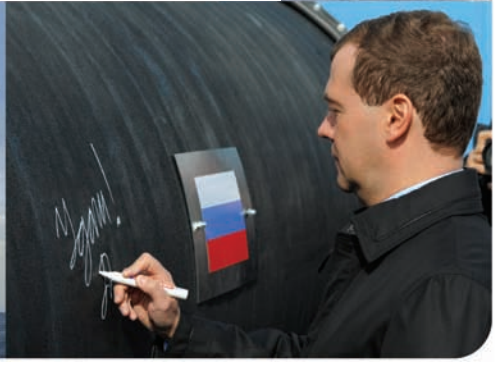
GAZPROM

2010 MILESTONES



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The Company owns the world's largest gas transmission network – the Unified Gas Supply System of Russia stretching for some 161.7 thousand kilometers. Gazprom supplies over a half of the produced gas to the domestic market.

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Nord Stream is a fundamentally new route for Russian gas export to Europe. The key target markets for gas supplies via the pipeline are Germany, the UK, the Netherlands, France and Denmark.

Russian President Dmitry Medvedev during celebrations dedicated to Nord Stream construction startup

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In 2008 Gasunie joined the project and obtained a 9 per cent stake in it. In 2010 Gazprom and GDF SUEZ signed the Memorandum on the entry of the French company into the Nord Stream project. The five shareholders inked the relevant agreement in July 2010. As a result, stakes in Nord Stream AG were distributed in the following way: Gazprom – 51 per cent, E.ON Ruhrgas and Wintershall Holding – 15.5 per cent each, Gasunie and GDF SUEZ – 9 per cent each.

Alexey Miller and Gerard Mestrallet, Chairman and CEO of GDF SUEZ signing Memorandum on GDF SUEZ entry into Nord Stream

In general, 2010 was crucially important for Nord Stream as the project moved over to the implementation phase. Laying of the North Stream first string on the Baltic Sea bottom began in April.

With the pipelaying speed reaching 2.5 kilometers a day, construction operations were completed in May 2011. The project met the deadlines due to careful planning of all aspects: engineering, environment, logistics as well as safety and operation.

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Solitaire pipelaying vessel

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The offshore part is projected to run under the Black Sea from the Beregovaya compressor station on the Russian coast to the Bulgarian coast. Its total length will be equal to some 900 kilometers, the maximum depth will exceed 2 kilometers.

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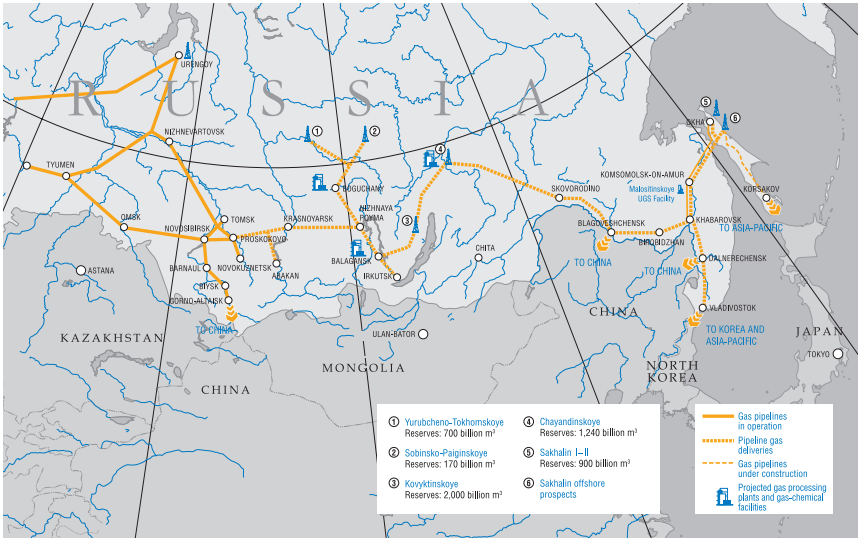
Gas industry actively shaped in Eastern Russia by Gazprom

Gazprom was appointed by the Russian Federation Government as the execution coordinator of the Development Program for an integrated gas production, transportation and supply system in Eastern Siberia and the Far East, taking into account potential gas exports to China and other Asia-Pacific countries (Eastern Gas Program).

Russian President Dmitry Medvedev at celebrations dedicated to Sobolevo – Petropavlovsk-Kamchatsky gas trunkline commissioning

Eastern Siberia and the Far East occupy nearly 60 per cent of the Russian Federation land area. Eastern Russia's initial gas in place amounts to 52.4 trillion cubic meters onshore and 14.9 trillion cubic meters offshore. At the same time, the regional gas potential, standing at 7.3 per cent for the onshore area and 6 per cent for the continental shelf, has been poorly explored.



