

GAZPROM IN EASTERN RUSSIA, ENTRY INTO ASIA-PACIFIC MARKETS

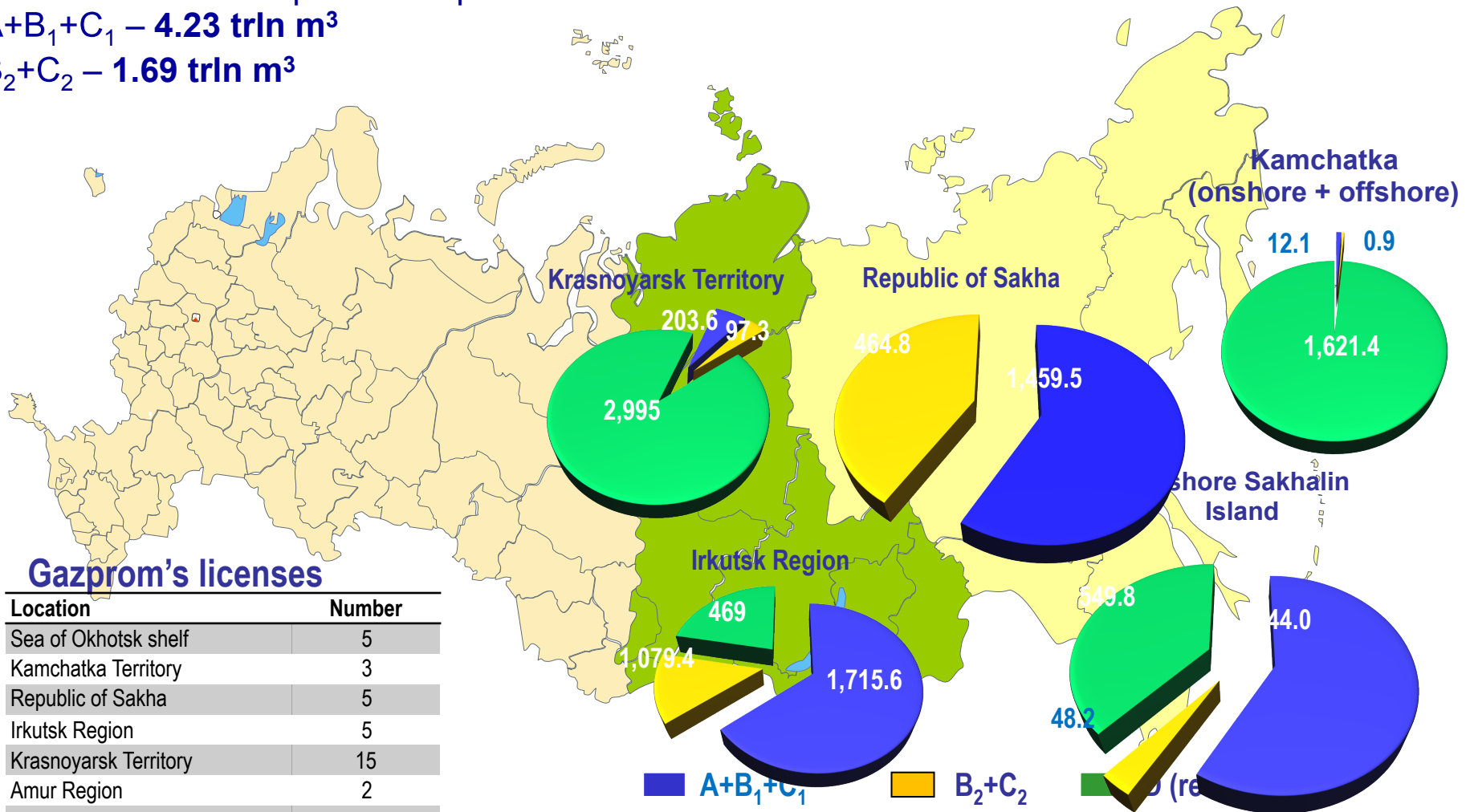
Gazprom's Resource Base in Eastern Siberia and Russian Far East

(bln m³, as of January 1, 2017)

Gas reserves in Gazprom Group's licensed blocks:

