

QUARTERLY REPORT

Open Joint Stock Company “Surgutneftegas”

The issuer’s code: 00155-A

for 1Q2016

The issuer’s location: **Russia, Tyumenskaya Oblast, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut, ul.Grigoriya Kukuyevitskogo, 1, bld. 1**

**The information contained herein is subject to disclosure
pursuant to the Securities Legislation of the Russian Federation**

Director General
Date: 16 May 2016

signature V.L.Bogdanov

Chief Accountant
Date: 16 May 2016

signature A.V.Druchinin

Contact person: **Anton I. Molchanov, Securities Division Head**

Telephone: **(3462) 42-65-89**

Fax: **(3462) 42-63-40**

E-mail: **Molchanov_AI@surgutneftegas.ru**

The information presented herein is disclosed at the website(s): **<http://www.surgutneftegas.ru/ru/investors>;**

<http://www.e-disclosure.ru/portal/company.aspx?id=312>

Table of Contents

Table of Contents	2
Introduction.....	5
Section I. The issuer's bank accounts, auditor (audit organization), appraiser and financial adviser as well as persons who signed the present quarterly report	6
1.1. The issuer's bank accounts.....	6
1.2. The issuer's auditor(s).....	6
1.3. The issuer's appraiser(s)	7
1.4. The issuer's advisors	7
1.5. Persons who signed the present quarterly report.....	8
Section II. General information on the issuer's financial and economic position	8
2.1. The issuer's financial and economic performance	8
2.2. The issuer's market capitalization.....	9
2.3. The issuer's liabilities	9
2.3.1. Borrowed funds and accounts payable.....	9
2.3.2. The issuer's credit history	11
2.3.3. The issuer's liabilities related to security provided by the issuer	11
2.4. Risks related to acquisition of placed securities or those being placed	12
2.4.1. Industry risks	12
2.4.2. Country and regional risks	13
2.4.3. Financial risks	14
2.4.4. Legal risks	14
2.4.5. Reputation risk	15
2.4.6. Strategy risk	15
2.4.7. Risks related to the issuer's operations	16
Section III. Detailed information on the issuer	16
3.1. The issuer's history	16
3.1.1. The issuer's corporate name (name):	16
3.1.2. State registration of the issuer:	17
3.1.3. Establishment and development of the issuer	17
3.1.4. Contacts.....	18
3.1.5. Taxpayer identification number	18
3.1.6. Branches and representative offices of the issuer.....	18
3.2. Core operations of the issuer	18
3.2.1. Core economic activities of the issuer.....	18
3.2.2. Core operations of the issuer	19
3.2.3. The issuer's supplies, goods (raw materials) and suppliers.....	21
3.2.4. Marketing outlets for the issuer's products (works, services)	22
3.2.5. The issuer's permits (licenses) or authorizations for certain types of works.....	22
3.2.6. Activity of certain categories of issuers	22
3.2.7. Additional information on issuers whose primary activity is mineral resources extraction	22
3.2.8. Additional requirements to be met by issuers whose primary activity is telecommunication services provision....	31
3.3. Plans for the issuer's future activity	32

3.4. The issuer's share in banking groups, bank holding companies, holdings and associations.....	33
3.5. Organizations under the issuer's control which are material to the issuer	33
3.6. Constitution, structure and cost of the issuer's fixed assets; information on plans to purchase, replace and dispose of fixed assets as well as on all facts of encumbrance of the issuer's fixed assets	38
Section IV. Financial and operating activities of the issuer	39
4.1. Results of the issuer's financial and operating activities.....	39
4.2. The issuer's liquidity position, capital and current assets adequacy	40
4.3. The issuer's financial investments	41
4.4. The issuer's intangible assets	42
4.5. Data on the issuer's policy and expenses for scientific and technical development, licenses and patents, new developments and research	43
4.6. Oil and gas industry trends analysis.....	46
4.7. Analysis of the factors influencing the issuer's activity.....	47
4.8. The issuer's competitors	48
Section V. Detailed data on members of the issuer's management bodies, the issuer's agencies supervising its financial and business activities, and summary on its staff (employees)	48
5.1. Structure and terms of reference for the issuer's management bodies	48
5.2. Members of the issuer's management bodies.....	50
5.2.1. The issuer's Board of Directors (Supervisory Board).....	50
5.2.2. Individual executive body of the issuer.....	55
5.2.3. The issuer's collegiate executive body.....	56
5.3. Remuneration and/or compensation for expenses for each management body of the issuer	56
5.4. Structure and terms of reference for the agencies supervising the issuer's financial and business activities and organization of risk management system and internal control.....	56
5.5. Members of the agencies supervising the issuer's financial and business activities	58
5.6. Remuneration and (or) compensation for expenses for the agency supervising the issuer's financial and business activity.....	60
5.7. Number of the issuer's employees (workers), their categories and changes in their number.....	61
5.8. Obligations of the issuer to its employees (workers) relating to their possible participation in the issuer's charter capital.....	62
Section VI. The issuer's members (shareholders) and interested party transactions conducted by the issuer	62
6.1. Total number of the issuer's shareholders (members)	62
6.2. The issuer's members (shareholders) holding at least five percent of its charter capital or at least five percent of its ordinary shares as well as persons controlling such members (shareholders) and in absence of such persons – members (shareholders) of such persons who hold at least 20 percent of the charter capital or at least 20 percent of their ordinary shares.....	62
6.3. Share of the state or a municipal formation in the issuer's charter capital; any special rights ("golden share").....	63
6.4. Restrictions on participation in the issuer's charter capital.....	63
6.5. Changes in the list and the participation of the issuer's shareholders (members) holding at least five percent of its charter capital or at least five percent of its ordinary shares	63
6.6. Interested party transactions conducted by the issuer	64
6.7. Accounts receivable	64
Section VII. The issuer's accounting (financial) statements and other financial information.....	66
7.1. Annual accounting (financial) statements of the issuer.....	66
7.2. Interim accounting (financial) statements of the issuer.....	75
7.4. Accounting policy of the issuer.....	78
7.5. Total export and share of export in total sales.....	80

7.6. Substantial changes in the issuer's property after the end of the last completed reporting year	80
7.7. The issuer's participation in litigations in case such participation may substantially affect financial and business activities of the issuer.....	80
Section VIII. Further information on the issuer and equity securities placed by the issuer	80
8.1. Further information on the issuer	80
8.1.1. Size and structure of the issuer's charter capital	80
8.1.2. Changes in the size of the issuer's charter capital.....	81
8.1.3. Convening and holding a meeting (session) of the issuer's supreme management body.....	81
8.1.4. Commercial organizations where the issuer holds at least five percent of the charter capital or at least five percent of ordinary shares.....	82
8.1.5. Major transactions conducted by the issuer	86
8.1.6. Credit ratings of the issuer	86
8.2. Data on each category (type) of the issuer's shares	86
8.3. Previous issues of the issuer's equity securities excluding the issuer's shares	88
8.3.1. Issues with all securities redeemed	88
8.3.2. Issues with securities that are not redeemed.....	88
8.4. Person(s) who offered security for the issuer's secured bonds and security offered for the issuer's secured bonds...	88
8.4.1. Additional information on the issuer's mortgage bonds	88
8.4.2. Additional information on collateral for collateral bonds that includes money claims.....	88
8.5. Organizations keeping records of rights for the issuer's equity securities	88
8.6. Legislative acts regulating import and export of capital, which may influence the payment of dividends, interests, and other payments to non-residents	88
8.7. Declared (accrued) and (or) paid dividends on the issuer's shares and the issuer's bond yield.....	89
8.7.1. Dividends declared and paid on the issuer's shares	89
8.7.2. Accrued and paid yield on the issuer's bonds	95
8.8. Miscellaneous information.....	96
8.9. Represented securities and the issuer of represented securities the title to which is evidenced by Russian Depositary Receipts.....	96
Appendix to the quarterly report.	97

Introduction

Grounds for the issuer's obligation to disclose information in the form of a quarterly report

State registration of an issue (additional issue) of the issuer's securities was accompanied by registration of the issue prospectus and such securities were offered publicly or privately to more than 500 persons.

The issuer is a joint stock company formed through privatization of state and/or municipal enterprises (their business units); under the duly approved privatization plan, which was the issue prospectus of such enterprise as of the date of its approval, the issuer's securities may be disposed of in favor of more than 500 acquirers or the general public.

The present quarterly report contains estimates and forecasts of the issuer's authorized management bodies as to the forthcoming events and/or actions, prospects of development of the issuer's main industry and the issuer's operating results, including the issuer's plans, probability of certain events and actions. Investors should not entirely rely on the estimates and forecasts of the issuer's management bodies since the issuer's future actual operating results may differ from the forecast results for many reasons. Acquisition of the issuer's securities may entail risks described in the present quarterly report.

Section I. The issuer's bank accounts, auditor (audit organization), appraiser and financial adviser as well as persons who signed the present quarterly report

1.1. The issuer's bank accounts

Banking institution

Full corporate name: *Closed Joint Stock Company "Surgutneftegasbank"*

Abbreviated corporate name: *CJSC "SNGB"*

Location: *628400, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut, ul.Kukuyevitskogo, 19*

INN: *8602190258*

Bank identification code (BIK): *047144709*

Account number: *40702810000000100368*

Corr. account: *30101810600000000709*

Account type: *settlement*

Banking institution

Full corporate name: *Subsidiary Bank Sberbank of Russia Public Joint Stock Company, Surgut Branch No. 5940*

Abbreviated corporate name: *PJSC Sberbank Surgut Branch No. 5940*

Location: *628400, Tyumenskaya Oblast, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut, ul.Dzerzhinskogo, 5*

INN: *7707083893*

Bank identification code (BIK): *047102651*

Account number: *40702810567170101451*

Corr. account: *30101810800000000651*

Account type: *settlement*

Banking institution

Full corporate name: *Joint Stock Company "UniCredit Bank"*

Abbreviated corporate name: *AO UniCredit Bank*

Location: *Prechistenskaya Nab., 9, Moscow, Russian Federation 119034*

INN: *7710030411*

Bank identification code (BIK): *044525545*

Account number: *40702810000010002908*

Corr. account: *30101810300000000545*

Account type: *settlement*

(Stated information is disclosed in relation of all settlement and other accounts of the issuer and in case the issuer has more than 3 accounts – in relation of at least 3 settlement and other accounts considered main by the issuer)

1.2. The issuer's auditor(s)

Specify the auditor (auditor organization) who is in charge of or has/have prepared independent audit of accounting (financial) statements of the issuer and consolidated financial statements of the issuer incorporated into a quarterly report as well as the auditor (auditor organization) approved (selected) for audit of annual accounting (financial) statements including the issuer's consolidated financial statements for the current and last completed financial year.

Full corporate name: *Limited Liability Company "Rosexpertiza"*

Abbreviated corporate name: *LLC "Rosexpertiza"*

Location: *ul.Mashi Poryvaevoy, 34, Moscow, Russian Federation, 107078*

INN: *7708000473*

OGRN: *1027739273946*

Telephone: *(495) 721-3883*

Fax: *(495) 721-3894*

E-mail: *rosexp@online.ru*

Auditor's membership in self-regulatory audit organizations

Full name: ***Self-Regulatory Auditor Organization Nonprofit Partnership "Russian Collegium of Auditors"***

Location: ***2nd Goncharny pereulok, 3, bld. 1, Russia, Moscow, 115172***

Additional information: ***LLC "Rosexpertiza" is entered into the Register of Auditors and Audit Organizations opened by Nonprofit Partnership "Russian Collegium of Auditors" under Main Registration Number (MRN) 10205006556.***

Reporting year (years) for the period of five last completed financial years and current financial year for which the auditor has carried or will carry out independent audit of accounting (financial) statements of the issuer

Accounting (financial) statements, year	Consolidated financial statements, year
<i>2011</i>	
<i>2012</i>	<i>2012</i>
<i>2013</i>	<i>2013</i>
<i>2014</i>	<i>2014</i>
<i>2015</i>	<i>2015</i>

Describe factors that may affect the auditor's (audit organization's) independence from the issuer, including any material interests between the auditor (officers of the management bodies and bodies supervising the financial activities of the audit organization) and the issuer (officers of the management bodies and bodies supervising the financial activities of the issuer)

There are no factors that may affect the auditor's (audit organization's) independence from the issuer, including any material interests between the auditor (officers of the management bodies and bodies supervising the financial activities of the audit organization) and the issuer (officers of the management bodies and bodies supervising the financial activities of the issuer).

Selection of the issuer's auditor

Tender procedure for auditor selection, if any, and its basic terms and conditions: ***No tender has been held.***

Auditor nomination for approval by the shareholders' (members') meeting, including the management body adopting such resolution: ***The Company's Board of Directors at its meeting considers proposals from various auditing companies received by the date of the meeting. The Board of Directors reviews the proposals from auditing companies and (based on recommendations of the Audit Committee of the Board of Directors) adopts a resolution to recommend an auditor to be further approved by a general shareholders' meeting.***

Specify any special engagement of the auditor: ***None.***

Describe the procedure for determination of the auditor's (audit organization's) remuneration and specify the actual remuneration paid by the issuer to the auditor (audit organization) upon completion of the last completed financial year for which the auditor (audit organization) has carried out independent audit of annual accounting (financial) statements and (or) annual consolidated financial statements of the issuer: ***LLC "Rosexpertiza" tenders its commercial offer to the Company's Board of Directors which specifies the audit procedure in all substantial aspects and contains an estimation of labor costs to conduct the audit of the Company's annual financial (accounting) statements and estimation of traveling expenses as well as includes a draft Auditing Services Agreement. If necessary, the Company may request information on additional estimations and explanations from LLC "Rosexpertiza". Based on the information provided, the Company's Board of Directors makes a decision in regard to the amount of remuneration to be paid to LLC "Rosexpertiza".***

Specify any deferred and overdue payments for services provided by the auditor: ***The Company does not have any deferred and overdue payments for the services provided by LLC "Rosexpertiza".***

1.3. The issuer's appraiser(s)

With reference to this section, the Company has not engaged any appraisers during 12 months prior to the end of the reporting quarter.

1.4. The issuer's advisors

With reference to this section, the Company has not engaged any advisors during 12 months prior to the end of the reporting quarter.

1.5. Persons who signed the present quarterly report

Name: ***Bogdanov Vladimir Leonidovich***

Year of birth: ***1951***

Primary employment:

Company: ***OJSC "Surgutneftegas"***

Position: ***Director General***

Name: ***Druchinin Andrei Vladislavovich***

Year of birth: ***1969***

Primary employment:

Company: ***OJSC "Surgutneftegas"***

Position: ***Chief Accountant***

Section II. General information on the issuer's financial and economic position

2.1. The issuer's financial and economic performance

The dynamics of indicators of the issuer's financial and economic performance calculated on the basis of accounting (financial) statements

Standard (rules) of accounting (financial) statements in accordance with which the accounting (financial) figures are calculated: ***Russian accounting standards (RSBU)***

Measurement unit of labor productivity: ***thousand RUB per person***

Indicator	2015, 3 months	2016, 3 months
Labor productivity	<i>2,501</i>	<i>1,995</i>
Debt to equity ratio	<i>0.05</i>	<i>0.045</i>
Long-term debt to total amount of long-term debt and equity ratio	<i>0.021</i>	<i>0.02</i>
Debt to operating income (profit)	<i>0.584</i>	<i>0.527</i>
Overdue debts, %	<i>0.0013</i>	<i>0.0002</i>

Measurement unit of labor productivity: ***thousand RUB per person***

Indicator	2014	2015
Labor productivity	<i>8,341</i>	<i>9,474</i>
Debt to equity ratio	<i>0.069</i>	<i>0.057</i>
Long-term debt to total amount of long-term debt and equity ratio	<i>0.023</i>	<i>0.02</i>
Debt to operating income (profit)	<i>0.322</i>	<i>0.158</i>
Overdue debts, %	<i>0.0005</i>	<i>0.0005</i>

Economic analysis of the issuer's liquidity and solvency based on the economic analysis of the above performance:

Labor efficiency proves the effectiveness of labor potential use and operations. The change in this indicator for 2015 and 1Q2016 is caused by the dynamics of revenues in accordance with the multi-directional fluctuations in exchange rates and quotations for crude oil.

Such indicators as “Debt to equity ratio” and “Long-term debt to total amount of long-term debt and equity ratio” for 2015 and 1Q2016 tend to decrease and show a low level of the Company’s dependence on raised and borrowed money.

Such indicator as “Debt to operating income (profit)” remains on a low level, which demonstrates the Company’s ability to cover its debts by operating income.

Low level of the Company’s overdue debts in the reporting periods proves that the Company redeems its financial obligations in time. Credit risk is minimal.

2.2. The issuer’s market capitalization

Market capitalization is calculated by taking the total number of shares of a certain category (type) and multiplying it by the relevant share market price which is disclosed by a securities market trading organizer

Unit of measure: *thousand RUB*

Indicator	As of 31.12.2015	As of 31.03.2016
Market capitalization	1,560,520,221.18	1,745,946,963.41

Securities market trading organizer who provides data for market capitalization calculation and any other additional information on outstanding securities at the issuer’s discretion: *The Company’s market capitalization is calculated in accordance with data of MICEX Stock Exchange CJSC.*

2.3. The issuer’s liabilities

2.3.1. Borrowed funds and accounts payable

As of 31.12.2015

Structure of borrowed funds

Unit of measure: *thousand RUB*

Indicator	Indicator value
Long-term borrowed funds	
including:	
loans	
borrowings, excluding bonded loans	
bonded loans	
Short-term borrowed funds	
including:	
loans	
borrowings, excluding bonded loans	
bonded loans	
Total overdue amount of borrowed funds	
including:	
loans	
borrowings, excluding bonded loans	
bonded loans	

Structure of accounts payable
Unit of measure: *thousand RUB*

Indicator	Indicator value
Total accounts payable	<i>117,456,511</i>
including those overdue	<i>1,060</i>
including	
accounts payable to the budget and state non-budget funds	<i>64,037,046</i>
including those overdue	
accounts payable to suppliers and contractors	<i>20,170,309</i>
including those overdue	<i>1,060</i>
accounts payable to personnel	<i>12,932,766</i>
including those overdue	
other	<i>20,316,390</i>
including those overdue	

In case of any overdue accounts payable, including those under loan agreements, specify the reasons for non-fulfillment of obligations and consequences (both actual and possible) arising for the issuer from such non-fulfillment, including sanctions imposed against the issuer and the date when overdue accounts payable or overdue amount of borrowed funds will be or are expected to be paid.

Non-fulfillment of overdue accounts payable obligations will not have any consequences for the Company in the future.

Creditors accounting for at least 10 percent of the total accounts payable or at least 10 percent of the total long-term and short-term borrowed funds. *No such creditors.*

As of 31.03.2016

Structure of borrowed funds

Unit of measure: *thousand RUB*

Indicator	Indicator value
Long-term borrowed funds	
including:	
loans	
borrowings, excluding bonded loans	
bonded loans	
Short-term borrowed funds	
including:	
loans	
borrowings, excluding bonded loans	
bonded loans	
Total overdue amount of borrowed funds	
including:	
loans	
borrowings, excluding bonded loans	
bonded loans	

Structure of accounts payable
Unit of measure: *thousand RUB*

Indicator	Indicator value
Total accounts payable	68,049,675
including those overdue	369
including	
accounts payable to the budget and state non-budget funds	30,117,774
including those overdue	
accounts payable to suppliers and contractors	22,290,952
including those overdue	354
accounts payable to personnel	7,635,146
including those overdue	
other	8,005,803
including those overdue	15

In case of any overdue accounts payable, including those under loan agreements, specify the reasons for non-fulfillment of obligations and consequences (both actual and possible) arising for the issuer from such non-fulfillment, including sanctions imposed against the issuer and the date when overdue accounts payable or overdue amount of borrowed funds will be or are expected to be paid.

Non-fulfillment of overdue accounts payable obligations will not have any consequences for the Company in the future.

Creditors accounting for at least 10 percent of the total accounts payable or at least 10 percent of the total long-term and short-term borrowed funds. *No such creditors.*

2.3.2. The issuer's credit history

The history of the issuer's obligations fulfilled under credit and (or) loan agreements having been in force during the last completed reporting and current years, including those in the form of bonds issued and sold, the principal amount of which equaled to or exceeded five percent of the book value of the issuer's assets as of the last day of the last completed reporting period of 3, 6, 9 or 12 months preceding the conclusion of such agreement as well as obligations under other credit and (or) loan agreements which the issuer deems significant.

The issuer did not have such obligations.

2.3.3. The issuer's liabilities related to security provided by the issuer

As of 31.12.2015

Unit of measure: *thousand RUB*

Indicator	As of 31.12.2015
Total amount of security provided by the issuer (the amount (sum) of non-fulfilled liabilities in regard to which the issuer provided security, if in accordance with terms of provided security the fulfillment of the relevant liabilities is provided in full)	21,982,701
including liabilities of third parties	21,982,701
Amount of security provided by the issuer (the amount (sum) of non-fulfilled liabilities in regard to which the issuer provided security, if in accordance with terms of provided security the fulfillment of the relevant liabilities is provided in full) in the form of pledge	
including liabilities of third parties	
Amount of security provided by the issuer (the amount (sum) of non-fulfilled liabilities in regard to which the issuer provided security, if in accordance with terms of provided security the fulfillment of the relevant liabilities is provided in full) in the form of guarantee	21,982,701
including liabilities of third parties	21,982,701

The issuer's liabilities related to security provided to third parties, including pledge or guarantee, that account for 5 and more percent of the book value of the issuer's assets as of the last date of the relevant reporting period

No such liabilities in this reporting period.

As of 31.03.2016

Unit of measure: *thousand RUB*

Indicator	As of 31.03.2016
Total amount of security provided by the issuer (the amount (sum) of non-fulfilled liabilities in regard to which the issuer provided security, if in accordance with terms of provided security the fulfillment of the relevant liabilities is provided in full)	21,982,701
including liabilities of third parties	21,982,701
Amount of security provided by the issuer (the amount (sum) of non-fulfilled liabilities in regard to which the issuer provided security, if in accordance with terms of provided security the fulfillment of the relevant liabilities is provided in full) in the form of pledge	
including liabilities of third parties	
Amount of security provided by the issuer (the amount (sum) of non-fulfilled liabilities in regard to which the issuer provided security, if in accordance with terms of provided security the fulfillment of the relevant liabilities is provided in full) in the form of guarantee	21,982,701
including liabilities of third parties	21,982,701

The issuer's liabilities related to security provided to third parties, including pledge or guarantee, that account for 5 and more percent of the book value of the issuer's assets as of the last date of the relevant reporting period

No such liabilities in this reporting period.

2.3.4. Other liabilities of the issuer

There are no other liabilities not shown in the balance sheet which may significantly affect the issuer's financial position, its liquidity, sources of funds, terms of their use, performance results and expenses.

2.4. Risks related to acquisition of placed securities or those being placed

Risk management policy of the issuer: *In the course of its activities, the Company seeks to fulfill its obligations and minimize the impact of the risks.*

2.4.1. Industry risks

Industry risks of the Company are related to the operating activities of the Company – production and processing of oil and gas and marketing of finished products. These include the drop in hydrocarbon prices, increased competition between oil companies, personnel shortage, higher operating and capital costs as well as geological, technological and environmental risks.

A big drop in hydrocarbon prices is the most significant risk because it can have the greatest impact on the operating and financial performance of the Company, its plans of development in the medium and long term.

Hydrocarbon prices depend on many factors directly related to the oil and gas industry as well as those that indirectly determine the state of the market. Hydrocarbon prices are influenced by supply and demand balance in the global and regional markets, data on oil and petroleum products reserves, level of investment in the industry and development rates of hard-to-recover reserves. In addition, prices are based on the expected rate of economic growth, including in the countries that are major consumers of hydrocarbons, consumption forecasts for the main types of energy, geopolitical situation in resource producing regions, development of alternative energy sources and availability of new technologies.

Hydrocarbon prices in the Russian market are set on the basis of conditions in the world market and internal factors such as the level of local demand and supply of oil and petroleum products, state policy of tax and tariff regulation, transportation costs.

The Company has no opportunity to affect pricing factors in the market of oil, gas and refined products. The Company closely monitors trends with a potential impact on hydrocarbon prices to evaluate and plan investments in current and new projects in the field of production and refining, determine promising marketing channels for finished products and develops measures to reduce operating costs.

The Company operates in a high level of competition for the acquisition of new subsoil licenses and a share in the premium and promising markets.

With the depletion of traditional oil production regions and deterioration of the resource base, the competition between oil companies for the acquisition of new license blocks located near the territories with developed infrastructure

may adversely affect the economic efficiency of the development of new fields. Additional costs of purchasing licenses as well as the need to create production, transport and social infrastructure in new regions of production can result in lower profitability of the Company's operations or refusal of new projects for field development. To reduce possible losses from this risk realization, the Company monitors fields available for purchase taking into consideration the Company's further development plans, thoroughly evaluates return on the investment in their development and operation, makes decisions to enter new regions and acquire new license blocks on the principles of the highest economic efficiency of allocating resources available to the Company.

Oil and gas companies are competing for a share in the promising and premium markets. The Company is exposed to the risk of the limited access to transport infrastructure and market share decline in the premium marketing channels for finished products. To mitigate the negative impact of this risk, the Company provides information about the time and volume of production transportation in advance, timely fulfills its obligations to the counterparties to deliver oil and petroleum products in accordance with current agreements.

The Company is exposed to the risk of shortage of skilled workers and technical personnel due to the expansion of the Company's activities in new regions of production, higher requirements to the competence of personnel due to the growing sophistication of production methods as well as the need to use modern equipment and new technologies.

In order to mitigate this risk, the Company prudently manages the number of its personnel and applies effective mechanisms to attract and retain highly qualified employees. The Company actively cooperates with relevant educational institutions, informs about most demanded professions and required skills in the Company, provides job-oriented training as well as professional training and further education for the personnel, develops in-house training centers based on its production needs and creates a candidate pool.

The Company is subject to the risk of operating and capital costs increase due to higher prices for energy resources, equipment, basic and auxiliary materials as well as to the risk of tariff rates growth of the Company's main transport providers: OJSC "AK "Transneft", OJSC "AK "Transnefteproduct" and OJSC "RZD".

The Company regularly takes measures to optimize operating and capital costs in all spheres of its activity. The Company purchases machinery, equipment and materials on a tender basis, implements programs ensuring energy efficiency, constructs in-house power generation facilities, evaluates the attractiveness of alternative suppliers and monitors the quality of the whole range of goods and services procured.

Exploration activities are notable for high level of uncertainty and risks of deviation of actual volumes of oil and gas reserves from the forecasted ones. When assessing the feasibility of drilling prospecting and exploration wells, the Company takes into account the objective complexity of geological structure and deterioration of the resource base which may increase potential losses in case commercially significant oil and gas reserves are not confirmed. The Company takes these risks into account when evaluating the prospects of new license blocks and new regions of operation. In-house scientific and geological divisions staffed by qualified personnel, extensive experience in exploration, use of modern methods of geological and geophysical data processing and modeling of geological objects help the Company reduce these risks.

In the course of its activities, the Company is highly exposed to technological and environmental risks. Development of oil and gas fields involves the use of a large number of modern equipment and technologies, methods for intensifying production, an extensive network of pipelines and oil treatment facilities as well as other industrial infrastructure. Non-compliance with rules and procedures, unsafe practices, severe weather conditions and increased wear of equipment as well as insufficient qualification of personnel can lead to technological accidents and environmental damage in the territories of the Company's performance.

To mitigate these risks, the Company is attentive to the state of its production assets, objects of transport infrastructure, compliance with production culture and ownership of safety. The Company constantly inspects production facilities and equipment, schedules their repair and replacement. To prevent the supply of low-quality equipment and materials, the Company carries out input control of purchased products, together with manufacturers develops and conducts operational testing of equipment made in accordance with the Company's technical and economic requirements. High-quality and timely repair of production facilities is provided by the Company's service divisions. The Company has implemented and uses a system of labor protection and industrial safety, holds induction meetings, provides its personnel with training, retraining and advanced training and carries out a special workplace assessment.

Annual environmental protection measures also help to reduce the environmental risks of the Company.

2.4.2. Country and regional risks

The Company operates in several regions of the Russian Federation and is subject to the country and regional risks of Russia.

Worsening of the economic situation in the country under the influence of internal and external factors, including lower hydrocarbon prices in the world markets, may adversely affect the consumer demand for the Company's products and its financial results. To reduce possible losses from this risk realization, the Company diversifies sales markets and segments delivery directions by the volume and range of products sold.

Regions of the Company's activity have a stable social and economic climate. The Company makes a positive contribution to the development of the regions of its presence, pays salaries in time and in full, pays taxes and makes other obligatory payments, promotes the development of social and transport infrastructure.

The Company operates in the areas with stable climatic conditions that are not characterized by high seismic activity, hurricanes and other natural disasters. The efficiency of the Company's operations when producing oil and gas may decrease because of extremely low temperatures. Adverse weather conditions can also lead to disruption of delivery schedules for feedstock and materials necessary to maintain a stable production process at the fields that are far from the well-developed transport infrastructure and cause breakdown of transport connection of production assets that are remote from regions with good infrastructure. Given that a large part of the Company's finished goods is exported through ports, force majeure weather conditions can lead to delivery time extension and upset conditions during shipping of finished products.

The Company carefully evaluates the risks associated with difficult weather conditions and remote transport infrastructure. The Company uses proper machinery and equipment, develops transport infrastructure at the fields and plans the amount and time of delivery to the fields taking into account peculiarities of logistics in remote regions of production.

2.4.3. Financial risks

The Company is exposed to various financial risks, the most significant of which are currency risk, interest rate risk, inflation risk, credit risk and liquidity risk.

Currency risk is important to the Company. It can influence the financial results of its operations. A considerable part of the Company's revenue is formed by the export of products. Financial assets of the Company are placed in deposit accounts mainly in US dollars. Thus, changes in the exchange rates of the Russian ruble to foreign currencies can worsen the financial performance of the Company.

The Company considers currency risks, evaluates their possible impact on the key indicators of the Company's economic efficiency, defines parameters and structure of financial reserves placement, carries out current planning of cash flows.

Interest rate risk has a limited influence on the Company's activity because the Company finances capital and operating expenditures from its own funds without using borrowings. At the same time, the Company takes into account the interest rate risk when placing financial assets, analyzes the temporal structure and level of interest rates in the money and capital markets and opens deposit accounts with a fixed rate.

The financial performance of the Company is significantly influenced by the inflation risk consisting in higher costs of production and sale of finished products. This risk may result in lower profitability of the Company and abandoning new projects with highly uncertain future capital and operating costs.

The Company regularly analyzes the impact of actual and expected inflation rates on its operating and investing activities, evaluates the feasibility of capital investments in existing facilities and implementation of new projects in the field of production, refining and marketing. In order to optimize purchasing prices, the Company conducts procurement procedures through tendering, pays attention to finding most favorable ways of goods and services delivery.

The Company is exposed to credit risk mainly with respect to receivables and cash placed by the Company in time deposit accounts with Russian credit organizations.

In order to mitigate this risk, the Company has established a system for comprehensive assessment of counterparties which takes into account their financial position, credit history and status of settlements with the budget. When concluding contracts for the sale of products, the Company actively uses advance payment and payment by a letter of credit. Making advance payments to counterparties, the Company uses mechanisms of ensuring money repayment – bank guarantees and sureties.

The Company has a balanced approach to financial management and avoids excessive concentration of credit risk. At the same time, The Company deposits available cash in the major highly reliable Russian credit organizations. In order to assess the reliability of credit organizations, the Company has established its own formalized methodology for assessing financial condition of banks which takes into account loan portfolio quality, structure and dynamics of assets, liquidity, operational efficiency and other key indicators of a credit institution's financial stability. Monitoring of counterparty banks in terms of their financial condition is carried out during the whole period of fund allocation.

Liquidity risk arises from the possibility of losses due to the imbalance of financial assets and liabilities of the Company. The Company is resistant to this risk, because it has sufficient liquid assets to settle all current obligations. The Company's system of financial planning allows making detailed schedules of future expenses and payments, establishing such financial structure that maintains sufficient liquidity for timely settlement of its liabilities.

The Company does not use derivative financial instruments to hedge financial risks, but takes into account the possibility of their use in operational and financial activities when developing investment projects, financial plans and budgets. In addition, the Company insures assets and operations in the process of financial and economic activities in order to reduce financial risks.

2.4.4. Legal risks

The Company's activities are characterized by a multitude of legal risks that may have a significant impact on the Company's performance under the conditions of limited ability to control them and reduce the negative impact of their realization. The main risks that the Company is exposed to are changes and updates in the existing norms regulating the activities of oil companies, including tax and customs legislation, exchange regulations, licensing

requirements and competition control, environmental requirements and charges.

Changes in tax legislation towards heavier tax burden on oil industry may impair the Company's financial performance, make the development of some of the deposits unprofitable and reduce the efficiency of hydrocarbon processing sector.

The Company carries on business in strict compliance with the Russian tax legislation. The Company pays taxes in full at all levels of the budget system and makes the required payments to non-budgetary funds of the Russian Federation.

The Company closely monitors changes in the tax legislation and transfer pricing tax regulation in setting prices for transactions between related parties, and takes part in discussions and makes suggestions related to the improvement of the existing legal acts and development of new ones in the field of taxation in order to encourage the development of the oil industry.

The Company conducts foreign trade transactions settled in foreign currency. Changes related to the currency control legislation in the Russian Federation may affect the profitability of the Company's export operations and increase its business costs. The Company fully complies with the requirements of the Russian legislation in the field of currency regulation and control.

Export-import operations of the Company are exposed to risk of changes in customs regulation. Thus, increased terms of customs clearance and higher export duties may make export of oil and petroleum products less attractive and reduce the efficiency of field development and oil refining. In order to mitigate the risk, the Company assesses the efficiency of foreign trade transactions by product range and export region, participates in discussions on initiatives to change the obligatory fees and submits proposals for their optimization.

The Company has its own network of filling stations. The Company's capabilities of distribution network development in the regions of its presence may be limited by the existing provisions of antitrust laws. This may adversely affect sales volume and profitability of the Company's retail division.

The Company is involved in the creation of conditions for effective operation of commodity markets and free circulation of goods in the territory of the Russian Federation. The Company ensures equal access to the procurement of crude oil and petroleum products for all counterparties on arm's length terms and complies with the requirements of antitrust laws.

Expansion of time for licensing procedures and approval of permits for infrastructure facilities' construction is a significant risk of operational efficiency reduction for oil companies. In addition, upgrading of penalties for failure to comply with license obligations and revocation of licenses may have a negative impact on companies' activities.

The Company strictly fulfills the obligations under the license agreements, ensures scheduled volumes of exploration and puts develop deposits into operation as per schedule, reducing the possibility of potential losses from these risks realization.

2.4.5. Reputation risk

Reputation risk is related to the loss of counterparties due to lower confidence in the quality of products as well as in the Company as a reliable and financially stable partner.

The main products of the Company (oil, gas and refined products) are standardized; their quality characteristics are determined by the requirements of the regulations and all oil and gas companies must comply with them. Besides, compliance with standards is a prerequisite for putting products into the pipeline system for transportation. The Company ensures reliable operation and timely upgrading of equipment for preparing the produced oil and gas and bringing them into compliance with the standards. When producing and selling oil and gas products, the Company continuously monitors their quality in its own accredited laboratories.

The Company fulfills its obligations with regard to the settlements with counterparties, taxes and other payments in time and in full. Thus, the Company has a reputation of a reliable and responsible subject of economic activity in the part of performance of financial obligations.

The Company makes heavy investments in the modernization and upgrading of industrial equipment, pipeline infrastructure, environmental programs, maintaining the reputation of a company with high standards of technological and environmental safety. The Company implements programs to improve the safety of working conditions, provides additional guarantees and social benefits, timely pays salaries, thereby maintaining the reputation of an attractive employer. Thus, the Company minimizes the possibility of giving a negative impression about itself and reputation risks.

2.4.6. Strategy risk

Strategy risk is related to the possibility of losses caused by mistakes made in decisions that determine the strategy of the Company's activities and development.

The Company is exposed to the risks of not detecting or underestimating potential hazards that may affect its operations.

The Company analyzes internal and external business environment, identifies potential threats that can disrupt current business processes and takes measures to prevent these risks. In order to mitigate these risks, the Company uses methods of strategic analysis taking into account the macro- and microeconomic factors that can significantly influence the Company's operating and financial performance. Based on the results, the Company adjusts its development plans.

The Company is exposed to the significant risk of wrong or unfounded decisions when determining promising areas of activity, new regions of production and sales markets, entering which it can gain an advantage in competing with other companies.

The Company regularly analyzes the results of its current activities, evaluates the investment attractiveness of new projects based on the criteria of risk and return. In addition, the Company monitors trends in the energy market, including supply and demand trends in the global and regional hydrocarbon markets, and the development of new technologies for the production of hard-to-recover oil. Based on the information received, the Company evaluates possible consequences of making strategic decisions for its further development.

Errors in strategic decision-making can lead to a lack of financial, inventory and human resources, result in losses and failure to achieve strategic goals of the Company.

