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# **PREFACE**

Fact book «Gazprom in Figures 2002–2006» is an informational and statistical edition, prepared for OAO «Gazprom» annual General shareholders meeting 2007. It is aimed at providing figures about the company's role in the world and Russian gas business as well as about company's activities in 2002-2006 to shareholders and investors.

The Fact book is prepared on the basis of corporate reports and accounts of OAO «Gazprom», including figures of earlier annual reports, the issuer's quarterly reports, offering circulars, as well as on the basis of Russian and foreign sources of publicly disclosed information

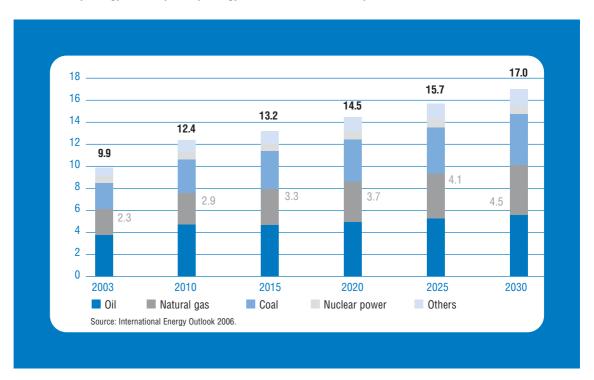
All the terms, explanations, admissions and restrictions of OAO «Gazprom» Annual report 2006 are valid in the present Fact book. In particular, the term OAO «Gazprom» refers to the head company of the *Group*, i.e. to Open Joint Stock Company «Gazprom». The *Gazprom Group*, the *Group* or *Gazprom* imply OAO «Gazprom», its subsidiaries and related companies taken as a whole.

Similarly, the term *Gazprom Neft Group* and *Gazprom Neft* imply OAO «Gazprom Neft» and its subsidiaries, the term *Sibur Holding* refers to OAO «Sibur Holding» and its subsidiaries.

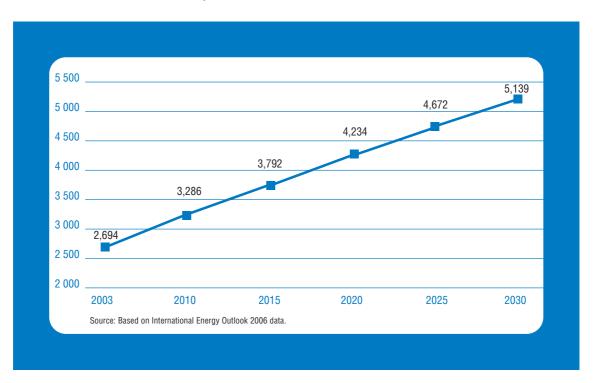


# NATURAL GAS IN THE WORLD ENERGY

World Primary Energy Consumption by Energy Source, bln. tons of oil equivalent

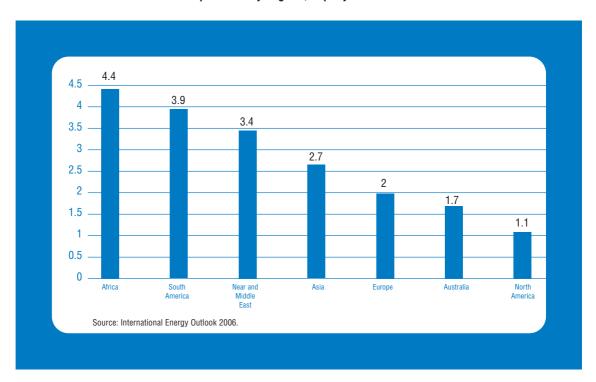


**World Natural Gas Production Forecast, bcm** 

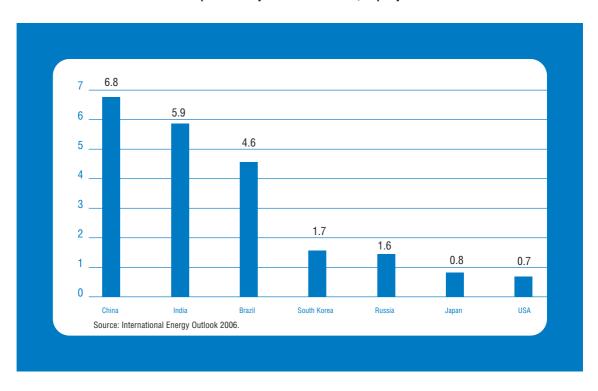




## Annual Natural Gas Demand Growth up to 2030 by Regions, % per year

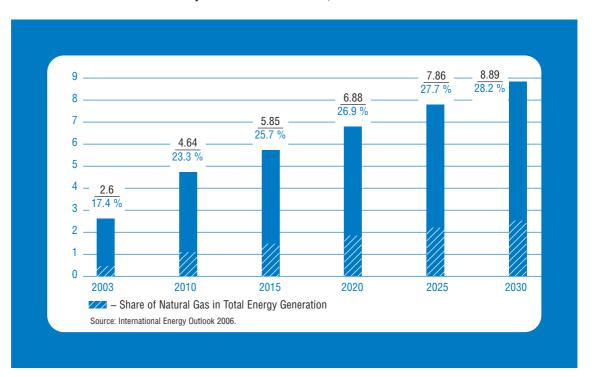


# Annual Natural Gas Demand Growth up to 2030 by Selected Countries, % per year





## World Net Natural-Gas-Fired Electricity Generation in 2003-2030, bln. kilowatthours



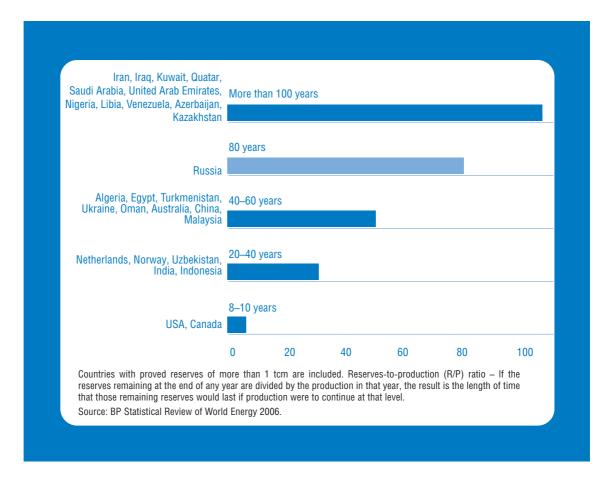
### World Natural Gas Consumption by Region, bcm

Region	2004	Share of total, %	2005	Share of total, %	2006	Share of total, %
Russia	450.5	16.2	436.9	15.3	458.0	15.6
North America	769.5	27.7	753.9	26.5	770.7	26.3
South America	114.3	4.1	123.1	4.3	127.0	4.3
Europe	651.4	23.5	664.3	23.3	640.4	21.9
Africa	79.6	2.9	84.2	3.0	87.3	3.0
Near and						
Middle East	250.8	9.0	271.9	9.5	280.6	9.6
Asia	430.3	15.5	486.1	17.1	537.7	18.3
Australia						
and Oceania	27.5	1.0	27.7	1.0	28.5	1.0
Total	2,773.9	100.0	2,848.1	100.0	2,930.2	100.0

Source: Based on 2006 Natural Gas Year in Review (Cedigaz, 2007); Natural Gas in the World, Trends and Figures in 2005 (Cedigaz, 2006).



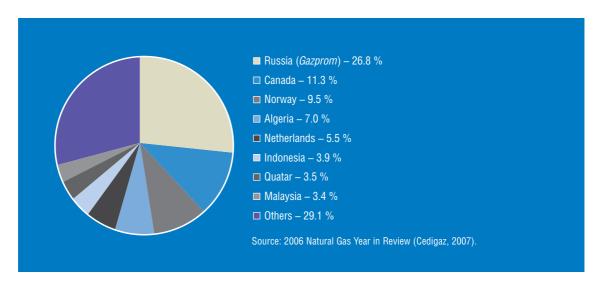
#### **Gas Reserves-to-Production Ratio**



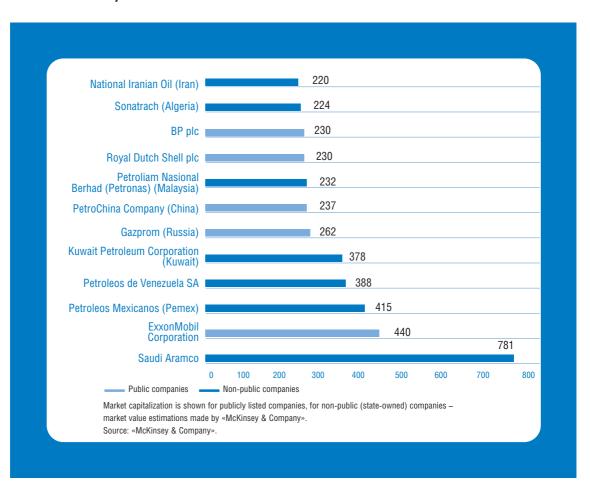


# **GAZPROM IN THE WORLD GAS INDUSTRY**

Main Exporters of Natural Gas in 2006 (Pipelines and LNG)



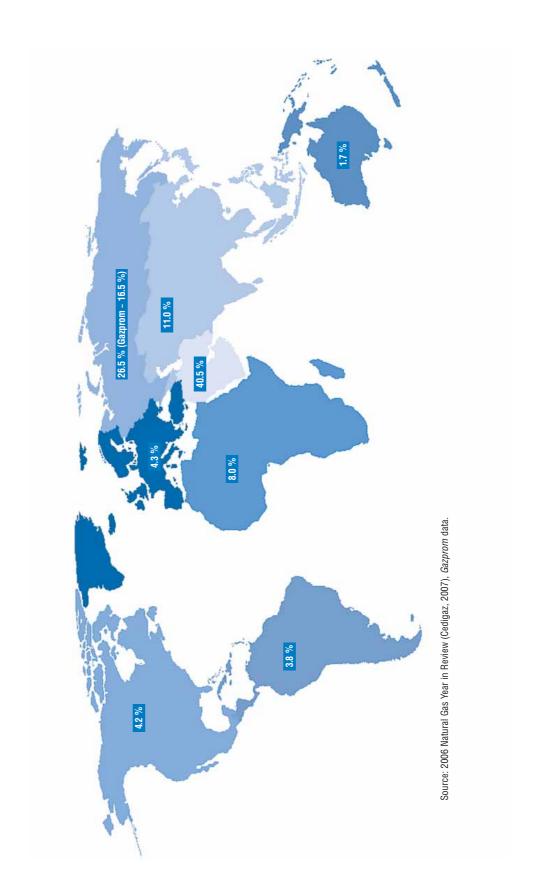
Wolrd Oil and Gas Majors as of 31.12.2005





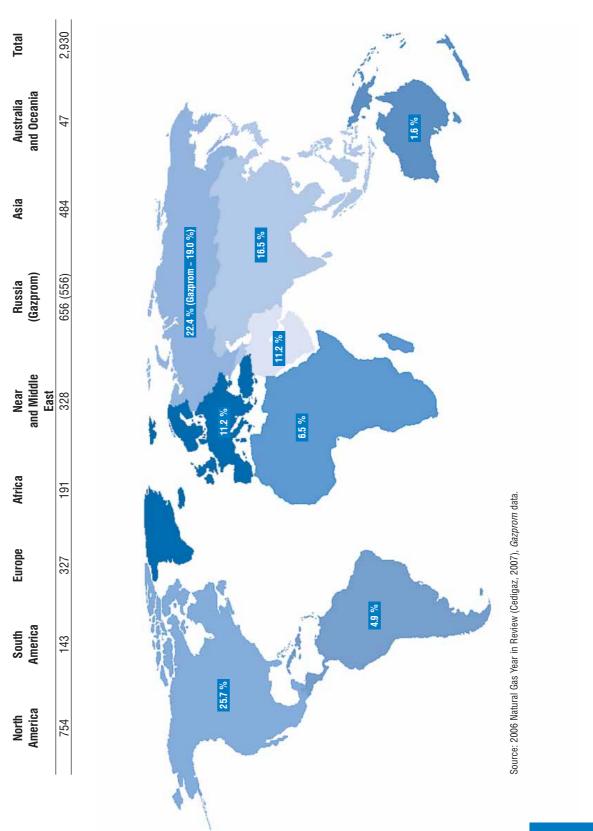
World Proved Natural Gas Reserves by Region as of 01.01.2006, tcm

Total	180.46
Australia and Oceania	3.0
Asia	19.95
Russia (Gazprom)	47.82 (29.85)
Near and Middle East	73.02
Africa	14.41
Europe	7.74
South America	6.95
North America	7.57





Marketed Production of Natural Gas by Region in 2006, bcm





# **GAZPROM AND RUSSIAN ECONOMY**

### Role of Gazprom in the Russian National Economic Indicators, 2006

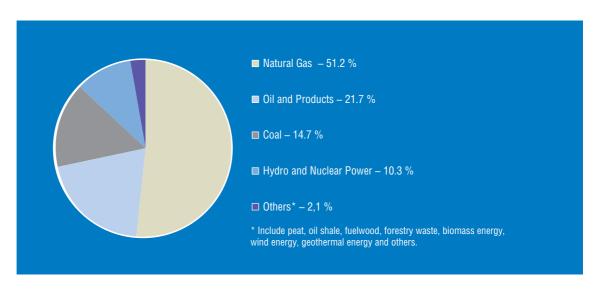
Indicators	Share, %
GNP share	10.6
Natural gas reserves controlled	More than 60
National gas production	84.7
Oil and condensate production	9.5

Source: based on Federal State Statistics Service and *Gazprom* data.

