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## Notes

The terms OAO Gazprom, *Company* used in the Annual Report refer to the parent *Company* of *Gazprom Group*, i.e., to Open Joint Stock *Company* *Gazprom*. *Gazprom Group*, the *Group* or *Gazprom* imply OAO Gazprom and its subsidiaries taken as a whole. For the purposes of the Annual Report, the lists of subsidiaries were prepared on the basis used in the preparation of OAO Gazprom's combined accounting (financial) statements in accordance with the requirements of the Russian legislation.

Similarly, the *Gazprom Neft Group* and *Gazprom Neft* refer to OAO Gazprom Neft and its subsidiaries, *Gazprom energoholding* refers to OOO Gazprom energoholding and its subsidiaries, *Gazprom neftekhim Salavat* refers to OAO Gazprom neftekhim Salavat and its subsidiaries.

The Annual Report also contains information related to *Gazprom Group's* business activities in the future, based on the forecast and estimates of *Gazprom's* management derived from the current situation. Actual results may differ from the said forecast and estimates, due to the effect of various objective factors.

In the report, a number of *Gazprom's* operating and financial results are stated in compliance with the principles for preparing *Gazprom Group's* consolidated accounting (financial) statements in accordance with the Russian legislation (consolidated financial statements of *Gazprom Group*). At the same time, some results of OAO Gazprom and its subsidiaries are stated in compliance with the principles for preparing management accounting. Figures calculated using these methods may differ due to differences in methodologies for preparing consolidated financial statements and management accounting.

# ADDRESS BY THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CHAIRMAN OF THE MANAGEMENT COMMITTEE TO THE SHAREHOLDERS OF ОАО ГАЗПРОМ

## Dear Shareholders!

The global energy industry knows many large companies. However, not all of these are capable of implementing unprecedented projects. This is the job for those companies, that along with their large scale deliver high performance efficiency, well-designed strategies and active implementation of cutting-edge technologies. *Gazprom* is the company to deliver all of the above. This is clearly demonstrated by the *Company's* achievements in the reporting year, and many of these are landmarks for the national and international gas industry.

In 2012 *Gazprom* commissioned a large Bovanenkovskoye field at Yamal Peninsula. Now Russia's map features a new natural gas production center, to be the country's largest. Gas from Bovanenkovskoye field will make its way to customers via a unique gas transportation system. Up to this day, no other country has ever implemented such a giant project this far North. *Gazprom* gave a start to the new era in the history of the global gas industry.

*Gazprom* is the only Russian company capable of creating a modern gas industry sector in the country's East. Under the Eastern Gas Program, we have already set up two gas production centers, in Sakhalin and Kamchatka, Yakutia is next in line. In 2012 the *Company* made the final investment decision to proceed with development of Chayandinskoye field, crucial for our Yakutia gas production center. Supplies from the new gas production center will be delivered to customers via a new gas transportation system to be built, the name "Power of Siberia" was selected for the system in a *Gazprom*-initiated contest. The development of Yakutia gas production center, based on Chayandinskoye field will launch large-scale development of gas refining in Russia's East.

Speaking of unique features of *Gazprom*, one cannot but mention that *Gazprom* is the only company in our country to carry out such active and systematic development of such a major socially significant project, as development of gas distribution infrastructure. The unprecedented investments of *Gazprom* into development of gas distribution infrastructure in 2012 — about RR 33.8 bln — yielded excellent results: natural gas for the first time came to 429 communities.

The program of gas distribution infrastructure development has gained even more importance: starting from this year, it also includes *Gazprom's* efforts to expand use of natural gas vehicle fuel. In 2012 we established a special company with the key purpose of coordinating efforts of gas producers, automotive manufacturers and constituent regions of the Russian Federation in this area.

Natural gas vehicle fuel encompasses many aspects — optimization of road transportation costs, improvement of environmental conditions and is one of the most promising segments of the Russian gas market.

*Gazprom* is not only a global energy Company, it is also one of the major suppliers of natural gas on the planet, and it continues to focus on further diversification of deliveries of this fuel to its international customers. In 2012 Nord Stream pipeline reached its design capacity, and it is the first gas pipeline in history to directly connect gas transportation systems of Russia and Europe. We launched construction of South Stream, which is the largest investment project in Europe. The starting point of South Stream, Russkaya compressor station, will be the most powerful station in the world. When South Stream reaches its designed capacity, *Gazprom's* transit risks for supply to its European consumers will be brought down almost to zero. Being the only LNG manufacturer in Russia, in 2012 *Gazprom* performed the world's first shipment across the Northern Sea Route — the shortest route between Northern Europe and North – East Asia.

Developing its sideline business areas, *Gazprom* is implementing unique projects as well. In 2012 we launched a combined cycle gas turbine unit at Kirishskaya GRES. This is the largest thermal generation facility, commissioned in Russia during the last 30 years, and the most productive combined cycle unit in the country. Commissioning the unit enabled *Gazprom* to meet over a half of its new generation commitments.

*Gazprom's* success is achieved by our outstanding efforts. Daily hard work of many thousands of *Gazprom's* employees made it one of the most reliable and dynamically developing global energy companies. And this work is focused on our future. Even today our commitment secures reliability of future supply of key energy resources to domestic and international customers, ensuring dynamic development of *Gazprom* and confidence of our investors.

**Chairman  
of the Board of Directors**



**Victor Zubkov**

**Chairman  
of the Management Committee**

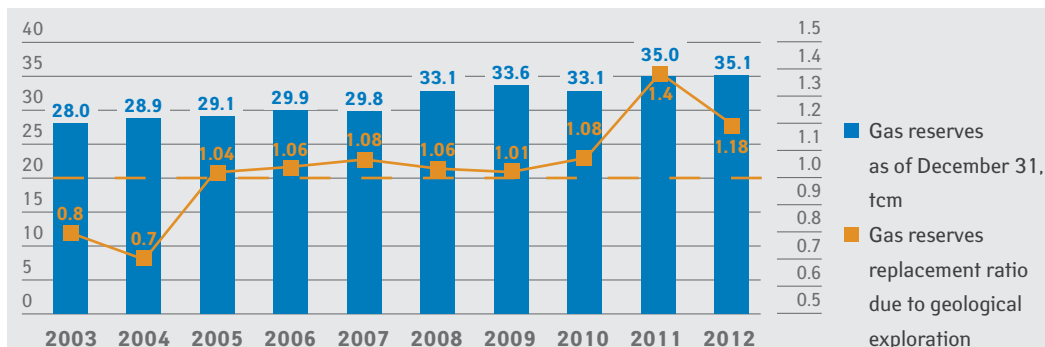


**Alexey Miller**

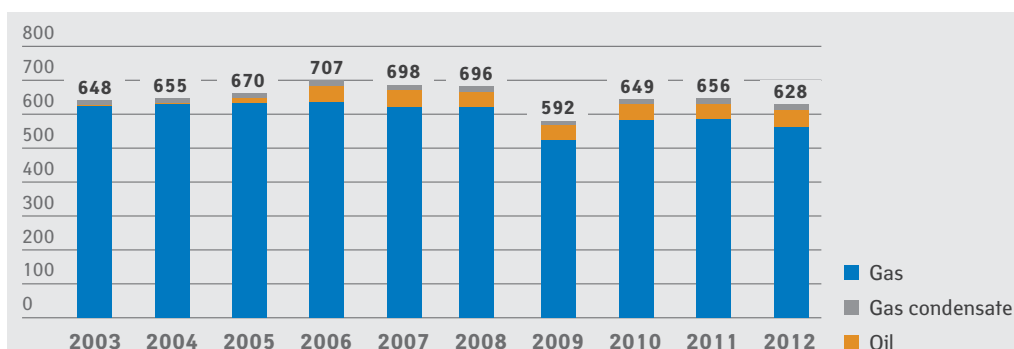
# MAJOR RESULTS

## Gazprom Group Results

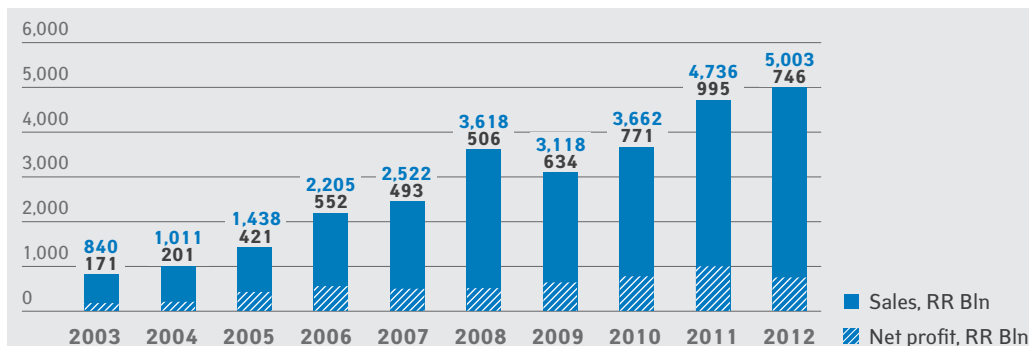
*Gazprom Group's reserves categories A+B+C<sub>1</sub>, 2003–2012*



*Gazprom Group's hydrocarbons production, 2003–2012, mln tce*



*Gazprom Group sales and net profit for 2003–2012, RR billion*



Operating Results

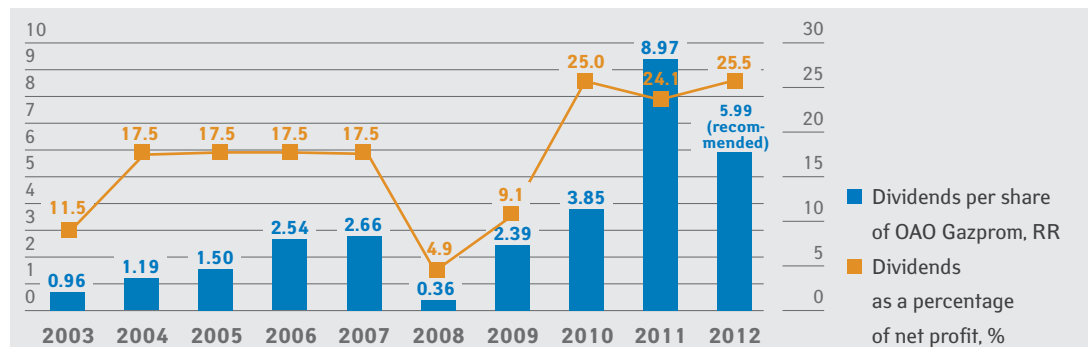
	2010	2011	2012	Change 2012/2011
<b>Gas Production in Russia</b>				
<i>Gazprom Group's</i> production, bcm	508.6	513.2	487.0	-5.1 %
Associated companies' production attributable to <i>Gazprom Group's</i> interest, bcm	10.5	11.3	12.8	13.3 %
<b>Gas Condensate production in Russia</b>				
<i>Gazprom Group's</i> production, mln tons	11.3	12.1	12.8	5.8 %
Associated companies' production attributable to <i>Gazprom Group's</i> interest, mln tons	0.9	1.0	1.1	10.0 %
<b>Crude oil production in Russia</b>				
<i>Gazprom Group's</i> production, mln tons	32.0	32.3	33.3	3.1 %
Associated companies' production attributable to <i>Gazprom Group's</i> interest, mln tons	20.7	20.5	19.7	-3.9 %
<b>Hydrocarbons refining</b>				
Natural and associated gas refining, bcm	33.6	33.2	32.7	-1.5 %
Oil and gas condensate refining, mln tons	50.2	53.5	61.4	14.8 %
<b>Sales of Gas</b>				
Sales of gas in Russia, bcm	262.1	265.3	249.7	-5.9 %
Sales of gas in Far Abroad countries, bcm	148.1	156.6	151.0	-3.6 %
Sales of gas in the FSU countries, bcm	70.2	81.7	66.1	-19.1 %
<b>Production of electricity and heat</b>				
Production of electricity, billion KW h	175.1	173.2	168.2	-2.9 %
Production of heat, mln Gcal	106.9	100.2	102.5	2.3 %

Financial results

	2010*	2011**	2012	Change 2012/2011
Sales, RR mln	3,661,699	4,735,822	5,002,902	5.6 %
Profit from sales, RR mln	1,161,832	1,624,760	1,356,604	-16.5 %
Net profit, RR mln	771,242	995,371	745,722	-25.1 %
Capital expenditures, RR mln	896,130	1,336,913	1,189,102	-11.1 %
* Figures for 2010 may differ from the respective figures in the Annual Report for 2010 due to the restatement of comparable data in the 2011 financial statements.				
** Figures for 2011 may differ from the respective figures in the Annual Report for 2011 due to the restatement of comparable data in the 2012 financial statements.				

