

ОАО ГАЗПРОМ

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

30 SEPTEMBER 2007

**Report on Review of Consolidated Interim Condensed
Financial Information**

To the Shareholders 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 2007, and the related consolidated interim condensed statements of income for the three and nine month periods then ended and of cash flows and of changes in equity for the nine months then ended. Management is responsible for the preparation and presentation of this consolidated interim condensed financial information as set out on pages 3 to 31 in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this 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 aspects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Without qualifying our conclusion, we draw attention to Note 27 to the consolidated interim condensed financial information. The Government of the Russian Federation has a controlling interest in OAO Gazprom and governmental economic and social policies affect the Group's financial position, results of operations and cash flows.

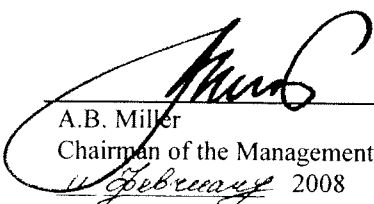
ZAO PricewaterhouseCoopers Audit

Moscow, Russian Federation


11 February 2008

OA O GAZPROM
IFRS CONSOLIDATED INTERIM CONDENSED BALANCE SHEET (UNAUDITED)
AS OF 30 SEPTEMBER 2007
(In millions of Russian Roubles)

Notes		30 September 2007	31 December 2006
	Assets		
	Current assets		
6, 25	Cash and cash equivalents	776,411	269,224
6	Restricted cash	27,676	12,356
7	Short-term financial assets	72,430	106,574
8	Accounts receivable and prepayments	677,938	662,040
9	Inventories	265,569	207,459
	VAT recoverable	117,475	140,305
	Other current assets	<u>101,435</u>	<u>84,347</u>
		2,038,934	1,482,305
	Non-current assets		
10	Property, plant and equipment	3,302,888	3,034,968
11	Investments in associated undertakings and jointly controlled entities	530,286	318,142
12	Long-term accounts receivable and prepayments	373,432	251,123
13	Available-for-sale long-term financial assets	204,494	150,874
26	Other non-current assets	<u>388,395</u>	<u>72,513</u>
		4,799,495	3,827,620
	Total assets	6,838,429	5,309,925
	Liabilities and equity		
	Current liabilities		
25	Accounts payable and accrued charges	998,542	398,126
	Taxes payable	55,531	68,380
	Short-term borrowings and current portion of long-term borrowings	394,082	290,705
	Short-term promissory notes payable	<u>16,080</u>	<u>102,859</u>
		1,464,235	860,070
	Non-current liabilities		
14	Long-term borrowings	947,102	668,343
	Long-term promissory notes payable	5,300	17,186
26	Provisions for liabilities and charges	57,813	119,578
15	Deferred tax liabilities	302,377	275,508
	Other non-current liabilities	<u>4,681</u>	<u>19,420</u>
		1,317,273	1,100,035
	Total liabilities	2,781,508	1,960,105
	Equity		
16	Share capital	325,194	325,194
16	Treasury shares	(26,255)	(41,801)
	Retained earnings and other reserves	<u>3,402,007</u>	<u>2,905,065</u>
		3,700,946	3,188,458
	Minority interest	<u>355,975</u>	<u>161,362</u>
	Total equity	4,056,921	3,349,820
	Total liabilities and equity	6,838,429	5,309,925


A.B. Miller
Chairman of the Management Committee

11 February 2008

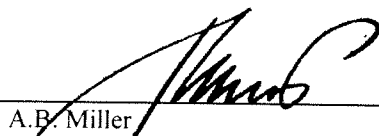

E.A. Vasilieva
Chief Accountant


11 February 2008

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

ОАО ГАЗПРОМ
IFRS CONSOLIDATED INTERIM CONDENSED STATEMENT OF INCOME (UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2007
(In millions of Russian Roubles)

Notes	Three months ended 30 September		Nine months ended 30 September	
	2007	2006	2007	2006
17 Sales	516,175	489,904	1,660,069	1,581,328
18 Operating expenses	<u>(371,028)</u>	<u>(326,488)</u>	<u>(1,163,243)</u>	<u>(1,012,913)</u>
Operating profit	145,147	163,416	496,826	568,415
21 Deconsolidation of NPF Gazfund	-	-	44,692	-
19 Finance income	51,772	20,475	115,001	82,320
19 Finance expenses	<u>(35,893)</u>	<u>(12,222)</u>	<u>(87,021)</u>	<u>(51,576)</u>
11 Share of net income of associated undertakings and jointly controlled entities	7,295	2,901	22,489	19,869
Gains on disposal of available-for-sale financial assets	<u>1,139</u>	<u>387</u>	<u>19,586</u>	<u>3,531</u>
Profit before profit tax	169,460	174,957	611,573	622,559
Current profit tax expense	(44,532)	(44,329)	(150,366)	(156,684)
Deferred profit tax expense	<u>(488)</u>	<u>(2,599)</u>	<u>(6,717)</u>	<u>(5,610)</u>
Profit tax expense	<u>(45,020)</u>	<u>(46,928)</u>	<u>(157,083)</u>	<u>(162,294)</u>
Profit for the period	124,440	128,029	454,490	460,265
Attributable to:				
Equity holders of ОАО Gazprom	113,088	120,805	426,268	442,296
Minority interest	<u>11,352</u>	<u>7,224</u>	<u>28,222</u>	<u>17,969</u>
	124,440	128,029	454,490	460,265
20 Basic and diluted earnings per share for profit attributable to the equity holders of ОАО Gazprom (in Roubles)	4.81	5.30	18.21	19.41

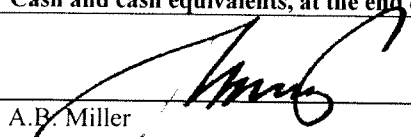

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Chairman of the Management Committee
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Chief Accountant
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OAO GAZPROM
IFRS CONSOLIDATED INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007
(In millions of Russian Roubles)

Notes	Nine months ended 30 September	
	2007	2006
	Operating activities	
	Profit before profit tax	611,573
	Adjustments to profit before profit tax	622,559
21	Deconsolidation of NPF Gazfund	(44,692)
	Depreciation	137,057
	Net unrealised foreign exchange gains	(24,889)
	Interest expense	54,877
	Interest income	(56,933)
	Gains on disposal of available-for-sale financial assets	(19,586)
	Share of net income of associated undertakings and jointly controlled entities	(22,489)
	Charge for provisions	9,567
	Other	<u>7,352</u>
	Total effect of adjustments	40,264
	Increase in long-term assets	(41,888)
	Increase (decrease) in long-term liabilities	1,119
	Non-cash additions of property, plant and equipment and other long-term financial assets	(54,644)
	Total effect of working capital changes	470,276
	Profit tax paid	<u>(146,642)</u>
	Net cash provided by operating activities	880,058
	Investing activities	
	Capital expenditures	(392,670)
23	Acquisition of interest in Sakhalin Energy Investment Company Ltd.	(192,330)
23	Additional investment in Sakhalin Energy Investment Company Ltd.	(41,152)
	Acquisition of subsidiaries and associated undertakings	(4,789)
21	Decrease in cash due to NPF Gazfund deconsolidation	(18,518)
	Interest received	49,519
	Change in long-term available-for-sale financial assets	(5,071)
	Other	<u>(1,441)</u>
	Net cash used for investing activities	(606,452)
	Financing activities	
	Proceeds from long-term borrowings (including current portion)	623,200
	Repayment of long-term borrowings (including current portion)	(214,629)
	Net (redemption) proceeds from short-term borrowings	(22,291)
	Net (redemption) proceeds from issue of promissory notes	(82,727)
	Interest paid	(59,194)
	Purchases of treasury shares	(540,763)
	Sales of treasury shares	550,229
	Change in restricted cash	<u>(15,320)</u>
	Net cash provided by (used for) financing activities	238,505
	Effect of exchange rate changes on cash and cash equivalents	<u>(4,924)</u>
	Increase in cash and cash equivalents	507,187
6	Cash and cash equivalents, at the beginning of reporting period	<u>269,224</u>
6	Cash and cash equivalents, at the end of reporting period	776,411
		153,389


A.B. Miller
Chairman of the Management Committee
11 February 2008


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

(In millions of Russian Roubles)

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1 NATURE OF OPERATIONS

ОАО Газпром and its subsidiaries (the “Group”) operate one of the largest gas pipeline systems in the world and are responsible for substantially all gas production and high pressure gas transportation in the Russian Federation. The Group is also a major exporter of gas to European countries. The Group is engaged in oil production and refining activities.

The Group is involved in the following principal activities:

- Exploration and production of gas;
- Transportation of gas;
- Domestic and export sales of gas;
- Production of crude oil and gas condensate;
- Processing of oil, gas condensate and other hydrocarbons, and sales of refined products.

Other activities primarily comprise banking, construction and media.

