

ОАО ГАЗПРОМ

**IFRS CONSOLIDATED
INTERIM CONDENSED
FINANCIAL INFORMATION
(UNAUDITED)**

30 SEPTEMBER 2012



Report on Review of Consolidated Interim Condensed Financial Information

To the Shareholders and Board of Directors of OAO Gazprom

Introduction

We have reviewed the accompanying consolidated interim condensed balance sheet of OAO Gazprom and its subsidiaries (the "Group") as of 30 September 2012 and the related consolidated interim condensed statements of comprehensive income for the three and nine month periods then ended, and of cash flows and of changes in equity for the nine month period then ended. Management is responsible for the preparation and presentation of this consolidated interim condensed financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this consolidated interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim condensed financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

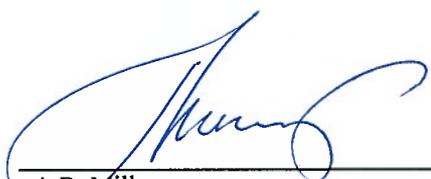
ZAO PricewaterhouseCoopers Audit

14 January 2013

Moscow, Russian Federation

OA O GAZPROM
IFRS CONSOLIDATED INTERIM CONDENSED BALANCE SHEET (UNAUDITED)
AS OF 30 SEPTEMBER 2012
(In millions of Russian Roubles)

| Notes | | 30 September 2012 | 31 December 2011 |
|-------|--|----------------------|---------------------|
| | Assets | | |
| | Current assets | | |
| 6 | Cash and cash equivalents | 471,428 | 501,344 |
| 6 | Restricted cash | 3,724 | 3,877 |
| 7 | Short-term financial assets | 20,918 | 23,991 |
| 8 | Accounts receivable and prepayments | 830,600 | 784,053 |
| 9 | Inventories | 484,594 | 407,530 |
| | VAT recoverable | 318,239 | 303,454 |
| | Other current assets | <u>206,788</u> | <u>216,044</u> |
| | | 2,336,291 | 2,240,293 |
| | Non-current assets | | |
| 10 | Property, plant and equipment | 7,323,898 | 6,718,575 |
| 11 | Investments in associated undertakings and jointly controlled entities | 637,604 | 715,966 |
| 12 | Long-term accounts receivable and prepayments | 577,816 | 517,097 |
| 13 | Available-for-sale long-term financial assets | 166,794 | 181,138 |
| 14 | Other non-current assets | <u>577,007</u> | <u>527,627</u> |
| | | <u>9,283,119</u> | <u>8,660,403</u> |
| | Total assets | 11,619,410 | 10,900,696 |
| | Liabilities and equity | | |
| | Current liabilities | | |
| | Accounts payable and accrued charges | 889,350 | 804,644 |
| | Current profit tax payable | 5,688 | 44,036 |
| | Other taxes payable | 113,606 | 93,707 |
| | Short-term borrowings, promissory notes and current portion of long-term borrowings | <u>385,509</u> | <u>366,868</u> |
| | | 1,394,153 | 1,309,255 |
| | Non-current liabilities | | |
| 15 | Long-term borrowings | 1,247,403 | 1,173,294 |
| 22 | Provisions for liabilities and charges | 217,422 | 206,734 |
| 16 | Deferred tax liabilities | 400,162 | 402,728 |
| | Other non-current liabilities | <u>29,673</u> | <u>47,694</u> |
| | | <u>1,894,660</u> | <u>1,830,450</u> |
| | Total liabilities | 3,288,813 | 3,139,705 |
| | Equity | | |
| 17 | Share capital | 325,194 | 325,194 |
| 17 | Treasury shares | (104,041) | (104,605) |
| | Retained earnings and other reserves | <u>7,798,312</u> | <u>7,242,982</u> |
| | | 8,019,465 | 7,463,571 |
| | Non-controlling interest | <u>311,132</u> | <u>297,420</u> |
| | Total equity | <u>8,330,597</u> | <u>7,760,991</u> |
| | Total liabilities and equity | 11,619,410 | 10,900,696 |


A.B. Miller
Chairman of the Management Committee
14 January 2013

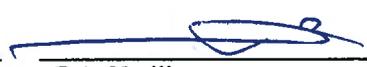

E.A. Vasilieva
Chief Accountant
14 January 2013

The accompanying notes are an integral part of this consolidated interim condensed financial information.

OA0 GAZPROM
IFRS CONSOLIDATED INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2012
(In millions of Russian Roubles)

| Notes | Three months ended 30 September | | Nine months ended 30 September | | |
|-------|---|------------------|-----------------------------------|--------------------|--------------------|
| | 2012 | 2011 | 2012 | 2011 | |
| 18 | Sales | 1,120,937 | 949,585 | 3,351,303 | 3,296,656 |
| | Net gain (loss) from trading activity | 280 | (601) | 5,798 | (837) |
| 19 | Operating expenses | <u>(867,982)</u> | <u>(620,949)</u> | <u>(2,491,733)</u> | <u>(2,119,289)</u> |
| | Operating profit | 253,235 | 328,035 | 865,368 | 1,176,530 |
| 20 | Finance income | 99,340 | 10,247 | 252,733 | 117,012 |
| 20 | Finance expense | (22,476) | (147,648) | (204,539) | (192,323) |
| 11 | Share of net income of associated undertakings and jointly controlled entities | 55,001 | 9,213 | 126,690 | 71,779 |
| | Gains (losses) on disposal of available-for-sale financial assets | <u>43</u> | <u>10</u> | <u>(35)</u> | <u>841</u> |
| | Profit before profit tax | 385,143 | 199,857 | 1,040,217 | 1,173,839 |
| | Current profit tax expense | (69,842) | (28,623) | (208,974) | (198,969) |
| | Deferred profit tax (expense) benefit | <u>(7,702)</u> | <u>(15,609)</u> | <u>1,882</u> | <u>(34,043)</u> |
| | Profit tax expense | <u>(77,544)</u> | <u>(44,232)</u> | <u>(207,092)</u> | <u>(233,012)</u> |
| | Profit for the period | 307,599 | 155,625 | 833,125 | 940,827 |
| | Other comprehensive income | | | | |
| | Gains (losses) arising from change in fair value of available-for-sale financial assets, net of tax | 8,595 | (17,711) | (13,424) | (20,100) |
| | Share of other comprehensive loss of associated undertakings and jointly controlled entities | (3,880) | (502) | (8,919) | (6,854) |
| | Translation differences | (28,716) | 48,407 | (20,679) | 23,373 |
| | Gains (losses) from cash flow hedges, net of tax | <u>3,522</u> | <u>-</u> | <u>(2,518)</u> | <u>-</u> |
| | Other comprehensive (loss) income for the period, net of tax | (20,479) | 30,194 | (45,540) | (3,581) |
| | Total comprehensive income for the period | 287,120 | 185,819 | 787,585 | 937,246 |
| | Profit attributable to: | | | | |
| | owners of OAO Gazprom | 305,054 | 151,978 | 813,721 | 923,647 |
| | non-controlling interest | <u>2,545</u> | <u>3,647</u> | <u>19,404</u> | <u>17,180</u> |
| | | 307,599 | 155,625 | 833,125 | 940,827 |
| | Total comprehensive income attributable to: | | | | |
| | owners of OAO Gazprom | 286,227 | 178,954 | 769,160 | 918,731 |
| | non-controlling interest | <u>893</u> | <u>6,865</u> | <u>18,425</u> | <u>18,515</u> |
| | | 287,120 | 185,819 | 787,585 | 937,246 |
| 21 | Basic and diluted earnings per share for profit attributable to the owners of OAO Gazprom (in Roubles) | 13.29 | 6.62 | 35.46 | 40.25 |


A.B. Miller
Chairman of the Management Committee
14 January 2013


E.A. Vasilieva
Chief Accountant
14 January 2013

The accompanying notes are an integral part of this consolidated interim condensed financial information.

OAO GAZPROM
IFRS CONSOLIDATED INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012
(In millions of Russian Roubles)

| Notes | Nine months ended 30 September | |
|-------|--|--------------------|
| | 2012 | 2011 |
| | Operating activities | |
| | 1,040,217 | 1,173,839 |
| | Profit before profit tax | |
| | Adjustments to profit before profit tax | |
| 19 | 242,099 | 201,636 |
| 20 | (54,089) | 67,663 |
| 20 | 26,075 | 21,292 |
| 20 | (20,173) | (13,452) |
| | 35 | (841) |
| 11 | (126,690) | (71,779) |
| 19 | 59,500 | 36,339 |
| 19 | 8,912 | (1,258) |
| | <u>1,665</u> | <u>(660)</u> |
| | 137,334 | 238,940 |
| | Total effect of adjustments | |
| | (2,106) | (3,307) |
| | 2,909 | 2,146 |
| | 25,974 | (40,716) |
| | Total effect of working capital changes | |
| | <u>(220,937)</u> | <u>(303,150)</u> |
| | 983,391 | 1,067,752 |
| | Net cash provided by operating activities | |
| | Investing activities | |
| | (956,529) | (1,066,253) |
| 20 | (48,159) | (42,290) |
| | (7,828) | (19,587) |
| 23,26 | (32,185) | (30,760) |
| | - | 6,715 |
| | (14,647) | (6,834) |
| | 16,964 | 6,779 |
| | (1,662) | (2,175) |
| | 159,284 | 83,419 |
| | <u>1,816</u> | <u>1,632</u> |
| | (882,946) | (1,069,354) |
| | Net cash used for investing activities | |
| | Financing activities | |
| | 227,140 | 246,850 |
| | (142,061) | (177,498) |
| | 5,725 | (23,003) |
| | (43) | (154) |
| | (196,953) | (85,288) |
| 20 | (16,458) | (18,790) |
| | 564 | (601) |
| | <u>153</u> | <u>(168)</u> |
| | (121,933) | (58,652) |
| | Net cash used for financing activities | |
| | <u>(8,428)</u> | <u>1,216</u> |
| | (29,916) | (59,038) |
| | Decrease in cash and cash equivalents | |
| 6 | <u>501,344</u> | <u>440,786</u> |
| | Cash and cash equivalents, at the beginning of reporting period | |
| 6 | 471,428 | 381,748 |
| | Cash and cash equivalents, at the end of reporting period | |



A.B. Miller
Chairman of the Management Committee
14 January 2013



E.A. Vasilieva
Chief Accountant
14 January 2013

The accompanying notes are an integral part of this consolidated interim condensed financial information.

OAQ GAZPROM
IFRS CONSOLIDATED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012
(In millions of Russian Roubles)

| Notes | Number of shares outstanding (billions) | Attributable to the owners of OAO Gazprom | | | Total | Non-controlling interest | Total equity | |
|--|--|---|-----------------|--------------------------------------|-----------|--------------------------|--------------|-----------|
| | | Share capital | Treasury shares | Retained earnings and other reserves | | | | |
| Nine months ended 30 September 2011 | | | | | | | | |
| | Balance as of 31 December 2010 | 23.0 | 325,194 | (103,986) | 6,028,543 | 6,249,751 | 286,610 | 6,536,361 |
| | Profit for the period | - | - | - | 923,647 | 923,647 | 17,180 | 940,827 |
| | Other comprehensive income: | | | | | | | |
| | Losses arising from change in fair value of available-for-sale financial assets, net of tax | - | - | (20,100) | (20,100) | (20,100) | - | (20,100) |
| | Share of other comprehensive loss of associated undertakings and jointly controlled entities | - | - | (6,854) | (6,854) | (6,854) | - | (6,854) |
| | Translation differences | - | - | 22,038 | 22,038 | 22,038 | 1,335 | 23,373 |
| | Total comprehensive income for the nine months ended 30 September 2011 | - | - | - | 918,731 | 918,731 | 18,515 | 937,246 |
| 26 | Purchase of non-controlling interest in subsidiaries | - | - | - | 5,656 | 5,656 | (29,451) | (23,795) |
| | Net treasury shares transactions | (0.1) | - | (601) | - | (601) | - | (601) |
| | Return of social assets to governmental authorities | - | - | - | (502) | (502) | - | (502) |
| | Dividends | - | - | - | (88,757) | (88,757) | (1,533) | (90,290) |
| | Balance as of 30 September 2011 | 22.9 | 325,194 | (104,587) | 6,863,671 | 7,084,278 | 274,141 | 7,358,419 |
| Nine months ended 30 September 2012 | | | | | | | | |
| | Balance as of 31 December 2011 | 22.9 | 325,194 | (104,605) | 7,242,982 | 7,463,571 | 297,420 | 7,760,991 |
| | Profit for the period | - | - | - | 813,721 | 813,721 | 19,404 | 833,125 |
| | Other comprehensive income: | | | | | | | |
| | Losses arising from change in fair value of available-for-sale financial assets, net of tax | - | - | (13,424) | (13,424) | (13,424) | - | (13,424) |
| | Share of other comprehensive loss of associated undertakings and jointly controlled entities | - | - | (8,919) | (8,919) | (8,919) | - | (8,919) |
| | Translation differences | - | - | (19,781) | (19,781) | (19,781) | (898) | (20,679) |
| | Losses from cash flow hedges, net of tax | - | - | (2,437) | (2,437) | (2,437) | (81) | (2,518) |
| | Total comprehensive income for the nine months ended 30 September 2012 | - | - | - | 769,160 | 769,160 | 18,425 | 787,585 |
| 23 | Purchase of non-controlling interest in subsidiaries | - | - | - | (7,931) | (7,931) | (1,390) | (9,321) |
| | Net treasury shares transactions | 0.1 | - | 564 | - | 564 | - | 564 |
| | Return of social assets to governmental authorities | - | - | - | (33) | (33) | - | (33) |
| | Dividends | - | - | - | (205,866) | (205,866) | (3,323) | (209,189) |
| | Balance as of 30 September 2012 | 23.0 | 325,194 | (104,041) | 7,798,312 | 8,019,465 | 311,132 | 8,330,597 |


A.B. Miller
Chairman of the Management Committee
14 January 2013


E.A. Vasilieva
Chief Accountant
14 January 2013

The accompanying notes are an integral part of this consolidated interim condensed financial information.

1 NATURE OF OPERATIONS

OAQ Gazprom and its subsidiaries (the “Group”) operate one of the largest gas pipeline systems in the world and are responsible for major part of gas production and high pressure gas transportation in the Russian Federation. The Group is also a major supplier of gas to European countries. The Group is also engaged in oil production, refining activities, electric and heat energy generation. The Government of the Russian Federation is the ultimate controlling party of OAQ Gazprom and has a controlling interest (including both direct and indirect ownership) of over 50% in OAQ Gazprom.

The Group is involved in the following principal activities:

- Exploration and production of gas;
- Transportation of gas;
- Sales of gas within Russian Federation and abroad;
- Gas storage;
- Production of crude oil and gas condensate;
- Processing of oil, gas condensate and other hydrocarbons, and sales of refined products; and
- Electric and heat energy generation and sales.

Other activities primarily include production of other goods, works and services.

The gas business is subject to seasonal fluctuations with peak demand in the first and fourth quarters of each year. Historically approximately 20% and 70% of total annual gas volumes are shipped in the three and nine months, ended 30 September, respectively.

