Speech by Alexey Miller, Chairman of the Management Committee, OAO Gazprom

Gazprom: New Horizons

Annual General Shareholders Meeting. June 30, 2011
It is proposed that the Shareholders Meeting approve:

- OAO Gazprom Annual Report 2010
- Annual Accounting Statements
- Distribution of profits and the proposals on the amount of, time for and form of the dividend payment
- PricewaterhouseCoopers Audit as the Auditor
Gazprom: New Horizons

Hitting Pre-Crisis Levels

- Gas reserves added through geological exploration, billion m³: 468.8 (2009), 547.7 (2010)
- Gas production, billion m³: 461.5 (2009), 508.6 (2010)
- Oil production, million t: 48.6 (2009), 52.6 * (2010)

* Including shares in associated companies
Upward Trend in Financial Performance

**Gazprom: New Horizons**

**OAO Gazprom**

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales, RUB billion</th>
<th>Profit from sales, RUB billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>2,507.0</td>
<td>895.6</td>
</tr>
<tr>
<td>2009</td>
<td>2,486.9</td>
<td>553.3</td>
</tr>
<tr>
<td>2010</td>
<td>2,879.4</td>
<td>822.4</td>
</tr>
</tbody>
</table>

**Gazprom Group**

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales, RUB billion</th>
<th>Profit from sales, RUB billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>3,384.7</td>
<td>1,257.5</td>
</tr>
<tr>
<td>2009</td>
<td>3,118.5</td>
<td>844.5</td>
</tr>
<tr>
<td>2010</td>
<td>3,661.7</td>
<td>1,166.4</td>
</tr>
</tbody>
</table>
The Board of Directors recommend paying out RUB 3.85 per share in dividends to the shareholders.
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Export Supplies Recovery

Supplies beyond Russia in H1 2010–2011, billion m³

Early 2011 performance:

- In Q1 2011 the European consumers increased gas offtake by 12% versus the same period of 2010
- In H1 2011 the gas supplies beyond Russia showed a 26% growth versus the same period of 2010

* Preliminary results
New Factors Boosting International Gas Trading

- Revision of nuclear power generation programs
- Decline of indigenous gas production in Europe
- Re-estimation of political risks associated with individual suppliers
- Reduction of subsidies for energy alternatives
- Intensified growth of energy demand in Asia and domestic markets of gas exporting countries
Hydrocarbon Reserves Replenishment by Gazprom Group

Hydrocarbons production, million t (fuel equivalent)

<table>
<thead>
<tr>
<th>Year</th>
<th>Gas (billion m³)</th>
<th>Condensate</th>
<th>Oil</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>549.7</td>
<td>592</td>
<td>649</td>
</tr>
<tr>
<td>2009</td>
<td>547.7</td>
<td>678</td>
<td>678</td>
</tr>
<tr>
<td>2010</td>
<td>549.7</td>
<td>761</td>
<td>797</td>
</tr>
</tbody>
</table>

Reserves added through geological exploration, million t (fuel equivalent)

<table>
<thead>
<tr>
<th>Year</th>
<th>Gas (billion m³)</th>
<th>Condensate</th>
<th>Oil (billion m³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>583.4</td>
<td>468.8</td>
<td>547.7</td>
</tr>
<tr>
<td>2009</td>
<td>583.4</td>
<td>468.8</td>
<td>547.7</td>
</tr>
<tr>
<td>2010</td>
<td>583.4</td>
<td>468.8</td>
<td>547.7</td>
</tr>
</tbody>
</table>
Gas production, billion m³

<table>
<thead>
<tr>
<th>Year</th>
<th>Gazprom Group</th>
<th>Gazprom Group owned shares in associated companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>5.2</td>
<td>549.7</td>
</tr>
<tr>
<td>2009</td>
<td>7.4</td>
<td>461.5</td>
</tr>
<tr>
<td>2010</td>
<td>10.5</td>
<td>508.6</td>
</tr>
</tbody>
</table>

