

**MATERIAL FACT STATEMENT
ON CERTAIN DECISIONS OF ISSUER'S BOARD OF DIRECTORS**

1. General information	
1.1. Full legal name of issuer	Public Joint Stock Company Gazprom
1.2. Short legal name of issuer	PJSC Gazprom
1.3. Address of issuer	Moscow, Russian Federation
1.4. OGRN (Primary State Registration Number) of issuer	1027700070518
1.5. INN (Taxpayer Identification Number) of issuer	7736050003
1.6. Unique issuer code assigned by registering authority	00028-A
1.7. Internet pages used by issuer to disclose information	www.gazprom.ru ; www.e-disclosure.ru/PORTAL/company.aspx?id=934

2. Contents of Statement
<p style="text-align: center;">On ratification of transactions considered by Russian law as major transactions and (or) related-party transactions</p> <p>2.1. Quorum of Gazprom Board of Directors meeting and voting results on certain issues: meeting in absentia, 9 out of 9 Board of Directors Members submitted voting ballots, quorum recorded as present. Voting results on agenda item: On ratification of related-party transaction with Gaztransit: In favor – 9 votes, Against – 0 votes, Abstentions – 0 votes.</p> <p>2.2. Content of Decision made by issuer's Board of Directors: In accordance with Chapter XI of Federal Law "On Joint Stock Companies" and subclause 17 of clause 34.1 of Gazprom Articles of Association, Gazprom Board of Directors resolved:</p> <p>1. To determine that based on market value, price of services of Gaztransit provided to Gazprom under Contract on compression concluded between Gazprom and Gaztransit on April 20, 2000 shall equal to value determined in accordance with procedure referred to in Appendix No. 1 to Board of Directors Decision. Annual cost of services is USD 13,128,500 (thirteen million one hundred and twenty-eight thousand five hundred). Annual cost of services may be revised by agreement of parties.</p> <p>2. To approve signing by Gazprom and Gaztransit of addendum to Contract on compression concluded between Gazprom and Gaztransit on April 20, 2000 as related-party transaction under terms listed in Appendix to Board of Directors Decision. Introducing changes in Contract on compression concluded between Gazprom and Gaztransit on April 20, 2000 (hereinafter referred to as "Contract") regarding definition of terms, cost of services, terms and procedures of payment, period of services, responsibility of parties. "Expiration date of Contract" means (i) January 1, 2020 or (ii) later date, which may be agreed by parties. "Cost of services" means, in respect of particular month, cost of services, which is paid this month and is determined on basis of commercial act. Annual cost of services is USD 13,128,500 (thirteen million one hundred and twenty-eight thousand five hundred). Annual cost of services may be revised by agreement of parties. Parties set transitional period from December 1, 2016 to December 31, 2017 in respect of which cost of services for each month is defined. Payment of monthly cost of service is carried out by Gazprom as billed by Gaztransit to Gazprom no later than five (5) business days after end of respective month. Payments for services between December 1, 2016 and March 31, 2017 inclusive may be made in US dollars (USD) or partly in US dollars and partly in hryvnias (UAH). Partial (no more than 55% of monthly cost of services) payment in UAH may be made if parties sign two commercial acts.</p>

Official rate of National Bank of Ukraine effective on date of commercial act signing shall be used for recalculation of monthly cost of services from USD to UAH.

Gaztransit has right to exercise counter-claims setoff in respect of such part of amount of the monthly cost of services, settlements for which are made in UAH if counter-claims of Gazprom to Gaztransit are also in UAH. Counter-claims setoff is made by parties on the basis of commercial act and relevant written statement of Gaztransit. In case of counter-claims setoff, parties shall sign reconciliation protocol on amount of monetary obligation, which is to be setoff, and act of counter-claims setoff.

Addendum to Contract shall enter into force on December 1, 2016. Terms and conditions of Contract on ensuring looping maintenance and functioning in conditions suitable for transporting gas are applied to relationship between parties from July 1, 2016.

2.3. Date of Gazprom Board of Directors meeting where corresponding decision was made: December 15, 2016 (date of ballots submission).

2.4. Date of compilation and number of minutes of Gazprom Board of Directors meeting where corresponding decision was made: No. 1113, dated December 16, 2016.

3. Signature

3.1. Department Head, Gazprom
(acting under power of attorney
No. 01/04/04-296Д, dated May 23, 2016)

(signature)

Alexander Dushko

3.2. Date: December 19, 2016

L.S.