

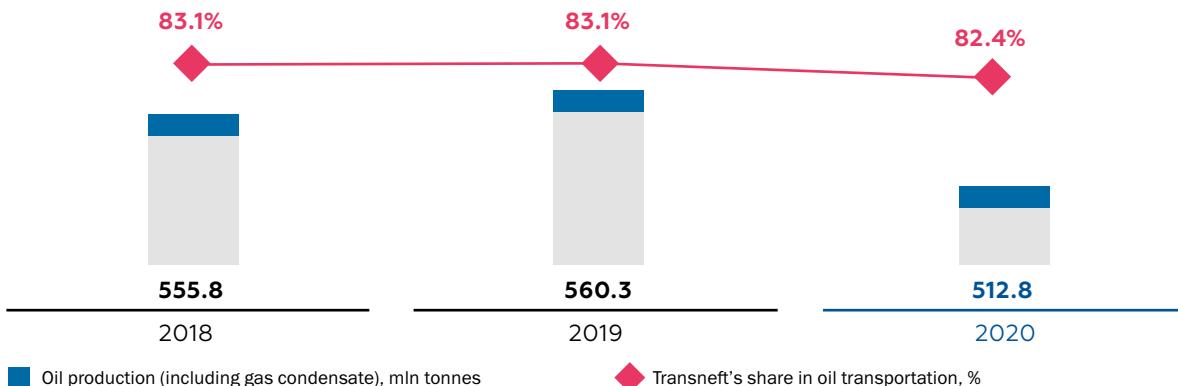
2.1. THE COMPANY'S STANDING IN THE INDUSTRY

Oil Transportation

According to the Ministry of Energy of the Russian Federation, in 2020, oil production (including gas condensate) in the Russian Federation amounted to 512.8 million tonnes. 232.4 million tonnes were exported, and 274.9 million tonnes were processed.

The share of Transneft Group in the transportation of Russian oil stood at 82.4% of the total production.

The Company's Share in the Transportation of Russian Oil (according to the Ministry of Energy of Russia)

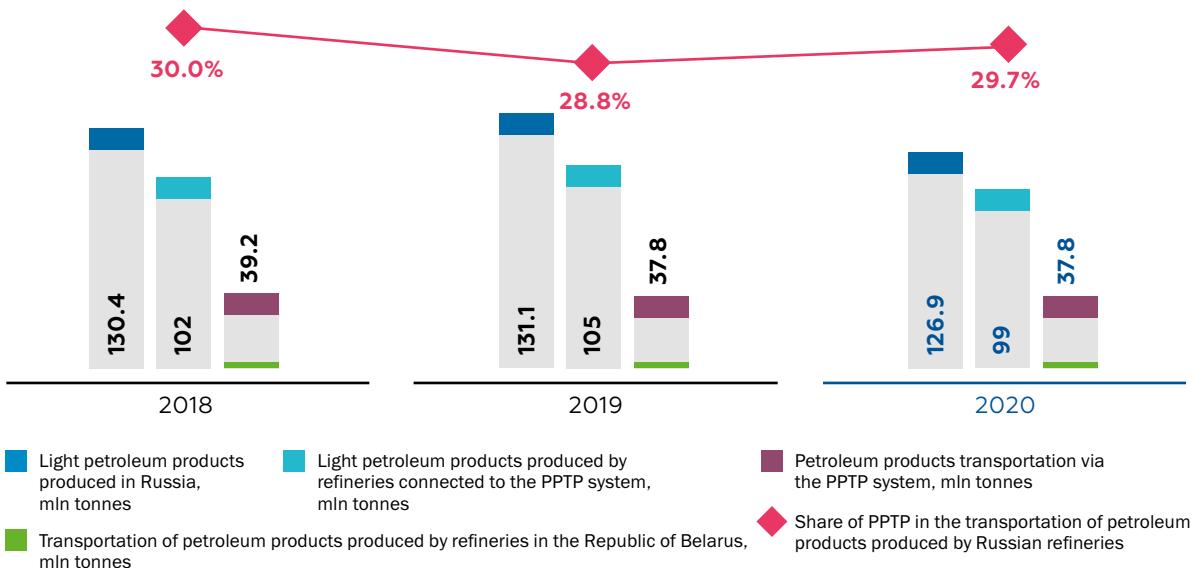


Petroleum Products Transportation

In 2020, a total of 126.9 million tonnes of light petroleum products (diesel fuel, motor petrol, aviation kerosene) was produced by all the oil refineries in the Russian Federation, including 99.3 million tonnes from the refineries connected to the petroleum products trunk pipeline system. Of these, transportation of petroleum products via the Transneft system amounted to 37.7 million tonnes.

The Company's share in transportation of light petroleum products produced at Russian refineries nears 30%.

The Company's Share in the Total Transportation of Petroleum Products Produced in Russia



The Company's share in the transportation of light petroleum products on the domestic market in 2020 amounted to 12.3%. The Company's share in diesel fuel transportation to the domestic market from the refineries connected to the Transneft system stood at 22.8%.

In 2020, the Company's share on the market for transportation of light petroleum products for export amounted to 57.1%, with 80.6% of diesel fuel exported from the refineries connected to the PPTP system.

Transneft's Share in the Transportation of Oil and Light Petroleum Products

Name	2018	2019	2020
Oil Transportation			
Oil production (including gas condensate), million tonnes	555.8	560.3	512.8
Transneft's share in oil transportation	83.1	83.1	82.4
Petroleum Products Transportation			
Transneft's share in the transportation of light petroleum products to the domestic market	12.7%	12.6%	12.3%
Transneft's share in the transportation of diesel fuel from refineries connected to the PPTP system to the domestic market	21.4%	20.1%	22.8%
Transneft's share in the transportation of light petroleum products for export	60.6%	57.2%	57.1%
Transneft's share in the transportation of diesel fuel from refineries connected to the PPTP system for export	85.8%	82.6%	80.6%

Main Competitors of Pipeline Transport in Petroleum Products Transportation



Railway Transport

- long-distance transportation;
- greater number of spurs as compared to the system of petroleum products trunk pipelines;
- widest possible range of transported petroleum products, given the processing specifics at refineries;
- 63% share of transportation of light petroleum products on the Russian market.



Water Transport

- long-distance transportation;
- short navigation season: 5–6 months.



Motor Vehicle Transport

- transportation over short distances (mainly intraregional transportation);
- door-to-door deliveries, for example, from refineries and oil depots to local consumers.



Pipeline Transport

- short delivery terms for petroleum products;
- storage of petroleum products and creation of reserves;
- a high level of protection from adverse weather conditions.