenues	32,772	24,166	33,870	35.6	(28.7)
			Costs and other deductions					
2,134	1,999	6.8	Cost of purchased crude oil, gas and petroleum products	7,459	5,335	8,022	39.8	(33.5)
589	550	7.1	Operating expenses	2,111	1,883	2,015	12.1	(6.6)
1,218	1,119	8.8	Selling, general, administrative and transportation expenses	4,535	3,542	3,092	28.0	14.6
414	463	(10.6)	Depreciation, depletion and amortization	1,619	1,475	1,309	9.8	12.7
3,132	2,879	8.8	Taxes other than income tax	11,871	7,930	12,681	49.7	(37.5)
149	104	43	Other costs	519	572	502	(9.3)	13.9
7,636	7,114	7.3	Total	28,114	20,737	27,621	35.6	(24.9)
1,427	1,273	12.1	Operating income	4,658	3,429	6,249	35.8	(45.1)
			Other income/ (expense)					
64	35	82.9	Share in income of equity affiliates	229	212	407	8.0	(47.9)
21	7	200.0	Interest income	48	108	100	(55.6)	8.0
(76)	(71)	7.0	Interest expense	(336)	(369)	(167)	(8.9)	121.0
(196)	(63)	211.1	Other (expense)/income, net	(231)	517	(428)	(144.7)	(220.8)
(187)	(92)	103.3	Total	(290)	468	(88)	(162.0)	(631.8)
1,240	1,181	5.0	Income before income taxes	4,368	3,897	6,161	12.1	(36.7)
227	274	(17.2)	Income tax	844	816	1,464	3.4	(44.3)
1,013	907	11.7	Net income	3,524	3,081	4,697	14.4	(34.4)
			Less: Net income attributable to non- controlling interest					
(140)	(42)	233.3		(285)	(68)	(39.0)	319.1	74.4
873	865	0.9	Net income attributable to Gazprom Neft	3,239	3,013	4,658	7.5	(35.3)

Financial data and analysis

Revenues

- 36% growth in 2010 revenues vs. 2009 was attributable to the increase in Urals prices as well as an increase in production and sales volumes
- Revenue grew by 8% in 4Q 2010 compared with 3Q 2010 mainly due to higher prices for crude oil and petroleum products
- Higher prices were somewhat offset by higher export duties and Mineral Extraction Tax payments

Expenses: Extraction & Refining

4th quarter	3rd quarter	Δ, %		2010	2009	2008	Δ, % 2010-2009	2009-2008
353	313	12.8	Hydrocarbon extraction expenses	1,236	1,217	1,371	1.6	(11.2)
236	237	(0.4)	Refining expenses at own and equity affiliates refineries	875	666	644	31.4	3.4
589	550	7.1	Total	2,111	1,883	2,015	12.1	(6.6)

- Extraction costs increased slightly in 2010 due to Ruble appreciation of 4% relative to the US Dollar and higher hydrocarbon production of 5%
- The Company's hydrocarbon extraction cost per barrel of oil equivalent decreased from US\$ 5.13 to US\$ 4.98, or by 3%
- Refining expenses increased by 31% due to planned turnarounds at Omsk and Moscow in mid 2010, as well as being supported by both organic and non-organic growth in refining volumes across all refineries
- The Company's refining expenses per barrel increased from US\$ 2.71 to US\$ 3.15, or by 16% in 2010 compared to 2009

Selling, General and Administrative and Transportation Expenses

- SG&A and transportation expenses in 2010 increased by 28% due to Ruble appreciation in the relative to the US Dollar, an increase in sales volumes as well as inflation and higher transportation tariffs

Export duties and taxes other than income tax

4th quarter	3rd quarter	Δ, %		2010	2009	2008	Δ, % 2010-2009	2009-2008
1,151	1,087	5.9	Export customs duties for crude oil	4,631	2,790	5,316	66.0	(47.5)
551	479	15.0	Export customs duties for petroleum products	2,000	1,158	2,012	72.7	(42.4)
1,702	1,566	8.7	Total export customs duties	6,631	3,948	7,328	68.0	(46.1)