2 ECONOMIC ENVIRONMENT IN THE RUSSIAN FEDERATION

The Russian Federation displays certain characteristics of an emerging market. The legal, tax and regulatory frameworks continue to develop and are subject to varying interpretations and contributes to the challenges faced by companies operating in the Russian Federation.

The ongoing uncertainty and volatility of the financial markets, in particular in Europe, and other risks could have significant negative effects on the Russian financial and corporate sectors. Management determined impairment provisions by considering the economic situation and outlook at the end of the reporting period.

The future economic development of the Russian Federation is dependent upon external factors and internal measures undertaken by the government to sustain growth, and to changes the tax, legal and regulatory environment. Management believes it is taking all necessary measures to support the sustainability and development of the Group’s business in the current business and economic environment.

3 BASIS OF PRESENTATION

The consolidated interim condensed financial information is prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”). This consolidated interim condensed financial information should be read together with the consolidated financial statements for the year ended 31 December 2011 prepared in accordance with International Financial Reporting Standards (“IFRS”).

The official Russian Rouble (“RR”) to US dollar (“USD”) exchange rates as determined by the Central Bank of the Russian Federation were 30.92 and 32.20 as of 30 September 2012 and 31 December 2011, respectively. The official RR to Euro exchange rates as determined by the Central Bank of the Russian Federation were 39.98 and 41.67 as of 30 September 2012 and 31 December 2011, respectively.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The principal accounting policies followed by the Group and the critical accounting estimates in applying accounting policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2011, except with respect to cash flow hedges, and revised, as appropriate, to give effect to the new accounting standards described below.

Profit tax in the interim periods is accrued using a tax rate that would be applicable to expected total annual earnings.

Hedge accounting

The Group applies hedge accounting policy for those derivatives that are designated as a hedging instrument. The Group has designated only cash flow hedges – hedges against the exposure to the variability of cash flow currency exchange rates on highly probable forecast transactions. The effective portion of changes in the fair value of derivatives which are designated and qualify as cash flow hedges is recognised in other comprehensive income. Any ineffective portion is ultimately recognised in profit and loss. Changes in the fair value of certain derivative instruments which do not qualify for hedge accounting are recognised immediately in profit and loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity until the forecast

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES
(continued)

transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss on any associated hedging instrument that was reported in equity is immediately transferred to profit and loss.

New accounting developments

In 2012 the Group has adopted all IFRS, amendments and interpretations which are effective 1 January 2012 and which are relevant to its operations.

(a) Standards, Amendments or Interpretations effective in 2012

Amendment to IFRS 7 “Financial Instruments: Disclosures” (“IFRS 7”), issued in October 2010 and effective for annual periods beginning on or after 1 July 2011. The amendment requires additional disclosures in respect of risk exposures arising from transferred financial assets. The amendment includes a requirement to disclose by class of asset the nature, carrying amount and a description of the risks and rewards of financial assets that have been transferred to another party yet remain on the entity's balance sheet. Disclosures are also required to enable a user to understand the amount of any associated liabilities, and the relationship between the financial assets and associated liabilities. Where financial assets have been derecognised but the entity is still exposed to certain risks and rewards associated with the transferred asset, additional disclosure is required to enable the effects of those risks to be understood. The application of this amendment did not materially affect the Group's consolidated financial statements.

Amendments to IAS 12 “Income taxes: Recovery of Underlying Assets” (“IAS 12”), issued in December 2010 and effective for annual periods beginning on or after 1 January 2012. The amendment introduced a rebuttable presumption that an investment property carried at fair value is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. SIC 21, “Income Taxes – Recovery of Revalued Non-Depreciable Assets”, which addresses similar issues involving non-depreciable assets measured using the revaluation model in IAS 16 “Property, Plant and Equipment” (“IAS 16”) was incorporated into IAS 12 after excluding from its scope investment properties measured at fair value. The application of this amendment did not materially affect the Group's consolidated financial statements.

All changes in the accounting policies have been made in accordance with IAS 8 “Accounting policies, changes in accounting estimates and errors” which requires retrospective application unless the new standard requires otherwise.

(b) Standards, Amendments and Interpretations to existing Standards that are not yet effective and have not been early adopted by the Group

IFRS 9 “Financial Instruments” (“IFRS 9”), issued in November 2009 and effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. IFRS 9 replaces those parts of IAS 39 relating to the classification and measurement of financial assets. Key features are as follows:

- Financial assets are required to be classified into two measurement categories: those to be measured subsequently at fair value, and those to be measured subsequently at amortised cost. The decision is to be made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.
- An instrument is subsequently measured at amortised cost only if it is a debt instrument and both (i) the objective of the entity's business model is to hold the asset to collect the contractual cash flows, and (ii) the asset's contractual cash flows represent only payments of principal and interest (that is, it has only “basic loan features”). All other debt instruments are to be measured at fair value through profit or loss.
- All equity instruments are to be measured subsequently at fair value. Equity instruments that are held for trading will be measured at fair value through profit or loss. For all other equity investments, an irrevocable election can be made at initial recognition, to recognise unrealised and realised fair value gains and losses through other comprehensive income rather than profit or loss. There is to be no recycling of fair value gains and losses to profit or loss. This election may be made on an instrument-by-instrument basis. Dividends are to be presented in profit or loss, as long as they represent a return on investment.

The IASB has published an amendment to IFRS 9 that delays the effective date from annual periods beginning on or after 1 January 2013 to 1 January 2015. This amendment is a result of the Board extending its timeline for completing the remaining phases of its project to replace IAS 39 beyond June 2011. The application of this standard is not expected to materially affect the Group's consolidated financial statements.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES
(continued)

IFRS 10 “Consolidated financial statements” (“IFRS 10”), issued in May 2011 and effective for annual periods beginning on or after 1 January 2013, with earlier application permitted, replaces all of the guidance on control and consolidation in IAS 27 “Consolidated and separate financial statements” and SIC-12 “Consolidation - special purpose entities”. IFRS 10 changes the definition of control so that the same criteria are applied to all entities to determine control. This definition is supported by extensive application guidance. The application of this standard is not expected to materially affect the Group’s consolidated financial statements.

IFRS 11 “Joint arrangements” (“IFRS 11”), issued in May 2011 and effective for annual periods beginning on or after 1 January 2013, with earlier application permitted, replaces IAS 31 “Interests in Joint Ventures” (“IAS 31”) and SIC 13 “Jointly Controlled Entities – Non-Monetary Contributions by Ventures”. Changes in the definitions have reduced the number of “types” of joint arrangements to two: joint operations and joint ventures. The existing policy choice of proportionate consolidation for jointly controlled entities has been eliminated. Equity accounting is mandatory for participants in joint ventures. The Group is currently considering that some of its investments in jointly controlled companies might be classified as investments in joint operations under IFRS 11. Thus effective 1 January 2013 the Group will cease application of the equity method of accounting with regard to those investments and will start recognizing the Group’s share in assets, liabilities, revenues and costs of the joint operations. The application of IFRS 11 is not expected to materially affect the Group’s financial position or total comprehensive income.

IFRS 12 “Disclosure of interest in other entities” (“IFRS 12”), issued in May 2011 and effective for annual periods beginning on or after 1 January 2013, with earlier application permitted, applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity; it replaces the disclosure requirements currently found in IAS 27 “Consolidated and Separate Financial Statements” and IAS 28 “Investments in associates”. IFRS 12 requires entities to disclose information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity’s interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. To meet these objectives, the new standard requires disclosures in a number of areas, including significant judgements and assumptions made in determining whether an entity controls, jointly controls or significantly influences its interests in other entities, extended disclosures on share of non-controlling interests in group activities and cash flows, summarised financial information of subsidiaries with material non-controlling interests, and detailed disclosures of interests in unconsolidated structured entities. The application of this standard is not expected to materially affect the Group’s consolidated financial statements.

IFRS 13 “Fair value measurement” (“IFRS 13”), issued in May 2011 and effective for annual periods beginning on or after 1 January 2013, with earlier application permitted, aims to improve consistency and reduce complexity by providing a precise definition of fair value, and a single source of fair value measurement and disclosure requirements for use across IFRSs. The application of this standard is not expected to materially affect the Group’s consolidated financial statements.

Amended IAS 27 “Separate Financial Statements” (“IAS 27”), issued in May 2011 and effective for annual periods beginning on or after 1 January 2013, with earlier application permitted, contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. The application of this amendment is not expected to materially affect the Group’s consolidated financial statements.

Amended IAS 28 “Investments in Associates and Joint Ventures” (“IAS 28”), issued in May 2011 and effective for annual periods beginning on or after 1 January 2013, with earlier application permitted, prescribes the accounting for investments in associates and contains the requirements for the application of the equity method to investments in associates and joint ventures. The application of this standard is not expected to materially affect the Group’s consolidated financial statements.

Amendments to IAS 1 “Presentation of financial statements” (“IAS 1”), issued in June 2011 and effective for annual periods beginning on or after 1 July 2012, changes the disclosure of items presented in other comprehensive income (OCI). The amendments require entities to separate items presented in OCI into two groups, based on whether or not they may be recycled to profit or loss in the future. The suggested title used by IAS 1 has changed to ‘statement of profit or loss and other comprehensive income’. The application of this standard is not expected to materially affect the Group’s consolidated financial statements.

Amended IAS 19 “Employee benefits” (“IAS 19”), issued in June 2011 and effective for periods beginning on or after 1 January 2013, makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. The application of this standard will significantly increase the balance sheet liability of the Group due to the requirement for immediate recognition of actuarial gains and losses (remeasurements) in other comprehensive income; future

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

volatility of the balance sheet liability and other comprehensive income of the Group may also increase.

Remeasurements recognized in other comprehensive income will not be recycled through profit or loss in subsequent periods. In addition, all unrecognized past service cost will be immediately recognized as a part of the balance sheet liability of the Group as a result of application of the amended IAS 19. Other changes introduced by the amendment of IAS 19 will have a less significant impact on the Group's financial statements.

Improvements to International Financial Reporting Standards, issued in May 2012 and effective for annual periods beginning on or after 1 January 2013. The improvements consist of a mixture of substantive changes and clarifications in the following standards and interpretations:

Amendment to IFRS 1 “First time adoption of International Financial Reporting Standards” (“IFRS 1”) (i) clarifies that an entity that resumes preparing its IFRS financial statements may either repeatedly apply IFRS 1 or apply all IFRSs retrospectively as if it had never stopped applying them, and (ii) adds an exemption from applying IAS 23, Borrowing costs, retrospectively by first-time adopters.

Amendment to IAS 1 “Presentation of financial statements” (“IAS 1”) clarifies that explanatory notes are not required to support the third balance sheet presented at the beginning of the preceding period when it is provided because it was materially impacted by a retrospective restatement, changes in accounting policies or reclassifications for presentation purposes as required by IAS 8 “Accounting policies, changes in accounting estimates and errors” (“IAS 8”), while explanatory notes will be required when an entity voluntarily decides to provide additional comparative statements.

Amendment to IAS 16 “Property, plant and equipment” (“IAS 16”) clarifies that servicing equipment that is used for more than one period is classified as property, plant and equipment rather than inventory.

Amendment to IAS 32 “Financial instruments: Presentation” (“IAS 32”) clarifies that certain tax consequences of distributions to owners should be accounted for in the income statement as was always required by IAS 12.

Amendment to IAS 34 “Interim financial reporting” (“IAS 34”) brings its requirements in line with IFRS 8 “Operating segments”. IAS 34 will require disclosure of a measure of total assets and liabilities for an operating segment only if such information is regularly provided to chief operating decision maker and there has been a material change in those measures since the last annual financial statements.

The Group is currently assessing the impact of these improvements on the consolidated financial statements.

5 SEGMENT INFORMATION

The Group operates as a vertically integrated business with substantially all external gas sales generated by the Distribution segment.

The Board of Directors and Management Committee of OAO Gazprom (chief operating decision maker (CODM)) provide general management of the Group an assessment of the operating results and allocate resources using different internal financial information. Based on that the following reportable segments within the Group were determined:

- Production of gas – exploration and production of gas;
- Transport – transportation of gas;
- Distribution – sales of gas within Russian Federation and abroad;
- Gas storage – storage of extracted and purchased gas in underground gas storages;
- Production of crude oil and gas condensate – exploration and production of oil and gas condensate, sales of crude oil and gas condensate;
- Refining – processing of oil, gas condensate and other hydrocarbons, and sales of refined products; and
- Electric and heat energy generation and sales.

Other activities have been included within “All other segments” column.

The inter-segment sales mainly consist of:

- Production of gas – sales of gas to the Distribution and Refining segments;

OA O GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 30 SEPTEMBER 2012
(In millions of Russian Roubles)

5 SEGMENT INFORMATION (continued)

- Transport – rendering transportation services to the Distribution segment;
- Distribution – sales of gas to the Transport segment for own needs and to the Electric and heat energy generation and sales segment;
- Gas storage – sales of gas storage services to Distribution segment;
- Production of crude oil and gas condensate – sales of oil and gas condensate to the Refining segment for further processing; and
- Refining – sales of refined hydrocarbon products to other segments.

Internal transfer prices, mostly for Production of gas, Transport and Gas storage segments, are established by the management of the Group with the objective of providing specific funding requirements of the individual subsidiaries within each segment.