The Company is able to implement current and future projects that require significant financial, logistical and human resources. The Company's unified procedure for approval, adoption and implementation of management decisions minimizes the risks of lack or insufficient provision of resources necessary to carry out core activities.

2.4.7. Risks related to the issuer's operations

In the course of its activities, the Company is exposed to various risks caused by the uncertainty of environmental factors and peculiarities of production processes. The Company improves its risk management and internal control systems in order to minimize the possible negative impact of risks on the results of its financial and economic activities and ensure sustainable development of the Company in the long term. With regard to the key risks, the Company is continuously working on their identification, assessment, prevention and determination of response methods in case of their realization.

Section III. Detailed information on the issuer

3.1. The issuer's history

3.1.1. The issuer's corporate name (name):

The issuer's full corporate name: *Open Joint Stock Company "Surgutneftegas"*

Date of introduction of the issuer's existing full corporate name: **27.06.1996**

The issuer's abbreviated corporate name: *OJSC "Surgutneftegas"*

Date of introduction of the issuer's existing abbreviated name: **27.06.1996**

The issuer's corporate name (name for a nonprofit organization) is registered as a trademark or a service mark.

Trademark registration

Trademark: *Open Joint Stock Company "Surgutneftegas"*

Certificate of trademark: **No. 438918 dated 09.06.2011**

Priority (commencement of document of title): **06.05.2010**

Validity period of the document of title: **06.05.2020**

All previous names of the issuer during its existence

Full corporate name: *Production Association "Surgutneftegas"*

Abbreviated corporate name: *PO "Surgutneftegas"*

Introduced: **15.09.1977**

Grounds for introduction:

Full corporate name: *Joint Stock Company of Open Type "Surgutneftegas"*

Abbreviated corporate name: *AOOT "Surgutneftegas"*

Introduced: **06.05.1993**

Grounds for introduction: *Decree of the President of the Russian Federation No. 1403 "On Special Provisions for Privatization and Corporization of State Enterprises, Production and Scientific Production Associations in the Petroleum, Petroleum Refining and Petroleum Products Supply Industries" dated 17.11.92.*

3.1.2. State registration of the issuer:

Initial state registration

State registration number: **12-4782**

Date of state registration: **06.05.1993**

Body that conducted the state registration: *Administration of the city of Surgut, Khanty-Mansiysky Autonomous Okrug, Tyumenskaya Oblast*

Registration of the legal entity:

Main state registration number of the legal person: **1028600584540**

Date of entry of the legal body registered prior to 1 July 2002 into the Uniform State Register of Legal Entities: **18.09.2002**

Name of the registration authority: *Inspectorate of the Ministry of Taxation of Russia for Surgut, Khanty-Mansiysky Autonomous Okrug*

3.1.3. Establishment and development of the issuer

The issuer is established for an unlimited period of time.

Summary of the issuer's establishment and development. The issuer's corporate purposes, the issuer's mission (if any) and other information about the issuer's operations essential for a decision to acquire the issuer's securities:

The name of oil and gas producing company "Surgutneftegas" goes hand in hand with the discovery of Big Oil in Western Siberia.

Back in March 1964, the first group of oilmen set foot on Surgut ground. The local climate and terrain made it impossible to use conventional methods for building roads, wells, pipelines and field facilities. In fact, the oil producing division "Surgutneft" was a real testing ground where various technologies and methods were created and applied to develop fields in severe geological and climatic conditions. The division proved to be a true forge of skilled workers for the whole Western Siberia. Many oil and gas producing companies, such as "Yuganskneft", "Megionneft", "Pravdinskneft", "Kogalymneftegas" and "Noyabrskneftegas", were once part of "Surgutneft" and later became separate entities.

Construction of the refinery in the city of Kirishi, Leningradskaya Oblast, began in 1961. As was the common practice of that time, the refinery was an All-Union Top Priority Project, and it indeed was built at a rapid pace: as early as December 1965, the refinery received the first oil tank car, and just four months later, in March 1966, it became fully operational. After it was put into operation, the refinery reversed petroleum products shortage, which hindered economic development of the North-West of Russia. When the Yaroslavl – Kirishi pipeline was put into service in 1969, the refinery started to process oil delivered from Western Siberia fields. Located close to the Baltic ports, it benefited from exporting petroleum products to Scandinavia and Northern Europe.

In October 1977, the oil producing division "Surgutneft" was granted the status of the diversified production association "Surgutneftegas" (PO "Surgutneftegas").

On 19 March 1993, the Council of Ministers of the Russian Federation passed a resolution to form Open Joint Stock Company "Neftyanaya Kompaniya "Surgutneftegas" (AOOT "NK "Surgutneftegas"). In the same year, PO "Surgutneftegas" transformed into AOOT "Surgutneftegas" and the Kirishi refinery transformed into AOOT "KNOS" were merged into Open Joint Stock Company "NK "Surgutneftegas".

Under the Soviet system, the Company's subsidiaries, namely "Novgorodnefteproduct", "Kaliningradnefteproduct", "Lennefteproduct", "Pskovnefteproduct" and "Tvernefteproduct", were part of RSFSR Glavneftesnab (Main Department of Oil Supplies) and supplied the corresponding regions with petroleum products. In 1993, they were also converted into open joint stock companies and incorporated in AOOT "NK "Surgutneftegas".

1996 saw the first stage of corporate structure optimization when AOOT "NK "Surgutneftegas" was formed as a vertically integrated company.

In December 1996, the Company launched sponsored American Depositary Receipt program, Level I, for ordinary shares of OJSC "Surgutneftegas".

In March 1998, the Company launched sponsored American Depositary Receipt program, Level I, for preference shares of OJSC "Surgutneftegas".

In 2000, the Company embarked on the final stage of share consolidation, which made the oil producing entity OJSC "Surgutneftegas" a parent company of Surgutneftegas Group.

The Company is no longer operating just in one region, with the focus on Western Siberia as the only crude production center. As a result of production asset diversification, the Company acquired license areas in 10 constituent territories of the Russian Federation, such as Khanty-Mansiysky Autonomous Okrug – Yugra, Yamalo-Nenetsky Autonomous Okrug, the Republic of Sakha (Yakutia), Nenetsky Autonomous Okrug, Tyumenskaya, Irkutskaya, Omskaya, Tomskaya and Novosibirskaya Oblasts and Krasnoyarsky Krai. The Company was one of the Eastern Siberia pioneers who participated in a national project to develop the new production region and achieve the strategic objective of oil transportation to new promising markets.

The main corporate objective is profit earning.

3.1.4. Contacts

The issuer's location: *Russia, Tyumenskaya Oblast, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut, ul.Grigoriya Kukuyevitskogo, 1, bld. 1*

Address of the issuer indicated in the uniform state register of legal entities: *Russia, Tyumenskaya Oblast, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut, ul.Grigoriya Kukuyevitskogo, 1, bld. 1*

Telephone: (3462) 42-60-28; 42-61-33

Fax: (3462) 42-64-94

E-mail: *Bogdanov-VL-REF@surgutneftegas.ru*

Website(s) where information about the issuer and securities issued and/or being issued by the issuer is available:

<http://www.surgutneftegas.ru/ru/investors>; <http://www.edisclosure.ru/portal/company.aspx?id=312>

The issuer's special division for shareholder and investor relations: *Limited Liability Company "Invest-Zaschita"*

Division's location: *ul.Entuziastov, 52/1, Surgut, Tyumenskaya Oblast, Khanty-Mansiysky Autonomous Okrug – Yugra, Russian Federation, 628400*

Telephone: (3462) 46-27-64

Fax: (3462) 46-46-50

E-mail: *invz@yandex.ru*

No website.

The issuer's special division for shareholder and investor relations: *Investor relations and DR program support department of OJSC "Surgutneftegas"*

Division's location: *ul.Grigoriya Kukuyevitskogo 1, bld. 1, Surgut, Khanty-Mansiysky Autonomous Okrug – Yugra, Tyumenskaya Oblast, Russian Federation, 628415*

Telephone: (495) 698-94-18

Fax: (495) 698-94-14

E-mail: *ir@surgutneftegas.ru*

Website: *www.surgutneftegas.ru*

3.1.5. Taxpayer identification number

8602060555

3.1.6. Branches and representative offices of the issuer

Branches and representative offices of the issuer:

Name: *Moscow representative office of Open Joint Stock Company "Surgutneftegas"*

Location: *Moscow, Russian Federation, ul.Myasnitskaya, 34*

Opened on: *27.09.1993*

Head of the branch (representative office)

Name: *Makarkin Yuri Nikolaevich*

Term of the Power of Attorney: *31.12.2016*

Name: *Saint Petersburg representative office of Open Joint Stock Company "Surgutneftegas"*

Location: *Russian Federation, Saint Petersburg, ul.Podkovyrova, 37*

Opened on: *28.05.1998*

Head of the branch (representative office)

Name: *Fortov Vladimir Ivanovich*

Term of the Power of Attorney: *21.04.2016*

Name: *Yakutsk representative office of Open Joint Stock Company "Surgutneftegas"*

Location: *Russian Federation, Republic of Sakha (Yakutia), Yakutsk, ul.Ordzhonikidze, 36*

Opened on: *01.06.2009*

Head of the branch (representative office)

Name: *Bandura Sergei Nikolaevich*

Term of the Power of Attorney: *31.05.2016*

3.2. Core operations of the issuer

3.2.1. Core economic activities of the issuer

Code of economic activity which is core for the issuer

OKVED codes
<i>11.10.11</i>

OKVED codes
<i>11.10.12</i>
<i>11.20.4</i>
<i>45.12</i>
<i>51.51.2</i>
<i>51.51.3</i>
<i>74.20.2</i>

3.2.2. Core operations of the issuer

Types of operations (business activities, types of products (works, services)) that accounted for at least 10 percent of the issuer's revenue (income) in the reporting period

Unit of measure: *thousand RUB*

Type of activity: *oil*

Indicator	2014	2015
Revenue from sales (volume of sales) related to the specified type of activity, thousand RUB	<i>538,747.562</i>	<i>645,192,161</i>
Revenue from sales (volume of sales) related to the specified type of activity in total revenue from sales (volume of sales) of the issuer, %	<i>62.5</i>	<i>66</i>

Indicator	2015, 3 months	2016, 3 months
Revenue from sales (volume of sales) related to the specified type of activity, thousand RUB	<i>167,820,373</i>	<i>132,922,439</i>
Revenue from sales (volume of sales) related to the specified type of activity in total revenue from sales (volume of sales) of the issuer, %	<i>65.1</i>	<i>65.3</i>

Changes in the issuer's operating revenue (income) equal to or exceeding 10 percent as compared with the corresponding reporting period of the previous year and the reasons for such changes

The change of the Company's revenues from oil sales in 2015 and 1Q2016 compared to the same period of the previous year was as follows: 119.8% and 79.2%.

Type of activity: *petroleum products*

Indicator	2014	2015
Revenue from sales (volume of sales) related to the specified type of activity, thousand RUB	<i>290,803,311</i>	<i>299,111,349</i>
Revenue from sales (volume of sales) related to the specified type of activity in total revenue from sales (volume of sales) of the issuer, %	<i>33.7</i>	<i>30.6</i>

Indicator	2015, 3 months	2016, 3 months
Revenue from sales (volume of sales) related to the specified type of activity, thousand RUB	<i>82,085,497</i>	<i>62,554,401</i>
Revenue from sales (volume of sales) related to the specified type of activity in total	<i>31.9</i>	<i>30.7</i>

revenue from sales (volume of sales) of the issuer, %		
---	--	--

Changes in the issuer's operating revenue (income) equal to or exceeding 10 percent as compared with the corresponding reporting period of the previous year and the reasons for such changes

The change of the Company's revenues from petroleum products sales in 1Q2016 compared to the same period of the previous year was 76.2%.

The key factor behind the increase in the Company's revenue in 2015 is an increase in crude supplies by 3.4%. Besides, the increase in the Company's revenue was influenced by the amendments to Part II of the Tax Code of the Russian Federation and certain legal acts according to Federal Law No. 366 dated 24.11.2014, which led to a decrease in export duties on oil and petroleum products and a simultaneous increase in expenses of subsoil users in the form of the mineral extraction tax.

The decrease in the Company's revenues from sales in 1Q2016 is caused by lower quotations and decrease in crude oil supplies by 4.2%.

Cost structure of the issuer

Indicator	2014	2015
Raw materials and supplies, %	4	4.09
Acquired components and semi-finished articles, %	3.92	3.93
Production works and services performed/rendered by third parties, %	16.62	17.53
Fuel, %	0.46	0.38
Energy, %	1.92	1.72
Labor costs, %	13.39	13.44
Interests on loans, %	0	0
Rental payments, %	0.01	0.01
Social expenditures, %		
Depreciation of fixed assets, %	15.21	14.89
Taxes included in production costs, %	40.49	39.84
Other costs, %	1.36	1.34
amortization of intangible assets, %	0.05	0.09
remuneration for innovation proposals, %	0	0
compulsory insurance payments, %	0.07	0.07
entertainment expenses, %	0	0
other (please specify), %	1.24	1.18
Insurance premiums	2.62	2.83
Total: Costs of production and sale of goods (works, services) (production costs), %	100	100
For reference only: Revenue from sale of goods (works, services), % to cost of production	125.8	131.5

Indicator	2015, 3 months	2016, 3 months
Raw materials and supplies, %	3.48	4.26
Acquired components and semi-finished articles, %	3.48	4.82
Production works and services performed/rendered by third parties, %	17.56	20.92
Fuel, %	0.5	0.26
Energy, %	1.77	1.99
Labor costs, %	12	14.67
Interests on loans, %	0	0
Rental payments, %	0.01	0.02
Social expenditures, %		
Depreciation of fixed assets, %	14.41	18.19
Taxes included in production costs, %	42.37	29.62

Other costs, %	1.26	1.46
amortization of intangible assets, %	0.09	0.14
remuneration for innovation proposals, %	0	0
compulsory insurance payments, %	0.07	0.09
entertainment expenses, %	0	0
other (please specify), %	1.1	1.23
Insurance premiums	3.16	3.79
Total: costs of production and sale of goods (works, services) (production costs), %	100	100
For reference only: Revenue from sale of goods (works, services), % to cost of production	136.8	129.4

Essential new types of products (works, services) offered by the issuer in its core market, to the extent that corresponds to publicly available information about such products (works, services). Specify the development status of such types of products (works, services).

There are no essential new types of products (works, services).

Standards (rules) used for accounting (financial) statements and calculations shown in this subparagraph: *The accounting (financial) statements of the Company have been prepared in accordance with the applicable accounting standards of the Russian Federation as per Federal Law of the Russian Federation No. 402-FZ "On Accounting" dated 06.12.2011, "Regulations on Accounting and Reporting in the Russian Federation" approved by Order No. 34n of the Ministry of Finance of the Russian Federation dated 29.07.98, "Accounting Regulations "Reporting of an Enterprise" PBU 4/99 approved by Order No. 43n of the Ministry of Finance of the Russian Federation dated 06.07.99 and Order No. 66n of the Ministry of Finance of the Russian Federation "Reporting Standards of Enterprises" dated 02.07.2010 and approved regulations "Accounting Policy of OJSC "Surgutneftegas" for Accounting Purposes for 2015", "Accounting Policy of OJSC "Surgutneftegas" for Taxation Purposes for 2015", "Accounting Policy of OJSC "Surgutneftegas" for Accounting Purposes for 2016" and "Accounting Policy of OJSC "Surgutneftegas" for Taxation Purposes for 2016".*

3.2.3. The issuer's supplies, goods (raw materials) and suppliers

For 2015

Suppliers who provide at least 10 percent of all supplies of materials and goods (raw materials)

There are no suppliers who provide at least 10 percent of all supplies of materials and goods (raw materials).

Change in prices by more than 10 percent for basic materials and goods (raw materials) during the reporting period against the corresponding reporting period of the previous year

Prices in 2015 changed against 2014 for more than 10 percent for the following types of basic materials and goods (raw materials):

- spare parts for drilling and oilfield equipment;
- cables;
- lubricants and chemicals;
- block packaged devices and modular units;
- building materials;
- inert materials;
- vehicles, tractors and oilfield machinery;
- valves and formed parts.

The share of imported materials and goods in total supplies, expected availability of import sources in the future and possible alternative sources

Imported materials and goods accounted for 16% of total supplies to the Company.

The financial position of OJSC "Surgutneftegas" ensures further availability of these sources and their alternatives.

For 3 months of 2016

Suppliers who provide at least 10 percent of all supplies of materials and goods (raw materials)

Full corporate name: **Public Joint Stock Company "Trubnaya Metallurgicheskaya Kompaniya"**

Location: **105062, Russian Federation, Moscow, ul.Pokrovka, 40, bld. 2A**

INN: **7710373095**

OGRN: **1027739217758**

Share in total supplies, %: **10.61**

Change in prices by more than 10 percent for basic materials and goods (raw materials) during the reporting period against the corresponding reporting period of the previous year

Prices in 1Q2016 changed against 1Q2015 for more than 10 percent for the following types of basic materials and goods (raw materials):

- lubricants and chemicals;
- block packaged devices and modular units;
- building materials;
- vehicles, tractors and oilfield machinery.

The share of imported materials and goods in total supplies, expected availability of import sources in the future and possible alternative sources

Imported materials and goods accounted for 18% of total supplies to the Company.

The financial position of OJSC “Surgutneftegas” ensures further availability of these sources and their alternatives.

3.2.4. Marketing outlets for the issuer’s products (works, services)

Key markets where the issuer operates:

OIL	1Q2016
- on the territory of Russia	<i>the Northwestern Federal District the Southern Federal District the Volga Federal District the Urals Federal District the Far Eastern Federal District</i>
- export	<i>non-CIS countries CIS countries</i>
PETROLEUM PRODUCTS	1Q2016
- on the territory of Russia	<i>the Northwestern Federal District the Central Federal District the Urals Federal District</i>
- export	<i>European countries and the USA</i>

Factors that can adversely affect the issuer’s sales of goods (works, services) and steps that may be taken by the issuer to mitigate such impact: *Some of the factors that can adversely affect the Company’s sales include changes in world oil prices, tax legislation and natural monopoly prices. To minimize the impact of the above factors on sales, the Company monitors prices in foreign and domestic oil and petroleum products markets on a routine basis and redirects export flows choosing those with better prices.*

3.2.5. The issuer’s permits (licenses) or authorizations for certain types of works

The issuer does not have permits (licenses), information about which must be specified in the quarterly report.

3.2.6. Activity of certain categories of issuers

The issuer is not a stock investment fund, insurance or lending institution, mortgage agent.

3.2.7. Additional information on issuers whose primary activity is mineral resources extraction

a) Mineral resources

The list of mineral deposits which have a significant financial and business importance for the issuer, to which the issuer or its subsidiaries hold the right of use

1. Field: Zapadno-Surgutskoye

Rights to the field are held by: *the issuer*

Type of minerals: *oil*
Proved reserves: *ABC1 – 19,499 thous. tonnes; C2 – 3,047 thous. tonnes*
Production rate for the relevant reporting period (periods): *708.461 thous. tonnes*

2. Field: Zapadno-Surgutskoye

Rights to the field are held by: *the issuer*
Type of minerals: *associated gas*
Proved reserves: *ABC1 – 732 mn cub m; C2 – 154 mn cub m*
Production rate for the relevant reporting period (periods): *36.594437 mn cub m*

3. Field: Vostochno-Surgutskoye

Rights to the field are held by: *the issuer*
Type of minerals: *oil*
Proved reserves: *ABC1 – 70,560 thous. tonnes; C2 – 11,741 thous. tonnes*
Production rate for the relevant reporting period (periods): *882.724 thous. tonnes*

4. Field: Vostochno-Surgutskoye

Rights to the field are held by: *the issuer*
Type of minerals: *associated gas*
Proved reserves: *ABC1 – 4,224 mn cub m; C2 – 704 mn cub m*
Production rate for the relevant reporting period (periods): *51.44656 mn cub m*

5. Field: Yaunlorskoye

Rights to the field are held by: *the issuer*
Type of minerals: *oil*
Proved reserves: *ABC1 – 32,136 thous. tonnes; C2 – 1,093 thous. tonnes*
Production rate for the relevant reporting period (periods): *424.012 thous. tonnes*

6. Field: Yaunlorskoye

Rights to the field are held by: *the issuer*
Type of minerals: *associated gas*
Proved reserves: *ABC1 – 3,895 mn cub m; C2 – 236 mn cub m*
Production rate for the relevant reporting period (periods): *41.246434 mn cub m*

7. Field: Fedorovskoye

Rights to the field are held by: *the issuer*
Type of minerals: *oil*
Proved reserves: *ABC1 – 226,473 thous. tonnes; C2 – 36,518 thous. tonnes*
Production rate for the relevant reporting period (periods): *2,125.835 thous. tonnes*

8. Field: Fedorovskoye

Rights to the field are held by: *the issuer*
Type of minerals: *associated gas*
Proved reserves: *ABC1 – 136,397 mn cub m; C2 – 3,706 mn cub m*
Production rate for the relevant reporting period (periods): *921.117521 mn cub m*

9. Field: Lyantorskoye

Rights to the field are held by: *the issuer*
Type of minerals: *oil*
Proved reserves: *ABC1 – 35,905 thous. tonnes; C2 – 104 thous. tonnes*
Production rate for the relevant reporting period (periods): *1,045.010 thous. tonnes*

10. Field: Lyantorskoye

Rights to the field are held by: *the issuer*
Type of minerals: *associated gas*
Proved reserves: *ABC1 – 107,148 mn cub m; C2 – 4 mn cub m*
Production rate for the relevant reporting period (periods): *411.716208 mn cub m*

11. Field: Bystrinskoye

Rights to the field are held by: *the issuer*
Type of minerals: *oil*
Proved reserves: *ABC1 – 25,979 thous. tonnes; C2 – 1,465 thous. tonnes*
Production rate for the relevant reporting period (periods): *702.879 thous. tonnes*

12. Field: Bystrinskoye

Rights to the field are held by: *the issuer*

Type of minerals: *associated gas*

Proved reserves: *ABC1 – 24,535 mn cub m; C2 – 66 mn cub m*

Production rate for the relevant reporting period (periods): *167.233873 mn cub m*

13. Field: Vachimskoye

Rights to the field are held by: *the issuer*

Type of minerals: *oil*

Proved reserves: *ABC1 – 30,778 thous. tonnes; C2 – 1,836 thous. tonnes*

Production rate for the relevant reporting period (periods): *375.968 thous. tonnes*

14. Field: Vachimskoye

Rights to the field are held by: *the issuer*

Type of minerals: *associated gas*

Proved reserves: *ABC1 – 11,613 mn cub m; C2 – 2,031 mn cub m*

Production rate for the relevant reporting period (periods): *108.415118 mn cub m*

15. Field: Rogozhnikovskoye

Rights to the field are held by: *the issuer*

Type of minerals: *oil*

Proved reserves: *ABC1 – 82,672 thous. tonnes; C2 – 77,857 thous. tonnes*

Production rate for the relevant reporting period (periods): *738.957 thous. tonnes*

16. Field: Rogozhnikovskoye

Rights to the field are held by: *the issuer*

Type of minerals: *associated gas*

Proved reserves: *ABC1 – 5,519 mn cub m; C2 – 5,323 mn cub m*

Production rate for the relevant reporting period (periods): *65.919389 mn cub m*

17. Field: Russkinskoye

Rights to the field are held by: *the issuer*

Type of minerals: *oil*

Proved reserves: *ABC1 – 53,333 thous. tonnes; C2 – 10,991 thous. tonnes*

Production rate for the relevant reporting period (periods): *751.611 thous. tonnes*

18. Field: Russkinskoye

Rights to the field are held by: *the issuer*

Type of minerals: *associated gas*

Proved reserves: *ABC1 – 2,312 mn cub m; C2 – 770 mn cub m*

Production rate for the relevant reporting period (periods): *42.413565 mn cub m*

19. Field: Konitlorskoye

Rights to the field are held by: *the issuer*

Type of minerals: *oil*

Proved reserves: *ABC1 – 51,007 thous. tonnes; C2 – 1,061 thous. tonnes*

Production rate for the relevant reporting period (periods): *383.634 thous. tonnes*

20. Field: Konitlorskoye

Rights to the field are held by: *the issuer*

Type of minerals: *associated gas*

Proved reserves: *ABC1 – 2,147 mn cub m; C2 – 63 mn cub m*

Production rate for the relevant reporting period (periods): *26.000942 mn cub m*

21. Field: Severo-Labatyuganskoye

Rights to the field are held by: *the issuer*

Type of minerals: *oil*

Proved reserves: *ABC1 – 58,264 thous. tonnes; C2 – 10,245 thous. tonnes*

Production rate for the relevant reporting period (periods): *1457.260 thous. tonnes*

22. Field: Severo-Labatyuganskoye

Rights to the field are held by: *the issuer*

Type of minerals: *associated gas*

Proved reserves: *ABC1 – 4,363 mn cub m; C2 – 772 mn cub m*
Production rate for the relevant reporting period (periods): *112.334713 mn cub m*

23. Field: Zhumazhanovskoye

Rights to the field are held by: *the issuer*

Type of minerals: *oil*

Proved reserves: *ABC1 – 13,926 thous. tonnes; C2 – 11,310 thous. tonnes*

Production rate for the relevant reporting period (periods): *376.308 thous. tonnes*

24. Field: Zhumazhanovskoye

Rights to the field are held by: *the issuer*

Type of minerals: *associated gas*

Proved reserves: *ABC1 – 994 mn cub m; C2 – 852 mn cub m*

Production rate for the relevant reporting period (periods): *23.164144 mn cub m*

25. Field: Central Block of the Talakanskoye oil and gas condensate field

Rights to the field are held by: *the issuer*

Type of minerals: *oil*

Proved reserves: *ABC1 – 99,789 thous. tonnes; C2 – 3,494 thous. tonnes*

Production rate for the relevant reporting period (periods): *1,307.813 thous. tonnes*

26. Field: Central Block of the Talakanskoye oil and gas condensate field

Rights to the field are held by: *the issuer*

Type of minerals: *associated gas*

Proved reserves: *ABC1 – 45,403 mn cub m; C2 – 8,035 mn cub m*

Production rate for the relevant reporting period (periods): *131.230085 mn cub m*

27. Field: Severo-Talakanskoye

Rights to the field are held by: *the issuer*

Type of minerals: *oil*

Proved reserves: *ABC1 – 27,907 thous. tonnes; C2 – 38,785 thous. tonnes*

Production rate for the relevant reporting period (periods): *491.070 thous. tonnes*

28. Field: Severo-Talakanskoye

Rights to the field are held by: *the issuer*

Type of minerals: *associated gas*

Proved reserves: *ABC1 – 5,591 mn cub m; C2 – 11,184 mn cub m*

Production rate for the relevant reporting period (periods): *35.946041 mn cub m*

Licenses for subsoil use obtained by the issuer or subsidiaries for the fields use which have a significant financial and economic importance

Legal person that obtained a license: *the issuer*

1. Number: KhMN 01525 NR

Date of issue: *18.04.2001*

Term of the license: *17.04.2051*

according to RF Law No. 2395-1 “On Subsurface” dated 21.02.92

Basis for license issuance: according to RF Law No. 2395-1 “On Subsurface” dated 21.02.92

Description of subsoil plot provided for use: *Khanty-Mansiysky Autonomous Okrug, Oktyabrsky and Khanty-Mansiysky Districts, area (sq. km) - 1,271.50*

Type of the license: *geological survey of subsoil, exploration and production of hydrocarbons, injection of formation and salt underground water to maintain formation pressure.*

The main license provisions concerning subsoil user obligations indicating the period of given obligations performance: *prospecting and exploratory drilling, seismic surveys and putting fields into development according to the terms and conditions of the license agreement*

Compulsory payments to be made under license terms and conditions: *all kinds of payments are made in compliance with the law currently in force in the Russian Federation.*

Fulfillment by the issuer, its subsidiaries and affiliates of license obligations and any factors that may adversely affect fulfillment of license obligations and the possibility of their occurrence: *as of 31.03.2016, all conditions are being met.*

Legal person that obtained a license: *the issuer*

2. Number: KhMN 11293 NE

Date of issue: **05.09.2002**

Term of the license: **31.12.2087**

according to RF Law No. 2395-1 "On Subsurface" dated 21.02.92

Basis for license issuance: according to RF Law No. 2395-1 "On Subsurface" dated 21.02.92

Description of subsoil plot provided for use: **Khanty-Mansiysky Autonomous Okrug, Surgutsky District, area (sq. km) - 1,474.95**

Type of the license: **oil and gas exploration and production**

The main license provisions concerning subsoil user obligations indicating the period of given obligations performance: **prospecting and exploratory drilling, seismic surveys and putting fields into development according to the terms and conditions of the license agreement**

Compulsory payments to be made under license terms and conditions: **all kinds of payments are made in compliance with the law currently in force in the Russian Federation.**

Fulfillment by the issuer, its subsidiaries and affiliates of license obligations and any factors that may adversely affect fulfillment of license obligations and the possibility of their occurrence: **as of 31.03.2016, all conditions are being met.**

Legal person that obtained a license: *the issuer*

3. Number: KhMN 13455 NE

Date of issue: **25.01.2006**

Term of the license: **01.02.2068**

according to RF Law No. 2395-1 "On Subsurface" dated 21.02.92

Basis for license issuance: according to RF Law No. 2395-1 "On Subsurface" dated 21.02.92

Description of subsoil plot provided for use: **Khanty-Mansiysky Autonomous Okrug – Yugra, Surgutsky District, area (sq. km) - 483.90**

Type of the license: **exploration and production of hydrocarbons as well as injection of surface, formation and salt underground water to maintain formation pressure**

The main license provisions concerning subsoil user obligations indicating the period of given obligations performance: **prospecting and exploratory drilling, seismic surveys and putting fields into development according to the terms and conditions of the license agreement**

Compulsory payments to be made under license terms and conditions: **all kinds of payments are made in compliance with the law currently in force in the Russian Federation.**

Fulfillment by the issuer, its subsidiaries and affiliates of license obligations and any factors that may adversely affect fulfillment of license obligations and the possibility of their occurrence: **as of 31.03.2016, all conditions are being met.**

Legal person that obtained a license: *the issuer*

4. Number: YaKU 12061 NE

Date of issue: **26.12.2003**

Term of the license: **31.12.2045**

according to RF Law No. 2395-1 "On Subsurface" dated 21.02.92

Basis for license issuance: according to RF Law No. 2395-1 "On Subsurface" dated 21.02.92

Description of subsoil plot provided for use: **Republic of Sakha (Yakutia), Lensky District, area (sq. km) - 410.57**

Type of the license: **exploration and production of hydrocarbons, injection of surface, formation and salt underground water and excessive associated gas to maintain formation pressure**

The main license provisions concerning subsoil user obligations indicating the period of given obligations performance: **prospecting and exploratory drilling, seismic surveys and putting fields into development according to the terms and conditions of the license agreement**

Compulsory payments to be made under license terms and conditions: **all kinds of payments are made in compliance with the law currently in force in the Russian Federation.**

Fulfillment by the issuer, its subsidiaries and affiliates of license obligations and any factors that may adversely affect fulfillment of license obligations and the possibility of their occurrence: **as of 31.03.2016, all conditions are being met.**

Legal person that obtained a license: *the issuer*

5. Number: KhMN 00431 NE

Date of issue: **05.03.1997**

Term of the license: **31.12.2039**

according to RF Law No. 2395-1 "On Subsurface" dated 21.02.92

Basis for license issuance: according to the Regulations for Subsurface Use Licensing Procedure

Description of subsoil plot provided for use: **Khanty-Mansiysky Autonomous Okrug, Surgutsky District, area (sq. km) - 544.03**

Type of the license: **oil and gas production**

The main license provisions concerning subsoil user obligations indicating the period of given obligations performance: **fields commissioning operations according to the terms and conditions of the license agreement**

Compulsory payments to be made under license terms and conditions: **all kinds of payments are made in compliance with the law currently in force in the Russian Federation.**

Fulfillment by the issuer, its subsidiaries and affiliates of license obligations and any factors that may adversely affect fulfillment of license obligations and the possibility of their occurrence: **as of 31.03.2016, all conditions are being met.**

Legal person that obtained a license: *the issuer*

6. Number: KhMN 00435 NE

Date of issue: **05.03.1997**

Term of the license: **31.12.2100**

according to RF Law No. 2395-1 "On Subsurface" dated 21.02.92

Basis for license issuance: according to the Regulations for Subsurface Use Licensing Procedure

Description of subsoil plot provided for use: **Khanty-Mansiysky Autonomous Okrug, Surgutsky District, area (sq. km) - 1,182.20**

Type of the license: **oil and gas production**

The main license provisions concerning subsoil user obligations indicating the period of given obligations performance: **prospecting and exploratory drilling, seismic surveys and putting fields into development according to the terms and conditions of the license agreement**

Compulsory payments to be made under license terms and conditions: **all kinds of payments are made in compliance with the law currently in force in the Russian Federation.**

Fulfillment by the issuer, its subsidiaries and affiliates of license obligations and any factors that may adversely affect fulfillment of license obligations and the possibility of their occurrence: **as of 31.03.2016, all conditions are being met.**

Legal person that obtained a license: *the issuer*

7. Number: KhMN 00438 NE

Date of issue: **05.03.1997**

Term of the license: **31.12.2089**

according to RF Law No. 2395-1 "On Subsurface" dated 21.02.92

Basis for license issuance: according to the Regulations for Subsurface Use Licensing Procedure

Description of subsoil plot provided for use: **Khanty-Mansiysky Autonomous Okrug, Surgutsky District, area (sq. km) - 457.578**

Type of the license: **exploration and production of mineral resources**

The main license provisions concerning subsoil user obligations indicating the period of given obligations performance: **prospecting and exploratory drilling, seismic surveys and putting fields into development according to the terms and conditions of the license agreement**

Compulsory payments to be made under license terms and conditions: **all kinds of payments are made in compliance with the law currently in force in the Russian Federation.**

Fulfillment by the issuer, its subsidiaries and affiliates of license obligations and any factors that may adversely affect fulfillment of license obligations and the possibility of their occurrence: **as of 31.03.2016, all conditions are being met.**

Legal person that obtained a license: *the issuer*

8. Number: KhMN 00408 NE

Date of issue: **18.12.1996**

Term of the license: **31.12.2129**

according to RF Law No. 2395-1 "On Subsurface" dated 21.02.92

Basis for license issuance: according to the Regulations for Subsurface Use Licensing Procedure

Description of subsoil plot provided for use: **Khanty-Mansiysky Autonomous Okrug, Surgutsky District, area (sq. km) - 1,952.07**

Type of the license: **exploration and production of mineral resources**

The main license provisions concerning subsoil user obligations indicating the period of given obligations performance: **prospecting and exploratory drilling, seismic surveys and putting fields into development according to the terms and conditions of the license agreement**

Compulsory payments to be made under license terms and conditions: **all kinds of payments are made in compliance with the law currently in force in the Russian Federation.**

Fulfillment by the issuer, its subsidiaries and affiliates of license obligations and any factors that may adversely affect fulfillment of license obligations and the possibility of their occurrence: **as of 31.03.2016, all conditions are being met.**

Legal person that obtained a license: **the issuer**

9. Number: KhMN 00406 NE

Date of issue: **18.12.1996**

Term of the license: **31.12.2162**

according to RF Law No. 2395-1 "On Subsurface" dated 21.02.92

Basis for license issuance: according to the Regulations for Subsurface Use Licensing Procedure

Description of subsoil plot provided for use: **Khanty-Mansiysky Autonomous Okrug, Surgutsky District, area (sq. km) - 1,815.72**

Type of the license: **exploration and production of mineral resources**

The main license provisions concerning subsoil user obligations indicating the period of given obligations performance: **prospecting and exploratory drilling, seismic surveys and putting fields into development according to the terms and conditions of the license agreement**

Compulsory payments to be made under license terms and conditions: **all kinds of payments are made in compliance with the law currently in force in the Russian Federation.**

Fulfillment by the issuer, its subsidiaries and affiliates of license obligations and any factors that may adversely affect fulfillment of license obligations and the possibility of their occurrence: **as of 31.03.2016, all conditions are being met.**

Legal person that obtained a license: **the issuer**

10. Number: KhMN 00409 NE

Date of issue: **18.12.1996**

Term of the license: **31.12.2069**

according to RF Law No. 2395-1 "On Subsurface" dated 21.02.92

Basis for license issuance: according to the Regulations for Subsurface Use Licensing Procedure

Description of subsoil plot provided for use: **Khanty-Mansiysky Autonomous Okrug, Surgutsky District, area (sq. km) - 528.793**

Type of the license: **exploration and production of mineral resources**

The main license provisions concerning subsoil user obligations indicating the period of given obligations performance: **prospecting and exploratory drilling, seismic surveys and putting fields into development according to the terms and conditions of the license agreement**

Compulsory payments to be made under license terms and conditions: **all kinds of payments are made in compliance with the law currently in force in the Russian Federation.**

Fulfillment by the issuer, its subsidiaries and affiliates of license obligations and any factors that may adversely affect fulfillment of license obligations and the possibility of their occurrence: **as of 31.03.2016, all conditions are being met.**