Construction of Sakhalin – Khabarovsk – Vladivostok gas transmission system

It is planned to establish in Eastern Russia the Sakhalin, Yakutia, Krasnoyarsk, Irkutsk and Kamchatka gas production centers that will satisfy local demand and underpin gas exports to the Asia-Pacific region in the long run.

In 2010 shaping of the resource base and construction of the gas transmission capacities in Eastern Russia went on in full swing.

Sobolevo – Petropavlovsk-Kamchatsky gas trunkline

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Pre-development of Nizhne-Kvakchikskoye field

The Company discovered two fields: the Abakanskoye field in the Krasnoyarsk Krai in February 2010 and another one in the Kirinsky block of the Sakhalin III project in September. This reinforced Gazprom's resource base required for gas supplies to consumers in Eastern Russia.

The 392-kilometer-long Sobolevo – Petropavlovsk-Kamchatsky gas trunkline was put into operation in September 2010. Natural gas arrived in the Kamchatka Krai capital for the first time ever. Thus, the Peninsula's dependence on the fuels brought in from beyond the region was reduced. The gas pipeline mostly runs in the mountains and highly seismic areas. Nevertheless, unique design solutions ensure the utmost reliability of gas supplies to consumers. Kamchatka gas from the Kshukskoye and Nizhne-Kvakchikskoye fields located on the west coast of the Peninsula will become the resource base for the new gas pipeline. At the initial phase, natural gas will be primarily supplied to CHPP-2 in Petropavlovsk-Kamchatsky. The gasification activities are in full swing on the Peninsula.

Construction of Sakhalin – Khabarovsk – Vladivostok, the first inter-regional gas transmission system in the Far East was fully on schedule. The system will supply gas to most consumers in the Sakhalin Oblast, Khabarovsk and Primorsky Krais. Natural gas will be mostly fed to the gas transmission system from the Sakhalin Island offshore fields including the Sakhalin III project.

In November 2010 the pipeline construction entered its final phase – 1,000 kilometers of the gas pipeline were welded up constituting some 75 per cent of the first startup complex length.

Once the system reaches its full capacity with 14 compressor stations, it will be able to convey some 30 billion cubic meters of Sakhalin gas a year.

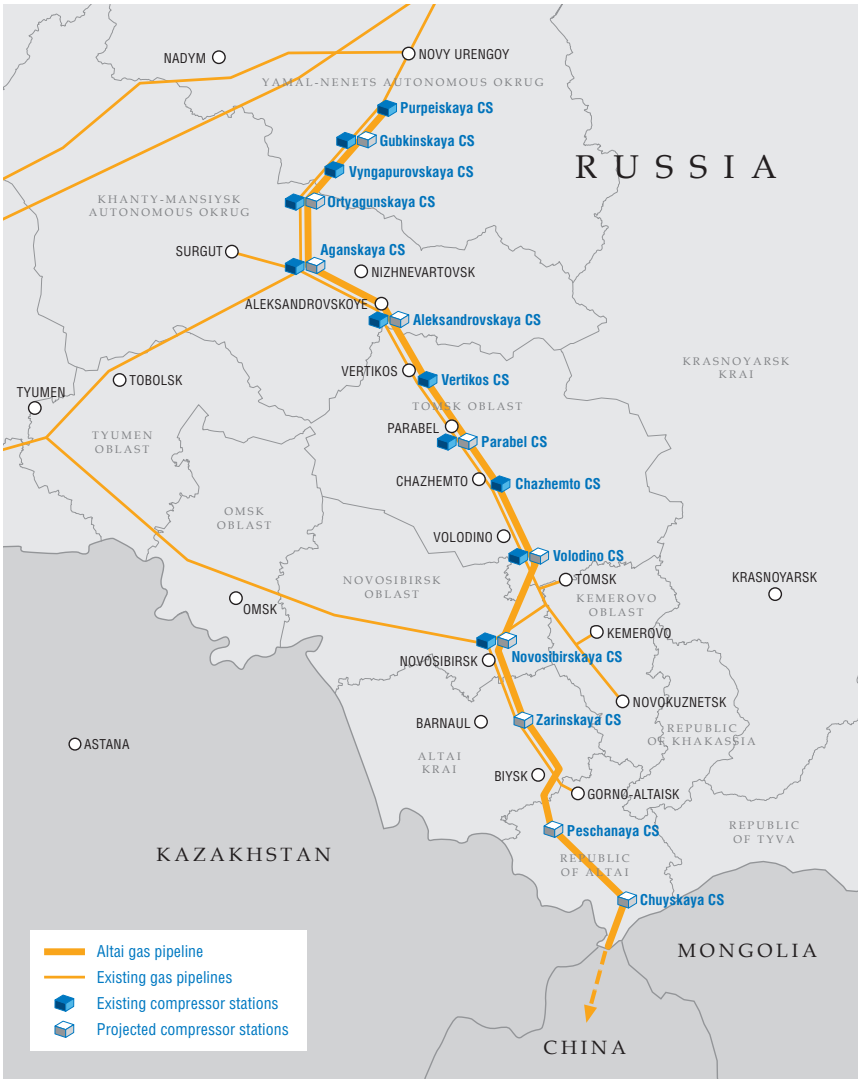
Significant progress achieved in cooperation with Asia-Pacific countries