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

2 ECONOMIC ENVIRONMENT IN THE RUSSIAN FEDERATION

Whilst there have been improvements in economic trends in the country, the Russian Federation continues to display certain characteristics of an emerging market. These characteristics include, but are not limited to, the existence of a currency that is not freely convertible in most countries outside of the Russian Federation, restrictive currency controls, and relatively high inflation. The tax, currency and customs legislation within the Russian Federation is subject to varying interpretations, and changes, which can occur frequently.

Economic direction of the Russian Federation is largely dependent upon the effectiveness of economic, financial and monetary measures undertaken by the Government, together with tax, legal, regulatory, and political developments.

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 financial information should be read together with the consolidated financial statements for the year ended 31 December 2006 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 24.95 and 26.33 as of 30 September 2007 and 31 December 2006, respectively. The official RR to Euro exchange rates as determined by the Central Bank of the Russian Federation were 35.35 and 34.70 as of 30 September 2007 and 31 December 2006, respectively.

In the first quarter of 2007 the Group ceased to consolidate the non-governmental pension fund, NPF Gazfund (see Note 21).

Although NPF Gazfund is now deconsolidated, the Group continues to consolidate ОАО Газпромбанк and its subsidiaries (including Sibur-Holding and Gazprom Media) because the Group has a history of, and continues to, cast the majority of the votes at the meetings of the board of directors of ОАО Газпромбанк. As of 30 September 2007, the Group owns approximately 46 % of the voting shares of ОАО Газпромбанк and the bank owns 74 % and 100 % of Sibur-Holding and Gazprom Media, respectively.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL 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 2006.

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

The description of the following accounting policy for subsidiary undertakings has been extended from the related accounting policy included in the consolidated financial statements for the year ended 31 December 2006 and is presented in full below.

Subsidiary undertakings

The Group's subsidiaries are entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from the activities of those entities. Subsidiary undertakings in which the Group, directly or indirectly, has an interest of more than 50% of the voting rights or is otherwise able to exercise control over the operations have been consolidated. Subsidiary undertakings therefore include entities in which the Group controls less than 50% of the voting share capital but where the Group controls the entity through other means. This may include a history of casting the majority of the votes at the meetings of the board of directors or equivalent governing body.

The consolidated financial statements of the Group reflect the results of operations of any subsidiaries acquired from the date control is established. Subsidiaries are no longer consolidated from the date from which control ceases. All intercompany transactions, balances and unrealized surpluses and deficits on transactions between group companies have been eliminated. Separate disclosure is made of minority interests.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. The date of exchange is the acquisition date where a business combination is achieved in a single transaction, and is the date of each share purchase where a business combination is achieved in stages by successive share purchases.

New accounting developments

In 2007 the Group has adopted all IFRS, amendments and interpretations which are effective 1 January 2007 and which are relevant to its operations, except for IFRIC 10 "Interim Financial Reporting and Impairment" ("IFRIC 10"), which was adopted early by the Group in 2006.

Effective 1 January 2007 the Group adopted IFRS 7 "Financial instruments: Disclosures" ("IFRS 7") and Amendment to IAS 1 "Presentation of Financial Statements - Capital Disclosures" ("IAS 1"). IFRS 7 introduces new disclosures to improve the information about financial instruments. The Amendment to IAS 1 introduces disclosures about level of an entity's capital and how it manages capital. The Group will disclose in its annual consolidated financial statements the complete information required by IFRS 7. The adoption of IFRS 7 does not have any impact on the classification and valuation of the Group's financial instruments.

The adoption of IFRIC 8 "Scope of IFRS 2" ("IFRIC 8"), IFRIC 9 "Reassessment of Embedded Derivatives" ("IFRIC 9") and IFRIC 11 "IFRS 2—Group and Treasury Share Transactions" ("IFRIC 11") effective 1 January 2007 did not have a material effect on the consolidated financial statements of the Group.

Effective 1 January 2007, the Group early adopted IFRIC 14 "IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" ("IFRIC 14"). IFRIC 14 addresses when refunds or reductions in future contributions should be regarded as available in accordance with paragraph 58 of IAS 19 "Employee Benefits" ("IAS 19"); how a minimum funding requirement might affect the availability of reductions in future contributions, and when a minimum funding requirement might give rise to a liability. The adoption of IFRIC 14 has not had any effects on prior accounting periods. The effect of application of IFRIC 14 in the current period is described in Note 21.

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

All changes in the accounting policies have been made in accordance with the transition provisions in the respective standards where applicable, otherwise IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” was followed. All standards adopted by the Group require retrospective application.

The following new Standards and amendments to Standards are not yet effective and have not been applied in preparing this consolidated interim condensed financial information:

- IFRS 8 “Operating Segments” (“IFRS 8”), which is effective for annual periods beginning on or after 1 January 2009. The standard replaces IAS 14 “Segment reporting”. The standard requires an entity to adopt the “management approach” to reporting of performance of its operating segments. Generally, the information to be reported would be what management uses internally for evaluating segment performance and deciding how to allocate resources to operations segments. Such information may be different from what is used to prepare the statement of income and balance sheet. The IFRS therefore requires explanations of the basis on which the segment information is prepared and reconciliations to the amounts recognised in the statement of income and balance sheet. The application of IFRS 8 is not expected to materially affect the Group’s consolidated financial statements.
- Amendment to IAS 23 “Borrowing costs” (“IAS 23”), which is effective for annual periods beginning on or after 1 January 2009. The amendment to IAS 23 removes the option of immediately recognising as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. The application of these amendments is not expected to materially affect the Group’s consolidated financial statements.
- Amendment to IAS 1 “Presentation of Financial Statements” (“IAS 1”), which is effective for annual periods beginning on or after 1 January 2009. The main change in IAS 1 is the replacement of the statement of income by a statement of comprehensive income which will also include all non-owner changes in equity, such as the revaluation of available-for-sale financial assets. The revised IAS 1 also introduces a requirement to present a statement of financial position (balance sheet) at the beginning of the earliest comparative period whenever the entity restates comparatives due to reclassifications, changes in accounting policies, or corrections of errors. The Group expects the revised IAS 1 to affect the presentation of its consolidated financial statements but to have no impact on the recognition or measurement of specific transactions and balances.
- IFRIC 12 “Service Concession Arrangements” (“IFRIC 12”) which is effective for annual periods beginning on or after 1 January 2008. Service concessions are arrangements whereby a government or other public sector entity grants contracts for the supply of public services – such as roads, airports and other facilities – to private sector operators. The interpretation addresses how service concession operators should apply existing IFRSs to account for the obligations they undertake and rights they receive in service concession arrangements. The Group is currently assessing the effect the application of IFRIC 12 may have on the Group’s consolidated financial statements.
- IFRIC 13 “Customer Loyalty Programmes” (“IFRIC 13”) which is effective for annual periods beginning on or after 1 July 2008. IFRIC 13 addresses whether the entity’s obligations to provide free or discounted goods or services in the future should be recognized and measured, and if consideration is allocated to the award credits how much should be allocated to them, when revenue should be recognized and, if a third party supplies the awards, how revenue should be measured. The application of IFRIC 13 is not expected to materially affect the Group’s consolidated financial statements.

Critical accounting estimates

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates and judgements. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include fair values of financial instruments, the impairment provisions, deferred profit tax, provisions for liabilities and charges and fair values of acquired assets and liabilities. Management judgement also is involved in the assessment of control and the consolidation of certain affiliated entities in the Group’s consolidated financial statements (see Note 21).

ОАО ГАЗПРОМ
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 30 SEPTEMBER 2007
(In millions of Russian Roubles)

5 SEGMENT INFORMATION

The Group operates as a vertically integrated business. Following the practice suggested by IAS 14 “Segment Reporting” for vertically integrated businesses the following business segments are identified within the Group:

- Production of gas – exploration and production of gas;
- Transport – transportation of gas;
- Distribution – domestic and export sales of gas;
- Production of crude oil and gas condensate – exploration 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;
- Other – other activities, including banking.

These segments are derived from the Group’s structure and internal financial reporting system.