# OAO Gazprom Results

Dividends per  
OAO Gazprom's share,  
2003-2012



Financial results

	2010*	2011**	2012	Change 2012/2011
Net sales of goods, products, work, and services (net of VAT, excise taxes and other similar payments), RR million	2,879,390	3,534,341	3,659,151	3.5 %
Profit from sales, RR million	821,981	1,191,664	993,148	-16.7 %
Net profit, RR million	364,478	882,121	556,340	-36.9 %
Net assets***, RR million	6,184,449	7,539,090	7,883,935	4.6 %
Net assets per share, RR	261	318	333	4.7 %
Earnings per share, RR	15.40	37.26	23.5	-36.9 %
Dividends per share, RR	3.85	8.97	5.99****	-33.2 %

\* Figures for 2010 may differ from the respective figures in the Annual Report for 2010 due to the restatement of comparable data in the 2011 financial statements.

\*\* Figures for 2011 may differ from the respective figures in the Annual Report for 2011 due to the restatement of comparable data in the 2012 financial statements.

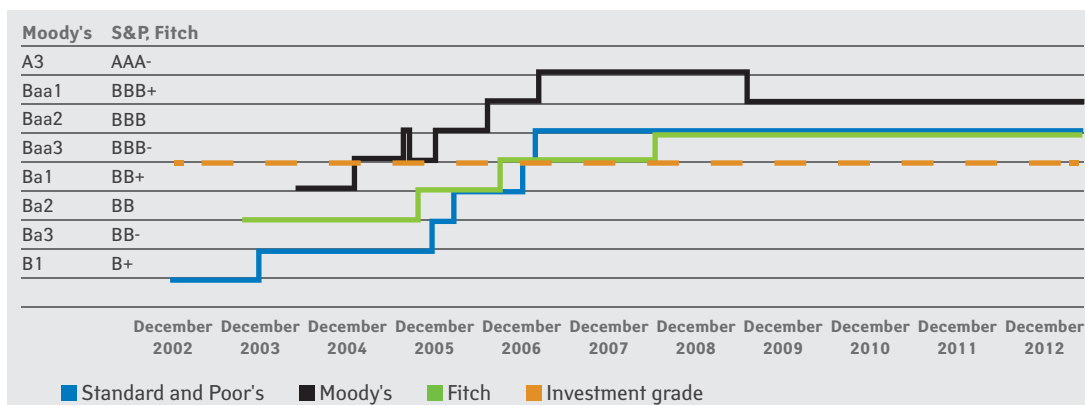
\*\*\* Net assets in the column "2011" are shown based on the data in the column "At the beginning of reporting year", while those in the column "2012" are shown based on the data in the column "At the end of reporting year" in OAO Gazprom's balance sheet as of December 31, 2012.

\*\*\*\* It is recommended that the dividends payable in 2013 based on operating results in 2012 should amount to RR 141,804.3 mln.

"Net Profit" value in 2012 was primarily determined by dynamics of "Profit from Sales", "Unit Costs" and "Other Expenses" values. The key reason for slight increase (+3.5 %) "Profit from Sales" values is explained by downward adjustments of gas sales revenues outside of Russia in the reporting year in the amount of RR 48,519 mln. for gas, supplied in 2012, with price adjustments agreed upon in 2012. Reduction of gas sales revenues (-0.94 %) occurred at the background of rising gas purchase costs (+12.64 %). The increase in "Other Expenses" value is primarily related to reflection of estimated liabilities for gas price adjustments, based on contract-based foreign buyer requirements as of December 31, 2012. These adjustments are related to 2010, 2011 and 2012 supplies of gas. The RR113,919 mln estimated liability as of December 31, 2012 does not account for possible adjustment of previously accrued customs duties.



# Credit ratings of OAO Gazprom, 2002-2012



# Financial ratios and market indicators

	2010 *	2011 **	2012
<b>Return ratios ***</b>			
Return on equity	5.89 %	11.67 %	7.06 %
Return on assets	4.66 %	9.24 %	5.54 %
<b>Liquidity ratios ***</b>			
Current liquidity ratio	2.60	2.54	1.70
Quick liquidity ratio	2.18	2.22	1.36
<b>Financial stability ratios</b>			
Debt to capital ratio	16.04 %	16.57 %	16.51 %
<b>Market indicators</b>			
P/E ratio **** (domestic OAO Gazprom's share market)	12.57	4.61	3.77
Average market capitalization, US \$ billion *****	131.7	155.2	124.2

\* Figures for 2010 may differ from the respective figures in the Annual Report for 2010 due to the restatement of comparable data in the 2011 financial statements.

\*\* Figures for 2011 may differ from the respective figures in the Annual Report for 2011 due to the restatement of comparable data in the 2012 financial statements.

\*\*\* Calculated in accordance with the Regulation on Information Disclosure by Securities Issuers, approved by the order of the Russian Federal Financial Market Service No. 11-46/pz-n dated 04.10.2011.

\*\*\*\* MICEX price as of the end of the year.

\*\*\*\*\* Calculated as the average annual closing price at MICEX at the average annual exchange rate of the Central Bank of Russia, multiplied by the total number of OAO Gazprom's shares issued.

Lower 2012 return ratios versus 2011 are primarily determined by reduction of the net profit in the reporting year versus 2011.

# MAJOR EVENTS

## Development of Hydrocarbon Resources at the Yamal Peninsula

- Russia has got a new major gas production center – Yamal Peninsula. The *Company* commissioned Bovanenkovskoye field, the largest on the Peninsula, with project capacity of 115 bcm per year, and the first line of Bovanenkovo – Ukhta trunk pipelines of over 1,260 km.

**i** Detailed information is presented in “Exploration and Production” and “Gas transportation, Storage and Distribution” sections.

## Preparation for Russian Arctic Shelf Development

- In 2012 *Gazprom Group* carried out pre-commissioning work at the ice-resistant fixed platform at Prirazlomnoye oil field. Prirazlomnoye will yield its first oil in 2013, giving start to development of Russian Arctic shelf.
- The *Company* continued development of Kirinskoye field at Okhotsk Sea shelf east of Sakhalin Island. OAO Gazprom started construction of production wells. For the first time in Russia, the *Company* will use submersible production systems.

**i** Detailed information is presented in “Exploration and Production” section.

## Nord Stream Project Implementation

- The second Nord Stream line has been commissioned. To feed gas into Nord Stream, OAO Gazprom performed large-scale activities for gas transportation system development in Russia. Particularly, the *Company* built the unparalleled in its capacity Portovaya compressor station (CS).

**i** Detailed information is presented in “Gas transportation, Storage and Distribution” section.

## South Stream Project Activities Continued

- South Stream project entered its construction phase. Russian President Vladimir Putin attended the official event at Russkaya CS in Krasnodar region, where the “First Joint” of the pipeline was welded.
- Large-scale UGSS expansion and reconstruction operations launched to secure gas supply to the South Stream pipeline.

**i** Detailed information is presented in “Gas transportation, Storage and Distribution” section.

## Gas Industry Development in the Russian East

- OAO Gazprom started development of a gas production center in the Republic of Sakha (Yakutia). The *Company* decided to go on to the design phase of Chayandinskoye field development projects, construction of “Power of Siberia” gas trunkline and refineries in Amur region.
- Extensive resource base of eastern fields enables development in the region of a new export center, targeting Asia-Pacific Region (APR) countries. In February 2013 the *Company* made an investment decision to build an LNG plant in Vladivostok.

**i** Detailed information is presented in “Exploration and Production”, “Gas transportation, Storage and Distribution”, “Marketing” sections.

## Development of Gas Production Capacity in Traditional Production Areas

- Zapolyarnoye field went to its full design capacity – 130 bcm of gas per year, becoming the largest gas production field in Russia.

**i** Detailed information is presented in “Exploration and Production” section.

## Development of Cooperation with APR Countries

- *Gazprom Group* and Petrovietnam signed a project accession agreement for joint development of 05.2 and 05.3 license block on Vietnam shelf.
- OAO Gazprom and Agency for Natural Resources and Energy of the Ministry of Economy, Trade and Industry of Japan signed "Vladivostok-LNG" project memorandum.
- OAO Gazprom and GAIL signed an LNG purchase contract for annual Russian LNG supply of 2.5 mln.t. per year over 20 years.
- OAO Gazprom successfully shipped the world's first LNG cargo via the Northern Sea Route.

**i** Detailed information is presented in "Exploration and Production", "Marketing" sections.

## Developing Stronger Partnership Ties with Foreign Partners

- OAO Gazprom and Wintershall Holding signed a binding framework agreement with key asset swap conditions under the joint project for development of Achimovsky deposits of Urengoiyskoye oil and gas condensate field.

**i** Detailed information is presented in "Exploration and Production" section.

## Implementation of Socially Important Projects

- Russian Regions Gasification Program-2012 was approved in January of the reporting year. During the year investment into gasification of Russian regions reached a record-high level – about RR 33.8 bln. Natural gas for the first time came to 429 communities: at least one community a day in Russia was added to the list of communities with gas services.
- Activities to expand use of gas as NGV fuel reached out to a new level. *Gazprom Group* assets, related to production and marketing of NGV fuel, will be consolidated in OOO Gazprom Gazomotornoye Toplivo. Starting from 2013, investment in construction of NGV refill will be included into Russian Regions Gasification Program.
- In early 2013 Adler TPP, a new "power heart" of Sochi, was commissioned. The 360 MW combined cycle power station will be the key power asset of the city and its neighboring territories, it will supply heat and power to Olympic facilities of the city. The station will cover over a third of peak load of Sochi power hub, including the period of 2014 Olympics

**i** Detailed information is presented in "Gas transportation, Storage and Distribution" and "Electric Power" sections.

## Oil Business Development

- First oil produced at new large fields: Messoyakhskoye and Novoportovskoye (Russia), Junin-6 (Venezuela).
- Two years ahead of the deadline, set by Russian Government, Russian oil refining facilities of *Gazprom Neft* switched over to production of major volumes of Class 4 and 5 petrol and diesel fuel. Completion of the process is expected to take place in 2013.

**i** Detailed information is presented in "Exploration and Production" and "Refining" sections.

## Development of Electric Power Business

- Over 2012, the *Group* commissioned 2.2 GW of new power generation capacity in Russia.
- *Gazprom* started pilot production of the 5th power unit of Razdanskaya TPP in Armenia.

**i** Detailed information is presented in "Electric Power" section.

## Landmark Events of the Year



**March 23, 2012**

The most powerful combined cycle power unit commissioned at Kirishskaya GRES.



**June 14, 2012**

Start of gas feed into Bovanenkovo-Ukhta pipeline.



**July 27, 2012**

Completion of construction and connection of 12 production wells of Cenomanian deposits at Zapolyarnoye field.



**August 3, 2012**

Start of production well construction at Kirinskoye field.



**August 28, 2012**

Last joint of Nord Stream second line in Portovaya Bay welded.



**October 23, 2012**

Start of commercial production at Yamal Peninsula.



**October 30, 2012**

Decision to go to the design phase for Chayandinskoye field and "Power of Siberia" gas trunkline.



**November 14, 2012**

ОАО Gazprom and Wintershall Holding signed a framework asset swap agreement.



**December 5, 2012.**

World's first LNG cargo delivered via the Northern Sea route.



**December 7, 2012**

Launch of South Stream gas pipeline construction.



**Leadership  
and Efficiency**

**WE IDENTIFY  
OBJECTIVES  
AND FIND  
SOLUTIONS**





## We find markets

*Gazprom* signed a long-term contract for LNG supplies to the Indian market, one of the fastest growing in the region.



## We find resources

*Gazprom* started the development of the Chayandinskoye field, which will become one of the sources of gas for the future LNG plant in Vladivostok.



## We find ideas

Thanks to new technologies developed by ROSNANO, *Gazprom* will be able to significantly cut its procurement and maintenance costs related to pipe products.



## ABOUT THE COMPANY

**OAO Gazprom views its mission in reliable, efficient and balanced supply of natural gas, other energy resources and refined products to consumers.**

**OAO Gazprom's strategic goal is to establish itself as a leader among global energy companies by diversifying sales markets, ensuring reliable supplies, increasing operating efficiency and using scientific and technical potential.**



## ОАО Gazprom's Operating Principles

- consistent improvement of operating efficiency by using experience and scientific and technical potential;
- efficient management of available resources (natural, financial, technological and innovative);
- diversifying through high-performance projects to create products with high added value;
- increasing capitalization and credit ratings;
- meeting the interests of all ОАО Gazprom's shareholders;
- improving corporate governance;
- improving transparency of financial and business activities;
- establishing personal responsibility in its leadership for managerial decision-making;
- minimizing specific adverse environmental impact from technological causes.