Legal person that obtained a license: **the issuer**

11. Number: KhMN 00407 NE

Date of issue: **18.12.1996**

Term of the license: **31.12.2129**

according to RF Law No. 2395-1 "On Subsurface" dated 21.02.92

Basis for license issuance: according to the Regulations for Subsurface Use Licensing Procedure

Description of subsoil plot provided for use: **Khanty-Mansiysky Autonomous Okrug, Surgutsky District, area (sq. km) - 658.76**

Type of the license: **exploration and production of mineral resources**

The main license provisions concerning subsoil user obligations indicating the period of given obligations performance: **prospecting and exploratory drilling, seismic surveys and putting fields into development according to the terms and conditions of the license agreement**

Compulsory payments to be made under license terms and conditions: **all kinds of payments are made in compliance with the law currently in force in the Russian Federation.**

Fulfillment by the issuer, its subsidiaries and affiliates of license obligations and any factors that may adversely affect fulfillment of license obligations and the possibility of their occurrence: **as of 31.03.2016, all conditions are being met.**

Legal person that obtained a license: **the issuer**

12. Number: KhMN 00417 NE

Date of issue: **14.01.1997**

Term of the license: **31.12.2048**

according to RF Law No. 2395-1 "On Subsurface" dated 21.02.92

Basis for license issuance: according to the Regulations for Subsurface Use Licensing Procedure

Description of subsoil plot provided for use: **Khanty-Mansiysky Autonomous Okrug, Surgutsky District, area (sq. km) - 959.79**

Type of the license: **oil and gas production as well as injection of surface, formation and salt underground water to maintain formation pressure**

The main license provisions concerning subsoil user obligations indicating the period of given obligations performance: **prospecting and exploratory drilling, seismic surveys and putting fields into development according to the terms and conditions of the license agreement**

Compulsory payments to be made under license terms and conditions: **all kinds of payments are made in compliance with the law currently in force in the Russian Federation.**

Fulfillment by the issuer, its subsidiaries and affiliates of license obligations and any factors that may adversely affect fulfillment of license obligations and the possibility of their occurrence: **as of 31.03.2016, all conditions are being met.**

Legal person that obtained a license: **the issuer**

13. Number: KhMN 00564 NE

Date of issue: **29.05.1997**

Term of the license: **31.12.2055**

according to RF Law No. 2395-1 "On Subsurface" dated 21.02.92

Basis for license issuance: according to the Regulations for Subsurface Use Licensing Procedure

Description of subsoil plot provided for use: **Khanty-Mansiysky Autonomous Okrug, Surgutsky District, area (sq. km) - 1,046.28**

Type of the license: **oil and gas production as well as injection of formation and salt underground water to maintain formation pressure**

The main license provisions concerning subsoil user obligations indicating the period of given obligations performance: **prospecting and exploratory drilling, seismic surveys and putting fields into development according to the terms and conditions of the license agreement**

Compulsory payments to be made under license terms and conditions: **all kinds of payments are made in compliance with the law currently in force in the Russian Federation.**

Fulfillment by the issuer, its subsidiaries and affiliates of license obligations and any factors that may adversely affect fulfillment of license obligations and the possibility of their occurrence: **as of 31.03.2016, all conditions are being met.**

Legal person that obtained a license: *the issuer*

14. Number: YaKU 14372 NE

Date of issue: **21.01.2008**

Term of the license: **01.02.2028**

according to RF Law No. 2395-1 "On Subsurface" dated 21.02.92

Basis for license issuance: according to RF Law No. 2395-1 "On Subsurface" dated 21.02.92

Description of subsoil plot provided for use: **Republic of Sakha (Yakutia), Lensky District, area (sq. km) - 1,188.46**

Type of the license: **exploration and production of hydrocarbons as well as injection of surface, formation and salt underground water to maintain formation pressure**

The main license provisions concerning subsoil user obligations indicating the period of given obligations performance: **prospecting and exploratory drilling, seismic surveys and putting fields into development according to the terms and conditions of the license agreement**

Compulsory payments to be made under license terms and conditions: **all kinds of payments are made in compliance with the law currently in force in the Russian Federation.**

Fulfillment by the issuer, its subsidiaries and affiliates of license obligations and any factors that may adversely affect fulfillment of license obligations and the possibility of their occurrence: **as of 31.03.2016, all conditions are being met.**

Legal person that obtained a license: *the issuer*

15. Number: KhMN 14906 NR

Date of issue: **27.04.2010**

Term of the license: **31.12.2095**

according to RF Law No. 2395-1 "On Subsurface" dated 21.02.92

Basis for license issuance: according to RF Law No. 2395-1 "On Subsurface" dated 21.02.92

Description of subsoil plot provided for use: **Khanty-Mansiysky Autonomous Okrug – Yugra, Surgutsky District, area (sq. km) - 167.45**

Type of the license: **geological survey, exploration and production of hydrocarbons.**

The main license provisions concerning subsoil user obligations indicating the period of given obligations performance: **prospecting and exploratory drilling, seismic surveys and putting fields into development according to the terms and conditions of the license agreement**

Compulsory payments to be made under license terms and conditions: **all kinds of payments are made in compliance with the law currently in force in the Russian Federation.**

Fulfillment by the issuer, its subsidiaries and affiliates of license obligations and any factors that may adversely affect fulfillment of license obligations and the possibility of their occurrence: **as of 31.03.2016, all conditions are being met.**

Legal person that obtained a license: *the issuer*

16. Number: KhMN 14757 NR

Date of issue: **02.10.2009**

Term of the license: **22.09.2034**

according to RF Law No. 2395-1 "On Subsurface" dated 21.02.92

Basis for license issuance: according to RF Law No. 2395-1 "On Subsurface" dated 21.02.92

Description of subsoil plot provided for use: **Khanty-Mansiysky Autonomous Okrug – Yugra, Surgutsky District, area (sq. km) - 156.50**

Type of the license: **geological survey, exploration and production of hydrocarbons.**

The main license provisions concerning subsoil user obligations indicating the period of given obligations performance: **prospecting and exploratory drilling, seismic surveys and putting fields into development according to the terms and conditions of the license agreement**

Compulsory payments to be made under license terms and conditions: **all kinds of payments are made in compliance with the law currently in force in the Russian Federation.**

Fulfillment by the issuer, its subsidiaries and affiliates of license obligations and any factors that may adversely affect fulfillment of license obligations and the possibility of their occurrence: **as of 31.03.2016, all conditions are being met.**

This section provides a list of fields with production level of 2.0% and more of the total volume of oil produced by the Company in 1Q2016.

In the lines “Proved reserves” the current recoverable oil and condensate reserves in respect of oil are shown under the Russian classification of hydrocarbon reserves and resources.

In the lines “Proved reserves” the current recoverable associated gas reserves in respect of associated gas are shown under the Russian classification of hydrocarbon reserves and resources.

Oil, associated petroleum gas and natural gas production on the Company fields which are in development for the 1Q2016 amounted to 15,275.157 thousand tonnes, 2,459.681587 million cubic meters and 22.699573 million cubic meters respectively.

License KhMN 00431 NE is issued in lieu of License KhMN 00051 NE dated 13.07.1993.

License KhMN 00435 NE is issued in lieu of License KhMN 00049 NE dated 13.07.1993.

License KhMN 00438 NE is issued in lieu of License KhMN 00057 NE dated 14.07.1993.

License KhMN 00408 NE is issued in lieu of License KhMN 00052 NE dated 14.07.1993.

License KhMN 00406 NE is issued in lieu of License KhMN 00062 NE dated 15.07.1993.

License KhMN 00409 NE is issued in lieu of License KhMN 00047 NE dated 13.07.1993.

License KhMN 00407 NE is issued in lieu of License KhMN 00104 NE dated 29.09.1993.

License KhMN 00417 NE is issued in lieu of License KhMN 00054 NE dated 14.07.1993.

License KhMN 00564 NE is issued in lieu of License KhMN 00106 NE dated 29.09.1993.

b) Mineral resources processing

Fixed assets used for processing: Oil and gas processing sector of OJSC “Surgutneftegas” is represented by one of the largest refineries in Russia – LLC “KINEF” with a processing capacity of 20.1 million tonnes of oil per year and gas processing complex with a capacity of 7.3 billion cubic meters.

OIL REFINING

The refinery, being one of the key units of the Company’s production complex, possesses state-of-the-art technological equipment for oil refining and produces more than 80 types of high quality products: all kinds of motor fuels, petrochemicals, waterproofing and roofing materials, bases for synthetic detergents (“LAB-LABS”). Convenient geographical location enables efficient delivery of finished products to foreign and domestic markets.

GAS PROCESSING

The gas processing plant is a worthy representative of the Company in the hydrocarbon market, meeting the challenges in the collection and utilization of associated gas and producing a wide range of high-quality products. The Company annually performs modernization and reconstruction of equipment and operational capacities.

The issuer, its subsidiaries or affiliates do not engage any contractors to process mineral resources they produce.

c) Products marketing

Permits granted by authorized government agencies for sale of mineral resources and their processed products and quotas, including export quotas: In accordance with RF Federal Law No. 147-FZ “On Natural Monopolies” dated 17.08.1995, a duly registered oil producer and an organization being a parent company of an oil producer are granted with the right of access to the system of Russian trunk pipelines and terminals to transport oil out of the customs territory of the Russian Federation, proportionally to the volumes of produced oil pumped into the system of trunk pipelines with a 100% trunk pipeline transmission capacity (subject to feasibility).

3.2.8. Additional requirements to be met by issuers whose primary activity is telecommunication services

provision

Telecommunication services provision is not the primary activity of the issuer.

3.3. Plans for the issuer's future activity

The long-term strategy of the Company is aimed at strengthening its position of a financially sustainable company with good production growth prospects in the domestic oil and gas sector. To achieve its goal, the Company is developing the following priority areas of business:

Oil and gas production:

- to strengthen and enlarge the Company's mineral resource base through geological exploration and acquisition of new promising areas;*
- to develop and apply innovative solutions, extend the introduction of advanced equipment and technology in order to enhance efficiency of oil and gas exploration and field development, including fields with tight oil reserves;*
- to maintain production targets;*
- to form and develop new centers of hydrocarbon production;*
- to take a comprehensive approach to gas sector development and maximize efficient use of associated petroleum gas;*
- to provide a high quality of work and control costs.*

Oil refining and gas processing:

- to enhance refining and processing efficiency through modernization and reconstruction of production facilities;*
- to increase oil conversion ratio, share of light petroleum products yield and to reduce the volume of production of low-margin products;*
- to improve the quality of products and ensure compliance with Russian and international quality standards;*
- to extend the range of products in accordance with the market needs.*

Marketing:

- to diversify product supplies by entering new markets and developing Russian transportation infrastructure;*
- to increase sales of high-margin products;*
- to increase consumer's loyalty by providing high quality products and services at gas stations;*
- to increase the efficiency of retail sales by extending the range of products and boosting sales of associated goods and services;*

Power generation:

- to develop energy complex which ensures generation, transmission and sale of electric and thermal energy and provides for rational use of associated petroleum gas;*
- to introduce energy saving and energy efficient solutions and technology within every area of the Company's operations.*

Social responsibility:

- to mitigate the environmental impact, ensure environmental safety of production facilities and use natural resources in a responsible and rational way;*
- to assure high industrial and occupational safety standards;*
- to contribute to balanced social and economic development of the areas where the Company operates and preserve the status of a reliable partner and supplier of high quality products;*
- to offer extra social benefits and guarantees for the employees, their families and retired employees.*

The Company's plans for 2016 embrace oil production at 61.4 million tonnes, including 8.6 million tonnes in Eastern Siberia, gas recovery and generation at nearly 9.4 billion cubic meters. To succeed in its objective, the Company brings new hydrocarbon reserves into development, carries out a significant amount of development drilling, conducts continuous optimization of well operations and takes a variety of measures to enhance oil recovery.

The Company's efforts in 2016 will focus on improving the efficiency of the existing fields, putting into development 4 new fields: Yuzhno-Nyuryskoye, Yuzhno-Lyaminskoye, Logachev and Yuzhno-Talakanskoye. It is planned that the extent of exploratory drilling will be about 192 thousand meters.

On the refining side, the Company will continue upgrading the existing production facilities and building new plants intended to enhance the range of products and improve product quality.

In the gas sector, the Company plans to refine 6.1 billion cubic meters of gas at its gas processing plant and utilize over 99% of associated petroleum gas.

On the marketing side, OJSC “Surgutneftegas” will focus on the development of its network of gas filling stations, strengthening their competitiveness through expanded additional services and optimized related products.

In the energy sector, the Company’s efforts will focus on further development of its energy facilities and carrying out of its energy conservation program. Power generated in-house by gas turbine and gas piston power plants will be above 5.5 billion kWh.

In 2016, the Company will continue to pursue its environmental governance program. As part of its social responsibility initiatives, the Company will devote its efforts to promote comfortable work and leisure environment for its employees, implement various social programs and contribute to the development of the areas of its operations.

3.4. The issuer’s share in banking groups, bank holding companies, holdings and associations

Group, holding, concern or association: *Association of organizations in the field of subsoil use “National Association for Subsoil Use Auditing” (AOON “NAEN”)*

The term of the issuer: *since 13.11.2014*

The issuer’s role (position) and functions in the organization: *Member of the Association*

3.5. Organizations under the issuer’s control which are material to the issuer

1. Full corporate name: *Limited Liability Company “Novgorodnefteproduct”*

Abbreviated corporate name: *LLC “Novgorodnefteproduct”*

Location: *Russia, Veliky Novgorod*

INN: *5321059365*

OGRN: *1025300788644*

Reason(s) whereby the issuer exercises control over the organization under control (equity position in the organization controlled by the issuer, trust deed, simple partnership agreement, agency contract, shareholder agreement, other agreement in force the subject of which is the exercise of rights certified by the shares (stakes) of an organization under the issuer’s control): *equity position in the organization controlled by the issuer.*

The characteristics of the issuer’s control exercised over the organization in respect to which the issuer is a controlling entity: *right to control over 50 percent of votes in the supreme management body of the organization under the issuer’s control.*

Type of control: *direct control*

The issuer’s share in the charter capital of the controlled organization: *100%*

The share of the controlled organization in the charter capital of the issuer: *0%*

The issuer’s ordinary shares held by the controlled organization: *0%*

Description of the company’s core business: *procurement, storage and marketing of petroleum products.*

The company’s Board of Directors (Supervisory Board)

No provision is made for the Board of Directors (Supervisory Board).

Individual executive body of the company

Name	The person’s share in the charter capital of the issuer, %:	The issuer’s ordinary shares held by the person, %:
Serebrennikov Viktor Georgievich	0	0

The company’s collegiate executive body

No provision is made for a collegiate executive body.

2. Full corporate name: *Limited Liability Company “Marketing Association “Pskovnefteproduct”*

Abbreviated corporate name: *LLC “Pskovnefteproduct”*

Location: *Russia, Pskov*

INN: *6027042337*

OGRN: *1026000970049*

Reason(s) whereby the issuer exercises control over the organization under control (equity position in the organization controlled by the issuer, trust deed, simple partnership agreement, agency contract, shareholder agreement, other agreement in force the subject of which is the exercise of rights certified by the shares (stakes) of an organization under the issuer’s control): *equity position in the organization controlled by the issuer.*

The characteristics of the issuer's control exercised over the organization in respect to which the issuer is a controlling entity: ***right to control over 50 percent of votes in the supreme management body of the organization under the issuer's control.***

Type of control: ***direct control***

The issuer's share in the charter capital of the controlled organization: ***100%***

The share of the controlled organization in the charter capital of the issuer: ***0%***

The issuer's ordinary shares held by the controlled organization: ***0%***

Description of the company's core business: ***procurement, storage and marketing of petroleum products.***

The company's Board of Directors (Supervisory Board)

No provision is made for the Board of Directors (Supervisory Board).

Individual executive body of the company

Name	The person's share in the charter capital of the issuer, %:	The issuer's ordinary shares held by the person, %:
Mareshin Yury Vladimirovich	<i>0</i>	<i>0</i>

The company's collegiate executive body

No provision is made for a collegiate executive body.

3. Full corporate name: ***Limited Liability Company "Marketing Association "Tvernefteproduct"***

Abbreviated corporate name: ***LLC "MA "Tvernefteproduct"***

Location: ***Russia, Tver, ul.Novotorzhskaya, 6***

INN: ***6905041501***

OGRN: ***1026900510647***

Reason(s) whereby the issuer exercises control over the organization under control (equity position in the organization controlled by the issuer, trust deed, simple partnership agreement, agency contract, shareholder agreement, other agreement in force the subject of which is the exercise of rights certified by the shares (stakes) of an organization under the issuer's control): ***equity position in the organization controlled by the issuer.***

The characteristics of the issuer's control exercised over the organization in respect to which the issuer is a controlling entity: ***right to control over 50 percent of votes in the supreme management body of the organization under the issuer's control.***

Type of control: ***direct control***

The issuer's share in the charter capital of the controlled organization: ***100%***

The share of the controlled organization in the charter capital of the issuer: ***0%***

The issuer's ordinary shares held by the controlled organization: ***0%***

Description of the company's core business: ***procurement, storage and marketing of petroleum products.***

The company's Board of Directors (Supervisory Board)

No provision is made for the Board of Directors (Supervisory Board).

Individual executive body of the company

Name	The person's share in the charter capital of the issuer, %:	The issuer's ordinary shares held by the person, %:
Klinovsky Alexander Eduardovich	<i>0.0025</i>	<i>0.0014</i>

The company's collegiate executive body

No provision is made for a collegiate executive body.

4. Full corporate name: ***Limited Liability Company "Kaliningradnefteproduct"***

Abbreviated corporate name: ***LLC "Kaliningradnefteproduct"***

Location: ***Russia, Kaliningrad, Central District, ul.Komsomolskaya, 22-b***

INN: ***3900000136***

OGRN: ***1023900589240***

Reason(s) whereby the issuer exercises control over the organization under control (equity position in the organization

controlled by the issuer, trust deed, simple partnership agreement, agency contract, shareholder agreement, other agreement in force the subject of which is the exercise of rights certified by the shares (stakes) of an organization under the issuer's control): **equity position in the organization controlled by the issuer.**

The characteristics of the issuer's control exercised over the organization in respect to which the issuer is a controlling entity: **right to control over 50 percent of votes in the supreme management body of the organization under the issuer's control.**

Type of control: **direct control**

The issuer's share in the charter capital of the controlled organization: **100%**

The share of the controlled organization in the charter capital of the issuer: **0%**

The issuer's ordinary shares held by the controlled organization: **0%**

Description of the company's core business: **procurement, storage and marketing of petroleum products.**

The company's Board of Directors (Supervisory Board)

No provision is made for the Board of Directors (Supervisory Board).

Individual executive body of the company

Name	The person's share in the charter capital of the issuer, %:	The issuer's ordinary shares held by the person, %:
Berdnikov Igor Vladimirovich	0	0

The company's collegiate executive body

No provision is made for a collegiate executive body.

5. Full corporate name: **Limited Liability Company "Oil Refining and Petrochemical Facilities Design Institute"**

Abbreviated corporate name: **LLC "Lengiproneftekhim"**

Location: **Russia, Saint Petersburg, nab. Obvodnogo kanala, 94**

INN: **7810327462**

OGRN: **1057803105755**

Reason(s) whereby the issuer exercises control over the organization under control (equity position in the organization controlled by the issuer, trust deed, simple partnership agreement, agency contract, shareholder agreement, other agreement in force the subject of which is the exercise of rights certified by the shares (stakes) of an organization under the issuer's control): **equity position in the organization controlled by the issuer.**

The characteristics of the issuer's control exercised over the organization in respect to which the issuer is a controlling entity: **right to control over 50 percent of votes in the supreme management body of the organization under the issuer's control.**

Type of control: **direct control**

The issuer's share in the charter capital of the controlled organization: **100%**

The share of the controlled organization in the charter capital of the issuer: **0%**

The issuer's ordinary shares held by the controlled organization: **0%**

Description of the company's core business: **design of buildings and constructions including process design of facilities and constructions for fuel, mining and processing industry.**

The company's Board of Directors (Supervisory Board)

No provision is made for the Board of Directors (Supervisory Board).

Individual executive body of the company

Name	The person's share in the charter capital of the issuer, %:	The issuer's ordinary shares held by the person, %:
Lebedskoy-Tambiyev Mikhail Andreevich	0	0

The company's collegiate executive body

No provision is made for a collegiate executive body.

6. Full corporate name: **Limited Liability Company "Kirishiavtoservis"**

Abbreviated corporate name: **LLC “Kirishiavtoservis”**

Location: **196084, Russia, Saint Petersburg, ul.Smolenskaya, 12, lit. A**

INN: **7840016802**

OGRN: **1057807804064**

Reason(s) whereby the issuer exercises control over the organization under control (equity position in the organization controlled by the issuer, trust deed, simple partnership agreement, agency contract, shareholder agreement, other agreement in force the subject of which is the exercise of rights certified by the shares (stakes) of an organization under the issuer’s control): **equity position in the organization controlled by the issuer.**

The characteristics of the issuer’s control exercised over the organization in respect to which the issuer is a controlling entity: **right to control over 50 percent of votes in the supreme management body of the organization under the issuer’s control.**

Type of control: **direct control**

The issuer’s share in the charter capital of the controlled organization: **100%**

The share of the controlled organization in the charter capital of the issuer: **0%**

The issuer’s ordinary shares held by the controlled organization: **0%**

Description of the company’s core business: **procurement, storage and marketing of petroleum products.**

The company’s Board of Directors (Supervisory Board)

No provision is made for the Board of Directors (Supervisory Board).

Individual executive body of the company

Name	The person’s share in the charter capital of the issuer, %:	The issuer’s ordinary shares held by the person, %:
Farbman Valery Evseevich	0	0

The company’s collegiate executive body

No provision is made for a collegiate executive body.

7. Full corporate name: **Limited Liability Company “Insurance Company “Surgutneftegas”**

Abbreviated corporate name: **LLC “Insurance Company “Surgutneftegas”**

Location: **Russia, Tyumenskaya Oblast, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut**

INN: **8602103061**

OGRN: **1028600581811**

Reason(s) whereby the issuer exercises control over the organization under control (equity position in the organization controlled by the issuer, trust deed, simple partnership agreement, agency contract, shareholder agreement, other agreement in force the subject of which is the exercise of rights certified by the shares (stakes) of an organization under the issuer’s control): **equity position in the organization controlled by the issuer.**

The characteristics of the issuer’s control exercised over the organization in respect to which the issuer is a controlling entity: **right to control over 50 percent of votes in the supreme management body of the organization under the issuer’s control.**

Type of control: **direct control**

The issuer’s share in the charter capital of the controlled organization: **100%**

The share of the controlled organization in the charter capital of the issuer: **0%**

The issuer’s ordinary shares held by the controlled organization: **0%**

Description of the company’s core business: **providing various types of insurance.**

The company’s Board of Directors (Supervisory Board)

No provision is made for the Board of Directors (Supervisory Board).

Individual executive body of the company

Name	The person’s share in the charter capital of the issuer, %:	The issuer’s ordinary shares held by the person, %:
Solovyeva Elvira Damirovna	0	0

The company’s collegiate executive body

No provision is made for a collegiate executive body.

8. Full corporate name: **Limited Liability Company “Production Association “Kirishinefteorgsintez”**

Abbreviated corporate name: **LLC “KINEF”**

Location: **Russia, Leningradskaya Oblast, Kirishi, shosse Entuziastov, 1**

INN: **4708007089**

OGRN: **1024701478735**

Reason(s) whereby the issuer exercises control over the organization under control (equity position in the organization controlled by the issuer, trust deed, simple partnership agreement, agency contract, shareholder agreement, other agreement in force the subject of which is the exercise of rights certified by the shares (stakes) of an organization under the issuer's control): **equity position in the organization controlled by the issuer.**

The characteristics of the issuer's control exercised over the organization in respect to which the issuer is a controlling entity: **right to control over 50 percent of votes in the supreme management body of the organization under the issuer's control.**

Type of control: **direct control**

The issuer's share in the charter capital of the controlled organization: **100%**

The share of the controlled organization in the charter capital of the issuer: **0%**

The issuer's ordinary shares held by the controlled organization: **0%**

Description of the company's core business: **oil refining, production and marketing of petroleum products: motor gasoline, diesel and boiler fuels, petroleum bitumen, aromatic hydrocarbons and other refined and petrochemical products.**

The company's Board of Directors (Supervisory Board)

No provision is made for the Board of Directors (Supervisory Board).

Individual executive body of the company

Name	The person's share in the charter capital of the issuer, %:	The issuer's ordinary shares held by the person, %:
Somov Vadim Evseevich	0.0086	0.0103

The company's collegiate executive body

No provision is made for a collegiate executive body.

9. Full corporate name: **Closed Joint Stock Company “Surgutneftegasbank”**

Abbreviated corporate name: **CJSC “SNGB”**

Location: **628400 Russia, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut, ul.Kukuyevitskogo, 19**

INN: **8602190258**

OGRN: **1028600001792**

Reason(s) whereby the issuer exercises control over the organization under control (equity position in the organization controlled by the issuer, trust deed, simple partnership agreement, agency contract, shareholder agreement, other agreement in force the subject of which is the exercise of rights certified by the shares (stakes) of an organization under the issuer's control): **equity position in the organization controlled by the issuer.**

The characteristics of the issuer's control exercised over the organization in respect to which the issuer is a controlling entity: **right to control over 50 percent of votes in the supreme management body of the organization under the issuer's control.**

Type of control: **direct control**

The issuer's share in the charter capital of the controlled organization: **97.7591%**

Fraction of the ordinary shares held by the issuer: **98.2389%**

The share of the controlled organization in the charter capital of the issuer: **0.0015%**

The issuer's ordinary shares held by the controlled organization: **0.0018%**

Description of the company's core business: **banking.**

The company's Board of Directors (Supervisory Board)

Name	The person's share in the charter capital of the issuer, %:	The issuer's ordinary shares held by the person, %:
Barankov Vladislav Georgievich (Chairperson)	0.0139	0.0153
Burtsev Gennady Alekseevich	0	0

Zhernovkov Alexander Georgievich	0.0007	0.0001
Pospelova Natalia Evgenyevna	0.0002	0.0002
Druchinin Andrei Vladislavovich	0.0006	0.0004
Sobakinskikh Valery Leonidovich	0	0
Tarasova Olga Ivanovna	0	0

Individual executive body of the company

Name	The person's share in the charter capital of the issuer, %:	The issuer's ordinary shares held by the person, %:
Korol Andrei Vitalyevich	0.0003	0.0003

The company's collegiate executive body

Name	The person's share in the charter capital of the issuer, %:	The issuer's ordinary shares held by the person, %:
Korol Andrei Vitalyevich (Chairperson)	0.0003	0.0003
Chaplin Dmitry Vladimirovich	0	0
Chernozhukov Evgeny Nikolaevich	0	0
Krotov Sergei Grigoryevich	0	0
Potapova Vera Vladimirovna	0	0

The Board is the collegial executive body of CJSC "SNGB".

3.6. Constitution, structure and cost of the issuer's fixed assets; information on plans to purchase, replace and dispose of fixed assets as well as on all facts of encumbrance of the issuer's fixed assets

As of 31.12.2015

Unit of measure: *thousand RUB*

Name of fixed assets group	Historical (replacement) cost	Accumulated depreciation
Land and objects of environmental management	13,746,955	
Buildings, structures and transfer mechanisms	2,294,487,656	1,731,168,467
Machinery, equipment and vehicles	523,008,871	410,997,306
Perennial growing stock	97,803	13,828
Other types of fixed assets	4,122,748	3,166,876
TOTAL	2,835,464,033	2,145,346,477

Depreciation methods for different groups of fixed assets: *Historical (replacement) cost of fixed assets is redeemed through depreciation under the straight-line method in conformity with depreciation rates calculated on the basis of useful life of such assets.*

Reporting date: **31.12.2015**

As of 31.03.2016

Unit of measure: *thousand RUB*

Name of fixed assets group	Historical (replacement) cost	Accumulated depreciation
Land and objects of environmental management	13,746,955	
Buildings, structures and transfer mechanisms	2,322,159,794	1,754,762,113

Machinery, equipment and vehicles	529,834,418	418,508,549
Perennial growing stock	97,707	14,430
Other types of fixed assets	4,155,373	3,218,336
TOTAL	2,869,994,247	2,176,503,428

Depreciation methods for different groups of fixed assets: *Historical (replacement) cost of fixed assets is redeemed through depreciation under the straight-line method in conformity with depreciation rates calculated on the basis of useful life of such assets.*

Reporting date: **31.03.2016**

The results of the last revaluation of fixed assets and long-term leased fixed assets for the last completed financial year, specifying the date of revaluation, full and residual (net of depreciation) of book value of fixed assets before revaluation and of full and residual (net of depreciation) replacement cost of fixed assets with regard to this revaluation. The information is provided for groups of fixed assets. Information on depreciation methods for different groups of fixed assets.

Unit of measure: *thousand RUB*

Name of fixed assets group	Full value prior to revaluation	Residual (net of depreciation) value prior to revaluation	Date of revaluation	Full replacement cost after revaluation	Residual (net of depreciation) replacement value after revaluation
Land and objects of environmental management	13,930,668	13,930,668	31.12.2015	13,746,955	13,746,955
Buildings and structures	2,260,244,332	553,618,886	31.12.2015	2,294,487,656	563,319,189
Machinery, equipment and vehicles	491,285,760	108,030,102	31.12.2015	523,008,871	112,011,565
Perennial growing stock	97,803	83,975	31.12.2015	97,803	83,975
Other types of fixed assets	4,061,816	952,760	31.12.2015	4,122,748	955,872
Total	2,769,620,379	676,616,391	31.12.2015	2,835,464,033	690,117,556

Specify the method of fixed assets revaluation (using the factors of the federal statistics body of executive authority or the market value of such fixed assets supported by documents or expert opinions. In case of an expert opinion, specify the assessment procedure): *revaluation of fixed assets was based on the replacement cost of the fixed assets.*

Specify any plans to purchase, replace and dispose of fixed assets, the value of which is 10 and more percent of the value of the issuer's fixed assets and other fixed assets at the issuer's discretion. Specify all facts of encumbrance of the issuer's fixed assets (stating the nature of encumbrance, the date when such encumbrance occurred, its duration and other conditions at the issuer's discretion): *as of the last day of the reporting quarter, there are no plans to purchase, replace, or dispose of fixed assets, the value of which is 10 and more percent of the value of the Company's fixed assets as well as facts of encumbrance of the issuer's fixed assets.*

Section IV. Financial and operating activities of the issuer

4.1. Results of the issuer's financial and operating activities

The dynamics of indicators characterizing the financial results of the issuer including its profit and loss calculated on the basis of accounting (financial) statements

Standard (rules) of accounting (financial) statements in accordance with which the accounting (financial) figures are calculated: *Russian accounting standards (RSBU)*

The unit of measure for the amount of uncovered loss: *thousand RUB*

Indicator	2014	2015
-----------	------	------

Net profit margin, %	103.371	76.81
Asset turnover ratio, times	0.286	0.264
Return on assets, %	29.556	20.282
Return on equity, %	31.584	21.447
Uncovered loss as of the reporting date	0	0
Uncovered loss as of the reporting date to book value of the assets, %	0	0
Indicator	2015, 3 months	2016, 3 months
Net profit margin, %	54.457	
Asset turnover ratio, times	0.083	0.057
Return on assets, %	4.51	
Return on equity, %	4.734	
Uncovered loss as of the reporting date	0	117,296,613
Uncovered loss as of the reporting date to book value of the assets, %	0	3.315

The above indicators are based on the recommended accounting practices.

Economic analysis of profit/loss of the issuer based on the dynamics of these indicators as well as reasons which (according to the management bodies) led to the loss/profit of the issuer as shown in the accounting (financial) statements

Decrease in indicators of return and profitability of the Company for 2015 as compared to the similar indicators for 2014 is caused by changes in exchange rates and quotations for crude oil and petroleum products in the global market. At the same time, these indicators remain high demonstrating a stable financial position and effective use of the Company's assets.

Loss from financial and business activities in 1Q2016 is caused by the reflection of the foreign exchange losses in the expenses according to change in exchange rates.

The opinions of the issuer's management bodies regarding the reasons or level of their influence on the financial and operating results of the issuer are different: **no**.

A member of the issuer's Board of Directors (Supervisory Board) or collegiate executive body has his/her dissenting opinion on the specified reasons and/or level of their influence on financial and operating results of the issuer, which is recorded in the minutes of the meeting (session) of the issuer's Board of Directors (Supervisory Board) or collegiate executive body considering relative issues, and presses for this opinion to be included in a quarterly report: **no**.

4.2. The issuer's liquidity position, capital and current assets adequacy

The dynamics of indicators of the issuer's liquidity position calculated based on accounting (financial) statements

Standard (rules) of accounting (financial) statements in accordance with which the accounting (financial) figures are calculated: **Russian accounting standards (RSBU)**

The unit of measure for net working capital: **thousand RUB**

Indicator	2014	2015
Net working capital	790,797,062	626,459,662
Current liquidity ratio	7.183	5.833
Quick liquidity ratio	6.514	5.172

Indicator	2015, 3 months	2016, 3 months
Net working capital	721,680,252	806,786,624
Current liquidity ratio	9.609	10.89

Quick liquidity ratio	8.804	9.843
-----------------------	-------	-------

At the issuer's discretion, the dynamics of indicators of the issuer's liquidity position based on the issuer's consolidated accounting (financial) statements incorporated in the quarterly report: **no**.

The above indicators are based on the recommended accounting practices: **yes**.

Economic analysis of the issuer's liquidity and solvency as well as adequacy of the issuer's equity to fulfill short-term liabilities and cover current operating costs based on the economic analysis of the above performance with a description of factors which (in the opinion of the issuer's management bodies) have the most considerable influence on the issuer's liquidity and solvency

Changes in the net working capital and current and quick liquidity ratios is determined by fluctuation in short-term investments and cash and cash equivalents in accordance with regulatory requirements to include the financial investments to current and non-current assets, and also, the volume of reserves.

Liquidity ratios are significantly higher than recommended levels, which proves that the Company enjoys a high level of financial solvency.

The opinions of the issuer's management bodies regarding the reasons or level of their influence on the financial and operating results of the issuer are different: **no**.

A member of the issuer's Board of Directors (Supervisory Board) or collegiate executive body has his/her dissenting opinion on the specified reasons and/or level of their influence on financial and operating results of the issuer, which is recorded in the minutes of the meeting (session) of the issuer's Board of Directors (Supervisory Board) or collegiate executive body considering relative issues, and presses for this opinion to be included in a quarterly report: **no**.

4.3. The issuer's financial investments

As of 31.12.2015

Financial investments of the issuer constituting 5 and more percent of its total financial investments as of the last day of the reporting period

Investments in equity securities: *There are no investments in equity securities constituting 5 and more percent of all financial investments.*

Investments in non-equity securities: *There are no investments in non-equity securities constituting 5 and more percent of all financial investments.*

The issuer has formed a reserve for devaluation of financial investments in equity securities.

The reserve for devaluation of financial investments in equity securities as of the first and last day of the completed financial year before the end date of the last reporting quarter:

- *the reserve for devaluation of financial investments as of 01.01.2015 and 31.12.2015 amounted to RUB 100,000;*
- *the Company's financial investments are shown at book value net of the amount of a reserve formed for financial investments devaluation.*

Other financial investments

Object of financial investments: **deposits**

Amount of the investments in money terms: **2,346,454,041**

Unit of measure: **thousand RUB**

Returns from the object of financial investments or the procedure of its determination, the payment period: **interest accrual on the sums of the deposits and payment periods are determined in accordance with the terms and conditions of the contracts.**

Additional information: **no**.

Amount of potential losses due to bankruptcy of organizations (enterprises) in which investments have been made, by each type of such investments: **no**.

Losses are included in the issuer's assessment of financial investments shown in the issuer's accounting statements for the period from the beginning of the reporting year till the last day of the last reporting quarter.

Reporting standards (rules) used by the issuer to make calculations shown in this section of the quarterly report: *in accordance with Order No. 126n dated 10.12.2002 of the RF Ministry of Finance "Accounting Regulations "Financial Investments Recognition" PBU 19/02"*.

As of 31.03.2016

Financial investments of the issuer constituting 5 and more percent of its total financial investments as of the last day of the reporting period

Investments in equity securities: *There are no investments in equity securities constituting 5 and more percent of all financial investments.*

Investments in non-equity securities: *There are no investments in non-equity securities constituting 5 and more percent of all financial investments.*

The issuer has formed a reserve for devaluation of financial investments in equity securities

The reserve for devaluation of financial investments in equity securities as of the first and last day of the completed financial year before the end date of the last reporting quarter:

- *the reserve for devaluation of financial investments as of 01.01.2015 and 31.12.2015 amounted to RUB 100,000;*
- *the Company's financial investments are shown at book value net of the amount of a reserve formed for their devaluation.*

Other financial investments

Object of financial investments: *loans granted*

Amount of the investments in money terms: *120,332,500*

Unit of measure: *thousand RUB*

Returns from the object of financial investments or the procedure of its determination, the payment period: *interest accrual on the sums of the loans granted and transfer dates are determined in accordance with the terms and conditions of the contracts.*

Additional information: *no.*

Object of financial investments: *deposits*

Amount of the investments in money terms: *2,164,961,354*

Unit of measure: *thousand RUB*

Returns from the object of financial investments or the procedure of its determination, the payment period: *interest accrual on the sums of the deposits and payment periods are determined in accordance with the terms and conditions of the contracts.*

Additional information: *no.*

Amount of potential losses due to bankruptcy of organizations (enterprises) in which investments have been made, by each type of such investments: *no.*

Losses are included in the issuer's assessment of financial investments shown in the issuer's accounting statements for the period from the beginning of the reporting year till the last day of the last reporting quarter.