	Production of gas	Transport	Distribu- tion	Production of crude oil and gas condensate	Refining	Other	Total
Nine months ended 30 September 2007							
Segment revenues							
Inter-segment sales	179,761	372,789	36,545	69,123	4,577	-	662,795
External sales	<u>4,123</u>	<u>30,560</u>	<u>1,058,275</u>	<u>117,956</u>	<u>351,954</u>	<u>97,201</u>	<u>1,660,069</u>
Total segment revenues	183,884	403,349	1,094,820	187,079	356,531	97,201	2,322,864
Segment expenses							
Inter-segment expenses	(3,726)	(38,573)	(541,153)	-	(79,343)	-	(662,795)
External expenses	<u>(158,207)</u>	<u>(238,186)</u>	<u>(313,610)</u>	<u>(139,419)</u>	<u>(209,833)</u>	<u>(91,329)</u>	<u>(1,150,584)</u>
Total segment expenses	<u>(161,933)</u>	<u>(276,759)</u>	<u>(854,763)</u>	<u>(139,419)</u>	<u>(289,176)</u>	<u>(91,329)</u>	<u>(1,813,379)</u>
Segment result	21,951	126,590	240,057	47,660	67,355	5,872	509,485
Unallocated operating expenses							<u>(12,659)</u>
Operating profit							496,826
Share of net income of associated undertakings and jointly controlled entities	3,054	340	7,883	5,436	5,469	307	22,489

OAO GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 30 SEPTEMBER 2007
(In millions of Russian Roubles)

5 SEGMENT INFORMATION (continued)

	Production of gas	Transport	Distribu- tion	Production of crude oil and gas condensate	Refining	Other	Total
Nine months ended 30 September 2006							
Segment revenues							
Inter-segment sales	168,621	329,504	30,630	47,863	5,144	-	581,762
External sales	<u>2,529</u>	<u>25,141</u>	<u>1,005,807</u>	<u>141,049</u>	<u>333,216</u>	<u>73,586</u>	<u>1,581,328</u>
Total segment revenues	171,150	354,645	1,036,437	188,912	338,360	73,586	2,163,090
Segment expenses							
Inter-segment expenses	(4,275)	(32,687)	(487,173)	(136)	(57,491)	-	(581,762)
External expenses	<u>(149,979)</u>	<u>(220,374)</u>	<u>(237,942)</u>	<u>(141,218)</u>	<u>(198,551)</u>	<u>(52,067)</u>	<u>(1,000,131)</u>
Total segment expenses	<u>(154,254)</u>	<u>(253,061)</u>	<u>(725,115)</u>	<u>(141,354)</u>	<u>(256,042)</u>	<u>(52,067)</u>	<u>(1,581,893)</u>
Segment result	16,896	101,584	311,322	47,558	82,318	21,519	581,197
Unallocated operating expenses							<u>(12,782)</u>
Operating profit							568,415
Share of net income of associated undertakings and jointly controlled entities	786	907	2,618	4,584	8,546	2,428	19,869

	Production of gas	Transport	Distribu- tion	Production of crude oil and gas condensate	Refining	Other	Total
Three months ended 30 September 2007							
Segment revenues							
Inter-segment sales	64,696	130,497	10,478	29,446	1,514	-	236,631
External sales	<u>1,158</u>	<u>9,501</u>	<u>302,947</u>	<u>42,962</u>	<u>130,170</u>	<u>29,437</u>	<u>516,175</u>
Total segment revenues	65,854	139,998	313,425	72,408	131,684	29,437	752,806
Segment expenses							
Inter-segment expenses	(1,305)	(11,110)	(191,081)	-	(33,135)	-	(236,631)
External expenses	<u>(56,455)</u>	<u>(85,094)</u>	<u>(74,306)</u>	<u>(55,716)</u>	<u>(71,918)</u>	<u>(31,125)</u>	<u>(374,614)</u>
Total segment expenses	<u>(57,760)</u>	<u>(96,204)</u>	<u>(265,387)</u>	<u>(55,716)</u>	<u>(105,053)</u>	<u>(31,125)</u>	<u>(611,245)</u>
Segment result	8,094	43,794	48,038	16,692	26,631	(1,688)	141,561
Unallocated operating expenses							<u>3,586</u>
Operating profit							145,147
Share of net income of associated undertakings and jointly controlled entities	769	57	1,266	3,417	1,705	81	7,295

OAO GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 30 SEPTEMBER 2007
(In millions of Russian Roubles)

5 SEGMENT INFORMATION (continued)

	Production of gas	Transport	Distribu- tion	Production of crude oil and gas condensate	Refining	Other	Total
Three months ended 30 September 2006							
Segment revenues							
Inter-segment sales	57,891	125,904	9,150	12,060	1,463	-	206,468
External sales	<u>698</u>	<u>8,165</u>	<u>285,753</u>	<u>45,579</u>	<u>123,479</u>	<u>26,230</u>	<u>489,904</u>
Total segment revenues	58,589	134,069	294,903	57,639	124,942	26,230	696,372
Segment expenses							
Inter-segment expenses	(1,477)	(9,800)	(179,719)	(51)	(15,421)	-	(206,468)
External expenses	<u>(52,297)</u>	<u>(88,249)</u>	<u>(50,299)</u>	<u>(49,511)</u>	<u>(75,508)</u>	<u>(12,019)</u>	<u>(327,883)</u>
Total segment expenses	<u>(53,774)</u>	<u>(98,049)</u>	<u>(230,018)</u>	<u>(49,562)</u>	<u>(90,929)</u>	<u>(12,019)</u>	<u>(534,351)</u>
Segment result	4,815	36,020	64,885	8,077	34,013	14,211	162,021
Unallocated operating expenses							<u>1,395</u>
Operating profit							163,416
Share of net income (loss) of associated undertakings and jointly controlled entities	225	679	(3,157)	1,417	2,641	1,096	2,901

Internal transfer prices are mainly established by the management of the Group with the objective of providing for the specific funding requirements of the individual subsidiaries within each segment. Prices are mainly determined on the basis of the statutory accounting reports of the individual subsidiaries on a cost plus basis.

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 and balances with banks. Included within restricted cash are balances of cash and cash equivalents totalling RR 2,912 and RR 2,877 as of 30 September 2007 and 31 December 2006, respectively, which are restricted as to withdrawal under the terms of certain borrowings. In addition, restricted cash comprises cash balances of RR 24,764 and RR 9,479 as of 30 September 2007 and 31 December 2006 respectively, in subsidiary banks, which are restricted as to withdrawal under banking regulations.

As of 30 September 2007 and 31 December 2006 cash and cash equivalents relating to the operations of OAO Gazprombank amounted to RR 528,651 and RR 76,604, respectively.

7 SHORT-TERM FINANCIAL ASSETS

	30 September 2007	31 December 2006
Financial assets held for trading	67,007	84,816
Available-for-sale financial assets (net of impairment provision of RR 4,062 and RR 4,353 as of 30 September 2007 and 31 December 2006, respectively)	<u>5,423</u>	<u>21,758</u>
	72,430	106,574

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7 SHORT-TERM FINANCIAL ASSETS (continued)

Financial assets held for trading owned by the Group's banking subsidiaries amounted to RR 61,404 and RR 33,977 as of 30 September 2007 and 31 December 2006, respectively. These assets primarily comprise marketable equity and debt securities intended to generate short-term profits.

Financial assets held for trading owned by NPF Gazfund amounted to RR 46,340 as of 31 December 2006 (see Note 21).

Available-for-sale investments primarily comprise third parties promissory notes maturing within twelve months of the balance sheet date.

8 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	30 September 2007	31 December 2006
Trade receivables	295,184	254,082
Prepayments and advances	112,951	114,059
Other receivables	<u>269,803</u>	<u>293,899</u>
	<u>677,938</u>	<u>662,040</u>

Accounts receivable and prepayments are presented net of impairment provision of RR 90,502 and RR 91,962 as of 30 September 2007 and 31 December 2006, respectively.

As of 30 September 2007 and 31 December 2006 other receivables include RR 202,523 and RR 243,735 respectively, relating to the operations of OAO Gazprombank. These balances mainly represent deposits with other banks and loans issued to customers at commercial rates based on credit risks and maturities.

9 INVENTORIES

Inventories are presented net of provision for obsolescence of RR 1,562 and RR 1,852 as of 30 September 2007 and 31 December 2006, respectively.

10 PROPERTY, PLANT AND EQUIPMENT

	Total production assets (including production licenses)	Social assets	Assets under construction	Total
As of 31 December 2005				
Cost	4,207,853	113,109	340,947	4,661,909
Accumulated depreciation	<u>(1,833,985)</u>	<u>(36,913)</u>	-	<u>(1,870,898)</u>
Net book value as of 31 December 2005	2,373,868	76,196	340,947	2,791,011
Nine months ended 30 September 2006				
Net book value as of 31 December 2005	2,373,868	76,196	340,947	2,791,011
Depreciation	(118,526)	(2,025)	-	(120,551)
Additions	4,711	274	245,651	250,636
Transfers	51,368	909	(52,277)	-
Disposals	(8,427)	(15,068)	(7,639)	(31,134)
Charge for impairment provision	-	-	<u>(4,388)</u>	<u>(4,388)</u>
Net book value as of 30 September 2006	2,302,994	60,286	522,294	2,885,574

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10 PROPERTY, PLANT AND EQUIPMENT (continued)

	Total production assets (including production licenses)	Social assets	Assets under construction	Total
Three months ended 31 December 2006				
Net book value as of 30 September 2006	2,302,994	60,286	522,294	2,885,574
Depreciation	(43,217)	(652)	-	(43,869)
Additions	9,362	359	172,428	182,149
Acquisition of subsidiaries	10,013	-	10,489	20,502
Transfers	320,759	3,251	(324,010)	-
Disposals	(653)	(2,529)	(2,630)	(5,812)
Charge for impairment provision	-	-	(3,576)	(3,576)
Net book value as of 31 December 2006	2,599,258	60,715	374,995	3,034,968
As of 31 December 2006				
Cost	4,567,453	90,081	374,995	5,032,529
Accumulated depreciation	(1,968,195)	(29,366)	-	(1,997,561)
Net book value as of 31 December 2006	2,599,258	60,715	374,995	3,034,968
Nine months ended 30 September 2007				
Net book value as of 31 December 2006	2,599,258	60,715	374,995	3,034,968
Depreciation	(139,226)	(1,910)	-	(141,136)
Additions	4,035	472	318,746	323,253
Acquisition of subsidiaries	92,754	25	16,575	109,354
Transfers	64,606	115	(64,721)	-
Disposals	(10,311)	(4,396)	(6,666)	(21,373)
Charge for impairment provision	-	-	(2,178)	(2,178)
Net book value as of 30 September 2007	2,611,116	55,021	636,751	3,302,888
As of 30 September 2007				
Cost	4,705,332	83,666	636,751	5,425,749
Accumulated depreciation	(2,094,216)	(28,645)	-	(2,122,861)
Net book value as of 30 September 2007	2,611,116	55,021	636,751	3,302,888

Production assets are shown net of provision for impairment of RR 2,574 as of 30 September 2007 and 31 December 2006. Assets under construction are presented net of provision for impairment of RR 92,502 and RR 91,803 as of 30 September 2007 and 31 December 2006, 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 8,867 and RR 11,573 as of 30 September 2007 and 31 December 2006, respectively.