## ОАО Gazprom's Competitive Positions

- rich raw material and production bases of the *Group*;
- unique Russian Unified gas transportation system, which ensures fast response to changes in any of its components including gas, gas condensate and oil and gas condensate fields in use, major pipelines equipped with compressor stations, underground gas storages, gas production plants and distribution stations, which enable assured gas supplies to customers in the Russian Federation and abroad;
- profound vertical integration of the *Group*;
- beneficial geographic location between Europe and Asia;
- years of experience with foreign partners and reputation as a reliable supplier;
- portfolio of long-term contracts of gas supplies to European customers;
- large potential for success in production, scientific research and projects

# THE GROUP'S POSITION IN GLOBAL ENERGY INDUSTRY

## Exploration and Production

The worldwide leader in terms of natural gas reserves and production  
Rapidly growing oil segment

<b>18 %</b>	of world's gas reserves
<b>72 %</b>	of Russian gas reserves
<b>1.18</b>	gas reserves replacement ratio
<b>14 %</b>	of world gas production
<b>74 %</b>	of Russian gas production
<b>1.81</b>	oil and gas condensate reserves replacement ratio
<b>9 %</b>	of Russian oil and gas condensate production

## Transportation and Storage

The world's largest gas transportation system  
Developed infrastructure of UGSF in Russia and access to storage capacities abroad

<b>168.3 thousand km</b>	length of <i>Gazprom's</i> trunk pipelines in Russia
<b>666.2 bcm</b>	the volume of natural gas transported through gas transportation system in Russia
<b>68.16 bcm</b>	the aggregate active capacity of 25 underground gas storage facilities in Russia
<b>4.51 bcm</b>	access to active capacity of UGSF in Europe

# Refining

- Almost half of the total natural gas refining in Russia
- Leading position in oil and gas condensate refining among Russian companies

<b>1<sup>st</sup> place</b>	among Russian companies in terms of gas refining volumes
<b>53.4 bcm</b>	gas refining capacities
<b>19 %</b>	of total oil and stable gas condensate refining in Russia
<b>92.5 mln tons</b>	oil and gas condensate refining capacities

# Electric Power

- Leader in terms of installed capacity and electric power generation in Russia

<b>17 %</b>	of Russian electric power generation
<b>38 GW</b>	installed capacity of 82 power stations in Russia

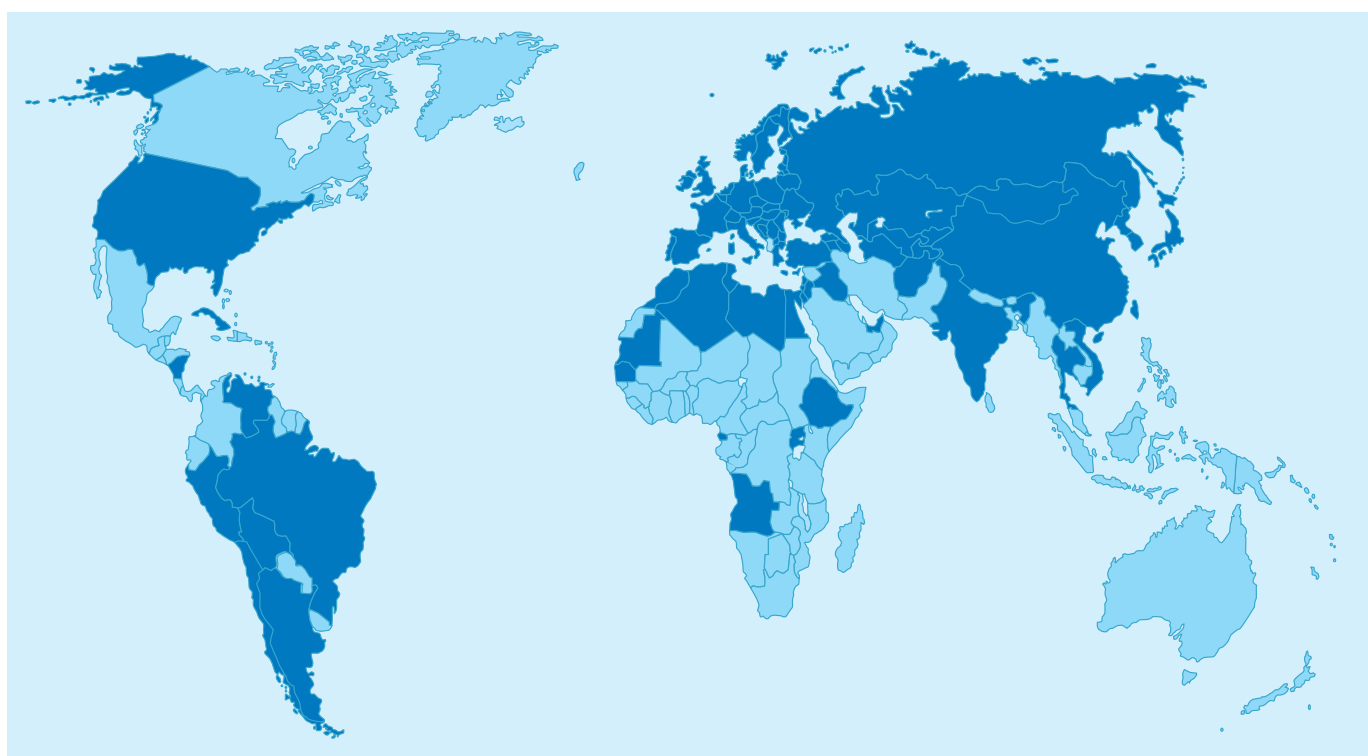
# Marketing

- The major natural gas supplier to Russian and FSU consumers
- The largest natural gas exporter in the European market
- Access to end-consumers at foreign gas markets and growing sales of LNG
- A major player in international oil trade
- Increasing refined products sales with growing retail share

<b>Over 70 %</b>	share in the Russian gas market
<b>25.4 %</b>	share in the European gas market
<b>1.44 mln tons</b>	LNG sales
<b>6 %</b>	of total Russian oil export to far abroad
<b>63.9 mln tons</b>	refined products sales
<b>13 %</b>	share of oil products sales through the network of gasoline stations in total sales of refined products

**Note.** Unless otherwise stated, figures are shown as of / for the year ended December 31, 2012.

# Gazprom Group's Production and Marketing Geography



Countries of operating activity and sales of Gazprom Group

## Production activities

Hydrocarbon search and geological exploration	
Gas and gas condensate production	
Methane production from coal beds	
Oil production	
Gas transportation	
Gas underground storage	
Raw hydrocarbons processing	
Electric power and heat generation	

## Marketing activities



















































































Sales of gas, supplied by gas trunk pipelines	
Hydrocarbons refined products sales	
Oil and gas condensate sales	
Sales of LNG	
Gas sales to end-consumers	
Electricity sales	
Oil products distribution through gasoline stations network	

## Russia












## Former Soviet Union countries

Azerbaijan	
Armenia	      
Belarus	      
Georgia	 
Kazakhstan	   
Kyrgyzstan	  
Latvia	  
Lithuania	    
Moldova	 
Tajikistan	  
Turkmenistan	
Uzbekistan	  
Ukraine	  
Estonia	 
















### European countries

Austria	  
Belgium	 
Bulgaria	  
Bosnia and Herzegovina	   
United Kingdom	       
Hungary	  
Germany	     
Greece	 
Danmark	  
Ireland	 
Spain	 
Italy	  
Cyprus	
Macedonia	 
Malta	
Netherlands	   
Norway	 
Poland	  
Portugal	
Romania	   
Serbia	       
Slovakia	  
Slovenia	 
Turkey	  
Finland	   
France	   
Croatia	 
Montenegro	
Chzech Republic	    
Switzerland	 
Sweden	 

















### Countries of Central and South America

Argentina	
Bolivia	
Brazil	
Venezuela	  
Cuba	
Nicaragua	
Peru	
Chile	








### APR countries

Vietnam	 
India	 
China	  
North Korea	
Republic of Korea	
Singapore	
USA	
Thailand	
Taiwan	
Japan	 



### African countries

Algeria	 
Angola	
Egypt	
Libya	  
Mauritania	
Marocco	
Seychelles	
Senegal	
Tunis	
Uganda	
Equatorial Guinea	 
Ethiopia	

### Near East and Middle East countries

Afghanistan	
Israel	
Jordan	
Iraq	 
Lebanon	
UAE	

### Other countries

Maldives	
Mongolia	

# Development Prospects

## Global Energy Market: Current Situation and Development Trends

The global economic crisis of 2008–2009 led to a demand plunge in most of the major markets, but as soon as in the middle of 2009 positive gas demand growth rates were registered, primarily in Asian countries, and the trend continues today.

Globally, over 27 % of the world's gas is consumed by North American markets. CIS market is the second largest gas market in the world (19 %), APR market comes third (18 %).

Despite ongoing crisis effects in the global economy, the population growth trend will continue and living standards will keep on increasing, especially in developing countries, driving global energy demand upwards in the long-term.

It is expected that environmental and economic advantages of natural gas will help it to maintain much higher demand growth rates, than such fuels as crude oil and coal.

Gas demand growth outlooks vary a lot across different regions.

By 2030 Russian market, which is a top priority and a largely strategic area for *Gazprom*, could see gas consumption volumes exceeding 500 bcm, increasing by more than 7 % versus 2012 consumption levels. It is expected that demand for gas will be driven up by utilities and residential sectors, some gas demand growth will come from the power generation industry, where natural gas is the most efficient and environmentally friendly fuel, and from the gas refining industry. Growing demand for gas will be supported by implementation of the gasification program for Russian regions and by development of UGSS in Russia's East.

Changes at Russian gas market and growing gas price levels in combination with further diversification of the economy and transition to new production technologies will have a significant impact on rational fuel consumption and will consequently help to overcome the dominating gas trend in the fuel balance of Russia.

Factors, used to determine forecast gas demand at the domestic market

- Reduction of share of gas sales at regulated prices and expansion of commodity trades to all types of fuel and energy resources (FER).
- Increase in regulated gas prices to a level, supporting sustainability of domestic market.
- Reduction of energy-intensive market sector share of GDP and growing share of energy-light national economy sectors, leading to lower energy intensity of GDP.

ОАО Gazprom is expecting the lowest gas consumption rates at its most important exports market of European countries: 0.7–1 % p.a. over the period up to 2030.

Growing demand in Asian countries will be the determining factor for development of global natural gas market. APR countries are expected to display rapid gas consumption growth with 3.2–4.4 % average annual growth rates. This growth will be driven primarily by China and India. By 2030 China's gas consumption may get to a level, matching the total consumption of all European countries.

Middle Eastern countries are expected to show growing consumption of natural gas with average annual growth rates above the average global rates, limiting exports opportunities of the region.

North America's gas self-sufficiency, primarily achieved, among other, via development of shale gas production, will stimulate further gas demand growth in the region by 0.9–1.3 % over the period up to 2030.

Forecasts for gas consumption demand growth over the period up to 2030 in Latin America vary in the range of 2.3 to 2.5 %, in Africa – from 1.5 to 2.8 %.

Growth of demand for crude oil and oil products over the period up to 2030 is expected to be moderate. Various estimates show that the average annual growth of demand for crude oil up to 2030 will be limited to 1 %. The growth will come from developing countries in APR, Africa and the Middle East.

At the same time demand in developed countries will demonstrate gradual reduction as a result of increasing energy efficiency of national economies and subsidized use of alternative fuels.

Growth of oil product consumption will almost completely come from transportation sector (air transportation, commercial cargo transportation). Global crude oil and oil products consumption by industrial enterprises will grow only insignificantly, primarily in petrochemical industry. Electric power companies, using liquid fuels, will switch over to other fuels, particularly to natural gas, driving down demand for fuel oil.