Liquid hydrocarbons production, million t

<table>
<thead>
<tr>
<th>Year</th>
<th>Gazprom Group</th>
<th>Gazprom Group owned shares in associated companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>16.5</td>
<td>42.9</td>
</tr>
<tr>
<td>2009</td>
<td>19.8</td>
<td>41.7</td>
</tr>
<tr>
<td>2010</td>
<td>21.6</td>
<td>43.3</td>
</tr>
</tbody>
</table>

Capital investments of Gazprom Group in exploration and production totaled RUB 202.4 billion.
Key Investments in Gas Production

Fields pre-development

Hydrocarbons production

Onshore fields

Offshore fields

Gas mains

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Oil Business Development

Oil production by Gazprom Group, million t

- Creation of a new production center in northern Yamal-Nenets Autonomous Okrug, development of the Novoportovskoye field and the Messoyakhskaya group of fields
- Building up the resource base through new acquisitions as well

* Including shares in associated companies
Kirinskoje Field Pre-Development within Sakhalin III Project

Onshore processing facility (existing)

Kirinskoje gas and condensate field (GCF)

Onshore processing facility (new)

Drilling platform

Liquefied natural gas (LNG) plant

Oil export terminal (OET)

Gas compressor station

Oil pumping station

Subsea production complex

Multiphase pipeline

Umbilical

Satellite well

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First Coalbed Methane Production Facility in Russia

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Forested CBM resources, trillion m³

- **13.1** Kuznetsky basin, including **6.0** Taldinskaya area
Exploration and Production Abroad

- **United Kingdom**: Wingate
- **Serbia**: NIS projects
- **Algeria**: El Assel licensed block
- **Libya**: Licensed blocks No.19 and No.64, Concessions C96, C97
- **Equatorial Guinea**: T, U blocks
- **Venezuela**: Urumaco I and Urumaco II blocks, Junin-6 block
- **Bolivia**: Ipali and Aquio blocks
- **Cuba**: Offshore blocks No.44, 45, 50 and 51
- **India**: Block No.26
- **Libya**: Licensed blocks No.19 and No.64, Concessions C96, C97
- **Kyrgyzstan**: Eastern Mayu-Suu IV and Kugat investment blocks
- **Tajikistan**: Reng, Sargazon, Sarykamysh, Western Shaambary licensed blocks
- **Vietnam**: Blocks No.112 (expanded), No.129–132
- **Uzbekistan**: Exploration in Ustyurt region, Shakhpakhty
- **Equatorial Guinea**: T, U blocks
- **Cuba**: Offshore blocks No.44, 45, 50 and 51
- **Bolivia**: Ipali and Aquio blocks
- **Venezuela**: Urumaco I and Urumaco II blocks, Junin-6 block
- **Cuba**: Offshore blocks No.44, 45, 50 and 51
- **Bolivia**: Ipali and Aquio blocks
- **Venezuela**: Urumaco I and Urumaco II blocks, Junin-6 block
Gas pumped into Gazprom’s UGSS in Russia, billion m³

Implementation of domestic gas transmission projects in 2010 resulted in commissioning of:

- 1,338.6 km of gas trunklines and laterals
- A 64 MW line compressor station
New Gas Trunklines in Eastern Russia

Sobolevo – Petropavlovsk-Kamchatsky gas pipeline

Sakhalin – Khabarovsk – Vladivostok gas transmission system

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Gas Transmission Projects

- SRTO – Torzhok
- Gryazovets – Vyborg
- Nord Stream
- Urengoy hub expansion
- Murmansk – Volkhov
- Bovanenkovo – Ukhta and Ukhta – Torzhok
- Sakhalin – Khabarovsk – Vladivostok GTS
- Pochinki – Gryazovets
- South Stream route options
- UGSS expansion for South Stream
- Dzhubga – Lazarevskoye – Sochi
- Altai

RUSSIA

Atlantic Ocean

Baltic Sea

North Sea

Bay of Biscay

Mediterranean Sea

Caspian Sea

Black Sea

Barents Sea

Norwegian Sea

North Sea

Baltic Sea

Barents Sea

Atlantic Ocean

Sea of Okhotsk

Sea of Japan
Underground Gas Storage in Russia

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Existing UGS facilities with working gas capacity below 5 billion m³
Existing UGS facilities with working gas capacity over 5 billion m³
UGS facilities being constructed and designed