Reporting standards (rules) used by the issuer to make calculations shown in this section of the quarterly report: *in accordance with Order No. 126n dated 10.12.2002 of the RF Ministry of Finance "Accounting Regulations "Financial Investments Recognition" PBU 19/02"*.

4.4. The issuer's intangible assets

As of 31.12.2015

Unit of measure: *thousand RUB*

Name of intangible assets group	Historical (replacement) cost	Accumulated depreciation
TOTAL	1,245,880	775,572

Accounting standards (rules) used by the issuer to disclose information about its intangible assets:

- *intangible assets are recorded at their actual (historical) cost determined as of the date when such assets were recorded;*
- *the Company records intangible assets in accordance with Order No. 153n dated 27.12.2007 of the RF Ministry of Finance "On Approval of Accounting Regulations "Intangible Assets Accounting" PBU 14/2007".*

Reporting date: 31.12.2015

As of 31.03.2016

Unit of measure: *thousand RUB*

Name of intangible assets group	Historical (replacement) cost	Accumulated depreciation
TOTAL	1,237,100	784,479

Accounting standards (rules) used by the issuer to disclose information about its intangible assets:

- *intangible assets are recorded at their actual (historical) cost determined as of the date when such assets were recorded;*
- *the Company records intangible assets in accordance with Order No. 153n dated 27.12.2007 of the RF Ministry of Finance "On Approval of Accounting Regulations "Intangible Assets Accounting" PBU 14/2007".*

Reporting date: 31.03.2016

4.5. Data on the issuer's policy and expenses for scientific and technical development, licenses and patents, new developments and research

Research and development (R&D) activity of the Company.

In 2015, "SurgutNIPIneft" and third-party contractors accomplished 160 projects with a total value of RUB 2,323 million.

The scope of work accomplished by "SurgutNIPIneft" was worth RUB 2,055 with 102 projects completed in-house.

The third parties accomplished works under 58 contracts, the total contract costs amounted to RUB 268 million.

In 1Q2016, "SurgutNIPIneft" carried out 87 research projects, RUB 544.225 million was spent.

Third-party contractors carried out 40 research projects in 1Q2016, RUB 45.315 million was spent.

The total cost of 127 projects was RUB 590.225 million.

Introduction and testing of new equipment and technology. Import substitution program.

1. Introduction of new operating procedures, production methods and equipment.

The section "Introduction of new operating procedures, production methods and equipment" of the innovative plan for 2015 includes 258 projects to introduce new equipment and technology.

Subject to adjustments and amendments to the plan, 260 of the planned projects were carried out in 2015. The project costs totaled RUB 9,703 million.

Forty-nine business units of the Company were engaged in introduction of new operating procedures, production methods and equipment.

The section "Introduction of new operating procedures, production methods and equipment" of the innovative plan for 2016 includes 229 projects to introduce new equipment and technology. As many as 127 projects were carried out in 1Q2016 to introduce new equipment.

Thirty-three business units of the Company were engaged in introducing new operating procedures, new production methods and equipment.

2. New equipment and technology testing.

The section "Pilot projects to test new equipment and technology" of the innovative plan for 2015 includes 141 projects. Subject to adjustments and amendments to the plan, tests in 2015 were carried out under a total of 146 projects. Tests of 87 models of new equipment were completed with positive results.

The section “Pilot projects to test new equipment and technology” of the innovative plan for 2016 includes 148 projects. Tests were carried out for 86 projects in 1Q2016. Tests of 3 models of new equipment were completed, 3 of them with positive results.

3. Import substitution program.

In order to replace imported equipment, spare parts and consumables with their domestic equivalents, 688 items were used in 2015 according to the plan, the savings amounted to RUB 1,079 million.

In order to replace imported equipment, spare parts and consumables with their domestic equivalents 1,060 items are to be manufactured in 2016, which translates into savings of RUB 1,570.9 million.

In 1Q2016, there were 425 items used from the plan, the economic benefit was over RUB 347 million.

The Company’s rationalization and invention activities and acquisition of patents.

In 2015, the Company drew up and submitted 11 intellectual property applications to the Federal Institute of Industrial Property (Rospatent), including: 1 application for an invention, 3 applications for utility models, 1 application for trademark state registration, 1 application for software official registration and 5 applications for official registration of databases.

The Company obtained 7 documents of title (4 for databases, 2 for software, 1 for a utility model).

Rospatent is currently reviewing 6 applications (1 for a trademark, 2 for invention, 2 for utility models, 1 for a database).

The documents of title to R&D results, software and industrial property received by the Company allowed the Company to increase the cost of the Company’s intangible assets by RUB 8.5 million in 2015.

In 1Q2016, the Company drew up and submitted 2 applications to the Federal Institute of Industrial Property (FIPS): 1 application for state registration of software and 1 application for state registration of an invention.

The Company obtained 3 documents of title, including: one database, two utility models.

Rospatent is currently reviewing 6 applications, including: 1 application for a trademark, 3 applications for inventions, 1 application for a utility model and 1 application for software.

The obtained documents of title increased the cost of the Company’s intangible assets by RUB 3 million in 1Q2016.

Information on intellectual industrial property (inventions, utility models, industrial prototypes, trademarks) of the Company as of **31.03.2016**

No.	Description of intellectual property	Document of exclusive rights (patent, certificate)	Priority (commencement of document of title)	Period of validity of document of title
1	2	3	4	5
1	Trademark of STsBPO EPU (service mark)	Certif. (TZ) No. 248903 dated 16.06.2003	02.11.1999	02.11.2019
2	Well stream stimulation method	Patent (I) No. 2209948 dated 10.08.2003	20.11.2000	20.11.2020
3	SPM and foreign objects protection device for cutoff valve (KOC) GUIBERSON during well operation	Patent (PM) No. 36998 dated 10.04.2004	28.08.2003	28.08.2016
4	Design of securing seating for derrick man evacuation device at cluster rig	Patent (PM) No. 36432 dated 10.03.2004	06.10.2003	06.10.2016
5	Method of determination of SPM mass concentration with scratch resistance over 5 units by Mohs scale in a well production	Patent (I) No. 2273020 dated 27.03.2006	10.12.2003	10.12.2023
6	BOP suspended manifold of modular-assembly rigs	Patent (PM) No. 43585 dated 27.01.2005	21.09.2004	21.09.2017
7	Tubing-casing annulus sealing tool	Patent (I) No. 2311525 dated 27.11.2007	10.01.2006	10.01.2026
8	Method of hydraulic fracturing	Patent (I) No. 2311528 dated 27.11.2007	10.01.2006	10.01.2026

9	Safety screen for fire monitor (options)	Patent (PM) No. 65767 dated 27.08.2007	18.01.2007	18.01.2017
10	Automatic winding drum shelter UNKRT-2M	Patent (PM) No. 67643 dated 27.10.2007	31.05.2007	31.05.2017
11	Bottom-hole formation zone protector	Patent (PM) No. 72719 dated 27.04.2008	14.12.2007	14.12.2017
12	Drilling bit design	Patent (PM) No. 73017 dated 10.05.2008	14.12.2007	14.12.2017
13	Wash tank dewaxer	Patent (PM) No. 79810 dated 20.01.2009	14.02.2008	14.02.2018
14	Blowout valve	Patent (PM) No. 80495 dated 10.02.2009	05.06.2008	05.06.2018
15	Loading control unit for natural gas liquids (NGL) and commercial propane/butane mixture (CPBM)	Patent (PM) No. 89985 dated 27.12.2009	18.05.2009	18.05.2019
16	Method to remove insulating lacquer coatings of lacquer-impregnated windings of electric motors, including submersible electric motors (SEM)	Patent (I) No. 2396670 dated 10.08.2010	04.05.2009	04.05.2029
17	Design of an adsorber vessel	Patent (PM) No. 102307 dated 27.02.2011	19.07.2010	19.07.2020
18	Restoration method of disturbed wetlands (swamplands)	Patent (I) No. 2459397 dated 27.08.2012	22.09.2010	22.09.2030
19	Production tree heater	Patent (PM) No. 113902 dated 27.02.2012	20.07.2011	20.07.2021
20	Sludge pump	Patent (PM) No. 124335 dated 20.01.2013	14.12.2011	14.12.2021
21	Method of determining kerogen parameters and its content in rocks	Patent (I) No. 2485495 dated 20.06.2013	20.07.2011	20.07.2031
22	Method for repairing a coiled tubing without removing the logging cable	Patent (I) No. 2513319 dated 18.02.2014	27.07.2012	27.07.2032
23	Stand for pneumatic tests of screwed pipe joints	Patent (PM) No. 136570 dated 20.12.2014	01.10.2012	01.10.2022
24	Design of the liner running into the well drilled under balance	Patent (PM) No. 137571 dated 20.03.2014	26.03.2013	26.03.2023
25	Open Joint Stock Company "Surgutneftegas"	Certificate of trademark No. 438918 dated 09.06.2011	06.05.2010	06.05.2020
26	Equipment for multizone well survey and operation	Patent (PM) No. 131074 dated 10.08.2013	10.01.2013	10.01.2023
27	Turning casing float valve	Patent (PM) No. 135706 dated 20.12.2013	23.07.2013	23.07.2023

28	Circular casing module	Patent (PM) No. 146266 dated 03.09.2014	19.05.2014	19.05.2024
29	Mobile pumping unit	Patent (PM) No. 159093 dated 29.12.2015	01.06.2015	01.06.2025
30	Tight connection design for running liner sections with multi-stage hydraulic fracturing equipment.	Patent (PM) No. 158893 dated 22.12.2015	30.09.2015	30.09.2025

4.6. Oil and gas industry trends analysis

The development of oil and gas industry in Russia depends greatly on the ongoing changes in the global oil and gas industry.

In 2015, the Russian oil and gas industry was influenced by significantly lower global oil price quotes and implemented changes in the tax legislation – “tax maneuver”.

In the reporting period, the volume of oil production in Russia increased by 1.4% compared with 2014 and totaled 534 million tonnes. 54% of the crude produced was refined. The volume of oil refining at the Russian refineries exceeded 282 million tonnes, the production of basic petroleum products decreased by 5.1%. The main products output structure showed the reduction of mazut (by 2.4%) and jet fuel, while the production of gasoline and diesel fuel increased by 1.4%.

In the reporting period, oil and gas companies reduced exploratory drilling to 817.7 thousand meters – 17.7% down on the year 2014. On the contrary, development drilling increased by 11.6% and amounted to 22,065.4 thousand meters.

The crude oil exports increased in 2015 compared to the previous year, with the bulk of deliveries coming through the seaside terminals as before.

The Company is one of the leading vertically integrated oil companies in Russia. At the end of 2015, it accounted for 12% of the industry production, over 6% of total Russian processing.

Oil production of the Company totaled 61.6 million tonnes in 2015, which is 0.3% higher than in 2014. A crucial role in sustaining the oil production belongs to East Siberian fields – in the reporting period, this region accounted for 13.7% of the Company’s total oil output. The Company annually develops new fields, strives to use natural resources efficiently. Gas utilization by the Company reached 99.38% in 2015, which is one of the highest rates in the industry.

The Company increased the scope of development drilling by 5% against 2014 and reached 4,306.7 thousand meters. The exploratory drilling meterage remained on the level of 2014 and amounted to 202.2 thousand meters. In the reporting period, the share of the Company in the development drilling in Russia was around 20%, in the exploration drilling – over 25%.

In January-December 2015, the volume of oil refining at the Company’s refinery LLC “KINEF” totaled 18.8 million tonnes, which is more than 30% of produced oil. The production of gasoline and diesel fuel is increased and the production of mazut is decreased in the structure of products.

In 1Q2016, the Russian oil and gas industry was influenced by further decline in oil prices in the world market and the effect of the “tax maneuver”.

Oil production in Russia remained on the same level as in the previous quarter and amounted to 135.4 million tonnes. Oil output increased by 3% against 1Q2015. The Russian refineries processed 68.4 million tonnes, or more than 50% of the crude produced. The oil refining, as compared against the previous quarter and 1Q2015, dropped by 2.2% and by 2.9% respectively.

In the reporting quarter, oil companies increased exploratory drilling to 212.8 thousand meters, which is 3.4% up on the previous quarter and 4.3% up on 1Q2015. In January-March 2016, development drilling amounted to 5,506.8 thousand meters, 13.9% up on the same period in 2015 and 7.2% down on the previous quarter.

In 1Q2016, the crude oil exports to non-CIS countries via AK “Transneft” pipeline system remained on the same level as in the previous quarter and amounted to 54.1 million tonnes. The bulk of deliveries comes through the seaside terminals, with an increase of 3.1% against the previous quarter. The volume of oil export increased by 1.8% compared to 1Q2015.

In 1Q2016, the Company produced 15.3 million tonnes of crude oil, which is 11.3% of the industry production. Development drilling increased by 2.5% against 1Q2015 and amounted to 1,003.5 thousand meters. Exploratory drilling totaled 57.5 thousand meters. The share of the Company in the development drilling in Russia is 18.2%, in the exploration drilling – 27%. Oil refining throughput at LLC “KINEF” amounted to 4.8 million tonnes, which is 6.7% of Russia’s refining volume.

4.7. Analysis of the factors influencing the issuer's activity

*The Company's financial results are affected by the following key factors:
hydrocarbon price trends on global and domestic markets;
tax burden ratio;
foreign exchanges/national currency rate;
inflation rate and natural monopoly tariffs;
operating figures.*

Hydrocarbon price trends on global and domestic markets

The Company's operation is mostly affected by oil and oil products prices on domestic and global markets.

In 1Q2016, global oil prices kept on decreasing:

- in 1Q2016, Brent price amounted to 33.9 USD/bbl, 22.4% down against the previous quarter and 37. % down against the same period of 2015;

- the weighted average Urals price went down by 23.4% from 4Q2015 to 32.1 USD/bbl, which means a 39.4% decrease against the same period of the previous year.

The prices in the domestic market of Russia depend on export alternatives and take into account seasonal demand for hydrocarbons, changes in excise duties on oil products and other factors. In 1Q2016, the weighted average oil price in the open Russian market dropped 23.1% against 4Q2015, by 27.9% against the same quarter in 2015, to 11 thousand RUB/tonne (West-Siberian petroleum province).

To fairly estimate the impact of the price factor on the Company's activities, it is essential to take into account the tax burden ratio, since any change of global oil quotations results in corresponding changes of export duties and the Mineral Extraction Tax.

Tax burden ratio

In 2016, "tax maneuver" policy continued in the oil and gas industry, accordingly, a new base tax rate has been in effect starting January 2016 with the coefficient for crude export duty rate calculation remaining at the same level as in 2015.

In the reporting period, the average duty rate for crude oil to be exported to non-CIS countries decreased by 40.4% against the previous quarter and amounted to 55 USD/tonne and decreased by 57.7% against 1Q2015 (2.3 times). At the same time, export duties reduced rate for East-Siberian crude remained on a zero level.

Since 1 January 2016, the MET rate increased to 857 RUB/tonne (in 2015, it was 766 RUB/tonne). In the reporting quarter, decrease of oil price quotes in the global market and depreciation of national currency against the US dollar continued as compared to the previous quarter, which led to decrease of the MET effective rate by 20% . Under the influence of several factors (significant growth of base tax rate, strengthening of the US dollar against the ruble, lowering global oil price quotes), MET effective rate decreased by 40.3% compared to the same period of last year.

Foreign exchanges/national currency rate

A significant part of the Company's revenue from export of crude oil and oil products is denominated in foreign currency. As a result, any fluctuations in the exchange rate of the Russian ruble to main currencies strongly influence the Company's financial results, mostly the revenue figures.

During 1Q2016, national currency weakening against the US dollar continued. As a result, the average USD rate for the quarter under review was 74.6283 RUB/USD, 13.2% higher than in the previous quarter. The USD/national currency rate increased by 20% against 1Q2015.

Inflation rate and natural monopoly tariffs

The Company's performance is adversely affected by inflation growth rates and higher natural monopoly tariffs because soaring prices drive up the Company's costs.

In the reporting quarter, the tariffs of OJSC "AK "Transneft" for pipeline transportation and service tariffs for orders and crude delivery supervision grew by 5.8% compared with the previous quarter and 1Q2015.

Inflation rate in 1Q2016 decreased slightly as compared to the previous quarter and amounted to 2.1%, the decrease was 5.1% as compared against the same period in 2015.

Operating figures

In the reporting quarter, the Company's crude production was 15.3 million tonnes, 1.8% lower compared to the previous quarter. The volume of oil production increased by 0.8% compared to 1Q2015.

In 1Q2016, gas production totaled about 2.5 billion cubic meters, 1.4% higher compared to the previous quarter. The volume of gas production increased by 2.9% compared to 1Q2015. The Company's gas processing plant processed 1.6 billion cubic meters of gas, same as in the previous quarter.

In 1Q2016, the amount of development drilling decreased by 6.6% against the previous quarter and totaled 1,003.5 thousand meters, and increased by 2.5% against 1Q2015. The exploratory drilling meterage amounted to 57.5 thousand meters, 28.2% more against the previous quarter. The Company generated 1,372.1 million kWh of

electric power at its gas turbine power stations, which is a 3.2% increase from the previous quarter. Compared to the same period of 2015, it means a 4.1% increase.

4.8. The issuer's competitors

The main Company's competitors in terms of production operation are Russian vertically integrated oil companies: LUKOIL, Rosneft, Gazprom нефт, Bashneft, and Tatneft.

Key competitive strengths of the Company include sound resource base and availability of advanced equipment and technologies for oil production which ensure development of difficult-to-recover reserves and enhanced oil recovery at the Company's fields.

Key competitive strengths of the refining segment include high quality of products and close proximity of the Company's refinery to the sea ports and own marketing outlets which ensure efficient oil products supply.

The Company's key competitive strength in the gas sector is the complete cycle for production, utilization and processing of associated petroleum gas.

Section V. Detailed data on members of the issuer's management bodies, the issuer's agencies supervising its financial and business activities, and summary on its staff (employees)

5.1. Structure and terms of reference for the issuer's management bodies

Full description of the structure of the issuer's management bodies and their terms of reference in accordance with the issuer's charter (constituent documents)

The general shareholders' meeting is the supreme management body of the Company.

The Board of Directors carries out the general management of the Company's activities and has the right to make decisions on any matters concerning the Company's activities except those, which the Company's Charter limits to the terms of reference for the general shareholders' meeting. The members of the Board of Directors in the number determined by a resolution of the Company's general shareholders' meeting are elected by the annual general shareholders' meeting in the order stipulated by the Company's Charter for a term lasting till the next annual general shareholders' meeting. The members of the Board of Directors can be re-elected an unlimited number of times.

Director General is the individual executive body of the Company and manages the Company's current activities in the order and within the terms of reference determined by the Company's Charter as well as in accordance with resolutions of the Board of Directors and the general shareholders' meeting. The Company's Board of Directors appoints Director General of the Company for a five-year period. At expiration of Director General's term of office, the Board of Directors can appoint this person for the same period an unlimited number of times.

Director General reports to the Board of Directors and the Company's general meeting of shareholders.

The powers of the Company's management bodies are determined by the Company's Charter.

The terms of reference for the Company's general shareholders' (members') meeting, as determined by its Charter (constituent documents).

The terms of reference for the general shareholders' meeting include the following issues (the resolutions on these issues are adopted if shareholders who own more than 50% of the Company's voting shares and take part in the general shareholders' meeting have voted for it, except as otherwise provided by the Company's Charter):

- 1) To amend the Company's Charter or to approve the Company's Charter in a new wording excluding cases stipulated by the Federal Law "On Joint Stock Companies" and the Company's Charter*
- 2) To decrease the charter capital through reduction of par value of shares, acquisition of a portion of shares by the Company to reduce their total amount or to redeem partly paid-in shares and through redemption of shares acquired or bought back by the Company*
- 3) To approve the Company's annual reports and annual accounting statements, including profit and loss accounts (profit and loss statements) of the Company and its profit and loss distribution*
- 4) To adopt a resolution to pay annual dividends, to approve the dividend size and the form of its payment on shares of each category (type). Such resolution is adopted on the Board of Directors' recommendation. The annual dividend size can not exceed the size recommended by the Board of Directors*
- 5) To elect members to the Company's Auditing Committee and to terminate their powers ahead of schedule, to approve the Company's Regulations on the Auditing Committee*
- 6) To adopt resolutions to restructure the Company*
- 7) To adopt resolutions to liquidate the Company, to appoint the liquidation commission and approve interim and final liquidation balance sheets*
- 8) To determine the number of members of the Company's Board of Directors, to elect members to the Board of Directors and terminate their powers ahead of schedule*

- 9) To determine the amount of declared shares, their par value, their category (type) and rights granted by these shares
- 10) To approve the Company's auditor
- 11) To determine the procedure of a general shareholders' meeting
- 12) To establish the counting commission
- 13) To determine the procedure following which the Company provides information (materials) subject to presentation to shareholders while preparing for a general shareholders' meeting, including choice of a press agency in case of publication
- 14) To carry out share split and share consolidation
- 15) To adopt a resolution on the Company's approval of interested party transactions in accordance with the Federal Law "On Joint Stock Companies"
- 16) To adopt a resolution on the Company's approval of major transactions in accordance with the Federal Law "On Joint Stock Companies", Article 79, Item 3
- 17) To increase the Company's charter capital through placement of additional ordinary shares through public subscription if the quantity of the ordinary shares to be additionally placed exceeds 25 percent of the ordinary shares previously placed
- 18) To increase the Company's charter capital through placement of additional shares through private subscription;
- 19) To place equity securities convertible into shares through private subscription. To place through public subscription convertible equity securities which can be converted into ordinary shares exceeding 25 percent of the ordinary shares previously placed
- 20) To increase the Company's charter capital through increase in par value of shares
- 21) To pass a resolution to participate in holding companies, financial and industrial groups, associations and other unions of business
- 22) To approve internal documents governing the activities of the Company's bodies
- 23) Other issues provided for by the law of the Russian Federation currently in force.

Issues within the terms of reference for the general shareholders' meeting cannot be delegated to the Board of Directors and Director General of the Company.

The terms of reference for the Company's Board of Directors (Supervisory Board), as determined by its Charter (constituent documents).

The terms of reference for the Board of Directors include the following issues:

- 1) To submit issues stipulated by the Company's Charter to a general shareholders' meeting for adopting a resolution
- 2) To recommend the size of dividends to be paid to shareholders and the procedure for dividend payment
- 3) To determine priority lines of the Company's activity
- 4) To convene annual and extraordinary general shareholders' meetings of the Company
- 5) To adopt the agenda for general shareholders' meetings
- 6) To determine the date for making up the list of persons having the right to participate in a general shareholders' meeting as well as the date, venue and time of a general shareholders' meeting, informing shareholders of holding a meeting, of the list of materials (information) to be presented to shareholders while preparing for a general shareholders' meeting, of the form and text of a ballot paper
- 7) To preliminarily approve annual reports, balance sheets, profit and loss accounts of the Company
- 8) To increase the Company's charter capital through placement by the Company of:
 - additional ordinary shares through public subscription within the quantity and the category (type) of declared shares if the quantity of the ordinary shares to be placed additionally amounts to 25% or less of the ordinary shares placed earlier by the Company
 - additional preference shares through public subscription
 - additional shares at the expense of the Company's property;
- 9) To approve reports on results of issues and purchases of the Company's shares by the Company
- 10) To amend the Company's Charter after an increase in its charter capital resulting from an increase in the par value of shares
- 11) To amend the Company's Charter after an increase in its charter capital resulting from the placement of additional shares
- 12) Placement by the Company of:
 - bonds and other equity securities convertible into shares if the mentioned bonds (other equity securities) are placed through public subscription and can be converted into the Company's ordinary shares amounting to 25% or less of the ordinary shares placed earlier;
 - bonds and other equity securities if they are not convertible into the Company's shares under the subscription terms
- 13) To determine the market value of the Company's property
- 14) To purchase and buy back shares, bonds and other securities placed by the Company in cases stipulated by the Company's Charter
- 15) To dispose of shares purchased and bought back by the Company and of shares which came to the disposal of the Company due to the fact that their buyers have not fulfilled their payment obligations
- 16) To elect the Chairperson of the Board of Directors and the Deputy Chairperson of the Board of Directors out of the

members of the Board of Directors

- 17) To appoint the Director General of the Company, to determine the size of bonuses and compensations paid to him*
- 18) To recommend the size of bonuses and compensations paid to the members of the Company's Auditing Committee and to determine the amount of auditor's service payment*
- 19) To determine ways of application of the Company's reserve, purpose-oriented and other funds*
- 20) To approve the Company's internal documents excluding those internal documents which, in conformity with the Federal Law "On Joint Stock Companies", are to be approved by a General shareholders' meeting, and other internal documents of the Company which, according to the Company's Charter, are to be approved by the Director General*
- 21) To establish branches and to open representative offices of the Company*
- 22) To amend the Company's Charter because of newly established branches and representative offices and their liquidation*
- 23) To adopt resolutions on the Company's approval of major transactions in accordance with the Federal Law "On Joint Stock Companies"*
- 24) To adopt resolutions on the Company's approval of interested party transactions in accordance with the Federal Law "On Joint Stock Companies"*
- 25) To approve the Company's registrar, to approve and to cancel an agreement with the Company's registrar*
- 26) Other issues, as provided by the law of the Russian Federation.*

The terms of reference for the individual and collegial executive bodies of the Company, as provided by its Charter (constituent documents).

The terms of reference for Director General of the Company include the following:

- 1) To implement resolutions of a general shareholders' meeting and the Company's Board of Directors*
- 2) To issue orders, instructions, decrees, directions and other acts concerning the Company's activities, which all the Company's employees are required to follow*
- 3) Within the rights granted to him/her, to take all necessary actions to exercise legal powers to possess, use and dispose of the Company's property, including conclusion of contracts on acquisition and alienation of the Company's property, loan, credit, and other agreements on behalf of the Company and in accordance with the law of the Russian Federation currently in force and the present Charter*
- 4) To act on behalf of the Company in relations with any Russian or foreign legal and natural persons, to sign contracts and agreements in the Russian Federation and abroad, to carry out other transactions on behalf of the Company including signing contracts on acquisition of property accounting for up to 25% of the book value of the Company's assets as per the Company's accounting statements as of the last reporting date, to employ the Company's reserve, purpose-oriented and other funds in compliance with the directions of the Company's Board of Directors, to give letters of attorney to carry out transactions, to open settlement accounts and other accounts with banks and other organizations and institutions*
- 5) To deal with issues concerning investments in the development of enterprises and organizations*
- 6) To approve and change the Company's structure, to establish and abolish the Company's structural units, to approve the provisions on the Company's structural units*
- 7) To approve the manning table, office expenses estimates, amount and type of compensation for the Company's employees as well as Internal Labor Regulations and job descriptions for all categories of the Company's employees*
- 8) To employ, appoint, dismiss, and discharge the Company's employees, heads of structural units, to determine their salaries and bonuses as well as incentives for and sanctions against them, to pass resolutions on their material responsibility, to sign employment agreements (contracts) with employees on behalf of the Company*
- 9) To take decisions on the social development of the Company and its subsidiaries*
- 10) On behalf of the Company, to pass resolutions to raise claims and take legal actions against legal and natural persons both in the Russian Federation and abroad, as determined by the legislation.*

The Director General of the Company also has the right to pass resolutions on management of any current activities of the Company and its subsidiaries, which do not pertain to the terms of reference for the general shareholders' meeting and the Company's Board of Directors. The Director General passes resolutions on issues within his/her terms of reference independently.

For a period of his/her absence and under any other circumstances, the Director General has the right to appoint any of the Company's officials as an acting Director General.

5.2. Members of the issuer's management bodies

5.2.1. The issuer's Board of Directors (Supervisory Board)

Name: *Erokhin Vladimir Petrovich*

(Chairman)

Year of birth: *1949*

Education: *higher professional*

All positions held by the person in the issuer and other organizations over the last 5 years and at present, including outside employment, in date order

Period		Organization	Position
from	to		
2011	present	Open Joint Stock Company "Surgutneftegas"	Chairman of the Board of Directors

The person's share in the charter capital of the issuer, %: **0.0104**

The issuer's ordinary shares held by the person, %: **0.0126**

Participation in the work of the committees of the Board of Directors: ***The member of the Board of Directors (Supervisory Board) does not participate in the work of the committees of the Board of Directors (Supervisory Board).***

Share of the person in the charter (share) capital (mutual fund) of the issuer's subsidiaries and affiliates: ***The person does not have such shares.***

Nature of any kinship with other persons who are members of the issuer's management bodies and/or agencies supervising the issuer's financial and business activities: ***No such kinship.***

Administrative actions taken against such person for any financial, tax/charge, securities market violations or criminal prosecution (criminal record) of the person for economic crimes or crimes against the state: ***There were no administrative or criminal actions brought against the person.***

Positions held by such person in management bodies of commercial organizations during the period when any bankruptcy proceedings and/or a bankruptcy procedure were initiated in relation to such organizations as provided for in the bankruptcy (insolvency) legislation of the Russian Federation: ***The person did not hold such positions.***

Name: ***Bogdanov Vladimir Leonidovich***

Year of birth: ***1951***

Education: ***higher professional, Doctor of Economics***

All positions held by the person in the issuer and other organizations over the last 5 years and at present, including outside employment, in date order

Period		Organization	Position
from	to		
2011	present	Open Joint Stock Company "Surgutneftegas"	Director General
2011	present	Open Joint Stock Company "Surgutneftegas"	Vice Chairperson of the Board of Directors
2011	May 2012	Closed Joint Stock Company "Surgutneftegasbank"	Chairman of the Board of Directors
2011	June 2012	Open Joint Stock Company "Oil Company "Rosneft"	Member of the Board of Directors
2011	January 2013	Limited Liability Company "National Petroleum Consortium"	Member of the Board of Directors

The person's share in the charter capital of the issuer, %: **0.3028**

The issuer's ordinary shares held by the person, %: **0.3673**

Participation in the work of the committees of the Board of Directors: ***The member of the Board of Directors (Supervisory Board) does not participate in the work of the committees of the Board of Directors (Supervisory Board).***

Share of the person in the charter (share) capital (mutual fund) of the issuer's subsidiaries and affiliates: ***The person does not have such shares.***

Nature of any kinship with other persons who are members of the issuer's management bodies and/or agencies supervising the issuer's financial and business activities: ***No such kinship.***

Administrative actions taken against such person for any financial, tax/charge, securities market violations or criminal prosecution (criminal record) of the person for economic crimes or crimes against the state: ***There were no administrative or criminal actions brought against the person.***

Positions held by such person in management bodies of commercial organizations during the period when any bankruptcy proceedings and/or a bankruptcy procedure were initiated in relation to such organizations as provided for in the bankruptcy (insolvency) legislation of the Russian Federation: ***The person did not hold such positions.***

Name: **Bulanov Alexander Nikolaevich**

Year of birth: **1959**

Education: **higher professional**

All positions held by the person in the issuer and other organizations over the last 5 years and at present, including outside employment, in date order

Period		Organization	Position
from	to		
2011	present	Open Joint Stock Company "Surgutneftegas"	Chief Engineer – First Deputy Director General
2011	present	Open Joint Stock Company "Surgutneftegas"	Member of the Board of Directors

The person's share in the charter capital of the issuer, %: **0.0005**

The issuer's ordinary shares held by the person, %: **0.0002**

Participation in the work of the committees of the Board of Directors: **The member of the Board of Directors (Supervisory Board) does not participate in the work of the committees of the Board of Directors (Supervisory Board).**

Share of the person in the charter (share) capital (mutual fund) of the issuer's subsidiaries and affiliates: **The person does not have such shares.**

Nature of any kinship with other persons who are members of the issuer's management bodies and/or agencies supervising the issuer's financial and business activities: **No such kinship.**

Administrative actions taken against such person for any financial, tax/charge, securities market violations or criminal prosecution (criminal record) of the person for economic crimes or crimes against the state: **There were no administrative or criminal actions brought against the person.**

Positions held by such person in management bodies of commercial organizations during the period when any bankruptcy proceedings and/or a bankruptcy procedure were initiated in relation to such organizations as provided for in the bankruptcy (insolvency) legislation of the Russian Federation: **The person did not hold such positions.**

Name: **Dinichenko Ivan Kalistratovich**

Year of birth: **1946**

Education: **higher professional**

All positions held by the person in the issuer and other organizations over the last 5 years and at present, including outside employment, in date order

Period		Organization	Position
from	to		
June 2014	present	Open Joint Stock Company "Surgutneftegas"	Member of the Board of Directors

The person's share in the charter capital of the issuer, %: **0.0003**

The issuer's ordinary shares held by the person, %: **0**

Participation in the work of the committees of the Board of Directors:

Committee	Chairman
Audit Committee of the Board of Directors	No

Share of the person in the charter (share) capital (mutual fund) of the issuer's subsidiaries and affiliates: **The person does not have such shares.**

Nature of any kinship with other persons who are members of the issuer's management bodies and/or agencies supervising the issuer's financial and business activities: **No such kinship.**

Administrative actions taken against such person for any financial, tax/charge, securities market violations or criminal prosecution (criminal record) of the person for economic crimes or crimes against the state: **There were no administrative or criminal actions brought against the person.**

Positions held by such person in management bodies of commercial organizations during the period when any bankruptcy proceedings and/or a bankruptcy procedure were initiated in relation to such organizations as provided for in the bankruptcy (insolvency) legislation of the Russian Federation: **The person did not hold such positions.**

Name: **Krivosheev Viktor Mikhailovich**

Year of birth: **1953**

Education: **higher professional**

All positions held by the person in the issuer and other organizations over the last 5 years and at present, including outside employment, in date order

Period		Organization	Position
from	to		
June 2014	present	Open Joint Stock Company "Surgutneftegas"	Member of the Board of Directors

The person's share in the charter capital of the issuer, %: **0.0064**

The issuer's ordinary shares held by the person, %: **0.0072**

Participation in the work of the committees of the Board of Directors: **The member of the Board of Directors (Supervisory Board) does not participate in the work of the committees of the Board of Directors (Supervisory Board).**

Share of the person in the charter (share) capital (mutual fund) of the issuer's subsidiaries and affiliates: **The person does not have such shares.**

Nature of any kinship with other persons who are members of the issuer's management bodies and/or agencies supervising the issuer's financial and business activities: **No such kinship.**

Administrative actions taken against such person for any financial, tax/charge, securities market violations or criminal prosecution (criminal record) of the person for economic crimes or crimes against the state: **There were no administrative or criminal actions brought against the person.**

Positions held by such person in management bodies of commercial organizations during the period when any bankruptcy proceedings and/or a bankruptcy procedure were initiated in relation to such organizations as provided for in the bankruptcy (insolvency) legislation of the Russian Federation: **The person did not hold such positions.**

Name: **Matveev Nikolai Ivanovich**

Year of birth: **1942**

Education: **higher professional**

All positions held by the person in the issuer and other organizations over the last 5 years and at present, including outside employment, in date order

Period		Organization	Position
from	to		
2011	present	Open Joint Stock Company "Surgutneftegas"	Member of the Board of Directors

No share in the charter capital of the issuer/ordinary shares.