### **Key Development Areas of Gazprom Group**

#### **Natural Gas Business**

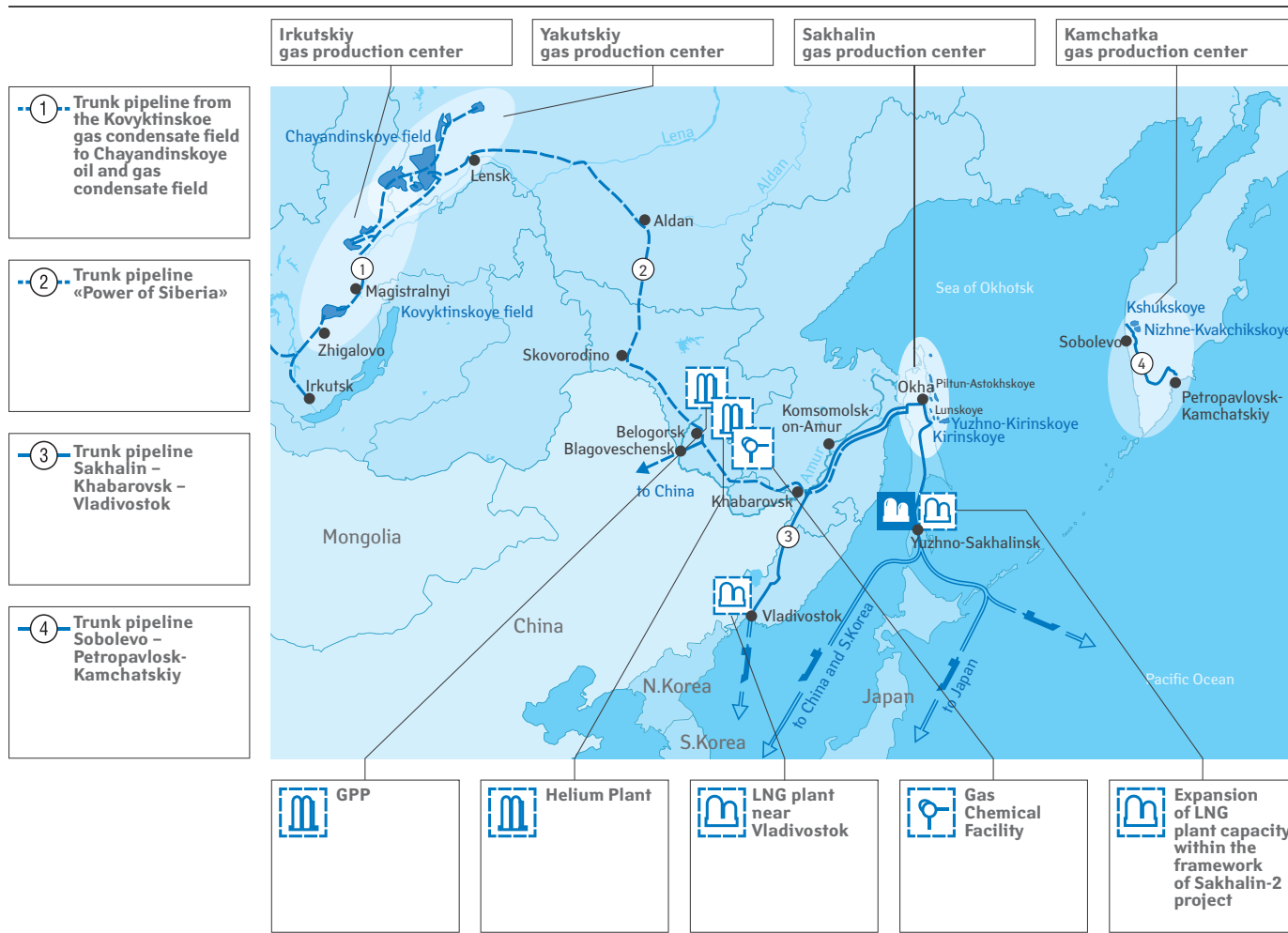
*Gazprom* is focused on maintaining its global gas industry leadership in the long-term.

On the Russian market, *Gazprom* will strive to maintain its current gas supply volumes, while ensuring reliability of supplies, including in fall and winter periods. The *Group* plans to increase its presence at markets of foreign countries, for example, *Gazprom* targets to increase its European market share to 32 %, North-Eastern Asian market share and share in the global LNG trade – to 10–15 %.

To achieve the established goals, *Gazprom* plans to achieve a number of strategic objectives.

The *Company* will maintain its gas production levels at the existing fields and will continue further active development of new production centers at Yamal Peninsula, Arctic continental shelf, in Eastern Siberia and in the Far East.

# Plan of resources development in the Eastern Siberia and Far East of Russia



The gas transportation business will see further development and upgrades of the Unified Gas Supply System (UGSS) in line with growing production volumes, to secure supply efficiency, the *Company* plans to make the maximum of its existing infrastructure. *Gazprom* will continue its activities to extend Russian UGSS to the east of the country and to boost its gas storage and LNG manufacturing capacities.

For gas marketing purposes, it is planned to expand the *Company's* presence in promising gas markets, including APR markets and to increase LNG volumes in *Gazprom's* exports portfolio.

Further development of the *Group's* gas refining and petrochemical business will involve higher levels of extraction of valuable natural gas and associated petroleum gas (APG) components, with their efficient use for further processing into high added value and marketable products. It is planned to upgrade the existing and build new gas refineries and petrochemical plants, including Eastern Siberia and the Far East. OAO Gazprom's Development Strategy for petrochemical and gas refining facilities provides for asset concentration, increased returns and development of corporate transparency.



### **Crude Oil Business**

*Gazprom Group* plans to secure its production growth in the mid-term by implementing large-scale projects in new oil producing regions and on the continental shelf, controlling costs of such projects. It is planned to start development of tight resources and to increase oil recovery efficiency in traditional oil production regions. Furthermore, the *Company* will prospect for new areas by conducting exploration activities and acquisitions both in Russia and abroad. The reserves to production ratio is planned to be maintained at the current level.

The *Company* target is to improve quality of its oil products and to raise its conversion rate at the existing refineries. The *Group* also has plans to gain greater access to refining capacity abroad.

Oil products marketing activities will be focused on premium product sales channels under the common brand.

### **Electric Power Business**

*Gazprom* is focused on qualitative increase in performance efficiency of the *Group's* generation companies by upgrading the existing capacity and building new efficient combined gas and power capacity for higher heat and power production. The *Company* is reviewing its options for implementation of power projects in a number of European and North-Eastern Asia countries.

**Leadership  
and Efficiency**

**WE CREATE  
AND IMPROVE**







## We improve technologies

We developed and sent for trials a unified gas-compressor plant that will enable *Gazprom* to bring down cost of construction and maintenance of compressor plants.



## We improve skills

*Gazprom's* training center in Saratov reopened after renovation. Being the largest in the region, it will provide training and skills upgrade to over five thousand specialists annually.



## We improve gas transportation infrastructure

We put into operation the gas trunkline system Bovanenkovo – Ukhta that expanded the system of *Gazprom's* trunk pipelines.



# ОАО ГАЗПРОМ'S BOARD OF DIRECTORS AND MANAGEMENT COMMITTEE

## ОАО Gazprom's Board of Directors

Information about Members of OAO Gazprom's Board of Directors  
as of December 31, 2012



### **Viktor Alekseevich Zubkov**

Chairman of the Board of Directors

Born in 1941, graduated from Leningrad Agricultural Institute.

*Employment history (last five years):*

2008 – Prime Minister of the Russian Federation

2008–2012 – First Deputy Prime Minister of the Russian Federation

Since 2012 – Russian Special Presidential Representative for Cooperation with Gas Exporting Countries Forum.

Since 2012 – member of the Board of Directors, General Director, Chairman of the Management Committee of OOO Gazprom gazomotornoye toplivo

Year of first election to the Board of Directors of OAO Gazprom – 2008

Mr. Zubkov has no shareholding in OAO Gazprom



### **Alexey Borisovich Miller**

Deputy Chairman of the Board of Directors

Born in 1962, graduated from N.A. Voznesensky Leningrad Finance and Economics Institute.

*Employment history (last five years):*

2008–2012 – Chairman of OAO Gazprom's Management Committee

Year of first election to the Board of Directors of OAO Gazprom – 2002

Mr. Miller holds a 0.00095828 % stake in OAO Gazprom



### **Andrey Igorevich Akimov**

Born in 1953, graduated from Moscow Finance Institute

*Employment history (last five years):*

2008–2012 – Chairman of the Management Committee of Gazprombank (Open Joint-stock Company)

Year of first election to the Board of Directors of OAO Gazprom – 2011

Mr. Akimov has no shareholding in OAO Gazprom



**Farit Rafikovich Gazizullin**

Born in 1946, graduated from Gorky Institute of Water Transport Engineering.  
 Year of first election to the Board of Directors of OAO Gazprom – 1998  
 2012 – member of the Audit Committee of OAO Gazprom's Board of Directors  
 Mr. Gazizullin has no shareholding in OAO Gazprom



**Elena Evgenyevna Karpel**

Born in 1944, graduated from D.S. Korotchenko Kiev Institute of National Economy.  
*Employment history (last five years):*  
 2008–2012 – Head of the Economic Appraisal and Pricing Department of OAO Gazprom  
 Year of first election to the Board of Directors of OAO Gazprom – 2004  
 Ms. Karpel holds a 0.00074825 % stake in OAO Gazprom



**Timur Askarovich Kulibaev**

Born in 1966, graduated from M.V. Lomonosov Moscow State University.  
*Employment history (last five years):*  
 2008–2012 – Head of the KAZENERGY Kazakh Association of oil and energy companies  
 2008–2011 – Deputy Chairman of the Management Board, AO Samruk-Kazyna National Welfare Fund  
 Since 2010 – Chairman of the Presidium of the Legal Entities Association "National Economic Chamber of Kazakhstan "Atameken Union"  
 2011 – Chairman of the Management Board, Samruk-Kazyna National Welfare Fund  
 Year of first election to the Board of Directors of OAO Gazprom – 2011  
 Mr. Kulibaev has no shareholding in OAO Gazprom



**Vitaly Anatolievich Markelov**

Born in 1963, graduated from S.P. Korolev Kuibyshev Aviation Institute.  
*Employment history (last five years):*  
 2008–2011 – Director General of Gazprom transgaz Tomsk.  
 2011 – Director General of Gazprom invest Vostok.  
 Since 2012 – Deputy Chairman of the Gazprom Management Committee of OAO Gazprom.  
 Mr. Markelov holds a 0.00561020 % stake in OAO Gazprom





**Vladimir Alexandrovich Mau**

Born in 1959, graduated from G.V. Plekhanov Moscow Institute of National Economy.

*Employment history (last five years):*

2008–2010 – Rector of the Academy of National Economy under the Government of the Russian Federation

Since 2010 – Rector of the Federal Budget Institution of Higher Professional Education “Russian Presidential Academy of National Economy and Public Administration”

Year of first election to the Board of Directors of OAO Gazprom – 2011

Mr. Mau has no shareholding in OAO Gazprom



**Valery Abramovich Musin**

Born in 1939, graduated from A.A. Zhdanov Leningrad State University.

*Employment history (last five years):*

2008–2012 – Head of the Civil Procedure Department of the Faculty of Law, St. Petersburg State University

2008–2012 – Senior Partner in Russia-UK firm “Musin and Partners”

Year of first election to the Board of Directors of OAO Gazprom – 2009

In 2012 – Chairman of the Audit Committee of OAO Gazprom’s Board of Directors

Mr. Musin has no shareholding in OAO Gazprom



**Mikhail Leonidovich Sereda**

Born in 1970, graduated from St. Petersburg State Economics and Finance University.

*Employment history (last five years):*

2008–2012 – Deputy Chairman of OAO Gazprom’s Management Committee –

Head of the Administration of OAO Gazprom’s Management Committee

Year of first election to the Board of Directors of OAO Gazprom – 2002

In 2012 – member of the Audit Committee of OAO Gazprom’s Board of Directors

Mr. Sereda holds a 0.00004689 % stake in OAO Gazprom



**Igor Khanukovich Yusufov**

Born in 1956, graduated from Novocherkassk Polytechnic Institute, All-Union Foreign Trade Academy.

*Employment history (last five years):*

2008–2011 – Special Envoy of the President of the Russian Federation for International Energy Cooperation and Ambassador at Large of the Ministry of Foreign Affairs of the Russian Federation

Year of first election to the Board of Directors of OAO Gazprom – 2003

Mr. Yusufov has no shareholding in OAO Gazprom

# Changes in the Board of Directors in 2012

## Members of the Board of Directors who were elected in 2012

**Vitaly Anatolievich Markelov** – Member of the Board of Directors of OAO Gazprom  
(since June 29, 2012)

## Members of the Board of Directors whose powers were terminated in 2012

**Alexander Georgievich Ananikov** – Member of the Board of Directors of OAO Gazprom  
(until June 29, 2012)

# ОАО Gazprom's Management Committee

**Information About Members of ОАО Gazprom's Management Committee  
as of December 31, 2012**

## **Chairman of the Management Committee:**



### **Alexey Borisovich Miller**

Born in 1962, graduated from N.A. Voznesensky Leningrad Finance and Economics Institute.

*Employment history (last five years):*

2008–2012 – Chairman of ОАО Gazprom's Management Committee

Mr. Miller holds a 0.00095828 % stake in ОАО Gazprom

## **Members of the Management Committee:**



### **Elena Alexandrovna Vasilieva**

Born in 1959, graduated from N.A. Voznesensky Leningrad Finance and Economics Institute.

*Employment history (last five years):*

2008–2012 – Deputy Chairwoman of the Management Committee – Chief Accountant of ОАО Gazprom

Ms. Vasilieva holds a 0.00028135 % stake in ОАО Gazprom



### **Valeriy Alexandrovich Golubev**

Born in 1952, graduated from V. I. Ulyanov (Lenin) Leningrad Electrotechnical Institute.

*Employment history (last five years):*

2008–2012 – Deputy Chairman of ОАО Gazprom's Management Committee

Mr. Golubev holds a 0.00002398 % stake in ОАО Gazprom



### **Alexander Nikolaevich Kozlov**

Born in 1952, graduated from Moscow State Institute for International Relations.

*Employment history (last five years):*

2008–2012 – Deputy Chairman of ОАО Gazprom's Management Committee

Mr. Kozlov holds a 0.00004722 % stake in ОАО Gazprom





**Andrey Vyacheslavovich Kruglov**

Born in 1969, graduated from St. Petersburg Technological Institute of the Refrigeration Industry.

*Employment history (last five years):*

2008–2012 – Deputy Chairman of OAO Gazprom's Management Committee, Head of the Department for Finance and Economics of OAO Gazprom

Mr. Kruglov holds a 0.00032174 % stake in OAO Gazprom



**Vitaly Anatolievich Markelov**

Born in 1963, graduated from S.P. Korolev Kuibyshev Aviation Institute.