#### Gas Reserves Structure in Russia as of 31.12.2006

	Volume, tcm	Share, %
Gazprom (controlled reserves)	29.85	62.4
Independent producers	10.2	21.3
Undistributed fund	7.8	16.3
Total	47.85	100

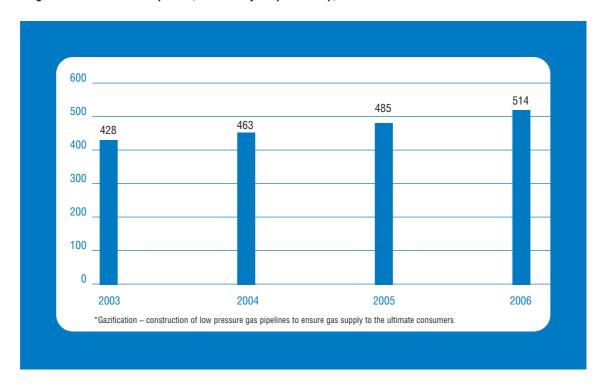
### Fuel and Energy Consumption Structure in Russia, 2006



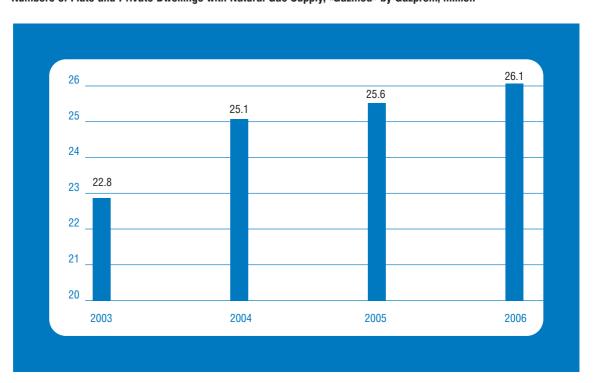


### **GAZPROM'S PARTICIPATION IN «GAZIFICATION»\* OF RUSSIAN REGIONS**

Length of Gas Distribution Pipelines, Serviced by Gazprom Group, thousand km

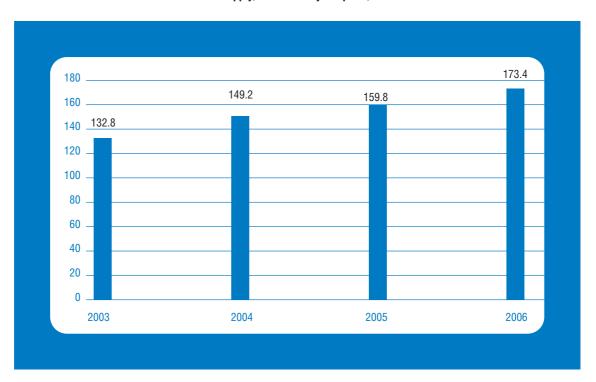


Numbers of Flats and Private Dwellings with Natural Gas Supply, «Gazified» by Gazprom, million

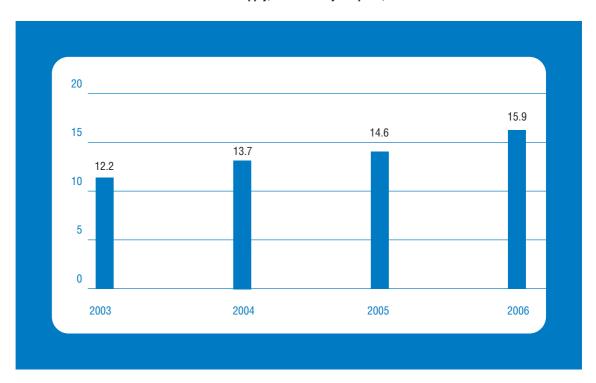




## Number of Utilities Plants with Natural Gas Supply, «Gazified» by Gazprom, thousand



Number of Industrial Plants with Natural Gas Supply, «Gazified» by Gazprom, thousand





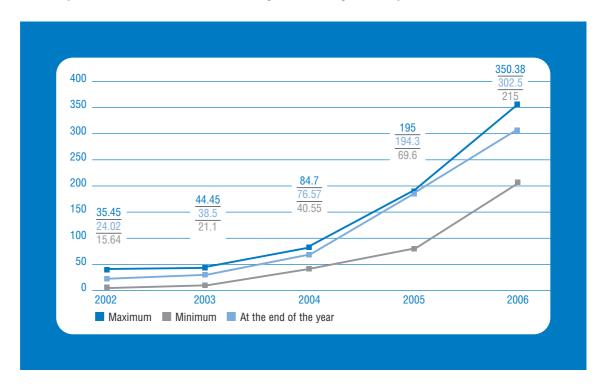
# **GAZPROM IN DEVELOPMENT, 2002–2006**

## SHARE CAPITAL, DIVIDENDS, FINANCIAL AND MARKET INDICATORS

Share Capital Structure of OAO «Gazprom», %

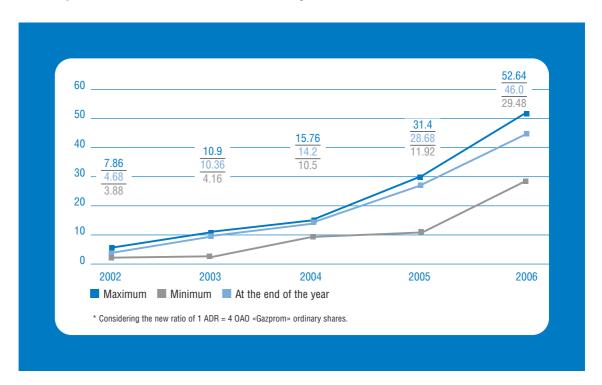
	2002	2003	2004	2005	2006
Shareholding controlled by					
the Russian Federation,	39.262	39.262	39.262	50.002	50.002
including:					
Federal Agency					
for Federal Property Management	38.373	38.373	38.373	38.373	38.373
OAO «Rosgazifikatsiya»	0.889	0.889	0.889	0.889	0.889
OAO «Rosneftegaz»	-	-	-	10.740	10.740
ADR holders	4.422	4.422	4.422	4.422	13.200
Other registered entities	56.316	56.316	56.316	45.576	36.798
Total	100.0	100.0	100,0	100,0	100,0

OAO «Gazprom» Share Close Price at St. Petersburg Stock Exchange, roubles per share

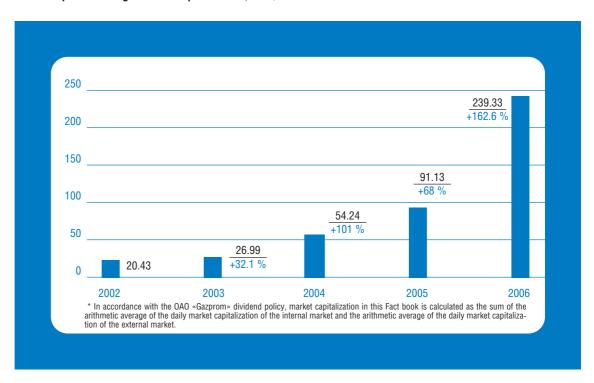




## OAO «Gazprom» ADR Close Price at London Stock Exchange\*, \$



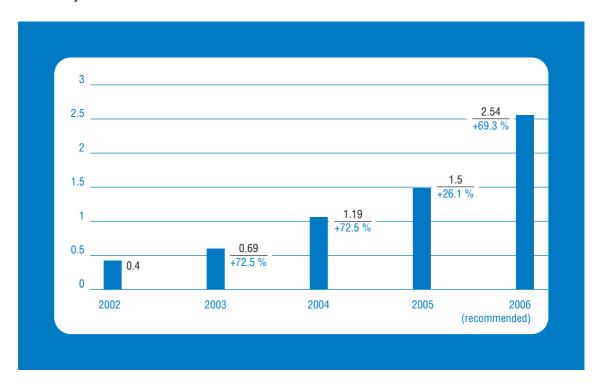
### OAO «Gazprom» Average Market Capitalization\*, bln. \$





Market value growth by 163 % in 2006 resulted in OAO «Gazprom» leadership among the European companies in terms of market capitalization level and its second ranking among the world largest energy companies according to this criterion. Along with OAO «Gazprom» share market liberalization this led to the fact than since June 1, 2006, OAO «Gazprom» shares began to be taken into account for the purpose of the MSCI Emerging Markets index calculated by Morgan Stranley Capital International Investment Bank. This index is formed on the basis of 850 emerging market companies among which OAO «Gazprom» shares has the largest weight (4.5–6.0 % in 2006). The successive companies – «Samsung Electronics», OAO «NK Lukoil», «Taiwan Semiconductor», «Petrobras» – had 1.5–3 times lesser weights in the index.

#### **Divedend Dynamics**





#### **OAO «Gazprom» financial and Market Ratios**

	2002	2003	2004	2005	2006
Return on equity, %*	3.34	7.60	8.70	6.08	9.40
Return on assets, %*	2.40	5.65	6.41	4.79	7.55
Return on sales, %*	18.03	26.59	23.85	29.09	31.72
Current liquidity ratio *	1.41	1.84	3.04	3.35	2.96
Quick ratio *	1.18	1.54	2.52	2.67	2.35
Equity/assets ratio *	0.72	0.74	0.74	0.79	0.80
Debt to capital ratio, %	24.4	22.4	23.7	20.23	16.90
P/E ratio					
(domestic OAO «Gazprom» share market)	10.93	6.30	11.29	22.65	00.00
P/E ratio					_ 20.83
(external OAO «Gazprom» share market)	16.89	12.67	14.49	24.06	
Market capitalization, \$ bln	20.43	26.99	54.24	91.13	239.33
Market capitalization/net assets	0.41	0.49	0.84	0.77	1.77

<sup>\*</sup> Calculated in accordance with the Regulation on information disclosure by securities issuers approved by Order of the Federal Financial Markets Service No 06-117/pz-n dated October 10, 2006.

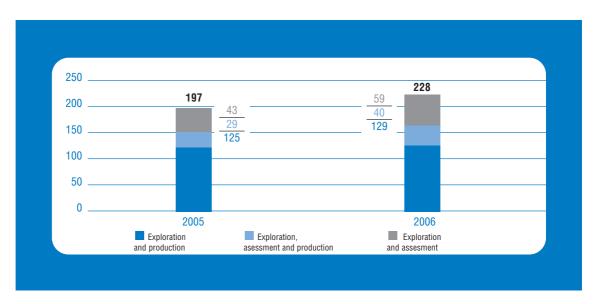
#### **RESOURCE BASE**

#### Licenses

Exploration and production of the subsoil resources in Russian Federation are subjected to state licensing. Most of *Gazprom Group* licenses to study, explore and produce hydrocarbons were received in 1993-1996 in accordance with the Subsoil Resources Law. Majority licenses expire after 2012.

Since *Gazprom Group* license holders are in material compliance with license agreements, they are entitled to receive an extension of existing licenses to complete exploration or to finish the development of the field. *Gazprom* plans to extend its license agreements to the full economic lives of the associated fields upon the expiration of their primary terms.