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11 INVESTMENTS IN ASSOCIATED UNDERTAKINGS AND JOINTLY CONTROLLED ENTITIES

Notes		Carrying value as of		Group's share of the profit (loss)*	
		30 September 2007	31 December 2006	30 September 2007	2006
23	Sakhalin Energy Investment Company Ltd.**	235,985	-	2,503	-
	OAO NGK Slavneft	141,729	140,165	7,543	13,130
27	OAO Novatek	66,067	63,426	2,651	-
27	SGT EuRoPol GAZ S.A.	28,459	30,865	362	455
	OAO Moscovsky NPZ	16,126	15,266	859	23
22,27	OAO Mosenergo	-	16,751	(125)	(327)
	OAO Moscow United Electricity Network Company***	-	5,643	-	478
27	WINGAS GmbH	5,062	6,197	2,320	2,152
27	OAO Stroytransgaz	3,615	3,559	57	12
	OAO Moscow City Electricity Network Company***	-	2,823	-	368
	AO Latvijas Gaze	3,008	3,109	83	144
	OAO Moscow Heating Network Company***	-	2,412	-	(78)
	AO Lietuvos Dujos	2,007	1,756	326	144
	Blue Stream Pipeline company B.V.	991	1,063	(22)	(68)
27	RosUkrEnergo AG	-	-	-	(2,471)
	ZAO Nortgaz	2,994	2,272	722	795
27	TOO KazRosGaz	3,508	1,934	1,724	1,063
	Other (net of provision for impairment of RR 6,236 and RR 5,312 as of 30 September 2007 and 31 December 2006, respectively)	<u>20,735</u>	<u>20,901</u>	<u>3,486</u>	<u>4,049</u>
		530,286	318,142	22,489	19,869

* represents Group's share of the profit (loss) of the associated undertakings and jointly controlled entities for the nine months ended 30 September 2007 and 30 September 2006, respectively.

** in April 2007, the Group acquired 50% plus one share of Sakhalin Energy Investment Company Ltd. (Sakhalin Energy) (see Note 23).

*** companies established under restructuring of OAO Mosenergo, disposed in current period due to the deconsolidation of NPF Gazfund (see Note 21).

Summarized financial information of the Group's principal associated undertakings and jointly controlled entities is as follows:

	Percent of share capital held	Location	As of 30 September 2007		Nine months ended 30 September 2007	
			Assets	Liabilities	Revenues	Profit (loss)
Sakhalin Energy Investment Company Ltd.	50%	Bermuda	434,930	74,286	16,465	(32,035)
OAO NGK Slavneft	50%	Russia	378,485	92,924	111,497	9,979
OAO Novatek	19%	Russia	96,577	17,599	45,509	13,670
SGT EuRoPol GAZ S.A.	48%	Poland	58,280	28,110	8,878	644
OAO Moscovsky NPZ	39%	Russia	45,150	3,615	7,390	2,213
WINGAS GmbH	35%	Germany	104,629	95,907	135,468	6,059
OAO Stroytransgaz	18%	Russia	55,987	37,102	26,339	306
AO Latvijas Gaze	34%	Latvia	23,084	8,217	7,162	243
AO Lietuvos Dujos	37%	Lithuania	24,342	4,801	6,631	879
Blue Stream Pipeline company B.V.	50%	Netherlands	56,101	52,624	5,036	(87)

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

	Percent of share capital held	Location	As of 30 September 2007		Nine months ended 30 September 2007	
			Assets	Liabilities	Revenues	Profit (loss)
RosUkrEnergo AG	50%	Switzerland	111,666	105,103	181,772	5,311
ZAO Nortgaz	51%	Russia	7,036	1,169	4,158	1,415
TOO KazRosGaz	50%	Kazakhstan	8,350	1,333	10,765	3,447
	Percent of share capital held	Location	As of 30 September 2006		Nine months ended 30 September 2006	
			Assets	Liabilities	Revenues	Profit (loss)
OAo NGK Slavneft	50%	Russia	374,985	91,125	145,903	26,338
OAo Novatek	19%	Russia	82,654	16,876	37,088	11,230
SGT EuRoPol GAZ S.A.	48%	Poland	57,100	31,191	8,920	949
OAo Moscovsky NPZ	39%	Russia	42,874	3,615	4,482	59
OAo Mosenergo	30%	Russia	60,807	31,779	50,316	(2,228)
OAo Moscow United Electricity Network Company	28%	Russia	44,247	14,616	17,368	2,595
WINGAS GmbH	35%	Germany	100,527	92,656	139,370	6,933
OAo Sroytransgaz	18%	Russia	49,325	23,857	31,941	727
OAo Moscow City Electricity Network Company	28%	Russia	18,118	962	7,258	2,067
AO Latvijas Gaze	34%	Latvia	15,499	4,466	6,142	425
OAo Moscow Heating Network Company	28%	Russia	16,697	4,513	8,018	(427)
AO Lietuvos Dujos	37%	Lithuania	22,561	4,361	5,421	387
Blue Stream Pipeline company B.V.	50%	Netherlands	60,600	56,552	5,260	(272)
RosUkrEnergo AG	50%	Switzerland	94,666	88,160	140,050	(14,239)
ZAO Nortgaz	51%	Russia	6,055	1,716	4,225	1,569
TOO KazRosGaz	50%	Kazakhstan	4,836	1,434	10,183	2,129
ZAO ArmRosGazprom	45%	Armenia	12,163	3,035	3,178	257

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

The following table discloses the Group's share in associated undertakings based on published price quotations:

	30 September 2007	31 December 2006
OAo Novatek	77,128	98,455
OAo Mosenergo	-	44,491
AO Latvijas Gaze	6,985	6,984
AO Lietuvos Dujos	6,290	6,658

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12 LONG-TERM ACCOUNTS RECEIVABLE AND PREPAYMENTS

	30 September 2007	31 December 2006
Long-term accounts receivable and prepayments	251,005	191,816
Advances for assets under construction	<u>122,427</u>	<u>59,307</u>
	373,432	251,123

Long-term accounts receivable and prepayments are presented net of impairment provision of RR 13,510 and RR 15,170 as of 30 September 2007 and 31 December 2006, respectively.

As of 30 September 2007 and 31 December 2006, long-term accounts receivable and prepayments include RR 153,222 and RR 99,380, respectively, relating to the operations of OAO Gazprombank. These balances mainly represent long-term loans issued to customers at commercial rates based on credit risks and maturities.

13 AVAILABLE-FOR-SALE LONG-TERM FINANCIAL ASSETS

Available-for-sale long-term financial assets, in total amount of RR 204,494 and RR 150,874, are shown net of provision for impairment of RR 2,431 and RR 10,253 as of 30 September 2007 and 31 December 2006, respectively.

Available-for-sale long-term financial assets owned by the Group's banking subsidiaries amounted to RR 36,394 and RR 5,511 as of 30 September 2007 and 31 December 2006, respectively.

Included within available-for-sale financial assets is a 10.49% interest in the share capital of RAO UES with a fair value based on published price quotations of RR 137,649 and RR 128,599 as of 30 September 2007 and 31 December 2006, respectively.