Participation in the work of the committees of the Board of Directors:

Committee	Chairman
Audit Committee of the Board of Directors	No

Share of the person in the charter (share) capital (mutual fund) of the issuer's subsidiaries and affiliates: **The person does not have such shares.**

Nature of any kinship with other persons who are members of the issuer's management bodies and/or agencies supervising the issuer's financial and business activities: **No such kinship.**

Administrative actions taken against such person for any financial, tax/charge, securities market violations or criminal prosecution (criminal record) of the person for economic crimes or crimes against the state: **There were no administrative or criminal actions brought against the person.**

Positions held by such person in management bodies of commercial organizations during the period when any bankruptcy proceedings and/or a bankruptcy procedure were initiated in relation to such organizations as provided for in the bankruptcy (insolvency) legislation of the Russian Federation: **The person did not hold such positions.**

Name: **Raritsky Vladimir Ivanovich**

Year of birth: **1940**

Education: **higher professional**

All positions held by the person in the issuer and other organizations over the last 5 years and at present, including outside employment, in date order

Period		Organization	Position
from	to		
June 2014	present	Open Joint Stock Company "Surgutneftegas"	Member of the Board of Directors

The person's share in the charter capital of the issuer, %: **0.0079**

The issuer's ordinary shares held by the person, %: **0.0089**

Participation in the work of the committees of the Board of Directors: ***The member of the Board of Directors (Supervisory Board) does not participate in the work of the committees of the Board of Directors (Supervisory Board).***

Share of the person in the charter (share) capital (mutual fund) of the issuer's subsidiaries and affiliates: ***The person does not have such shares.***

Nature of any kinship with other persons who are members of the issuer's management bodies and/or agencies supervising the issuer's financial and business activities: ***No such kinship.***

Administrative actions taken against such person for any financial, tax/charge, securities market violations or criminal prosecution (criminal record) of the person for economic crimes or crimes against the state: ***There were no administrative or criminal actions brought against the person.***

Positions held by such person in management bodies of commercial organizations during the period when any bankruptcy proceedings and/or a bankruptcy procedure were initiated in relation to such organizations as provided for in the bankruptcy (insolvency) legislation of the Russian Federation: ***The person did not hold such positions.***

Name: **Usmanov Ildus Shagalievich**

Year of birth: **1954**

Education: **higher professional**

All positions held by the person in the issuer and other organizations over the last 5 years and at present, including outside employment, in date order

Period		Organization	Position
from	to		
June 2014	present	Open Joint Stock Company "Surgutneftegas"	Member of the Board of Directors

The person's share in the charter capital of the issuer, %: **0.0018**

The issuer's ordinary shares held by the person, %: **0.0022**

Participation in the work of the committees of the Board of Directors: ***The member of the Board of Directors (Supervisory Board) does not participate in the work of the committees of the Board of Directors (Supervisory Board).***

Share of the person in the charter (share) capital (mutual fund) of the issuer's subsidiaries and affiliates: ***The person does not have such shares.***

Nature of any kinship with other persons who are members of the issuer's management bodies and/or agencies supervising the issuer's financial and business activities: ***No such kinship.***

Administrative actions taken against such person for any financial, tax/charge, securities market violations or criminal prosecution (criminal record) of the person for economic crimes or crimes against the state: ***There were no administrative or criminal actions brought against the person.***

Positions held by such person in management bodies of commercial organizations during the period when any bankruptcy proceedings and/or a bankruptcy procedure were initiated in relation to such organizations as provided for in the bankruptcy (insolvency) legislation of the Russian Federation: ***The person did not hold such positions.***

Name: **Shashkov Vladimir Aleksandrovich**

Year of birth: **1946**

Education: **higher professional**

All positions held by the person in the issuer and other organizations over the last 5 years and at present, including

outside employment, in date order

Period		Organization	Position
from	to		
June 2012	present	Open Joint Stock Company "Surgutneftegas"	Member of the Board of Directors

The person's share in the charter capital of the issuer, %: **0.0094**

The issuer's ordinary shares held by the person, %: **0.0115**

Participation in the work of the committees of the Board of Directors:

Committee	Chairman
Audit Committee of the Board of Directors	Yes

Share of the person in the charter (share) capital (mutual fund) of the issuer's subsidiaries and affiliates: **The person does not have such shares.**

Nature of any kinship with other persons who are members of the issuer's management bodies and/or agencies supervising the issuer's financial and business activities: **No such kinship.**

Administrative actions taken against such person for any financial, tax/charge, securities market violations or criminal prosecution (criminal record) of the person for economic crimes or crimes against the state: **There were no administrative or criminal actions brought against the person.**

Positions held by such person in management bodies of commercial organizations during the period when any bankruptcy proceedings and/or a bankruptcy procedure were initiated in relation to such organizations as provided for in the bankruptcy (insolvency) legislation of the Russian Federation: **The person did not hold such positions.**

5.2.2. Individual executive body of the issuer

Name: **Bogdanov Vladimir Leonidovich**

Year of birth: **1951**

Education: **higher professional, Doctor of Economics**

All positions held by the person in the issuer and other organizations over the last 5 years and at present, including outside employment, in date order

Period		Organization	Position
from	to		
2011	present	Open Joint Stock Company "Surgutneftegas"	Director General
2011	present	Open Joint Stock Company "Surgutneftegas"	Vice Chairperson of the Board of Directors
2011	May 2012	Closed Joint Stock Company "Surgutneftegasbank"	Chairman of the Board of Directors
2011	June 2012	Open Joint Stock Company "Oil Company "Rosneft"	Member of the Board of Directors
2011	January 2013	Limited Liability Company "National Petroleum Consortium"	Member of the Board of Directors

The person's share in the charter capital of the issuer, %: **0.3028**

The issuer's ordinary shares held by the person, %: **0.3673**

Participation in the work of the committees of the Board of Directors: **The member of the Board of Directors (Supervisory Board) does not participate in the work of the committees of the Board of Directors (Supervisory Board).**

Share of the person in the charter (share) capital (mutual fund) of the issuer's subsidiaries and affiliates: **The person does not have such shares.**

Nature of any kinship with other persons who are members of the issuer's management bodies and/or agencies supervising the issuer's financial and business activities: **No such kinship.**

Administrative actions taken against such person for any financial, tax/charge, securities market violations or criminal prosecution (criminal record) of the person for economic crimes or crimes against the state: **There were no administrative or criminal actions brought against the person.**

Positions held by such person in management bodies of commercial organizations during the period when any bankruptcy proceedings and/or a bankruptcy procedure were initiated in relation to such organizations as provided for in the bankruptcy (insolvency) legislation of the Russian Federation: *The person did not hold such positions.*

5.2.3. The issuer's collegiate executive body

No provision is made for a collegiate executive body.

5.3. Remuneration and/or compensation for expenses for each management body of the issuer

Remuneration for each management body (except for the individual who performs the functions of the individual executive body of the issuer). Specify all types of remuneration, including salary, bonuses, commissions, benefits and/or compensations for expenses and other material representations:

Remuneration

Board of Directors

Unit of measure: *thousand RUB*

Indicator	2015	2016, 3 months
Remuneration for the participation in the work performed by the management body	21,102	4,124.6
Salary		
Bonus		
Commission		
Other types of remuneration	216	39.4
TOTAL	21,318	4,164

Existing agreements in relation to such payments in the current financial year: *remunerations are paid to the members of the Company's Board of Directors in accordance with the Company's Charter.*

Compensation

Unit of measure: *thousand RUB*

Management body	2015	2016, 3 months
Board of Directors	793.6	839.9

Additional information: *no.*

5.4. Structure and terms of reference for the agencies supervising the issuer's financial and business activities and organization of risk management system and internal control

Give the full description of the structure of the agencies supervising the issuer's financial and business activities and their terms of reference in accordance with the issuer's charter (constituent documents) and internal documents:

The Company's Auditing Committee is established to supervise the Company's financial and business activities. The Company's Auditing Committee consists of three members elected by a general shareholders' meeting out of shareholders or their proxies. Shares owned by members of the Board of Directors and the Company's Director

General cannot vote to elect members of the Auditing Committee. The Auditing Committee passes resolutions either at its meetings or through polls by a majority of its members' votes, in the order established in the Regulations on the Auditing Committee. A member of the Auditing Committee cannot be a member of the Board of Directors; neither can she/he hold a post of the Company's Director General.

Once a financial year is over, the Auditing Committee conducts an annual audit (inspection) of the Company's activities. An unscheduled audit (inspection) is conducted by the Committee at any time on its own initiative, in compliance with the resolution adopted by a general shareholders' meeting, at a shareholder's (shareholders') request in writing, provided the shareholder (shareholders) own(s) an aggregate of at least 10% of the Company's voting shares, or in accordance with the resolution passed by the Board of Directors. As requested by the Auditing Committee, the Company's officers must timely provide the Auditing Committee with all necessary information and documents on the Company's financial and business activities. Based on its findings, the Auditing Committee prepares a report.

The Auditing Committee is entitled to require an extraordinary general shareholders' meeting to be convened, following the procedure stipulated by the Company's Charter.

To have annual financial statements audited and confirmed, the Company annually hires a professional auditor who does not share any property interests with the Company or with its shareholders.

The Company's auditor is approved by a general shareholders' meeting. The auditor's service payment is determined by the Company's Board of Directors.

An audit of the Company's activities must be conducted at any time at a shareholder's (shareholders') request in writing, provided the shareholder (shareholders) own(s) an aggregate of at least 10% of the Company's placed shares.

The Company established the Audit Committee of the Board of Directors.

Key functions of the Audit Committee:

The Audit Committee of the Company's Board of Directors (hereinafter, the Committee) was formed under the Company's Board of Directors.

The Committee shall be elected from among the members of the Company's Board of Directors and shall consist of at least 3 (three) members, with at least one Committee member being an independent director. The Chairperson of the Audit Committee shall be an independent director.

Committee members shall be elected at a meeting of the Board of Directors for a period until new members of the Board of Directors are elected by the annual general shareholders' meeting of the Company. A resolution to elect the members to the Committee shall be passed by simple majority of the total number of Board members.

The key objective of the Committee shall be efficient supervision of the Company's financial and business activities by the Board of Directors.

The main functions of the Committee are as follows:

- evaluation of internal control procedures and improvement proposals;*
- evaluation of candidates when selecting the Company's audit organization (hereinafter, the Company's auditor);*
- evaluation of the audit opinion on the Company's financial and business activities for the year.*

When performing its duties, the Committee may communicate with the Company's auditor, Auditing Committee, Internal Audit Service, other divisions and the Company's management.

The Committee shall present an annual performance report to the Board of Directors by a Board meeting.

An annual report prepared by the Committee shall include the following:

- evaluation of the Company's auditor candidates by the Committee;*
- evaluation of the audit opinion on the Company's financial and business activities for the year.*

Member of the Audit Committee of the Board of Directors

Name	Chairman
Shashkov Vladimir Aleksandrovich	Yes
Matveev Nikolai Ivanovich	No
Dinichenko Ivan Kalistratovich	No

The issuer's separate business unit(s) for risk management and internal control (body (business unit) other than the Auditing Committee (Auditor), performing internal audit of the issuer's financial and business activities), its objectives and functions: **no**.

The issuer's separate business unit (service) for internal audit, its objectives and functions:

The structure and staff of the Internal Audit Service are approved by the Director General

The objectives of the Internal Audit Service are:

- ***control over business and financial transactions conducted by the Company in compliance with the Russian Federation legislation, the Charter and other local acts of the Company;***
- ***control over the expediency, correctness, completeness and accuracy of business and financial transactions conducted by the Company in accounting and tax accounting;***
- ***control over the preservation of the items of value and cost monitoring.***

In order to ensure independence and objectivity of the internal control, the Internal Audit Service and reports to the Audit Committee of the Company's Board of Directors on the functional level and to the Company's Director General on the administrative level.

Internal Audit Service acts in compliance with the legislation of the Russian Federation, the Company's Charter and the present Regulations.

The issuer's policy in the sphere of risk management and internal control is presented in Clause 2.4 of the present quarterly report.

The issuer ratified (approved) the issuer's internal document establishing rules to prevent unauthorized use of confidential and insider information.

The issuer's internal document establishing rules to prevent unauthorized use of confidential and insider information: ***OJSC "Surgutneftegas" Regulations on Insider Information are accessible to the public in Internet (see the Company's web site).***

5.5. Members of the agencies supervising the issuer's financial and business activities

Agency supervising the issuer's financial and business activities: ***Auditing Committee.***

Name: ***Klinovskaya Taisiya Petrovna***

(***Chairman***)

Year of birth: ***1946***

Education: ***higher professional***

All positions held by the person in the issuer and other organizations over the last 5 years and at present, including outside employment, in date order

Period		Organization	Position
from	to		
2011	January 2013	Open Joint Stock Company "Surgutneftegas"	Financial Division Head
June 2012	June 2014	Open Joint Stock Company "Surgutneftegas"	Member of the Board of Directors

The person's share in the charter capital of the issuer, %: ***0.0091***

The issuer's ordinary shares held by the person, %: ***0.0053***

Share of the person in the charter (share) capital (mutual fund) of the issuer's subsidiaries and affiliates: ***The person does not have such shares.***

Nature of any kinship with other persons who are members of the issuer's management bodies and/or agencies supervising the issuer's financial and business activities: ***No such kinship.***

Administrative actions taken against such person for any financial, tax/charge, securities market violations or criminal prosecution (criminal record) of the person for economic crimes or crimes against the state: ***There were no administrative or criminal actions brought against the person.***

Positions held by such person in management bodies of commercial organizations during the period when any

bankruptcy proceedings and/or a bankruptcy procedure were initiated in relation to such organizations as provided for in the bankruptcy (insolvency) legislation of the Russian Federation: ***The person did not hold such positions.***

Name: ***Oleynik Tamara Fedorovna***

Year of birth: ***1947***

Education: ***secondary professional***

All positions held by the person in the issuer and other organizations over the last 5 years and at present, including outside employment, in date order

Period		Organization	Position
from	to		

No share in the charter capital of the issuer/ordinary shares.

Share of the person in the charter (share) capital (mutual fund) of the issuer's subsidiaries and affiliates: ***The person does not have such shares.***

Nature of any kinship with other persons who are members of the issuer's management bodies and/or agencies supervising the issuer's financial and business activities: ***No such kinship.***

Administrative actions taken against such person for any financial, tax/charge, securities market violations or criminal prosecution (criminal record) of the person for economic crimes or crimes against the state: ***There were no administrative or criminal actions brought against the person.***

Positions held by such person in management bodies of commercial organizations during the period when any bankruptcy proceedings and/or a bankruptcy procedure were initiated in relation to such organizations as provided for in the bankruptcy (insolvency) legislation of the Russian Federation: ***The person did not hold such positions.***

Name: ***Musikhina Valentina Viktorovna***

Year of birth: ***1960***

Education: ***secondary professional***

All positions held by the person in the issuer and other organizations over the last 5 years and at present, including outside employment, in date order

Period		Organization	Position
from	to		
May 2012	June 2012	Open Joint Stock Company "Surgutneftegas"	Deputy Head of Accounting and Reporting Division

No share in the charter capital of the issuer/ordinary shares.

Share of the person in the charter (share) capital (mutual fund) of the issuer's subsidiaries and affiliates: ***The person does not have such shares.***

Nature of any kinship with other persons who are members of the issuer's management bodies and/or agencies supervising the issuer's financial and business activities: ***No such kinship.***

Administrative actions taken against such person for any financial, tax/charge, securities market violations or criminal prosecution (criminal record) of the person for economic crimes or crimes against the state: ***There were no administrative or criminal actions brought against the person.***

Positions held by such person in management bodies of commercial organizations during the period when any bankruptcy proceedings and/or a bankruptcy procedure were initiated in relation to such organizations as provided for in the bankruptcy (insolvency) legislation of the Russian Federation: ***The person did not hold such positions.***

Agency supervising the issuer's financial and business activities: ***Other.***

Internal Audit Service

Head of such separate business unit (body) of the issuer

Position of the head of the business unit: **Head of service**

Name: **Arteeva Alexandra Ivanovna**

Year of birth: **1959**

Education: **higher professional**

All positions held by the person in the issuer and other organizations over the last 5 years and at present, including outside employment, in date order

Period		Organization	Position
from	to		
2011	present	Open Joint Stock Company "Surgutneftegas"	Head of Internal Audit Service

No share in the charter capital of the issuer/ordinary shares.

Share of the person in the charter (share) capital (mutual fund) of the issuer's subsidiaries and affiliates: **The person does not have such shares.**

Nature of any kinship with other persons who are members of the issuer's management bodies and/or agencies supervising the issuer's financial and business activities: **No such kinship.**

Administrative actions taken against such person for any financial, tax/charge, securities market violations or criminal prosecution (criminal record) of the person for economic crimes or crimes against the state: **There were no administrative or criminal actions brought against the person.**

Positions held by such person in management bodies of commercial organizations during the period when any bankruptcy proceedings and/or a bankruptcy procedure were initiated in relation to such organizations as provided for in the bankruptcy (insolvency) legislation of the Russian Federation: **The person did not hold such positions.**

5.6. Remuneration and (or) compensation for expenses for the agency supervising the issuer's financial and business activity

Remuneration

For each agency supervising the issuer's financial and business activities (except for the individual who holds the position (who performs the functions) of the issuer's Auditor) all types of remuneration with their amount are specified, including salaries of the members of the agencies supervising the issuer's financial and business activities, who are (were) its employees, including ones having (had) other employment, bonuses, commissions, benefits paid separately for the participation in the work performed by the agency supervising the issuer's financial and business activities, other types of remuneration paid by the issuer during the reporting period, and also costs for performing the duties of the members of the agency supervising the issuer's financial and business activities remunerated by the issuer for the reporting period are specified with their amount.

Unit of measure: **thousand RUB**

Agency supervising the issuer's financial and business activities: **Auditing Committee**

Remuneration for the participation in the work performed by the supervising agency

Unit of measure: **thousand RUB**

Indicator	2015	2016, 3 months
Remuneration for the participation in the work performed by the agency supervising the issuer's financial and business activities	210	0
Salary		

Bonus		
Commission		
Other types of remuneration		
TOTAL	210	0

Existing agreements in relation to such payments in the current financial year: *no*.

Agency supervising the issuer's financial and business activities: *Internal Audit Service*

Remuneration for the participation in the work performed by the supervising agency

Unit of measure: *thousand RUB*

Indicator	2015	2016, 3 months
Remuneration for the participation in the work performed by the agency supervising the issuer's financial and business activities		
Salary	<i>8,020.3</i>	<i>2,292.3</i>
Bonus	<i>1,621.7</i>	<i>377.9</i>
Commission		
Other types of remuneration	<i>29.8</i>	<i>0</i>
TOTAL	<i>9,671.8</i>	<i>2,760.2</i>

Existing agreements in relation to such payments in the current financial year: *no*.

Compensation

Unit of measure: *thousand RUB*

Supervising body (of the business unit)	2015	2016, 3 months
Auditing Committee	<i>64.3</i>	<i>0</i>
Internal Audit Service	<i>301</i>	<i>181.5</i>

Additional information: *no*.

5.7. Number of the issuer's employees (workers), their categories and changes in their number

Unit of measure: *thousand RUB*

Indicator	2015	2016, 3 months
Average number of employees, people	103,328	102,040
Gross payroll for the reporting period	112,287,705	26,590,342
Social payments for the reporting period	1,956,663	168,731

The employees (workers) of the Company formed a trade union body.

5.8. Obligations of the issuer to its employees (workers) relating to their possible participation in the issuer's charter capital

The issuer has no obligations to its employees (workers) relating to their possible participation in the issuer's charter capital.

Section VI. The issuer's members (shareholders) and interested party transactions conducted by the issuer

6.1. Total number of the issuer's shareholders (members)

The total number of persons having a non-zero balance accounts registered in the issuer's shareholder register as of the end of the reporting quarter: **32,458**

Total number of the issuer's nominee shareholders: **6**

The total number of persons included in the most recently compiled list of persons who had (have) the right to participate in the issuer's general shareholders' meeting (other list of persons compiled in order to exercise (realize) rights to the issuer's shares, and for the compiling of which the nominee holders of the issuer's shares provided data on persons, on behalf of which they held (hold) the issuer's shares): **28,720**

Date when the list of persons included in the most recently compiled list of persons who had (have) the right to participate in the issuer's general shareholders' meeting is compiled (other list of persons compiled in order to exercise (realize) rights to the issuer's shares, and for the compiling of which the nominee holders of the issuer's shares provided data on persons, on behalf of which they held (hold) the issuer's shares): **14.05.2015**

Holders of the issuer's ordinary shares who were to be included in such list: **28,720**

Holders of the issuer's preference shares who were to be included in such list: **0**

Information on the number of treasury shares on the issuer's balance as of the day of the reporting quarter: ***There are no treasury shares on the issuer's balance.***

Information on the number of the issuer's shares held by its subordinates

Category of shares: ***ordinary***

Number of the issuer's shares held by its subordinates: **650,000**

6.2. The issuer's members (shareholders) holding at least five percent of its charter capital or at least five percent of its ordinary shares as well as persons controlling such members (shareholders) and in absence of such persons – members (shareholders) of such persons who hold at least 20 percent of the charter capital or at least 20 percent of their ordinary shares

The issuer's members (shareholders) holding at least five percent of its charter capital or at least five percent of its ordinary shares

1. Nominee holder

Information on nominee holder:

Full corporate name: ***Non-banking credit organization Closed Joint-Stock Company "National Settlement Depository"***

Abbreviated corporate name: ***NCO CJSC NSD***

Location: ***Russian Federation, Moscow, ul. Spartakovskaya, 12***

INN: ***7702165310***

OGRN: ***1027739132563***

Telephone: ***(495) 956-0931***

Fax: (495) 956-0938

E-mail: *reginfo@nsd.ru*

License of securities market professional participant

Number: *177-12042-000100*

Date of issue: *19.02.2009*

Valid till: *unlimited*

Issuing authority: *Federal Financial Markets Service (FSFR) of Russia*

Number of the issuer's ordinary shares registered in the issuer's shareholder register in the name of the said nominee holder: *3,910,105,278*

Number of the issuer's preference shares registered in the issuer's shareholder register in the name of the said nominee holder: *5,144,421,826*

Other information as the issuer may wish to disclose: *no*.

6.3. Share of the state or a municipal formation in the issuer's charter capital; any special rights ("golden share")

Persons who administer blocks of shares owned by the state, municipal formations

Municipal ownership

Name: *Administration of the city of Surgut*

Location: *ul.Engelsa, 8, Surgut, Tyumenskaya Oblast, Russia, 628408*

Share of the charter capital of the issuer under state (federal, of constituent territories of the Russian Federation) municipal ownership: *0.0278*

Municipal ownership

Name: *Administration of Surgutsky District*

Location: *Russia, Tyumenskaya Oblast, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut*

Share of the charter capital of the issuer under state (federal, of constituent territories of the Russian Federation) municipal ownership: *0.0127*

Persons who exercise functions of the issuer's member (shareholder) on behalf of the Russian Federation, an entity of the Russian Federation, or municipal formation

Municipal ownership

Name: *Administration of the city of Surgut*

Location: *ul.Engelsa, 8, Surgut, Tyumenskaya Oblast, Russia, 628408*

Share of the charter capital of the issuer under state (federal, of constituent territories of the Russian Federation) municipal ownership: *0.0278*

Municipal ownership

Name: *Administration of Surgutsky District*

Location: *Russia, Tyumenskaya Oblast, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut*

Share of the charter capital of the issuer under state (federal, of constituent territories of the Russian Federation) municipal ownership: *0.0127*

Special right of the Russian Federation, the constituent territories of the Russian Federation or municipalities to participate in the administration of the issuer - joint stock company ("golden share") and duration of the special right ("golden share"): *No such right*.

6.4. Restrictions on participation in the issuer's charter capital

There are no restrictions on participation in the issuer's charter capital.

6.5. Changes in the list and the participation of the issuer's shareholders (members) holding at least five

percent of its charter capital or at least five percent of its ordinary shares

The issuer's shareholders (members) holding at least five percent of the issuer's charter capital, and for joint stock companies as issuers also holding at least five percent of the issuer's ordinary shares determined as of the date when the list was drawn up of persons entitled to participate in each general shareholders' (members') meeting of the issuer held in the last completed financial year preceding the end of the reporting quarter, and for the period from the date when the current financial year started till the date when the reporting quarter ended based on the list of persons entitled to participate in each of such meetings

Additional information: **no**.

6.6. Interested party transactions conducted by the issuer

No such transactions.

6.7. Accounts receivable

As of 31.12.2015

Unit of measure: **thousand RUB**

Indicator	Indicator value
Accounts receivable from buyers and customers	57,923,983
including those overdue	5,337,882
Notes receivable	
including those overdue	
Members' (incorporators') arrears of charter capital contributions	
including those overdue	
Other accounts receivable	148,244,261
including those overdue	
Total accounts receivable	206,168,244
including total overdue accounts receivable	5,337,882

Debtors who account for at least 10 percent of the total accounts receivable in the reporting period: **no such debtors.**

As of 31.03.2016

Unit of measure: **thousand RUB**

Indicator	Indicator value
Accounts receivable from buyers and customers	60,499,135
including those overdue	4,959,560
Notes receivable	
including those overdue	
Members' (incorporators') arrears of charter capital contributions	
including those overdue	
Other accounts receivable	183,060,785
including those overdue	51
Total accounts receivable	243,559,920

including total overdue accounts receivable	4,959,611
---	-----------

Debtors who account for at least 10 percent of the total accounts receivable in the reporting period: ***no such debtors.***

Section VII. The issuer's accounting (financial) statements and other financial information

7.1. Annual accounting (financial) statements of the issuer

Balance Sheet As of 31.12.2015

Company: **Open Joint Stock Company "Surgutneftegas"**

Taxpayer identification number

Type of activity: **oil production**

Form of legal organization/form of ownership: **Open Joint Stock Company/Private property**

Unit of measure: **thousand RUB**

Location (address): **Russia, Tyumenskaya Oblast, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut, ul.Grigoriya Kukuyevitskogo, 1, bld. 1**

	Codes
Form by OKUD	0710001
Date	31.12.2015
by OKPO	05753490
INN	8602060555
by OKVED	11.10.11
by OKOPF/ OKFS	12247/16
by OKEI	384

Notes	ASSETS	Line code	As of 31.12.2015	As of 31.12.2014	As of 31.12.2013
1	2	3	4	5	6
	I. NON-CURRENT ASSETS				
3.1	Intangible assets	1110	548,352	515,101	440,909
3.2	R&D results	1120	213,665	160,404	138,515
3.3	Intangible prospecting assets	1130	36,423,674	73,240,752	70,051,419
	Tangible prospecting assets	1140			
3.4	Fixed assets	1150	752,847,663	691,063,519	641,086,929
	including buildings, machinery, equipment and other fixed assets, excluding land, objects of environmental management and capital investments in progress	1151	676,370,601	627,944,689	589,652,193
3.4	Income yielding investments in tangible assets	1160	3,093,832	48,429	51,009
3.5	Financial investments	1170	2,007,179,799	1,280,457,334	707,816,723
	including other financial investments, excluding investments in organizations and loans granted	1171	1,866,481,918	1,154,646,709	588,536,763
3.10	Deferred tax assets	1180	26,166	32,313	45,016
	Other non-current assets	1190	59,369,781	14,125,572	12,718,149
	TOTAL for Section I	1100	2,859,702,932	2,059,643,424	1,432,348,669
	II. CURRENT ASSETS				
3.6	Stocks	1210	81,154,030	81,425,788	68,279,281
	Value Added Tax on acquired valuables	1220	4,479,359	4,103,573	3,848,562
3.7	Accounts receivable	1230	206,168,244	180,790,266	161,489,569
3.5	Financial investments (excluding cash equivalents)	1240	479,972,123	658,014,455	408,139,542
	including other financial investments, excluding investments in organizations and loans granted	1241	479,972,123	651,832,161	402,139,542
3.8	Cash and cash equivalents	1250	72,125,809	30,922,038	29,017,245
	Other current assets	1260	877,956	1,989,624	2,003,481
	TOTAL for Section II	1200	844,777,521	957,245,744	672,777,680
	BALANCE (assets)	1600	3,704,480,453	3,016,889,168	2,105,126,349

Notes	LIABILITIES	Line code	As of 31.12.2015	As of 31.12.2014	As of 31.12.2013
1	2	3	4	5	6
	III. CAPITAL AND RESERVES				
3.9	Charter capital (share capital, authorized fund, partners' contributions)	1310	43,427,993	43,427,993	43,427,993
	Treasury shares	1320			
	Revaluation of non-current assets	1340	490,607,359	482,261,224	477,878,998
	Additional capital (no revaluation)	1350	192,511,786	192,511,786	192,511,786
	Reserve capital	1360	6,514,198	6,514,198	6,514,198
	Retained profit (uncovered loss)	1370	2,770,302,491	2,098,453,730	1,241,732,806
	TOTAL for Section III	1300	3,503,363,827	2,823,168,931	1,962,065,781
	IV. LONG-TERM LIABILITIES				
	Borrowed funds	1410			
3.10	Deferred tax liabilities	1420	70,670,532	65,034,039	54,699,539
	Estimated liabilities	1430			
3.11	Other liabilities	1450	509,218	269,580	148,199
	TOTAL for Section IV	1400	71,179,750	65,303,619	54,847,738
	V. SHORT-TERM LIABILITIES				
	Borrowed funds	1510		139,650	139,650
3.11	Accounts payable	1520	116,947,293	116,340,208	77,355,155
3.12	Deferred income	1530	314,861	516,885	716,490
3.13	Estimated liabilities	1540	12,203,314	10,715,949	9,675,073
	Other liabilities	1550	471,408	703,926	326,462
	TOTAL for Section V	1500	129,936,876	128,416,618	88,212,830
	BALANCE (liabilities)	1700	3,704,480,453	3,016,889,168	2,105,126,349

**Income Statement
for January-December 2015**

Company: **Open Joint Stock Company “Surgutneftegas”**

Taxpayer identification number

Type of activity: **oil production**

Form of legal organization/form of ownership: **Open Joint Stock Company/Private property**

Unit of measure: **thousand RUB**

Location (address): **Russia, Tyumenskaya Oblast, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut, ul.Grigoriya Kukuyevitskogo, 1, bld. 1**

Form by OKUD

Date

by OKPO

INN

by OKVED

by OKOPF/
OKFS

by OKEI

Codes

0710002

31.12.2015

05753490

8602060555

11.10.11

12247/16

384

Notes	Indicator	Line code	For 12 months of 2015	For 12 months of 2014
1	2	3	4	5
5.1	Revenue	2110	978,204,539	862,599,616
5.1	Cost of sales	2120	-664,341,334	-621,309,902
	Gross profit (loss)	2100	313,863,205	241,289,714
	Selling expenses	2210	-79,717,110	-64,439,756
	Management expenses	2220		
	Sales profit (loss)	2200	234,146,095	176,849,958
	Income from participation in other organizations	2310	937,405	2,344,365
	Interest receivable	2320	99,858,474	62,497,864
	Interest payable	2330	-3,532	-14
5.2	Other income	2340	2,365,388,199	2,074,386,978
5.2	Other expenses	2350	-1,797,792,219	-1,247,942,885
	Profit (loss) before tax	2300	902,534,422	1,068,136,266
	Current profit tax	2410	-148,008,814	-171,419,959
3.10	including permanent tax liabilities (assets)	2421	3,942,640	4,740,150
3.10	Change in deferred tax liabilities	2430	-5,636,493	-10,334,500
3.10	Change in deferred tax assets	2450	-6,147	-12,703
	Other	2460	239,673	18,486
	Reallocation of profit tax within the consolidated group of taxpayers	2465	2,232,656	5,291,819
	Net profit (loss)	2400	751,355,297	891,679,409
	FOR REFERENCE ONLY:			
	Results of revaluation of non-current assets not included in net profit (loss) of the period	2510	15,099,475	8,921,991
	Results of other operations not included in net profit (loss) of the period	2520		
	Comprehensive income of the period	2500	766,454,772	900,601,400
5.3	Base profit (loss) per share	2900		
	Diluted profit (loss) per share	2910		

**Statement of Changes in Equity
for January-December 2015**

Company: **Open Joint Stock Company “Surgutneftegas”**

Taxpayer identification number

Type of activity: **oil production**

Form of legal organization/form of ownership: **Open Joint Stock Company/Private property**

Unit of measure: **thousand RUB**

Location (address): **Russia, Tyumenskaya Oblast, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut, ul.Grigoriya Kukuyevitskogo, 1, bld. 1**

Form by OKUD

Date

by OKPO

INN

by OKVED

by OKOPF/OKFS

by OKEI

Codes

0710003

31.12.2015

05753490

8602060555

11.10.11

12247/16

384

The Company added an additional column into the form: *No*

1. Capital flow							
Indicator	Line code	Charter capital	Treasury shares	Additional paid-in capital	Reserve capital	Retained profit (uncovered loss)	Total
1	2	3	4	5	6	7	8
Capital as of 31 December 2013	3100	43,427,993		670,390,784	6,514,198	1,241,732,806	1,962,065,781
For 2014:							
Increase in capital – total:	3210			11,888,754		896,333,237	908,221,991
including:							
net profit	3211					891,679,409	891,679,409
revaluation of property	3212			11,888,754			11,888,754
income allocated directly to increase in capital	3213					4,653,828	4,653,828
additional issue of shares	3214						
increase in par value of shares	3215						
reorganization of a legal entity	3216						
Decrease in capital – total:	3220			-7,506,528		-39,612,313	-47,118,841
including:							
loss	3221						
revaluation of property	3222			-2,966,763			-2,966,763
expenses allocated directly to decrease in capital	3223			-4,539,765			-4,539,765
decrease in par value of shares	3224						
decrease in the number of shares	3225						
reorganization of a legal entity	3226						
dividends	3227					-39,612,313	-39,612,313
Change in additional capital	3230						
Change in reserve capital	3240						

Capital as of 31 December 2014	3200	43,427,993		674,773,010	6,514,198	2,098,453,730	2,823,168,931
For 2015:							
Increase in capital – total:	3310			16,871,824		758,304,063	775,175,887
including:							
net profit	3311					751,355,297	751,355,297
revaluation of property	3312			16,871,824			16,871,824
income allocated directly to increase in capital	3313					6,948,766	6,948,766
additional issue of shares	3314						
increase in par value of shares	3315						
reorganization of a legal entity	3316						
Decrease in capital – total:	3320			-8,525,689		-86,455,302	-94,980,991
including:							
loss	3321						
revaluation of property	3322			-1,772,349			-1,772,349
expenses allocated directly to decrease in capital	3323			-6,753,340			-6,753,340
decrease in par value of shares	3324						
decrease in the number of shares	3325						
reorganization of a legal entity	3326						
dividends	3327					-86,455,302	-86,455,302
Change in additional capital	3330						
Change in reserve capital	3340						
Capital as of 31 December 2015	3300	43,427,993		683,119,145	6,514,198	2,770,302,491	3,503,363,827

2. Adjustments due to changes in the accounting policy and error correction					
Indicator	Line code	As of 31.12.2013	Changes in capital for 2014		As of 31.12.2014
			due to net profit	due to other factors	
1	2	3	4	5	6
Capital – total					
prior to adjustments	3400				
adjustment due to:					
changes in the accounting policy	3410				
error correction	3420				
after adjustments	3500				
including:					

retained profit (uncovered loss):					
prior to adjustments	3401				
adjustment due to:					
changes in the accounting policy	3411				
error correction	3421				
after adjustments	3501				
other adjusted capital items:					
(by items)					
prior to adjustments	3402				
adjustment due to:					
changes in the accounting policy	3412				
error correction	3422				
after adjustments	3502				

Reference information				
Indicator	Code	As of 31.12.2015	As of 31.12.2014	As of 31.12.2013
1	2	3	4	5
Net assets	3600	3,503,678,688	2,823,685,816	1,962,782,271

**Cash Flow Statement
for January-December 2015**

Company: **Open Joint Stock Company “Surgutneftegas”**

Taxpayer identification number

Type of activity: **oil production**

Form of legal organization/form of ownership: **Open Joint Stock Company/Private property**

Unit of measure: **thousand RUB**

Location (address): **Russia, Tyumenskaya Oblast, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut, ul.Grigoriya Kukuyevitskogo, 1, bld. 1**

Form by OKUD

Date

by OKPO

INN

by OKVED

by

OKOPF/OKFS

by OKEI

Codes

0710004

31.12.2015

05753490

8602060555

11.10.11

12247/16

384

Indicator	Line code	For 12 months of 2015	For 12 months of 2014
1	2	3	4
Cash flow from operations			
Proceeds – total	4110	1,012,242,620	934,073,040
including:			
from sale of goods, products, works and services	4111	1,002,174,181	926,358,586
lease payments, license payments, royalty, commission, and other similar payments	4112	722,407	773,314
from resale of financial investments	4113		
other proceeds	4119	9,346,032	6,941,140
Payments – total	4120	-927,169,139	-855,621,867
including:			
to suppliers (contractors) for raw materials, supplies, works and services	4121	-267,552,867	-251,723,264
due as remuneration of employees' labor	4122	-97,918,164	-91,706,668
debenture interest	4123	-64	
corporate profit tax	4124	-150,956,055	-125,577,491
taxes and charges (excl. profit tax)	4125	-398,276,004	-370,166,037
other payments	4129	-12,465,985	-16,448,407
Cash flow balance from operations	4100	85,073,481	78,451,173
Cash flow from investing			
Proceeds – total	4210	106,846,994	65,809,432
including:			
from sale of non-current assets (excl. financial investments)	4211	328,588	280,025
from sale of shares of (interest in) other organizations	4212	548	
from repayment of loans granted and sale of debt securities (cash receivables from other persons)	4213	182,294	1,632,000
dividends, interest on financial debt investments, and similar proceeds from interest in other organizations	4214	106,237,150	63,776,383
other proceeds	4219	98,414	121,024
Payments – total	4220	-69,966,436	-119,933,167
including:			

due to acquisition, formation, modernization, reconstruction, and preparation of non-current assets for use	4221	-56,649,649	-46,155,659
due to acquisition of shares of (interest in) other organizations	4222		-183
due to acquisition of debt securities (cash receivables from other persons) and loans granted to other persons	4223	-12,495,496	-8,345,058
debenture interest to be included in the cost of investment assets	4224		
other payments	4229	-821,291	-65,432,267
Cash flow balance from investing	4200	36,880,558	-54,123,735
Cash flow from financing			
Proceeds – total	4310		
including:			
borrowings and loans received	4311		
cash deposits by owners (members)	4312		
from issue of shares and increase in interest	4313		
from issue of bonds, bills of exchange, other debt securities, etc.	4314		
other proceeds	4319		
Payments – total	4320	-82,190,388	-37,719,308
including:			
to owners (members) due to repurchase of their shares of (interest in) the organization or cessation of their membership	4321		
for payment of dividends and other payments related to distribution of profit among owners (members)	4322	-82,050,738	-37,719,308
due to payment (buyback) of bills of exchange and other debt securities and repayment of borrowings and loans	4323	-139,650	
other payments	4329		
Cash flow balance from financing	4300	-82,190,388	-37,719,308
Cash flow balance for the reporting period	4400	39,763,651	-13,391,870
Balance of cash and cash equivalents at the beginning of the reporting period	4450	30,922,010	29,017,138
Balance of cash and cash equivalents at the end of the reporting period	4500	72,125,763	30,922,010
Effect of changes in the exchange rates of foreign currency to the Russian ruble	4490	1,440,102	15,296,742