- Export customs duties increased in 2010 due to an increase in export volumes of crude oil and petroleum products and higher crude oil prices, which lead to an increase in export customs duty paid by 66% compared to 2009
- Export customs duties decreased in 2009 compared to 2008 due to lower crude oil prices and changes to the taxation formula

4th quarter	3rd quarter	Δ, %		2010	2009	2008	Δ, %	
							2010-2009	2009-2008
855	747	14.5	Mineral extraction taxes	3,051	2,215	4,202	37.7	(47.3)
454	470	(3.4)	Excise	1,743	1,412	828	23.4	70.5
49	48	2.1	Property tax	177	123	107	43.9	15.0
72	48	50.0	Other taxes	269	232	216	15.9	7.4
1,430	1,313	8.9	Total taxes other than income tax	5,240	3,982	5,353	31.6	(25.6)

- Mineral extraction taxes increased in 2010 due to higher crude prices, which are used to calculate the tax rate, in addition to a 2% increase in volumes of crude production.
- Mineral extraction taxes decreased in 2009 due to lower crude prices and adjustments made to the tax formula
- Excise taxes increased in 2010 due to higher production volumes of refined products at the Company's refineries and an increase in the excise tax rate of 10%
- Excise taxes increased in 2009 due to higher production volumes of refined products at the Company's refineries, including the effect of obtaining control of the Moscow refinery

Liquidity and capital resources

Cash flows

(in US\$ million)	2010	2009	2008	Δ %	
				2010-2009	2009-2008
Net cash provided by operating activities	5,392	3,475	5,483	55.2	(36.6)
Net cash used in investing activities	(4,852)	(4,880)	(3,502)	(0.6)	39.3
Net cash (used in) provided by financing activities	(309)	185	(566)	(267.0)	(132.7)

Net Cash Provided by Operating Activities

In 2010 net cash provided by operating activities was US\$ 5,392 million as compared to US\$ 3,475 million in 2009. The increase of US\$ 1,917 million or 55% in net cash provided by operating activities was due to an increase in operating income as well as improved working capital management.

Net Cash Used in Investing Activities

In 2010 net cash used in investing activities decreased by 1% to US\$ 4,852 million compared to US\$ 4,880 million in 2009. The decrease of US\$ 28 million in the net cash used in investing activities was mainly due to a lower level of M&A activities (US\$ 658 million less as compared to 2009) offset by an increase in capital expenditures of 27%.

Net Cash (Used in) Provided by Financing Activities

In 2010 net cash used in financing activities was US\$ 309 million as compared to US\$ 185 million in 2009. The decrease was mainly due to the decrease in net loan proceeds over repayments by US\$ 703 million which was partially compensated by reduced dividend payments of US\$ 209 million.

Capital expenditure

4th quarter	3rd quarter	Δ, %	(in US\$ million)	2010	2009	2008	2010-2009	Δ, %	2009-2008
605	712	(15.0)	Exploration and production	2,351	2,000	2,979	17.6		(32.9)
121	122	(0.8)	Refining	414	306	189	35.3		61.9
129	83	55.4	Marketing and distribution	304	180	159	69.0		13.1
62	74	(16.2)	NIS	161	67	-	140.3		-
23	27	(14.8)	Others	71	54	39	30.4		39.6
940	1,018	(7.7)	Total capital expenditures	3,301	2,607	3,366	26.6		(22.5)

In 2010 capital expenditures were US\$ 3,301 million, an increase of 27% compared to US\$ 2,607 million in 2009. The increase was due to the following:

- 12% increase in number of production wells drilled as well as the 4% appreciation in the value of the Ruble against the dollar and cost inflation together drove E&P capex up by 18%
- The continuation of the modernization program at the Company's refineries drove refining capex up by 35%
- Due to service station rebranding program marketing and distribution capex increased by 69%

In 4Q 2010 capital expenditures decreased by 8% to US\$ 940 million due to the following:

- Decrease in production drilling (-13%) and other geological and engineering operations drove E&P capex down by 15%
- Downstream capex remained flat quarter on quarter