### Gazprom Group Licenses to Study, Explore and Produce Hydrocarbons by Type





# Gazprom Group Licenses as of 31.12.2006

NN	License holder	Type of license, pcs					
		Exploration and production	Exploration assesment and production	Exploration and assesment	Seach for sites, construction and operation of underground storage facilities	Total	
1	OAO Gazprom	4	5	19	7	35	
2	000 Astrakhangazprom	1	1	-	1	3	
3	000 Kaspiygazprom	-	4	3	-	7	
4	000 Kavkaztransgaz	13	-	3	1	17	
5	000 Kubangazprom	34	3	1	2	40	
6	000 Nadymgazprom	6	-	5	-	11	
7	000 Noyabrskgazdobycha	5	-	1	-	6	
8	000 Purgazdobycha	-	1	-	-	1	
9	000 Orenburggazprom	1	1	9	5	16	
10	000 Severgazprom	4	_	5	_	9	
11	000 Surgutgazprom	1	1	-	_	2	
12	000 Tyumentransgaz	3		_	1	4	
13	000 Uraltransgaz	_	1	1		2	
14	000 Urengoigazprom	3			_	3	
15	000 Yamburggazdobycha	2	1	-	_	3	
16	OAO Severneftegazprom	1	-	-	-	1	
17	OAO Vostokgazprom	_	3	-	_	3	
18	OAO Tomskgazprom	5	_	-	_	5	
19	OAO Sevmorneftegaz	2	_	_	_	2	
20	ZAO Stimul	1	-	-	_	1	
21	000 Bashtransgaz	-	_	_	2	2	
22	000 Volgogradtransgaz	_	_	_	 1	1	
23	000 Volgotransgaz	_	_	-	1	1	
24	000 Lentransgaz	_	_	_	2	2	
25	000 Mostransgaz	_	_	_	4	4	
26	000 Permtransgaz	_	_	-	1	1	
27	000 Samaratransgaz	_	_	_	4	4	
28	000 Yugtransgaz	_	_	_	3	3	
29	OAO Krasnoyarskgazprom	_	_	1	-	1	
30	000 Krasnoyarskgazdobycha	1	2	1	_	4	
31	000 Serviceneftegaz	1	1	-	_	2	
32	OAO Uralneft	-	2	-	_	2	
33	ZAO Purgaz	1	-	_	_	1	
34	Group Zarubezhneftegaz	-	2	_	_	2	
35	Group Gazprom Neft	40	12	10	_	62	
	Total	129	40	59	35	263	



# Affiliated Companies Licenses as of 31.12.2006

NN	License holder		Type of license, pcs						
		Exploration and production	Exploration assesment and production	Exploration and assesment	Seach for sites, construction and operation of underground storage facilities	Total			
1.	ZAO Pechorneftegazprom	5	-	-	-	5			
2.	000 CentrCaspneftegaz	-	-	1	-	1			
3.	OAO Uralneftegazprom	6	-	-	-	6			
4.	OAO Yuzhnaya NK	-	2	-	-	2			
5.	000 Caspiyskaya NK	-	-	1	-	1			
6.	ZAO Nortgaz	1	-	-	-	1			
7.	Group Slavneft	27	11	1	-	39			
	Total	39	13	3	-	55			

# Licenses Expiration Dates of Gazprom Group Main Hydrocarbon Fields

License holder	Name of the field	Type of the field	License expiration year	
OAO Gazprom	Severo-Purovskoye	gas condensate	2026	
	Zapadno-Astrakhanskoye	gas condensate	2024	
	Dolginskoye	oil	2025	
	Severo-Kamennomysskoye	gas condensate	2026	
	Kamennomysskoye-more	gas	2026	
	Obskoye	gas	2026	
000 Astrakhangazprom	Astrakhanskoye	gas condensate	2019	
000 Nadymgazprom	Medvezhye	gas condensate	2018	
	Yubileinoye	oil-gas condensate	2018	
	Yamsoveiskoye	oil-gas condensate	2018	
	Kharasaveiskoye	gas condensate	2019	
	Bovanenkovskoye	oil-gas condensate	2019	
	Novoportovskoye	oil-gas condensate	2019	
000 Noyabrskgazdobycha	Vyngapurovskoye			
	(Cenomanian)	oil-gas condensate	2012	
	Komsomolskoye			
	(Cenomanian)	oil-gas condensate	2012	
	Yety-Purovskoye			
	(Cenomanian)	oil-gas condensate	2014	
	Vyngayakhinskoye			
	(Cenomanian)	gas-oil	2019	
000 Orenburggazprom	Orenburgskoye	oil-gas condensate	2018	
000 Purgazdobycha	Zapadno-			
	Tarkosalinskoye	oil-gas condensate	2018	
000 Severgazprom	Vuktylskoe	oil-gas condensate	2016	
OAO Severneftegazprom	Yuzhno-Russkoye	oil-gas	2018	
ZAO Stimul	Orenburgskoye			
	(eastern section)	oil-gas condensate	2018	



000 Urengoigazprom	Urengoiskoye	oil-gas condensate	2013
	Yen-Yakhinskoye	oil-gas condensate	2013
	Severo-Urengoiskoye		
	(Cenomanian)	oil-gas condensate	2013
	Pestsovoye	oil-gas condensate	2019
000 Yamburggazdobycha	Yamburgskoye	oil-gas condensate	2018
	Zapolarnoye	oil-gas condensate	2018
	Tazovskoye	oil-gas condensate	2025
OAO Tomskgazprom	Myldzhinskoye	gas condensate	2019
000 Krasnoyarsk-			
gazdobycha	Sobinskoye	oil-gas condensate	2028
OAO Sevmorneftegaz	Shtokmanovskoye	gas condensate	2018
	Prirazlomnoye	oil	2018
ZAO Purgaz	Gubkinskoye	oil-gas condensate	2014
OAO Gazprom Neft	Muravlenkovskoye	oil-gas condensate	2013
	Novogodneye	oil-gas condensate	2013
	Priobskoye		
	(southern area)	oil-gas condensate	2013
	Sporyshevskoye	oil-gas condensate	2047
	Sugmutskoye	oil-gas condensate	2050
	Sutorminskoye	oil-gas condensate	2013
	Vyngapurovskoye		2013
	(Yamalo-Nenetski AO),	oil ann anndanasta	
	Vyngapurovskoye	oil-gas condensate	
	(Khanty-Mansiyski AO)		2014
	Vyngayakhinskoye	oil-gas condensate	2013

#### **Exploration Activities**

Gazprom Group is currently engaged in the exploration for new hydrocarbon deposits in Russia and abroad. The bulk of this activity is concentrated in six federal districts (FD) of Russian Federation: Urals (Yamalo-Nenetski AO, Khanty-Mansiski AO, Sverdlovsk region), North-Western FD (Nenetski AO, Komi Republic), Southern FD (Astrakhan region, Krasnodarsky krai, Stavropolsky krai), Privolzhsky FD (Orenburg region), Siberian FD (Tomsk region, Irkutsk region, Krasnoyarsky krai), Far Eastern FD (Chukotka). Foreign projects include Gazprom activities in India, Vietnam, Venezuela, Kazahkstan, Uzbekistan, Tadjikistan, Kyrgystan.

#### **Major Exploration Metrics**

	2002	2003	2004	2005	2006
Exploration well drilling, thousand m	60.4	79.5	130.6	149.4	182.2
2D seismic survey, thousand km	10.5	10.0	8.3	10.4	9.6
3D seismic survey, thousand square km	0.7	2.3	2.3	3.2	7.9
Gas reserves growth due to exploration, bcm	499.2	426.8	378.1	583.4	590.9
Oil and condensate reserves					
growth due to exploration, million tons	21.5	9.6	17.2	33.0	58.8
Drilling efficiency, tce / m	10,131	5,866	3,157	4,522	3,657



#### New Fields Discovered by Gazprom in 2002-2006

Name of the field	Location	Туре	Year of discovery	
Sredne-Nadymskoye	Yamalo-Nenetski AO	oil	2002	
Yuzhno-Pestsovoye	Yamalo-Nenetski AO	gas condensate	2002	
Chugoryakhinskoye	Yamalo-Nenetski AO	gas	2002	
Lenskoye	Yamalo-Nenetski AO	gas condensate	2002	
Grechanoe	Krasnodarsky krai	gas	2002	
Chernoerkovskoye	Krasnodarsky krai	oil-gas condensate	2002	
Obskoye	Western Siberia	gas	2003	
Yuzhno-Chernoerkovskoye	Krasnodarsky krai	gas-oil	2003	
Peschanoe	Krasnodarsky krai	gas-oil	2003	
Beryambinskoye	Krasnoyarsky krai	gas condensate	2004	
Ninelskoye	Yamalo-Nenetski AO	oil	2004	
Zapadno-Kazachye	Krasnodarsky krai	gas	2004	
Vostochno-Peschanoe	Orenburg region	oil	2004	
Severo-Yuguidskoye	Komi Republic	oil-gas condensate	2005	
Zapadno-Astrakhanskoye	Astrakhan region	gas condensate	2005	
Kutymskoye	Western Siberia	gas-oil	2005	
Chikanskoye	Irkutsk region	gas condensate	2006	
Akobinskoye	Orenburg region	gas condensate	2006	
Karmalinovskoye	Stavropolsky krai	gas condensate	2006	
Yuzhno-Noyabrskoye	Yamalo-Nenetski AO	oil	2006	

#### Reserves

Main Differences Between Russian Reserves System and International Standards

Hydrocarbon reserves of the *Gazprom Group* are estimated using both the Russian reserves system and methodologies developed by the Society of Petroleum Engineers («SPE International Standards») and by the Securities and Exchange Commission ("SEC Standards"). Since 1997, DeGolyer and MacNaughton, an independent U.S. petroleum engineering consulting firm, has evaluated *Gazprom's* reserves according to international standards. In 2006 *Gazprom Neft* reserves were audited by Miller and Lents.

The Russian reserves system differs significantly from the internationally accepted classifications in particular with respect to the manner in which and the extent to which commercial factors are taken into account in calculating reserves.

The Russian Reserves System

The Russian reserves system is based solely on an analysis of the geological attributes of reserves and take into consideration the actual physical presence of hydrocarbons in geological formations or the probability of such physical presence. Explored reserves are represented by categories A, B, and  $C_1$ ; preliminary estimated reserves are represented by category  $C_2$ ; prospective resources are represented by category  $C_3$ ; and forecasted resources are represented by the categories  $D_1$  and  $D_2$ .

Natural gas reserves in categories A, B and C<sub>1</sub> are considered to be fully extractable. For reserves of oil and gas condensate, a predicted coefficient of extraction is calculated based on geological and technical factors.

Category A reserves are calculated on the part of a deposit drilled in accordance with an approved development project for the oil or natural gas field. They represent reserves that have been analyzed in sufficient detail.



Category B represents the reserves of a deposit (or portion thereof), the oil or gas content of which has been determined on the basis of commercial flows of oil or gas obtained in wells at various hypsometric depths. The main parameters and the major features of the deposit that determine the conditions of its development have been studied in sufficient detail to draw up a project to develop the deposit.

Category  $C_1$  represents the reserves of a deposit (or of a portion thereof), the oil or gas content of which has been determined on the basis of commercial flows of oil or gas obtained in wells and positive results of geophysical exploration of non-probed wells. Category  $C_1$  reserves are computed on the basis of results of geophysical exploration work and production drilling and must have been studied in sufficient detail to yield data from which to draw up either a trial industrial development project in the case of a natural gas field or a technological development scheme in the case of an oil field.

Gazprom's "proved" reserves are valuated according to SEC Standards, and "probable" and "possible" reserves - according to SPE International Standards

SPE International Standards

SPE International Standards take into account not only the probability that hydrocarbons are physically present in a given geological formation but also the economic viability of recovering the reserves. Exploration and drilling costs, ongoing production costs, transportation costs, taxes, prevailing prices for the products, and other factors that influence the economic viability of a given deposit are taken into consideration.

Under SPE International Standards, Reserves are Classified as Proved, Probable and Possible.

Proved reserves include reserves that are confirmed with a high degree of certainty through an analysis of the development history and/or volume method analysis of the relevant geological and engineering data. Proved reserves are those that have a better than 90 % chance of being produced.

Probable reserves are those reserves in which hydrocarbons have been located within the geological structure with a lesser degree of certainty because fewer wells have been drilled and/or certain operational tests have not been conducted. Probable reserves are those reserves that have a better than 50 % chance of being produced.

An evaluation of proved and probable natural gas reserves naturally involves multiple uncertainties. The accuracy of any reserves evaluation depends on the quality of available information and engineering and geological interpretation. Based on the results of drilling, testing and production after the audit date, reserves may be significantly restated upwards or downwards. Changes in the price of natural gas, gas condensate or oil may also affect proved and probable reserves estimates, as well as estimates of future net revenues and present worth, because the reserves are evaluated, and the future net revenues and present worth are estimated, based on prices and costs as of the audit date.

Differences between SPE International Standards and SEC Standards

**Certainty of Existence.** Under SPE International Standards, reserves in undeveloped drilling sites that are located more than one well location from a commercial producing well may be classified as proved reserves if there is "reasonable certainty" that they exist. Under SEC Standards, it must be "demonstrated with certainty" that reserves exist before they may be classified as proved reserves. In their evaluation of *Gazprom's* proved reserves DeGolyer and MacNaughton has applied the stricter SEC Standards with respect to certainty of existence.