14 LONG-TERM BORROWINGS

	Currency	Final maturity	30 September 2007	31 December 2006
Long-term borrowings payable to:				
Citibank International PLC*	US dollar	2008	87,528	-
ABN AMRO	US dollar	2012	50,454	-
Morgan Stanley AG	US dollar	2013	44,011	47,558
Calyon Credit Agricole CIB*	US dollar	2010	41,286	-
Credit Swiss International	US dollar	2009	40,938	-
Loan participation notes issued in June 2007	US dollar	2013	40,445	-
Loan participation notes issued in December 2005	Euro	2012	36,653	34,793
Loan participation notes issued in May 2005	Euro	2015	36,038	35,886
Loan participation notes issued in September 2003	Euro	2010	35,376	35,408
Loan participation notes issued in November 2006	US dollar	2016	34,431	35,786
Loan participation notes issued in March 2007	US dollar	2022	32,575	-
Loan participation notes issued in August 2007	US dollar	2037	31,471	-
Loan participation notes issued in April 2004	US dollar	2034	31,037	32,074
Deutsche Bank AG	US dollar	2014	30,230	31,776
Structured export notes issued in July 2004	US dollar	2020	28,607	33,901
Loan participation notes issued in October 2006	Euro	2014	28,398	27,317
ABN AMRO*	US dollar	2010	27,106	35,765
Dresdner Bank AG*	US dollar	2010	25,648	33,143
Loan participation notes issued in June 2007	Euro	2014	25,175	-
Eurobonds issued by OAO Gazprombank in				
September 2005	US dollar	2015	24,760	26,557
Dresdner Bank AG*	US dollar	2008	19,721	33,135
Eurobonds issued by OAO Gazprombank in				
October 2003	US dollar	2008	19,248	19,927
Salomon Brothers AG	US dollar	2009	18,269	18,798
Loan participation notes issued in March 2007	Euro	2017	18,221	-
Loan participation notes issued in November 2006	Euro	2017	18,149	17,443
Eurobonds issued by OAO Gazprombank in April				
2007	US dollar	2010	17,706	-

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14 LONG-TERM BORROWINGS (continued)

	Currency	Final maturity	30 September 2007	31 December 2006
Long-term borrowings payable to:				
ABN AMRO	US dollar	2008	16,655	-
Credit Swiss International	Euro	2009	14,231	13,969
JP Morgan Chase bank	Rouble	2010	12,909	-
Citibank International PLC	US dollar	2009	12,837	16,646
Salomon Brothers AG	US dollar	2009	12,769	15,921
Loan from a syndicate of foreign banks	US dollar	2008	12,707	13,179
Depfa Bank*	US dollar	2008	12,485	13,502
Credit Swiss International	US dollar	2009	12,323	-
Credit Swiss International	US dollar	2008	12,071	-
Eurobonds issued by OAO Gazprombank in February 2007	Rouble	2010	10,029	-
OOO Aragon	Euro	2010	9,938	9,541
Deutsche Bank AG	US dollar	2011	9,075	9,358
Credit Swiss International	Euro	2007	8,986	8,720
Liberty Hampshir Corporation	Rouble	2009	7,719	7,600
International banking consortium	Euro	2008	7,707	1,735
Eurobonds issued by OAO Gazprombank in January 2004	US dollar	2008	7,699	7,971
Credit Swiss International	Euro	2008	7,199	6,996
Credit Swiss International	Euro	2008	7,073	7,009
ABN AMRO	US dollar	2009	6,260	6,609
Gazstream S.A.	US dollar	2010	5,687	7,050
Credit Swiss International	US dollar	2009	5,229	5,293
Russian bonds issued in October 2004	Rouble	2007	5,180	5,084
Russian bonds issued in November 2006	Rouble	2011	5,144	5,057
JP Morgan Chase bank	US dollar	2011	5,140	5,302
Russian bonds issued in November 2006	Rouble	2009	5,139	5,040
ABN AMRO*	US dollar	2009	5,069	5,355
Russian bonds issued in February 2005	Rouble	2010	5,052	5,134
Russian bonds issued in August 2005	Rouble	2009	5,050	5,134
Russian bonds issued in February 2007	Rouble	2014	5,038	-
Russian bonds issued by OAO Mosenergo in March 2006	Rouble	2016	5,032	-
Russian bonds issued by OAO Mosenergo in September 2006	Rouble	2011	5,012	-
BNP Paribas SA	US dollar	2008	4,993	5,271
Gazstream S.A.	US dollar	2012	4,786	7,248
Mannesmann (Deutsche Bank AG)*	Euro	2008	4,494	5,814
Deutsche Bank AG	US dollar	2009	2,266	2,988
Salomon Brothers AG	US dollar	2007	-	13,386
Other long-term borrowings	Various	Various	<u>80,896</u>	<u>84,818</u>
Total long-term borrowings			1,203,360	805,997
Less: current portion of long-term borrowings			<u>(256,258)</u>	<u>(137,654)</u>
			947,102	668,343

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

Due for repayment:	30 September 2007	31 December 2006
Between one and two years	244,888	111,280
Between two and five years	232,395	242,230
After five years	<u>469,819</u>	<u>314,833</u>
	947,102	668,343

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14 LONG-TERM BORROWINGS (continued)

As of 30 September 2007 and 31 December 2006, respectively, long-term borrowings include RR 120,960 and RR 84,628 of long-term borrowings of OAO Gazprombank.

Long-term borrowings include fixed rate loans with a carrying value of RR 746,742 and RR 563,142 as of 30 September 2007 and 31 December 2006 respectively. Other long-term borrowings generally have variable interest rates linked to LIBOR.

As of 30 September 2007 and 31 December 2006 long-term borrowings, including current portion, of RR 28,607 and RR 33,901, respectively, were secured by gas sales contracts to Western Europe.

15 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 at the statutory rate of 24%.

	Differences			Differences		
	30 September	recognition	31 December	30 September	recognition	31 December
	2007	and reversals	2006	2006	and reversals	2005
Tax effects of taxable temporary differences:						
Property, plant and equipment	(262,333)	(20,594)	(241,739)	(239,757)	(4,638)	(235,119)
Financial assets	(40,717)	(2,605)	(38,112)	(28,293)	(7,551)	(20,742)
Inventories	(4,148)	(3,959)	(189)	(2,540)	427	(2,967)
	<u>(307,198)</u>	<u>(27,158)</u>	<u>(280,040)</u>	<u>(270,590)</u>	<u>(11,762)</u>	<u>(258,828)</u>
Tax effects of deductible temporary differences:						
Tax losses carry forward	1,759	53	1,706	2,723	(106)	2,829
Other deductible temporary differences	<u>3,062</u>	<u>236</u>	<u>2,826</u>	<u>2,843</u>	<u>(1,288)</u>	<u>4,131</u>
	<u>4,821</u>	<u>289</u>	<u>4,532</u>	<u>5,566</u>	<u>(1,394)</u>	<u>6,960</u>
Total net deferred tax liabilities	(302,377)	(26,869)	(275,508)	(265,024)	(13,156)	(251,868)

Taxable temporary differences recognized in the nine months ended 30 September 2007 include the effect of the acquisition of the controlling interest in OAO Mosenergo (see Note 22). The differences attributable to property, plant and equipment amounted to RR 18,367.

Taxable temporary differences in relation to financial assets include difference on fair value adjustment on RAO UES of Russia shares in the amount of RR 2,172 and RR 8,424 as of 30 September 2007 and 2006, respectively. No current profit tax was paid on this revaluation.

16 EQUITY

Share capital

Share capital authorised, issued and paid totals RR 325,194 as of 30 September 2007 and 31 December 2006 and consists of 23.7 billion ordinary shares, each with a historical par value of 5 Russian Roubles.

Treasury shares

As of 30 September 2007 and 31 December 2006, subsidiaries of OAO Gazprom held 99 million and 749 million, respectively, of the ordinary shares of OAO Gazprom, which are accounted for as treasury shares. The management of the Group controls the voting rights of these shares.

In addition, treasury shares as of 30 September 2007 include 46 million of Gazprom shares recognized under put option written by the Group in June 2006 with a strike price of USD 13.27 per share. The option was exercised in November 2007 (see Note 29). Financial liabilities recognized under this put option amounted to RR 15,230 as of 30 September 2007 and are included in "Accounts payable and accrued charges".

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17 SALES

	Three months ended 30 September		Nine months ended 30 September	
	2007	2006	2007	2006
Gas sales (including excise tax, customs duties and net of VAT) to customers in:				
Russian Federation	61,377	55,759	275,677	247,668
Former Soviet Union (excluding Russian Federation)	59,265	66,108	204,666	184,350
Far abroad	<u>248,893</u>	<u>241,477</u>	<u>782,631</u>	<u>830,830</u>
Gross sales of gas	369,535	363,344	1,262,974	1,262,848
Excise tax	(42)	(1)	(96)	(1,330)
Customs duties	<u>(65,388)</u>	<u>(76,892)</u>	<u>(200,480)</u>	<u>(253,182)</u>
Net sales of gas	304,105	286,451	1,062,398	1,008,336
Sales of refined products to customers in:				
Russian Federation	73,379	67,157	192,667	173,505
Former Soviet Union (excluding Russian Federation)	12,955	10,221	31,709	22,166
Far abroad	<u>43,836</u>	<u>46,101</u>	<u>127,578</u>	<u>137,545</u>
Total sales of refined products	130,170	123,479	351,954	333,216
Sales of crude oil and gas condensate to customers in:				
Russian Federation	10,267	9,397	23,817	20,134
Former Soviet Union (excluding Russian Federation)	4,928	4,787	13,339	15,789
Far abroad	<u>27,767</u>	<u>31,395</u>	<u>80,800</u>	<u>105,126</u>
Total sales of crude oil and gas condensate	42,962	45,579	117,956	141,049
Gas transportation sales	9,501	8,165	30,560	25,141
Other revenues	<u>29,437</u>	<u>26,230</u>	<u>97,201</u>	<u>73,586</u>
	<u>516,175</u>	<u>489,904</u>	<u>1,660,069</u>	<u>1,581,328</u>