Notes to the Balance Sheet and the Income Statement of OJSC “Surgutneftegas” for 2015 (table form): *the information is provided in the appendix to the present quarterly report.*

Information attending the accounting statements. Notes to the Balance Sheet and the Income Statement of OJSC “Surgutneftegas” for 2015 (text form): *the information is provided in the appendix to the present quarterly report.*

Auditor’s report of independent audit company LLC “Rosexpertiza” of accounting (financial) statement of OJSC “Surgutneftegas” for 2015: *the information is provided in the appendix to the present quarterly report.*

7.2. Interim accounting (financial) statements of the issuer

Balance Sheet As of 31.03.2016

Company: **Open Joint Stock Company “Surgutneftegas”**

Taxpayer identification number

Type of activity: **oil production**

Form of legal organization/form of ownership: **Open Joint Stock Company/Private property**

Unit of measure: **thousand RUB**

Location (address): **Russia, Tyumenskaya Oblast, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut, ul.Grigoriya Kukuyevitskogo, 1, bld. 1**

	Codes
Form by OKUD	0710001
Date	31.03.2016
by OKPO	05753490
INN	8602060555
by OKVED	11.10.11
by OKOPF/ OKFS	12247/16
by OKEI	384

Notes	ASSETS	Line code	As of 31.03.2016	As of 31.12.2015	As of 31.12.2014
1	2	3	4	5	6
	I. NON-CURRENT ASSETS				
	Intangible assets	1110	553,983	548,352	515,101
	R&D results	1120	219,092	213,665	160,404
	Intangible prospecting assets	1130	39,466,613	36,423,674	73,240,752
	Tangible prospecting assets	1140			
	Fixed assets	1150	760,004,306	752,847,663	691,063,519
	including buildings, machinery, equipment and other fixed assets, excluding land, objects of environmental management and capital investments in progress	1151	679,743,864	676,370,601	627,944,689
	Income yielding investments in tangible assets	1160	3,049,241	3,093,832	48,429
	Financial investments	1170	1,699,268,754	2,007,179,799	1,280,457,334
	including other financial investments, excluding investments in organizations and loans granted	1171	1,577,920,542	1,866,481,918	1,154,646,709
	Deferred tax assets	1180	23,557	26,166	32,313
	Other non-current assets	1190	58,395,078	59,369,781	14,125,572
	TOTAL for Section I	1100	2,560,980,624	2,859,702,932	2,059,643,424
	II. CURRENT ASSETS				
	Stocks	1210	80,459,776	81,154,030	81,425,788
	Value Added Tax on acquired valuables	1220	4,956,937	4,479,359	4,103,573
	Accounts receivable	1230	243,559,920	206,168,244	180,790,266
	Financial investments (excluding cash equivalents)	1240	609,342,228	479,972,123	658,014,455
	including other financial investments, excluding investments in organizations and loans granted	1241	587,040,812	479,972,123	651,832,161
	Cash and cash equivalents	1250	38,597,414	72,125,809	30,922,038
	Other current assets	1260	781,726	877,956	1,989,624
	TOTAL for Section II	1200	977,698,001	844,777,521	957,245,744
	BALANCE (assets)	1600	3,538,678,625	3,704,480,453	3,016,889,168

Notes	LIABILITIES	Line code	As of 31.03.2016	As of 31.12.2015	As of 31.12.2014
1	2	3	4	5	6
	III. CAPITAL AND RESERVES				
	Charter capital (share capital, authorized fund, partners' contributions)	1310	43,427,993	43,427,993	43,427,993
	Treasury shares	1320			
	Revaluation of non-current assets	1340	489,800,549	490,607,359	482,261,224
	Additional capital (no revaluation)	1350	192,511,786	192,511,786	192,511,786
	Reserve capital	1360	6,514,198	6,514,198	6,514,198
	Retained profit (uncovered loss)	1370	2,653,812,719	2,770,302,491	2,098,453,730
	TOTAL for Section III	1300	3,386,067,245	3,503,363,827	2,823,168,931
	IV. LONG-TERM LIABILITIES				
	Borrowed funds	1410			
	Deferred tax liabilities	1420	70,203,481	70,670,532	65,034,039
	Estimated liabilities	1430			
	Other liabilities	1450	553,535	509,218	269,580
	TOTAL for Section IV	1400	70,757,016	71,179,750	65,303,619
	V. SHORT-TERM LIABILITIES				
	Borrowed funds	1510			139,650
	Accounts payable	1520	67,496,140	116,947,293	116,340,208
	Deferred income	1530	274,683	314,861	516,885
	Estimated liabilities	1540	13,719,774	12,203,314	10,715,949
	Other liabilities	1550	363,767	471,408	703,926
	TOTAL for Section V	1500	81,854,364	129,936,876	128,416,618
	BALANCE (liabilities)	1700	3,538,678,625	3,704,480,453	3,016,889,168

**Income Statement
for January – March 2016**

Company: **Open Joint Stock Company “Surgutneftegas”**

Taxpayer identification number

Type of activity: **oil production**

Form of legal organization/form of ownership: **Open Joint Stock Company/Private property**

Unit of measure: **thousand RUB**

Location (address): **Russia, Tyumenskaya Oblast, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut, ul.Grigoriya Kukuyevitskogo, 1, bld. 1**

	Codes
Form by OKUD	0710002
Date	31.03.2016
by OKPO	05753490
INN	8602060555
by OKVED	11.10.11
by OKOPF/OKFS	12247/16
by OKEI	384

Notes	Indicator	Line code	For 3 months of 2016	For 3 months of 2015
1	2	3	4	5
	Revenue	2110	203,442,508	257,627,139
	Cost of sales	2120	-135,531,754	-168,148,846
	Gross profit (loss)	2100	67,910,754	89,478,293
	Selling expenses	2210	-21,677,904	-20,136,186
	Management expenses	2220		
	Sales profit (loss)	2200	46,232,850	69,342,107
	Income from participation in other organizations	2310		
	Interest receivable	2320	28,007,383	24,461,238
	Interest payable	2330	0	-4
	Other income	2340	305,572,044	733,670,399
	Other expenses	2350	-497,638,394	-659,664,480
	Profit (loss) before tax	2300	-117,826,117	167,809,260
	Current profit tax	2410	0	-30,332,564
	including permanent tax liabilities (assets)	2421	19,094,755	98,748
	Change in deferred tax liabilities	2430	467,051	2,338,108
	Change in deferred tax assets	2450	-2,609	-2,226
	Other	2460	-237	68,492
	Reallocation of profit tax within the consolidated group of taxpayers	2465	65,299	415,139
	Net profit (loss)	2400	-117,296,613	140,296,209
	FOR REFERENCE ONLY:			
	Results of revaluation of non-current assets not included in net profit (loss) of the period	2510		
	Results of other operations not included in net profit (loss) of the period	2520		
	Comprehensive income of the period	2500	-117,296,613	140,296,209
	Base profit (loss) per share	2900		
	Diluted profit (loss) per share	2910		

7.3. Consolidated financial statements of the issuer

No.

7.4. Accounting policy of the issuer

Basic provisions the Accounting Policy of the Company developed by the Company in compliance with the requirements of the laws of the Russian Federation on accounting and approved by the order of the Company for 2016.

Accounting policy of the Company is developed in compliance with the requirements of the laws of the Russian Federation on accounting, federal and industry standards.

Intangible Assets Accounting.

The cost of IA is redeemed through amortization under the straight-line method within the fixed period of their useful life.

Useful life of IA is determined when an item is entered in accounting records, based on the term of a patent or certificate, other limitations for useful life of intellectual property under the law of the Russian Federation, and expected useful life of such item during which the Company can obtain economic benefits (profit).

Useful life of IA is checked by the Company annually during inventory to see whether it needs to be adjusted. If the duration of the period during which the Company expects to use the asset changes by more than 5%, the useful life of such asset is to be adjusted.

Changes in estimated values caused by this are shown in prospect.

Intangible assets are not revaluated. Intangible assets are not tested for impairment.

Research, development and technological works accounting.

The R&D cost is written off as general production (general industrial) costs within the fixed period of their expected useful life (but not more than 5 years).

Intangible Prospecting and Exploration Assets Accounting.

Intangible prospecting assets include prospecting costs – costs of prospecting, hydrocarbon fields appraisal and (or) hydrocarbon resources exploration associated with acquisition of the corresponding licenses paid by the Company for discovery of hydrocarbon fields and preliminary appraisal of reserves before production was proved to be commercially feasible and recorded as investments in non-current assets.

The Company's intangible prospecting assets are ceased to be recognized in relation to a certain subsurface area when hydrocarbons production is proved to be commercially feasible or recognized as unpromising.

Intangible prospecting assets are not amortized during prospecting, hydrocarbon fields appraisal and (or) hydrocarbon resources exploration, except for licenses which authorize to carry out prospecting, hydrocarbon fields appraisal and hydrocarbon resources exploration.

Part of the cost of licenses which authorize to carry out prospecting, hydrocarbon fields appraisal and hydrocarbon resources exploration is transferred equally during the term of these licenses.

If production of hydrocarbons in the relative license area (field) is recognized as unpromising, the cost of intangible prospecting asset constitutes the part of the Company's other expenses.

If production of hydrocarbons in a relevant license area is proved to be commercially feasible, intangible prospecting asset is tested for impairment and transferred to fixed assets or other non-current assets meant for exploration and extraction of mineral resources:

- costs of construction (drilling) of prospecting and exploration wells built when developing intangible prospecting assets recognized as productive are recorded as fixed assets;*

- prospecting costs paid by the Company for discovery of hydrocarbon fields and preliminary appraisal of reserves (including costs of subsoil rights acquisition, drilling of prospecting and exploration wells, etc.) before production was proved to be commercially feasible form the value of exploration assets recorded as investments in non-current assets.*

As of the end of the reporting year, the Company analyzes factors which imply possible devaluation of intangible prospecting assets. If prospecting assets show signs of devaluation, the cost of intangible prospecting assets is lowered by means of other expenses.

If there are beneficial consequences for the Company, occurred after recognizing losses from intangible prospecting assets devaluation or expected in the near future due to an increase of economic efficiency of intangible

prospecting assets use or due to restructuring of activity in which the intangible prospecting asset is used, the adjustment of previously recognized losses by means of other expenses is made.

Intangible assets are not reevaluated.

Fixed Assets Accounting

The historical cost of fixed assets recorded after 01.01.2002 is redeemed through straight-line depreciation in conformity with depreciation rates calculated on the basis of useful life of such assets determined when such assets are entered in accounting records.

The historical cost of fixed assets recorded before 01.01.2002 is redeemed according to the procedure valid at the time when such assets were recorded, through straight-line depreciation in conformity with depreciation rates for complete repair approved by Resolution No. 1072 of the USSR Council of Ministers of 22.10.90.

Revaluation is conducted annually as of 31 December of the reporting year.

Financial Investments Accounting.

Financial investments are recorded at their historical cost. The historical cost of financial investments acquired at a charge is the amount of the Company's actual costs of their acquisition.

When financial investments with current market value that cannot be determined are retired, their value is determined on the basis of the historical cost of each unit of financial investments accounting.

When financial investments with current market value that can be determined are retired, their value is determined on the basis of their current book value.

Income from sales of securities, interest and other income are recognized as other income.

Stocks Accounting

Stocks are recorded at their actual cost.

Stocks are written off to production or otherwise retired at its average cost of production.

Formation and Use of Reserves, Recording of Estimated Liabilities:

An estimated liability is recorded in order to account for expenses for vacation payments to employees. Reserves at the end of a reporting year are adjusted in line with the inventory results. Reserves are additionally created from costs of manufacturing of goods (performing of works, rendering of services). Over-accrued reserves are adjusted against other expenses.

As of 31 December, the Company carries out an inspection for devaluation of financial investments (not traded publicly) with current market value that cannot be determined. If the inspection confirms that the cost of financial investments is substantially and persistently reduced (by more than 5%), a reserve is formed for impairment of financial investments.

A reserve is formed for decreases in the value of tangible assets for slow moving inventory the market price for which went down during the reporting year or which became obsolete or which lost, either fully or partially, their original qualities. The reserve is formed out of other expenses

Reserves for doubtful debts are formed if any accounts receivable are deemed doubtful. Accounts receivable are deemed doubtful if they are not redeemed, or if there is high risk of their non-redemption within the period established by the contract, and if they are not duly guaranteed. Such reserves are formed out of other expenses.

Estimated liabilities used to dispose of facilities constructed (purchased) in the course of prospecting, hydrocarbon fields appraisal, hydrocarbon resources exploration and restoration of disturbed lands are created. The sums of the reserves are included in intangible prospecting assets (explorations assets).

Deferred Expenses Accounting.

Expenses incurred in the reporting period but relating to next reporting periods are shown in the balance sheet as per the conditions for recognition of assets set forth in accounting regulations and are to be written off in accordance with the procedure established for writing off the value of this type of assets.

Definition of Revenue from Sale.

For accounting purposes, revenue from sale of products, works, services, goods and property of the Company to other organizations and natural persons are recognized provided that the requirements stipulated by Item 12 (including requirements of Item 14) of the Accounting Regulations "Income of an Enterprise" PBU 9/99 approved by Order No.

32n of the Ministry of Finance of the Russian Federation of 06 May 1999 are met. Export duties are not included in revenue from export of products.

7.5. Total export and share of export in total sales

Unit of measure: *thousand RUB*

Indicator	2015	2016, 3 months
Total earnings of the issuer from export of products (goods, works, services)	<i>717,279,377</i>	<i>154,839,161</i>
Share of such earnings in sales revenue, %	<i>73.3</i>	<i>76.1</i>

7.6. Substantial changes in the issuer's property after the end of the last completed reporting year

Substantial changes in the issuer's property during 12 months prior to the end of the reporting quarter

There were no substantial changes in the issuer's property during 12 months prior to the end date of the reporting quarter.

Additional information: *no*.

7.7. The issuer's participation in litigations in case such participation may substantially affect financial and business activities of the issuer

The issuer did not/does not participate in any litigations which affect/may affect financial and business activities for the period from the beginning of the last completed financial year and up to the end of the reporting quarter.

Section VIII. Further information on the issuer and equity securities placed by the issuer

8.1. Further information on the issuer

8.1.1. Size and structure of the issuer's charter capital

The issuer's charter capital as of the end of the last reporting quarter, RUB: *43,427,992,940*

Ordinary shares

Total nominal value: *35,725,994,705*

Share in the charter capital, %: *82.264899*

Preference

Total nominal value: *7,701,998,235*

Share in the charter capital, %: *17.735101*

Specify if the amount of charter capital shown in this paragraph corresponds to the issuer's constituent documents:
the amount of the Company's charter capital corresponds to the constituent documents.

The issuer's shares are traded outside the Russian Federation by means of depositary securities trading (foreign issuers' securities which represent such shares of the Russian issuer).

Category (type) of shares traded outside the Russian Federation

Type of securities: *shares*

Category of shares: *ordinary*

Shares traded outside the Russian Federation in the total number of shares of the same category (type): *6.68%*

Foreign issuer whose securities represent the issuer's shares of the same category (type)

Full corporate name: *The Bank of New York Mellon*

Location: *USA, NY 10286, New York, 101, Barclay Street, 22w.*

Summary of the issue program (type of the program) for the foreign issuer's depository receipts representing shares of the relevant category (type): *sponsored, level 1. Each American Depository Share represents 10 ordinary registered shares of the Company.*

On the Company's obtaining a permit issued by The Bank of Russia and (or) authorized government body (authorized state authority) of the Russian Federation to offer and (or) trade issuer's securities of the relevant category (type) outside the Russian Federation: *not applicable*

Foreign market maker(s) trading the issuer's shares (depository receipts representing the issuer's shares) (if such trading exists): *Berlin Stock Exchange, Frankfurt Stock Exchange, London Stock Exchange, Pink OTC Markets Inc.*

Other information about the issuer's shares traded outside the Russian Federation as the issuer may wish to disclose: *The date when the program was launched is 30 December 1996.*

Type of securities: *shares*

Category of shares: *preference*

Type of shares: -

Shares traded outside the Russian Federation in the total number of shares of the same category (type): *9.91%*

Foreign issuer whose securities represent the issuer's shares of the same category (type)

Full corporate name: *The Bank of New York Mellon*

Location: *USA, NY 10286, New York, 101, Barclay Street, 22w.*

Summary of the issue program (type of the program) for the foreign issuer's depository securities representing shares of the relevant category (type): *sponsored, level 1. Each American Depository Share represents 10 preference registered shares of the Company.*

On the Company's obtaining a permit issued by The Bank of Russia and (or) authorized government body (authorized state authority) of the Russian Federation to offer and (or) trade issuer's securities of the relevant category (type) outside the Russian Federation: *not applicable*

Foreign market maker(s) trading the issuer's shares (depository receipts representing the issuer's shares) (if such trading exists): *Berlin Stock Exchange, Frankfurt Stock Exchange, Pink OTC Markets Inc.*

Other information about the issuer's shares traded outside the Russian Federation as the issuer may wish to disclose: *The date when the program was launched is 19 March 1998.*

8.1.2. Changes in the size of the issuer's charter capital

The size of the charter capital did not change during this period.

8.1.3. Convening and holding a meeting (session) of the issuer's supreme management body

Supreme management body of the issuer: *General Shareholders' Meeting*

Notification of shareholders (members) about a meeting (session) of the issuer's supreme management body

A notice of a general shareholders' meeting is given within the period stipulated by the Federal Law "On Joint Stock Companies" but at least 30 days before such meeting is held.

A notice of a general shareholders' meeting shall include:

- full corporate name and location of the Company;*
- form of a general shareholders' meeting (a meeting or absent voting);*
- date, venue and time of a general shareholders' meeting, as well as the mailing address for sending completed ballot papers to the Company; the deadline for ballot papers and mailing address for sending completed ballot papers to, in case a general shareholders' meeting is held through absent voting;*
- the date of compiling the list of persons entitled to participate in a general shareholders' meeting;*
- agenda of a general shareholders' meeting;*
- procedure of familiarization with the information (materials) subject to presentation to shareholders while preparing for a general shareholders' meeting, and address(es) where this information is available.*

The notice of a general meeting to be held in the form of a meeting shall additionally state the registration time for participants of such general meeting.

Information on a general shareholders' meeting is published in the newspaper "Nef't Priobya". The agenda of a general shareholders' meeting cannot be changed after the information has been published. A general shareholders' meeting is not entitled to adopt resolutions on issues not included in the agenda, neither is it entitled to alter the agenda.

Persons (bodies) entitled to convene (request) an extraordinary meeting (session) of the issuer's supreme management body and the procedure for submitting (filing) such requests

Extraordinary general shareholders' meetings can be convened by the Company's Board of Directors either on its own initiative or at the written request of the Auditing Committee, the Company's Auditor, or a shareholder (shareholders) holding an aggregate of at least 10 percent of the Company's voting shares as of the date such request is submitted. The request shall state the issues to be included in the agenda of a meeting. It shall be signed by the person (persons) demanding that an extraordinary general shareholders' meeting be convened.

Determination of the date of a meeting (session) of the issuer's supreme management body

The Company's Board of Directors determines the date, venue and time of a general shareholders' meeting, its agenda and procedure, the date of compiling the list of persons entitled to participate in a general shareholders' meeting, the order of informing shareholders about a general shareholders' meeting, list of materials (information) available for the shareholders while preparing for a general shareholders' meeting, the form and the text of a ballot paper.

Persons entitled to propose the agenda of a meeting (session) of the issuer's supreme management body and the procedure for such proposals

Shareholders (a shareholder) of the Company holding an aggregate of at least 2 percent of the Company's voting shares are entitled to introduce issues to the agenda of an annual general shareholders' meeting and to nominate candidates for the Company's Board of Directors and Auditing Committee, provided that the number of candidates does not exceed the number of members of the above mentioned bodies, not later than 30 days after the end of the Company's financial year.

Issues are included in the agenda of a general shareholders' meeting in writing; each shall state the name(s) of the shareholder(s) proposing the issue, the number and category (type) of shares he/she holds. Nomination of candidates for the Company's Board of Directors and Auditing Committee (including self-nomination) shall be made in writing and shall state the name of the candidate (if the candidate is a shareholder of the Company), the number and category (type) of shares he/she holds, the name(s) of the shareholder(s) nominating the candidate, and the number and category (type) of shares he/she/they hold(s).

The Company's Board of Directors is obliged to consider submitted proposals and pass a resolution on whether or not to include them in the agenda of an annual general shareholders' meeting not later than 5 days after the deadline for proposals concerning the agenda and for nomination of candidates. The Board of Directors' reasoned resolution not to include any issue into the agenda or not to include any candidate in the list of candidates is to be sent to the shareholder (shareholders) who proposed that issue or nomination not later than 3 days after such decision was made.

Persons who have the right to review information (materials) presented in order to arrange and hold a meeting (session) of the issuer's supreme management body and the procedure for review of such information (materials)

In accordance with the Federal Law "On Joint Stock Companies", persons who have the right to review the information presented in order to arrange and hold a shareholders' meeting are the persons who have the right to participate in a general shareholders' meeting. The list of persons who have the right to participate in a general shareholders' meeting is compiled on the basis of the Company's shareholder register.

Review of the information presented in order to arrange a shareholders' meeting shall be made in compliance with Article 52 of the Federal Law "On Joint Stock Companies".

Procedure for announcement (communication to the issuer's shareholders (members)) of resolutions passed by the issuer's supreme management body and vote returns

Resolutions passes at a general shareholders' meeting and vote returns shall be communicated to shareholders at a general shareholders' meeting. If votes cannot be counted before a general shareholders' meeting is closed or in case of absentee voting, resolutions passed at a general shareholders' meeting and vote returns shall be communicated to shareholders within the period set forth by the law of the Russian Federation by way of publication in the Neft Priobya newspaper.

8.1.4. Commercial organizations where the issuer holds at least five percent of the charter capital or at least five percent of ordinary shares

Commercial organizations where the issuer holds at least five percent of the charter (share) capital (mutual fund) or at least five percent of ordinary shares as of the end of the last reporting quarter

1. Full corporate name: **Limited Liability Company Novgorodnefteproduct**

Abbreviated corporate name: **LLC "Novgorodnefteproduct"**

Location: **Russia, Veliky Novgorod**

INN: **5321059365**

OGRN: **1025300788644**

The issuer's share in the charter (share) capital (mutual fund) of commercial organization: **100%**
The person's share in the charter capital of the issuer: **0%**
The issuer's ordinary shares held by the person: **0%**

2. Full corporate name: ***Limited Liability Company Syrgutmebel***

Abbreviated corporate name: ***LLC "Syrgutmebel"***

Location: ***Russia, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgutsky District, poselok Barsovo, Vostochnaya industrial 1 territory, 2***

INN: ***8617013396***

OGRN: ***1028601679688***

The issuer's share in the charter (share) capital (mutual fund) of commercial organization: **100%**

The person's share in the charter capital of the issuer: **0%**

The issuer's ordinary shares held by the person: **0%**

3. Full corporate name: ***Limited Liability Company Marketing Association Pskovnefteproduct***

Abbreviated corporate name: ***LLC "Pskovnefteproduct";***

Location: ***Russia, Pskov***

INN: ***6027042337***

OGRN: ***1026000970049***

The issuer's share in the charter (share) capital (mutual fund) of commercial organization: **100%**

The person's share in the charter capital of the issuer: **0%**

The issuer's ordinary shares held by the person: **0%**

4. Full corporate name: ***Limited Liability Company Marketing Association Tvernefteproduct***

Abbreviated corporate name: ***LLC "MA "Tvernefteproduct"***

Location: ***Russia, Tver, ul.Novotorzhskaya, 6***

INN: ***6905041501***

OGRN: ***1026900510647***

The issuer's share in the charter (share) capital (mutual fund) of commercial organization: **100%**

The person's share in the charter capital of the issuer: **0%**

The issuer's ordinary shares held by the person: **0%**

5. Full corporate name: ***Limited Liability Company Kaliningradnefteproduct***

Abbreviated corporate name: ***LLC "Kaliningradnefteproduct"***

Location: ***Russia, Kaliningrad, Central District, ul.Komsomolskaya, 22-b.***

INN: ***3900000136***

OGRN: ***1023900589240***

The issuer's share in the charter (share) capital (mutual fund) of commercial organization: **100%**

The person's share in the charter capital of the issuer: **0%**

The issuer's ordinary shares held by the person: **0%**

6. Full corporate name: ***Limited Liability Company "Oil Refining and Petrochemical Enterprises Design Institute"***

Abbreviated corporate name: ***LLC "Lengiproneftekhim"***

Location: ***Russia, Saint Petersburg, nab.Obvodnogo kanala, 94***

INN: ***7810327462***

OGRN: ***1057803105755***

The issuer's share in the charter (share) capital (mutual fund) of commercial organization: **100%**

The person's share in the charter capital of the issuer: **0%**

The issuer's ordinary shares held by the person: **0%**

7. Full corporate name: ***Limited Liability Company KIRISHIAVTOSERVIS***

Abbreviated corporate name: ***LLC "Kirishiavtoservis"***

Location: ***196084, Russia, Saint Petersburg, ul.Smolenskaya 12, lit. A***

INN: ***7840016802***

OGRN: **1057807804064**

The issuer's share in the charter (share) capital (mutual fund) of commercial organization: **100%**

The person's share in the charter capital of the issuer: **0%**

The issuer's ordinary shares held by the person: **0%**

8. Full corporate name: **Limited Liability Company "Media-Invest"**

Abbreviated corporate name: **LLC "Media-Invest"**

Location: **119847 Russia, Moscow, Zubovsky boulevard, 17, bld.1**

INN: **7704667322**

OGRN: **1077762407580**

The issuer's share in the charter (share) capital (mutual fund) of commercial organization: **100%**

The person's share in the charter capital of the issuer: **0%**

The issuer's ordinary shares held by the person: **0%**

9. Full corporate name: **Open Joint Stock Company "Sovkhoz "Chervishevsky"**

Abbreviated corporate name: **OJSC "Sovkhoz "Chervishevsky"**

Location: **Russia, Tyumenskaya Oblast, Tyumensky District, s.Chervishevo**

INN: **7224019466**

OGRN: **1027200789142**

The issuer's share in the charter (share) capital (mutual fund) of commercial organization: **94.9996%**

The Company's ordinary shares held by the issuer: **94.9996%**

The person's share in the charter capital of the issuer: **0%**

The issuer's ordinary shares held by the person: **0%**

10. Full corporate name: **Limited Liability Company "Insurance Company "Surgutneftegas"**

Abbreviated corporate name: **LLC "Insurance Company Surgutneftegas"**

Location: **Russia, Tyumenskaya Oblast, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut**

INN: **8602103061**

OGRN: **1028600581811**

The issuer's share in the charter (share) capital (mutual fund) of commercial organization: **100%**

The person's share in the charter capital of the issuer: **0%**

The issuer's ordinary shares held by the person: **0%**

11. Full corporate name: **Limited Liability Company "Production Association "Kirishinefteorgsintez"**

Abbreviated corporate name: **LLC "KINEF"**

Location: **Russia, Leningradskaya Oblast, Kirishi, shosse Entuziastov, 1**

INN: **4708007089**

OGRN: **1024701478735**

The issuer's share in the charter (share) capital (mutual fund) of commercial organization: **100%**

The person's share in the charter capital of the issuer: **0%**

The issuer's ordinary shares held by the person: **0%**

12. Full corporate name: **ZAO "Surgutneftegasbank"**

Abbreviated corporate name: **ZAO SNGB**

Location: **628400 Russia, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut, ul.Kukuyevitskogo, 19**

INN: **8602190258**

OGRN: **1028600001792**

The issuer's share in the charter (share) capital (mutual fund) of commercial organization: **97.7591%**

The Company's ordinary shares held by the issuer: **98.2389%**

The person's share in the charter capital of the issuer: **0.0015%**

The issuer's ordinary shares held by the person: **0.0018%**

13. Full corporate name: *Closed Joint Stock Company “Surgutinvestneft”*
Abbreviated corporate name: *CJSC “Surgutinvestneft”*
Location: *Russia, Tyumenskaya Oblast, Surgut*
INN: *8602039063*
OGRN: *1028600588246*
The issuer’s share in the charter (share) capital (mutual fund) of commercial organization: *16.5043%*
The Company’s ordinary shares held by the issuer: *16.5043%*
The person’s share in the charter capital of the issuer: *0%*
The issuer’s ordinary shares held by the person: *0%*
14. Full corporate name: *Limited Liability Company “Invest-Zaschita”*
Abbreviated corporate name: *LLC “Invest-Zaschita”*
Location: *628400 Russia, Tyumenskaya Oblast, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut, ul.Entuziastov, 52/1*
INN: *8602102332*
OGRN: *1028600581680*
The issuer’s share in the charter (share) capital (mutual fund) of commercial organization: *15.13%*
The person’s share in the charter capital of the issuer: *0.1106%*
The issuer’s ordinary shares held by the person: *0.0236%*
15. Full corporate name: *Closed Joint Stock Company “St. Petersburg International Mercantile Exchange”*
Abbreviated corporate name: *CJSC “SPIMEX”*
Location: *191119 Russia, Saint Petersburg, ul.Marata, 69-71, lit. A*
INN: *7840389730*
OGRN: *1089847188903*
The issuer’s share in the charter (share) capital (mutual fund) of commercial organization: *8%*
The Company’s ordinary shares held by the issuer: *8%*
The person’s share in the charter capital of the issuer: *0%*
The issuer’s ordinary shares held by the person: *0%*
16. Full corporate name: *Open Joint Stock Company “Aksionerny Bank “ROSSIYA”*
Abbreviated corporate name: *OJSC “AB “ROSSIYA”*
Location: *Russia, Saint Petersburg*
INN: *7831000122*
OGRN: *1027800000084*
The issuer’s share in the charter (share) capital (mutual fund) of commercial organization: *5.42%*
The Company’s ordinary shares held by the issuer: *0%*
The person’s share in the charter capital of the issuer: *0%*
The issuer’s ordinary shares held by the person: *0%*
17. Full corporate name: *Open Joint Stock Company “Airport Surgut”*
Abbreviated corporate name: *OJSC “Airport Surgut”*
Location: *628422 Russia, Tyumenskaya Oblast, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut, ul.Aeroflotskaya, 49/1*
INN: *8602060523*
OGRN: *1028600603998*
The issuer’s share in the charter (share) capital (mutual fund) of commercial organization: *5%*
The Company’s ordinary shares held by the issuer: *5%*
The person’s share in the charter capital of the issuer: *0%*
The issuer’s ordinary shares held by the person: *0%*
18. Full corporate name: *TELCREST INVESTMENTS LIMITED*
Abbreviated corporate name: *TELCREST INVESTMENTS LIMITED*
Location: *Cyprus, JULIA HOUSE 1066, Nicosia, Cyprus, Themistokli Dervi, 3*

The issuer's share in the charter (share) capital (mutual fund) of commercial organization: **9.53%**
The person's share in the charter capital of the issuer: **0%**
The issuer's ordinary shares held by the person: **0%**

19. Full corporate name: ***Closed Joint Stock Company "National Media Group"***

Abbreviated corporate name: ***CJSC "National Media Group"***

Location: ***119034 Russia, Moscow, Prechistenskaya nab., 13, bld. 1***

INN: ***7704676655***

OGRN: ***1087746152207***

The issuer's share in the charter (share) capital (mutual fund) of commercial organization: **23.9752%**

The Company's ordinary shares held by the issuer: **23.9752%**

The person's share in the charter capital of the issuer: **0%**

The issuer's ordinary shares held by the person: **0%**

8.1.5. Major transactions conducted by the issuer

No such transactions in the period under review.

8.1.6. Credit ratings of the issuer

There are no credit ratings known to the issuer.

8.2. Data on each category (type) of the issuer's shares

Category of shares: ***ordinary***

Par value of each share (RUB): ***1***

Number of outstanding shares (number of shares that are not redeemed or cancelled): ***35,725,994,705***

Number of additional shares which can be or being placed (number of shares in additional issue in respect to which the state registration has been granted, but additional issue report was not registered, or additional issue notification was not submitted in case Federal Law "On Securities Markets" does not prescribe state registration of additional issue report. ***0***

Number of declared shares: ***0***

Number of shares which came to the disposal (are on the balance) of the issuer: ***0***

Number of additional shares that can be placed through conversion of previously placed securities convertible into shares or by virtue of fulfillment of the issuer's option obligations: ***0***

Issues of shares of this category (type):

Date of state registration	State registration number of the Issue:
24.06.2003	1-01-00155-A

Shares grant shareholders the following rights:

An ordinary share of the Company entitles its owner:

- to one vote when addressing issues put to the vote at a general shareholders' meeting excluding elections of members to the Company's Board of Directors (members to the Company's Board of Directors are elected through cumulative voting. When conducting cumulative voting the number of votes for each Company's voting share shall be equal to the total number of the Board of Directors of the Company. A shareholder has the right to cast all the votes carried by his/her share for one candidate or distribute them among several candidates to the Company's Board of Directors);

- to receive dividend out of the Company's net profit;

- to a share of the Company's property if the Company is dissolved;

- to demand that the Company buy out shares belonging to him/her in case:

the Company is being restructured or a major transaction is being conducted, the resolution about which is adopted by the general shareholders' meeting in compliance with the Company's Charter, if he/she voted against such resolution or transaction or did not vote on these issues;

the Company's Charter is amended or approved in a new wording to restrict his/her rights if he/she voted against the corresponding resolution or did not participate in voting;

- to participate in the general shareholders' meeting both in person and by proxy that can be acted by, without limitations, other shareholders of the Company as well as its officers;

- to purchase and dispose of shares belonging to him/her (consent of other shareholders is not required).

In case the Company, via public subscription, places voting shares and securities convertible into voting shares which are paid with money, those of the shareholders who own voting shares of the Company have the pre-emptive right over these securities in the quantity proportional to the quantity of the Company's voting shares belonging to them.

A share can be cross-owned by two or several persons. In this case, the Company deems the co-owners a single shareholder; they exercise their rights to hold, use and dispose of the Company's share in the order established by the agreement between members.

Other information about the shares as the issuer may wish to disclose:

In accordance with Ordinance of the Federal Securities Market Commission of Russia No. 03-1215/r dated 24.06.2003, the additional issues of equity securities of OJSC "Surgutneftegas" were consolidated to cancel the following state registration numbers assigned to the issues of preference registered non-documentary shares of OJSC "Surgutneftegas":

87-1-664 dated 19.07.94;

MF 67-1-01430 dated 30.09.96;

1-05-00155-A dated 25.08.97;

1-06-00155-A dated 22.12.97.

1-07-00155-A dated 18.04.2000.

Category of shares: **preference**

Type of shares:

Par value of each share (RUB): **1**

Number of outstanding shares (number of shares that are not redeemed or cancelled): **7,701,665,235**

Number of additional shares which can be or being placed (number of shares in additional issue in respect to which the state registration has been granted, but additional issue report was not registered, or additional issue notification was not submitted in case Federal Law "On Securities Markets" does not prescribe state registration of additional issue report. **0**

Number of declared shares: **0**

Number of shares which came to the disposal (are on the balance) of the issuer: **0**

Number of additional shares that can be placed through conversion of previously placed securities convertible into shares or by virtue of fulfillment of the issuer's option obligations: **0**

Issues of shares of this category (type):

Date of state registration	State registration number of the Issue:
24.06.2003	2-01-00155-A

Shares grant shareholders the following rights:

A preference share of the Company entitles its owner:

- to receive an annual fixed dividend. The total amount paid as a dividend on each preference share is set at the rate of 10% of the Company's net profit on the basis of the latest financial year results divided into the number of shares accounting for 25% of the Company's charter capital. If the amount of dividend paid by the Company on each ordinary share in a certain year exceeds the amount payable as dividends on each preference share, the dividend rate paid on the latter must be increased up to the dividend rate paid per ordinary share. The Company is not entitled to pay out preference dividends in a manner differing from the procedure stipulated by the Company's Charter

- to vote at a general shareholders' meeting when resolutions regarding the Company's reorganization and liquidation, introduction of amendments and supplements to the Company's Charter affecting the rights and interests of preference shareholders are adopted

- to a share of the Company's property if the Company is dissolved;

- to participate in a general meeting of shareholders with the vote on all the issues within its terms of reference starting from the meeting following the annual general meeting of shareholders, which, irrespective of the reasons, did not adopt the resolution to pay dividends or adopted a resolution to partially pay dividends on preference shares of this type. The preference shareholders' right to participate in the general meeting of shareholders becomes invalid after the first full dividend payment on the shares mentioned is effected;

- to purchase and dispose of shares belonging to him/her (consent of other shareholders is not required).