The CODM assesses the performance, assets and liabilities of the operating segments based on the internal financial reporting. The effects of certain non-recurring transactions and events, such as business acquisitions, and the effects of some adjustments that may be considered necessary to reconcile the internal financial information to IFRS consolidated financial statements are not included within the operating segments which are reviewed by the CODM on a central basis. Gains and losses on available-for-sale financial assets, and financial income and expenses are also not allocated to the operating segments.

| | Production of gas | Transport | Distribution | Gas storage | Production of crude oil and gas condensate | Refining | Electric and heat energy generation and sales | All other segments | Total |
|--|----------------------|----------------|------------------|----------------|---|----------------|--|-----------------------|------------------|
| <u>Nine months ended 30 September 2012</u> | | | | | | | | | |
| Total segment revenues | <u>388,179</u> | <u>616,289</u> | <u>1,986,537</u> | <u>23,939</u> | <u>480,506</u> | <u>880,497</u> | <u>243,745</u> | <u>174,110</u> | <u>4,793,802</u> |
| Inter-segment sales | 381,559 | 525,975 | 163,761 | 23,059 | 280,237 | 6,914 | - | - | 1,381,505 |
| External sales | 6,620 | 90,314 | 1,822,776 | 880 | 200,269 | 873,583 | 243,745 | 174,110 | 3,412,297 |
| Segment result | <u>19,048</u> | <u>51,703</u> | <u>423,603</u> | <u>3,882</u> | <u>108,378</u> | <u>87,858</u> | <u>17,233</u> | <u>(4,720)</u> | <u>706,985</u> |
| Depreciation | 84,228 | 246,532 | 7,409 | 9,968 | 37,556 | 23,202 | 15,620 | 14,696 | 439,211 |
| Share of net income (loss) of associated undertakings and jointly controlled | 879 | 3,104 | 29,479 | (206) | 77,225 | 6,613 | - | 9,596 | 126,690 |
| <u>Nine months ended 30 September 2011</u> | | | | | | | | | |
| Total segment revenues | <u>299,684</u> | <u>559,459</u> | <u>2,144,055</u> | <u>21,918</u> | <u>397,184</u> | <u>722,965</u> | <u>240,595</u> | <u>149,500</u> | <u>4,535,360</u> |
| Inter-segment sales | 294,679 | 476,958 | 161,730 | 21,285 | 232,746 | 5,242 | - | - | 1,192,640 |
| External sales | 5,005 | 82,501 | 1,982,325 | 633 | 164,438 | 717,723 | 240,595 | 149,500 | 3,342,720 |
| Segment result | <u>40,204</u> | <u>54,701</u> | <u>720,621</u> | <u>3,888</u> | <u>82,568</u> | <u>106,643</u> | <u>30,369</u> | <u>(5,806)</u> | <u>1,033,188</u> |
| Depreciation | 66,195 | 198,713 | 5,248 | 7,338 | 32,661 | 18,420 | 14,137 | 13,672 | 356,384 |
| Share of net income (loss) of associated undertakings and jointly controlled | 906 | (9,228) | 13,041 | - | 48,557 | 2,103 | - | 16,400 | 71,779 |
| <u>Three months ended 30 September 2012</u> | | | | | | | | | |
| Total segment revenues | <u>126,511</u> | <u>231,054</u> | <u>629,894</u> | <u>9,386</u> | <u>178,915</u> | <u>331,982</u> | <u>66,609</u> | <u>64,790</u> | <u>1,639,141</u> |
| Inter-segment sales | 124,474 | 201,019 | 46,661 | 9,025 | 107,980 | 2,109 | - | - | 491,268 |
| External sales | 2,037 | 30,035 | 583,233 | 361 | 70,935 | 329,873 | 66,609 | 64,790 | 1,147,873 |
| Segment result | <u>7,577</u> | <u>29,405</u> | <u>105,919</u> | <u>2,346</u> | <u>40,662</u> | <u>38,333</u> | <u>(1,376)</u> | <u>(6,072)</u> | <u>216,794</u> |
| Depreciation | 29,344 | 81,971 | 2,239 | 3,318 | 12,702 | 8,243 | 5,443 | 5,128 | 148,388 |
| Share of net income of associated undertakings and jointly controlled entities | 300 | 1,199 | 19,011 | 32 | 29,101 | 1,618 | - | 3,740 | 55,001 |
| <u>Three months ended 30 September 2011</u> | | | | | | | | | |
| Total segment revenues | <u>96,048</u> | <u>211,754</u> | <u>556,856</u> | <u>8,602</u> | <u>124,832</u> | <u>267,552</u> | <u>58,444</u> | <u>52,682</u> | <u>1,376,770</u> |
| Inter-segment sales | 94,714 | 184,753 | 43,136 | 8,285 | 77,687 | 1,767 | - | - | 410,342 |
| External sales | 1,334 | 27,001 | 513,720 | 317 | 47,145 | 265,785 | 58,444 | 52,682 | 966,428 |
| Segment result | <u>12,224</u> | <u>36,880</u> | <u>171,552</u> | <u>1,750</u> | <u>18,288</u> | <u>50,789</u> | <u>1,149</u> | <u>(3,249)</u> | <u>289,383</u> |
| Depreciation | 22,626 | 65,172 | 2,102 | 2,457 | 10,193 | 6,761 | 5,292 | 4,910 | 119,513 |
| Share of net income (loss) of associated undertakings and jointly controlled entities | 110 | (8,744) | 4,189 | - | 15,945 | (1,363) | - | (924) | 9,213 |

OAQ GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 30 SEPTEMBER 2012
(In millions of Russian Roubles)

5 SEGMENT INFORMATION (continued)

A reconciliation of total operating segment results to total profit before profit tax in statement of comprehensive income:

| | For the three months ended 30 September | | For the nine months ended 30 September | |
|--|--|----------------|---|------------------|
| | 2012 | 2011 | 2012 | 2011 |
| Segment result | 216,794 | 289,383 | 706,985 | 1,033,188 |
| Difference in depreciation | 65,148 | 51,796 | 197,112 | 154,748 |
| (Expenses) gains associated with pension obligations | (4,287) | (6,000) | (13,708) | 3,435 |
| Finance income (expense), net | 76,864 | (137,401) | 48,194 | (75,311) |
| Gains (losses) on disposal of available-for-sale financial assets | 43 | 10 | (35) | 841 |
| Share of net income of associated undertakings and jointly controlled entities | 55,001 | 9,213 | 126,690 | 71,779 |
| Other | (24,420) | (7,144) | (25,021) | (14,841) |
| Profit before profit tax | 385,143 | 199,857 | 1,040,217 | 1,173,839 |

A reconciliation of reportable segments' external sales to sales in statement of comprehensive income is provided as follows:

| | For the three months ended 30 September | | For the nine months ended 30 September | |
|--|--|----------------|---|------------------|
| | 2012 | 2011 | 2012 | 2011 |
| External sales for reportable segments | 1,083,083 | 913,746 | 3,238,187 | 3,193,220 |
| External sales for other segments | 64,790 | 52,682 | 174,110 | 149,500 |
| Total external segment sales | 1,147,873 | 966,428 | 3,412,297 | 3,342,720 |
| Differences in external sales | (26,936) | (16,843) | (60,994) | (46,064) |
| Total sales per the statement of comprehensive income | 1,120,937 | 949,585 | 3,351,303 | 3,296,656 |

Substantially all of the Group's operating assets are located in the Russian Federation. Segment assets consist primarily of property, plant and equipment, accounts receivable and prepayments, investments in associated undertakings and jointly controlled entities, and inventories. Cash and cash equivalents, restricted cash, VAT recoverable, financial assets and other current and non-current assets are not considered to be segment assets but rather are managed on a central basis.

| | Production of gas | Transport | Distribution | Gas storage | Production of crude oil and gas condensate | Refining | Electric and heat energy generation and sales | All other segments | Total |
|--|----------------------|-----------|--------------|----------------|---|-----------|--|-----------------------|------------|
| 30 September 2012 | | | | | | | | | |
| Segment assets | 1,763,840 | 5,143,428 | 1,130,517 | 211,083 | 1,300,750 | 1,133,661 | 563,692 | 573,446 | 11,820,417 |
| Investments in associated undertakings and jointly controlled entities | 30,460 | 55,751 | 68,936 | 3,943 | 374,961 | 16,272 | 448 | 86,833 | 637,604 |
| Capital additions | 149,928 | 370,089 | 28,329 | 10,769 | 75,949 | 82,926 | 31,163 | 7,612 | 756,765 |
| 31 December 2011 | | | | | | | | | |
| Segment assets | 1,725,762 | 4,972,244 | 1,223,035 | 206,126 | 1,272,339 | 1,086,188 | 560,182 | 472,028 | 11,517,904 |
| Investments in associated undertakings and jointly controlled entities | 27,914 | 56,368 | 98,769 | - | 403,275 | 55,629 | 48 | 73,963 | 715,966 |
| Capital additions | 246,635 | 740,910 | 48,802 | 19,978 | 79,102 | 115,642 | 69,447 | 31,074 | 1,351,590 |

ОАО ГАЗПРОМ
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 30 SEPTEMBER 2012
(In millions of Russian Roubles)

5 SEGMENT INFORMATION (continued)

Reportable segments' assets are reconciled to total assets in balance sheet as follows:

| | 30 September 2012 | 31 December 2011 |
|--|--------------------------|-------------------------|
| Segment assets for reportable segments | 11,246,971 | 11,045,876 |
| Other segments' assets | <u>573,446</u> | <u>472,028</u> |
| Total segment assets | 11,820,417 | 11,517,904 |
| Differences in property, plant and equipment, net* | (1,887,983) | (2,085,209) |
| Loan interest capitalised | 306,747 | 264,167 |
| Decommissioning costs | 76,468 | 75,484 |
| Cash and cash equivalents | 471,428 | 501,344 |
| Restricted cash | 3,724 | 3,877 |
| Short-term financial assets | 20,918 | 23,991 |
| VAT recoverable | 318,239 | 303,454 |
| Other current assets | 206,788 | 216,044 |
| Available-for-sale long-term financial assets | 166,794 | 181,138 |
| Other non-current assets | 577,007 | 527,627 |
| Inter-segment assets | (663,707) | (801,796) |
| Other | <u>202,570</u> | <u>172,671</u> |
| Total assets per the balance sheet | 11,619,410 | 10,900,696 |

* The difference in property, plant and equipment relates to adjustments of statutory fixed assets to comply with IFRS, such as reversal of revaluation of fixed assets recorded under Russian statutory accounting or accounting for historical hyperinflation which is not recorded under statutory accounting.

Segment liabilities mainly comprise operating liabilities. Profit tax payable, deferred tax liabilities, provisions for liabilities and charges, short-term and long-term borrowings, including current portion of long-term borrowings, short-term and long-term promissory notes payable and other non-current liabilities are managed on a central basis.

| | Production of gas | Transport | Distri- bution | Gas storage | Production of crude oil and gas condensate | Refining | Electric and heat energy genera- tion and sales | All other segments | Total |
|----------------------------|------------------------------|------------------|---------------------------|--------------------|---|-----------------|--|-------------------------------|--------------|
| Segment liabilities | | | | | | | | | |
| 30 September 2012 | 91,084 | 343,511 | 595,571 | 9,491 | 200,085 | 227,558 | 37,554 | 125,858 | 1,630,712 |
| 31 December 2011 | 129,348 | 421,721 | 468,773 | 7,940 | 263,581 | 172,594 | 33,046 | 137,388 | 1,634,391 |

Reportable segments' liabilities are reconciled to total liabilities as follows:

| | 30 September 2012 | 31 December 2011 |
|---|--------------------------|-------------------------|
| Segment liabilities for reportable segments | 1,504,854 | 1,497,003 |
| Other segments' liabilities | <u>125,858</u> | <u>137,388</u> |
| Total segments liabilities | 1,630,712 | 1,634,391 |
| Current profit tax payable | 5,688 | 44,036 |
| Short-term borrowings, promissory notes and current portion of long-term borrowings | 385,509 | 366,868 |
| Long-term borrowings | 1,247,403 | 1,173,294 |
| Provisions for liabilities and charges | 217,422 | 206,734 |
| Deferred tax liabilities | 400,162 | 402,728 |
| Other non-current liabilities | 29,673 | 47,694 |
| Dividends | 2,251 | 1,888 |
| Inter-segment liabilities | (663,707) | (801,796) |
| Other | <u>33,700</u> | <u>63,868</u> |
| Total liabilities per the balance sheet | 3,288,813 | 3,139,705 |

ОАО ГАЗПРОМ
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 30 SEPTEMBER 2012
(In millions of Russian Roubles)

6 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

Balances included within cash and cash equivalents in the consolidated interim condensed balance sheet represent cash on hand, balances with banks and term deposits with original maturity of three months or less.

| | 30 September 2012 | 31 December 2011 |
|--|------------------------------|-----------------------------|
| Cash on hand and bank balances payable on demand | 357,847 | 390,381 |
| Term deposits with original maturity of three months or less | <u>113,581</u> | <u>110,963</u> |
| | 471,428 | 501,344 |

Restricted cash balances include cash and cash equivalents restricted as to withdrawal under the terms of certain borrowings.

7 SHORT-TERM FINANCIAL ASSETS

| | 30 September 2012 | 31 December 2011 |
|-------------------------------------|------------------------------|-----------------------------|
| Financial assets held for trading | 5,152 | 4,053 |
| Available-for-sale financial assets | <u>15,766</u> | <u>19,938</u> |
| | 20,918 | 23,991 |

Financial assets held for trading primarily comprise marketable equity and debt securities intended to generate short-term profits through trading.

Available-for-sale financial assets primarily comprise investments in money market funds, as well as debt securities, including third parties' promissory notes maturing within twelve months of the balance sheet date.

8 ACCOUNTS RECEIVABLE AND PREPAYMENTS

| | 30 September 2012 | 31 December 2011 |
|--------------------------|------------------------------|-----------------------------|
| Trade receivables | 533,413 | 537,323 |
| Prepayments and advances | 156,804 | 131,271 |
| Other receivables | <u>140,383</u> | <u>115,459</u> |
| | 830,600 | 784,053 |

Accounts receivable and prepayments are presented net of impairment provision of RR 254,495 and RR 222,921 as of 30 September 2012 and 31 December 2011, respectively.

9 INVENTORIES

Inventories are presented net of provision for obsolescence of RR 4,568 and RR 4,331 as of 30 September 2012 and 31 December 2011, respectively.

OAQ GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 30 SEPTEMBER 2012
(In millions of Russian Roubles)

10 PROPERTY, PLANT AND EQUIPMENT

| | Total production assets (including production licences) | Social assets | Assets under construction | Total |
|---|--|--------------------------|--------------------------------------|--------------------|
| As of 31 December 2010 | | | | |
| Cost | 6,731,168 | 82,818 | 1,475,347 | 8,289,333 |
| Accumulated depreciation | <u>(2,775,058)</u> | <u>(27,846)</u> | - | <u>(2,802,904)</u> |
| Net book value as of 31 December 2010 | 3,956,110 | 54,972 | 1,475,347 | 5,486,429 |
| Nine months ended 30 September 2011 | | | | |
| Net book value as of 31 December 2010 | 3,956,110 | 54,972 | 1,475,347 | 5,486,429 |
| Depreciation | (198,976) | (2,055) | - | (201,031) |
| Additions | 51,727 | 1,281 | 750,851 | 803,859 |
| Translation differences | 2,869 | 6 | 1,282 | 4,157 |
| Transfers | 217,381 | 2,370 | (219,751) | - |
| Disposals | (30,371) | (1,110) | (16,156) | (47,637) |
| Release of impairment provision | - | - | 276 | 276 |
| Net book value as of 30 September 2011 | 3,998,740 | 55,464 | 1,991,849 | 6,046,053 |
| Three months ended 31 December 2011 | | | | |
| Net book value as of 30 September 2011 | 3,998,740 | 55,464 | 1,991,849 | 6,046,053 |
| Depreciation | (74,358) | (728) | - | (75,086) |
| Additions | 55,097 | 1,669 | 611,945 | 668,711 |
| Acquisition of subsidiaries | 79,041 | 49 | 763 | 79,853 |
| Translation differences | 80 | (41) | (34) | 5 |
| Transfers | 772,883 | 2,834 | (775,717) | - |
| Disposals | (738) | (37) | (422) | (1,197) |
| Release of impairment provision | - | - | 236 | 236 |
| Net book value as of 31 December 2011 | 4,830,745 | 59,210 | 1,828,620 | 6,718,575 |
| As of 31 December 2011 | | | | |
| Cost | 7,880,332 | 89,055 | 1,828,620 | 9,798,007 |
| Accumulated depreciation | <u>(3,049,587)</u> | <u>(29,845)</u> | - | <u>(3,079,432)</u> |
| Net book value as of 31 December 2011 | 4,830,745 | 59,210 | 1,828,620 | 6,718,575 |
| Nine months ended 30 September 2012 | | | | |
| Net book value as of 31 December 2011 | 4,830,745 | 59,210 | 1,828,620 | 6,718,575 |
| Depreciation | (240,950) | (1,895) | - | (242,845) |
| Additions | 9,240 | 1,209 | 819,961 | 830,410 |
| Acquisition of subsidiaries | 32,738 | - | 15,789 | 48,527 |
| Translation differences | (5,362) | (19) | (1,806) | (7,187) |
| Transfers | 287,055 | 1,612 | (288,667) | - |
| Disposals | (14,869) | (571) | (8,996) | (24,436) |
| Release of impairment provision | - | - | 854 | 854 |
| Net book value as of 30 September 2012 | 4,898,597 | 59,546 | 2,365,755 | 7,323,898 |
| As of 30 September 2012 | | | | |
| Cost | 8,193,891 | 91,200 | 2,365,755 | 10,650,846 |
| Accumulated depreciation | <u>(3,295,294)</u> | <u>(31,654)</u> | - | <u>(3,326,948)</u> |
| Net book value as of 30 September 2012 | 4,898,597 | 59,546 | 2,365,755 | 7,323,898 |

Production assets are shown net of provision for impairment of RR 54,387 as of 30 September 2012 and 31 December 2011. Assets under construction are presented net of provision for impairment of RR 92,558 and RR 93,538 as of 30 September 2012 and 31 December 2011, respectively.