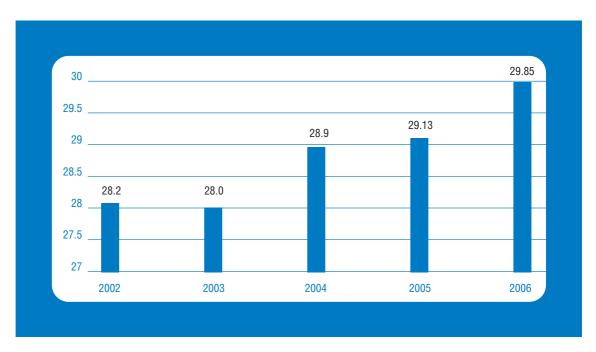
**Duration of License.** Under SPE International Standards, proved reserves are projected to the economic production life of the evaluated fields. Under SEC Standards, oil and gas deposits may not be classified as proved reserves if they will be recovered after the expiration of a current license period unless the license holder has the right to renew the license and there is a demonstrated history of license renewal. The Subsoil Resources Law provides that a license holder shall be entitled to receive an extension of an existing license where extractable reserves remain upon the expiration of the



primary term of the license, provided that the license holder is in material compliance with the license agreement. *Gazprom* prepares and submits for government approval development plans for its fields based on the economic life of the field, even where this life exceeds the primary term of the associated license. *Gazprom* is in material compliance with license agreements, and will be entitled to extend them to the full economic lives of the associated fields upon the expiration of their primary terms.

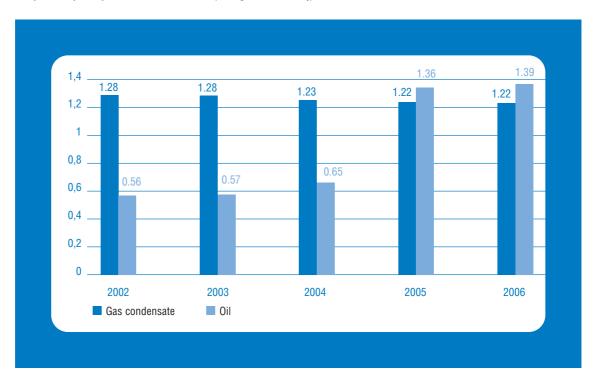
However, the absence of an absolute legal right to extension and a significant demonstrated history of extension makes it uncertain whether extractable reserves *Gazprom* plans to recover after the expiration of a current license period may be considered proved reserves under SEC Standards. SEC experts have not provided definitive guidance on whether in these circumstances such extractable reserves could be considered proved under SEC Standards.

### Gazprom's Natural Gas Reserves (Categories A+B+C1), tcm





# Gazprom Liquid Hydrocarbons Reserves (Categories $A+B+C_1$ ), billion tons

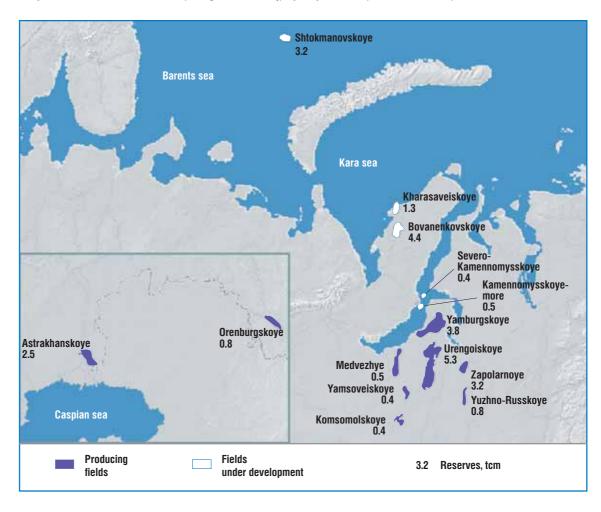


# International Audit of Gazprom's Hydrocarbon Reserves (in Comparison With Russian Reserve System)

	31.1	2.2002	31.	.12.2003	31.	12.2004	31.1	2.2005	31.	12.2006
Reserves, evaluated	Category	International	Category	International	Category	International	Category	International	Category	International
to international	A+B+C <sub>1</sub>	standards	A+B+C <sub>1</sub>	standards	A+B+C <sub>1</sub>	standards	A+B+C <sub>1</sub>	standards	A+B+C <sub>1</sub>	standards
standards	reserves	(proved and	reserves	(proved and	reserves	(proved and	reserves	(proved and	reserves	(proved and
	entered	probable)	entered	probable)	entered	probable)	entered	probable)	entered	probable)
	into audit		into audit		into audit		into audit		into audit	
Gazprom's hydrocarbon	reserves ( <i>Gazpor</i>	m Neft non include	d)							
Natural gas, tcm	25.2	18.7	25.3	18.5	27.7	20.9	27.6	20.66	27.8	20.73
Gas condensate,										
million tons	1,144.2	515.8	1,142.7	588.2	1,095.2	654.84	1,094.3	692.6	1,096.3	658.99
Oil, million tons	362.4	106.5	383.9	132.5	496.2	235.96	565.2	299.5	585.4	290.88
Gazprom Neft's hydrocal	rbon reserves									
Crude oil,				-				-		
million tons	-	-	-	-	-	-	699.96	932.2	723.1	775.6
Natural gas, tcm	-	-	-	-	-	-	-	0.15	-	0.03

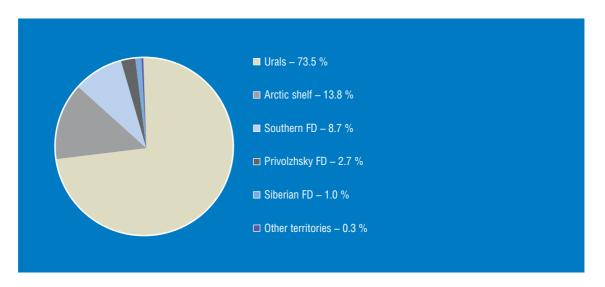


Gazprom's Natural Gas Reserves (Categories A+B+C<sub>1</sub>) by Major Fields (as of 31.12.2006)

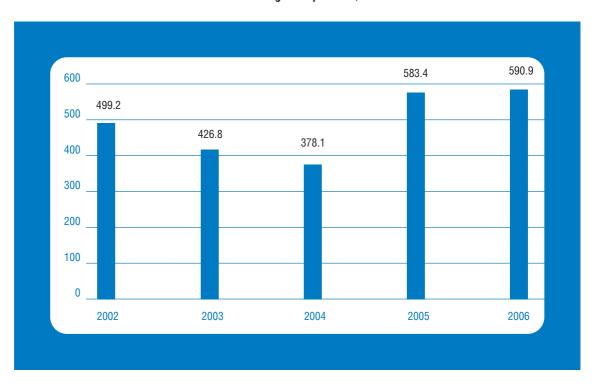




## Territory Distribution of Gazprom's Gas Reserves (Categories A+B+C<sub>1</sub>)

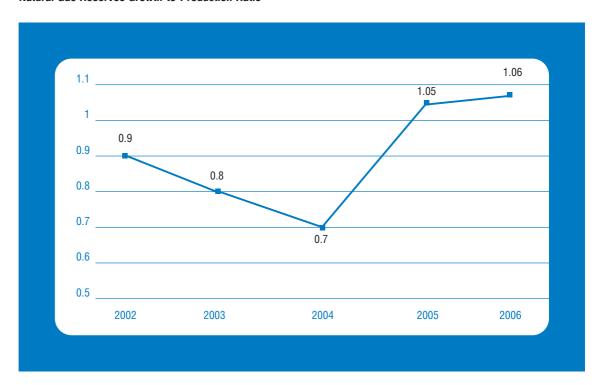


Annual Natural Gas Reserves Increment Due to Geological Exploration, bcm





## Natural Gas Reserves Growth-to-Production Ratio

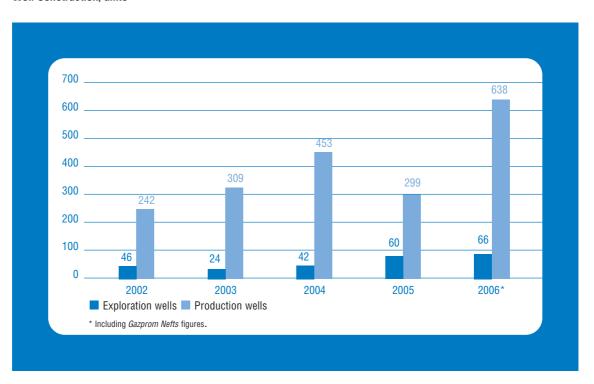




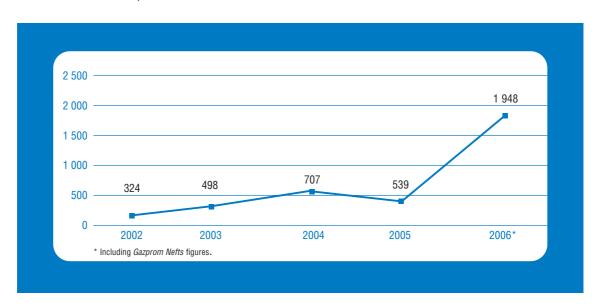
### **Drilling**

Construction of exploration and production wells in the fields and underground storage facilities by *Gazprom Group* request is accomplished by: 000 Burgas – general contractor, 0AO Podzemburgaz, 000 Gazflot, drilling units of 000 Kavkaztransgaz, 000 Kaspiygazprom, 0AO Uraltransgaz, third-party drilling contractors.

#### Well Construction, units



### Annual Total Penetration, thousand m

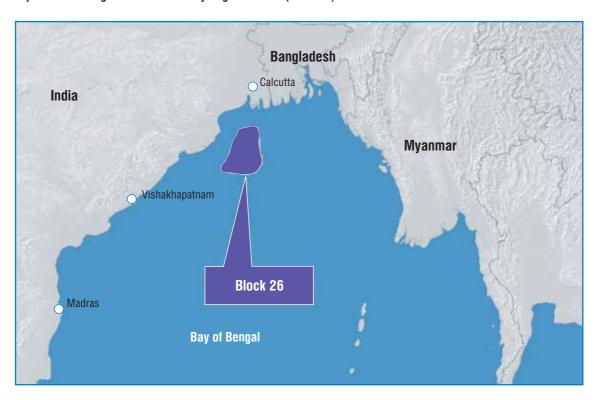




### Gazprom's Off-shore Exploration and Production Projects Abroad

#### India

### **Exploration Drilling and Seismic Survey Region in India (Block 26)**

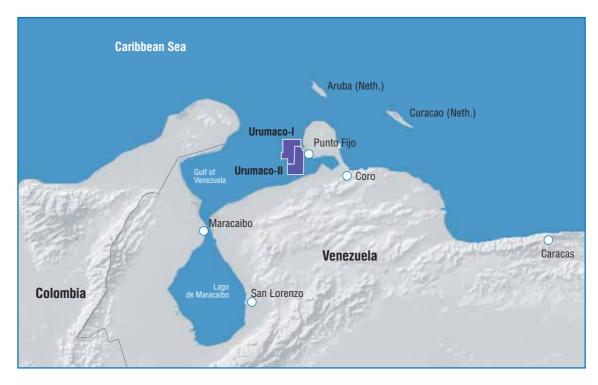


- $\bullet$  Project purpose and description: Search, exploration and production of hydrocarbons in the block NEC-OSN-97/1 (No 26) of the Indian shelf in the Bay of Bengal.
- Project start: 2000
- Legal basis and participants: Production sharing agreement between the Government of India, OAO "Gazprom" and Gas Authority of India, Ltd. dated 03.10.2000, as well as the working Agreement between participants, dated 07.06.2001.
- Gazprom Group share: 50 %
- Total reserves estimate: 248-367 million toe
- Main events of 2006: GG-1 well (2,400 m depth) was drilled. Geological pattern of NW-1 object was confirmed. Location of the second well (4,400 m depth) in object NEC-FA-5 was fixed.



#### Venezuela

#### Deposit Blocks Urumaco-I and Urumaco-II on Venezuelan Shelf



- Project purpose and description: Project «RAFAEL-URDANETA, Phase A»; geological research and gas field development of the license deposit blocks Urumaco-I and Uru-maco-II in the eastern part of Gulf of Venezuela.
- Project start: 2005
- Legal basis and participants: License №334 dated October 4, 2005 (block Urumaco-I), License №336 dated October 4, 2005 (block Urumaco-II). Licences for geological research and gas field development are valid until 2030. Two companies Urdanetagazprom-1, S.A. and Urdanetagazprom-2, S.A. were established to realize this project.
- Total reserves estimate: block Urumaco-I: 2.2 36.5 bcm of natural gas, block Urumaco-II: 5.3 136.7 bcm of natural gas.
- Main events of 2006: Realization of the first stage of geological research 3D seismic survey began. First workings to drill exploration wells started.