Exploration areas for UGS facilities
Gas mains
Existing and Projected UGS Facilities Abroad

Capital investments of the Group in underground gas storage equal RUB 17.4 billion

Working gas capacity of existing UGS facilities used by OAO Gazprom, billion m³
- 4.8

Working gas capacity of planned UGS facilities with participation of OAO Gazprom, billion m³
- 0.6

Projected UGS facilities with participation of OAO Gazprom

Gas mains

Nord Stream gas pipeline and South Stream gas pipeline route options
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Gas Markets Revival

Growth of gas sales by Gazprom Group in 2010

- Germany: 5.4%
- France: 7.2%
- Serbia: 23.5%
- Czech Republic: 28%
- Poland: 31%
Gazprom’s Performance in European Market

Gazprom’s share in European market

- Gazprom: 23%
- Norway: 19%
- Algeria: 10%
- Qatar: 6%

Gas export beyond FSU: volumes and sales

- 2009:
  - Gas supply volumes: 140.65 billion m³
  - Sales: 42.5 USD billion
- 2010:
  - Gas supply volumes: 138.6 billion m³
  - Sales: 43.87 USD billion
Route options
- Route option 1: Russia – Bulgaria – Serbia – Hungary – Austria
- Route option 2: Russia – Bulgaria – Serbia – Hungary – Slovenia
- Route option 3: Russia – Bulgaria – Serbia – Hungary – Austria and Russia – Bulgaria – Greece – Italy
- Route option 4: Russia – Romania – Serbia –…

Pipeline branches
- Gas pipeline route common to all the above options
- To Croatia from Serbia
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**Gas Sales**

(net of VAT, excise tax and duties),

RUB billion

<table>
<thead>
<tr>
<th>Year</th>
<th>FSU states</th>
<th>Beyond FSU</th>
<th>Russia</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>2,091.4</td>
<td>1,260.6</td>
<td>474.3</td>
</tr>
<tr>
<td>2009</td>
<td>1,971.5</td>
<td>1,105.0</td>
<td>494.9</td>
</tr>
<tr>
<td>2010</td>
<td>2,164.0</td>
<td>1,099.2</td>
<td>614.7</td>
</tr>
</tbody>
</table>

**Average Gas Sale Price**

(net of VAT, excise tax and duties),

RUB per 1,000 m³

<table>
<thead>
<tr>
<th>Year</th>
<th>FSU states</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>3,693.9</td>
</tr>
<tr>
<td>2009</td>
<td>5,483.7</td>
</tr>
<tr>
<td>2010</td>
<td>6,416.5</td>
</tr>
</tbody>
</table>
Oil and Derivatives Production

Oil and gas condensate refining, million t

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>40.1</td>
<td>44.3</td>
<td>50.2</td>
</tr>
</tbody>
</table>

Oil derivatives production by Gazprom Group, million t

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31.1</td>
<td>35.3</td>
<td>39.7</td>
</tr>
</tbody>
</table>
Power produced by Gazprom Group’s generating companies, billion kWh

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power</td>
<td>109.3</td>
<td>138.5</td>
<td>175.1</td>
</tr>
</tbody>
</table>

Heat produced by Gazprom Group’s generating companies, million Gcal

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heat</td>
<td>67.1</td>
<td>73.4</td>
<td>106.9</td>
</tr>
</tbody>
</table>
Average CO₂ emissions by natural gas vehicles are 25% lower versus gasoline vehicles.

**CO₂ emissions by vehicles**

- Gasoline vehicle: 100%
- Natural gas vehicle: 75%

**Fuel cost per daily run 200 to 220 km, EUR**

- Gasoline vehicle: 25 EUR
- Natural gas vehicle: 11 EUR
Global consumption of primary energy carriers, thousand t (fuel equivalent)

- Oil
- Coal
- Natural gas
Speech by Alexey Miller,
Chairman of the Management Committee, OAO Gazprom

Gazprom: New Horizons