Included in the property, plant and equipment are social assets (such as rest houses, housing, schools and medical facilities) vested to the Group at privatisation with a net book value of RR 812 and RR 901 as of 30 September 2012 and 31 December 2011, respectively.

OAo GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 30 SEPTEMBER 2012
(In millions of Russian Roubles)

11 INVESTMENTS IN ASSOCIATED UNDERTAKINGS AND JOINTLY CONTROLLED ENTITIES

| Notes | | | Carrying value as of | | Group's share of the | |
|-------|--|---------------|----------------------|------------------|---|---------------|
| | | | 30 September 2012 | 31 December 2011 | profit (loss) for the nine months ended 30 September 2012 | 2011 |
| 27 | OAo NGK Slavneft and its subsidiaries | Joint venture | 147,181 | 143,449 | 9,373 | 1,674 |
| 27,28 | Sakhalin Energy Investment Company Ltd. | Associate | 93,171 | 128,649 | 55,290 | 42,695 |
| 27 | Gazprombank Group | Associate | 71,821 | 60,868 | 8,838 | 15,666 |
| 27 | OAo Tomskneft VNK and its subsidiaries | Joint venture | 64,127 | 63,209 | 5,686 | 2,334 |
| 27 | Salym Petroleum Development N.V. | Joint venture | 44,296 | 41,300 | 6,885 | 2,280 |
| 27 | W & G Beteiligungs-GmbH & Co. KG (WINGAS GmbH & Co. KG)* and its subsidiaries | Associate | 36,591 | 40,068 | 3,519 | 2,868 |
| 27,28 | Nord Stream AG | Joint venture | 34,476 | 36,692 | 1,917 | (8,229) |
| | OOO Yamal razvitie and its subsidiaries | Associate | 24,386 | 24,642 | (256) | (1,483) |
| | Shtokman Development AG | Joint venture | 22,244 | 20,784 | (298) | 157 |
| 27,28 | SGT EuRoPol GAZ S.A. | Associate | 17,244 | 16,253 | 590 | 832 |
| | Wintershall AG | Associate | 11,180 | 11,740 | 2,421 | 732 |
| 27 | TOO KazRosGaz | Joint venture | 10,561 | 35,663 | 6,070 | 6,548 |
| | ZAO Nortgaz | Joint venture | 6,051 | 5,521 | 530 | 531 |
| 28 | ZAO Achimgaz | Joint venture | 5,722 | 4,520 | 1,202 | 1,141 |
| 27 | AO Latvijas Gaze | Associate | 4,096 | 4,579 | 150 | 192 |
| 27 | AO Gazum | Associate | 3,899 | 4,123 | 259 | 546 |
| 27,28 | Blue Stream Pipeline company B.V. | Joint venture | 3,171 | 2,682 | 597 | 483 |
| 27 | AO Lietuvos dujos | Associate | 2,849 | 3,023 | 255 | 438 |
| 27 | RosUkrEnergo AG** | Associate | - | - | 15,999 | - |
| 23,27 | OAo Gazprom neftekhim Salavat*** | - | - | 39,381 | 4,269 | 1,207 |
| 24,27 | OAo Beltransgaz**** | - | - | - | - | (2,314) |
| | Other (net of provision for impairment of RR 1,929 as of 30 September 2012 and 31 December 2011) | | <u>34,538</u> | <u>28,820</u> | <u>3,394</u> | <u>3,481</u> |
| | | | 637,604 | 715,966 | 126,690 | 71,779 |

* In May 2012 WINGAS GmbH & Co. KG was renamed into W & G Beteiligungs-GmbH & Co. KG.

** In June 2012 RosUkrEnergo AG announced dividends related to the results of its operations in 2011. Due to uncertainty regarding payment of these dividends the Group recognized its share of the 2011 profit only when the cash was received from RosUkrEnergo AG in July 2012. As of 30 September 2012 OAo Gazprom maintains a 50% interest in RosUkrEnergo AG with a carrying value of zero.

*** In May 2012 the Group acquired an additional 18.48% interest in OAo Gazprom neftekhim Salavat. As a result the Group's share in OAo Gazprom neftekhim Salavat increased to 87.51% and the Group obtained control over OAo Gazprom neftekhim Salavat. In September 2012, the Group acquired additional 10.06% of ordinary shares of OAo Gazprom neftekhim Salavat increasing its share in the company up to 97.57%.

Group's share in profit of OAo Gazprom neftekhim Salavat for the nine months ended 30 September 2012 includes gain on revaluation of previously held interest in the amount of RR 4,689 (see Note 23).

**** In December 2011 the Group acquired the remaining 50% interest in OAo Beltransgaz. As a result the Group obtained control over OAo Beltransgaz (see Note 24).

Summarized financial information on the Group's principal associated undertakings and jointly controlled entities is presented in tables below.

The values, disclosed in the tables, represent total assets, liabilities, revenues, profit (loss) of the Group's principal associated undertakings and jointly controlled entities and not the Group's share.

OAQ GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 30 SEPTEMBER 2012
(In millions of Russian Roubles)

11 INVESTMENTS IN ASSOCIATED UNDERTAKINGS AND JOINTLY CONTROLLED ENTITIES
(continued)

| | Percent of share capital held | Location | As of 30 September 2012 | | For the nine months ended 30 September 2012 | |
|---|-------------------------------|-------------|-------------------------|-------------|---|---------------|
| | | | Assets | Liabilities | Revenues | Profit (loss) |
| Gazprombank Group* | 38% | Russia | 2,794,456 | 2,470,350 | 98,705 | 20,737 |
| Sakhalin Energy Investment Company Ltd. | 50% | Bermuda | 609,749 | 417,508 | 225,256 | 110,579 |
| OAQ NGK Slavneft and its subsidiaries | 50% | Russia | 603,768 | 313,814 | 149,937 | 18,812 |
| Nord Stream AG | 51% | Switzerland | 308,718 | 239,092 | 17,034 | 3,761 |
| W & G Beteiligungs-GmbH & Co. KG and its subsidiaries | 50% | Germany | 218,848 | 182,553 | 320,097 | 18,445 |
| OOO Yamal razvitie and its subsidiaries | 50% | Russia | 181,979 | 72,438 | 2,944 | (1,005) |
| OAQ Tomskneft VNK and its subsidiaries | 50% | Russia | 99,617 | 56,514 | 81,538 | 11,083 |
| Blue Stream Pipeline company B.V. | 50% | Netherlands | 64,974 | 52,423 | 6,853 | 2,387 |
| SGT EuRoPol GAZ S.A. | 48% | Poland | 47,649 | 11,724 | 9,049 | 1,388 |
| Shtokman Development AG** | 75% | Switzerland | 46,663 | 3,016 | - | (502) |
| Salym Petroleum Development N.V. | 50% | Netherlands | 40,392 | 13,347 | 58,526 | 14,304 |
| Wintershall AG | 49% | Germany | 39,834 | 27,911 | 81,460 | 4,939 |
| AO Latvijas Gaze | 34% | Latvia | 36,676 | 13,012 | 16,661 | 442 |
| AO Gazum | 25% | Finland | 31,222 | 15,624 | 36,351 | 1,036 |
| AO Lietuvos dujos | 37% | Lithuania | 29,939 | 6,293 | 15,426 | 689 |
| ZAO Nortgaz | 51% | Russia | 29,405 | 17,541 | 6,767 | 1,216 |
| TOO KazRosGaz | 50% | Kazakhstan | 23,254 | 2,134 | 32,734 | 12,182 |
| ZAO Achimgaz | 50% | Russia | 16,186 | 4,745 | 4,085 | 2,368 |
| OAQ Gazprom neftekhim Salavat*** | - | Russia | - | - | 47,478 | (606) |

* Presented revenue of Gazprombank Group is reported according to the Group accounting policy and includes revenue of media business, machinery business and other non-banking companies.

In February 2012 OAQ Gazprom purchased 375,000 out of 4,534,500 ordinary shares of OAQ Gazprombank placed in the course of additional share issue, registered by the Central Bank of the Russian Federation in December 2011. The rest of the shares issued were purchased by other bank's shareholders, and GK Vnesheconombank. As a result of this transaction, the effective Group's share in OAQ Gasprombank as of 30 September 2012 decreased from 46% to 38%.

** In July 2012 Statoil ASA signed an agreement to transfer its 24% interest in Shtokman Development AG to OAQ Gazprom in accordance to the agreements between the shareholders of Shtokman Development AG. As a result the Group's share in Shtokman Development AG increased up to 75%. Investment in Shtokman Development AG continues to be accounted under the equity method of accounting, as the Group did not obtain control due to its corporate governance structure.

*** The revenue and loss of OAQ Gazprom neftekhim Salavat for the nine months ended 30 September 2012 are disclosed until the date of acquisition of controlling share (see Note 23).

| | Percent of share capital held | Location | As of 30 September 2011 | | For the nine months ended 30 September 2011 | |
|---|-------------------------------|-------------|-------------------------|-------------|---|---------------|
| | | | Assets | Liabilities | Revenues | Profit (loss) |
| Gazprombank Group* | 45% | Russia | 2,059,328 | 1,818,523 | 94,226 | 34,958 |
| Sakhalin Energy Investment Company Ltd. | 50% | Bermuda | 661,843 | 373,856 | 194,200 | 89,609 |
| OAQ NGK Slavneft and its subsidiaries | 50% | Russia | 599,065 | 320,230 | 118,429 | 3,357 |
| Nord Stream AG | 51% | Switzerland | 275,608 | 199,378 | - | (1,322) |
| W & G Beteiligungs-GmbH & Co. KG and its subsidiaries | 50% | Germany | 193,547 | 150,777 | 226,048 | 10,136 |
| OOO Yamal razvitie and its subsidiaries | 50% | Russia | 154,511 | 47,470 | - | (3,124) |

OA O GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 30 SEPTEMBER 2012
(In millions of Russian Roubles)

11 INVESTMENTS IN ASSOCIATED UNDERTAKINGS AND JOINTLY CONTROLLED ENTITIES
(continued)

| | Percent of share capital held | Location | As of 30 September 2011 | | For the nine months ended 30 September 2011 | |
|---|-------------------------------|-------------|-------------------------|-------------|---|---------------|
| | | | Assets | Liabilities | Revenues | Profit (loss) |
| OA O Tomskneft VNK and its subsidiaries | 50% | Russia | 122,594 | 66,840 | 76,117 | 4,440 |
| OA O Gazprom neftekhim Salavat | 50% | Russia | 82,573 | 59,633 | 88,953 | 3,165 |
| Blue Stream Pipeline company B.V. | 50% | Netherlands | 69,099 | 58,516 | 6,456 | 1,930 |
| TOO KazRosGaz | 50% | Kazakhstan | 69,016 | 2,059 | 26,519 | 13,097 |
| OA O Beltransgaz | 50% | Belarus | 50,717 | 32,476 | 122,607 | (465) |
| SGT EuRoPol GAZ S.A. | 48% | Poland | 49,435 | 13,065 | 8,439 | 1,734 |
| Wintershall AG | 49% | Germany | 49,162 | 35,688 | 19,766 | 1,494 |
| Shtokman Development AG | 51% | Switzerland | 45,597 | 4,733 | - | 350 |
| Salym Petroleum Development N.V. | 50% | Netherlands | 40,552 | 20,762 | 46,869 | 5,246 |
| AO Lietuvos dujos | 37% | Lithuania | 32,841 | 7,012 | 15,440 | 1,182 |
| AO Gazum | 25% | Finland | 32,678 | 16,242 | 39,706 | 2,186 |
| AO Latvijas Gaze | 34% | Latvia | 31,855 | 10,938 | 14,579 | 566 |
| ZAO Nortgaz | 51% | Russia | 14,082 | 3,791 | 4,450 | 1,334 |
| ZAO Achimgaz | 50% | Russia | 11,429 | 3,040 | 4,265 | 2,281 |

* Presented revenue of Gazprombank Group is reported according to the Group accounting policy and includes revenue of media business, machinery business and other non-banking companies.

The estimated fair values of investments in associated undertakings and jointly controlled entities for which there are published price quotations were as follows:

| | 30 September 2012 | 31 December 2011 |
|--------------------------------|-------------------|------------------|
| AO Latvijas Gaze | 4,584 | 4,594 |
| AO Lietuvos dujos | 4,005 | 4,380 |
| OA O Gazprom neftekhim Salavat | - | 60,702 |

12 LONG-TERM ACCOUNTS RECEIVABLE AND PREPAYMENTS

| | 30 September 2012 | 31 December 2011 |
|---|-------------------|------------------|
| Long-term accounts receivable and prepayments | 191,592 | 186,414 |
| Advances for assets under construction | <u>386,224</u> | <u>330,683</u> |
| | 577,816 | 517,097 |

Long-term accounts receivable and prepayments are presented net of impairment provision of RR 15,300 and RR 18,220 as of 30 September 2012 and 31 December 2011, respectively.

13 AVAILABLE-FOR-SALE LONG-TERM FINANCIAL ASSETS

Available-for-sale long-term financial assets, in total amount of RR 166,794 and RR 181,138 are shown net of provision for impairment of RR 2,154 and RR 1,565 as of 30 September 2012 and 31 December 2011, respectively.

As of 30 September 2012 and 31 December 2011 long-term available-for-sale financial assets include OA O NOVATEK shares in the amount of RR 110,941 and RR 122,270, respectively.

14 OTHER NON-CURRENT ASSETS

Included within other non-current assets is VAT recoverable related to assets under construction totalling RR 107,067 and RR 84,950 as of 30 September 2012 and 31 December 2011 respectively.