*Employment history (last five years):*

2008–2011 – Director General of Gazprom transgaz Tomsk

2011 – Director General of Gazprom invest Vostok

Since 2012 – Deputy Chairman of the Gazprom Management Committee of OAO Gazprom

Mr. Markelov holds a 0.00561020 % stake in OAO Gazprom



**Alexander Ivanovich Medvedev**

Born in 1955, graduated from Moscow Physics and Technology Institute.

*Employment history (last five years):*

2008–2012 – Deputy Chairman of OAO Gazprom's Management Committee, General Director of OOO Gazprom Export

Mr. Medvedev holds a 0.00019869 % stake in OAO Gazprom



**Sergey Fyodorovich Khomyakov**

Born in 1953, graduated from Leningrad Electrotechnical Institute.

*Employment history (last five years):*

2008 – Deputy Chairman of OAO Gazprom's Management Committee, General Director of OAO Gazprom's security service

Since 2008 – Deputy Chairman of OAO Gazprom's Management Committee, General Director of the subsidiary of OAO Gazprom's Corporate Protection Service in Moscow

Mr. Khomyakov holds a 0.00019901 % stake in OAO Gazprom



**Oleg Evgenyevich Aksyutin**

Born in 1967, graduated from Academician S.P. Korolev Kuibyshev Aviation Institute.

*Employment history (last five years):*

2008 – General Director of OOO NadymGazprom

2008 – General Director of OOO Gazprom Dobycha Nadym

Since 2008 – Head of OAO Gazprom's Department for Gas Transportation, Underground Storage and Utilization

Mr. Aksyutin holds a 0.00021785 % stake in OAO Gazprom



**Yaroslav Yaroslavovich Golko**

Born in 1961, graduated from Leningrad Mining Institute.

*Employment history (last five years):*

2008–2012– Head of OAO Gazprom's Investment and Construction Department

Mr. Golko holds a 0.00007708 % stake in OAO Gazprom



**Nikolai Nikolaevich Dubik**

Born in 1971, graduated from M.V. Lomonosov Moscow State University.

*Employment history (last five years):*

2008 – Deputy Head of OAO Gazprom's Legal Department

2008 – First Deputy Head of OAO Gazprom's Legal Department

Since 2008 – Head of OAO Gazprom's Legal Department

Mr. Dubik holds a 0.00095448 % stake in OAO Gazprom



**Vladimir Konstantinovich Markov**

Born in 1955, graduated from Ryazan Radio Engineering Institute.

*Employment history (last five years):*

2008–2011 – Member of the Russian Federation State Duma, Member of the Committee for Energy of the State Duma.

2011 – Deputy Head of OAO Gazprom Department for Relations with the Russian Federation Authorities

Since 2012 – Member of the *Gazprom* Management Committee, Head of OAO Gazprom Department for Relations with the Russian Federation Authorities

Mr. Markov has no shareholding in OAO Gazprom



**Elena Vladimirovna Mikhailova**

Born in 1977, graduated from Moscow State Industrial University.

*Employment history (last five years):*

2008–2011 – Deputy Director General for Corporate Relations and Asset Management at OAO Mezhhregiongaz

Since 2012 – Head of the Asset Management and Corporate Relations Department of OAO Gazprom

Ms. Mikhailova holds a 0.00003591 % stake in OAO Gazprom



**Vlada Vilorikovna Rusakova**

Born in 1953, graduated from I. M. Gubkin Moscow Petrochemical and Gas Industry Institute.

*Employment history (last five years):*

2008–2012 – Head of OAO Gazprom's Strategic Development Department

2012 – Head of OAO Gazprom's Strategic Development Department

Ms. Rusakova holds a 0.00002513 % stake in OAO Gazprom



**Kirill Gennadyevich Seleznev**

Born in 1974, graduated from D.F. Ustinov Baltic State Technical University and St. Petersburg State University.

*Employment history (last five years):*

2008–2010 – Head of OAO Gazprom's Department for Marketing and Processing of Gas and Liquid Hydrocarbons, General Director of OOO Mezhtregiongaz

Since 2010 – Head of OAO Gazprom's Department for Marketing and Processing of Gas and Liquid Hydrocarbons, General Director of OOO Gazprom Mezhtregiongaz

Mr. Seleznev holds a 0.00013844 % stake in OAO Gazprom



**Igor Yuryevich Fedorov**

Born in 1965, graduated from A.A. Zhdanov Leningrad State University, St.Petersburg State Academy of Service and Economics.

*Employment history (last five years):*

2008–2009 – General Director of OOO Gazkomplektimpex

Since 2009 – General Director of OOO Gazprom Komplektatsiya

Mr. Fedorov holds a 0.00013608 % stake in OAO Gazprom



**Vsevolod Vladimirovich Cherepanov**

Born in 1966, graduated from M.V. Lomonosov Moscow State University.

*Employment history (last five years):*

2008 – Chief Geologist of the Nadym Oil and Gas Production Directorate, OOO NadymGazprom

2008 – Chief Geologist of the Nadym Oil and Gas Production Directorate, OOO Gazprom dobycha Nadym

2008–2010 – Deputy Director General, Chief Geologist of Administration of OOO Gazprom dobycha Nadym

Since 2010 – Head of OAO Gazprom's Gas, Gas Condensate and Oil Production Department

Mr. Cherepanov holds a 0.00001267 % stake in OAO Gazprom

## Changes in the Management Committee in 2012

### Members of the Management Committee elected in 2012

#### **Vitaly Anatolievich Markelov**

Deputy Chairman of the OAO Gazprom Management Committee

(elected by the Resolution of the Board of Directors No. 1925 dated January 23, 2012)

#### **Vladimir Konstantinovich Markov**

Head of OAO Gazprom Department for Relations with the Russian Federation Authorities.

(elected by the Resolution of the Board of Directors No. 1927 dated January 23, 2012)

#### **Elena Vladimirovna Mikhailova**

Head of the Asset Management and Corporate Relations Department of OAO Gazprom.

(elected by the Resolution of the Board of Directors No. 1929 dated January 23, 2012)

### Members of the Management Committee whose powers were terminated in 2012

#### **Viktor Vasilyevich Ilyushin**

(powers of the Member of the Management Committee were terminated by the Resolution of the Board of Directors No. 1926 dated January 23, 2012)

#### **Olga Petrovna Pavlova**

(powers of the Member of the Management Committee were terminated by the Resolution of the Board of Directors No. 1928 dated January 23, 2012)

# BOARD OF DIRECTORS' REPORT ON OAO GAZPROM'S DEVELOPMENT IN PRIORITY AREAS OF OPERATION IN 2012

2012 activities of OAO Gazprom Board of Directors focused on creating conditions, required for establishing OAO Gazprom as a global energy *Company*, increasing capitalization and investment attractiveness of OAO Gazprom, ensuring efficient control over asset management, investment and financial activities, improving efficiency and transparency of internal control mechanisms, improving the system of controls and accountability of OAO Gazprom management bodies, securing shareholder rights.

In its activities the Board of Directors consistently implemented its key objective of determining priority business areas for OAO Gazprom and its development strategy.

Overall, in 2012, OAO Gazprom Board of Directors held 87 sessions (12 – in person, 75 – vote in absentia), 197 Board of Directors decisions were made (47 – in person, 150 – vote in absentia).

Key decisions of the Board of Directors were made on major issues of OAO Gazprom business.

## Strategic Development

The Board of Directors of the *Company* focuses on OAO Gazprom development strategies and programs and required amendments thereto. In 2012 the Board of Directors considered the following issues:

- Debt strategy of OAO Gazprom, debt structure, financing costs and mechanisms;
- Corporate strategy of OAO Gazprom, experience and prospects for major asset acquisition transactions, mergers and acquisitions, progress in divestment of non-core assets, held by entities of *Gazprom Group*;
- Implementation progress of OAO Gazprom Innovative Development Program;
- Development and approval of a non-core asset divestment program of the *Company*;
- Performance efficiency of OAO Gazprom's oil business and proposals to increase crude oil production at the *Company's* oilfields.

The Board of Directors also considered a number of issues in priority areas of the *Company's* business:

- Environmental Policy of OAO Gazprom and its subsidiaries, procedures for applying voluntary mechanisms of environmental responsibility of OAO Gazprom;
- Improving procurement policy of *Gazprom Group* in order to ensure maximum involvement of small and medium Russian businesses;
- Measures to improve shareholder and investor relations of OAO Gazprom;
- Events for practical implementation of co-investment principles for Russian and international venture funds in OAO;
- Proposals for government support measures for gas sector enterprises, including taxation and pricing approaches to ensure conditions for cost-effective operations to supply gas to consumers in the Russian Federation;
- OAO Gazprom measures to increase profitability of natural gas sales under significantly higher tax burden;
- OAO Gazprom pricing policy for the domestic market.

Upon consideration of OAO Gazprom Risk Management Policy issue, the Board of Directors charged the Management Committee with development of a methodology to set up a risk management system for OAO Gazprom and with further implementation of the Action Plan of development of a corporate system for management of major risks.

The Board of Directors of OAO Gazprom paid close attention to issues of shale gas industry development all over the world and to implementation prospects for production of nonconventional gas in Russia, particularly coal, shale and "green" gases. The Board of Directors stressed the importance of design and development of surveying, exploration and production technologies for nonconventional gas and feasibility assessment methodologies for development of such reserves. Upon consideration of the issues, the Management Committee of OAO Gazprom was charged



with performing activities to develop R&D potential of the *Company* in nonconventional gas production in line with technology priorities, provided for in OAo Gazprom Innovative Development Program-2020, and continue monitoring development of shale gas industry development across the world and inform the Board of Directors of monitoring results in Q IV 2013.

In 2012 the Board of Directors of OAo Gazprom made a number of decisions, related to development of NGV fuel market.

Expansion of NGV fuel market will become an important component of OAo Gazprom regional gasification effort. Starting from 2013, the annual Gasification Program for regions of the Russian Federation, regional programs for development of gasification and gas supply and schedules for synchronization of gasification programs will include required sections on use of NGV fuel and relevant infrastructure development. Particularly, these sections will establish responsibilities of parties to expand CNG filling stations network, allocating land plots for construction of such stations and transition of vehicles to compressed natural gas (CNG) in parallel with construction of new CNG filling stations. Furthermore, to boost implementation efficiency of NGV fuel strategy it is planned to consolidate *Gazprom Group's* CNG production and marketing assets in a specialized *Company*. OAo Gazprom Board of Directors charged the Management Committee with continuing regional gasification efforts and including special NGV fuel sections into gasification programs, providing, among other, for NGV fuel infrastructure development.

The Management Committee of OAo Gazprom was charged also with continuing activities to expand use of NGV fuel abroad. The Board of Directors was updated on the progress in this area in Q I 2013.

OAo Gazprom Board of Directors paid close attention to reinforcing foreign trade positions of the *Company*.

In January 2012 the Board of Directors considered potential opportunities for expanding OAo Gazprom's share of the global gas market and related markets, particularly electric power and gas refining products.

The Management Committee was charged with continuing key efforts to increase the share of the *Company* on the global gas market, namely:

- Expansion and development of new routes for pipeline gas exports to Europe;
- Facilitation of pipeline gas supplies to Asia-Pacific Region countries;
- Increasing LNG volumes in the exports portfolio, including Shtokman project LNG and potential production in the Far East;
- Development of low-tonnage LNG and CNG exports;
- Selection and implementation of electric power projects in Europe.

In 2012 the Board of Directors also considered proposals, developed by the Management Committee, and made key foreign trade decisions:

- Insurance coverage for OAo Gazprom's interests in implementation of projects, related to gas exports;
- Scenarios for OAo Gazprom operations in increasingly adverse European market conditions;
- Administrative barriers and obstacles to development of OAo Gazprom, including issues of European Energy Charter and acquisition of a share in European gas transportation system, issues of participation in gas consumption infrastructure development in Asian countries;
- Potential opportunities for increasing gas supply to Europe;
- Cost-effectiveness of OAo Gazprom's participation in gas transportation projects in the European Union under the new EU regulations regime;
- Key priorities for acquisition of assets in EU countries by OAo Gazprom;
- Implementation prospects for OAo Gazprom projects in South-East Asia.

The Board of Directors commended OAo Gazprom's efforts in development of Russia-Belarus gas trade, transportation and investment cooperation.

The Board was charged with delivering further activities under the intergovernmental agreements of November 25, 2011 on conditions of gas supply to the Republic of Belarus and gas transit through its territory and OAo Beltransgaz operations. At its meeting, the Board of Directors noted that OAo Gazprom was successfully implementing comprehensive measures in production, marketing and finance areas of OAo Beltransgaz operations, targeting operational performance improvement of the *Company*.

