

Dear Depositary Receipt Holders,

On 30 June 2017, Gazprom will hold an annual General Shareholders Meeting to discuss the Company's performance in 2016, as well as plans for the future.

As the leader in terms of natural gas reserves, production and exports among public energy companies, Gazprom provides reliable gas supplies to the domestic and foreign markets despite the challenging macroeconomic environment.

The Company closed 2016 with a record-breaking 179.3 bcm of gas exported to Europe and Turkey. Overall, in 2016 our gas exports to these markets increased by 12.5%.

Throughout 2016, the Company continued with a successful implementation of its key strategic projects, such as the Power of Siberia gas pipeline that will deliver gas to China, the Nord Stream 2 and TurkStream, as well as the expansion of Yamal-based production capacities and gas transmission system for transporting gas to the European part of Russia and to foreign countries.

By the end of 2016, we had built a 445-km section of the Power of Siberia gas pipeline. The Company will start supplying gas to China between 2019 and 2021 in strict compliance with the contract between Gazprom and CNPC. The Nord Stream 2 project is right on schedule, with the commissioning in late 2019. We have also received most permits and approvals for the TurkStream project. The underwater pipe laying of TurkStream in the Black Sea has started in May this year.

Gazprom Neft, the Company's oil-producing subsidiary, has increased its oil output by 7.5%. In 2016, Gazprom Neft put into operation the unique Arctic Gate oil loading terminal to ensure year-round shipments of Yamal oil by sea, launched the full-fledged development of the Novoportovskoye and the Vostochno-Messoyakhskoye fields, and carried on modernising its refining capacities.

In 2016, we continued our efforts to improve the Group's performance, and optimise operational costs and the investment program. Despite the worsening of oil and gas market conditions, the high volatility of the national currency exchange rates, and the rising tax burden, Gazprom increased its net profit in 2016 compared to 2015.

Based on the Company's financial performance in 2016, the Board of Directors recommended to the General Shareholders Meeting to increase dividend payments for 2016 compared with previous year to RUB 8.0397 per share (RUB 16.0794 per ADR).

Over the course of 2016, Gazprom took further steps to enhance corporate governance, improve transparency, and develop long-term and effective relations with its shareholders and investors. The Moscow Exchange approved three members of the Board of Directors as independent directors, a Nomination and Remuneration Committee was established with independent directors constituting the majority, and an independent director was elected to chair the Audit Committee. Moreover, a Corporate Secretary unit was created within Gazprom.

Gazprom will strive to maintain its sustainable growth by implementing its priority investment projects, maintaining and strengthening its positions in key markets, preparing for the entry into China's gas market, optimising its cash-flow profile given the challenging oil and gas market conditions, and developing the dialogue with investors and shareholders.

In the light of the foregoing, we propose that you cast your votes for Gazprom's top executives in the election of the Company's Board of Directors.

I would like to express my appreciation for your continuous support, confidence and participation in the annual General Shareholders Meeting of Gazprom.

Alexey Miller

Management Committee Chairman

Gazprom