The Eastern Gas Program will make it possible to meet the demand of Russian gas consumers in the Far East and to create the necessary prerequisites for extra gas supplies from Russia to Asia-Pacific markets.

In 2010 Gazprom and the Natural Resources and Energy Agency under Japan's Economy, Trade and Industry Ministry initiated joint investigation of the opportunities for natural gas utilization near Vladivostok including transportation and marketing of natural gas and gas chemical products from the Vladivostok region to potential consumers in Asia-Pacific countries. It was also agreed to carry out joint front-end engineering design development in 2011 for an LNG plant construction near Vladivostok as well as to study the possibilities for executing a pilot project on natural gas compression in Vladivostok for subsequent offshore transportation and gas chemicals production.

In 2010 Gazprom and Korean Kogas jointly explored the project for natural gas supplies from Russia to the Republic of Korea. Accords were reached to continue addressing the issues related to the project implementation.

Loading of liquefied natural gas into tanker at Sakhalin II LNG plant



Altai project

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It was planned to sign the export contract in 2011 and to launch gas supplies from Russia to China in late 2015.

First Russian LNG plant reached design capacity

Built as part of the Sakhalin II project, the LNG plant reached its design capacity of 9.6 million tons per year in 2010. The bulk of LNG (some 60 per cent) was delivered to Japan. Sakhalin gas was also transported to South Korea, India, Kuwait, China and Taiwan. The standard cargo volume is 145 thousand cubic meters of LNG.

Having reached its full capacity, the Sakhalin II project yielded some 5 per cent of the global LNG production, thus, considerably contributing to the global energy security.

LNG plant built as part of Sakhalin II project

Yamal Megaproject execution furthered

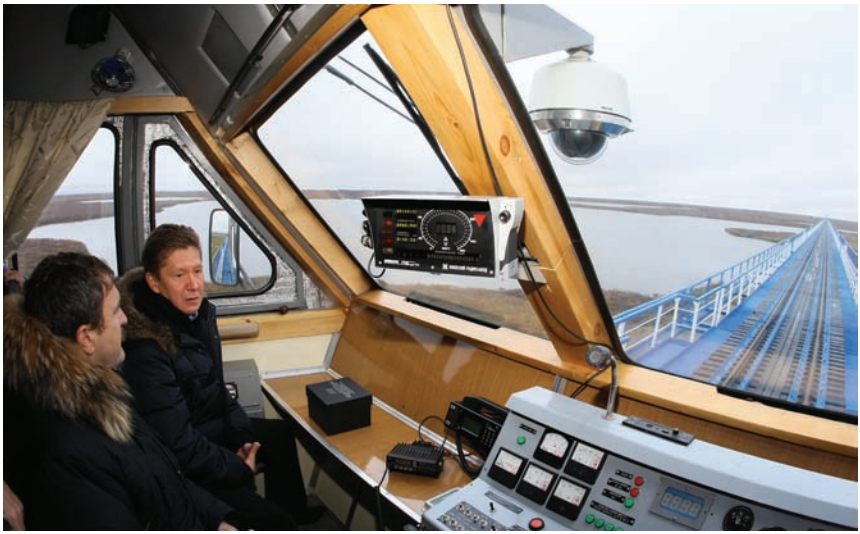
The Yamal Peninsula is a region of Gazprom's strategic interests. Large-scale development of Yamal fields will boost local gas production to 310–360 billion cubic meters per annum by 2030. Tapping the Yamal potential is of utmost importance for the purpose of increasing gas production in Russia.

The explored and provisionally estimated gas reserves onshore and offshore the Yamal Peninsula amount to some 16 trillion cubic meters. The Bovanenkovo field is the most significant one in terms of gas reserves – 4.9 trillion cubic meters.

Consistent efforts were taken in 2010 to implement the Yamal Megaproject aimed at developing tremendous hydrocarbon resources of the Peninsula.