#### Vietnam

### Exploration Drilling and Siesmic Survey Region in Vietman (Blocks 112 and 113)

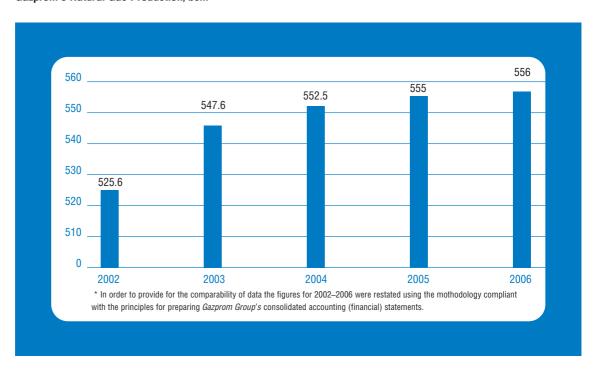


- Project purpose and description: Search, exploration, production and sales of hydrocarbons in the Block 112 (Bach-Chi Elevation) of the Vietnamese shelf according to production sharing agreement.
- Project start: 2000
- Legal basis and participants: Oil and gas contract concerning Block №112 of continental shelf of the Socialist Republic of Vietnam dated 11.09.2000. Production sharing agreement between VNK Petrovietnam, OAO "Gazprom", NKPV Petrovietnam and ZAO Zarubezhneftegaz. Project operator joint enterprise Vietgazprom.
- Gazprom Group share: 50 %
- Total reserves estimate: Bao Den structure 107.6 bcm, including 68 bcm of hydrocarbon gas.
- Main events of 2006: Coordinates of the second exploration well VGP-113-BD-1X (depth 2,500 m) in Bao Den object and the third exploration well VGP-113-BV-1X in Bao Vang object were fixed. Drilling was launched in November, 2006.

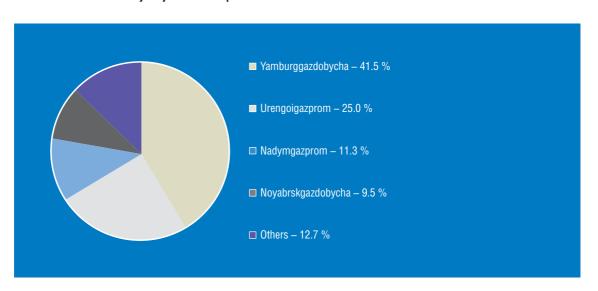


### **HYDROCARBON PRODUCTION**

### **Gazprom's Natural Gas Production, bcm**

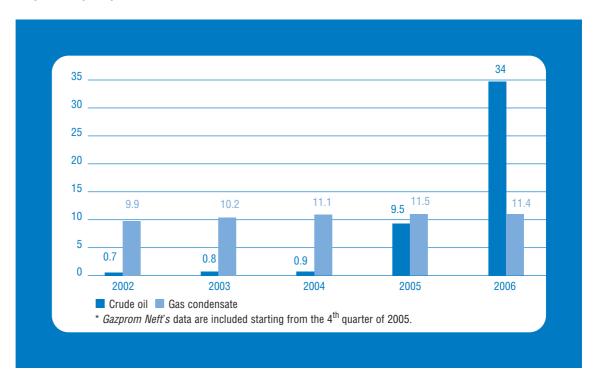


## Gas Production in 2006 by Major OAO «Gazprom» Subsidiaries





Gazprom's Liquid Hydrocarbons Production\*, million tons



# **Gazprom Group Production Capacity**

	2002	2003	2004	2005	2006
Producing fields	73	75	78	114	119
Gas production wells	5,854	6,190	6,652	6,941	7,010
including those in operation	5,402	5,736	6,094	6,401	6,513
Oil production wells	242	257	375	5,018	5,486
including those in operation	201	211	202	4,372	4,948
Comprehensive					
and preliminary					
gas treatment plants (CGTU and PGTU)	155	158	161	169	170
CGTU aggregate design capacity, bcm per year	766.5	840.3	909.0	939.6	957.8
Booster compressor stations (BCS)	36	40	41	44	44
BCS installed capacity, MW	3,209.0	3,704.1	3,956.1	4,176.1	4,176.1



# Gazprom's Hydrocarbon Production by Russian Regions in 2006

	Volume	Share of total, %	
Urals federal district			
Natural gas, bcm	517.9	93.2	
Gas condensate, million tons	6.3	55.3	
Crude oil, million tons	31.9	93.8	
Privolzhsky federal district			
Natural gas, bcm	18.6	3.3	
Gas condensate, million tons	0.3	2.6	
Crude oil, million tons	0.6	1.8	
Southern federal district			
Natural gas, bcm	13.4	2.4	
Gas condensate, million tons	4.3	37.7	
Crude oil, million tons	0.1	0.3	
Siberian federal district			
Natural gas, bcm	3.3	0.6	
Gas condensate, million tons	0.3	2.6	
Crude oil, million tons	1.3	3.8	
North-Western federal district			
Natural gas, bcm	2.8	0.5	
Gas condensate, million tons	0.2	1.8	
Crude oil, million tons	0.1	0.3	
Far Eastern federal district			
Natural gas, bcm	0.028	0.0	
Gas condensate, million tons	-	-	
Crude oil, million tons	-	-	
Total			
Natural gas, bcm	556.0	100.0	
Gas condensate, million tons	11.4	100.0	
Crude oil, million tons	34.0	100.0	

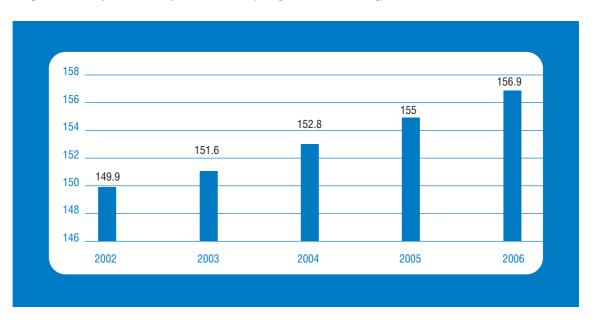


#### TRANSPORTATION AND STORAGE

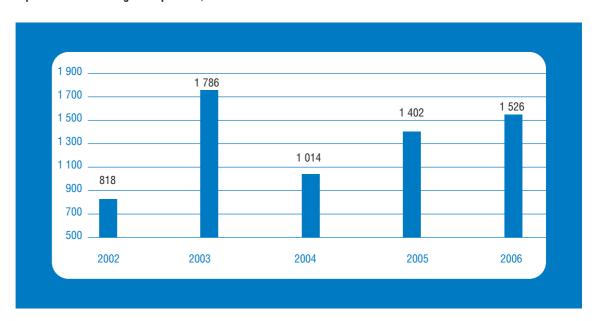
#### Transportation

Creation of *Gazprom's* gas transportation system (GTS) started more than 60 years ago with the launch of the first gas pipeline Saratov-Moscow. Major part of GTS was constructed during 1970–1990. Currently *Gazprom* is the sole owner and operator of the Unified Gas Supply System of Russia, which provides collection, preparation, storage, and transportation of nearly the total amount of produced natural gas to Russian regions and to neighboring and distant foreign countries.

Length of Trunk Pipelines and Pipeline Branches (in Signle-Lane Measuring), thousand km

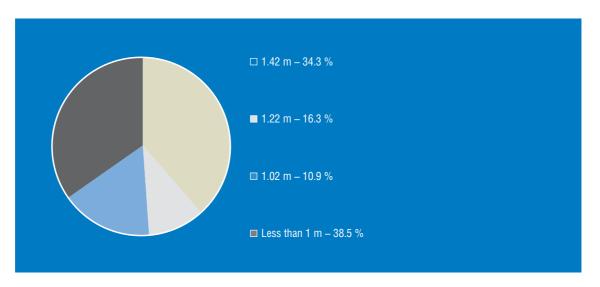


Pipeline Annual Putting Into Operation, km





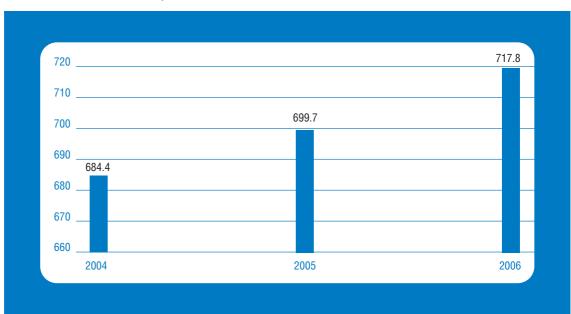
#### **Trunk Pipelines Structure by Tubes Diameter**



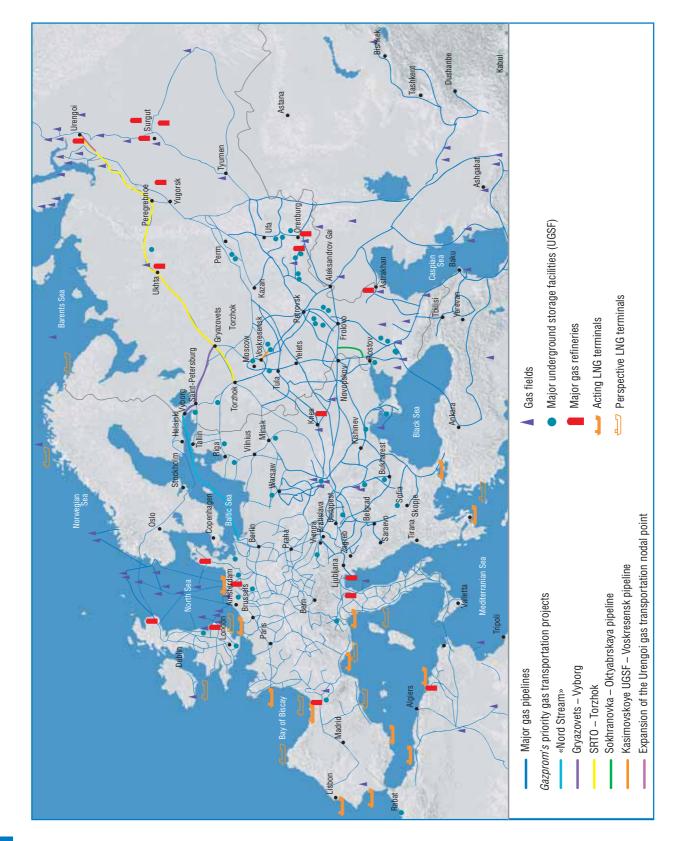
#### **Gazprom GTS's Installed Equipment**

	2002	2003	2004	2005	2006
Pipeline compressor stations	203	207	207	210	217
Gas pumping units	3,560	3,559	3,543	3,549	3,629
including:					
gas turbine units	2,784	2,787	2,816	2,822	2,952
electric drive units	708	704	680	682	677
Installed capacity of pumping units, thousand MW	39.0	39.1	39.4	42.8	41.0

#### Total Amount of Gas Received by GTS, bcm







Eurasian Gas Transportation System



#### Gazprom's Priority Gas Transportation Projects

SRTO - Torzhok

SRTO – Torzhok pipeline is intended for transportation of gas from the fields located in north of Tyumen region to the vicinities of Torzhok, where one of the UGSS's node points is located. Gas pipeline will make it possible to increase gas supply to the consumers in the North-Western region of Russia and gas export through the Yamal-Europe pipeline. As of December 31, 2006, the linear part of the gas pipeline with a total length of more than 2,000 km was commissioned along with four compressor stations (out of 13 scheduled).

Gryazovets - Vyborg

Gas trunk pipeline Gryazovets – Vyborg will provide for gas supplies to the North-West of Russia and to the export pipeline "Nord Stream". Its length – 917 km. In 2006, 148 km of linear part of pipeline were commissioned.

«Nord Stream»

Trunk export gas pipeline via Baltic Sea will connect Russian coast near Vyborg and German coast near Greifswald. Its length – 1,200 km, tubes diameter - 1,220 mm, working pressure – up to 220 bar. The first line of the pipeline with a throughput capacity of 27.5 bcm per year is planned to be commissioned in 2010. Gas pipeline will have no intermediate compressor station.

Sokhranovka-Oktyabrskaya Pipeline

Gas trunk pipeline Sokhranovka-Oktyabrskaya is intended for meeting the gas needs of consumers in southern regions of Russian Federation. Putting this pipeline into operation will permit to exclude the transit of Russian gas through Ukrainian territory while transporting it to the consumers in Rostov region, Krasnodarsky krai, and Stavropolsky krai. The length of pipeline – 310 km, annual capacity – 28 bcm. Kamensk-Shahtinskaya compressor station (80 MW) will be built. As of the end of 2006, the whole linear part of the gas pipeline was commissioned.

Kasimovskoye UGSF - Voskresenk Pipeline

Gas trunk pipeline Kasimovskoye UGSF – Voskresenk is intended for transportation of gas from Kasimovskoye UGSF to Loop gas pipeline in Moscow region. Trunk pipeline will increase the amount and reliability of gas supply to Moscow and Moscow region during the peak consumption period. Its length – 204 km, annual capacity – 4.8 bcm. Enlargement of Tuma compressor station by 24 MW and Voskresensk compressor station by 36 MW is envisaged. As of the end of 2006, 51 km of the linear part of the gas pipeline were commissioned.

