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Having considered all the issues on the agenda, the shareholders approved the annual report and annual financial statements of OJSC 'Surgutneftegas', including the income statement for the year 2012.

At the meeting of shareholders, a resolution was made to declare a dividend payment for the year 2012 at the rate of 1.48 rubles per preferred share, and 0.5 rubles for the ordinary one.

The Board of Directors was elected as follows: S.A.Ananiev, V.L.Bogdanov, A.N.Bulanov, I.N.Gorbunov, V.P.Erokhin, T.P.Klinovskaya, N.I.Matveev, A.F.Rezyapov, V.A.Shashkov.

The auditing committee of three persons was elected at the meeting, Rosexpertiza LLC was approved to be the auditor for 2013. It was also decided to approve the deals which could be made in the future between Surgutneftegas and its affiliated entities in the regular course of business of Surgutneftegas.

In his report on the results of operation of OJSC 'Surgutneftegas' in 2012 Director General V.L.Bogdanov mentioned that the year had contributed its share to the development of the Company, had been another year of sustained growth, highlighted a number of key events and outstanding results that have strengthened the position of Surgutneftegas and helped make a few steps forward, towards strategic goals of the Company.

'In the sector of oil and gas production, the priority of stabilizing output was achieved. Oil production increased by 1% to 61.4 million tonnes.

By adding new fields, an ambitious large-scale drilling program, with the extensive use of enhanced oil recovery methods and new technology, Surgutneftegas is confident to keep stable oil production at the level of 60 - 62 million tonnes annually for the next few years, stressed Vladimir Bogdanov. Another important factor for a stable production is a thorough replenishment of mineral resources. We carry out large-scale exploration every year, and it yields good results. In the reporting year, the replacement of C1 oil recoverable reserves was 124 million tonnes, which is twice more than the production volume. Over the last 5 years, due to exploration alone C1 oil reserves replenishment exceeded production by 40%, and by 50% given the new acquisitions.'

OJSC 'Surgutneftegas' applies new technologies and methods to enhance oil recovery, taking into account the development condition of the deposits and parameters of a particular reservoir, which reduces geological risks and allows to effectively engage previously inaccessible reserves in the production ensuring the best oil recovery factor. During the year, the Company began to use such development technology as simultaneous operation of two separate development targets and multi-zone fracturing.

As a result of application of new technology and EOR methods, nearly 60% of all oil was recovered by these methods in 2012.

Surgutneftegas continues to demonstrate the industry's highest rate of associated petroleum gas use, in 2012 it reached a record high, exceeding 99%.

In 2012, the processed gas volume amounted to about 7.5 billion cubic meters.

The volume of crude refining during the year amounted to more than 20.5 million tonnes. Starting the installations of the first start-up phase of the deep conversion oil refinery allowed getting more than 800 tonnes of additional clean fuels in 2012. Total volume of petroleum products reached 19.6 million tonnes.

The large-scale investment program is the basis for best performance and dynamic implementation of the projects in the pipeline. In 2012, the Company's investment increased by 6% to 185.7 billion rubles. Of these, more than 89% went to the upstream sector, more than 20 billion rubles was invested in refining and marketing of petroleum products.

Power generation for local use is important for the rational use of resources and improved efficiency. Two gas turbine power plants were commissioned in the reporting year and that brought the total internal power generation to 746 MW. The Company increased generation of its own electricity to 4.5 billion kWh in 2012, or about 37% of the Company's needs for electricity, with 21 gas turbine and 7 gas piston power plants.

In his report Vladimir Bogdanov paid special attention to the Company operation in Eastern Siberia. He noted that OJSC 'Surgutneftegas' had four fields in operation in Yakutia in 2012, with the plans to put online another five. It is intended to increase oil production in Eastern Siberia to 8 million tonnes a year by 2015.

'Much attention in the development of new oil and gas province has been given to infrastructure, both field and social, said Vladimir Bogdanov. We have built a road that links the village of Vitim and the Talakanskoye field, power lines, bridges, quayside, living quarters and other objects. The Company's annual investment in the region is more than 20 billion rubles.

A significant event not only for OJSC 'Surgutneftegas', but for the whole of the East Siberian region was the opening of the airport at the Talakanskoye field in Yakutia. In record-breaking time, we were able to build critical infrastructure that solves a number of problems. As a result, the Company saves considerable funds on transportation of employees, reduced downtime, and a more comfortable environment for personnel has been created. In addition, the use of air service in the interests of the local residents will give a new impetus to the development of

the region. Once again, we have proved that we came to Eastern Siberia with big plans. '

Summarizing the financial results of the year, Vladimir Bogdanov noted that thanks to the achieved performance and external conditions the financial results of the operational activities of OJSC 'Surgutneftegas' in the reporting year remained at the same level as last year. Net income amounted to about 161 billion rubles.

'It has been 20 years this year since the Company became public, a joint stock company 'Surgutneftegas', said Vladimir Bogdanov. Looking back, weighing up the results of the work over this period, we can truly say that we have gone a long way, difficult but worthy, from a local production association to a company with a worldwide reputation, acting confidently in today's market conditions. Our long-term strategy is aimed at securing the achieved position as a reliable company with a sound financial stand and prospects for the development of production. This will ensure revenues to our shareholders, stability and social security, as well as the further development of the regions where OJSC 'Surgutneftegas' operates.

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