The Bovanenkovo field infrastructure was under development throughout the year. In particular, production wells were drilled and the comprehensive gas treatment unit equipment was installed.

The new generation multi-line Bovanenkovo – Ukhta gas transmission system was simultaneously constructed. The system will ensure transmission and injection of Yamal gas into the Unified Gas Supply System. More than 745 kilometers of the first pipeline string exceeding 1,200 kilometers were welded up by early February 2011.



New railroad thoroughfare to connect Yamal fields with transportation infrastructure of northern Urals

In February 2011 regular operation of the Obskaya – Bovanenkovo railroad was launched between the Bovanenkovo and Karskaya stations. The new thoroughfare will ensure year-round delivery of materials, equipment and personnel for the Bovanenkovo field pre-development.

Ekaterina drilling rig in Bovanenkovo field

Cooperation Agreement signed for LNG project implementation on Yamal

In June 2010 Gazprom and NOVATEK entered into the Cooperation Agreement. The Agreement determined the key parameters of interaction between the companies in implementing the project for gas liquefaction facilities construction on the basis of the Yuzhno-Tambeyskoye field, as well as the infrastructure creation and subsequent utilization on the Yamal Peninsula.

Signing of the Agreement demonstrated Gazprom's comprehensive and systematic approach to developing giant hydrocarbon fields of Yamal.

Leonid Mikhelson, Chairman of NOVATEK Management Committee and Alexey Miller signing Cooperation Agreement for gas liquefaction on Yamal Peninsula

International presence expanded

Gazprom carried on implementing hydrocarbon production and exploration projects in Africa.

In March 2010 Gazprom Group commenced drilling of a wildcat, Rhourde Sayah-2, within the El Assel licensed area of the Berkine Basin in Algeria and in November 2010 the first oil and gas deposits were discovered in North Africa.

In August 2010 Gazprom Group received commercial inflow when drilling the second exploration well in the Dzhel area of the Ustyurt plateau in western Uzbekistan.

In September 2010 Gazprom Group and French petroleum company Total signed a Farmout Agreement within the Ipati and Aquio blocks exploration project. The blocks are located in southern Bolivia within the Subandino petroleum basin. According to the document, the equity stake of Gazprom Group in the project will make up 20 per cent, Total – 60 per cent, TecPetrol – 20 per cent.

Rhourde Sayah-2 wildcat drilling in Algeria

Over 300 population centers gasified

The Gasification Program is the major social project of Gazprom. Between 2005 and 2010 the Company invested RUB 117 billion for inter-settlement gas pipelines construction in 69 regions of Russia.

As part of the 2010 Russian Regions Gasification Program, Gazprom constructed 156 inter-settlement gas pipelines with the total length of 2,100 kilometers. The gas pipelines constructed in 2010 deliver gas to more than 300 population centers in 44 regions of Russia.

The 2010 Russian Regions Gasification Program envisaged that RUB 25 billion should be invested by Gazprom. The funds were allocated for new facilities construction, front-end engineering and design work as well as for development of general gas supply and gasification schemes.

Over 300 population centers fed with gas by pipelines built in 2010

156 inter-settlement gas pipelines constructed by Gazprom in 2010

Moreover, Gazprom additionally allocated RUB 612 million and commissioned 18 inter-settlement gas pipelines in federal constituents hit by wildfire.

Thus, in 2010 Gazprom allocated the record-high amount of RUB 25.612 billion in total as part of the Russian Regions Gasification Program.

Some pipelines were constructed in particularly challenging conditions. For instance, in July 2010 Gazprom brought onstream the first phase of the mountain gas lateral to the Khunzakh settlement in Dagestan gasifying 62 population centers in the Khunzakh and Gumbet Districts of the Republic.

Innovative Kuzbass Methane Project executed at full speed

Kuzbass is distinguished from the rest of Russia's coal basins and may reasonably be considered as the world's largest among the explored coalbed methane (CBM) basins providing tangible and great opportunities for large-scale methane production. The forecasted methane resources of the basin are estimated at 13.1 trillion cubic meters.

The coalbed gas production project in Kuzbass is aimed at substantially expanding Gazprom's resource base. In addition, it will ensure gas supply to and gasification of Western Siberia's southern regions, improve the environment and promote further socioeconomic development on the basis of natural gas. The project will contribute to miners' safety.

In February 2010 Gazprom inaugurated the first Russian CBM facility in the Taldinskoye field, Kemerovo Oblast. 4.9 million cubic meters of gas were produced here throughout the year in a pilot operation mode.