Other non-current assets include net pension assets in the amount of RR 243,408 as of 30 September 2012 and RR 248,001 as of 31 December 2011 respectively.

Other non-current assets include goodwill on subsidiaries in the amount of RR 145,814 and RR 102,800 as of 30 September 2012 and 31 December 2011, respectively.

OA O GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 30 SEPTEMBER 2012
(In millions of Russian Roubles)

15 LONG-TERM BORROWINGS

| | Currency | Final maturity | 30 September 2012 | 31 December 2011 |
|---|-----------------|-----------------------|--------------------------|-------------------------|
| Long-term borrowings and promissory notes payable to: | | | | |
| Loan participation notes issued in April 2009 ¹ | US dollar | 2019 | 72,387 | 73,707 |
| Loan participation notes issued in July 2012 ¹ | Euro | 2017 | 56,364 | - |
| The Royal Bank of Scotland AG | US dollar | 2013 | 54,539 | 58,151 |
| Loan participation notes issued in June 2007 ¹ | US dollar | 2013 | 51,956 | 51,725 |
| Loan participation notes issued in October 2007 ¹ | Euro | 2018 | 49,974 | 52,919 |
| Loan participation notes issued in September 2012 ¹⁰ | US dollar | 2022 | 46,437 | - |
| Loan participation notes issued in November 2006 ¹ | US dollar | 2016 | 42,667 | 43,757 |
| Loan participation notes issued in December 2005 ¹ | Euro | 2012 | 41,457 | 41,788 |
| Loan participation notes issued in May 2005 ¹ | Euro | 2015 | 40,762 | 43,100 |
| Natixis SA ² | US dollar | 2015 | 40,446 | 48,300 |
| Loan participation notes issued in March 2007 ¹ | US dollar | 2022 | 40,366 | 42,718 |
| White Nights Finance B.V. | US dollar | 2014 | 40,319 | 41,986 |
| Loan participation notes issued in July 2009 ¹ | US dollar | 2014 | 39,170 | 41,608 |
| Loan participation notes issued in August 2007 ¹ | US dollar | 2037 | 38,998 | 41,345 |
| Loan participation notes issued in April 2004 ¹ | US dollar | 2034 | 38,460 | 39,218 |
| Loan participation notes issued in July 2009 ¹ | Euro | 2015 | 35,792 | 38,031 |
| Loan participation notes issued in April 2008 ¹ | US dollar | 2018 | 35,317 | 36,057 |
| Loan participation notes issued in October 2006 ¹ | Euro | 2014 | 32,122 | 33,892 |
| Loan participation notes issued in November 2011 ¹ | US dollar | 2016 | 31,461 | 32,364 |
| Loan participation notes issued in November 2010 ¹ | US dollar | 2015 | 31,450 | 32,342 |
| Loan participation notes issued in July 2012 ¹ | US dollar | 2022 | 31,223 | - |
| Loan participation notes issued in June 2007 ¹ | Euro | 2014 | 29,363 | 29,435 |
| ZAO Mizuho Corporate Bank (Moscow) | US dollar | 2016 | 27,173 | 28,011 |
| Bank of Tokyo-Mitsubishi UFJ Ltd. ² | US dollar | 2016 | 24,753 | 25,780 |
| Loan participation notes issued in March 2007 ¹ | Euro | 2017 | 20,982 | 21,022 |
| Russian bonds issued in April 2010 ⁶ | Rouble | 2013 | 20,678 | 20,670 |
| Loan participation notes issued in November 2006 ¹ | Euro | 2017 | 20,532 | 21,669 |
| Loan participation notes issued in November 2011 ¹ | US dollar | 2021 | 18,760 | 19,440 |
| BNP Paribas SA ² | Euro | 2022 | 16,461 | 15,935 |
| Credit Suisse International | US dollar | 2017 | 16,427 | 16,886 |
| Loan participation notes issued in July 2008 ¹ | US dollar | 2013 | 15,742 | 16,555 |
| The Royal Bank of Scotland AG ² | US dollar | 2015 | 15,610 | - |
| Bank of Tokyo-Mitsubishi UFJ Ltd. | US dollar | 2013 | 15,479 | 16,122 |
| Russian bonds issued in November 2011 ⁸ | Rouble | 2014 | 15,287 | 14,878 |
| GK Vnesheconombank | Rouble | 2025 | 14,007 | 11,779 |
| UniCredit Bank AG ^{2,9} | US dollar | 2018 | 13,927 | 17,983 |
| UniCredit Bank AG ^{2,9} | Euro | 2018 | 12,986 | 16,797 |
| Loan participation notes issued in April 2008 ¹ | US dollar | 2013 | 12,796 | 13,089 |
| Structured export notes issued in July 2004 ³ | US dollar | 2020 | 12,511 | 18,838 |
| Deutsche Bank AG | US dollar | 2016 | 12,456 | - |
| Russian bonds issued in April 2009 ⁶ | Rouble | 2019 | 10,373 | 10,368 |
| Russian bonds issued in February 2011 ⁶ | Rouble | 2021 | 10,132 | 10,127 |
| Russian bonds issued in February 2011 ⁶ | Rouble | 2016 | 10,126 | 10,121 |
| Russian bonds issued in February 2011 ⁶ | Rouble | 2021 | 10,126 | 10,121 |
| Russian bonds issued in February 2012 ⁶ | Rouble | 2022 | 10,122 | - |
| OA O Gazprombank | Rouble | 2018 | 10,000 | 10,000 |
| OA O Gazprombank | Rouble | 2017 | 10,000 | - |
| Sumitomo Mitsui Finance Dublin Limited | US dollar | 2016 | 9,926 | 10,337 |
| Credit Agricole CIB | Euro | 2015 | 9,612 | - |
| Deutsche Bank AG | US dollar | 2014 | 9,350 | 9,737 |
| Citibank International plc ² | US dollar | 2021 | 9,342 | 10,262 |
| Bank of Tokyo-Mitsubishi UFJ Ltd. | US dollar | 2016 | 9,285 | 9,672 |
| Bank of Tokyo-Mitsubishi UFJ Ltd. | US dollar | 2015 | 9,277 | 9,719 |
| ING Bank N.V. | US dollar | 2014 | 8,776 | - |

OAQ GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 30 SEPTEMBER 2012
(In millions of Russian Roubles)

15 LONG-TERM BORROWINGS (continued)

| | Currency | Final maturity | 30 September 2012 | 31 December 2011 |
|---|-----------|----------------|-------------------------|-------------------------|
| Eurofert Trading Limited llc ⁴ | Rouble | 2015 | 8,600 | 8,600 |
| Loan participation notes issued in November 2007 ¹ | JPY | 2012 | 8,266 | 8,470 |
| Credit Agricole CIB ² | US dollar | 2013 | 7,743 | 8,064 |
| BNP Paribas SA ² | Euro | 2023 | 6,839 | 2,530 |
| Deutsche Bank AG | US dollar | 2014 | 6,200 | 6,460 |
| Banc of America Securities Limited | US dollar | 2016 | 5,569 | 5,800 |
| Deutsche Bank AG | US dollar | 2014 | 5,565 | 6,923 |
| Russian bonds issued in June 2009 | Rouble | 2014 | 5,181 | 5,008 |
| Russian bonds issued in December 2009 ⁵ | Rouble | 2014 | 5,170 | 5,041 |
| Russian bonds issued in February 2007 | Rouble | 2014 | 5,046 | 5,135 |
| Eurofert Trading Limited llc ⁴ | Rouble | 2015 | 5,000 | 5,000 |
| WestLB AG ² | US dollar | 2013 | 4,908 | 10,224 |
| UniCredit Bank AG ^{2,9} | Rouble | 2018 | 4,132 | 5,127 |
| OAQ Nordea Bank | US dollar | 2014 | 3,864 | - |
| OAQ TransKreditBank | Rouble | 2014 | 3,100 | 4,535 |
| Russian bonds issued in July 2009 ⁷ | Rouble | 2014 | 2,941 | 2,894 |
| The Royal Bank of Scotland AG ² | US dollar | 2013 | 2,495 | 4,546 |
| Russian bonds issued in March 2006 ⁵ | Rouble | 2016 | 421 | 4,911 |
| Russian bonds issued in July 2009 ⁶ | Rouble | 2016 | 140 | 8,230 |
| J.P. Morgan Chase bank | US dollar | 2012 | - | 13,576 |
| OAQ VTB Bank | US dollar | 2012 | - | 13,012 |
| RosUkrEnergo AG | US dollar | 2012 | - | 10,778 |
| Russian bonds issued in June 2009 | Rouble | 2012 | - | 10,014 |
| OAQ Sberbank Rossii | US dollar | 2012 | - | 7,535 |
| The Royal Bank of Scotland AG ² | US dollar | 2012 | - | 3,795 |
| Other long-term borrowings and promissory notes | Various | Various | <u>100,320</u> | <u>90,667</u> |
| Total long-term borrowings and promissory notes | | | <u>1,555,544</u> | <u>1,475,236</u> |
| Less: current portion of long-term borrowings | | | <u>(308,141)</u> | <u>(301,942)</u> |
| | | | <u>1,247,403</u> | <u>1,173,294</u> |

¹ Issuer of these bonds is Gaz Capital S.A.

² Loans received from syndicate of banks, named lender is the bank-agent.

³ Issuer of these notes is Gazprom International S.A.

⁴ Issuer of these notes is OAQ WGC-2 and OAQ WGC-6. In November 2011 OAQ WGC-6 was merged with OAQ WGC-2 (see Note 25).

⁵ Issuer of these bonds is OAQ Mosenergo.

⁶ Issuer of these bonds is OAQ Gazprom neft.

⁷ Issuer of these bonds is OAQ TGC-1.

⁸ Issuer of these bonds is OOO Gazprom capital.

⁹ Loans were obtained for development of Yuzhno-Russkoye oil and gas field.

¹⁰ Issuer of these bonds is GPN Capital S.A.

| Due for repayment: | 30 September 2012 | 31 December 2011 |
|----------------------------|--------------------------|-------------------------|
| Between one and two years | 273,478 | 264,547 |
| Between two and five years | 539,434 | 586,574 |
| After five years | <u>434,491</u> | <u>322,173</u> |
| | <u>1,247,403</u> | <u>1,173,294</u> |

15 LONG-TERM BORROWINGS (continued)

Long-term borrowings include fixed rate loans with a carrying value of RR 1,249,138 and RR 1,191,984 and fair value of RR 1,293,138 and RR 1,228,357 as of 30 September 2012 and 31 December 2011, respectively. All other long-term borrowings have variable interest rates generally linked to LIBOR, and the difference between carrying value of these liabilities and their fair value is not significant.

As of 30 September 2012 and 31 December 2011 long-term borrowings of RR 12,511 and RR 18,838, respectively, inclusive of current portion of long-term borrowings, are secured by revenues from export supplies of gas to Western Europe.

As of 30 September 2012 and 31 December 2011 according to the project facility agreement, signed within the framework of the development project of Yuzhno-Russkoe oil and gas field with the group of international financial institutions with UniCredit Bank AG acting as a facility agent, ordinary shares of OAO Severneftegazprom with the pledge value of RR 16,968 and fixed assets with the pledge value of RR 26,666 were pledged to ING Bank N.V. (London branch) up to the date of full redemption of the liabilities on this agreement. Management of the Group does not expect any substantial consequences to occur which relate to respective pledge agreement.

Under the terms of the Loan participation notes with the nominal value of RR 37,100 as of 30 September 2012 issued by Gaz Capital S.A. in April 2004 due in 2034 noteholders can execute the right of early redemption in April 2014 at par, including accrued interest.

Under the terms of the Russian bonds with the nominal value of RR 14,849 issued by OOO Gazprom Capital in November 2011 due in 2014 bondholders can execute the right of early redemption in November 2012 at par, including accrued interest.

Under the terms of the Russian bonds with the nominal value of RR 10,000 issued by OAO Gazprom neft in February 2012 due in 2022 bondholders can execute the right of early redemption in February 2015 at par, including accrued interest.

Under the terms of the Russian bonds with the nominal value of RR 10,000 issued by OAO Gazprom neft in February 2011 due in 2021 bondholders can execute the right of early redemption in February 2016 at par, including accrued interest.

Under the terms of the Russian bonds with the nominal value of RR 10,000 issued by OAO Gazprom neft in February 2011 due in 2021 bondholders can execute the right of early redemption in February 2018 at par, including accrued interest.

Under the terms of the Russian bonds with the nominal value of RR 10,000 issued by OAO Gazprom neft in April 2009 due in 2019 bondholders can execute the right of early redemption in April 2018 at par, including accrued interest.

Following the results of put option settlement on the Russian bonds with the nominal value of RR 8,000 issued by OAO Gazprom neft in July 2009 due in 2016, in July 2012 the Group redeemed 7,860,119 issued bonds at par of RR 1,000. According to the terms of issue, bondholders may execute the right of early redemption of outstanding balance in the amount of RR 140 in March 2013 at par, including accrued interest.

Under the terms of the Russian bonds with the nominal value of RR 5,000 issued by OAO Mosenergo in December 2009 due in 2014 bondholders can execute the right of early redemption in December 2012 at par, including accrued interest.

Under the terms of the Russian bonds with the nominal value of RR 421 issued by OAO Mosenergo in March 2006 due in 2016 bondholders can execute the right of early redemption in February 2013 at par, including accrued interest.

Under the terms of the Russian bonds with the nominal value of RR 2,894 issued by OAO TGC-1 in July 2009 due in 2014 bondholders can execute the right of early redemption in July 2013 at par, including accrued interest.

OAQ GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 30 SEPTEMBER 2012
(In millions of Russian Roubles)

16 PROFIT TAX

Differences between the recognition criteria in Russian statutory taxation regulations and IFRS give rise to certain temporary differences between the carrying value of certain assets and liabilities for financial reporting purposes and for profit tax purposes. The tax effect of the movement on these temporary differences is recorded in the applicable statutory rates, including the prevailing rate of 20% in Russian Federation.

| | 30 September 2012 | Differences recognition and reversals | 31 December 2011 | 30 September 2011 | Differences recognition and reversals | 31 December 2010 |
|---|------------------------------|--|-----------------------------|------------------------------|--|-----------------------------|
| Tax effects of taxable temporary differences: | | | | | | |
| Property, plant and equipment | (421,639) | (31,580) | (390,059) | (353,818) | (37,251) | (316,567) |
| Financial assets | (12,397) | 2,277 | (14,674) | (13,971) | 4,251 | (18,222) |
| Inventories | <u>(4,914)</u> | <u>(146)</u> | <u>(4,768)</u> | <u>(216)</u> | <u>2,355</u> | <u>(2,571)</u> |
| | (438,950) | (29,449) | (409,501) | (368,005) | (30,645) | (337,360) |
| Tax effects of deductible temporary differences: | | | | | | |
| Tax losses carry forward | 197 | (699) | 896 | 1,329 | 511 | 818 |
| Effect of gas price adjustments | 30,416 | 30,416 | - | - | - | - |
| Other deductible temporary differences | <u>8,175</u> | <u>2,298</u> | <u>5,877</u> | <u>1,615</u> | <u>(1,784)</u> | <u>3,399</u> |
| | 38,788 | 32,015 | 6,773 | 2,944 | (1,273) | 4,217 |
| Total net deferred tax liabilities | (400,162) | 2,566 | (402,728) | (365,061) | (31,918) | (333,143) |

Taxable temporary differences recognized for the nine months ended 30 September 2012 and 2011 include the effect of accelerated depreciation on certain property, plant and equipment. As a result a deferred tax liability related to property, plant and equipment was recognized for the nine months ended 30 September 2012 and 2011 in amount of RR 8,097 and RR 20,263, respectively, with the corresponding offsetting credit to the current profit tax expense. Therefore there was no net impact to the consolidated net profit for the period.