18 OPERATING EXPENSES

Note	Three months ended 30 September		Nine months ended 30 September	
	2007	2006	2007	2006
Purchased oil and gas	83,622	58,824	272,058	189,951
27 Taxes other than on income	48,496	45,691	146,570	144,811
Staff costs	48,355	39,065	156,754	130,270
Depreciation	44,033	40,351	137,057	120,875
Transit of gas, oil and refined products	35,788	43,864	112,851	127,691
Repairs and maintenance	29,829	20,458	70,336	54,799
Materials	21,056	23,733	66,610	61,415
Cost of goods for resale, including refined products	15,300	16,716	36,478	42,568
27 Electricity and heating expenses	9,308	9,573	32,056	30,072
Charge for (release of) impairment provisions	(3,396)	462	(618)	6,580
Social expenses	4,855	5,701	11,836	13,782
Insurance expenses	3,114	2,172	8,787	7,251
Research and development	2,158	4,512	7,798	9,287
Other	<u>28,510</u>	<u>15,366</u>	<u>104,670</u>	<u>73,561</u>
	<u>371,028</u>	<u>326,488</u>	<u>1,163,243</u>	<u>1,012,913</u>

Staff costs include RR 3,395 and RR 10,185 of expenses associated with pension obligations for the three and nine months ended 30 September 2007, respectively, and RR 1,225 and RR 6,016 for the three and nine months ended 30 September 2006, respectively.

Purchased oil and gas include RR 60,019 and RR 213,550 of purchased gas for the three and nine months ended 30 September 2007, respectively and RR 38,548 and RR 131,104 for the three and nine months ended 30 September 2006, respectively.

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19 FINANCE INCOME AND EXPENSES

	Three months ended 30 September		Nine months ended 30 September	
	2007	2006	2007	2006
Exchange gains	33,090	9,819	57,033	54,521
Interest income	18,659	10,617	56,933	27,229
Gains on extinguishment of restructured liabilities	23	39	1,035	570
Total finance income	51,772	20,475	115,001	82,320

	Three months ended 30 September		Nine months ended 30 September	
	2007	2006	2007	2006
Exchange losses	16,244	752	32,144	17,391
Interest expense	19,649	11,470	54,877	34,185
Total finance expenses	35,893	12,222	87,021	51,576

20 EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO THE EQUITY HOLDERS OF OAo GAZPROM

Earnings per share for profit attributable to the equity holders of OAo Gazprom has been calculated by dividing the profit for the period attributable to the equity holders of OAo Gazprom by the weighted average number of ordinary shares during the period, excluding the average number of ordinary shares purchased by the Group and held as treasury shares (see Note 16).

There were 23.5 and 23.4 billion weighted average shares outstanding for the three and nine months ended 30 September 2007, and 22.8 billion weighted average shares outstanding for the three and nine months ended 30 September 2006, respectively.

21 EFFECT OF THE DECONSOLIDATION OF NPF GAZFUND

In 1994, Gazprom founded the Non-State pension fund NPF Gazfund. Historically, Gazprom consolidated Gazfund primarily due to the fact that Gazprom management exhibited control over the financial and investment decisions of Gazfund. Gazprom used Gazfund as the Group's primary investment vehicle for purchasing strategic investments and Gazfund did not have any other significant operations or investments.

During the first quarter of 2007, there were changes in legislation relating to pension funds, specifically Regulation No. 63 dated 1 February 2007, which introduced stringent requirements on pension fund's investment policies and on the composition of investment portfolios. After evaluating and assessing the specific provisions of the new legal requirements, executive management met in March 2007 and decided to discontinue the use of Gazfund as the Group's primary investment vehicle.

Based on the new legislation and management's decisions, NPF Gazfund was deconsolidated from the consolidated financial information of OAo Gazprom in first quarter 2007. As a result of this deconsolidation, the Gazfund investment assets are now accounted for as plan assets on the OAo Gazprom consolidated interim condensed balance sheet under IAS 19. The principal balance sheet line items affected are short-term financial assets, other non-current assets, provisions for liabilities and charges, minority interest and equity including treasury shares. In addition, where NPF Gazfund continues to hold ownership interests in OAo Gazprom subsidiaries (for example, OAo Gazprombank, OAo Sibur-Holding), those interests are reflected as Minority Interest in the accompanying financial information.

In accordance with IAS 19, pension assets are required to be recorded at estimated fair market values subject to certain limitations. The Company recorded a net pension asset of approximately RR 266 billion at 31 March 2007 in accordance with these requirements. The pension assets comprise shares of OAo Gazprom, shares of OAo Gazprombank and other assets held by Gazfund at 31 March 2007.

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21 EFFECT OF THE DECONSOLIDATION OF NPF GAZFUND (continued)

Although the fair value of these assets could vary within a reasonable supportable range due to the underlying assumptions used, at 31 March 2007 management estimated the fair value of these assets at approximately RR 590 billion.

The net pension asset recognized was limited to RR 266 billion by the application of IAS 19 and IFRIC 14. This limitation reflected the cumulative unrecognized net actuarial losses and the present value of economic benefits available to Gazprom in the form of reductions in future contributions to the plan. The fair values of the pension plan assets were estimated based on common valuation techniques which included specific market quotes and comparable third party transactions.

The deconsolidation of NPF Gazfund had the following line item effect(s) on the accompanying consolidated interim condensed financial information of the Group:

	Description	Increase/ (decrease)
IFRS consolidated interim condensed balance sheet		
Other non-current assets	Recognition of pension assets	265,715
Provisions for liabilities and charges	Elimination of previously recorded defined benefit liabilities	(76,166)
Treasury shares	Disposal of OAO Gazprom shares held by Gazfund	8,838
Retained earnings and other reserves	Excess of fair market value over cost basis of OAO Gazprom shares held by Gazfund	111,015
Short-term financial assets	Elimination of previously consolidated amounts	(46,340)
Cash and cash equivalents	Elimination of previously consolidated amounts	(18,518)
Accounts receivable and prepayments	Elimination of previously consolidated amounts	(7,098)
Other current assets	Elimination of previously consolidated amounts	(6,640)
Investments in associated undertakings and jointly controlled entities	Elimination of previously consolidated amounts	(7,896)
Retained earnings and other reserves	Gain on deconsolidation	44,692
Minority interest	Recognition of minority interest in Group subsidiaries held by Gazfund	90,844
IFRS consolidated interim condensed statement of income		
Deconsolidation of NPF Gazfund	Gain on deconsolidation	44,692
IFRS consolidated interim condensed statement of changes in equity		
	Cost of OAO Gazprom shares held by Gazfund	8,838
	Excess of fair market value over cost basis of OAO Gazprom shares held by Gazfund	111,015
Deconsolidation of NPF Gazfund	Recognition of minority interest in Group subsidiaries held by Gazfund	90,844
IFRS consolidated interim condensed statement of cash flows		
Decrease in cash due to NPF Gazfund deconsolidation	Decrease in cash due to NPF Gazfund deconsolidation	(18,518)

22 ACQUISITION OF THE CONTROLLING INTEREST IN OA O MOSENERGO

In May 2007, following an additional share issue by OA O Mosenergo, the Group increased its interest in the new share capital of OA O Mosenergo to a controlling interest of 50.95% for cash consideration of RR 66,163.

In accordance with IFRS 3 "Business Combinations", the Group recognized the acquired assets and liabilities based upon their fair values. Such fair value determination includes assumptions and estimates regarding future events. The carrying values of assets and liabilities, determined in accordance with IFRS before the combination, approximated the fair values. The analysis was performed on a provisional basis. Management is required to finalise the accounting within 12 months of the date of acquisition. Any revisions to the provisional values will be reflected as of the acquisition date. Details of the assets and liabilities acquired are as follows:

	Attributed fair value
Cash and cash equivalents	65,700
Accounts receivable and prepayments	5,606
Inventories	4,369
Other current assets	612
Current assets	76,287
Property, plant and equipment	107,858
Long-term accounts receivable and prepayments	7,599
Other non-current assets	637
Non-current assets	116,094
Total assets	192,381
Accounts payable and accrued charges	20,320
Short-term borrowings and current portion of long-term borrowings	7,563
Current liabilities	27,883
Long-term borrowings	10,159
Deferred tax liabilities	17,932
Other non-current liabilities	1,219
Non-current liabilities	29,310
Equity	135,188
Fair value of net assets of OA O Mosenergo at acquisition date	135,188
Fair value of the Group's interest in OA O Mosenergo	40,286
Purchase consideration	66,163
Goodwill	25,877

Following the acquisition, the Group consolidated cash and cash equivalents of OA O Mosenergo of RR 65,700. The net cash outflow on acquisition of OA O Mosenergo of RR 463 is presented in line "Other" within the investing activities in the consolidated statement of cash flows.