Simultaneously, CBM was trialed to generate power and refuel natural gas vehicles, thus, practically demonstrating the process efficiency and feasibility of CBM production in Russia using domestic technologies.

CNG filling station in Taldinskoye field

Pilot commercial operation of the Taldinskoye field is the next phase of the innovative Kuzbass Methane Project.

The CBM production technology was developed by Gazprom. 31 international and Russian patents were received across the entire process cycle from CBM exploration to utilization.

Gas well in Taldinskoye field

In December 2010 Gazprom and NAK Naftogaz Ukrainy signed the Memorandum on setting up a joint venture for CBM production in Ukraine. The JV will make it possible to apply Gazprom's cutting-edge coalbed gas production technologies in Ukraine as well, and open new horizons for cooperation deepening.

Evgeny Bakulin, Chairman of Board of NAK Naftogaz Ukrainy and Alexey Miller signing Memorandum on setting up a joint venture for CBM production in Ukraine

Preparations for 2014 Winter Olympic Games furthered

In 2010 Gazprom constructed the offshore part of the Dzhubga – Lazarevskoye – Sochi gas pipeline in the Krasnodar Krai. The gas pipeline will stretch for 177 kilometers including a 159.5-kilometer offshore part. The pipeline route runs on the Black Sea bottom some 4.5 kilometers off the shore to the Kudepsta gas distribution station near Sochi. The gas pipeline will have the annual throughput capacity of some 3.8 billion cubic meters. Adler CHPS is among consumers of gas conveyed by the Dzhubga – Lazarevskoye – Sochi trunkline.

The Dzhubga – Lazarevskoye – Sochi trunkline and the Adler CHPS were included into the Program approved by the Russian Government and

Preparations for laying pipes on Black Sea bottom

Dzhubga – Lazarevskoye – Sochi gas pipeline

aimed at the Olympic facilities construction and development of Sochi as a mountain-climatic resort.

By executing these projects Gazprom makes a substantial contribution to preparations for the 2014 Winter Olympic Games and socioeconomic development of the entire Black Sea coast region of the North Caucasus.

C-Master pipelaying barge

Construction of key regional power facilities continued

The first turbine of the Adler CHPS was installed in 2010. With the aggregate capacity of 360 MW, the combined heat and power station will satisfy over one-third of the forecasted peak energy demand in the region of Sochi during the 2014 Winter Olympic Games.

In December 2010 Gazprom commissioned the second power generating unit at 450 MW Kaliningrad CHPP-2 tackling the lack of energy in the Kaliningrad Oblast and creating an opportunity for power exports.

Mounting first gas turbine at Adler CHPS

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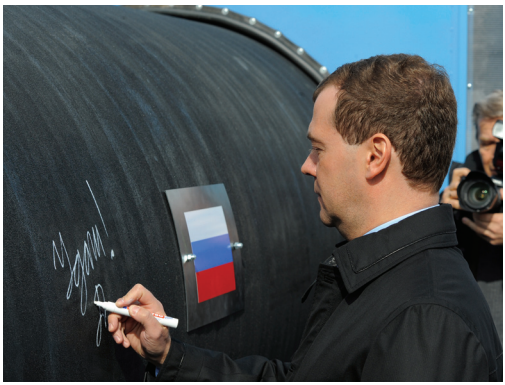

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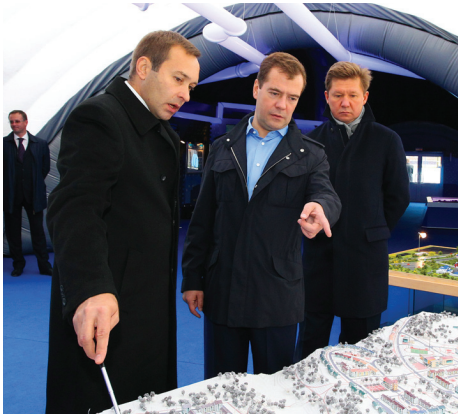

