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ANNUAL GENERAL SHAREHOLDERS' MEETING FOR 2013 HELD IN SURGUT ON 27 JUNE

In line with the agenda, the shareholders approved the annual report and annual accounting statements of OJSC 'Surgutneftegas', including the income statement for 2013.

The meeting resolved to declare payment of dividends for 2013 as follows: RUB 2.36 per preference share and RUB 0.6 per ordinary share.

The meeting elected the following members of the Board of Directors:
V.L.Bogdanov, A.N.Bulanov, V.P.Erokhin, I.K.Dinichenko, V.M.Krivosheev,
N.I.Matveev, V.I.Raritsky, I.Sh.Usmanov and V.A.Shashkov.

The meeting also elected the Auditing Committee of three people and approved LLC 'Rosexpertiza' as auditor for 2014. In addition, the meeting resolved to approve transactions that may be conducted in the future by OJSC 'Surgutneftegas' and its affiliates in the course of its general business activity.

In his report on the 2013 results, Vladimir Bogdanov, Director General of OJSC 'Surgutneftegas', said that consistency in achieving production objectives and stable foreign economic conditions allowed the Company to reach the planned amounts of hydrocarbon production in Western and Eastern Siberia, commission new fields, ensure the significant growth of reserves, put into operation new capacities at the refinery of the Company.

'In oil and gas production sector the Company reached the production results planned for 2013: oil production amounted to 61.5 million tonnes, gas production - 12.1 billion cubic meters. In 2013, the amount of upstream investments increased by 4.2% and amounted to RUB 172.6 billion.

One of the ways to achieve the desired level of profitability and maintain production output is the introduction of innovations, the use of modern equipment and technologies, especially for hard-to-recover reserves.

The Company uses many methods of reservoir stimulation including different kinds of hydraulic fracturing, sidetracking, physicochemical reservoir treatment, horizontal drilling, underbalanced and coiled-tubing drilling. Today, over 60% of oil is produced due to new enhanced oil recovery techniques.

Higher effectiveness through the rational use and saving of the resources, deep analysis of investment efficiency, costs monitoring and quality control of the works performed are among the Company's absolute priorities.

OJSC 'Surgutneftegas' continuously implements a set of programs for these activities which have a significant economic effect.'

The Company retained its position as an industry leader in exploratory drilling. The performed exploration resulted in discovery of two new fields and 17 new oil deposits. The growth of the recoverable C1 oil reserves equaled about 118 million tonnes.

Altogether, over the last five years, the total growth of C1 oil reserves amounted to 466.5 million tonnes which exceeded the oil output of the period by 54%. By virtue of exploratory works and updates on the structure of deposits the Company managed to add 397 million tonnes of reserves and obtained about 70 million tonnes from the new license areas.

In 2013, the investment in the oil refining sector was about RUB 11 billion. The Company completed construction and started an operation of Europe's largest deep conversion complex based on residue hydrocracking with the capacity of 4.9 million tonnes.

In 2013, the Company's in-house generation capacity exceeded 880 MW. The volume of power generation increased by 14% and amounted to more than 5.1 billion kWh, which is about 42% of the electricity needed for oil and gas production.

In his report, Vladimir Bogdanov put particular emphasis on the Company's operations in Eastern Siberia. He said that one of the most remarkable events of the reporting year was the tenth anniversary of the Company's operation in this region. There was a tremendous amount of work done to create a modern production complex over this period. All infrastructure facilities required for the development of fields were built from scratch. They included maintenance bases, power stations, roads and power lines. Development drilling amounted to more than 1 million meters; exploratory

drilling - to 326 thousand meters. The well stock of various purposes exceeded 900 wells. The Company commissioned five fields. One of them, East Block of the Talakanskoye field, was put online in the reporting year. Oil production totaled 26 million tonnes.

Over the last ten years, the Company invested RUB 167 billion into the region. And today, Eastern Siberia contributes significantly to the Company's operating results: it provided about 12% of Surgutneftegas total crude output in the reporting year.

'And we intend to continue the Company's development in the region,' Vladimir Bogdanov said. 'We have 25 licenses for subsurface use. Eastern Siberia accounted for 23% of the total exploratory drilling in 2013. We plan to put online four new oil fields in the next five years.'

Along with the construction of the production facilities, the Company is deeply

involved in social and economic development of the region.

Surgutneftegas took part in some territory development projects by mutual agreement with the regional authorities. The 'Talakan' airport built by the Company was officially commissioned in 2013. This not only allowed us to solve some production tasks, but greatly increased the investment attractiveness of the whole region and eased the transportation of its residents.'

Talking about the financial results of the year, Vladimir Bogdanov noted that the Company's production performance and external factors made it possible to increase the net profit by 59% (RUB 256.5 billion).

'The personnel have always been of great value for the Company,' Vladimir Bogdanov added. 'Thanks to our employees, we have provided solutions to many technological and management tasks, achieved our production objectives, and ensured stable market and competitive positions of Surgutneftegas.'

I believe that 2014 will be a year of new achievements, growth of investment attractiveness and competitiveness. We have every reason to believe that the chosen development policy, which has proved its effectiveness, will in the future serve as a reliable basis for fulfilling the goals set by the shareholders and ensuring our well-being.'

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