A+B₁+C₁ – 4.23 trln m³

B₂+C₂ – 1.69 trln m³



Kirinskoye Field Development Project



Planned gas production: **5.5 bln m³ per year**
 Projected number of development wells: **7 units**
5 development wells built
2 wells currently in operation

Production drilling performed by Gazprom-owned semi-submersible floating drilling rigs (Polyarnaya Zvezda and Severnoye Siyaniye)

Results in 2016:

- 2 development wells built and tested
- 2 development wells drilled into pay zone

Plans for 2017:

- to complete construction of 2 development wells



Yuzhno-Kirinskoye Field Development Project



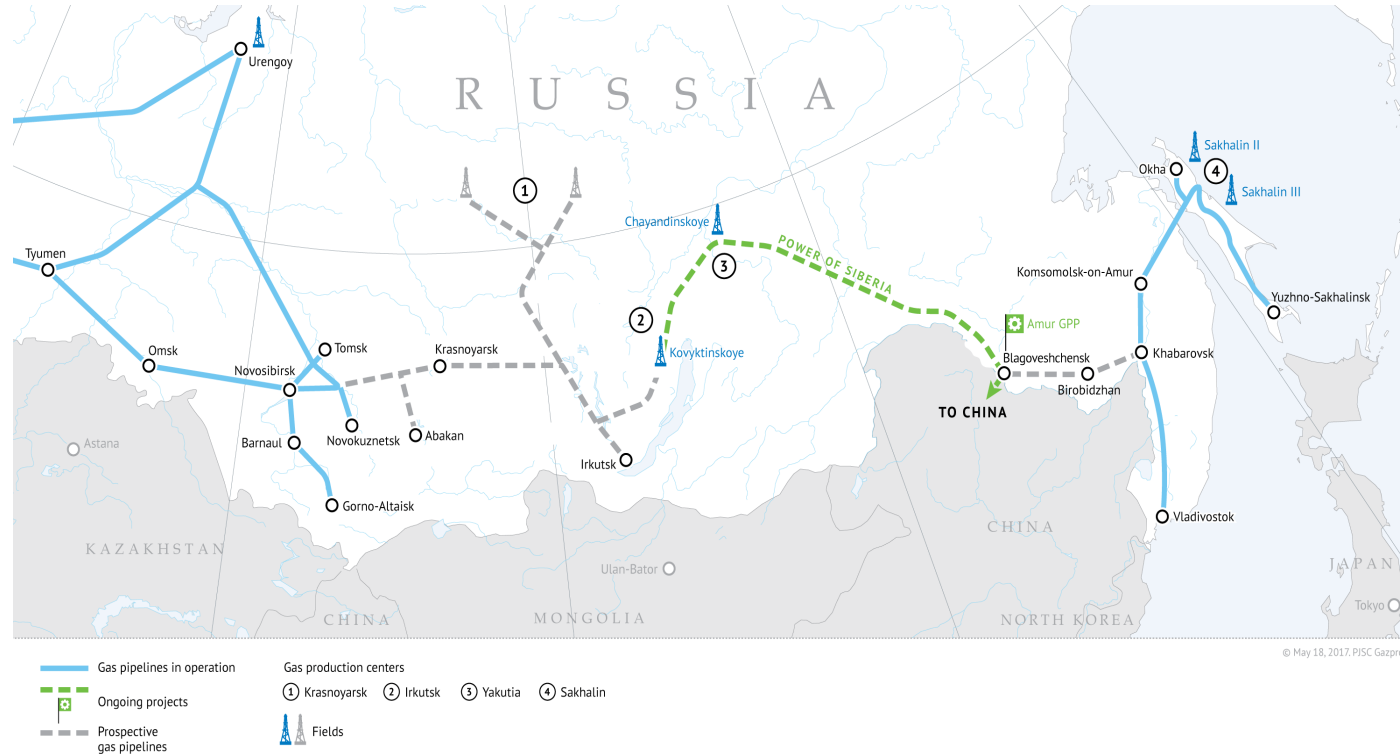
Planned gas production: **21 bln m³ per year**

Production drilling to be performed by Gazprom-owned semi-submersible floating drilling rigs (Polyarnaya Zvezda and Severnoye Siyaniye)