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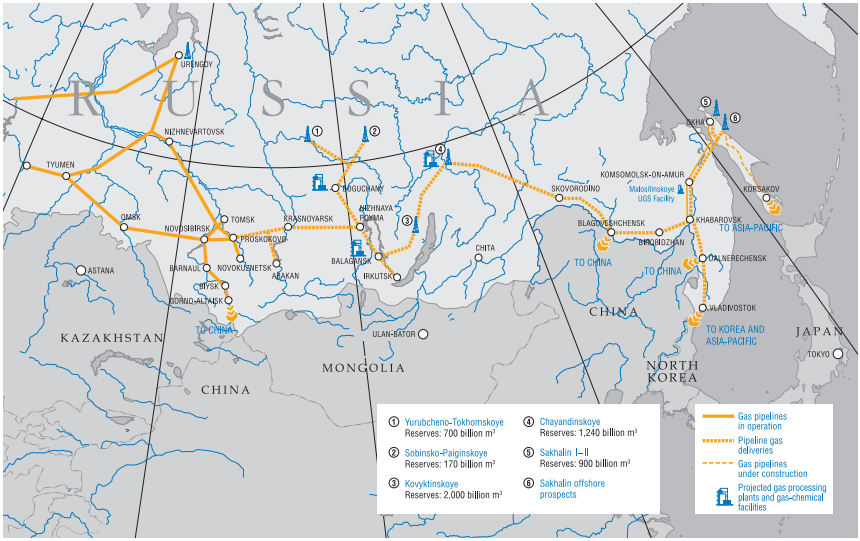

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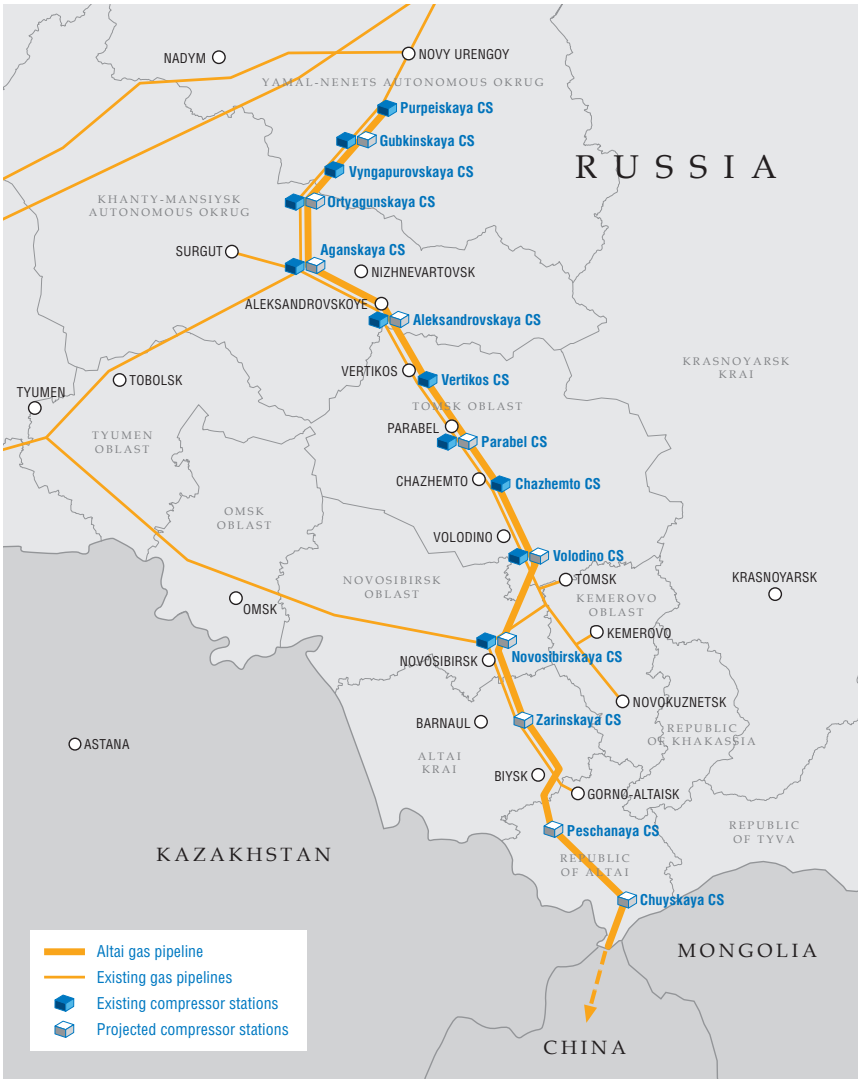