17 EQUITY

Share capital

Share capital authorised, issued and paid totals RR 325,194 as of 30 September 2012 and 31 December 2011 and consists of 23.7 billion ordinary shares, each with a historical par value of 5 Russian Roubles.

Treasury shares

As of 30 September 2012 and 31 December 2011, subsidiaries of OAO Gazprom held 723 million and 726 million, of the ordinary shares of OAO Gazprom, respectively, which are accounted for as treasury shares. The management of the Group controls the voting rights of these shares.

OA O GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 30 SEPTEMBER 2012
(In millions of Russian Roubles)

18 SALES

| | Three months ended | | Nine months ended | |
|--|---------------------------|-----------------------|--------------------------|-------------------------|
| | 30 September | | 30 September | |
| | 2012 | 2011 | 2012 | 2011 |
| Gas sales (including customs duties) to customers in: | | | | |
| Russian Federation | 118,822 | 103,641 | 508,123 | 502,271 |
| Former Soviet Union (excluding Russian Federation) | 152,432 | 128,060 | 456,715 | 496,134 |
| Europe and other countries | <u>404,772</u> | <u>355,970</u> | <u>1,312,759</u> | <u>1,241,720</u> |
| | 676,026 | 587,671 | 2,277,597 | 2,240,125 |
| Customs duties | (90,756) | (72,617) | (315,015) | (252,795) |
| Effect of retroactive gas price adjustments* | - | - | <u>(133,186)</u> | - |
| Sales of gas | <u>585,270</u> | <u>515,054</u> | 1,829,396 | 1,987,330 |
| Sales of refined products to customers in: | | | | |
| Russian Federation | 196,864 | 164,548 | 536,304 | 421,912 |
| Former Soviet Union (excluding Russian Federation) | 19,654 | 12,884 | 53,103 | 35,796 |
| Europe and other countries | <u>113,355</u> | <u>88,353</u> | <u>284,176</u> | <u>260,015</u> |
| Total sales of refined products | <u>329,873</u> | <u>265,785</u> | 873,583 | 717,723 |
| Sales of crude oil and gas condensate to customers in: | | | | |
| Russian Federation | 7,037 | 8,861 | 32,646 | 27,231 |
| Former Soviet Union (excluding Russian Federation) | 6,449 | 9,541 | 22,780 | 26,689 |
| Europe and other countries | <u>57,449</u> | <u>28,743</u> | <u>144,843</u> | <u>110,518</u> |
| Total sales of crude oil and gas condensate | <u>70,935</u> | <u>47,145</u> | 200,269 | 164,438 |
| Electric and heat energy sales | 66,609 | 57,330 | 243,745 | 237,545 |
| Gas transportation sales | 30,035 | 27,001 | 90,314 | 82,501 |
| Other revenue | <u>38,215</u> | <u>37,270</u> | <u>113,996</u> | <u>107,119</u> |
| Total sales revenue | <u>1,120,937</u> | <u>949,585</u> | <u>3,351,303</u> | <u>3,296,656</u> |

* Effect of retroactive gas price adjustments recorded for the nine months ended 30 September 2012 was RR 133,186. These adjustments relate to volumes of gas delivered in 2010 and 2011 for which a discount was agreed in 2012. The price adjustments recorded for the nine months ended 30 September 2012 do not take into account the effect of possible refunds in previously paid customs duties but the result for the period include a deferred tax asset for the profit tax impact. Currently the Group is in ongoing negotiations related to price renegotiations with certain other customers. The effects of gas price adjustments, including corresponding impacts on profit tax, and ongoing negotiations are recorded when they become probable and a reliable estimate of the amounts can be made. The Group will recognize refunds of custom duties related to gas price adjustment when the refunds are virtually certain which is when amended customs declarations are accepted by customs authorities.

OA O GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 30 SEPTEMBER 2012
(In millions of Russian Roubles)

19 OPERATING EXPENSES

| Note | Three months ended 30 September | | Nine months ended 30 September | |
|--|------------------------------------|-----------------|-----------------------------------|------------------|
| | 2012 | 2011 | 2012 | 2011 |
| | 255,217 | 176,279 | 666,983 | 628,590 |
| 27 Purchased oil and gas | 136,849 | 103,726 | 434,079 | 310,268 |
| Taxes other than on income | 112,486 | 89,319 | 305,514 | 267,377 |
| Staff costs | 83,240 | 67,716 | 242,099 | 201,636 |
| Depreciation | 77,882 | 64,326 | 237,802 | 197,740 |
| Transit of gas, oil and refined products | 67,937 | 56,643 | 137,410 | 127,583 |
| Repairs and maintenance | 42,907 | 26,959 | 100,334 | 76,595 |
| Materials | 26,471 | 26,809 | 87,009 | 77,676 |
| Cost of goods for resale, including refined products | 17,826 | 15,111 | 53,147 | 54,192 |
| Electricity and heating expenses | 6,302 | 10,177 | 32,147 | 11,527 |
| Charge for impairment provisions | 8,764 | 7,395 | 25,799 | 24,205 |
| Transportation services | 5,544 | 4,474 | 17,191 | 14,667 |
| Research and development expenses | 1,789 | 1,871 | 16,951 | 17,885 |
| Heat transmission | 5,043 | 5,398 | 16,023 | 13,737 |
| Insurance expenses | 6,615 | 8,336 | 15,400 | 22,078 |
| Social expenses | 4,744 | 8,461 | 15,351 | 20,339 |
| Rental expenses | 3,798 | 2,382 | 10,514 | 6,496 |
| Processing services | (5,979) | 33 | 8,912 | (1,258) |
| (Gain) losses from derivatives financial instruments | 17,089 | (33,325) | 4,266 | (3,883) |
| Exchange rate differences on operating items | <u>63,159</u> | <u>55,080</u> | <u>154,891</u> | <u>125,222</u> |
| Other | 937,683 | 697,170 | 2,581,822 | 2,192,672 |
| Changes in inventories of finished goods, work in progress and other effects | <u>(69,701)</u> | <u>(76,221)</u> | <u>(90,089)</u> | <u>(73,383)</u> |
| Total operating expenses | 867,982 | 620,949 | 2,491,733 | 2,119,289 |

Staff costs include RR 10,291 and RR 27,353 of expenses associated with pension obligations for the three and nine months ended 30 September 2012, respectively, and RR 7,640 and RR 24,812 for the three and nine months ended 30 September 2011, respectively.

20 FINANCE INCOME AND EXPENSES

| | Three months ended 30 September | | Nine months ended 30 September | |
|---|------------------------------------|----------------|-----------------------------------|----------------|
| | 2012 | 2011 | 2012 | 2011 |
| Exchange gains | 92,659 | 4,258 | 232,553 | 103,368 |
| Interest income | 6,681 | 5,895 | 20,173 | 13,452 |
| Gains on extinguishment of restructured liabilities | - | 94 | 7 | 192 |
| Total finance income | 99,340 | 10,247 | 252,733 | 117,012 |
| Exchange losses | 14,240 | 145,724 | 178,464 | 171,031 |
| Interest expense | <u>8,236</u> | <u>1,924</u> | <u>26,075</u> | <u>21,292</u> |
| Total finance expenses | 22,476 | 147,648 | 204,539 | 192,323 |

Total interest paid amounted to RR 20,846 and RR 64,617 for the three and nine months ended 30 September 2012, respectively, and RR 18,330 and RR 61,080 for the three and nine months ended 30 September 2011, respectively.

OAQ GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 30 SEPTEMBER 2012
(In millions of Russian Roubles)

21 BASIC AND DILUTED EARNINGS PER SHARE, ATTRIBUTABLE TO OWNERS OF OAO GAZPROM

Earnings per share have been calculated by dividing the profit, attributable to owners of OAO Gazprom by the weighted average number of shares outstanding during the period, excluding the weighted average number of ordinary shares purchased by the Group and held as treasury shares (see Note 17).

There were 22.9 billion and 22.9 billion weighted average shares outstanding for the three and nine months ended 30 September 2012, respectively, and 22.9 billion and 23.0 billion weighted average shares outstanding for the three and nine months ended 30 September 2011, respectively.

There are no dilutive financial instruments outstanding.

22 PROVISIONS FOR LIABILITIES AND CHARGES

| | 30 September 2012 | 31 December 2011 |
|--|------------------------------|-----------------------------|
| Provision for pension obligations | 105,889 | 95,678 |
| Provision for decommissioning and site restoration costs | 104,772 | 102,017 |
| Other | <u>6,761</u> | <u>9,039</u> |
| | 217,422 | 206,734 |

The Group operates a defined benefit plan, concerning the majority of the employees of the Group. These benefits include pension benefits provided by the non-governmental pension fund, NPF Gazfund, and certain post-retirement benefits from the Group provided upon retirement.

The net pension assets related to benefits, provided by the pension plan NPF Gazfund in the amount of RR 243,408 and RR 248,001 as of 30 September 2012 and 31 December 2011, respectively, are presented within other non-current assets in the consolidated balance sheet. In accordance with IAS 19, pension assets are recorded at estimated fair market values subject to certain limitations. As of 30 September 2012 and 31 December 2011 management estimated the fair value of these assets at approximately RR 473 billion and RR 447 billion, respectively. The pension assets comprise shares of OAO Gazprom, shares of OAO Gazprombank and other assets held by NPF Gazfund.

23 ACQUISITION OF THE CONTROLLING INTEREST IN OAO GAZPROM NEFTEKHIM SALAVAT

In December 2008 the Group acquired a 50% interest plus one ordinary share in OAO Gazprom neftekhim Salavat for cash consideration of RR 20,959. Since then the Group started to exercise significant influence and applied the equity method of accounting for its investment in OAO Gazprom neftekhim Salavat.

During the period from November 2011 to December 2011 as a result of series of transactions, the Group acquired an additional 19.03% interest in OAO Gazprom neftekhim Salavat for total cash consideration of RR 19,008. Despite having a 69.03% interest as of 31 December 2011, the Group still did not exercise control over OAO Gazprom neftekhim Salavat due to its corporate governance regulations.

In May 2012 the Group acquired additional 18.48% interest in OAO Gazprom neftekhim Salavat for cash consideration of RR 18,458 increasing its interest to 87.51% and, as a result, obtained control over OAO Gazprom neftekhim Salavat.

In accordance with IFRS 3 “Business Combinations”, the Group recognized the acquired assets and liabilities based upon their fair values. Management made a preliminary assessment on a provisional basis. Management is required to finalise the accounting within 12 months from the date of acquisition. Any revisions to the provisional values will be reflected as of the acquisition date.

Purchase consideration includes cash for the 18.48% interest in OAO Gazprom neftekhim Salavat acquired in May 2012 in the amount of RR 18.4 billion and fair value of previously acquired 69.03% interest accounted for using the equity method in the amount of RR 43.7 billion.

As a result of the Group obtaining control over OAO Gazprom neftekhim Salavat, the Group’s previously held 69.03% interest was remeasured to fair value, resulting in a gain of RR 4.7 billion. This has been recognised in the line item ‘Share of net income of associated undertakings and jointly controlled entities’ in the consolidated interim condensed statement of comprehensive income.

OA0 GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 30 SEPTEMBER 2012
(In millions of Russian Roubles)

23 ACQUISITION OF THE CONTROLLING INTEREST IN OA0 GAZPROM NEFTEKHIM SALAVAT (continued)

Details of the assets acquired and liabilities assumed are as follows:

| | Book value | Provisional fair value |
|---|-------------------|-------------------------------|
| Cash and cash equivalents | 7,196 | 7,196 |
| Accounts receivable and prepayments | 15,600 | 15,600 |
| VAT recoverable | 2,489 | 2,489 |
| Inventories | 10,760 | 10,760 |
| Other current assets | 5,868 | 5,868 |
| Current assets | 41,913 | 41,913 |
| Property, plant and equipment | 48,160 | 48,160 |
| Long-term accounts receivable and prepayments | 14,969 | 14,969 |
| Other non-current assets | 877 | 877 |
| Non-current assets | 64,006 | 64,006 |
| Total assets | 105,919 | 105,919 |
| Accounts payable and accrued charges | 35,630 | 35,630 |
| Short-term borrowings, promissory notes and current portion of long-term borrowings | 24,612 | 24,612 |
| Current liabilities | 60,242 | 60,242 |
| Long-term borrowings | 20,696 | 20,696 |
| Deferred tax liabilities | 2,636 | 2,636 |
| Provisions for liabilities and charges | 961 | 961 |
| Other non-current liabilities | 85 | 85 |
| Non-current liabilities | 24,378 | 24,378 |
| Total liabilities | 84,620 | 84,620 |
| Net assets at acquisition date | 21,299 | 21,299 |
| Non-controlling interest at acquisition date | | 2,660 |
| Purchase consideration | | 62,108 |
| Provisional goodwill | | 43,469 |

If the acquisition had occurred on 1 January 2012, the Group's sales for the nine months ended 30 September 2012 would have been RR 3,411,626. The Group's profit for the nine months ended 30 September 2012 would have been RR 839,313, respectively.

In September 2012 the Group acquired an additional 10.06% interest in the ordinary shares of OA0 Gazprom neftekhim Salavat for cash consideration of RR 10,054 increasing its interest to 97.57%. As a result of this transaction the difference between consideration paid and the non-controlling interest acquired has been recognized in equity in amount of RR 7,931 and is included within retained earnings and other reserves.

24 ACQUISITION OF THE CONTROLLING INTEREST IN OA0 BELTRANSGAZ

During the period from June 2007 to February 2010 as a result of series of transactions, the Group acquired a 50% interest in OA0 Beltransgaz. Four equal installments in the amount of USD 625 million were paid by the Group for each 12.5% share acquired. Since February 2008, when the Group's interest in OA0 Beltransgaz increased to 25%, the Group started to exercise significant influence and applied the equity method of accounting for its investment in OA0 Beltransgaz.

In November 2011 the Group entered into a share purchase agreement with the State Property Committee of the Republic of Belarus to acquire the remaining 50% interest in OA0 Beltransgaz for cash consideration of USD 2,500 million. In December 2011 the transaction was finalised. As a result the Group increased its ownership interest up to 100% and obtained control over OA0 Beltransgaz.