OA O Mosenergo contributed revenue of RR 11,460 and loss of RR 1,670 to the Group for the period from the date of acquisition to 30 September 2007. If the acquisition had occurred on 1 January 2007, the Group's revenue for the three and nine months ended 30 September 2007 would have been RR 516,175 and RR 1,683,157, respectively. The Group's profit for the three and nine months ended 30 September 2007 would have been RR 124,440 and RR 453,988, respectively.

The recognized goodwill mainly represents future synergies which are expected primarily from optimizing the fuel consumption structure of OA O Mosenergo.

23 ACQUISITION OF INTEREST IN SAKHALIN ENERGY INVESTMENT COMPANY LTD.

In April 2007, the Group acquired 50% plus one share of Sakhalin Energy Investment Company Ltd. (Sakhalin Energy), which is the operator of the Sakhalin-2 project, for RR 192,330 (USD 7,450 million) paid in cash. The Sakhalin-2 project involves the off-shore development and production of crude oil, natural gas and liquefied natural gas from the Piltun-Astokhskoye and Lunsokoye fields.

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23 ACQUISITION OF INTEREST IN SAKHALIN ENERGY INVESTMENT COMPANY LTD. (continued)

As of the date of acquisition, Gazprom holds 50% plus one share, Shell - 27.5% minus one share, Mitsui - 12.5% and Mitsubishi 10%. Under the new shareholding structure, the Group acquired the ability to exercise significant influence over Sakhalin Energy and recorded this acquisition within investments in associated undertakings and jointly controlled entities. The purchase consideration approximated the fair value of the acquired share in Sakhalin Energy at the date of acquisition. The purchase price allocation was determined on a provisional basis and will be finalized within 12 months of the date of acquisition.

Subsequent to the acquisition, the Group invested RR 41,152 (USD 1,556 million) into Sakhalin Energy. The Group's share of the net profit of Sakhalin Energy in the period from the date of acquisition through 30 September 2007 was RR 2,503 (USD 99 million). As of 30 September 2007, the carrying value of the Group's investment in Sakhalin Energy is RR 235,985 (USD 9,105 million).

24 CALL OPTION AGREEMENT WITH ENI S.P.A.

In April 2007, ENI S.P.a. (Eni) offered to the Group an option to acquire 51% interest in OAO Arctic Gas Co, ZAO Urengoil Inc and OAO Neftegaztehnologia by April 2009. In the event that the Group exercises its call option, the assets will be operated through a joint venture between Eni and the Group. In addition, Eni offered the Group an option to acquire 20% interest in OAO Gazprom Neft by April 2009, at a price of USD 3.7 billion plus certain financial expenses.

25 CASH AND CASH EQUIVALENTS, ACCOUNTS PAYABLE AND ACCRUED CHARGES OF OAO GAZPROMBANK

As of 30 September 2007 and 31 December 2006, cash and cash equivalents relating to the operations of OAO Gazprombank amounted to RR 528,651 and RR 76,604, respectively.

As of 30 September 2007 and 31 December 2006, accounts payable and accrued charges relating to the operations of OAO Gazprombank amounted to RR 707,448 and RR 151,842, respectively.

In October 2007, RR 472,206 of the cash held in deposit accounts of OAO Gazprombank was transferred to the Government of the Russian Federation resulting in a corresponding decrease in accounts payable and accrued charges.

26 PROVISIONS FOR LIABILITIES AND CHARGES

	30 September 2007	31 December 2006
Provision for environmental liabilities	36,004	31,670
Provision for pension obligations	17,959	84,393
Other	<u>3,850</u>	<u>3,515</u>
	57,813	119,578

The amounts associated with pension obligations recognized in the consolidated balance sheet are as follows:

	30 September 2007			31 December 2006		
	Benefits provided by pension plan - Gazfund	Other benefits provided by Group	Total	Benefits provided by pension plan - Gazfund	Other benefits provided by Group	Total
Present value of obligations	(202,188)	(50,916)	(253,104)	(193,352)	(44,129)	(237,481)
Unrecognised actuarial losses	120,131	6,446	126,577	120,131	6,446	126,577
Unrecognised past service cost	-	<u>26,511</u>	<u>26,511</u>	-	<u>26,511</u>	<u>26,511</u>
Net liability	(82,057)	(17,959)	(100,016)	(73,221)	(11,172)	(84,393)
Fair value of plan assets	347,772	-	347,772	-	-	-
Less liabilities, accrued	<u>(82,057)</u>	<u>(17,959)</u>	<u>(100,016)</u>	<u>(73,221)</u>	<u>(11,172)</u>	<u>(84,393)</u>
Net asset (liability) recognized	265,715	(17,959)	247,756	(73,221)	(11,172)	(84,393)

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26 PROVISIONS FOR LIABILITIES AND CHARGES (continued)

Net pension assets, related to benefits provided by pension plan - Gazfund are presented within other non-current assets in the consolidated balance sheet.

The amounts recognized in the consolidated statement of income and consolidated statement of changes in equity are as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2007	2006	2007	2006
Current service cost	1,986	707	5,958	3,474
Interest cost	<u>1,409</u>	<u>518</u>	<u>4,227</u>	<u>2,542</u>
Net expense included in staff costs in the consolidated statement of income (see Note 18)	3,395	1,225	10,185	6,016

Principal actuarial assumptions used (expressed as weighted average):

	30 September 2007	31 December 2006
Discount rate (nominal)	6.7%	6.7%
Future salary increases (nominal)	7.6%	7.6%
Employees average remaining working life (years)	15	15

The assumptions relating to longevity at normal pension age were 17 years for a 60 years old man and 28 years for a 55 years old woman in 2006.

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".

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 financial statements for public use. The 11 seats on the Board of Directors include six State representatives. 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 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.

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27 RELATED PARTIES (continued)

As of 30 September 2007 and 31 December 2006 and for the three and nine months ended 30 September 2007 and 2006 the Group had the following significant transactions and balances with the Government and parties under control of the Government:

Notes	As of 30 September 2007		Three months ended 30 September 2007		Nine months ended 30 September 2007	
	Assets	Liabilities	Revenues/ Income	Expenses	Revenues/ Income	Expenses
Transactions and balances with the Government						
	Current profit tax	18,786	8,916	-	44,532	-
	Unified social tax	42	1,254	-	4,893	-
	VAT recoverable/payable	192,740	17,440	-	-	-
	Customs duties	25,139	-	-	-	-
18	Other taxes	2,806	28,115	-	48,496	-
						146,570
Transactions and balances with other parties under control of the Government						
	Gas sales	-	-	30,676	-	132,215
	Electricity and heating sales	-	-	8,911	-	8,911
	Accounts receivable	50,062	-	-	-	-
18	Electricity and heating expenses	-	-	-	9,308	-
	Oil transportation expenses	-	-	-	10,966	-
	Accounts payable	-	6,602	-	-	-
	Loans	-	34,277	-	-	-
	Interest income/expense	-	-	217	130	1,027
	Short-term financial assets	21,746	-	-	-	-
	Investments in associated undertakings and jointly controlled entities	-	-	-	-	-
	Available-for-sale long-term financial assets	-	-	-	-	125
		137,649	-	-	-	-

Notes	As of 31 December 2006		Three months ended 30 September 2006		Nine months ended 30 September 2006	
	Assets	Liabilities	Revenues/ Income	Expenses	Revenues/ Income	Expenses
Transactions and balances with the Government						
	Current profit tax	15,488	18,957	-	44,329	-
	Unified social tax	359	1,015	-	5,514	-
	VAT recoverable/payable	180,851	21,311	-	-	-
	Customs duties	23,339	-	-	-	-
18	Other taxes	9,293	27,919	-	45,691	-
						144,811
Transactions and balances with other parties under control of the Government						
	Gas sales	-	-	30,377	-	117,435
	Accounts receivable	81,610	-	-	-	-
18	Electricity and heating expenses	-	-	-	9,573	-
	Oil transportation expenses	-	-	-	19,580	-
	Accounts payable	-	4,250	-	-	-
	Loans	-	32,107	-	-	-
	Interest income/expense	-	-	926	414	2,581
	Short-term financial assets	28,762	-	-	-	1,694
	Investments in associated undertakings and jointly controlled entities	34,828	-	-	613	435
	Available-for-sale long-term financial assets	-	-	-	-	-
		128,599	-	-	-	-

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27 RELATED PARTIES (continued)

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

See consolidated interim statement of changes in equity for returns of social assets to governmental authorities during the nine months ended 30 September 2007 and 2006. See Note 10 for net book values as of 30 September 2007 and 31 December 2006 of social assets vested to the Group at privatisation.

See Note 28 for financial guarantees issued by the Group to the associated undertakings and jointly controlled entities.

Compensation for key management personnel

Key management personnel (the members of the Board of Directors and Management Committee of OA O 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.

