GAZPROM NEFT INCREASES SALES OF AVIATION FUELS IN Q1 2020

Gazpromneft-Aero, operator of the Gazprom Neft aviation refuelling business, has delivered a 1.5% year-on-year increase in sales of aviation fuels in Q1 2020, with sales in the first three months of 2020 reaching 856,000 tonnes.

Refuelling volumes for long-haul cargo aircraft on trans-Siberian routes from Asia to Russia and Europe increased in 1Q 2020, with the greatest increase in jet fuel sales being recorded at international airports in Krasnoyarsk (+147%), Ekaterinburg (+26%), Omsk (+19%) and Novosibirsk (+3%) — this increase in sales in the cargo sector allowing the company to offset the impact of the global reduction in passenger flights in 1Q 2020. The company also saw a 25% increase in refuelling volumes at airports in the Chukotka Autonomous Okrug.

The CEO of Gazpromneft-Aero, Vladimir Egorov commented: "Changed completely in the first three months of 2020. Flights from Russian airports to several destinations were already down at the end of January due to the COVID-19 pandemic, and by March international passenger air traffic had stopped. We adapted our tank farms' operations to offer seamless and problem-free refuelling in line with this new market environment. Thanks our business’s extensive geographic coverage, we were able to organise the
refuelling of dozens of unplanned flights for Russian citizens returning to Russia in the first quarter, as well as increasing ‘wing-tip’ refuelling volumes for cargo carriers: we plan to develop this area, going forward.”

Direct-sales volumes outside of Russia remained at the same levels as last year, at more than 86,000 tonnes of aviation fuel — the greatest increase in international “wing-tip” sales arising from airports in China. Gazpromneft-Aero supplied fuel to nine carriers in China in 1Q 2020, including Aeroflot, S7, Ural Airlines, Royal Flight, Volga Dnepr and others. Total refuelling volumes for Russian carriers in China were up 20% in this reporting period, at more than 12,500 tonnes. Thanks to its strategic partnership with China’s national aviation fuel supplier, China National Aviation Fuel Group Corporation (CNAF), the Gazpromneft-Aero refuelling network covers more than 30 international airports in that country, meaning refuelling of passenger and cargo flights can be organised quickly.

The company also supplied more than 2,900 tonnes of aviation fuel to CNAF clients in Russia, initiating fuel supplies for Sichuan Airlines’ cargo flights at Koltsovo International Airport (Ekaterinburg) under this new contract. This Chinese carrier’s flights operate daily on the Brussels—Ekaterinburg route, and onwards to the Chinese industrial hubs of Chengdu Shuangliu and Xinyang, and back. Koltsovo Airport is the fifth airport in Russia (in addition to Sheremetyevo, Vnukovo, Pulkovo and Kadala) at which Gazprom Neft has begun refuelling CNAF partner companies including China Eastern, Air China, and China Southern.