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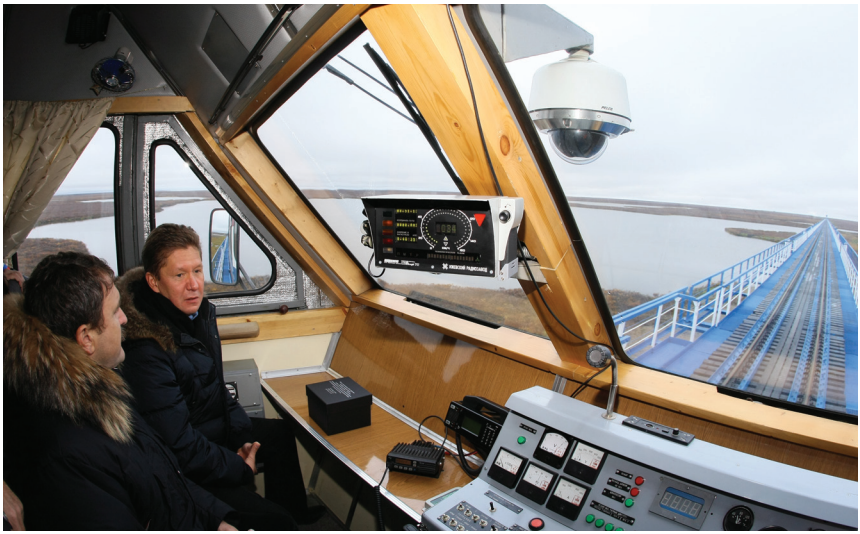


New railroad thoroughfare to connect Yamal fields with transportation infrastructure of northern Urals

In February 2011 regular operation of the Obskaya – Bovanenkovo railroad was launched between the Bovanenkovo and Karskaya stations. The new thoroughfare will ensure year-round delivery of materials, equipment and personnel for the Bovanenkovo field pre-development.

Ekaterina drilling rig in Bovanenkovo field

Cooperation Agreement signed for LNG project implementation on Yamal

In June 2010 Gazprom and NOVATEK entered into the Cooperation Agreement. The Agreement determined the key parameters of interaction between the companies in implementing the project for gas liquefaction facilities construction on the basis of the Yuzhno-Tambeyskoye field, as well as the infrastructure creation and subsequent utilization on the Yamal Peninsula.

Signing of the Agreement demonstrated Gazprom's comprehensive and systematic approach to developing giant hydrocarbon fields of Yamal.

Leonid Mikhelson, Chairman of NOVATEK Management Committee and Alexey Miller signing Cooperation Agreement for gas liquefaction on Yamal Peninsula

International presence expanded

Gazprom carried on implementing hydrocarbon production and exploration projects in Africa.

In March 2010 Gazprom Group commenced drilling of a wildcat, Rhourde Sayah-2, within the El Assel licensed area of the Berkine Basin in Algeria and in November 2010 the first oil and gas deposits were discovered in North Africa.

In August 2010 Gazprom Group received commercial inflow when drilling the second exploration well in the Dzhel area of the Ustyurt plateau in western Uzbekistan.

In September 2010 Gazprom Group and French petroleum company Total signed a Farmout Agreement within the Ipati and Aquio blocks exploration project. The blocks are located in southern Bolivia within the Subandino petroleum basin. According to the document, the equity stake of Gazprom Group in the project will make up 20 per cent, Total – 60 per cent, TecPetrol – 20 per cent.

Rhourde Sayah-2 wildcat drilling in Algeria

Over 300 population centers gasified

The Gasification Program is the major social project of Gazprom. Between 2005 and 2010 the Company invested RUB 117 billion for inter-settlement gas pipelines construction in 69 regions of Russia.

As part of the 2010 Russian Regions Gasification Program, Gazprom constructed 156 inter-settlement gas pipelines with the total length of 2,100 kilometers. The gas pipelines constructed in 2010 deliver gas to more than 300 population centers in 44 regions of Russia.

The 2010 Russian Regions Gasification Program envisaged that RUB 25 billion should be invested by Gazprom. The funds were allocated for new facilities construction, front-end engineering and design work as well as for development of general gas supply and gasification schemes.

Over 300 population centers fed with gas by pipelines built in 2010

156 inter-settlement gas pipelines constructed by Gazprom in 2010

Moreover, Gazprom additionally allocated RUB 612 million and commissioned 18 inter-settlement gas pipelines in federal constituents hit by wildfire.

Thus, in 2010 Gazprom allocated the record-high amount of RUB 25.612 billion in total as part of the Russian Regions Gasification Program.

Some pipelines were constructed in particularly challenging conditions. For instance, in July 2010 Gazprom brought onstream the first phase of the mountain gas lateral to the Khunzakh settlement in Dagestan gasifying 62 population centers in the Khunzakh and Gumbet Districts of the Republic.