- in case of acquisition of the voting right, to demand that the Company buy back his/her shares if:

the Company is being restructured or a major transaction is being conducted, the resolution about which is adopted by the general shareholders' meeting in compliance with the Company's Charter, if he/she voted against such resolution or transaction or did not vote on these issues;

the Company's Charter is amended or approved in a new wording to restrict his/her rights if he/she voted against the corresponding resolution or did not participate in voting.

A share can be cross-owned by two or several persons. In this case, the Company deems the co-owners a single shareholder; they exercise their rights to hold, use and dispose of the Company's share in the order established by the agreement between members.

Other information about the shares as the issuer may wish to disclose:

In accordance with Ordinance of the Federal Securities Market Commission of Russia No. 03-1215/r dated 24.06.2003, the additional issues of equity securities of OJSC “Surgutneftegas” were consolidated to cancel the following state registration numbers assigned to the issues of preference registered non-documentary shares of OJSC “Surgutneftegas”:

87-1-664 dated 19.07.94;

MF 67-1-01184 dated 05.04.96;

MF 67-1-01431 dated 30.09.96;

2-05-00155-A dated 25.08.97;

2-05-00155-A dated 24.10.97.

8.3. Previous issues of the issuer’s equity securities excluding the issuer’s shares

8.3.1. Issues with all securities redeemed

No such issues.

8.3.2. Issues with securities that are not redeemed

No such issues.

8.4. Person(s) who offered security for the issuer’s secured bonds and security offered for the issuer’s secured bonds

The issuer made no registration of the prospectus for secured bonds, no secured bonds were admitted to stock-exchange trade.

8.4.1. Additional information on the issuer’s mortgage bonds

The issuer did not place any mortgage bonds with obligations not fulfilled yet.

8.4.2. Additional information on collateral for collateral bonds that includes money claims

The issuer did not place any collateral cash secured bonds with obligations not fulfilled yet.

8.5. Organizations keeping records of rights for the issuer’s equity securities

Information about the registrar

Full corporate name: *Closed Joint Stock Company “Surgutinvestneft”*

Abbreviated corporate name: *CJSC “Surgutinvestneft”*

Location: *Russian Federation, Tyumenskaya Oblast, Surgut*

INN: *8602039063*

OGRN: *1028600588246*

License for keeping the register of security holders

Number: *10-000-1-00324*

Date of issue: *24.06.2004*

Valid till: *unlimited*

Issuing authority: *Russian Federal Commission for the Securities Market (FKTsB) (Federal Financial Markets Service (FSFR) of Russia)*

The date when the registrar started keeping the register for holders of the issuer's registered securities: *02.04.1994*

8.6. Legislative acts regulating import and export of capital, which may influence the payment of dividends, interests, and other payments to non-residents

As of 31.03.2016, the following legislative acts were in force regulating import and export of capital that may influence the payment of dividends, interests or other payments to non-residents:

Federal Law No. 173-FZ dated 10.12.2003 “On Currency Exchange Regulation and Control”;

Federal Law No. 208-FZ dated 26.12.1995 “On Joint Stock Companies”;

Federal Law No. 160-FZ dated 09.07.1999 “On Foreign Investments in the Russian Federation”;

Federal Law No. 39-FZ dated 25.02.1999 “On Investment Activities in the Form of Capital Investments in the Russian Federation”;

Tax Code of the Russian Federation;

Federal Law No. 115-FZ dated 07.08.2001 “On Counteraction of the Legitimization of Proceeds of Crime and the Financing of Terrorism”;
Double taxation treaties between the Russian Federation and foreign states where holders of the Company’s securities reside.

8.7. Declared (accrued) and (or) paid dividends on the issuer’s shares and the issuer’s bond yield

8.7.1. Dividends declared and paid on the issuer’s shares

Information for 5 last completed reporting years or for each completed reporting year the issuer conducts its business for less than 5 years, and for the period from the date when the current financial year started till the date when the reporting quarter ended

Indicator	Indicator value for the relevant reporting period – 2010, full year
Category of shares, for preference shares – type	ordinary
The issuer’s management body which passed a resolution of dividend declaration, date when such resolution was adopted, date and number of the minutes of the meeting (session) of the issuer’s management body when such resolution was adopted	The resolution was adopted at a general shareholders’ meeting 24.06.2011, Minutes No. 22 dated 27.06.2011
Dividends declared per one share, RUB:	0.5
Total dividends declared on all shares of this category (type), RUB:	17,862,997,352.5
The date as of which the persons entitled to dividends are determined:	13.05.2011
Reporting period (year, quarter) for which (on the results of which) the dividends declared are (were) paid:	2010, full year
The due period (date) for declared dividend payment:	From 01.07.2011 till 23.08.2011
Form of declared dividend payment:	cash
Sources of payment of the declared dividends (net profit of the reporting year, retained profit of prior years, special fund):	net profit of the reporting year.
Declared dividends ratio in the net profit of the reporting year, %:	13.91
Total dividends paid on shares of this category (type), RUB:	17,852,089,002.64
Payout ratio in the total amount of the declared dividends on all shares of this category (type), %:	99.94
In case declared dividends are not paid or paid by the issuer not in full – reasons for non-payment of declared dividends:	Obligations to pay dividends for 2010 on the Company’s ordinary shares were fulfilled except the situations when the Company does not bear responsibility in accordance with Article 44 of Federal Law “On Joint Stock Companies” for the reasons beyond the Company’s control: incorrect, incomplete or outdated information on the shareholder’s banking details and/or mailing address he/she entered into a registered person’s dividends questionnaire.
Other information about declared and (or) paid dividends as the issuer may wish to disclose	

Indicator	Indicator value for the relevant reporting period – 2010, full year
Category of shares, for preference shares – type	preference
The issuer’s management body which passed a resolution of dividend declaration, date when such resolution was adopted, date and number of the minutes of the meeting (session) of the issuer’s management body when such resolution was adopted	The resolution was adopted at a general shareholders’ meeting 24.06.2011, Minutes No. 22 dated 27.06.2011
Dividends declared per one share, RUB:	1.18

Total dividends declared on all shares of this category (type), RUB:	9,088,357,917.3
The date as of which the persons entitled to dividends are determined:	13.05.2011
Reporting period (year, quarter) for which (on the results of which) the dividends declared are (were) paid:	2010, full year
The due period (date) for declared dividend payment:	From 01.07.2011 till 23.08.2011
Form of declared dividend payment:	cash
Sources of payment of the declared dividends (net profit of the reporting year, retained profit of prior years, special fund):	net profit of the reporting year.
Declared dividends ratio in the net profit of the reporting year, %:	7.08
Total dividends paid on shares of this category (type), RUB:	8,985,237,238.54
Payout ratio in the total amount of the declared dividends on all shares of this category (type), %:	98.87
In case declared dividends are not paid or paid by the issuer not in full – reasons for non-payment of declared dividends:	Obligations to pay dividends for 2010 on the Company's preference shares were fulfilled except the situations when the Company does not bear responsibility in accordance with Article 44 of Federal Law "On Joint Stock Companies" for the reasons beyond the Company's control: incorrect, incomplete or outdated information on the shareholder's banking details and/or mailing address he/she entered into a registered person's dividends questionnaire.
Other information about declared and (or) paid dividends as the issuer may wish to disclose	

Indicator	Indicator value for the relevant reporting period – 2011, full year
Category of shares, for preference shares – type	ordinary
The issuer's management body which passed a resolution of dividend declaration, date when such resolution was adopted, date and number of the minutes of the meeting (session) of the issuer's management body when such resolution was adopted	The resolution was adopted at a general shareholders' meeting 29.06.2012, Minutes No. 23 dated 02.07.2012
Dividends declared per one share, RUB:	0.6
Total dividends declared on all shares of this category (type), RUB:	21,435,596,823
The date as of which the persons entitled to dividends are determined:	14.05.2012
Reporting period (year, quarter) for which (on the results of which) the dividends declared are (were) paid:	2011, full year
The due period (date) for declared dividend payment:	dividends shall be paid not later than on 28 August 2012
Form of declared dividend payment:	cash
Sources of payment of the declared dividends (net profit of the reporting year, retained profit of prior years, special fund):	net profit of the reporting year.
Declared dividends ratio in the net profit of the reporting year, %:	9.19
Total dividends paid on shares of this category (type), RUB:	21,423,216,587.85
Payout ratio in the total amount of the declared dividends on all shares of this category (type), %:	99.94
In case declared dividends are not paid or paid by the issuer	Obligations to pay dividends for 2011 on the Company's

not in full – reasons for non-payment of declared dividends:	ordinary shares were fulfilled except the situations when the Company does not bear responsibility in accordance with Article 44 of Federal Law “On Joint Stock Companies” for the reasons beyond the Company’s control: incorrect, incomplete or outdated information on the shareholder’s banking details and/or mailing address he/she entered into a registered person’s dividends questionnaire.
Other information about declared and (or) paid dividends as the issuer may wish to disclose	

Indicator	Indicator value for the relevant reporting period – 2011, full year
Category of shares, for preference shares – type	preference
The issuer’s management body which passed a resolution of dividend declaration, date when such resolution was adopted, date and number of the minutes of the meeting (session) of the issuer’s management body when such resolution was adopted	The resolution was adopted at a general shareholders’ meeting 29.06.2012, Minutes No. 23 dated 02.07.2012
Dividends declared per one share, RUB:	2.15
Total dividends declared on all shares of this category (type), RUB:	16,559,296,205.25
The date as of which the persons entitled to dividends are determined:	14.05.2012
Reporting period (year, quarter) for which (on the results of which) the dividends declared are (were) paid:	2011, full year
The due period (date) for declared dividend payment:	dividends shall be paid not later than on 28 August 2012
Form of declared dividend payment:	cash
Sources of payment of the declared dividends (net profit of the reporting year, retained profit of prior years, special fund):	net profit of the reporting year.
Declared dividends ratio in the net profit of the reporting year, %:	7.1
Total dividends paid on shares of this category (type), RUB:	16,376,229,071.31
Payout ratio in the total amount of the declared dividends on all shares of this category (type), %:	98,89
In case declared dividends are not paid or paid by the issuer not in full – reasons for non-payment of declared dividends:	Obligations to pay dividends for 2011 on the Company’s preference shares were fulfilled except the situations when the Company does not bear responsibility in accordance with Article 44 of Federal Law “On Joint Stock Companies” for the reasons beyond the Company’s control: incorrect, incomplete or outdated information on the shareholder’s banking details and/or mailing address he/she entered into a registered person’s dividends questionnaire.
Other information about declared and (or) paid dividends as the issuer may wish to disclose	

Indicator	Indicator value for the relevant reporting period – 2012, full year
Category of shares, for preference shares – type	ordinary
The issuer’s management body which passed a resolution of dividend declaration, date when such resolution was adopted, date and number of the minutes of the meeting (session) of the issuer’s management	The resolution was adopted at a general shareholders’ meeting 28.06.2013, Minutes No. 24 dated 01.07.2013

body when such resolution was adopted	
Dividends declared per one share, RUB:	0.5
Total dividends declared on all shares of this category (type), RUB:	17,862,997,352.5
The date as of which the persons entitled to dividends are determined:	14.05.2013
Reporting period (year, quarter) for which (on the results of which) the dividends declared are (were) paid:	2012, full year
The due period (date) for declared dividend payment:	dividends shall be paid not later than on 27 August 2013
Form of declared dividend payment:	cash
Sources of payment of the declared dividends (net profit of the reporting year, retained profit of prior years, special fund):	net profit of the reporting year.
Declared dividends ratio in the net profit of the reporting year, %:	11.1
Total dividends paid on shares of this category (type), RUB:	17,852,448,897.16
Payout ratio in the total amount of the declared dividends on all shares of this category (type), %:	99.94
In case declared dividends are not paid or paid by the issuer not in full – reasons for non-payment of declared dividends:	Obligations to pay dividends for 2012 on the Company's ordinary shares were fulfilled except the situations when the Company does not bear responsibility in accordance with Article 44 of Federal Law "On Joint Stock Companies" for the reasons beyond the Company's control: incorrect, incomplete or outdated information on the shareholder's banking details and/or mailing address he/she entered into a registered person's dividends questionnaire.
Other information about declared and (or) paid dividends as the issuer may wish to disclose	

Indicator	Indicator value for the relevant reporting period – 2012, full year
Category of shares, for preference shares – type	preference
The issuer's management body which passed a resolution of dividend declaration, date when such resolution was adopted, date and number of the minutes of the meeting (session) of the issuer's management body when such resolution was adopted	The resolution was adopted at a general shareholders' meeting 28.06.2013, Minutes No. 24 dated 01.07.2013
Dividends declared per one share, RUB:	1.48
Total dividends declared on all shares of this category (type), RUB:	11,398,957,387.8
The date as of which the persons entitled to dividends are determined:	14.05.2013
Reporting period (year, quarter) for which (on the results of which) the dividends declared are (were) paid:	2012, full year
The due period (date) for declared dividend payment:	dividends shall be paid not later than on 27 August 2013
Form of declared dividend payment:	cash
Sources of payment of the declared dividends (net profit of the reporting year, retained profit of prior years, special fund):	net profit of the reporting year.
Declared dividends ratio in the net profit of the reporting year, %:	7.08
Total dividends paid on shares of this category (type), RUB:	11,273,950,198.03
Payout ratio in the total amount of the declared dividends on all shares of this category (type), %:	98.90
In case declared dividends are not paid or paid by the issuer not in full – reasons for non-payment of declared dividends:	Obligations to pay dividends for 2012 on the Company's preference shares were fulfilled except the situations when the Company does not bear

	responsibility in accordance with Article 44 of Federal Law "On Joint Stock Companies" for the reasons beyond the Company's control: incorrect, incomplete or outdated information on the shareholder's banking details and/or mailing address he/she entered into a registered person's dividends questionnaire.
Other information about declared and (or) paid dividends as the issuer may wish to disclose	

Indicator	Indicator value for the relevant reporting period – 2013, full year
Category of shares, for preference shares – type	ordinary
The issuer's management body which passed a resolution of dividend declaration, date when such resolution was adopted, date and number of the minutes of the meeting (session) of the issuer's management body when such resolution was adopted	The resolution was adopted at a general shareholders' meeting 27.06.2014, Minutes No. 25 dated 30.06.2014
Dividends declared per one share, RUB:	0.6
Total dividends declared on all shares of this category (type), RUB:	21,435,596,823
The date as of which the persons entitled to dividends are determined:	16.07.2014
Reporting period (year, quarter) for which (on the results of which) the dividends declared are (were) paid:	2013, full year
The due period (date) for declared dividend payment:	dividends shall be paid not later than on 20 August 2014
Form of declared dividend payment:	cash
Sources of payment of the declared dividends (net profit of the reporting year, retained profit of prior years, special fund):	net profit of the reporting year.
Declared dividends ratio in the net profit of the reporting year, %:	8.36
Total dividends paid on shares of this category (type), RUB:	21,421,880,089.35
Payout ratio in the total amount of the declared dividends on all shares of this category (type), %:	99.94
In case declared dividends are not paid or paid by the issuer not in full – reasons for non-payment of declared dividends:	Obligations to pay dividends for 2013 on the Company's ordinary shares were fulfilled except the situations when the Company does not bear responsibility in accordance with Article 44 of Federal Law "On Joint Stock Companies" for the reasons beyond the Company's control: incorrect, incomplete or outdated information on the shareholder's banking details and/or mailing address he/she entered into a registered person's dividends questionnaire.
Other information about declared and (or) paid dividends as the issuer may wish to disclose	

Indicator	Indicator value for the relevant reporting period – 2013, full year
Category of shares, for preference shares – type	preference
The issuer's management body which passed a resolution of dividend declaration, date when such resolution was adopted, date and number of the minutes of the meeting (session) of the issuer's management body when such resolution was adopted	The resolution was adopted at a general shareholders' meeting 27.06.2014, Minutes No. 25 dated 30.06.2014

Dividends declared per one share, RUB:	2.36
Total dividends declared on all shares of this category (type), RUB:	18,176,715,834.6
The date as of which the persons entitled to dividends are determined:	16.07.2014
Reporting period (year, quarter) for which (on the results of which) the dividends declared are (were) paid:	2013, full year
The due period (date) for declared dividend payment:	dividends shall be paid not later than on 20 August 2014
Form of declared dividend payment:	cash
Sources of payment of the declared dividends (net profit of the reporting year, retained profit of prior years, special fund):	net profit of the reporting year.
Declared dividends ratio in the net profit of the reporting year, %:	7.09
Total dividends paid on shares of this category (type), RUB:	17,973,947,432.15
Payout ratio in the total amount of the declared dividends on all shares of this category (type), %:	98.88
In case declared dividends are not paid or paid by the issuer not in full – reasons for non-payment of declared dividends:	Obligations to pay dividends for 2013 on the Company's preference shares were fulfilled except the situations when the Company does not bear responsibility in accordance with Article 44 of Federal Law "On Joint Stock Companies" for the reasons beyond the Company's control: incorrect, incomplete or outdated information on the shareholder's banking details and/or mailing address he/she entered into a registered person's dividends questionnaire.
Other information about declared and (or) paid dividends as the issuer may wish to disclose	

Indicator	Indicator value for the relevant reporting period – 2014, full year
Category of shares, for preference shares – type	ordinary
The issuer's management body which passed a resolution of dividend declaration, date when such resolution was adopted, date and number of the minutes of the meeting (session) of the issuer's management body when such resolution was adopted	The resolution was adopted at a general shareholders' meeting 27.06.2015, Minutes No. 26 dated 30.06.2015
Dividends declared per one share, RUB:	0.65
Total dividends declared on all shares of this category (type), RUB:	23,221,896,558.25
The date as of which the persons entitled to dividends are determined:	16.07.2015
Reporting period (year, quarter) for which (on the results of which) the dividends declared are (were) paid:	2014, full year
The due period (date) for declared dividend payment:	dividends shall be paid not later than on 20 August 2015
Form of declared dividend payment:	cash
Sources of payment of the declared dividends (net profit of the reporting year, retained profit of prior years, special fund):	net profit of the reporting year.
Declared dividends ratio in the net profit of the reporting year, %:	2.6
Total dividends paid on shares of this category (type), RUB:	23,205,401,883.44
Payout ratio in the total amount of the declared dividends on all shares of this category (type), %:	99.93
In case declared dividends are not paid or paid by the issuer not in full – reasons for non-payment of declared dividends:	Obligations to pay dividends for 2014 on the Company's ordinary shares were fulfilled except the situations when the Company does not bear responsibility in accordance with Article 44 of

	Federal Law “On Joint Stock Companies” for the reasons beyond the Company’s control: incorrect, incomplete or outdated information on the shareholder’s banking details and/or mailing address he/she entered into a registered person’s dividends questionnaire.
Other information about declared and (or) paid dividends as the issuer may wish to disclose	

Indicator	Indicator value for the relevant reporting period – 2014, full year
Category of shares, for preference shares – type	preference
The issuer’s management body which passed a resolution of dividend declaration, date when such resolution was adopted, date and number of the minutes of the meeting (session) of the issuer’s management body when such resolution was adopted	The resolution was adopted at a general shareholders’ meeting 27.06.2015, Minutes No. 26 dated 30.06.2015
Dividends declared per one share, RUB:	8.21
Total dividends declared on all shares of this category (type), RUB:	63,233,405,509.35
The date as of which the persons entitled to dividends are determined:	16.07.2015
Reporting period (year, quarter) for which (on the results of which) the dividends declared are (were) paid:	2014, full year
The due period (date) for declared dividend payment:	dividends shall be paid not later than on 20 August 2015
Form of declared dividend payment:	cash
Sources of payment of the declared dividends (net profit of the reporting year, retained profit of prior years, special fund):	net profit of the reporting year.
Declared dividends ratio in the net profit of the reporting year, %:	7.09
Total dividends paid on shares of this category (type), RUB:	62,517,197,813.56
Payout ratio in the total amount of the declared dividends on all shares of this category (type), %:	98.87
In case declared dividends are not paid or paid by the issuer not in full – reasons for non-payment of declared dividends:	Obligations to pay dividends for 2014 on the Company’s preference shares were fulfilled except the situations when the Company does not bear responsibility in accordance with Article 44 of Federal Law “On Joint Stock Companies” for the reasons beyond the Company’s control: incorrect, incomplete or outdated information on the shareholder’s banking details and/or mailing address he/she entered into a registered person’s dividends questionnaire.
Other information about declared and (or) paid dividends as the issuer may wish to disclose	

Obligations to pay dividends for 2012 - 2014 on the Company’s shares were fulfilled except the situations when the Company does not bear responsibility in accordance with Article 44 of Federal Law “On Joint Stock Companies” for the reasons beyond the Company’s control: incorrect, incomplete or outdated information on the shareholder’s banking details and/or mailing address he/she entered into a registered person’s dividends questionnaire.

8.7.2. Accrued and paid yield on the issuer’s bonds

The issuer did not issue any bonds.

8.8. Miscellaneous information

In view of specific features of the electronic form provided by the Federal Financial Markets Service of Russia:

- 1. The form of Section VII “The issuer’s accounting (financial) statements and other financial information” of the present report prepared with the help of software questionnaire (version 3.0.9) of the Federal Financial Markets Service of Russia for the issuer’s quarterly report does not meet the requirements of Federal Law of the Russian Federation No. 402-FZ “On Accounting” dated 06.12. 2011; Order of the Ministry of Finance of the Russian Federation No. 66n “Reporting Standards of Enterprises” dated 02.07. 2010.*
- 2. In paragraph 3.6, columns 2 and 3 of the table “Results of the latest reappraisal of fixed assets as of 31.12.2015” shall be interpreted as “Historical (replacement) cost prior to reappraisal” and “Residual (net of depreciation) historical (replacement) cost prior to reappraisal” respectively.*

8.9. Represented securities and the issuer of represented securities the title to which is evidenced by Russian Depositary Receipts

The issuer does not issue any represented securities the title to which is evidenced by Russian Depositary Receipts.

Appendix to the quarterly report.

**Notes to the Balance Sheet
and the Income Statement of OJSC “Surgutneftegas” for 2015 (thous. RUB)
(table)**

1. Intangible assets and expenses on research and development engineering (R&D)

1.1. Availability and flow of intangible assets

[illegible]

1.2. Historical cost of intangible assets created by the organization

Indicator	Line code	As of 31 December	As of 31 December	As of 31 December
		2015	2014	2013
Total	5120	765 228	675 798	519 911
including:				
exclusive rights to invention, industrial prototype, utility model	5121	452	438	433
exclusive rights to computer programs and databases	5122	764 776	675 360	519 478
exclusive rights to trademarks and service marks	5123	-	-	-
other protected results of intellectual property and individualization means	5124	-	-	-

1.3. Intangible assets with fully redeemed cost

Indicator	Line code	As of 31 December	As of 31 December	As of 31 December
		2015	2014	2013
Total	5130	383 821	385 411	378 119
including:				
exclusive rights to invention, industrial prototype, utility model	5131	23	28	1 694
exclusive rights to computer programs and databases	5132	376 431	376 436	366 879
exclusive rights to trademarks and service marks	5133	11	11	11
other protected results of intellectual property and individualization means	5134	7 356	8 936	9 535
goodwill	5135	-	-	-

1.4. Availability and flow of R&D results

Indicator	Code	Period	At year beginning		Changes during the period				At period end	
			historical cost	part of the cost written off to expenses	received	retired	part of the cost written off to expenses for the period		historical cost	part of the cost written off to expenses
1	2	3	4	5	6	7	8	9	10	11
R&D – total	5140	for 2015	173 194	(103 426)	131 474	-	-	(71 691)	304 668	(175 117)
	5150	for 2014	102 698	(76 232)	70 496	-	-	(27 194)	173 194	(103 426)

1.5. R&D in progress, non-finalized R&D, acquisition of intangible assets in progress

Indicator	Code	Period	At year beginning	Changes during the period			At period end
				expenses for the period	expenses written off as those with negative results	recorded as intangible assets or R&D	
1	2	3	4	5	6	7	8
Expenses on research and development in progress – total	5160	for 2015	90 636	207 906	-	(214 428)	84 114
	5170	for 2014	112 049	161 132	-	(182 545)	90 636
Acquisition of intangible assets in progress – total	5180	for 2015	43 843	50 082	-	(15 881)	78 044
	5190	for 2014	30 645	64 015	-	(50 817)	43 843

1.6. Intangible prospecting assets

Indicator	Code	Period	At year beginning	Changes during the period				results of devaluation	At period end
				proceeds and costs for the period	retired				
					costs to be written off when minerals production/licence acquisition is recognized as unpromising/ impractical	transferred to other non-current assets	other disposal		
1	2	3	4	5	6	7	8	9	10
Intangible prospecting assets – total	5191	for 2015	73 240 752	14 062 334	(2 665 470)	(47 605 662)	(979 662)	371 382	36 423 674
	5192	for 2014	70 051 419	15 084 712	(5 315 727)	(1 784 468)	(797 989)	(3 997 195)	73 240 752
including: licenses	51910	for 2015	53 118 704	855 543	(21 684)	(46 200 258)	-	(1)	7 752 304
	51920	for 2014	49 698 838	3 639 509	(38 190)	-	-	(181 453)	53 118 704
geological exploration	51911	for 2015	4 593 061	2 668 274	(141 624)	(757 121)	-	371 383	6 733 973
	51921	for 2014	2 589 792	2 812 350	(152 898)	(269 130)	-	(387 053)	4 593 061
construction of prospecting and exploration wells	51912	for 2015	14 549 325	9 762 704	(2 502 162)	(648 283)	-	-	21 161 584
	51922	for 2014	16 964 800	7 653 191	(5 124 639)	(1 515 338)	-	(3 428 689)	14 549 325
advances issued for construction of prospecting and exploration wells	51913	for 2015	979 662	775 813	-	-	(979 662)	-	775 813
	51923	for 2014	797 989	979 662	-	-	(797 989)	-	979 662

2. Fixed assets

2.1. Availability and flow of fixed assets

Indicator	Code	Period	At year beginning		Changes during the period						At period end	
			historical cost	accumulated depreciation	received	Items retired		accrued depreciation	revaluation		historical cost	accumulated depreciation
						historical cost	accumulated depreciation		historical cost	accumulated depreciation		
1	2	3	4	5	6	7	8	9	10	11	12	13
Fixed assets (net of income yielding investments in tangible assets) – total	5200	for 2015	2 633 947 455	(1 992 185 384)	167 695 075	(32 022 151)	30 800 179	(131 618 783)	65 843 654	(52 342 489)	2 835 464 033	(2 145 346 477)
	5210	for 2014	2 441 340 039	(1 836 271 402)	156 793 091	(21 397 901)	20 583 799	(125 518 885)	57 212 226	(50 978 896)	2 633 947 455	(1 992 185 384)
including: land and objects of environmental management	5201	for 2015	13 817 382	-	204 134	(90 848)	-	-	(183 713)	-	13 746 955	-
	5211	for 2014	15 416 444	-	55 891	(2 402)	-	-	(1 652 551)	-	13 817 382	-
buildings	5202	for 2015	194 258 986	(88 405 710)	5 681 342	(669 630)	505 015	(7 240 034)	9 840 057	(6 207 666)	209 110 755	(101 348 395)
	5212	for 2014	183 126 220	(80 611 960)	10 349 572	(803 061)	538 660	(7 243 294)	1 586 255	(1 089 116)	194 258 986	(88 405 710)
structures and transfer mechanisms	5203	for 2015	1 964 771 683	(1 538 702 192)	112 592 622	(16 390 671)	15 571 626	(88 354 151)	24 403 267	(18 335 355)	2 085 376 901	(1 629 820 072)
	5213	for 2014	1 818 803 578	(1 421 322 114)	108 641 195	(3 856 790)	3 482 128	(85 077 651)	41 183 700	(35 784 555)	1 964 771 683	(1 538 702 192)
machinery and equipment	5204	for 2015	413 589 547	(334 187 328)	45 045 946	(12 619 376)	12 496 598	(31 848 993)	29 981 760	(26 469 821)	475 997 877	(380 009 544)
	5214	for 2014	379 108 544	(305 211 990)	33 535 392	(13 303 695)	13 175 444	(29 295 110)	14 249 306	(12 855 672)	413 589 547	(334 187 328)
vehicles	5205	for 2015	43 591 343	(27 848 283)	3 793 750	(2 115 450)	2 092 890	(3 960 542)	1 741 351	(1 271 827)	47 010 994	(30 987 762)
	5215	for 2014	41 092 961	(26 266 658)	4 052 486	(3 353 466)	3 311 934	(3 670 289)	1 799 362	(1 223 270)	43 591 343	(27 848 283)
production and general purpose tools	5206	for 2015	3 530 007	(2 880 964)	375 884	(135 494)	133 700	(198 002)	58 220	(55 198)	3 828 617	(3 000 464)
	5216	for 2014	3 404 578	(2 714 670)	156 964	(76 583)	75 016	(215 541)	45 048	(25 769)	3 530 007	(2 880 964)

Indicator	Code	Period	At year beginning		Changes during the period						At period end	
			historical cost	accumulated depreciation	received	Items retired		accrued depreciation	revaluation		historical cost	accumulated depreciation
						historical cost	accumulated depreciation		historical cost	accumulated depreciation		
1	2	3	4	5	6	7	8	9	10	11	12	13
draft livestock and producing livestock	5207	for 2015	-	-	-	-	-	-	-	-	-	-
	5217	for 2014	-	-	-	-	-	-	-	-	-	-
other types of fixed assets	5208	for 2015	388 507	(160 907)	1 397	(682)	350	(17 061)	2 712	(2 622)	391 934	(180 240)
	5218	for 2014	387 714	(144 010)	1 591	(1 904)	617	(17 000)	1 106	(514)	388 507	(160 907)
Recorded as income yielding investments in tangible assets – total	5220	for 2015	56 459	(8 030)	3 209 028	(1 989)	129	(161 765)	-	-	3 263 498	(169 666)
	5230	for 2014	57 659	(6 650)	-	(1 200)	256	(1 636)	-	-	56 459	(8 030)
including: property given for temporary use (temporary possession and use)	5221	for 2015	56 459	(8 030)	3 209 028	(1 989)	129	(161 765)	-	-	3 263 498	(169 666)
	5231	for 2014	57 659	(6 650)	-	(1 200)	256	(1 636)	-	-	56 459	(8 030)

2.2. Capital investments in progress

Indicator	Code	Period	At year beginning	Changes during the period			At period end
				expenses for the period	delivered for assembly/retired	Recorded as fixed assets or increase in the value	
1	2	3	4	5	6	7	8
Construction in progress, acquisition, modernization, etc. of fixed assets in progress – total	5240	for 2015	49 301 448	210 722 486	(26 231 945)	(171 061 882)	62 730 107
	5250	for 2014	36 018 292	185 153 076	(15 756 224)	(156 113 696)	49 301 448
including: equipment requiring assembly	5241	for 2015	5 245 704	22 439 193	(22 299 787)	-	5 385 110
	5251	for 2014	4 866 750	15 475 448	(15 096 494)	-	5 245 704
acquisition of land and objects of environmental management	5242	for 2015	505	204 108	-	(204 134)	479
	5252	for 2014	571	55 825	-	(55 891)	505
acquisition of fixed assets	5243	for 2015	174 206	38 860 128	(502)	(38 921 533)	112 299
	5253	for 2014	84 419	25 998 861	-	(25 909 074)	174 206
construction in progress, including proprietary manufacturing of fixed assets	5244	for 2015	40 022 256	148 900 917	(475 591)	(131 936 215)	56 511 367
	5254	for 2014	30 810 363	139 823 346	(462 722)	(130 148 731)	40 022 256
advances issued for capital construction	5245	for 2015	3 858 777	318 140	(3 456 065)	-	720 852
	5255	for 2014	256 189	3 799 596	(197 008)	-	3 858 777

2.3. Change in the value of fixed assets resulting from additional construction, equipping, reconstruction, and partial liquidation

Indicator	code	For 2015	For 2014
1	2	3	4
Increase in the value of fixed assets resulting from additional construction, equipping, and reconstruction – total	5260	33 296 206	32 398 406
including: buildings	5261	1 322 599	1 086 049
structures and transfer mechanisms	5262	30 788 571	30 434 655
machinery, equipment and vehicles	5263	1 184 699	876 930
other fixed assets	5264	337	772
Decrease in the value of fixed assets resulting from partial liquidation – total:	5270	(1 774 480)	(1 838 801)
including: buildings	5271	(16 098)	(194 503)
structures and transfer mechanisms	5272	(343 099)	(297 393)
machinery, equipment and vehicles	5273	(1 415 268)	(1 345 643)
other fixed assets	5274	(15)	(1 262)

2.4. Other use of fixed assets

Indicator	code	As of 31.12.2015	As of 31.12.2014	As of 31.12.2013
1	2	3	4	5
Leased fixed assets on the balance	5280	15 315 366	14 776 106	6 449 426
Leased fixed assets off the balance	5281	-	-	-
Fixed assets on the balance received under lease	5282	-	-	-
Fixed assets off the balance received under lease	5283	17 317 946	17 433 351	15 452 012
Real estate accepted for operation and actually used, currently in the process of state registration	5284	8 960 889	5 007 184	3 261 065
Fixed assets transferred for preservation	5285	55 995 589	48 754 481	44 879 041
Other use of fixed assets	5286	-	-	-

3. Financial investments

3.1. Availability and flow of financial investments

[illegible]

Short-term – total	5305	for 2015	658 014 455	-	141 381 904	(725 985 871)	-	-	-	406 561 635	479 972 123	-
	5315	for 2014	408 139 542	-	237 211 101	(462 360 921)	-	-	-	475 024 733	658 014 455	-
including: securities issued by other organizations	5306	for 2015	6 000 000	-	-	(6 000 000)	-	-	-	-	0	-
	5316	for 2014	6 000 000	-	1 402 000	(1 402 000)	-	-	-	-	6 000 000	-
including: debt securities (bonds, bills of exchange)	53060	for 2015	6 000 000	-	-	(6 000 000)	-	-	-	-	0	-
	53160	for 2014	6 000 000	-	1 402 000	(1 402 000)	-	-	-	-	6 000 000	-
loans granted	5307	for 2015	182 294	-	-	(182 294)	-	-	-	-	0	-
	5317	for 2014	-	-	412 294	(230 000)	-	-	-	-	182 294	-
deposits	5308	for 2015	651 832 161	-	141 381 904	(719 803 577)	-	-	-	406 561 635	479 972 123	-
	5318	for 2014	402 139 542	-	235 396 807	(460 728 921)	-	-	-	475 024 733	651 832 161	-
other	5309	for 2015	-	-	-	-	-	-	-	-	-	-
	5319	for 2014	-	-	-	-	-	-	-	-	-	-
Financial investments – total	5300	for 2015	1 938 471 510	279	1 381 066 215	(832 385 703)	(379)	-	-	-	2 487 152 022	(100)
	5310	for 2014	1 115 955 703	562	1 284 876 728	(462 360 921)	-	-	(283)	-	1 938 471 510	279

3.2. Other use of financial investments

Indicator	code	As of 31.12.2015	As of 31.12.2014	As of 31.12.2013
Pledged financial investments – total	5320	0	61 457	61 457
including: securities issued by other organizations	5321	-	61 457	61 457
incl. debt securities (bonds, bills of exchange)	5322	-	-	-

4. Stocks

4.1. Availability and flow of stock

Indicator	Code	Period	At year beginning		Changes during the period					At period end	
			production costs	reserve for decreases in the value	proceeds and costs	retired		losses from decreases in the value	stock turnover among their groups (types)	production costs	reserve for decreases in the value
						production costs	reserve for decreases in the value				
1	2	3	4	5	6	7	8	9	10	11	12
Stocks – total	5400	for 2015	81 426 822	(1 034)	1 353 741 722	(1 354 014 332)	852	-	-	81 154 212	(182)
	5420	for 2014	68 284 263	(4 982)	1 477 928 308	(1 464 785 749)	4 120	(172)	-	81 426 822	(1 034)
including: raw materials, supplies and other similar values	5401	for 2015	44 128 347	(1 034)	138 406 218	(325 159 235)	852	-	201 582 782	58 958 112	(182)
	5421	for 2014	39 372 030	(4 982)	114 622 461	(303 277 602)	4 120	(172)	193 411 458	44 128 347	(1 034)
work-in-progress expenses	5402	for 2015	1 724 713	-	1 112 751	(1 413 170)	-	-	-	1 424 294	-
	5422	for 2014	1 043 265	-	1 215 111	(533 663)	-	-	-	1 724 713	-
finished goods	5403	for 2015	9 611 706	-	853 215 465	(184 376 319)	-	-	(669 916 169)	8 534 683	-
	5423	for 2014	6 940 252	-	810 430 933	(219 718 394)	-	-	(588 041 085)	9 611 706	-
goods for resale	5404	for 2015	204 083	-	1 035 046	(1 009 264)	-	-	-	229 865	-
	5424	for 2014	163 559	-	1 011 828	(964 998)	-	-	(6 306)	204 083	-
goods shipped	5405	for 2015	869 858	-	145 943	(468 539 466)	-	-	468 333 387	809 722	-
	5425	for 2014	649 945	-	-	(394 416 020)	-	-	394 635 933	869 858	-
deferred expenses	5406	for 2015	605 481	-	1 874 813	(1 840 174)	-	-	-	640 120	-
	5426	for 2014	675 180	-	2 230 697	(2 300 396)	-	-	-	605 481	-
other stock and costs	5407	for 2015	24 282 634	-	357 951 486	(371 676 704)	-	-	-	10 557 416	-
	5427	for 2014	19 440 032	-	548 417 278	(543 574 676)	-	-	-	24 282 634	-