Associated undertakings and jointly controlled entities

For the three and nine months ended 30 September 2007 and 2006 and as of 30 September 2007 and 31 December 2006 the Group had the following significant transactions and balances with associated undertakings and jointly controlled entities:

	Three months ended 30 September		Nine months ended 30 September	
	2007	2006	2007	2006
Gas sales	Revenues	Revenues	Revenues	Revenues
RosUkrEnergo AG	37,307	43,577	121,888	117,924
Wintershall Erdgas Handelshaus GmbH & Co.KG	15,317	12,029	44,530	46,521
WINGAS GmbH	10,356	7,029	29,900	26,976
ZAO Panrusgaz	7,400	12,033	30,813	31,758
Wintershall Erdgas Handelshaus Zug AG	4,654	4,195	14,952	17,387
AO Gazum	3,385	3,578	11,503	12,666
Promgaz SPA	1,329	2,059	5,524	6,686
GWH-Gaz und Warenhandels GmbH	1,261	2,136	3,892	6,934
AO Moldovagaz	1,060	819	4,388	3,110
OA O Mosenergo*	-	5,224	19,566	19,936
Gas transportation sales				
RosUkrEnergo AG	2,664	2,869	8,642	8,881
OA O Novatek	1,950	-	6,130	-

* OA O Mosenergo is consolidated effectively since May 2007 (see Note 22)

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27 RELATED PARTIES (continued)

	Three months ended 30 September		Nine months ended 30 September	
	2007	2006	2007	2006
	Expenses	Expenses	Expenses	Expenses
Purchased gas				
RosUkrEnerg AG	162	117	25,169	8,054
TOO KazRosGaz	2,878	2,235	9,162	6,728
OAO Novatek	740	-	2,980	-
Purchased transit of gas				
SGT EuRoPol GAZ S.A.	2,789	2,617	8,007	7,975
Construction services purchases				
OAO Stroytransgaz	1,725	5,612	4,461	22,244

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 (except for that sold to AO Moldovagaz and RosUkrEnerg AG) under long-term contracts based on world commodity prices.

	As of 30 September 2007		As of 31 December 2006	
	Assets	Liabilities	Assets	Liabilities
Short-term accounts receivable and prepayments				
RosUkrEnerg AG	67,898	-	62,702	-
WINGAS GmbH	18,302	-	16,141	-
Wintershall Erdgas Handelshaus Zug AG	14,639	-	14,714	-
AO Moldovagaz*	5,046	-	1,847	-
ZAO Panrusgaz	4,001	-	7,363	-
Wintershall Erdgas Handelshaus GmbH & Co.KG	2,846	-	6,665	-
AO Gazum	1,901	-	2,073	-
SGT EuRoPol GAZ S.A.	1,103	-	1,119	-
OAO Novatek	235	-	180	-
OAO Mosenergo	-	-	501	-
Long-term accounts receivable and prepayments				
WINGAS GmbH	13,530	-	13,282	-
RosUkrEnerg AG	8,826	-	14,903	-
SGT EuRoPol GAZ S.A.	4,172	-	4,900	-
Short-term accounts payable				
WINGAS GmbH	-	2,033	-	1,608
SGT EuRoPol GAZ S.A.	-	2,030	-	1,518
RosUkrEnerg AG	-	215	-	16,904
TOO KazRosGaz	-	1,157	-	750
OAO Novatek	-	347	-	313
Short-term accounts receivable and payable for construction services				
OAO Stroytransgaz	914	600	712	8,128

* Net of impairment provision on accounts receivable in the amount of RR 23,023 and RR 22,484 as of 30 September 2007 and 31 December 2006, respectively.

Investments in associated undertakings and jointly controlled entities are disclosed in Note 11.

28 COMMITMENTS, CONTINGENCIES AND OPERATING RISKS

Taxation

Russian tax, currency and customs legislation is subject to varying interpretations and changes, which can occur frequently. 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 2007 is appropriate and all of the Group's tax, currency and customs positions will be sustainable.

Financial guarantees

	30 September 2007	31 December 2006
Outstanding guarantees issued on behalf of:		
BSPC	24,313	30,150
Gazprom Libya B.V.	4,541	-
Gaztransit	1,458	1,940
ZAO Investment Technologies	-	6,005
Other	34,230	12,770
	64,542	50,865

Included in financial guarantees are amounts denominated in USD of USD 1,330 million and USD 1,511 million as of 30 September 2007 and 31 December 2006, respectively.

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 2007 and 31 December 2006, outstanding amounts of these loans were RR 23,729 (USD 951 million) and RR 29,386 (USD 1,116 million), respectively, which were guaranteed by the Group, pursuant to its obligations.

As of 30 September 2007, and 31 December 2006, BSPC also borrowed RR 584 (USD 23 million) and RR 764 (USD 29 million) of credit facilities, provided by Depfa bank, which were guaranteed by the Group.

In November 2006, the Group provided a guarantee to Lascor Limited on behalf of ZAO Investment Technologies with respect to its purchase of OAO Salavatnefteorgsintez shares. As of 30 September 2007 and 31 December 2006, the outstanding amounts were nil and RR 6,005 (USD 228 million), respectively.

In April 2007, the Group provided a guarantee to The National Oil Corporation of Libya under a production sharing agreement on behalf of Gazprom Libya B.V. As of 30 September 2007, the outstanding amount was RR 4,541 (USD 182 million).

Other guarantees primarily relate to those issued by OAO Gazprombank to third parties in the amount of RR 26,740 and RR 7,461 as of 30 September 2007 and 31 December 2006, respectively. In January 2007, OAO Gazprombank provided guarantees to OAO Sberbank on behalf of OAO Sibneftegaz. As of 30 September 2007 outstanding amount of these guarantees was RR 6,066.

In August 2007, OAO Gazprombank provided a guarantee to OAO LUKOIL-Nizhegorodnefteorgsintez on behalf of OAO Lukoil-NORSI-Invest. As of 30 September 2007, the outstanding amount was RR 5,308. Also in August 2007 OAO Gazprombank provided a guarantee to the Department of Competition Policy of Moscow on behalf of Fund of mortgage credit lending Gazpromipoteka. As of 30 September 2007, the outstanding amount was RR 3,284.

Other guarantees

As of 31 December 2006, the Group pledged RR 9,410 (USD 358 million) of US T-bills which are included in short-term available-for-sale financial assets (see Note 7) as a guarantee of the loan received from Dresdner Bank AG. During the first quarter of 2007, the loan was fully paid.

29 POST BALANCE SHEET EVENTS

Put option on treasury shares

In November 2007, the put option on 46 million treasury shares which was issued by the Group in June 2006 was exercised at a price of 13.27 USD per share (see Note 16). In November 2007, the Group wrote a put option on 50 million of OAO Gazprom shares with a strike price of USD 16.38 per share. The option expires in May 2009.

Investments

In October 2007, the Group purchased 15.6% of the voting shares of OOO OGK-2 for RR 16 billion. In December 2007, the Group purchased 17.3% of the voting shares of OOO OGK-6 for RR 21 billion. To finance these acquisitions the Group obtained loans from Dresdner Bank AG in amount of USD 550 million and USD 120 million at an interest rate of LIBOR+1.3% due in November 2008, and loans from ABN AMRO in amount of USD 450 million and USD 450 million at an interest rate of LIBOR+2.0% due in July 2008. Management is currently assessing the accounting treatment of these investments.

In October 2007, the Board of Directors of Gazprom approved the purchase of more than 50% of the voting shares of OOO TKG-1. The transaction is expected to be completed in the first quarter of 2008.

In December 2007, the Group purchased bonds from Vneshtorgbank in the amount of RR 30,000 million maturing in November 2008, with an annual interest of 7.25%.

In December 2007, the Group acquired 50% of the voting shares of OAO Tomskneft for RR 88,181 payable in cash. Management is currently assessing the impact the transaction may have on the financial statements.

Borrowings and loans

In October 2007, the Group issued Euro 1,200 million Loan Participation Notes due in 2018 at an interest rate of 6.61% under the Group's USD 30,000 million Programme for the Issuance of Loan Participation Notes.

In October 2007, the Group received a loan of USD 520 million from Credit Swiss International at an interest rate of 5% due in 2017.

In November 2007, the Group issued Yen 20,000 million (RR 4,400) Loan Participation Notes due in 2010 at an interest rate of 2.63% and Yen 30,000 million (RR 6,600) Loan Participation Notes due in 2012 at an interest rate of 2.89% under the Group's USD 30,000 million Programme for the Issuance of Loan Participation Notes.

In November 2007, the Group issued two series of RR 20,000 bonds, each due in 2012 at an interest rate of 7.40%.

In November 2007, the Group received USD 550 million from a group of international banks ABN AMRO, Calyon Credit Agricole CIB, Citigroup Global Markets and Commerzbank under the USD 2,200 million loan facility at an interest rate of LIBOR+0.75% due in 2010.

In November and December 2007, the Group received a loan of USD 100 million from HSBC Bank PLC at an interest rate of LIBOR+1.1% due in 2009.

In January 2008, the Group received a loan of USD 1,635 million from Credit Swiss International at an interest rate of 5.25% due in 2018, to refinance the loan received in September 2007.

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