OAo Gazprom Board of Directors considered progress of activities to set up natural gas pipeline supply to China and other APR countries. At its meeting, the Board of Directors noted that talks

with China got new positive developments at Vladivostok APEC Summit. Presently the *Company* is discussing with China supplies of Russian gas for up to 60 bcm p.a., LNG supplies from Vladivostok area are being negotiated with potential customers from APR countries, and exports of Sakhalin LNG to APR countries are already underway. OAO Gazprom Board of Directors was charged with continuation of these activities in the area.

In 2012 OAO Gazprom Board of Directors paid its close attention to progress of South Stream project activities.

South Stream Transport Company, in charge of the offshore section of the project, is carrying out engineering surveys and project documentation development. Approval of tender documentation and negotiations with potential contractors for the first line of the offshore section are underway.

To secure South Stream gas supply and to enable gasification of central and southern Russian regions, OAO Gazprom is implementing a large-scale construction project for the new Southern Corridor gas transportation system (GTS).

The construction of the new Southern Corridor gas transportation system is carried out in eight regions of the Russian Federation: Nizhny Novgorod region, the Republic of Mordovia, Penza region, Saratov region, Volgograd region, Voronezh region, Rostov region and Krasnodar Territory. The Board of Directors noted, that the *Company* successfully delivered large volumes of work to forward decisions for acceleration of Southern Corridor construction. The Management Committee was charged with further implementation of South Stream project with foreign partners and secure start of gas supply via the pipeline in the end of 2015. The Management Committee will update the Board of Directors on the progress in Q IV 2013.

In December 2012 OAO Gazprom Board of Directors approved the efforts of the *Company* for preparation of Chayandinskoye and Kovyktinskoye fields for development and took notice of their development prospects. The Management Committee will update the Board of Directors on interim result of these efforts in Q IV 2013.

### Financial, Economic and Investment Activities

Over the reporting year the Board of Directors paid close attention to issues of securing control over financial and investment activities.

Key parameters of OAO Gazprom's operations for 2012 are approved by the Board of Directors and outlined in OAO Gazprom's investment program, budget (financial plan) and program for optimizing (decreasing) OAO Gazprom costs.

The Board of Directors reviewed costs dynamics data for OAO Gazprom and its subsidiaries. During the meeting it was noted, that over the two latest years the *Company* maintained global leading positions in net profit and remained a leader among global oil and gas companies by profitability.

The Board of Directors also considered progress of cost reduction activities in OAO Gazprom and its subsidiaries and performance results of the Regulation on the Purchase of Goods, Works and Services by *Gazprom Group*, which came into force on January 1, 2011. In 2012 the Board adopted decisions to amend the Regulation on the Purchase of Goods, Works and Services by *Gazprom Group* with the purpose of further improvement of the existing procurement procedures.

The Board of Directors reviewed a number of issues, related to improving audit efficiency:

- approval of the Professional Ethics Code for Internal Auditors;
- improvement of procedures for selecting an external auditor for required annual audit of OAO Gazprom;
- approval of the Regulation on internal control system of OAO Gazprom.

### Improving Management Efficiency

In order to improve the level of corporate ethics, the Board of Directors approved the Code of Corporate Ethics of OAO Gazprom.

Consideration of issues, related to implementation and development of the share reward program for OAO Gazprom top managers, helped define areas for its improvement, leading to changes into the Regulation on rewarding OAO Gazprom top managers with shares of the *Company*. A new version of the document was approved.

The Board of Directors approved amendments in the system of OAO Gazprom key performance indicators and in the Regulation on remuneration for top managers of the *Company*, the amendments are related to reduction of product (work, service) procurement costs.



# PERFORMANCE RESULTS

## Exploration and Production

**Mineral resources base of *Gazprom Group* is the basis for production operations of the *Company*. *Gazprom* is consistently developing its production capacities, conducting active efforts in its traditional regions and is successfully developing new regions.**

***Gazprom Group* is a global oil and gas leader in terms of industrial gas reserves.**

*Gazprom Group* keeps a leading position in terms of industrial gas reserves among global oil and gas companies owning 18 % of global and 72 % of Russian reserves. *Group's* prospected gas reserves located abroad are less than 1 % as of 31 December 2012.

Development of the resource base of *Gazprom*, its compensation, reinforcement and expansion present a multi-faceted problem, which can only be resolved with consideration to hydrocarbon production scenarios, geologic opportunities of under-explored regions, transportation infrastructure, internal and external market dynamics, environmental issues, strategic partners and competitors.

According to the audit of *Gazprom Group's* hydrocarbon reserves under PRMS Standards performed by DeGolyer and MacNaughton, as of 31 December 2012 proved and probable reserves of the *Group's* hydrocarbons were 29.9 bln tce. Net present value of the hydrocarbon reserves is assessed at USD 279.6 billion (as of 31 December 2011 – USD 299.2 billion). The valuation covered 94 % of natural gas, 89 % of gas condensate and 88 % of crude oil under the AB<sub>1</sub> classification.

*Gazprom Group's* hydrocarbons reserves in accordance with the international PRMS standards as of December 31, 2012

	Natural gas, bcm	Gas condensate*, million tons	Oil, million tons	Total, million tce
Proved reserves	19,114.1	633.8	713.9	23,984.8
Probable reserves	4,251.0	174.9	523.8	5,904.8
Proved and probable reserves	23,365.1	808.7	1,237.7	29,889.6

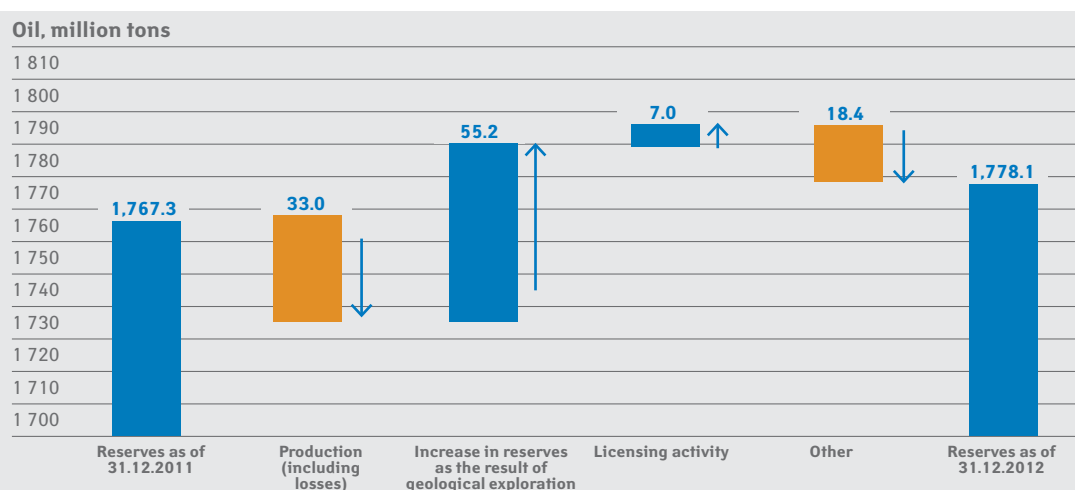
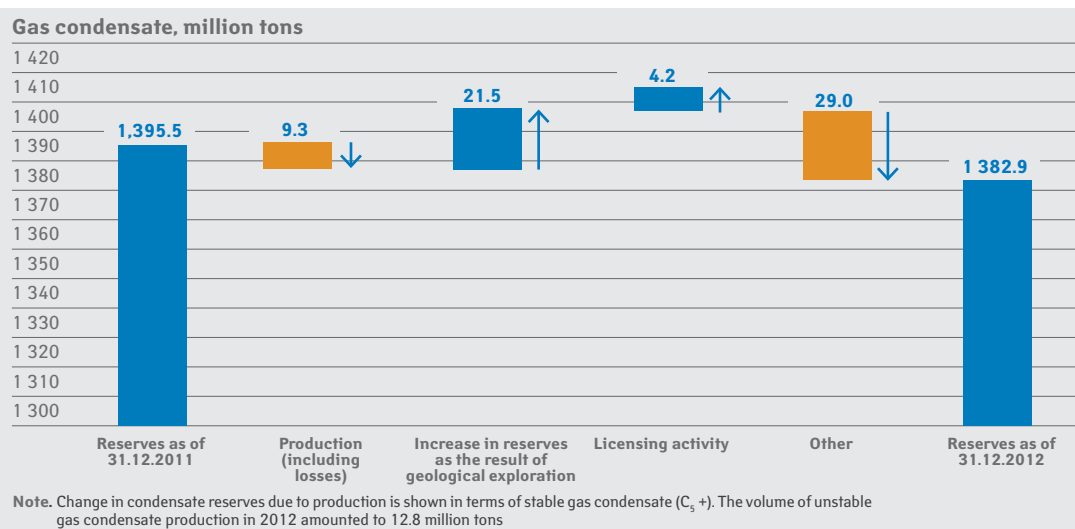
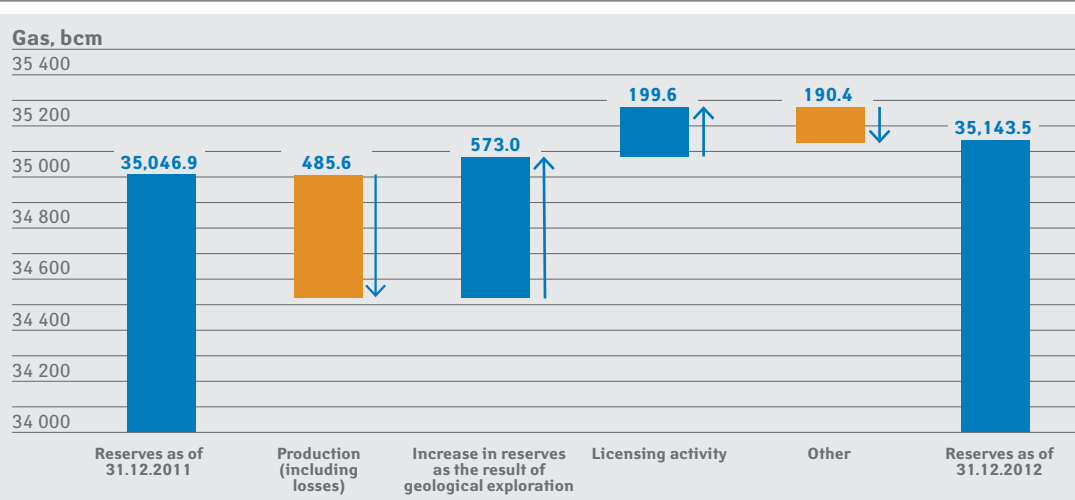
\* Gas condensate reserves of *Gazprom Neft* is included in Oil Column.

Compared to the assessment made as of 31 December 2011, proved and probable reserves of *Gazprom* increased by 0.7 bln tce, mainly due to inclusion of a new field – Koviktinskoe. Decrease of net present value of the *Group's* reserves is primarily due to increase of minerals extraction tax for gas and gas condensate, as well as deferral of Shtokman field development.