Following activities implemented as planned in 2017:

- selection of core process equipment supplier
- preparation of design documentation for construction of development wells

Power of Siberia Gas Trunkline, Chayandinskoye and Kovyktinskoye Fields



Length of Power of Siberia gas pipeline:
around 3,000 km
Diameter: **1,420 mm**
Pressure: **9.8 MPa**
Annual export capacity: **38 bln m³ of gas**

Planned gas production from
Chayandinskoye field: **25 bln m³ per year**

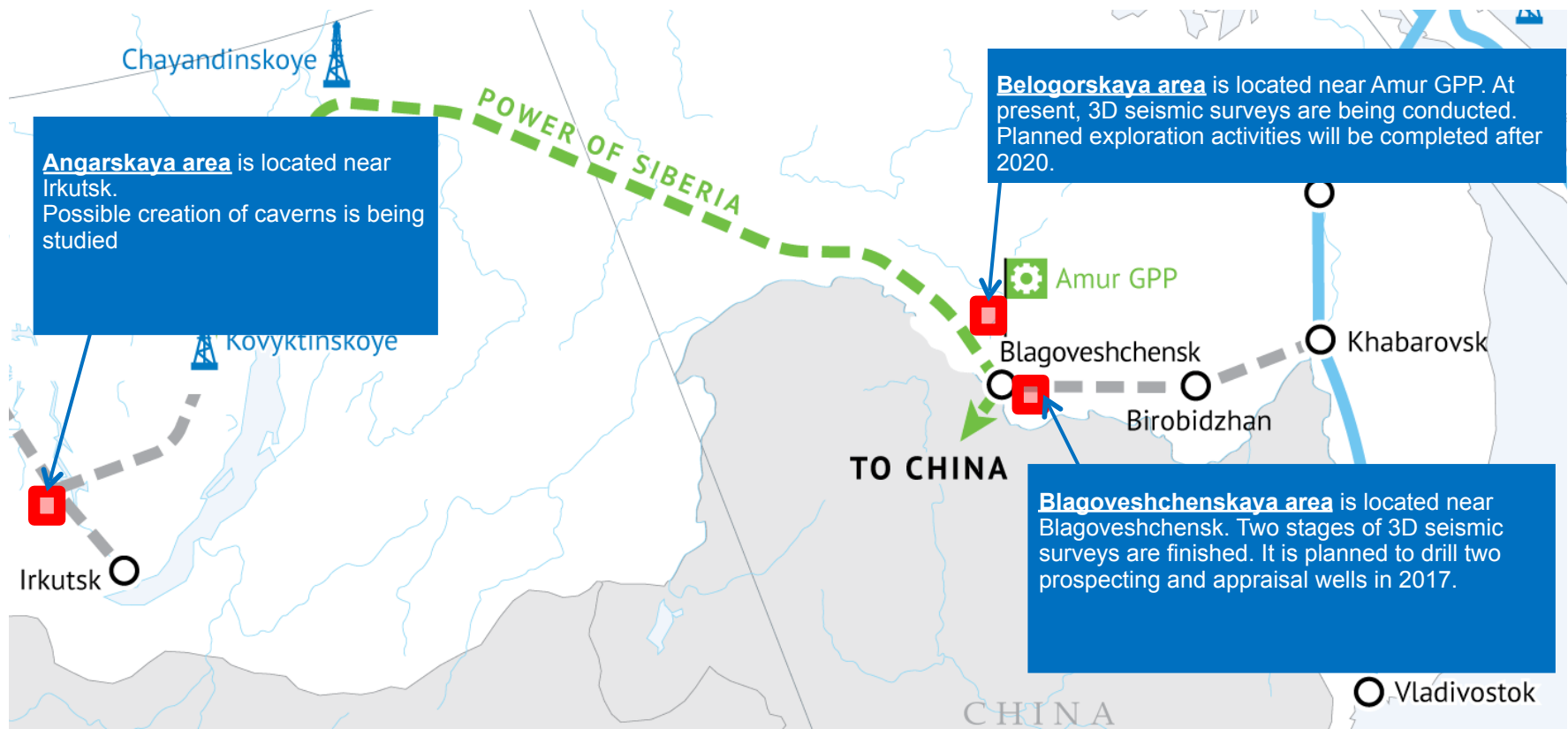
Planned gas production from
Kovyktinskoye field: **25 bln m³ per year**