Innovative Kuzbass Methane Project executed at full speed

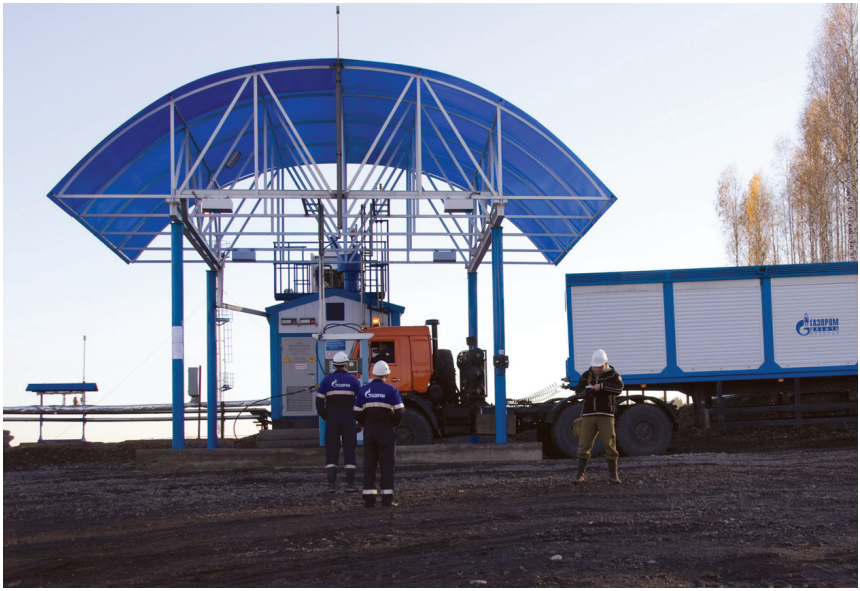
Kuzbass is distinguished from the rest of Russia's coal basins and may reasonably be considered as the world's largest among the explored coalbed methane (CBM) basins providing tangible and great opportunities for large-scale methane production. The forecasted methane resources of the basin are estimated at 13.1 trillion cubic meters.

The coalbed gas production project in Kuzbass is aimed at substantially expanding Gazprom's resource base. In addition, it will ensure gas supply to and gasification of Western Siberia's southern regions, improve the environment and promote further socioeconomic development on the basis of natural gas. The project will contribute to miners' safety.

In February 2010 Gazprom inaugurated the first Russian CBM facility in the Taldinskoye field, Kemerovo Oblast. 4.9 million cubic meters of gas were produced here throughout the year in a pilot operation mode.

Simultaneously, CBM was trialed to generate power and refuel natural gas vehicles, thus, practically demonstrating the process efficiency and feasibility of CBM production in Russia using domestic technologies.

CNG filling station in Taldinskoye field



Pilot commercial operation of the Taldinskoye field is the next phase of the innovative Kuzbass Methane Project.

The CBM production technology was developed by Gazprom. 31 international and Russian patents were received across the entire process cycle from CBM exploration to utilization.

Gas well in Taldinskoye field

In December 2010 Gazprom and NAK Naftogaz Ukrainy signed the Memorandum on setting up a joint venture for CBM production in Ukraine. The JV will make it possible to apply Gazprom's cutting-edge coalbed gas production technologies in Ukraine as well, and open new horizons for cooperation deepening.

Evgeny Bakulin, Chairman of Board of NAK Naftogaz Ukrainy and Alexey Miller signing Memorandum on setting up a joint venture for CBM production in Ukraine

Preparations for 2014 Winter Olympic Games furthered

In 2010 Gazprom constructed the offshore part of the Dzhubga – Lazarevskoye – Sochi gas pipeline in the Krasnodar Krai. The gas pipeline will stretch for 177 kilometers including a 159.5-kilometer offshore part. The pipeline route runs on the Black Sea bottom some 4.5 kilometers off the shore to the Kudepsta gas distribution station near Sochi. The gas pipeline will have the annual throughput capacity of some 3.8 billion cubic meters. Adler CHPS is among consumers of gas conveyed by the Dzhubga – Lazarevskoye – Sochi trunkline.

The Dzhubga – Lazarevskoye – Sochi trunkline and the Adler CHPS were included into the Program approved by the Russian Government and

Preparations for laying pipes on Black Sea bottom

Dzhubga – Lazarevskoye – Sochi gas pipeline

aimed at the Olympic facilities construction and development of Sochi as a mountain-climatic resort.

By executing these projects Gazprom makes a substantial contribution to preparations for the 2014 Winter Olympic Games and socioeconomic development of the entire Black Sea coast region of the North Caucasus.

C-Master pipelaying barge

Construction of key regional power facilities continued

The first turbine of the Adler CHPS was installed in 2010. With the aggregate capacity of 360 MW, the combined heat and power station will satisfy over one-third of the forecasted peak energy demand in the region of Sochi during the 2014 Winter Olympic Games.

In December 2010 Gazprom commissioned the second power generating unit at 450 MW Kaliningrad CHPP-2 tackling the lack of energy in the Kaliningrad Oblast and creating an opportunity for power exports.

Mounting first gas turbine at Adler CHPS

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