Urengoi Gas Transportation Nodal Point

The expansion of the Urengoi gas transportation nodal point will compensate for the increased volumes of gas produced by *Gazprom* and by independent suppliers in Nadym-Pur-Taz region. The project envisages construction of 406 km of pipeline and 3 compressor stations with total capacity of 272 MW. As of the end of 2006, 123 km of the linear part of the gas pipeline were commissioned along with 2 compressor stations.



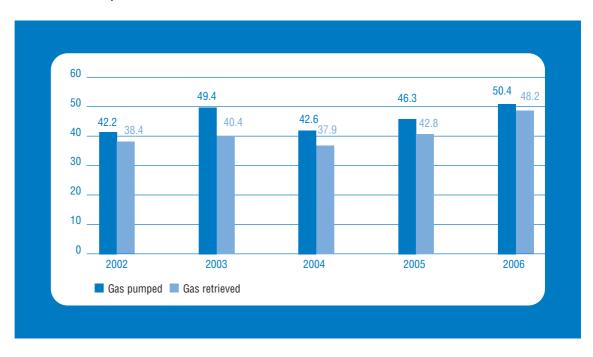
#### **Underground Storage**

The system of underground gas storage facilities (UGSF) settles the seasonal unevenness of gas consumption, provides for additional gas supplies in case of sharp fall of temperature, breakdowns and other emergencies, ensures reliability of export and long-term gas reservation.

#### Characteristics of Gazprom's UGSF Located in Russia

	2002	2003	2004	2005	2006
Underground gas storage facilities	23	24	24	24	25
Total active capacity, bcm	59.88	61.44	62.38	64.25	64.65
Compressor station	16	17	17	17	17
Gas pumping units	237	239	235	239	218
Gas pumping units installed capacity, MW	942.1	971.5	1,002.9	1,021.5	694

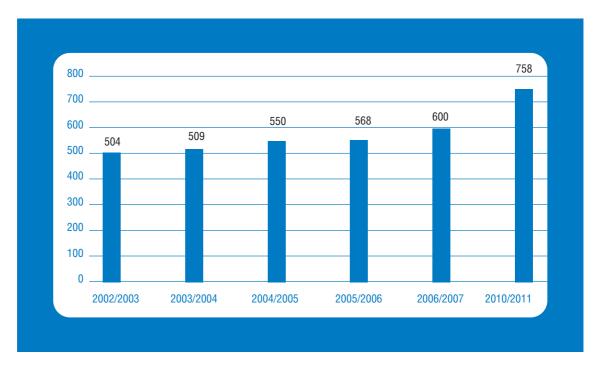
#### Volume of Gas Pumped Into and Retrieved From Russian UGSF, bcm



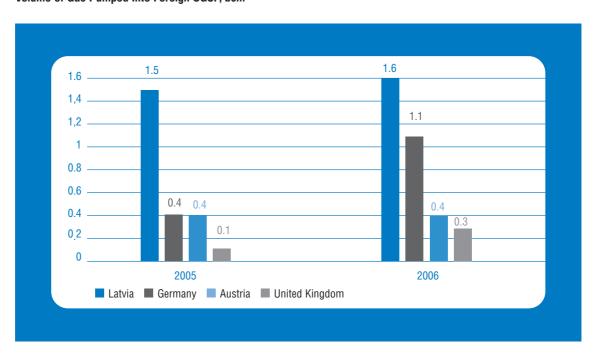
To smooth the peaks of seasonal uneven consumption the "Program of underground gas storage development in Russian Federation in 2005-2010" is being carried out, aimed at achieving the maximum daily retrieval of 758 million cubic metres of gas in the 2010/2011 heating season.



#### Maximum Daily Retrieval From UGSF Located in Russia in the Beginning of Retrieval Season, mcm



#### Volume of Gas Pumped Into Foreign UGSF, bcm





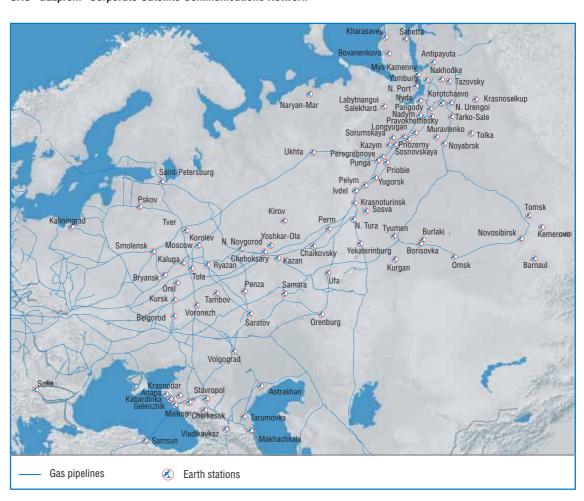
#### **TECHNOLOGICAL COMMUNICATIONS**

Unified technological communications network is an integral component of the multilevel control system of OAO "Gazprom". It provides reliable, high-quality and up-to-date information transfer to the benefit of the company.

OAO "Gazprom" unified technological communications network consists of:

- 87.6 thousand km of main cable lines;
- 23.9 thousand km of multi-channel radio-relay lines;
- 777 communication centers;
- 439 base radio stations and 25.6 thousand service trunking radio stations;
- communication satellites: «Yamal-100» and two «Yamal-200»;
- 140 earth stations;
- 785 automatic telephone stations with a total capacity of 314.4 thousand numbers;
- unified corporate data transfer network;
- Internet centre.

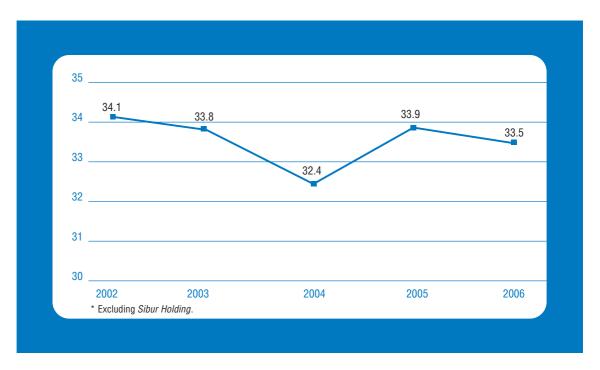
#### **OAO «Gazprom» Corporate Satellite Communications Network**



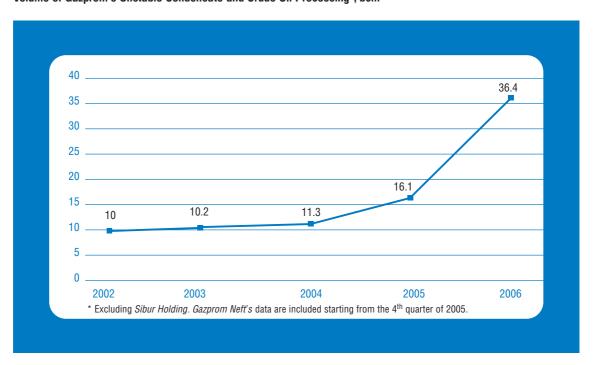


#### **REFINING AND PRODUCTS**

#### Volume of Gazprom's Natural Gas Processing\*, bcm



#### Volume of Gazprom's Unstable Condensate and Crude Oil Processing\*, bcm





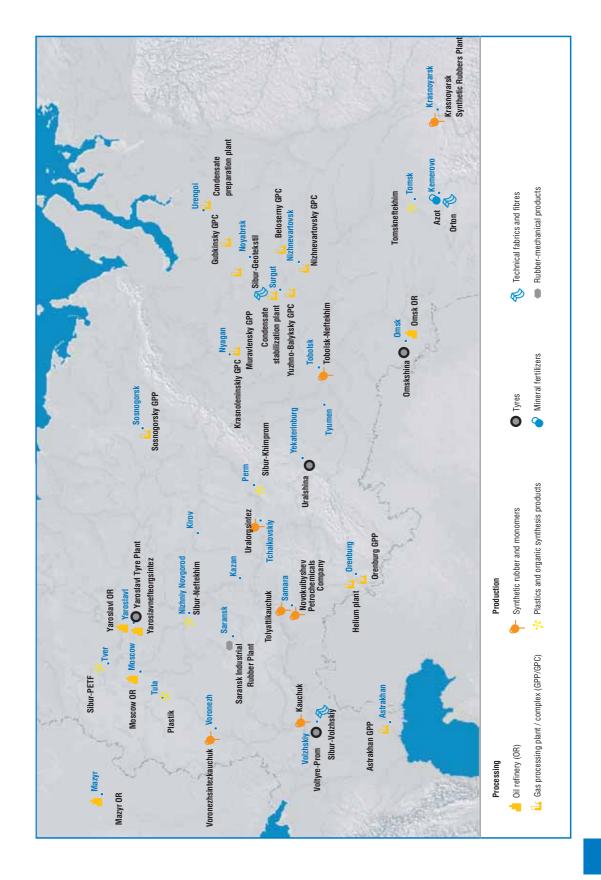
## Refined and Petrochemical Products Manufactured by Gazprom Group\*

	2002	2003	2004	2005	2006
Gas transportation and gas production companies					
Sales stable condensate and oil,					
thousand tons	2,890.8	2,928.4	3,256.2	3,728.7	3,792.8
Stripped dry gas, bcm	26.8	26.0	25.0	26.5	26.0
Liquefied hydrocarbon gases, thousand tons	1,935.6	2,081.6	1,854.0	1,881.9	1,837.7
Motor gasoline, thousand tons	1,400.1	1,842.0	2,005.1	2,242.7	2,158.8
Diesel fuel, thousand tons	1,569.3	1,542.7	1,732.1	1,640.8	1,442.9
Fuel oil, thousand tons	374.1	390.6	392.8	380.8	380.5
TS-1 fuel, thousand tons	-	-	15.0	50.9	150.2
Helium, thousand cubic metres	6,291.3	6,473.7	3,452.3	1,636.4	3,838.1
Odorant, tons	2,750.8	3,010.0	2,661.0	3,109.0	2,952.0
Wide fraction of light hydrocarbons					
and fractions of multiple component					
hydrocarbons, thousand tons	240.1	232.1	398.4	541.6	881.4
Ethane, thousand tons	290.2	283.6	202.6	108.1	223.2
Technical carbon, thousand tons	28.5	32.1	35.1	33.6	34.5
Methanol, thousand tons	333.2	753.0	723.4	614.0	657.1
Pentane-hexane fraction, mcm	106.8	110.0	99.7	75.1	92.6
Sulfur, thousand tons	4,976.0	5,112.3	5,184.0	5,361.8	5,296.3
Gazprom Neft Group**					
Motor gasoline, thousand tons	-	-	-	883	5,060
Naphta, thousand tons	-	-	-	236	1,755
Diesel fuel, thousand tons	-	-	-	1,314	7,614
Jet fuel, thousand tons	-	-	-	277	1,640
Fuel oil, thousand tons	-	-	-	697	4,506
Lubricants, thousand tons	-	-	-	53	327
Liquefied hydrocarbon gases, thousand tons	-	-	-	98	508
Sibur Holding					
Stripped dry gas, mcm	3,302	9,348	10,261	10,951	12,076
Wide fraction of light hydrocarbons, thousand tons	698	1,674	2,019	2,465	3,015
Stable natural gas gasoline, thousand tons	227	423	490	559	613
Liquefied hydrocarbon gases, thousand tons	1,667	2,481	2,817	2,891	2,942
Monomers, liquid and monomer fractions,					
thousand tons	1,106	1,788	1,747	1,903	2,149
Polymers and processed polymer products,					
thousand tons	222	351	431	583	568
Synthetic rubber, thousand tons	314	519	573	584	624
Products of organic synthesis, thousand tons	332	660	762	986	1,038
Fuel and lubricants, thousand tons	408	405	535	656	667
Mineral fertilizers and raw materials for them,					
thousand tons	427	1,328	1,267	1,382	1,362
Tyres, million pcs	3.4	17.6	15.2	13.7	11.6

<sup>\*</sup> The data in the table are exclusive of give and take raw materials.

<sup>\*\*</sup> Gazprom Neft's data are included starting from the  $4^{th}$  quarter of 2005.