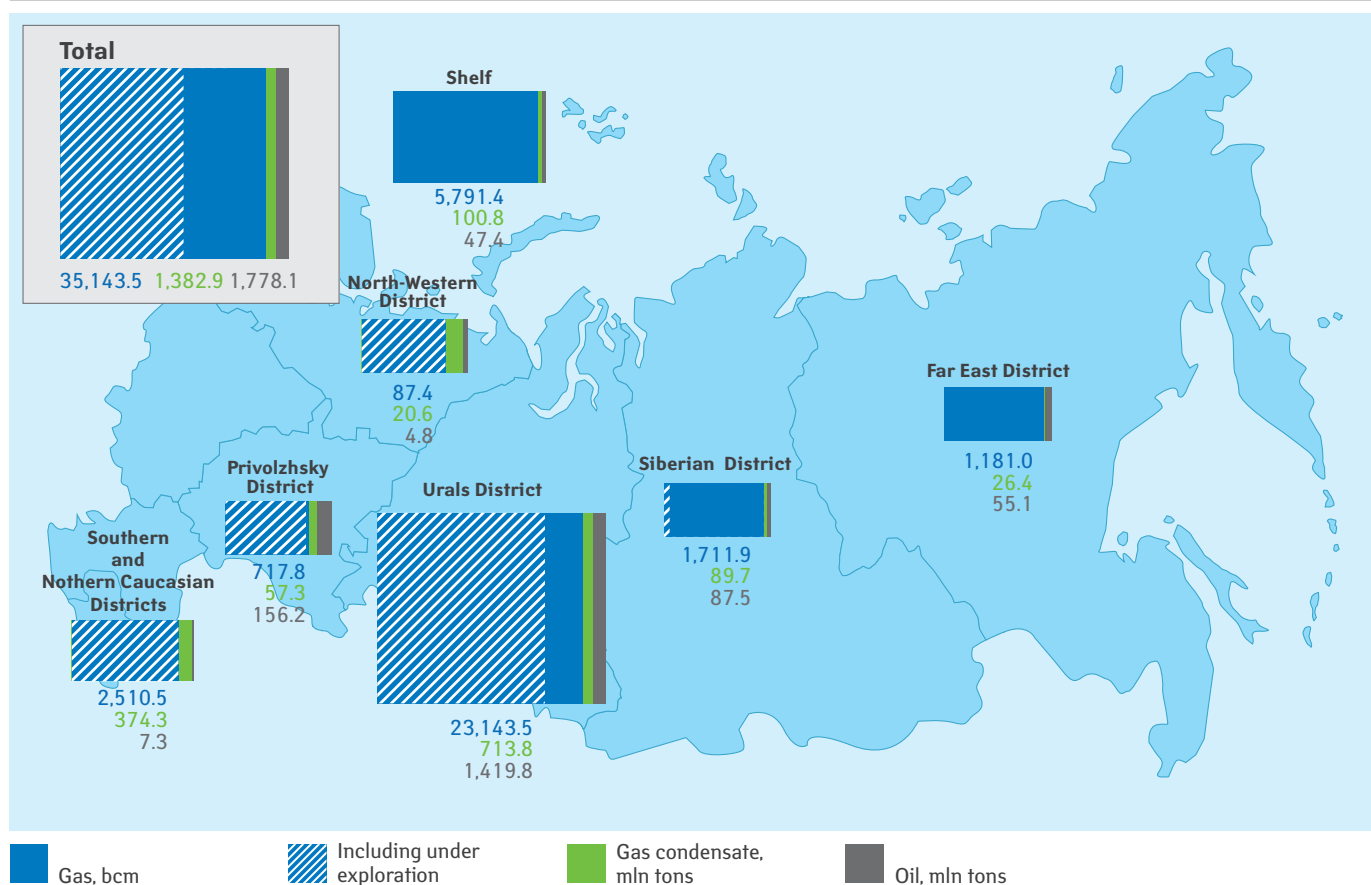
### Operations in Russia

As of December 31, 2012 *Gazprom Group* developed 127 hydrocarbon deposits. Yamalo-Nenets Autonomous Area (YaNAO) remains the key area of the *Group's* operations: over a half of *Gazprom's* discovered gas reserves in Russia and more than 80 % of its production are covered by the major gas production subsidiaries in the region – OOO *Gazprom Dobycha Yamburg*, OOO *Gazprom Dobycha Urengoy*, OOO *Gazprom Dobycha Nadym*, and OOO *Gazprom Dobycha Noyabrsk*. The operations related to the development of the *Group's* oil reserves are consolidated within *Gazprom Neft* and are mainly carried out in Yamalo-Nenets and Khanty-Mansi Autonomous Areas, as well as in Tomsk, Omsk, Orenburg and Irkutsk regions. Moreover, as of December 31, 2012 *Gazprom Group* also had shareholdings in associated companies, which were qualified as subsoil users: gas producing company ZAO *Nortgaz* (51 %), oil producing OAO *NGK Slavneft* (50 %), ZAO *Messoyakhaneftegaz* (50 %) and OAO *Tomskneft VNK* (50 %), Salym Petroleum Development N.V. (50 %), and also in Sakhalin Energy (50 %) – «Sakhalin-2» project operator. The *Group* also has 50% in OOO *Yamal Razvitiye*, which in turn has 51 % in the registered capital of OOO *SeverEnergiya*. Its subsidiaries hold hydrocarbon exploration and production licenses at oil-gas condensate fields in Yamalo-Nenets Autonomous Area.

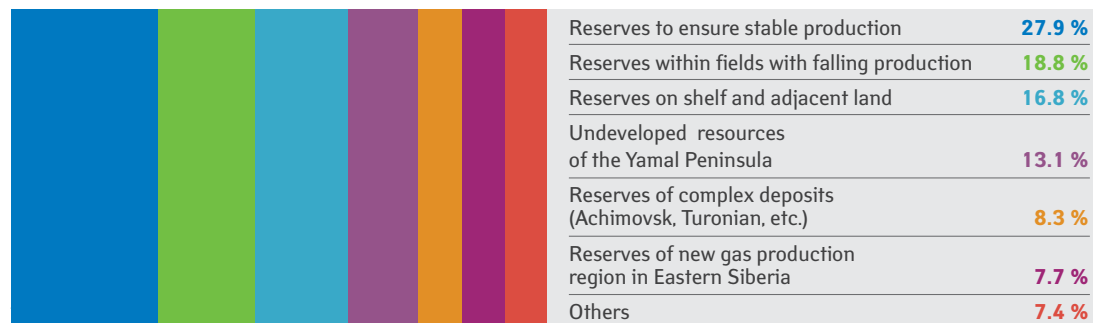
Change in *Gazprom Group's* hydrocarbons reserves (categories A+B+C<sub>1</sub>) in Russia



# Distribution of explored hydrocarbons A+B+C<sub>1</sub> reserves by Russian regions



## Structure of Gazprom Group's discovered gas reserves, %



Hydrocarbon reserves with subsidiaries of *Gazprom Group* as of December 31, 2012 amounted to 758.5 bcm of natural gas, 65.2 mln tons of gas condensate and 732.2 mln tons of crude oil (as of December 31, 2011 – 717.4 bcm of natural gas, 60.1 mln tons of gas condensate, 728.6 mln tons of crude oil).

## Geological Exploration

To provide for expansion and sustainability of its natural resource base, *Gazprom Group* delivers extensive geological exploration activities, assesses prospects of license blocks put up for auctions and tenders for subsoil use rights.

Structure of exploration drilling in the regions of activity in 2012, %



Seismic surveys, enabling detailed research of objects, reservoir characterization, location of exploration wells, are an important factor to ensure efficiency of exploration and to reduce geologic risks. In 2012 the *Company* performed 1.9 thousand meters of 2D seismic profiles and 8.4 thousand sq. km. of 3D surveys.

In 2012 126.4 thousand meters of earth material were drilled, 54 were completed and 46 wells started production. Geological exploration activities were funded for RR 31.9 bln (VAT included).

In 2012 five new fields were discovered: two gas condensate fields in the Krasnoyarsk Territory – Ilbokichskoye and Novo-Yudokonskoye; as well as three oil fields – Severo-Romanovskysye in YaNAO, Yuzhno-Shinginskoye in the Tomsk region and Novaya Nadezhda in Dagestan. In addition 49 deposits were discovered in Chikansky, Yuzhno-Parusovsky, Severo-Parusovsky, Yubileyny, Yety-Purovsky, Vyngapurovsky and other fields.

In the reporting year the *Company* carried out the state examination of Kirinskoye field reserves on the Sea of Okhotsk shelf, near the east coast of Sakhalin. The increase in C<sub>1</sub> category gas reserves amounted to 25.4 bcm, gas condensate – 3.2 million tons. The *Company* performed an operational estimate of Harasaveyskoye field, using data from an offshore exploration well. The increase in C<sub>1</sub> category gas reserves amounted to 63.2 bcm of gas and 0.1 million tons of gas condensate.

The main increase of gas reserves in the amount of 273 bcm relates to fields of the Tambeyskaya group: Severo-Tambeyskoye and Tasijskoye located in the Yamal Peninsula, as well as Chayandinskoye in the Republic of Sakha (Yakutia) – 75 bcm.

The gas reserve replacement ratio amounted to 1.18, for gas condensate – 2.31, for crude oil – 1.67. In 2012 exploration work efficiency is estimated at 6,099.7 tce per 1 meter drilled.

**Gazprom Group reserve growth, resulting from exploration, amounted to 70 % of the total Russian reserve growth.**

## Licensing

As of 31 December 2012, *Gazprom Group* held 255 subsoil licenses for geologic prospecting, exploration and production of hydrocarbons and geological survey of deposits. The size of this subsoil area was 315.3 thousand sq. km, including 62.4 thousand sq. km of offshore sites.

In 2012 *Gazprom Group* received licenses for exploration and production at the following sites: by the order of the Russian Government a subsoil site of federal importance that includes the Western part of Shtokman field with category C<sub>1</sub> gas reserves of 183.8 bcm and gas condensate reserves of 2.8 million tons; licenses for the oil and gas condensate South-Padinskoye field and West-Yubileynoye and Filatovskoye oil fields were received as a result of new discoveries. A license for prospecting, exploration and production at the West-Chatylsky section was received as a result of the tender.

In 2012 12 licenses for subsoil use in Russia were returned: 10 licenses – due to expiry, 2 licenses were terminated early due to inexpediency of any further activities.

## Asset acquisition and divestment, revaluation

*Gazprom Neft Group* acquired 100 % of OOO Zhivoy Istok which owns subsoil licenses for exploration and extraction of hydrocarbons on Baleykinsky field and geological exploration on Uransky section.

The sale of OOO NK Razvitiye Regionov led to cancellation of Yuzhno-Toraveyskoye subsoil use license.

The hydrocarbon reserves have been revalued due to changes in variables used to estimate reserves of Zapolyarnoye oil and gas condensate field.

## Production

*Gazprom's* oil and gas sector operations are based on advanced technologies of hydrocarbon production and modern enhanced oil and gas recovery methods. This will allow production of oil and gas in volumes that will be of demand on the market.

*Gazprom Group's* Capacity in the Production of Hydrocarbons in Russia as of December 31, 2012

127	Fields under exploration
7,226	Existing gas production wells
49	Boosting compressor station with installed capacity of 5,015.2 MW
1,072.94 bcm	Projected total capacity of 179 complex and preliminary gas processing plants
6,738	Of existing crude oil production wells

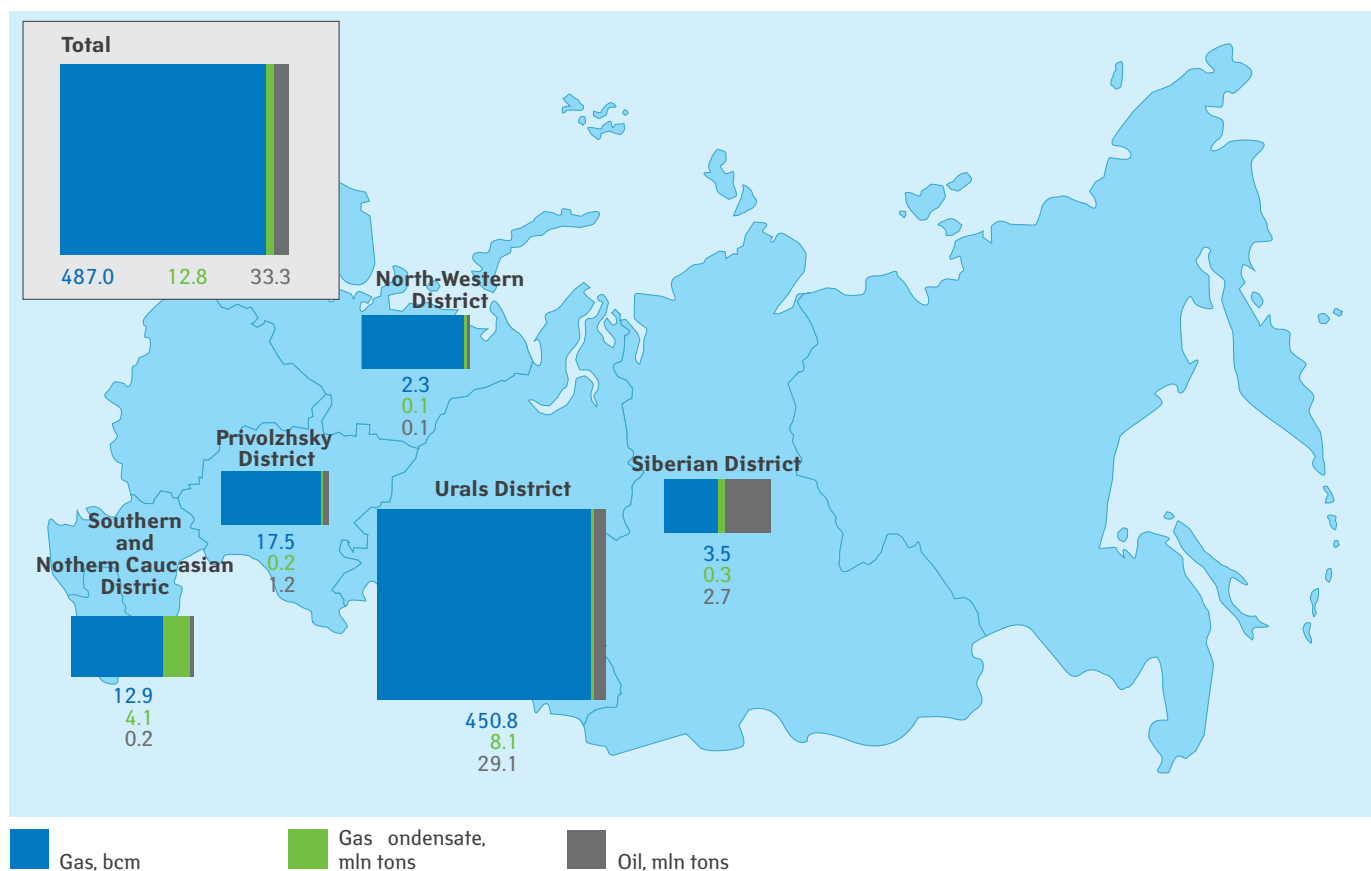
**Two new fields were commissioned in 2012, one of them being the giant Bovanenkovskoye field.**

**Natural Gas.** In 2012 *Gazprom Group* produced 487.0 bcm of gas (in 2011 – 513.2 bcm). The gas production decline that is explained by a sharp slump in demand, has not affected the ability to ensure maximum daily production of gas in the periods of peak demand. In autumn-winter 2012/2013 the maximum daily gas production was 1,658 million cm which is 50 million cm more than in prior year autumn-winter period.