4.2. Pledged stock

Indicator	code	As of 31.12.2015	As of 31.12.2014	As of 31.12.2013
1	2	3	4	5
Stock unpaid at the reporting date – total	5440	-	-	-
Pledged stock under contract – total	5445	-	-	-

5. Accounts payable and receivable

5.1. Availability and flow of accounts receivable

Indicator	Code	Period	At year beginning		Changes during the period								At period end	
			recorded as per contract terms and conditions	reserve for doubtful debts	received		retired				reserve creation	transferred from long-term to short-term debt	recorded as per contract terms and conditions	reserve for doubtful debts
					resulting from business transactions (the amount of debt under a transaction or operation)	interest, fines, and other charges due	paid off	written off to financial result	reserve restoration	written off to reserve amounts				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Long-term accounts receivable – total	5501	for 2015	38 548 949	-	89 973 646	-	(6 077 387)	-	-	-	-	(33 749 364)	88 695 844	-
	5521	for 2014	28 138 730	-	51 097 807	-	(265 537)	(1 706)	-	-	-	(40 420 345)	38 548 949	-
including: buyers and customers	5502	for 2015	287 451	-	4 640	-	(95 836)	-	-	-	-	(32 177)	164 078	-
	5522	for 2014	539 451	-	147 504	-	(216 227)	(1 575)	-	-	-	(181 702)	287 451	-
advances paid	5503	for 2015	12 512	-	855	-	-	-	-	-	-	(12 800)	567	-
	5523	for 2014	9 599	-	3 603	-	(108)	-	-	-	-	(582)	12 512	-
other	5504	for 2015	38 248 986	-	89 968 151	-	(5 981 551)	-	-	-	-	(33 704 387)	88 531 199	-
	5524	for 2014	27 589 680	-	50 946 700	-	(49 202)	(131)	-	-	-	(40 238 061)	38 248 986	-
Short-term accounts receivable – total	5510	for 2015	142 555 853	(314 536)	75 799 935	-	(134 273 858)	(531)	179	(45 954)	(44 006)	33 749 364	117 784 809	(312 409)
	5530	for 2014	133 657 154	(306 315)	101 833 745	-	(133 328 031)	(2 683)	3 692	(24 677)	(36 590)	40 420 345	142 555 853	(314 536)
including: buyers and customers	5511	for 2015	55 737 063	(374)	52 249 362	-	(50 257 566)	-	-	-	(757)	32 177	57 761 036	(1 131)
	5531	for 2014	84 590 923	(218)	55 569 815	-	(84 605 192)	(185)	76	-	(232)	181 702	55 737 063	(374)
advances paid	5512	for 2015	13 728 233	-	8 309 154	-	(11 273 424)	-	-	-	-	12 800	10 776 763	-
	5532	for 2014	7 458 026	-	13 721 792	-	(7 451 551)	(616)	-	-	-	582	13 728 233	-

Indicator	Code	Period	At year beginning		Changes during the period							At period end		
			recorded as per contract terms and conditions	reserve for doubtful debts	received		retired				reserve creation	transferred from long-term to short-term debt	recorded as per contract terms and conditions	reserve for doubtful debts
					resulting from business transactions (the amount of debt under a transaction or operation)	interest, fines, and other charges due	paid off	written off to financial result	reserve restoration	written off to reserve amounts				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
incorporators	5513	for 2015	-	-	-	-	-	-	-	-	-	-	-	-
	5534	for 2014	-	-	-	-	-	-	-	-	-	-	-	-
other	5514	for 2015	73 090 557	(314 162)	15 241 419	-	(72 742 868)	(531)	179	(45 954)	(43 249)	33 704 387	49 247 010	(311 278)
	5534	for 2014	41 608 205	(306 097)	32 542 138	-	(41 271 288)	(1 882)	3 616	(24 677)	(36 358)	40 238 061	73 090 557	(314 162)
Total	5500	for 2015	181 104 802	(314 536)	165 773 581	-	(140 351 245)	(531)	179	(45 954)	(44 006)	-	206 480 653	(312 409)
	5520	for 2014	161 795 884	(306 315)	152 931 552	-	(133 593 568)	(4 389)	3 692	(24 677)	(36 590)	-	181 104 802	(314 536)

5.2. Overdue accounts receivable

Indicator	Code	As of 31.12.2015		As of 31.12.2014		As of 31.12.2013	
		recorded as per contract terms and conditions	book value	recorded as per contract terms and conditions	book value	recorded as per contract terms and conditions	book value
1	2	3	4	5	6	7	8
Total	5540	5 650 291	5 337 882	4 437 962	4 123 426	379 229	72 914
including: buyers and customers	5541	5 339 013	5 337 882	4 123 800	4 123 426	73 132	72 914
advances paid	5542	-	-	-	-	-	-
other	5543	311 278	-	314 162	-	306 097	-

5.3. Availability and flow of accounts payable

Indicator	Code	Period	Balance at year beginning	Changes during the period					Balance at period end
				received		retired		transferred from long-term to short-term debt	
				resulting from business transactions (the amount of debt under a transaction or operation)	interest, fines, and other charges due	paid off	written off to financial result		
1	2	3	4	5	6	7	8	9	10
Long-term accounts payable – total	5551	for 2015	65 303 619	5 909 985	-	-	-	(33 854)	71 179 750
	5571	for 2014	54 847 738	10 542 479	-	-	-	(86 598)	65 303 619
including: due to suppliers and contractors	5552	for 2015	238 808	270 303	-	-	-	-	509 111
	5572	for 2014	127 521	197 463	-	-	-	(86 176)	238 808
advances received	5553	for 2015	30 772	3 189	-	-	-	(33 854)	107
	5573	for 2014	20 678	10 516	-	-	-	(422)	30 772
borrowings and loans	5554	for 2015	-	-	-	-	-	-	-
	5574	for 2014	-	-	-	-	-	-	-
deferred tax liabilities	5555	for 2015	65 034 039	5 636 493	-	-	-	-	70 670 532
	5575	for 2014	54 699 539	10 334 500	-	-	-	-	65 034 039
Short-term accounts payable – total	5560	for 2015	116 479 858	116 160 286	-	(115 724 994)	(1 711)	33 854	116 947 293
	5580	for 2014	77 494 805	115 693 438	14	(76 768 035)	(26 962)	86 598	116 479 858
including: due to suppliers and contractors	5561	for 2015	16 147 048	19 268 573	-	(15 753 043)	(1 380)	-	19 661 198
	5581	for 2014	14 162 468	15 848 138	-	(13 922 980)	(26 754)	86 176	16 147 048
advances received	5562	for 2015	17 630 627	18 713 899	-	(17 628 395)	(249)	33 854	18 749 736
	5582	for 2014	14 236 281	17 628 888	-	(14 234 960)	(4)	422	17 630 627
taxes, charges, payments to state non-budget funds	5563	for 2015	69 554 647	64 037 046	-	(69 554 647)	-	-	64 037 046
	5583	for 2014	36 151 203	69 554 647	-	(36 151 203)	-	-	69 554 647

Indicator	Code	Period	Balance at year beginning	Changes during the period				Balance at period end	
				received		retired			transferred from long-term to short-term debt
				resulting from business transactions (the amount of debt under a transaction or operation)	interest, fines, and other charges due	paid off	written off to financial result		
1	2	3	4	5	6	7	8	9	10
profit payment due to incorporators	5564	for 2015	581 856	747 174	-	(226 035)	-	-	1 102 995
	5584	for 2014	493 738	238 261	-	(150 143)	-	-	581 856
borrowings and loans	5565	for 2015	139 650	-	-	(139 650)	-	-	0
	5585	for 2014	139 650	-	-	-	-	-	139 650
other	5566	for 2015	12 426 030	13 393 594	-	(12 423 224)	(82)	-	13 396 318
	5586	for 2014	12 311 465	12 423 504	14	(12 308 749)	(204)	-	12 426 030
Total	5550	for 2015	181 783 477	122 070 271	-	(115 724 994)	(1 711)	-	188 127 043
	5570	for 2014	132 342 543	126 235 917	14	(76 768 035)	(26 962)	-	181 783 477

5.4. Overdue accounts payable

Indicator	Code	As of 31.12.2015	As of 31.12.2014	As of 31.12.2013
1	2	3	4	5
Total	5590	1 060	915	30 348
including:				
due to suppliers and contractors	5591	1 060	629	29 870
borrowings and loans	5592	-	-	-
advances received	5593	-	286	478
other	5594	-	-	-

6. Costs of production

Indicator	Code	For 2015	For 2014
1	2	3	4
Material expenses	5610	180 507 349	172 429 756
Remuneration of labor	5620	81 611 480	76 431 713
Social expenditures	5630	17 290 243	14 992 395
Depreciation	5640	116 418 407	111 706 987
Other costs	5650	333 046 608	318 604 224
Total for elements	5660	728 874 087	694 165 075
Change in balances (increase [–], decrease [+]): for work in progress, finished goods, etc.	5670	15 184 357	(8 415 417)
Total expenses for ordinary activities	5600	744 058 444	685 749 658

7. Estimated liabilities

Indicator	Code	Balance at year beginning	Recognized	Paid off	Written off as extra amount	Balance at period end
1	2	3	4	5	6	7
Estimated liabilities – total	5700	10 715 949	20 055 025	(18 152 760)	(414 900)	12 203 314
Long-term estimated liabilities – total	5701	-	-	-	-	-
including: reserves for future expenses/reserves for assets liquidation	5702	-	-	-	-	-
reserves for future expenses/reserves for restoration of disturbed lands	5703	-	-	-	-	-
Short-term estimated liabilities – total	5704	10 715 949	20 055 025	(18 152 760)	(414 900)	12 203 314
including: reserves for future expenses/reserves for vacation payments	5705	10 715 949	20 050 268	(18 152 760)	(414 900)	12 198 557
reserves for future expenses/reserves for restoration of disturbed lands	5706	0	4 757	-	-	4 757

8. Collateral for obligations

Indicator	Code	as of 31.12.2015	as of 31.12.2014	as of 31.12.2013
1	2	3	4	5
Received – total	5800	2 912 896	9 352 272	10 694 420
including: fixed assets	5801	24 055	16 000	9 000
securities and other financial investments	5802	-	-	-
other	5803	2 888 841	9 336 272	10 685 420
Granted - total	5810	21 982 701	10 561 457	61 457
including: securities and other financial investments	5811	-	61 457	61 457
other	5812	21 982 701	10 500 000	-

First Deputy
Director General on Finance and Taxation
OJSC “Surgutneftegas”

(signature)

V.G.Barankov
(printed name)

First Deputy Chief Accountant –
Head of Accounting and Reporting Division
OJSC “Surgutneftegas”

(signature)

P.V.Shevelev
(printed name)

28 March 2016



Ref. 049-37/AZ-15

AUDIT REPORT

of independent audit company
Rosexpertiza LLC
for accounting (financial) statements of
OJSC "Surgutneftegas" for 2015

To shareholders of Open Joint Stock Company "Surgutneftegas"

AUDIT REPORT
of independent audit company Rosexpertiza LLC
for accounting (financial) statements of OJSC "Surgutneftegas" for 2015

Audited entity:

- Name: Open Joint Stock Company "Surgutneftegas"
- State registration number: 1028600584540
- Location: ul.Grigoriya Kukuyevitskogo 1, bld. 1, Surgut, Khanty-Mansiysky Autonomous Okrug - Yugra, Tyumenskaya Oblast, Russian Federation, 628415.

Auditor:

- Name: Rosexpertiza Limited Liability Company.
- Certificate of state registration of Rosexpertiza LLC No. 183142 issued on September 23, 1993 by Moscow Registration Chamber.
- Certificate of Record of a legal entity registered prior to July 01, 2002 entered into the Uniform State Register of Legal Entities under main state registration number 1027739273946 on September 27, 2002.
- Location:
 - Legal address: ul.Mashi Poryvaevoy, 34, Moscow, Russian Federation, 107078
 - Mailing address: Tikhvinsky per., 7, building 3, Moscow, Russian Federation, 127055.
- A member of SROA (Self-Regulatory Organization of Auditors) "Nonprofit Partnership "Russian Collegium of Auditors" according to RCA Board decision dated April 23, 2007, Certificate No. 362-yu.
- Main registration number in the Auditors and Auditing Firms Register is 10205006556.

We have audited the accompanying accounting (financial) statements of OJSC "Surgutneftegas" consisting of the balance sheet as of December 31, 2015, income statement, statement of changes in equity, cash flow statement for 2015, and other appendices to the balance sheet and income statement.

These statements were prepared by the executive body of OJSC "Surgutneftegas" in accordance with Federal Law No. 402-FZ "On Accounting" dated December 06, 2011, "Accounting and Reporting Regulations in the Russian Federation" approved by Order No. 34n of the Ministry of Finance of the Russian Federation dated July 29, 1998, "Accounting Regulations "Reporting of an Enterprise" PBU 4/99 approved by Order No. 43n of the Ministry of Finance of the Russian Federation dated July 6, 1999, and Order No. 66n of the Ministry of Finance of the Russian Federation dated July 2, 2010 "Reporting Standards of Enterprises".

Responsibility of the audited entity for accounting (financial) statements

The management of the audited entity is responsible for preparation and accuracy of these accounting (financial) statements in compliance with the established rules for preparation of accounting (financial) statements and for the internal control system necessary to prepare accounting (financial) statements free of any material misstatements due to fraud or errors.

Auditor's responsibility

It is our responsibility to express, based on our audit, an opinion on the accuracy of these accounting (financial) statements.

We conducted our audit in accordance with:

- Federal Law No. 307-FZ dated December 30, 2008 "On Auditing Activity";
- Federal Rules (Standards) for Auditing Activity (Decree of the RF Government No. 696 dated September 23, 2002 as amended by Decrees of the RF Government No. 405 dated July 4, 2003, No. 532 dated October 7, 2004, No. 228 dated April 16, 2005, No. 523 dated August 25, 2006, No. 557 dated July 22, 2008, No. 863 dated November 19, 2008, No. 586 dated August 2, 2010, No. 30 dated January 27, 2011);
- Federal Standards of Auditing Activity (FSAA) (Orders of the Ministry of Finance of the Russian Federation No. 16n dated February 24, 2010, No. 46n dated May 20, 2010, No. 90n dated August 17, 2010, No. 99n dated August 16, 2011);
- Code of Professional Ethics for Auditors of Russia (approved by the Council for Auditing Activities on March 22, 2012, Minutes No. 4 (as amended by Minutes No. 9 dated June 27, 2013)).

These standards require compliance with applicable ethical standards, as well as audit planning and performance, so as to obtain reasonable assurance about whether the accounting (financial) statements are free of material misstatements.

The audit included audit procedures to obtain audit evidence confirming numerical indicators in the accounting (financial) statements and disclosure of information in such statements. Selection of audit procedures is the subject of our judgment, which is based on assessment of material misstatement risk due to fraud or errors. In the course of assessment of this risk, we reviewed the internal control system that ensures preparation and accuracy of the accounting (financial) statements in order to select adequate audit procedures but not in order to express an opinion on efficiency of the internal control system.

The audit also included assessment of the proper nature of the applicable accounting policy and substantiation of estimates obtained by the management of the audited entity, as well as general evaluation of the accounting (financial) statements presentation.

We believe that audit evidence obtained in the course of the audit provides a reasonable basis for the opinion on accuracy of the accounting (financial) statements.

Opinion

In our opinion, the accounting (financial) statements of OJSC "Surgutneftegas" give a true and fair view of the state of the company's financial standing as of December 31, 2015, the results of the company's financial and business activity, and the cash flow for 2015 in accordance with the established rules for preparation of accounting (financial) statements.

Auditor

Audit Director, Audit Services Department, Rosexpertiza LLC

A.M.Popov

Unified Auditor Qualification Certificate
No. 05-000323 dated February 08, 2013
issued for an unlimited period of time
Main registration number in the Register of Auditors and
Audit Organizations No. 29505019397
Member of Self-Regulatory Organization of Auditors
"Nonprofit Partnership "Russian Collegium of Auditors"
as per Resolution of the RCA Board dated August 14, 2009,
Certificate No. 3042

For management of Rosexpertiza LLC

Director General

A.V.Kozlov

28 March 2016

Stamp

Notes
to the Balance Sheet and the Income Statement of Open Joint Stock
Company "Surgutneftegas" for 2015
(text form)

1. General Information on OJSC "Surgutneftegas"

Location: ul.Grigoriya Kukuyevitskogo 1, bld. 1, Surgut, Khanty-Mansiysky Autonomous Okrug – Yugra, Tyumenskaya Oblast, Russian Federation.

Location of the issuer's continuing executive body: ul.Grigoriya Kukuyevitskogo 1, bld. 1, Surgut, Khanty-Mansiysky Autonomous Okrug – Yugra, Tyumenskaya Oblast, Russian Federation.

Mailing address: 628415 Russian Federation, Tyumenskaya Oblast, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut, ul.Grigoriya Kukuyevitskogo 1, bld. 1.

Telephone: (3462) 42-60-28

Fax: (3462) 42-64-94

E-mail: secretary@surgutneftegas.ru.

Full corporate name: Open Joint Stock Company "Surgutneftegas".

Abbreviated corporate name: OJSC "Surgutneftegas".

Introduced: 27.06.96.

Grounds for introduction: Federal Law of the Russian Federation No. 208-FZ dated 26.12.1995 "On Joint Stock Companies".

State registration of the issuer:

Initial state registration:

State registration number: 12-4782.

Date of state registration: 27.06.96.

Body that conducted the state registration: Administration of the city of Surgut, Khanty-Mansiysky Autonomous Okrug – Yugra, Tyumenskaya Oblast.

Registration of the legal entity:

Main state registration number of the legal person: 1028600584540.

Registration date: 18.09.2002.

Name of the registration authority: Inspectorate of the Ministry of Taxation of the Russian Federation for Surgut, Khanty-Mansiysky Autonomous Okrug – Yugra.

1.1. Operations of OJSC "Surgutneftegas"

Core operations of OJSC "Surgutneftegas" (hereinafter the Company) include:
geological prospecting and exploration;
oil and oil (associated) gas production and treatment;
oil, gas and refined products sales.

1.2. Management structure

General Shareholders' Meeting of the Company.

Board of Directors of the Company.

Executive body of the Company (Director General).

Members of the Board of Directors:
 Erokhin Vladimir Petrovich (Chairperson);
 Bogdanov Vladimir Leonidovich;
 Bulanov Alexander Nikolaevich;
 Dinichenko Ivan Kalistratovich;
 Krivosheev Viktor Mikhailovich;
 Matveev Nikolai Ivanovich;
 Raritsky Vladimir Ivanovich;
 Usmanov Ildus Shagalievich;
 Shashkov Vladimir Aleksandrovich.

Additional information is available at the website: www.surgutneftegas.ru.

Individual executive body of the Company:
 Bogdanov Vladimir Leonidovich – Director General.

1.3. Members (names) of the Company's Auditing Committee

Klinovskaya Taisiya Petrovna;
 Musikhina Valentina Viktorovna;
 Oleynik Tamara Fedorovna.

1.4. Number of the Company's employees

The average number of employees as of 2015 was 103 253 people.

2. Information on accounting policy and amendments thereto

The accounting policy of OJSC "Surgutneftegas" for 2015 for accounting purposes complies with the laws of the Russian Federation on accounting. Information on the accounting policy of the Company for 2015 is represented below in the relative sections of the explanatory note.

The accounting policy for 2015 has not undergone any significant changes. Changes in the accounting policy for 2016 are planned subject to any changes in the accounting standards as set forth by the law of the Russian Federation, as well as federal and (or) industry standards.

3. Notes to the Balance Sheet Items

3.1. Intangible assets (hereinafter IA)

The cost of IA is redeemed through amortization under the straight-line method within the fixed period of their useful life.

Useful life of IA is determined when an item is entered in accounting records, based on the term of a patent or certificate, other limitations for useful life of intellectual property under the law of the Russian Federation, and expected useful life of such item during which the Company can obtain economic benefits (profit).

The Company does not have intangible assets with an indefinite useful life.

Useful life of IA is checked by the Company annually during inventory to see whether it needs to be adjusted. If the duration of the period during which the Company expects to use the asset changes by more than 5%, the useful life of such asset is to be adjusted.

Changes in estimated values caused by this are shown in prospect.

Intangible assets are not revalued and are not tested for impairment.

Information on availability and flow of intangible assets is given in Tables 1.1, 1.2, 1.3, 1.5 of the Notes to the Balance Sheet and the Income Statement (table form).

3.2. Research and Development Engineering (R&D)

The R&D cost is written off as cost of manufacturing of products (performing of works, rendering of services) within the fixed period of their expected useful life (but not more than 5 years).

Information on availability and flow of R&D results is given in Tables 1.4, 1.5 of the Notes to the Balance Sheet and the Income Statement (table form).

3.3. Intangible prospecting assets

Intangible prospecting assets include prospecting costs (costs of prospecting, hydrocarbon fields appraisal and hydrocarbon resources exploration) associated with acquisition of licenses, paid for discovery of hydrocarbon fields and preliminary appraisal of reserves.

The Company's intangible prospecting assets are ceased to be recognized in relation to a certain subsoil area when hydrocarbons production is proved to be commercially feasible or recognized as unpromising.

Intangible prospecting assets are not amortized during prospecting, hydrocarbon fields appraisal and hydrocarbon resources exploration, except for licenses which authorize to carry out prospecting, hydrocarbon fields appraisal and hydrocarbon resources exploration.

Part of the cost of licenses which authorize to carry out prospecting, hydrocarbon fields appraisal and hydrocarbon resources exploration is transferred equally during the term of these licenses. If at the moment when hydrocarbons production in the license area is proved to be commercially feasible such license is not written off, its residual value is included in the costs for creation of exploration assets in the month when hydrocarbons production is proved to be commercially feasible.

As of the end of the reporting period the Company analyzes factors which imply possible devaluation of intangible prospecting assets.

Intangible assets are not revalued.

If production of hydrocarbons in the relative license area (field) is recognized as unpromising, the cost of intangible prospecting asset constitutes the part of the Company's other expenses.

If production of hydrocarbons in a relevant license area is proved to be commercially feasible, intangible prospecting asset is tested for impairment and transferred to fixed assets or other non-current assets meant for exploration and extraction of mineral resources:

costs of construction (drilling) of prospecting and exploration wells built when developing intangible prospecting assets recognized as productive are recorded as fixed assets;

prospecting costs paid by the Company for discovery of hydrocarbon fields and preliminary appraisal of reserves (including costs of subsoil rights acquisition, drilling of prospecting and exploration wells, etc.) before production was proved to be commercially feasible form the value of exploration assets recorded as investments in non-current assets.

In view of the confirmation of the commercial feasibility of the hydrocarbons production the license for subsoil use aimed at geological exploration, prospecting and production of hydrocarbons within the subsoil area of federal significance that includes part of the Shpilman field (Severo-Rogozhnikovskoye) located in Khanty-Mansiysky Autonomous Okrug – Yugra is transferred from the prospecting asset to other non-current assets in the amount of RUB 46 200 258 thousand.

Information on intangible prospecting assets is given in Table 1.6 of the Notes to the Balance Sheet and the Income Statement (table form).

3.4. Fixed assets and capital investments in progress

3.4.1. The historical cost of fixed assets recorded after 01.01.2002 is redeemed through straight-line depreciation in conformity with depreciation rates calculated on the basis of useful life of such assets determined when such assets are entered in accounting records.

The historical cost of fixed assets recorded before 01.01.2002 is redeemed according to the procedure valid at the time when such assets were recorded, through straight-line depreciation in conformity with depreciation rates for complete repair approved by Resolution No. 1072 of the USSR Council of Ministers dated 22.10.90.

In 2015, the Company did not acquire fixed assets under contracts providing fulfillment of obligations (payment) by non-monetary assets.

3.4.2. The amount of capital investments in progress in facilities (for their reconstruction, upgrading, reequipment, etc.), which later will be recorded as fixed assets, is included in Line 1150, "Fixed Assets" of the Balance Sheet.

The amount of capital investments in progress in other assets (excluding fixed assets) is recorded in the Balance Sheet in those lines where these assets will be recorded after the fulfillment of relative investments in non-current assets.

Information on availability and flow of fixed assets, capital investments in progress and income yielding investments in tangible assets is given in Tables 2.1, 2.2, 2.3, 2.4 of the Notes to the Balance Sheet and the Income Statement (table form).

3.5. Financial investments

Financial investments are recorded at their historical cost. The historical cost of financial investments acquired at a charge is the amount of the Company's actual costs of their acquisition.

The Company does not evaluate the discounted value of debt securities and loans granted.

When financial investments with current market value that cannot be determined are retired, their value is determined on the basis of the historical cost of each unit of financial investments accounting.

When financial investments with current market value that can be determined are retired, their value is determined on the basis of the last evaluation.

As of 31 December, the Company carries out an inspection for devaluation of financial investments (not traded publicly) with current market value that cannot be determined. If the inspection confirms that the cost of financial investments is substantially and persistently reduced (by more than 5%), a reserve is formed for impairment of financial investments.

In 2015, an impairment reserve for financial investments was not formed.

Income from sales of securities, interest and other income are recognized as other income.

Long-term financial investments are transferred to short-term investments quarterly at the accounting date if they mature in less than 12 months. In case of prolongation the short-term debt is transferred to long-term.

Information on financial investments is given in Tables 3.1, 3.2 of the Notes to the Balance Sheet and the Income Statement (table form).

3.6 Stocks

Stocks are recorded at their actual cost.

Company generated stocks (except for assets with maximum value of RUB 40 000 per item) are written off to production or otherwise retired at their weighted average cost of production based on the quantity of the stocks and their price as of the beginning of the month and all monthly returns.

Purchased stocks (except for goods (with the exception of oil and petroleum products) and assets with maximum value of RUB 40 000 per item) are written off to production or otherwise retired at their sliding average cost of production based on the quantity of the stocks and their price as of the beginning of the month and all returns up to the moment of delivery.

Information on stocks is given in Tables 4.1, 4.2 of the Notes to the Balance Sheet and the Income Statement (table form).

3.7 Accounts receivable

Accounts receivable include amounts due to the Company from buyers and customers for shipped goods, completed works and rendered services, advances paid under existing contracts, settlements of claims, net of the reserve for doubtful debts, as well as settlements with the budget and non-budget funds and other receivables.

Long-term accounts receivable are transferred to short-term ones if, pursuant to the contract, the term to maturity lies within 12 months after the reporting date. Similarly, in case of delayed payment the short-term accounts receivable are transferred to long-term ones.

Information on accounts receivable is given in Tables 5.1, 5.2 of the Notes to the Balance Sheet and the Income Statement (table form).

3.8. Cash and cash equivalents

Cash and cash equivalents include balances on ruble and foreign currency settlement accounts, deposits with original maturities up to 3 months under the contract, petty cash and other monetary resources.

thousand RUB		
Indicator	As of 31.12.2015	As of 31.12.2014
Cash and cash equivalents total, including:	72 125 809	30 922 038
letters of credit	13 693 150	12 590 658
deposits placed for up to 3 months	58 252 758	17 949 421
settlement account	89 438	229 188
foreign currency account	87 144	151 154
petty cash	1 183	1 256
other	2 136	361

Information on availability and flow of cash and cash equivalents in foreign currency at the beginning and the end of the reporting period is shown in the Cash Flow Statement in rubles and equal to the amount calculated at the official rate of foreign currency to ruble determined by the Central Bank of the Russian Federation on the date the payment is made or received.

The difference caused by recalculation of cash flows of the Company and balances of cash and cash equivalents in foreign currency at the exchange rates of different dates is shown in Cash Flow Statement in the line "Effect of changes in the exchange rates of foreign currency to the Russian ruble".

Cash Flow Statement contains brief information concerning:

proceeds and payments in connection with quick return, large amounts and short payment periods;

indirect taxes (VAT) as a part of proceeds from buyers and customers, payments to suppliers and contractors and payments to the budgetary system of the Russian Federation or reimbursement from it;

other calculations that relate more to the counterparties' activities than to the Company's ones, and (or) when receipts from some persons determine relevant payments to other persons.

3.9. Capital

The Company's charter capital as of 31.12.2015 is RUB 43 427 993 thousand. The charter capital is divided into 35 725 995 thousand ordinary shares and 7 701 998 thousand preference shares, and fully paid.

3.10. Deferred and permanent tax assets and liabilities

The Balance Sheet shows deferred tax assets and deferred tax liabilities with regard to profit tax in detail; the sum of permanent tax liabilities (assets) is shown in the income statement in short form. Provisional profit tax expense totals RUB 149 708 814 thousand.

thousand RUB

Indicator	As of 31.12.2014	Derived	Paid off	As of 31.12.2015
Deferred tax assets	32 313	1 172	(7 319)	26 166
Deferred tax liabilities	65 034 039	8 099 950	(2 463 457)	70 670 532
Permanent tax assets	x	-	x	x
Permanent tax liabilities	x	3 942 640	x	x

3.11. Accounts payable

Accounts payable include amounts currently due from the Company to suppliers and contractors for delivered inventories, completed works and rendered services; due to employees; due to the budget and non-budget funds, and for advances received from third parties under existing contracts, and other debts.

Long-term accounts payable are transferred to short-term ones if, pursuant to the contract, the term to maturity lies within 12 months after the reporting date. Similarly, in case of delayed payment the short-term accounts payable are transferred to long-term ones.

Information on accounts payable is given in Tables 5.3, 5.4 of the Notes to the Balance Sheet and the Income Statement (table form).

3.12. Deferred income

This line shows amounts of special purpose financing with regard to commissioned fixed assets.

Amortization of the amount of deferred income, that is formed through using special purpose financing, is shown as part of other income within accumulated depreciation that refers to amounts of special purpose financing.

3.13. Estimated liabilities

The Company creates estimated liabilities to account for vacation payments to employees, reclamation of disturbed lands.

Obligations are expected to be met within 12 months.

Information on estimated liabilities is given in Table 7 of the Notes to the Balance Sheet and the Income Statement (table form).

4. Net assets

Indicator	As of 31.12.2015	As of 31.12.2014
Net asset value of the Company, thousand RUB	3 503 678 688	2 823 685 816

Net asset value is calculated as per Order of the Ministry of Finance of the Russian Federation No. 84n dated 28.08.2014.

5. Notes to the Income Statement

5.1. Revenue, cost

For accounting purposes, revenue from sale of products, works (services), goods and property of the Company is recognized pursuant to the Accounting Regulations "Income of an Enterprise" PBU 9/99 approved by Order No. 32n of the Ministry of Finance of the Russian Federation dated 06.05.99.

Revenue from sale of products (works, services), goods does not include VAT, excises and export duties.

Expenses related to the sale of oil, gas, oil and gas refined products are included into selling expenses.

At the end of a reporting period these expenses are included in the cost of sales or other expenses subject to the type of assets sold or the way of their usage (disposal).

Revenue, cost of sales accounting for five or more percent of the Company's total income:

thousand RUB		
Indicator	For 2015	For 2014
Revenue (net), total	978 204 539	862 599 616
including:		
from oil sales	645 192 161	538 747 562
from sales of oil products	299 111 349	290 803 311

Indicator	For 2015	For 2014
Cost of sales, total	664 341 334	621 309 902
including:		
from oil sales	407 010 956	367 776 711
from sales of oil products	221 929 255	221 182 949

Costs of production (cost of sales, selling expenses) are shown in Table 6 of the Notes to the Balance Sheet and the Income Statement (table form).

5.2. Other income and other expenses

Other income accounting for five or more percent of the Company's total income and relative expenses:

thousand RUB		
Other income	For 2015	For 2014
Total other income	2 365 388 199	2 074 386 978
including:		
foreign exchange transactions	1 039 793 094	1 086 812 828
exchange rate differences	1 297 101 442	944 453 938

Other expenses	For 2015	For 2014
Total expenses	1 797 792 219	1 247 942 885
including:		
foreign exchange transactions	1 038 155 356	1 081 960 007
exchange rate differences	713 497 910	97 330 215

To reflect business transactions in foreign currency (including those to be paid in rubles) the official exchange rate of the relative currency, determined by the Central Bank of the Russian Federation on the date of transaction, was applied.

Exchange rates determined by the Central Bank of the Russian Federation as of 31 December:

	USD/RUB	EUR/RUB
2015	72.8827	79.6972
2014	56.2584	68.3427
2013	32.7292	44.9699

Exchange rate differences caused during the year by transactions on assets and liabilities in foreign currency (excluding received and issued advances) as well as by revaluation of their cost as of the reporting date are shown as part of other income or expenses.

5.3. Base profit per share

Base profit per share for 2015 is RUB 19.54.

6. Information on segments

Interpretation of revenue from sale of goods, products, works, services (less VAT, excises and customs duties) in the context of reportable segments is presented below:

thousand RUB		
Indicator	For 2015	For 2014
Oil sales, total	645 192 161	538 747 562
including:		
export oil sales	500 196 362	386 460 276
domestic oil sales	144 995 799	152 287 286

Indicator	For 2015	For 2014
Sale of oil products	299 111 349	290 803 311
including:		
export sales of oil products	217 083 015	183 812 405
domestic oil sales	82 028 334	106 990 906

Indicator	For 2015	For 2014
Other sales, total	33 901 029	33 048 743
including:		
domestic sales	33 901 029	32 872 864
export sales (gas processing products)	-	175 879

7. Information on related parties

Subsidiaries and affiliates whose activities are affected by the Company and the share in their charter capital held by the Company, %:

LLC "KINEF" – 100.00;
 LLC Pskovnefteproduct – 100.00;
 LLC Kaliningradnefteproduct – 100.00;
 LLC Tvernefteproduct – 100.00;
 LLC Novgorodnefteproduct – 100.00;
 LLC "Lengiproneftekhim" – 100.00;
 KIRISHIAVTOSERVIS Ltd – 100.00;
 LLC Syrgutmebel – 100.00;
 OJSC "Sovkhoz "Chervishevsky" – 94.9996;
 ZAO SNGB – 97.7591;
 LLC Insurance Company Surgutneftegas – 100.00;
 LLC "Media-Invest" – 100.00;
 JSC "National Media Group" – 23.9752.

The full list of affiliates is available on the following website:
www.surgutneftegas.ru.

Types of subsidiaries' operations for 2015.

Revenue from sale of crude oil, oil products (including taxes):

Indicator	thousand RUB	
	in 2015	in 2014
Sale of oil	18 453 168	15 797 251
Sale of oil products	37 317 998	34 494 924

Remuneration, with the regional coefficient and the Northern allowance included (salary for the reporting period, taxes and other compulsory payments to relevant budgets and non-budget funds accrued to salary, annual paid vacation for work in the reporting period and similar payments) to key management personnel (9 722 people), including structural units, authorized and held responsible for planning, management and control of the Company's operations during the reporting period was RUB 31 318 576 thousand.

8. Contingencies

There are no lawsuits or claim disputes where the Company is a participant and which may substantially affect accounting (financial) statements. There is also no information about any economic events related to possible risks of disputes with tax authorities.

9. Events after the reporting date

There were no economic events which affected or may affect the financial position, the cash flow or operating results of the Company in the period between the reporting date and the date when the accounting (financial) statements for the reporting period are signed.

10. The Company's environmental performance

The Company's activity meets the legal requirements on environmental protection. The Company's management believes that there are no factors which would interfere with the Company's environmental activity.

11. Joint activity

In 2015, the Company did not enter into contracts with other companies on any joint activity.

12. Conclusion

These annual accounting (financial) statements were preceded by inventory of the Company's assets and liabilities, including those recorded off the balance.

The accounting (financial) statements of OJSC "Surgutneftegas" for 2015 have been prepared in accordance with the Federal Law of the Russian Federation No. 402-FZ "On Accounting" dated 06.12.2011, "Accounting and Reporting Regulations in the Russian Federation" approved by Order No. 34n of the Ministry of Finance of the Russian Federation dated 29.07.98, "Accounting Regulations "Reporting of an Enterprise" PBU 4/99 approved by Order No. 43n of the Ministry of Finance of the Russian Federation dated 06.07.99, Order No. 66n of the Ministry of Finance of the Russian Federation "Reporting Standards of Enterprises" dated 02.07.2010, and approved regulations "Accounting Policy of OJSC "Surgutneftegas" for 2015 for Accounting Purposes" and "Accounting Policy of OJSC "Surgutneftegas" for Taxation Purposes in 2015".

First Deputy Director General
on Finance and Taxation
OJSC "Surgutneftegas"

V.G.Barankov

First Deputy Chief Accountant –
Head of Accounting
and Reporting Division
OJSC "Surgutneftegas"

P.V.Shevelev

28 March 2016