Sakhalin – Khabarovsk – Vladivostok Gas Transmission System

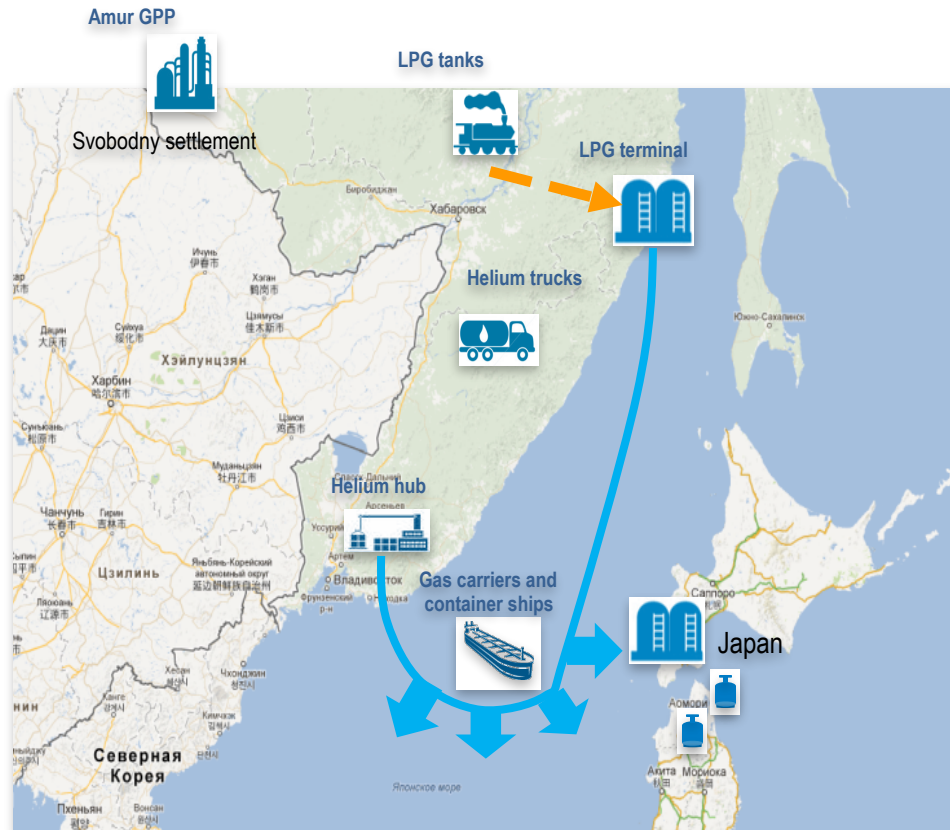


Length: **over 1,800 km**
Diameter: **1,200 mm**
Pressure: **9.8 MPa**

Geological Exploration to Identify Potential Sites for UGS Facilities in Eastern Russia