In accordance with IFRS 3 "Business Combinations", the Group recognized the acquired assets and liabilities based upon their fair values. Management made a preliminary assessment on a provisional basis. Management is required to finalise the accounting within 12 months from the date of acquisition. Any revisions to the provisional values will be reflected as of the acquisition date.

Purchase consideration includes 50% share in OA0 Beltransgaz acquired in December 2011 in the amount of RR 78.3 billion (USD 2,500 million) and fair value of previously acquired 50% share in OA0 Beltransgaz accounted for using the equity method in the amount of RR 34.3 billion.

As a result of the Group obtaining control over OA0 Beltransgaz, the Group's previously held 50% interest was remeasured to fair value, resulting in a loss of RR 9.63 billion. This has been recognised in the line item 'Share of net income of associated undertakings and jointly controlled entities' in the consolidated

OA0 GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 30 SEPTEMBER 2012
(In millions of Russian Roubles)

24 ACQUISITION OF THE CONTROLLING INTEREST IN OAO BELTRANSOAZ (continued)

statement of comprehensive income for the year ended 31 December 2011.

Details of the assets acquired and liabilities assumed are as follows:

| | Book value | Provisional fair value |
|--|-------------------|-------------------------------|
| Cash and cash equivalents | 8,187 | 8,187 |
| Accounts receivable and prepayments | 34,046 | 34,046 |
| VAT recoverable | 1,907 | 1,907 |
| Inventories | 4,490 | 4,490 |
| Other current assets | 365 | 365 |
| Current assets | 48,995 | 48,995 |
| Property, plant and equipment | 31,668 | 79,854 |
| Other non-current assets | 251 | 251 |
| Non-current assets | 31,919 | 80,105 |
| Total assets | 80,914 | 129,100 |
| Accounts payable and accrued charges | 41,891 | 41,891 |
| Short-term borrowings, promissory notes and current portion of long-term borrowings | 9,627 | 9,627 |
| Current liabilities | 51,518 | 51,518 |
| Long-term borrowings | 301 | 301 |
| Deferred tax liabilities | - | 8,674 |
| Other non-current liabilities | 5 | 5 |
| Non-current liabilities | 306 | 8,980 |
| Total liabilities | 51,824 | 60,498 |
| Net assets at acquisition date | 29,090 | 68,602 |
| Purchase consideration | | 112,605 |
| Provisional goodwill | | 44,003 |

Goodwill is attributable to enabling effective integration of the Russian and Belarusian gas transmission systems, reducing transit risks, providing additional security of gas sales in the respective markets over the long term. The acquisition of OAO Beltransgaz also allowed the Group to play an active role in the gas infrastructure development in the Republic of Belarus – which is very important for its synchronization with the Company's facilities development in Russia.

25 MERGER OF OAO WGC-2 AND OAO WGC-6

In June 2011 the Annual general shareholders meeting of OAO WGC-2 took a decision to reorganize OAO WGC-2 in the form of a merger with OAO WGC-6. As a result of this reorganization, completed in November 2011, all assets and liabilities of OAO WGC-6 were transferred to OAO WGC-2. The share capital of OAO WGC-2 was increased in form of an additional ordinary shares issue. Placement of shares was performed by conversion of all shares of OAO WGC-6 into ordinary shares of OAO WGC-2. As the result of this reorganization, the share of Gazprom Group in OAO WGC-2 amounts to 58%.

26 PURCHASE OF NON-CONTROLLING INTEREST IN SIBIR ENERGY LTD.

On 14 February 2011 the Board of Directors of Sibir Energy Ltd. adopted a resolution to reduce the share capital by 86.25 million shares (22.39%). OAO Central Fuel Company, an affiliate to the Moscow Government, made a decision to withdraw membership in Sibir Energy Ltd. for a compensation of USD 740 million. As a result of the transaction starting from 15 February 2011 the Group has 100% interest in Sibir Energy Ltd.

Following the reduction in share capital of Sibir Energy Ltd. the Group has increased its effective interest in OAO Gazpromneft - MNPZ from 66.04% to 74.36%.

As a result of this transaction the difference between the non-controlling interest acquired and consideration paid has been recognized in equity in amount of RR 5,405 and is included within retained earnings and other reserves.

OA0 GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 30 SEPTEMBER 2012
(In millions of Russian Roubles)

27 RELATED PARTIES

For the purpose of this consolidated interim condensed financial information, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operational decisions as defined by IAS 24 “Related Party Disclosures”. Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

The nature of the related party relationships for those related parties with whom the Group entered into significant transactions or had significant balances outstanding as of 30 September 2012 is detailed below.

Government

The Government of the Russian Federation is the ultimate controlling party of OAO Gazprom and has a controlling interest (including both direct and indirect ownership) of over 50% in OAO Gazprom.

The Government does not prepare consolidated financial statements for public use. On 30 June 2011 the extraordinary General Shareholders Meeting was held to fulfil the assignments of the President of the Russian Federation to replace government officials on boards of directors in open joint stock companies with independent or representative directors. As a result of the extraordinary General Shareholders Meeting authority of two State representatives on the Board of Directors was terminated ahead of schedule and the new Board of Directors was elected. Governmental economic and social policies affect the Group’s financial position, results of operations and cash flows.

As a condition of privatisation in 1992, the Government imposed an obligation on the Group to provide an uninterrupted supply of gas to customers in the Russian Federation at government controlled prices.

Parties under control of the Government

In the normal course of business the Group enters into transactions with other entities under Government control. Prices of natural gas sales, gas transportation and electricity tariffs in Russia are regulated by the Federal Tariffs Service (“FTS”). Bank loans with related parties are provided on the basis of market rates. Taxes are accrued and settled in accordance with Russian tax legislation.

As of 30 September 2012 and 31 December 2011 and for the three and nine months ended 30 September 2012 and 2011, the Group had the following significant transactions and balances with the Government and parties under control of the Government:

| Notes | As of 30 September 2012 | | Three months ended 30 September 2012 | | Nine months ended 30 September 2012 | |
|---|-------------------------|-------------|--------------------------------------|----------|-------------------------------------|----------|
| | Assets | Liabilities | Income | Expenses | Income | Expenses |
| Transactions and balances with the Government | | | | | | |
| | 26,532 | 5,688 | - | 69,842 | - | 208,974 |
| | 437 | 3,953 | - | 12,352 | - | 46,327 |
| | 544,326 | 49,591 | - | - | - | - |
| | 64,588 | - | - | - | - | - |
| 19 | 2,823 | 60,062 | - | 136,849 | - | 434,079 |
| Transactions and balances with other parties under control of the Government | | | | | | |
| | - | - | 11,729 | - | 37,364 | - |
| | - | - | 26,157 | - | 129,545 | - |
| | - | - | 527 | - | 1,324 | - |
| | 23,281 | - | - | - | - | - |
| | - | - | - | 21,576 | - | 69,838 |
| | - | 5,761 | - | - | - | - |
| | - | 53,751 | - | - | - | - |
| | - | - | - | 1,040 | - | 2,798 |
| | 4,218 | - | - | - | - | - |
| | 28,872 | - | - | - | - | - |

OAQ GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 30 SEPTEMBER 2012
(In millions of Russian Roubles)

27 RELATED PARTIES (continued)

| Notes | As of 31 December 2011 | | Three months ended 30 September 2011 | | Nine months ended 30 September 2011 | | |
|-------|---|-------------|--------------------------------------|----------|-------------------------------------|----------|---------|
| | Assets | Liabilities | Income | Expenses | Income | Expenses | |
| | Transactions and balances with the Government | | | | | | |
| | Current profit tax | 58,769 | 44,036 | - | 28,623 | - | 198,969 |
| | Insurance contributions to non-budget funds | 682 | 2,358 | - | 11,074 | - | 48,212 |
| | VAT recoverable/payable | 456,498 | 44,734 | - | - | - | - |
| | Customs duties | 69,375 | - | - | - | - | - |
| 19 | Other taxes | 2,194 | 46,615 | - | 103,726 | - | 310,268 |
| | Transactions and balances with other parties under control of the Government | | | | | | |
| | Gas sales | - | - | 1,326 | - | 3,870 | - |
| | Electricity sales | - | - | 32,363 | - | 151,725 | - |
| | Other services sales | - | - | 433 | - | 1,382 | - |
| | Accounts receivable | 32,118 | - | - | - | - | - |
| | Oil transportation expenses | - | - | - | 19,321 | - | 60,682 |
| | Accounts payable | - | 11,658 | - | - | - | - |
| | Loans | - | 54,735 | - | - | - | - |
| | Interest income/expense | - | - | - | 1,276 | - | 2,260 |
| | Short-term financial assets | 3,136 | - | - | - | - | - |
| | Available-for-sale long-term financial assets | 32,128 | - | - | - | - | - |

Gas sales and respective accounts receivable, oil transportation expenses and respective accounts payable included in the table above are related to major State controlled companies.

In the normal course of business the Group incurs electricity and heating expenses (see Note 19). A part of these expenses relates to purchases from the entities under Government control. Due to the specifics of the electricity market in the Russian Federation, these purchases can not be accurately separated from the purchases from private companies.

See the consolidated interim condensed statement of changes in equity for returns of social assets to governmental authorities during the nine months ended 30 September 2012 and 2011. See Note 10 for net book values as of 30 September 2012 and 31 December 2011 of social assets vested to the Group at privatisation.

Compensation for key management personnel

Key management personnel (the members of the Board of Directors and Management Committee of OAO Gazprom) receive short-term compensation, including salary, bonuses and remuneration for serving on the management bodies of various Group companies. Government officials, who are directors, do not receive remuneration from the Group. The remuneration for serving on the Boards of Directors of Group companies is subject to approval by the General Meeting of Shareholders of each Group company.

Compensation of key management personnel (other than remuneration for serving as directors of Group companies) is determined by the terms of the employment contracts. Key management personnel also receive certain short-term benefits related to healthcare.

According to Russian legislation, the Group makes contributions to the Russian Federation State pension fund for all of its employees including key management personnel. Key management personnel also participate in certain post-retirement benefit programs. The programs include pension benefits provided by the non-governmental pension fund, NPF Gazfund, and a one-time retirement payment from the Group. Employees of the majority of Group companies are eligible for such benefits. The Group provided medical insurance and liability insurance for key management personnel.

Associated undertakings and jointly controlled entities

For the three and nine months ended 30 September 2012 and 2011 and as of 30 September 2012 and 31 December 2011 the Group had the following significant transactions and balances with associated undertakings and jointly controlled entities:

OAo GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 30 SEPTEMBER 2012
(In millions of Russian Roubles)

27 **RELATED PARTIES (continued)**

| | Three months ended | | Nine months ended | |
|---|---------------------------|-------------|--------------------------|-------------|
| | 30 September | | 30 September | |
| | 2012 | 2011 | 2012 | 2011 |
| | Revenues | | Revenues | |
| Gas sales | | | | |
| Wintershall Erdgas Handelshaus GmbH & Co. KG (WIEH) | 21,201 | 17,137 | 69,481 | 66,365 |
| W & G Beteiligungs-GmbH & Co. KG (WINGAS GmbH & Co. KG)* and its subsidiaries | 19,741 | 14,720 | 54,902 | 46,097 |
| ZAO Panrusgaz | 11,409 | 14,614 | 34,087 | 39,015 |
| AO Overgaz Inc. | 5,081 | 5,798 | 22,426 | 17,614 |
| AO Gazum | 5,687 | 5,137 | 21,897 | 22,792 |
| Wintershall Erdgas Handelshaus Zug AG (WIEE)** | 2,383 | 2,234 | 20,725 | 24,645 |
| AO Moldovagaz | 4,466 | 3,862 | 18,031 | 13,467 |
| PremiumGas S.p.A. | 2,725 | 1,202 | 10,111 | 5,474 |
| AO Lietuvos dujos | 2,177 | 2,359 | 8,647 | 8,183 |
| ZAO Gazprom YRGM Trading | 2,726 | 1,907 | 8,487 | 6,755 |
| AO Latvijas Gaze | 1,628 | 1,702 | 8,040 | 7,295 |
| ZAO Gazprom YRGM Development | 1,947 | 1,362 | 6,062 | 4,825 |
| Russian-Serbian Trading Corporation a.d. | 1,686 | - | 5,460 | - |
| Bosphorus Gaz Corporation A.S. | 761 | 887 | 2,739 | 2,990 |
| SGT EuRoPol GAZ S.A. | 562 | 377 | 1,900 | 1,397 |
| OAo Beltransgaz*** | - | 35,438 | - | 106,327 |
| Promgaz S.p.A.**** | - | 1,943 | - | 9,730 |
| GWH Gazhandel GmbH ***** | - | - | - | 4,900 |
| Gas transportation sales | | | | |
| ZAO Gazprom YRGM Trading | 4,538 | 4,273 | 14,465 | 14,407 |
| ZAO Gazprom YRGM Development | 3,241 | 3,053 | 10,332 | 10,291 |
| TOO KazRosGaz | 462 | 430 | 1,503 | 1,350 |
| Gas condensate, crude oil and refined products sales | | | | |
| OAo NGK Slavneft and its subsidiaries | 9,236 | 11,448 | 25,524 | 28,594 |
| OAo Gazprom neftekhim Salavat***** | - | 4,194 | 10,036 | 14,241 |
| OOO Gazpromneft – Aero Sheremetyevo | 2,554 | 1,893 | 7,075 | 5,102 |
| ZAO SOVEKS | 1,596 | 713 | 3,671 | 1,913 |
| Gas refining services sales | | | | |
| TOO KazRosGaz | 1,144 | 1,066 | 3,753 | 3,749 |
| | Expenses | | Expenses | |
| Purchased gas | | | | |
| W & G Beteiligungs-GmbH & Co. KG and its subsidiaries | 13,293 | 8,718 | 42,656 | 23,772 |
| ZAO Gazprom YRGM Trading | 12,633 | 11,529 | 41,548 | 37,595 |
| ZAO Gazprom YRGM Development | 9,026 | 8,248 | 29,703 | 26,884 |
| TOO KazRosGaz | 8,739 | 6,332 | 28,817 | 19,788 |
| Sakhalin Energy Investment Company Ltd. | 618 | 650 | 2,649 | 3,418 |
| RosUkrEnergo AG | - | - | - | 122,541 |
| Purchased transit of gas | | | | |
| Nord Stream AG | 5,659 | - | 17,083 | - |
| W & G Beteiligungs-GmbH & Co. KG and its subsidiaries | 2,572 | 969 | 7,943 | 2,810 |
| STG EuRoPol GAZ S.A. | 2,616 | 2,555 | 7,676 | 7,738 |
| Blue Stream Pipeline Company B.V. | 1,014 | 1,793 | 4,619 | 5,387 |
| OAo Beltransgaz | - | 3,591 | - | 10,788 |

OA0 GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 30 SEPTEMBER 2012
(In millions of Russian Roubles)

27 **RELATED PARTIES (continued)**

| | Three months ended 30 September | | Nine months ended 30 September | |
|---|------------------------------------|--------|-----------------------------------|--------|
| | 2011 | 2012 | 2011 | 2012 |
| | Expenses | | Expenses | |
| Purchased crude oil and refined products | | | | |
| OA0 NGK Slavneft and its subsidiaries | 25,454 | 16,825 | 66,678 | 50,888 |
| OA0 Tomskneft VNK and its subsidiaries | 13,398 | 11,159 | 38,929 | 33,887 |
| Salym Petroleum Development N.V. | 10,713 | 7,762 | 29,496 | 24,221 |
| Purchased processing services | | | | |
| OA0 NGK Slavneft and its subsidiaries | 3,018 | 2,263 | 8,092 | 6,041 |

*In May 2012 WINGAS GmbH & Co. KG was renamed into W & G Beteiligungs-GmbH & Co. KG.