Location of Gas Processing, Oil Refining and Petrochemicals Plants of Gazprom Group



## Gas Processing, Oil Refining, and Petrochemicals Plants of Gazprom Group

Name	Company	Location	Year	Product range
			of establishment	-
	sportation and gas production co	ompanies		
Astrakhan gas	000 «Astrakhangazprom»	Astrakhan	1986	Dry natural gas, stable condensate, liquefied gas,
processing plant (GPP)				wide fraction of light hydrocarbons (WFLH),
				gasoline, diesel fuel, fuel oil, sulfur
Orenburg GPP	000 «Orenburggazprom»	Orenburg	1974	Dry natural gas, stable condensate, liquefied gas,
				WFLH, gas sulfur, odorant
Helium plant	000 «Orenburggazprom»	Orenburg		Helium gaseous and liquefied, dry natural gas,
				liquefied gas, ethane, WFLH,
				pentane-hexane fraction (PHF)
Sosnogorsky GPP	000 «Severgazprom»	Sosnogorsk,	1946	Dry natural gas, stable condensate, liquefied gas,
		Komi Republic		motor gasoline, technical carbon
Condensate	000 «Urengoigazprom»	Urengoi	1985	De-ethanized gas condensate, stable gas
Preparation Plant				condensate, liquefied gas, motor gasoline,
·				diesel fuel, gas condensate light distillate
Condensate				Stable condensate, motor gasoline,
Stabilization Plant	000 «Surgutgazprom»	Surgut	1985	diesel fuel, TS-1 jet engine fuel, liquefied gas,
	0 0 .	· ·		WFLH, PHF, gas condensate light distillate
Gazprom Neft				
Omsk	OAO «Gazprom Neft»	Omsk	1955	Motor gasoline, naphta, diesel oil,
Oil Refinery				aviation kerosine, fuel oil, oils,
•				aromatic hydrocarbons, liquefied hydrocarbon
				gases, bitumens, sulfur
Moscow	OAO «Gazprom Neft»	Moscow	1938	Motor gasoline, naphta, diesel oil, aviation kerosine,
Oil Refinery	·			fuel oil, bitumens, liquefied hydrocarbon gases,
,				sulfur
Yaroslav-	OAO «NGK «Slavneft»	Yaroslavl	1961	Motor gasoline, naphta, diesel oil, aviation kerosine,
nefteorgsintez				fuel oil, oils, aromatic hydrocarbons, sulfur,
				sulfuric acid, paraffin-wax products
Yaroslavl	OAO «NGK «Slavneft»	Yaroslavl region	1879	Naphta, diesel oil, fuel oil, oils
Oil Refinery				
of D.I.Mendeleev				
Mazyr Oil Refinery	OAO «NGK «Slavneft»	Mazyr, Belarus	1975	Motor gasoline, naphta, diesel oil, kerosine,
		j., _ 0.a. a0		fuel oil, liquefied hydrocarbon gases, bitumens
Sibur Holding				,
Nizhnevartovsky	000 «Nizhnevartovsky GPC»	Nizhnevartovsk	1978	Associated petroleum gas processing.
gas processing				WFLH, liquefied gases, dry stripped gas,
complex (GPC)				stable gas naphtha, propane
				Janes guo mapmina, propuno



Beloserny GPC	000 «Beloserny GPC»	Nizhnevartovsk	1980	- "-
OAO «Sibur Holding» and TNK-BP joint venture (Agreement on this joint venture was signed November 16, 2006. It will be based on production facilities of Beloserny and Nizhnevartovsky GPC	000 «Yugragaz- pererabotka»	Nizhnevartovsk	2006	_ "_
and wizimovariovsky dr o				
Gubkinsky GPC	OAO «Gubkinsky GPC»	Gubkinsky	1988	_ "_
Krasnoleninskiy GPC	000 «Nyagangaz-			
	pererabotka»	Nyagan'	1987	_ "_
Yuzhno-Balyksky GPC	000 «Yuzhno-Balyksky GPC»	Pyt'-Yakh	1978	_ "_
Muravlenkovsky GPP	Noyabrskgazpererabotka (affiliated branch			
	of OAO SiburTyumenGaz)	Noyabrsk	1987	- "-
Synthetic rubber plant	OAO «Voronezh- sintezkauchuk»	Voronezh	1932	Synthetic rubbers, latexes (app.20% of rubbers in Russian market, more than 40 types of products)
Synthetic rubber plant	OAO «Krasnoyarsk Synthetic Rubbers Plant»	Krasnoyarsk	1952	Butadiene nitrile synthetic rubbers
Synthetic rubber plant	OAO «Kauchuk»	Volzhskiy,	1958	Methyl-tret-butyl ether (MTBE),
		Volgograd region		aromatic hydrocarbons fraction, isobutylene, polymer films and products
Synthetic rubber, monomers and combustive- lubricating materials plant	000 «Tolyattikauchuk»	Samara	1961	Synthetic rubbers, MTBE, isoprene, high-octane dopant DVM, butane-butylene and isopentane-isoamylene fractions, latex
Synthetic rubber, polyolefins and combustive-lubricating materials plant	OAO «Uralorgsintez»	Tchaikovsky	1964	Liquefied gases, WFLH, MTBE, benzol, isobutylene, methanol, polybutene oils
Polyolefins, monomers, and combustive-lubricatin materials plant	000 «Tobolsk-Neftekhim» g	Tobolsk	1985	Liquefied gases, monomers for the manufacture of synthetic rubbers, MTBE
Monomers,	ZAO «Novokuibyshev	Novokui-	1964	High-purity propane, isobutane, normal butane,
aromatic hydrocarbons	Petrochemicals	byshevsk,		isopentane, normal pentane, hexane fraction,
and catalysts plant	Company»	Samara region		paratertiary butylphenol, catalysts, diphenyl oxide. The largest European monomer producer.
Mineral fertilizers plant	OAO «Azot»	Kemerovo	1956	More than 40 types of products, including caprolactam, mineral fertilizers, nitric acid, sulphuric acid, ion-exchane resins
Tyre plant	OAO «Yaroslavl Tyre Plant»	Yaroslavl	1932	Heavy truck all steel cord tyres, passenger car tyres light truck tyres, aviation tyres



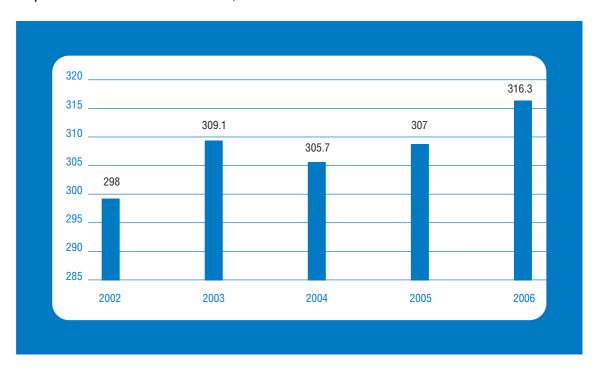
Tyre plant	OAO «Omskshina»	Omsk	1942	Heavy truck tyres
Tyre plant	OAO «Voltyre-Prom»	Volzhskiy,		
		Volgograd region	1964	A wide assortment of tyres
Tyre plant	000 «Uralshina»	Yekaterinburg	1943	Passenger car tyres, light truck tyres,
				motorcycle tyres, industrial tyres
Plastics and organic synthesis products plant	OAO «Sibur-Neftekhim»	Nizhniy Novgorod	1939	Ethylene, propylene, benzol, butylene-butadiene fraction, ethylene oxide, ethylene glycols, gaseous nitrogen, oxygen, polyethylene glycols, caustic, sodium hypochlorite, chlorine, hydrochloric acid, ethylene chlorohydrin, coagulants, polyvinylchloride, linoleum, technical liquids, elastrons, pvc films
Polymer products plant	OAO «Sibur-PETF»	Tver	2003	PET bottle granulate
Plastics and organic	ZAO «Sibur-Khimprom»	Perm	1973	WFLH, benzol, propylene, methanol, isobutane,
synthesis products plant				normal butane, industrial butane, MTBE, ethylbenzol, butyl alcohols, stable gasoline
Plastics	000 «Tomskneftekhim»	Tomsk	1974	Polypropylene, high-pressure polyethylene,
and organic synthesis				formalin and carbamidoformaldehyde resins,
products plant				ethylene and propylene, consumer goods
Plastics	OAO «Plastik»	Uzlovaya, Tula region	1959	ABC-plastic, styrenes, polystyrenes, phenoplast,
and organic				polyethylene film, plastic articles
synthesis products plant				
Chemical plant	000 «Sibur-Geotextile»	Surgut	2000	A wide assortment of needle-punctured
				and thermobound materials Agrotex,
				Geotex and Paroizol
Chemical plant	OAO «Sibur-Volzhskiy»	Volzhskiy,	1958	Cord fabric, polyamide textile (textured, complex)
		Volgograd region		threads, polyamide threads for technical goods,
				polyamide fiber and polyamide
Chemical plant	OAO «Orton»	Kemerovo	1971	Various technical fabrics
Chemical plant	OAO «Saransk	Saransk	1963	Molded and non-molded rubber-mechanical
	Industrial Rubber Plant»			products, V-belts, hoses, engineering sheets,
				rubberized fabrics, individual protection means,
				products for medicine and medical industry.



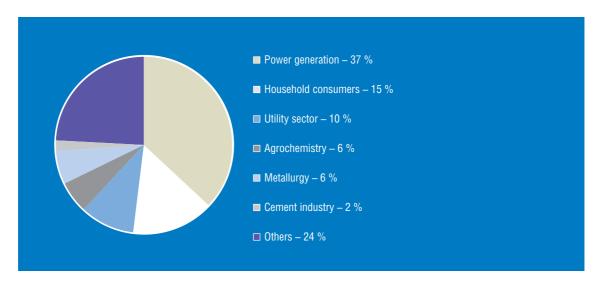
#### **MARKETING AND SALES**

#### Russian Natural Gas Market

#### Gazprom's Gas Sales to Russian Consumers, bcm



#### Structure of Gas Sales in Russia by Groups of Consumers in 2006



Gas produced by *Gazprom Group* is sold to Russian consumers mostly at prices regulated by the Government. Only in September 2006 the Russian Federation Government entitled *Gazprom* to sell limited volumes of gas at prices based on market principles.



The wholesale gas price change parameters are defined by the Government of the Russian Federation. Specific regulated wholesale prices, differentiated by consumer type and by price bands taking into account the distance from the gas production region to the consumer, are approved by the Federal Tariff Service of the Russian Federation. Retail gas prices for household consumers are fixed by local administration of subjects of the Russian Federation.

Until 01.01.2005 wholesale gas prices were differentiated by seven price bands. As a result of further improvement of territorial price differentiation, aimed at price covering production and transportation costs, the number of price bands was increased.

The total wholesale price paid by consumers includes the following regulated components: wholesale gas price, a transportation tariff and a marketing and sales services fee. *Gazprom* is paid the wholesale price. The regulated transportation tariff is paid to the gas distribution companies which transport gas through their low- and middle-pressure networks to the consumers, and the marketing and sales services fees are paid to the regional gas sales companies. Wholesale gas price for household consumers is 24% below the price level for other consumers.

In some cases, the retail prices for household consumers may also cover a utilities or municipal gas network maintenance fee. Gas pricing for household consumers have some unique features: existence of privilege categories of consumers, in the absence of metering devices on individual apartments gas fees are generally calculated in accordance with established norms.

# Average Wholesale Gas Prices for Consumers in the Russian Federation (Except Gas Sold to Household Consumers), roubles/1000 m<sup>3</sup> (TVA excluded)

	from						
Price band	15.02.2002	01.07.2002	01.01.2003	01.01.2004	01.01.2005	01.01.2006	01.01.2007
0	317	365	438	526			
I	383	440	528	634	619	677	779
II	446	513	616	739	745	815	937
III	500	575	690	828	879	960	1,104
IV	526	605	726	871	985	1,080	1,242
IVa					923	1,041	1,198
V	550	633	760	912	1,005	1,104	1,270
VI	566	651	781	937	1,033	1,136	1,306
VII					1,040	1,148	1,320
VIII					1,088	1,202	1,382
IX					1,119	1,241	1,427
X					1,154	1,284	1,477
Xa						1,304*	1,673
XI					1,160	1,295	1,489
Gas transferred							
by Barnaul – Biysk	– Gorno-						
Altaisk gas pipeline							
(section 87 <sup>th</sup> km –							
Gorno-Altaisk)							1,673
Gas transferred							
by Nyuksenitsa – A	rkhangelsk						
gas pipeline							
(section 147th km -	- Mirny)						2,360

<sup>\*</sup> From 01.08.2006 price was fixed at 1455 roubles/1000 m<sup>3</sup>.