Debt and Liquidity

	2010	2009	2008
Short-term debt	1,730	2,148	2,085
Long-term debt	4,906	4,162	1,608
Cash and cash equivalents	(1,146)	(868)	(2,075)
Net debt	5,490	5,442	1,618
Net debt/ EBITDA	0.76	0.91	0.19
Gearing, %	20.81	22.58	10.29
Short-term debt/ total debt, %	26%	34%	56%

- 55% increase in cash flow from operating activities used to fund capex and M&A activities
- The Company has a well-diversified credit portfolio of various financial instruments including pre-export financing, syndicated and bilateral loans, Ruble bonds and other instruments

- Due to successful refinancing efforts and well-balanced borrowing policy, the Company's credit portfolio maturity increased by 21% and the average credit rate decreased by 1.15 p.p. vs. 2009
- The majority of the Company's debt is denominated or hedged in USD
- The increase in debt during 2009 was primarily due to borrowings related to the acquisitions of NIS and Sibir

Financial appendix

EBITDA reconciliation

4th quarter	3rd quarter	Δ, %	(in US\$ million)	2010	2009	2008	2010-2009	Δ, % 2009-2008
2,079	2,011	3.4	Adjusted EBITDA	7,226	5,977	8,610	20.9	(30.6)
(238)	(275)	(13.5)	Company's share in EBITDA of equity affiliates	(949)	(931)	(1,052)	1.9	(11.5)
(76)	(71)	7.0	Interest expense	(336)	(369)	(167)	(8.9)	121.0
21	7	200.0	Interest income	48	108	100	(55.6)	8.0
(414)	(463)	(10.6)	Depreciation, depletion and amortization	(1,619)	(1,475)	(1,309)	9.8	12.7
(132)	(28)	371.4	Other (expense)/income, net	(2)	587	(21)	(100.3)	(2,895.2)
1,240	1,181	5.0	Income before income taxes	4,368	3,897	6,161	12.1	(36.7)

Definitions and Conversions

Such terms as “Gazprom Neft”, “Company” and “Group” in their different forms in this report represent JSC Gazprom Neft and its consolidated subsidiaries and affiliated companies. This report represents JSC Gazprom Neft’s financial condition and results of operations on a consolidated basis.

Tonnes of crude oil produced are translated into barrels using conversion rates reflecting oil density from each of our oil fields. Crude oil purchased as well as other operational indicators expressed in barrels are translated from tonnes using a conversion rate of 7.33 barrels per tonne. Translations of cubic meters to cubic feet were made at the rate of 35.31 cubic feet per cubic meter. Translations of barrels of crude oil into barrels of oil equivalent (“BOE”) were made at the rate of 1 barrel per BOE and of cubic feet into BOE at the rate of 6 thousand cubic feet per BOE.

Forward-Looking Statements

This discussion contains forward-looking statements concerning the financial condition, results of operations and businesses of Gazprom Neft and its consolidated subsidiaries. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management’s current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements.

Forward-looking statements include, among other things, statements concerning the potential exposure of Gazprom Neft to market risks and statements expressing management’s expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “objectives”, “outlook”, “probably”, “project”, “will”, “seek”, “target”, “risks”, “goals”, “should” and similar terms and phrases. There are a number of factors that could affect the future operations of Gazprom Neft and could cause those results to differ materially from those expressed in the forward-looking statements included in this Report, inclusively (without limitation): (a) price fluctuations in crude oil and gas; (b) changes in demand for the Company’s products; (c) currency fluctuations; (d) drilling and production results; (e) reserve estimates; (f) loss of market and industry competition; (g) environmental and physical risks; (h) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; (i) economic and financial market conditions in various countries and regions; (j) political risks, project delay or advancement, approvals and cost estimates; and (k) changes in trading conditions.

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This document may contain forecasts that merely reflect the expectations of the Company’s management. Such terms as “anticipate”, “believe”, “expect”, “forecast”, “intend”, “plan”, “project”, “seek”, “should”, along with similar or analogous expressions, are used to identify such forecasts. These predictions evidently involve risks and uncertainties, whether foreseen or not by the Company. Therefore, the future results of operations may differ from current expectations, and readers must not base their expectations exclusively on the information presented herein.