**Wintershall Erdgas Handelshaus Zug AG (WIEE) is the subsidiary of Wintershall Erdgas Handelshaus GmbH & Co. KG (WIEH).

*** In December 2011 the Group acquired the remaining 50% shares in OA0 Beltransgaz. As a result of this transaction OA0 Beltransgaz became a subsidiary of the Group (see Note 24).

**** In December 2011 the Group acquired the remaining 50% shares in Promgaz S.p.A. As a result of this transaction Promgaz S.p.A became a subsidiary of the Group.

***** In May 2011 the Group acquired 50% shares in the GWH Gazhandel GmbH. As a result of this transaction, GWH Gazhandel GmbH became a subsidiary of the Group.

***** In May 2012 the Group acquired an additional 18.48% interest in OA0 Gazprom neftekhim Salavat. As a result the Group's share in OA0 Gazprom neftekhim Salavat increased to 87.51% and the Group obtained control over OA0 Gazprom neftekhim Salavat (see Note 23).

Gas is sold to associated undertakings in the Russian Federation mainly at the rates established by the FTS. Gas is sold outside the Russian Federation mainly under long-term contracts prices in which are indexed mainly to world oil product prices.

| | As of 30 September 2012 | | As of 31 December 2011 | |
|---|-------------------------|-------------|------------------------|-------------|
| | Assets | Liabilities | Assets | Liabilities |
| Short-term accounts receivable and prepayments | | | | |
| Wintershall Erdgas Handelshaus GmbH & Co. KG (WIEH) | 17,161 | - | 16,325 | - |
| W & G Beteiligungs-GmbH & Co. KG and its subsidiaries | 13,467 | - | 7,908 | - |
| AO Overgaz Inc. | 8,523 | - | 7,410 | - |
| ZAO Panrusgaz | 4,139 | - | 8,117 | - |
| AO Gazum | 3,463 | - | 4,077 | - |
| ZAO Gazprom YRGM Trading | 2,474 | - | 1,458 | - |
| AO Moldovagaz* | 2,408 | - | 4,388 | - |
| OA0 NGK Slavneft and its subsidiaries | 1,889 | - | 3,361 | - |
| Wintershall Erdgas Handelshaus Zug AG (WIEE) | 1,873 | - | 1,485 | - |
| ZAO Gazprom YRGM Development | 1,767 | - | 1,042 | - |
| OA0 Gazprombank | 1,591 | - | 615 | - |
| AO Lietuvos dujos | 973 | - | 2,319 | - |
| TOO KazRosGaz | 418 | - | 717 | - |
| OA0 Gazprom neftekhim Salavat | - | - | 8,532 | - |
| Short-term promissory notes | | | | |
| OA0 Gazprombank | 405 | - | 372 | - |
| Cash balances | | | | |
| OA0 Gazprombank | 212,930 | - | 251,350 | - |
| Long-term accounts receivable and prepayments | | | | |
| W & G Beteiligungs-GmbH & Co. KG and its subsidiaries | 15,304 | - | 15,952 | - |
| Gas Project Development Central Asia AG | 2,152 | - | 1,707 | - |
| Bosphorus Gaz Corporation A.S. | 1,513 | - | 870 | - |
| Salym Petroleum Development N.V. | - | - | 567 | - |
| Long-term promissory notes | | | | |
| OA0 Gazprombank | 683 | - | 646 | - |

OA0 GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 30 SEPTEMBER 2012
(In millions of Russian Roubles)

27 RELATED PARTIES (continued)

| | As of 30 September 2012 | | As of 31 December 2011 | |
|--|-------------------------|-------------|------------------------|-------------|
| | Assets | Liabilities | Assets | Liabilities |
| Short-term accounts payable | | | | |
| SGT EuRoPol GAZ S.A. | - | 6,631 | - | 6,997 |
| ZAO Gazprom YRGM Trading | - | 5,757 | - | 6,761 |
| Salym Petroleum Development N.V. | - | 4,531 | - | 514 |
| ZAO Gazprom YRGM Development | - | 3,670 | - | 4,388 |
| W & G Beteiligungs-GmbH & Co. KG and its Subsidiaries | - | 2,584 | - | 2,956 |
| TOO KazRosGaz | - | 2,231 | - | 3,267 |
| Nord Stream AG | - | 1,887 | - | 1,999 |
| OA0 NGK Slavneft and its subsidiaries | - | 1,709 | - | 1,976 |
| OA0 Tomskneft VNK and its subsidiaries | - | 667 | - | - |
| OA0 Gazprombank | - | 328 | - | 134 |
| Other non-current liabilities | | | | |
| ZAO Gazprom YRGM Trading | - | 2,390 | - | 2,390 |
| ZAO Gazprom YRGM Development | - | 372 | - | 372 |
| Short-term borrowings (including current portion of long-term borrowings) | | | | |
| OA0 Gazprombank | - | 21,279 | - | 11,202 |
| OA0 Tomskneft VNK and its subsidiaries | - | 5,131 | - | 6,647 |
| Wintershall Erdgas Handelshaus GmbH & Co.KG (WIEH) | - | 1,299 | - | 1,095 |
| RosUkrEnergo AG | - | - | - | 10,778 |
| Long-term borrowings | | | | |
| OA0 Gazprombank | - | 25,549 | - | 16,229 |

* Net of impairment provision on accounts receivable in the amount of RR 108,040 and RR 92,643 as of 30 September 2012 and 31 December 2011 respectively.

Investments in associated undertakings and jointly controlled entities are disclosed in Note 11. See Note 28 for financial guarantees issued by the Group to the associated undertakings and jointly controlled entities.

28 COMMITMENTS, CONTINGENCIES AND OPERATING RISKS

Taxation

The tax, currency and customs legislation within the Russian Federation is subject to varying interpretations and frequent changes. Tax authorities may be taking a more assertive position in their interpretation of the legislation and assessments. Management believes that its interpretation of the relevant legislation as of 30 September 2012 is appropriate and all of the Group's material tax, currency and customs positions will be sustainable.

Financial guarantees

| | 30 September 2012 | 31 December 2011 |
|---|-------------------|------------------|
| Outstanding guarantees issued on behalf of: | | |
| Nord Stream AG | 117,346 | 105,616 |
| Sakhalin Energy Investment Company Ltd. | 98,000 | 103,220 |
| EM Interfinance Limited | 5,518 | 5,869 |
| Blackrock Capital Investments Limited | 4,684 | 4,985 |
| OOO Production Company VIS | 2,882 | - |
| Blue Stream Pipeline Company B.V. | 2,099 | 7,976 |
| ZAO Achimgaz | 697 | 387 |
| Devere Capital International Limited | 464 | 1,958 |
| OA0 Group E4 | - | 1,498 |
| Other | 36,251 | 31,806 |
| | 267,941 | 263,315 |

Included in financial guarantees are amounts denominated in USD of USD 3,925 million and USD 4,129 million as of 30 September 2012 and 31 December 2011, respectively, as well as amounts denominated in Euro of Euro 3,210 million and Euro 2,815 million as of 30 September 2012 and 31 December 2011, respectively.

28 COMMITMENTS, CONTINGENCIES AND OPERATING RISKS (continued)

In July 2005 Blue Stream Pipeline Company B.V. (BSPC) refinanced some of the existing liabilities, guaranteed by the Group, by means of repayment of the liabilities to a group of Italian and Japanese banks. For the purpose of this transaction loans in the amount of USD 1,185.3 million were received from Gazstream S.A. The Group guaranteed the above loans. As of 30 September 2012 and 31 December 2011, outstanding amounts of these loans were RR 2,099 (USD 68 million) and RR 7,976 (USD 248 million), respectively, which were guaranteed by the Group, pursuant to its obligations.

In 2006 the Group guaranteed Asset Repackaging Trust Five B.V. (registered in Netherlands) bonds issued by five financing entities: Devere Capital International Limited, Blackrock Capital Investments Limited, DSL Assets International Limited, United Energy Investments Limited, EM Interfinance Limited (registered in Ireland) in regard to bonds issued with due dates December 2012, June 2018, December 2009, December 2009 and December 2015, respectively. Bonds were issued for financing of construction of a transit pipeline in Poland by SGT EuRoPol GAZ S.A. In December 2009 loans issued by DSL Assets International Limited and United Energy Investments Limited were redeemed. As a result as of 30 September 2012 and 31 December 2011 the guarantees issued on behalf of Devere Capital International Limited, Blackrock Capital Investments Limited and EM Interfinance Limited amounted to RR 10,666 (USD 345 million) and RR 12,812 (USD 398 million), respectively.

In 2007 the Group provided a guarantee to Wintershall Vermögens-Verwaltungsgesellschaft mbH on behalf of ZAO Achimgaz as a security of loans received and used for additional financing of the pilot implementation of the project on the development of Achimsky deposits of the Urengoy field. The Group's liability with respect to loans is limited by 50% in accordance with the ownership interest in ZAO Achimgaz. Granting and repayment of the loans is carried out sequentially in stages. As of 31 December 2011 the above guarantee within the Group's share in ZAO Achimgaz obligations to the bank amounted to RR 387 (Euro 9 million). The obligation under the loan had been repaid by ZAO Achimgaz in the first quarter 2012. As of 30 September 2012, due to resumption of the credit line on the above loans, the amount of the guarantee provided by the Group on behalf of ZAO Achimgaz amounted to RR 697 (Euro 17 million).

In May 2008 the Group provided a guarantee to OAO Bank of Moscow on behalf of OAO Group E4 as a security of loans for obligations under contracts for delivering of power units. As of 31 December 2011 the above guarantee amounted to RR 1,498 (Euro 36 million). As of 30 September 2012 this credit facility was repaid.

In June 2008 the Group provided a guarantee to the Bank of Tokyo-Mitsubishi UFJ Ltd. on behalf of Sakhalin Energy Investment Company Ltd. under the credit facility up to the amount of the Group's share (50%) in the obligations of Sakhalin Energy Investment Company Ltd. toward the Bank of Tokyo-Mitsubishi UFJ Ltd. As of 30 September 2012 and 31 December 2011 the above guarantee amounted to RR 98,000 (USD 3,170 million) and RR 103,220 (USD 3,206 million), respectively.

In March 2010 the Group provided a guarantee to Societe Generale on behalf of Nord Stream AG under the credit facility for financing of Nord Stream gas pipeline Phase 1 construction completion. According to guarantee agreements the Group has to redeem debt up to the amount of the Group's share (51%) in the obligations of Nord Stream toward the Societe Generale in the event that Nord Stream fail to repay those amounts. As of 30 September 2012 and 31 December 2011 the above guarantee within the Group's share in Nord Stream AG obligations to the bank amounted to RR 79,037 (Euro 1,977 million) and RR 72,205 (Euro 1,733 million), respectively.

In May 2011 the Group provided a guarantee to Societe Generale on behalf of Nord Stream AG under the credit facility for financing of Nord Stream gas pipeline Phase 2 construction completion. According to guarantee agreements the Group has to redeem debt up to the amount of the Group's share (51%) in the obligations of Nord Stream toward the Societe Generale in the event that Nord Stream fail to repay those amounts. As of 30 September 2012 and 31 December 2011 the above guarantee within the Group's share in Nord Stream AG obligations to the bank amounted to RR 38,309 (Euro 958 million) and RR 33,411 (Euro 802 million), respectively.

In July 2012 the Group provided a guarantee to OAO Sberbank Rossii on behalf of OOO Production Company VIS as a security of credit facility for financing of construction projects for Gazprom Group. As of 30 September 2012 the above guarantee amounted to RR 2,882.

28 COMMITMENTS, CONTINGENCIES AND OPERATING RISKS (continued)

Claims

In December 2010 RWE Transgas, a.s. filed a lawsuit against the Group to international arbitration demanding reconsideration of long-term contract prices for gas supplies. The matter is currently under consideration of arbitration court. Negotiations with RWE Transgas, a.s. on the contract prices are ongoing.

In November 2011 Polskie Gornictwo Naftowe i Gazownictwo SA (PGNiG SA) filed a lawsuit against the Group to international arbitration demanding reconsideration of long-term contracts prices for gas supplies. In November 2012 Group and PGNiG SA reached an agreement on gas price and terms of gas supplies to Poland. Respective price adjustment was recognized in the financial statements of the Group when it became probable and reliable estimation of the amount was made.

In August 2012 the European Commission initiated an investigation into a potential breach of European Union antimonopoly law by the Group. The Group is analyzing the information related to the investigation and no provision has been recorded.

29 POST BALANCE SHEET EVENTS

Borrowings and loans

In November 2012 the Group obtained long-term loan from Banc of America Securities Limited in the amount of Euro 180 million due in 2017 at an interest rate of EURIBOR+3.6%.

In December 2012 the Group issued Russian bonds in the amount of RR 10,000 due in 2022 at an interest rate of 8.5%. The bonds have an option for early redemption in five years from the placement date.

Legal matters

In October 2012 the Ministry of Energy of the Republic of Lithuania filed a claim against the Group to the Stockholm Chamber of Commerce related to the Group's potential breach of the shareholders' agreement with AO Lietuvos dujos, and unfair pricing of gas supplied to Lithuania. The Ministry of Energy of the Republic of Lithuania claims approximately RR 60 billion. The Group is assessing the claim and no provision has been recorded.

Investments

In November 2012 the Group signed basic agreement on asset swap with Wintershall Holding GmbH. The legally binding document provides for major terms and conditions for the asset swap deal under the project for joint development of the Achimov deposits in the Urengoy oil, gas and condensate field. According to the document, Wintershall Holding GmbH may acquire 25 per cent plus one share in the new joint venture on developing blocks 4A and 5A in the Achimov deposits of the Urengoy field. The Agreement provides for Group to receive a 50 per cent stake in Wintershall Noordzee B.V. (WINZ), which runs natural gas exploration and production projects in the North Sea, and increase its stakes in gas trading and storage companies of WINGAS Group to 100 per cent, as well as in Wintershall Erdgas Handelshaus GmbH & Co. KG (WIEH) and Wintershall Erdgas Handelshaus Zug AG (WIEE) – to 100 per cent. The final agreements are expected to be made in 2013.

OAO GAZPROM
INVESTMENT RELATIONSHIPS

The Company may be contacted at its registered office:

OAO Gazprom
Nametkina str., 16
V-420, GSP-7, 117997, Moscow
Russia

Telephone: (7 495) 719 3001

Facsimile: (7 495) 719 8333, 719 8335

www.gazprom.ru (in Russian)

www.gazprom.com (in English)