# Average Wholesale Gas Prices for Household Consumers in the Russian Federation, roubles/1000 $\rm m3$ (TVA excluded)

	from	from	from	from	from	from	from	from
Price band	15.02.2002	01.08.2002	01.02.2003	01.01.2004	01.01.2005	01.04.2005	01.01.2006	01.01.2007
0	271	314	387	464				
	286	332	410	492	579	619	677	779
II	312	362	447	536	616	660	726	835
III	335	389	480	576	671	720	794	913
IV	342	397	490	588	720	773	857	986
IVa					678	730	833	958
V	349	405	500	600	725	778	863	992
VI	355	412	508	610	730	783	870	1001
VII					736	792	883	1015
VIII					744	802	896	1030
IX					752	810	907	1043
Χ					764	822	920	1058
Xa							920**	1196
XI					728.5*	789.1*	920	1058
Gas transferre	ed							
by Barnaul – I	Biysk –							
Gorno-Altaisk								
gas pipeline (	section 87 <sup>th</sup> km –							
Gorno-Altaisk	)							1,427
Gas transferre	ed .							
by Nyuksenits	a – Arkhangelsk							
gas pipeline (	section 147 <sup>th</sup> km –	Mirny)						1,836

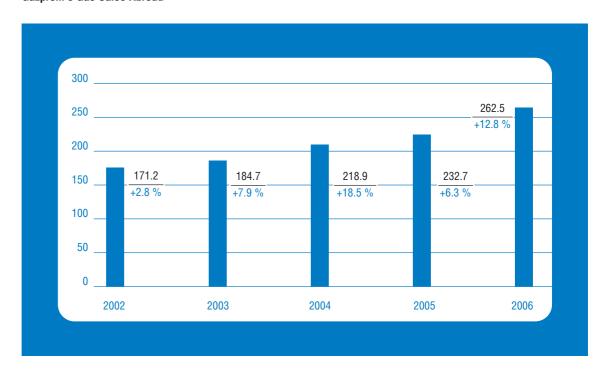
<sup>\*</sup> Taking into account prices for settlements, harmed by flood of 2002.

<sup>\*\*</sup> From 01.08.2006  $\,$  price was fixed at 1040 roubles/1000  $m^3.$ 



#### External Market

#### Gazprom's Gas Sales Abroad

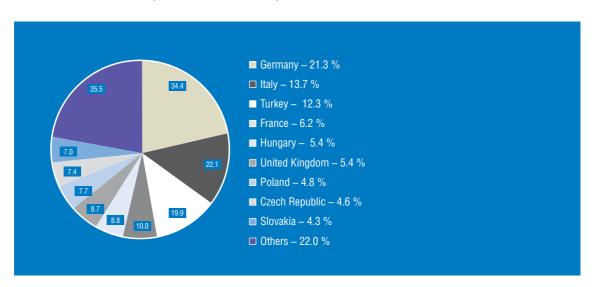


### Gazporom's Gas Sales in External Markets

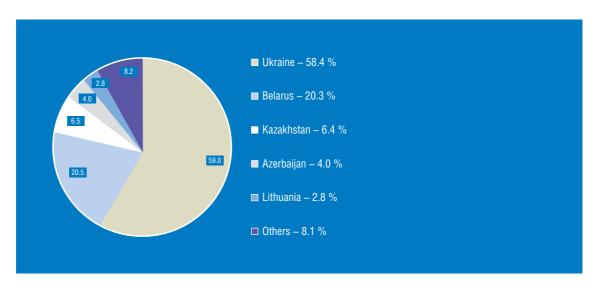
	2002		2003		2004		2005		2006	
	Volume,	Volume, Share		Share	Volume, Share		Volume, Share		Volume,	Share
	bcm	of total, %	bcm	of total, %	bcm	of total, %	bcm	of total, %	bcm	of total, %
CIS										
and Baltic States	42.6	24.9	44.1	23.9	65.7	30.0	76.6	32.9	101.0	38.5
Europe	128.6	75.1	140.6	76.1	153.2	70.0	156.1	67.1	161.5	61.5



Volume and Structure of Gazprom's Gas Sales in European Countries in 2006, bcm and %



Volume and Structure of Gazprom's Gas Sales in CIS and Baltic States in 2006, bcm and %





# OAO «Gazprom» and OOO «Gazprom Export» Major Joint Ventures to Transport and Market Natural Gas in European Markets as of December 31, 2006

Country	Entity	Interest, %	Joint Venture Partners	Brief Description of Activity
Austria	Gas und Warenhandels- gesellschaft m.b.H.	50	OMV	Gas marketing, gas trading and general trading activity
Bulgaria	Overgas Inc. AD	50	Overgas Holding AD	Gas marketing (wholesale and retail), construction and operation of gas transportation network
Estonia	Eesti Gaas AS	6.38	E.ON Ruhrgas AG, Fortum Corporation, Itera-Latvia, 000 "Lentransgas", other shareholders	Marketing of natural gas, development of Estonia's gas transportation networks
Finland	Gasum Oy	25	Fortum Corporation, E.ON Ruhrgas AG, the Republic of Finland	Gas transportation and marketing
France	FRAGAZ	50	Gaz de France	Gas distribution and trading activities
Germany	WIEH GmbH&Co KG	50	Wintershall	Gas marketing, gas supply
	WINGAS GmbH	35	Wintershall	Gas transportation and supply
Greece	Prometheus Gas S.A.	50	Copelouzos Bros. Corp.	Gas marketing and construction of gas transportation network
Hungary	Panrusgaz Rt.	40	E.ON Foeldgas Trading Rt.	Gas marketing and distribution
Italy	Promgas SpA	50	ENI	Gas marketing and distribution
Latvia	Latvijas Gaze AS	34	Itera-Latvia, E.ON Ruhrgas AG, other shareholders	Marketing of natural gas and liquefied gas, development and modernization of Latvia's natural gas and services industries
Lithuania	Lietuvos Dujos AB	37.06	E.ON Ruhrgas AG, The Republic of Lithuania, other shareholders	Marketing of natural gas, development of Lithuania's gas transportation networks
Netherlands	Blue Stream Pipeline Company B.V.	50	ENI	Gas transportation
Poland	SGT EuRoPol GAZ S.A.	48	PGNiG S.A., Gas Trading S.A.	Transportation, construction and operation of the Polish section of the Yamal-Europe pipeline
	Gas Trading S.A.	16	PGNiG S.A., Bartimpex S.A., WIEH, Wenglokoks	Gas marketing, liquefied gas trading
Serbia	Progresgas- Trading d.o.o.	25	Progres DSO, NIC	Gas supply, gas marketing



Switzerland	Gas Project Development	50	Centrex Gas	Production and
	Center Asia AG (Zug)		& Energy Europe AG	development
				of oil and gas fields
				in Central Asia
	WIEE	50	Wintershall	Gas marketing, gas supply
	Nord Stream AG	51	E.ON Ruhrgas AG,	
			Wintershall	Gas transportation
Turkey	Turusgaz	45	Botas International Ltd.,	Gas marketing
			Gama Industrial Plants	
			Manufacturing	
			and Erection Corp.	

OAO "Gazprom" and its subsidiaries also have ownership interests in companies located in the United Kingdom, Slovakia, Moldova, and other European countries and CIS.



#### **CORPORATE IMMOVABLE PROPERTY**

Corporate immovable property of the *Gazprom Group* exceeds 80 thousand items, located on one million plots. More than 54 thousand items are owned by the head company – OAO «Gazprom» and are located on more than 700 thousand plots.

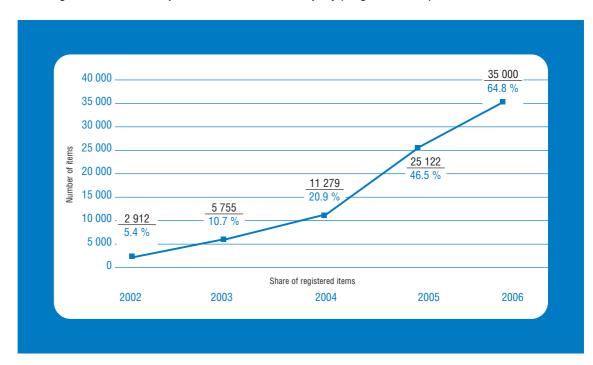
OAO «Gazprom» immovable property structure is non-uniform. Large portion of it constitute oil and gas wells -20%, trunk pipelines -11% and other specific objects of gas business. Buildings and structures amount not more than 15%.

During 2006, OAO «Gazprom» title was registered to 9.9 thousand items (nearly 20 % of the total), on the whole 35,000 of immovable property items (64.8 %) passed state registration.

In pursuance of Federal law on State Land Cadastre implementation OAO «Gazprom» and its subsidiaries continue reregistration of titles to land plots on the territory of 66 subjects of the Russian Federation. Land use planning is practically completed, land plots are registered in State Land Cadastre in the majority of subjects of the Russian Federation, conclusion of land lease contracts is under way.

Large quantity of information entering OAO «Gazprom» in the course of these operations is accumulated in the special program complex «The Unified Register of Title to Immovable Property». In 2006, the integration of OAO «Gazprom» subsidiaries into The Unified Register of Title to Immovable Property in OAO «Gazprom» System» was proceeded and installation of application suit for recording e-copies of immovable property title documents in subsidiaries has begun.

#### State Registration of OAO «Gazprom» Title to Immovable Property (Progressive Total)

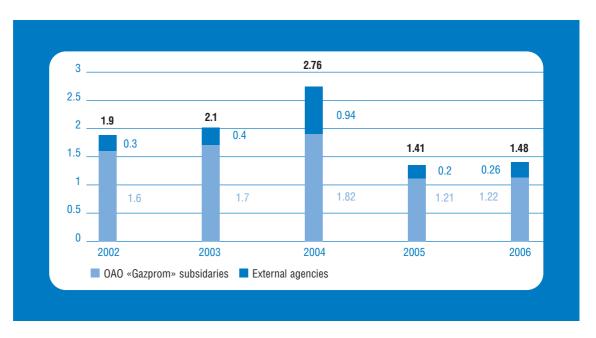




#### **INNOVATION ACTIVITY**

Research and Development (R&D) in gas business contracted by OAO "Gazprom" are carried out both by *Gazprom's* research organizations and external agencies.

#### R&D Contracted by OAO «Gazprom», billion Roubles



Gazprom owns 1251 patents.

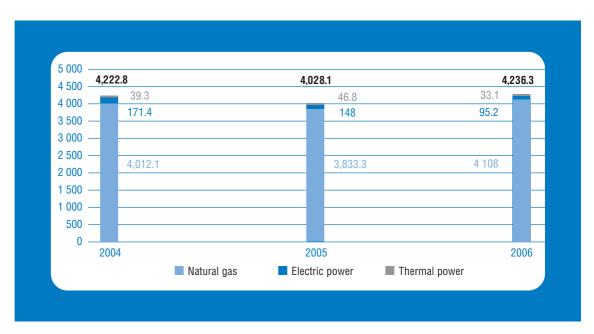
In order to comply with the Federal law "On Technique Regulation" *Gazprom* proceeds to develop its corporate standardization and certification systems. 131 OAO "Gazprom" standards were elaborated in 2006.



#### **ENERGY SAVING**

In 2006, the implementation of the power saving program for the period from 2004 through 2006 oriented to increase energy and fuel efficiency was completed. Total saving of the fuel and energy resources amounted to 12.5 million tons of coal equivalent.

Fuel and Energy Resources Saved by Gazprom in 2004-2006, thousand of tce





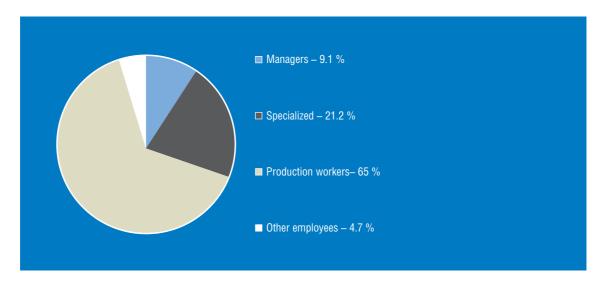
#### **PERSONNEL**

### Changes in Personnel Structure of Major Gazprom's Production and Transportation Subsidaries

	2002	2003	2004	2005	2006
Total, thousand people	248.3	251.8	251.8	247.1	232.2
Including, %:					
Managers	8.9	9.0	9.1	9.1	9.1
Specialized white-collars	18.9	19.0	19.5	20.1	21.2
Production workers	68.4	67.6	66.9	66.3	65.0
Other employees	3.8	4.4	4.5	4.5	4.7

<sup>\*</sup> Major *Gazprom's* Production and Transportation Subsidiaries include – Astrakhangazprom, Bashtransgaz, Volgogradtransgaz, Volgotransgaz, Kavkaztransgaz, Kaspiygazprom, Kubangazprom, Lentransgaz, Mostransgaz, Nadymgazprom, Noyabrskgazdobycha, Orenburggazprom, Permtransgaz, Samaratransgaz, Severgazprom, Surgutgazprom, Tattransgaz, Tomsktransgaz, Tyumentransgaz, Uraltransgaz, Urengoigazprom, Yugtransgaz, Yamburggazdobycha.

#### Personnel Structure of Major Gazprom's Production and Transportation subsidaries, 2006





Institutions of OAO «Gazprom» Managers Professional Development and OAO «Gazprom» Educational Divisions of Labor Force Training