Planned Export Routes for Amur GPP Products



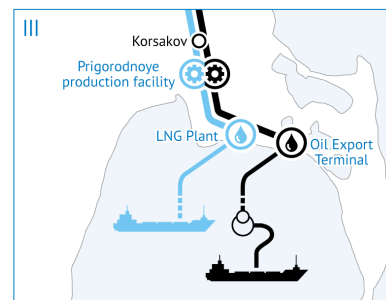
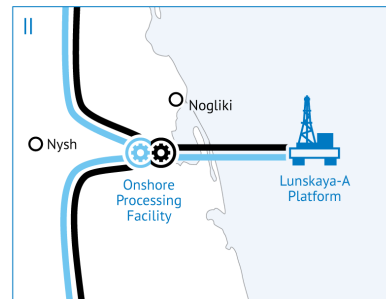
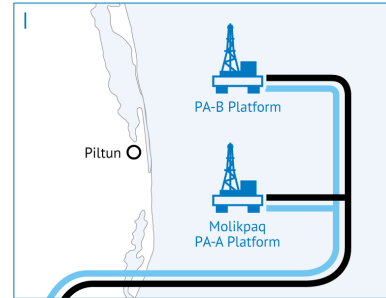
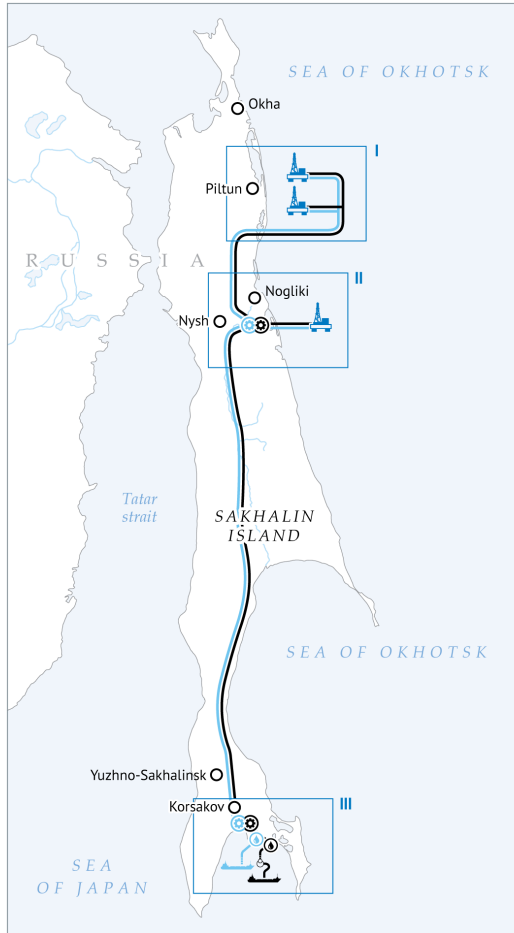
Propane and butane

- Delivery to Russia's Far East in railway cars for transshipment via specialized terminal
- LPG deliveries to buyers by refrigerated ships of VLGC class
- Commodities to be sold to buyers on FOB or CFR terms
- Main sales markets: Japan, South Korea, and other Asia-Pacific countries
- Planned delivery volume: up to 1.5 mln t per year

Liquefied helium

- Shipments in special helium tank containers
- Road transportation to logistic hub located near container ports
- Delivery of containers to buyers in ports
- Main sales markets: China, Japan, South Korea, Taiwan, and other countries
- Planned delivery volume: up to 60 mln m³ per year

Sakhalin II Project



2016 results:

- Gas production: **17.45 bln m³**
- LNG production: **10.93 mln t**
- Liquid hydrocarbon production: **5.51 mln t**

— Gas pipelines
— Oil pipelines

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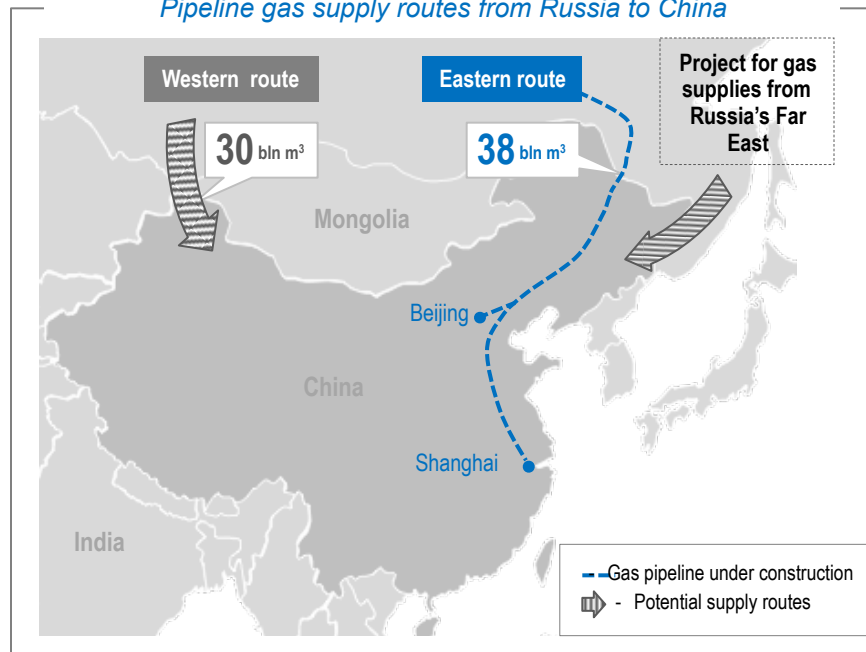
Natural Gas Deliveries to Chinese Market

