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**August 29, 2019**

**PJSC “RussNeft” publishes its M6 2019 financial results under IFRS**

PJSC “RussNeft” (“RussNeft” or “Company”) (MOEX: RNFT) publishes unaudited interim consolidated financial statements for M6 2019 prepared in accordance with International Financial Reporting Standards (IFRS).

**Highlights:**

* EBITDA grew 3% to RUB 25.5 billion.
* Oil production was 3.8[[1]](#footnote-1) million tonnes.
* CAPEX decreased (-11%) to RUB 12.7[[2]](#footnote-2) billion with stable production.
* Net debt/EBITDA ratio was 1.7.

**Key performance indicators**

**Financials**

|  |  |  |  |
| --- | --- | --- | --- |
| **RUB Billion** | **6M 2019** | **6M 2018** | **Change** |
| Revenue | 100.4 | 88.3 | 14% |
| EBITDA | 25.5 | 24.8 | 3% |
|  |  |  |  |
| Profit attributable to shareholders of the Parent company | 11.5 | 1.8 | 539% |
| Adjusted profit[[3]](#footnote-3) | 9.2 | 9.8 | -6% |
| Net debt | 84.7 | 95.9[[4]](#footnote-4) | -12% |
|  |  |  |  |

In the H1 2019 RussNeft demonstrated significant revenue growth (+ RUB 12 bln) on the YoY basis, which is mainly associated with increase in trading operations and ruble-denominated prices.

The profit attributable to the shareholders of the Parent company significantly exceeded the H1 2018 indicator, having reached RUB 11.5 billion against RUB 1.8 billion a year earlier (+ 539%).

Profit growth for the reporting period made up + 457% or RUB 10.6 billion, driven mainly by reduction of financial instruments’ revaluation losses.

EBITDA amounted to RUB 25.5 bln, a 3% year-on-year increase.

**Operating results**

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| **Operating results** | **6м 2019** | **6М 2018** | **Changes** |
| **Crude oil production, mln t** | **3.800** | **3.744** | **1.5%** |
| *Oil production in RF* | *3.547* | 3.497 | 1% |
| *Oil production under PSAs* | *0.252* | 0,247 | 2% |
| *Gas production, mln m3* | *1 219* | *1 336* | *-9%* |

Implementation of number of projects in West Siberia helped to get a modest crude output growth (+1.5%), or 55.3 thou.t in absolute terms. Gas production decline against H1 2018 (-9%) is related mainly to the limitation of production driven by repair works in the treatment facility for hydrogen sulphide-containing gas.

**Capital investments[[5]](#footnote-5)**

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| --- | --- | --- | --- |
| **Capital investments (assimilation), RUB bln** | **6M 2019** | **6М 2018** | **Changes** |
| PRODUCTION DRILLING | 9.8 | 11.1 | **-12%** |
| BASЕ PRODUCTION | 1.3 | 1.2 | 4% |
| WELL INTERVENTIONS | 1.6 | 1.6 | -4% |
| GAS PROGRAMME | 0.3 | 0.2 | -87% |
| GEOLOGICAL AND EXPLORATION WORKS | 0.04 | 0.06 | -43% |
| **Total** | **12.7** | **14.3** | **-11%** |

The strategy of the Company provides for intense investment activity aimed at maintaining and increasing the rate of production. According to the H1 2019 results, while reducing investment in production drilling (-12%) and well interventions (-4%), the Company managed not only to maintain the current production rate, but also to get a small increase (+ 1.5%).

**Debt portfolio**

In March 2019, the Company, in accordance with the terms of the loan agreement, began amortisation of the debt principal. Net debt fell 12% YoY to RUB 84.7 bln. The major lender is VTB Bank (PJSC). The loan is serviced within the schedule and in full volume.

**Results presentation**

The Company is making the presentation of M6 2019 financial results under IFRSon August 30, 2019 at 4 pm.

The presentation will be broadcasted on YouTube official channel of the Company and through conference call (+7(495) 982-55-38, PIN 47016).

The slideshow of the presentation will be added to the Company`s website prior to the broadcasting.

**The full version of the financial results under IRFS is available at:**

**http://russneft.ru/shareholders/financial\_statements/**

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***About the Company:***

*PJSC “RussNeft” ranks among the largest oil companies by crude oil production in Russia.*

*The Company possesses a well-balanced portfolio of assets located in the key Russian oil and gas provinces (West Siberia, Volga-Urals and Central Siberia) as well as in Azerbaijan.*

*2P reserves of the Company exceed 200 million tons (SPE). The number of the Company’s personnel exceeds 9,000.*

*The authorized capital of the Company contains 294,120,000 of ordinary shares and 98,032,000 of the privileged shares herewith 20% of the voting shares are traded at the Moscow Exchange (MOEX:RNFТ).*

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6. Reserves under international projects are not incl.

1. Including production from international projects [↑](#footnote-ref-1)
2. In acc. with the management accounting data [↑](#footnote-ref-2)
3. Excluding FX differences and revaluation of financial instruments’ fair value [↑](#footnote-ref-3)
4. As at 31.12.2018 [↑](#footnote-ref-4)
5. Acc. to the management accounting [↑](#footnote-ref-5)