Pipeline gas supply to Chinese market is among Gazprom's priorities in Asia. Between 2015 and 2017, considerable success was achieved in expanding strategic partnership with Chinese companies

Existing and potential areas of cooperation with Chinese partners



Pipeline gas supply routes from Russia to China



Key agreements signed between 2015 and 2017 to start supplying natural gas from Russia to China

Eastern route

- The Agreement on design and construction of Power of Siberia's cross-border section, including a crossing under the Amur River, was signed in December 2015;
- The EPC contract to construct a crossing under the Amur River within the cross-border section of the Power of Siberia gas pipeline was inked in September 2016.

Western route

- The Heads of Agreement for gas deliveries to China via the western route was signed by Gazprom and CNPC in May 2015.

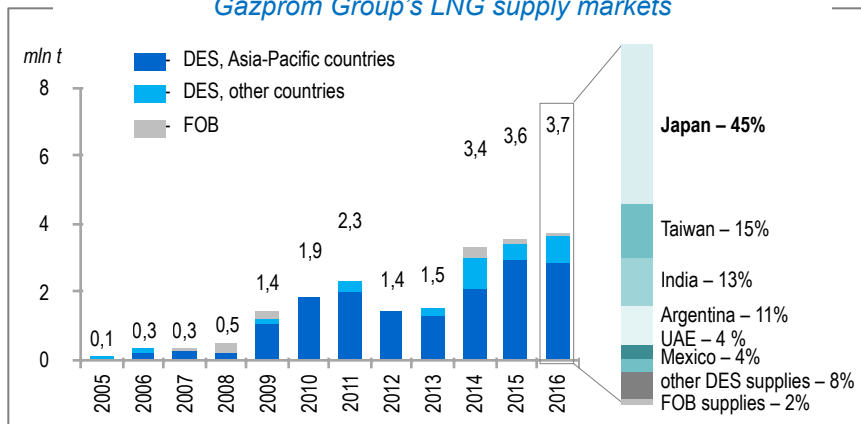
Project for natural gas supplies from Russia's Far East

- Gazprom and CNPC inked in September 2015 the Memorandum of Understanding for the project of pipeline gas supplies to China from Russia's Far East.

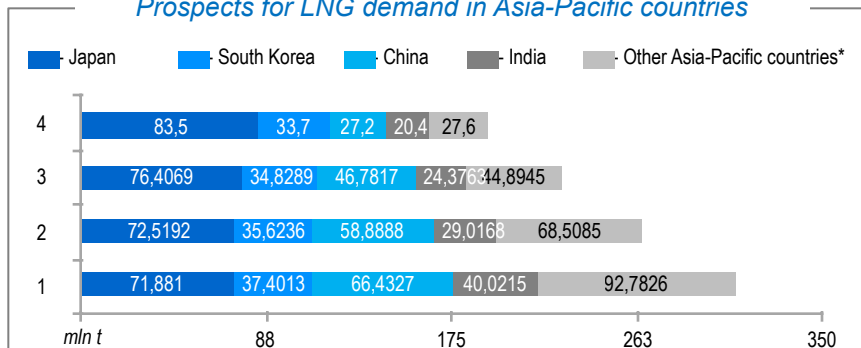
Gazprom Group's LNG Business in Asia-Pacific Region

- Asia-Pacific region remains important market for LNG supplies from Gazprom Group's trading portfolio.
- LNG consumption in Asia-Pacific countries is expected to continue growing.
- Further increase in LNG supplies to Asia-Pacific countries (including by implementing Company's LNG projects in region) is among Gazprom Group's priorities.

Gazprom Group's LNG supply markets



Prospects for LNG demand in Asia-Pacific countries



* Taiwan, Bangladesh, Vietnam, Indonesia, Malaysia, Pakistan, Singapore, Thailand, Philippines

Source: IHS Markit

Gazprom Group's LNG business in Asia-Pacific region