Detailed information on hydrocarbons production capacity of *Gazprom Group* in Russia is presented in "Gazprom in Figures 2008–2012" fact sheet.

## Distribution of *Gazprom Group's* hydrocarbons production by Russian Regions



The *Group's* share in gas production of the associated companies totalled 12.8 bcm (in 2011 – 11.3 bcm). The increase is related to the commissioning of the first stage of Samburgsky oil and gas condensate field, the corresponding subsoil license is held by OAO Arcticgaz, a subsidiary of OOO SeverEnergiya (in which the *Group's* effective interest is 25.5 %).

2012 capital investments in gas production, including production drilling and exploration, amounted to RR 232.7 bln.

2012 saw commissioning of:

- 2 BCS at Bovanenkovskoye and Medvezhie fields with 250 MW and 24 MW capacity respectively;
- 2 gas treatment facilities (with 60.0 bcm annual production capacity at Bovanenkovskoye OGCF and 9.74 bcm per year – at Zapolyarnoye OGCF);
- 298 new gas production wells, including 151 production wells at Bovanenkovskoye field.

Booster compressor stations at Komsomolskoye gas field and CGTP-4 of Yamburg OGCF had their capacity increased by 32 MW each.

**Zapolyarnoye OGCF productivity – 130 bcm per year, the highest in Russia.**

Zapolyarnoye field reaches designed capacity

In Zapolyarnoye field *Gazprom* built the second unit of the complex gas treatment facility for gas from the Valanginian deposits (UKPG-1V) with the annual capacity of 9.74 bcm, and 75 new wells. In addition gas production capacities from the Cenomanian deposits have been increased as a result of putting into operation 12 new wells. As a result the field producing annually 130 bcm of hydrocarbons has become the most productive in Russia.

Zapolyarnaya main compressor station with the capacity of 354 MW is one of the most powerful compressor stations in Russia. It has modern gas pumping facilities with centrifugal rotor boosters suspended magnetically. The devices are equipped with a remote control and self-diagnostics system. This allows to significantly reduce the time of routine maintenance. Moreover, gas pumping facilities are more environmental friendly as emissions of nitrogen oxide and carbon have been minimized.

The *Company* drilled 368 thousand meters for gas production purposes.

*Gazprom* is setting up new gas productions centers: Yamal, Yakutia, Irkutsk, Sakhalin, Krasnoyarsk and Kamchatka production centers.

OAO Gazprom started development of a gas production center in the Republic of Sakha (Yakutia) and decided to go on to the design phase of Chayandinskoye field development projects, construction of "Power of Siberia" gas trunkline and refineries in Amur region. Gas production in Yakutia is expected to start in 2018.

Extensive resource base of eastern fields enables development of a new exports center in the region, targeting Asia-Pacific Region (APR) countries.

Commissioning Yamal peninsula fields into production will compensate for reduction of production volumes in Nadym-Pur-Tazovsky region due to natural depletion of the fields over the next 10 years.

Commercial gas production at Yamal

In 2012 the Bovanenkovskoye field, the largest field in the Yamal peninsula, and the first line of Bovanenkovo – Ukhta trunk pipeline system with length of 1,265.7 km was put into operation. The field is expected to reach the designed capacity of 115 bcm p.a. in 2019–2021.

Commercial development of Yamal Peninsula fields and offshore areas is crucial to secure increased gas production in Russia.

Highly efficient, safe and innovative technologies have been developed specifically for Yamal. Unique large-diameter pipes, withstanding record overland pipeline working pressure of 120 atm were created in Russia for transportation of gas from Bovanenkovskoye field.

In 2012 OAO Gazprom continued implementation of its Comprehensive Program for Reconstruction and Re-Equipment of Gas Production Facilities for 2011–2015. Implementation of the Program is aimed at securing reliable, safe and cost-effective performance of gas production facilities of *Gazprom Group* to maintain designed gas production levels. In 2012 the *Company* allocated RR 27.4 bln (VAT included) for reconstruction and re-equipment. The activities were performed at Yamburgskoye, Urengoyevskoye, Medvezhie, Yubileynoye, Yamsoveyskoye, Vyngapurovskoye, West-Tarkosalinskoye, Komsomolskoye oil and gas condensate fields, Vyngayakhinskoye gas and oil field, Orenburgskoye oil and gas condensate field, Astrakhanskoye gas condensate field and fields of OOO Gazprom Dobycha Krasnodar.

The taken measures helped prevent reduction of gas production volumes during peak loads of 2012–2013 by 45.79 bcm per day. The most effective measures were: replacement of changeable air-to-gas sections of BCS, reconstruction of BCS boosters, reconstruction of gas-compressor



units, replacement of production trees, pump and compressor pipes at wells, well recovery by drilling offshoots, installation of well and flow line performance control system sets.

**Development of nonconventional gas resources.** Depletion of traditional gas resources over the last decade has driven many countries and regions to active development of nonconventional and hard-to-reach hydrocarbon sources.

At present most of Western Siberia fields entered closing production phase, allowing to free up production capacity. With developed infrastructure available, the issue of using tight gas reservoirs (terrigenous and carbonaceous) is considered. According to ООО Газпром ВНИИГАЗ estimates, the total resource potential of nonconventional gas resources in Russia is significant and is in excess of 600 trillion cm, with the majority (75 %) of it being gas hydrate resources, gas of carboniferous layers, shales and tight gas reservoirs.

Geographically, about 90 % of Russian nonconventional gas resources are concentrated in Urals, Siberia and Far East Federal Districts (including adjacent waters).

At present *Gazprom* is implementing an innovative coalbed methane production project in Kuzbass, the ultimate target of the project being commercial production of coalbed methane.

There is ongoing test production at seven exploration wells of Taldinskoye coalbed methane field, over 12 million cm of methane has been produced. The extracted gas is used for power generation (about 93 %) and as natural gas vehicle fuel (7 %), sold at automatic compressor station gas filler.

In 2012 test production continued at 10 exploration wells.

In 2013–2015 it is planned to start pilot development of Taldinskoye coalbed methane field, complete exploration at Naryksko-Ostashkinskaya block and start exploration at promising Chaltoksky site and Tutuyasskaya (Raspadskaya) block.

The development of the innovative coalbed methane production project in Kuzbass, starting from research testing grounds, surveying and exploration efforts to test production of methane and gas supply to consumers enabled accumulation of unique experience and building a foundation for a new sector of gas industry, with high development potential and promising returns.

#### Development of Cooperation with Foreign Partners

On April 7, 2012 ОАО SevernefteGazprom, together with E.ON Exploration and Production GmbH and Wintershall Holding GmbH started successful development of Turonian gas deposits at Yuzhno-Russkoye OGCF. Deposit reserves are estimated at over 300 bcm of natural gas, but are classified as hard-to-reach ones. There is extremely high formation pressure, low formation temperatures, nonuniformity and variability of sedimentary types, low reservoir permeability. ОАО SevernefteGazprom plans to prepare the Turonian deposits for commercial production no later than 2025. Starting from 2011, ОАО Газпром has been implementing an asset swap with Wintershall Holding GmbH. On November 14, 2012 the parties signed a Basic Agreement setting out the terms of asset exchange. As a result of the transaction, Wintershall Holding GmbH will receive 25% + 1 share in the project for the development of areas 4A and 5A of Achimov deposits on the Urengoyeskoye oil and gas condensate field. In its turn, ОАО Газпром will increase its shares in European gas trade and storage companies: WIEH, Wingas, WIEE, from 50% to 100%. In addition, ОАО Газпром will receive a 50% share in Wintershall Nordzee involved in the exploration and development of oil and gas fields in the southern part of the North Sea (Netherlands, the United Kingdom, Denmark).

**Associated Petroleum Gas.** The goal of investment projects for APG utilization at fields of *Gazprom Group* is to reach a utilization level of at least 95 %. 2012 APG utilization level in *Gazprom Group* amounts to about 70 %: for gas producing subsidiaries of ОАО Газпром – 85 %, for *Gazprom Neft Group* – 65.7 %.

Resources and  
Production *Gazprom*  
*Group's* APG in Russia

	2010	2011	2012
Resource, bcm	6.7	6.9	7.9
Sale, bcm	4.3	4.3	5.5
Consumption for own production needs, bcm	0.4	0.3	0.4
Technological losses during cleaning, drying and transportation, bcm	0.13	0.08	0.08
Flaring, bcm	2.4	2.2	2.4
Utilization, %	64 %	68 %	70 %
Including <i>Gazprom Neft Group</i> , %	55.3 %	58.8 %	65.7 %

**The goal of investment projects for APG utilization at fields of the *Group* – at least 95 % utilization.**

Increased levels of APG utilization are related to implementation of APG utilization projects by *Gazprom Neft*, the key project being Noyabrsky integrated project. In the end of 2012 the first phase of the project, implemented together with Sibur Holding Group, was completed. The companies synchronously increased their APG transportation and utilization capacity.

- *Gazprom Neft* built new pipelines and performed partial reconstruction of the existing gas collection system for Vyngapurovskaya fields. Overall, 111 km of pipelines were reconstructed and built in 2011–2012.
- Sibur Holding Group expanded capacity of the existing regional Vyngayakhinskaya CS and Vyngapurovsky GPP to 2.5 bcm.

Development of infrastructure of both companies will enable further processing of 1.1 bcm of APG per year.

The following facilities were constructed:

- Pipeline from Severo-Yanginskoye field to Muravlenkovsky GPP, additional APG utilization in 2012 – 29 million cm per year;
- Pipeline from Shinginskoye field to Luginetskaya CS, additional APG utilization in up to 55 million cm per year.

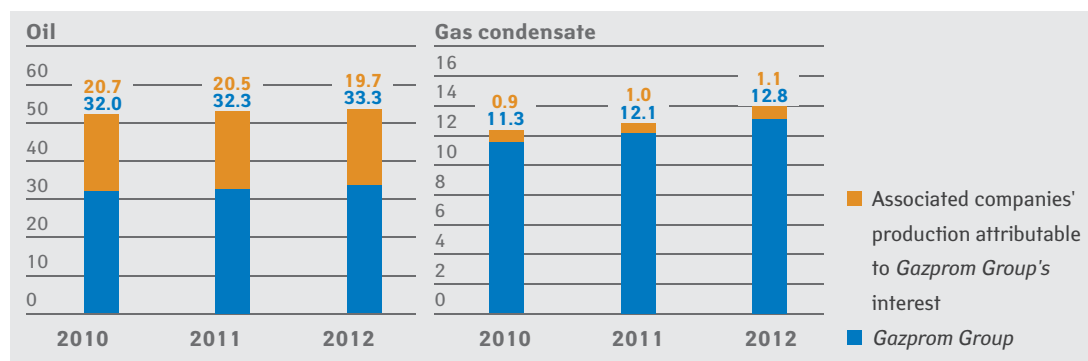
In 2013 after the launch of a joint APG utilization increase project with Sibur Holding Group at Yuzhno-Priobskoye field, *Gazprom Neft* will be able to significantly increase its APG utilization volume, achieving an average level of over 80 % for the Company.

It is planned to achieve the maximum levels of APG utilization at fields of OAO *Gazprom* subsidiaries in 2013.

**Oil and Gas Condensate.** Oil business development is one of *Gazprom's* strategic priorities. The oil production in *Gazprom Group* is concentrated in *Gazprom Neft Group*.

In 2012 *Gazprom Group* production of gas condensate was 12.8 million tons (0.8 million tons more than in 2011), of crude oil – 33.3 million of tons (1.1 million tons more than in 2011).

*Gazprom Group's* and associated companies' liquid hydrocarbons production in Russia, million tons



In the reporting year test oil production started at East Messoyakhsky field; first oil was extracted at Novoportovskiy field. The oil production sector has continued to be developed in the Orenburg region: ZAO *Gazprom Neft Orenburg*, a *Group* entity, launched implementation of the second pilot drilling project in the east part of Orenburgskiy oil and gas condensate field. Prirazlomnoye field development is an important part of *Gazprom Group's* oil business development strategy. The key

development target of the oil field – the Pirazlomnaya offshore ice-strengthened fixed platform – was installed in the field in the waters of the Pechora Sea. In 2012 the *Gazprom Group* completed the construction and installation works and a significant scope of electric installation as well as performed the first stage of in-plant equipment tests. A *Group* project has been designed for the construction of operating (production and pressure) wells. The drilling of these wells is planned to commence in the second quarter of 2013.

In total in 2012 the *Group* put into operation 726 new oil production wells in Russia. Oil production drilling distance covered 2.5 million meters.

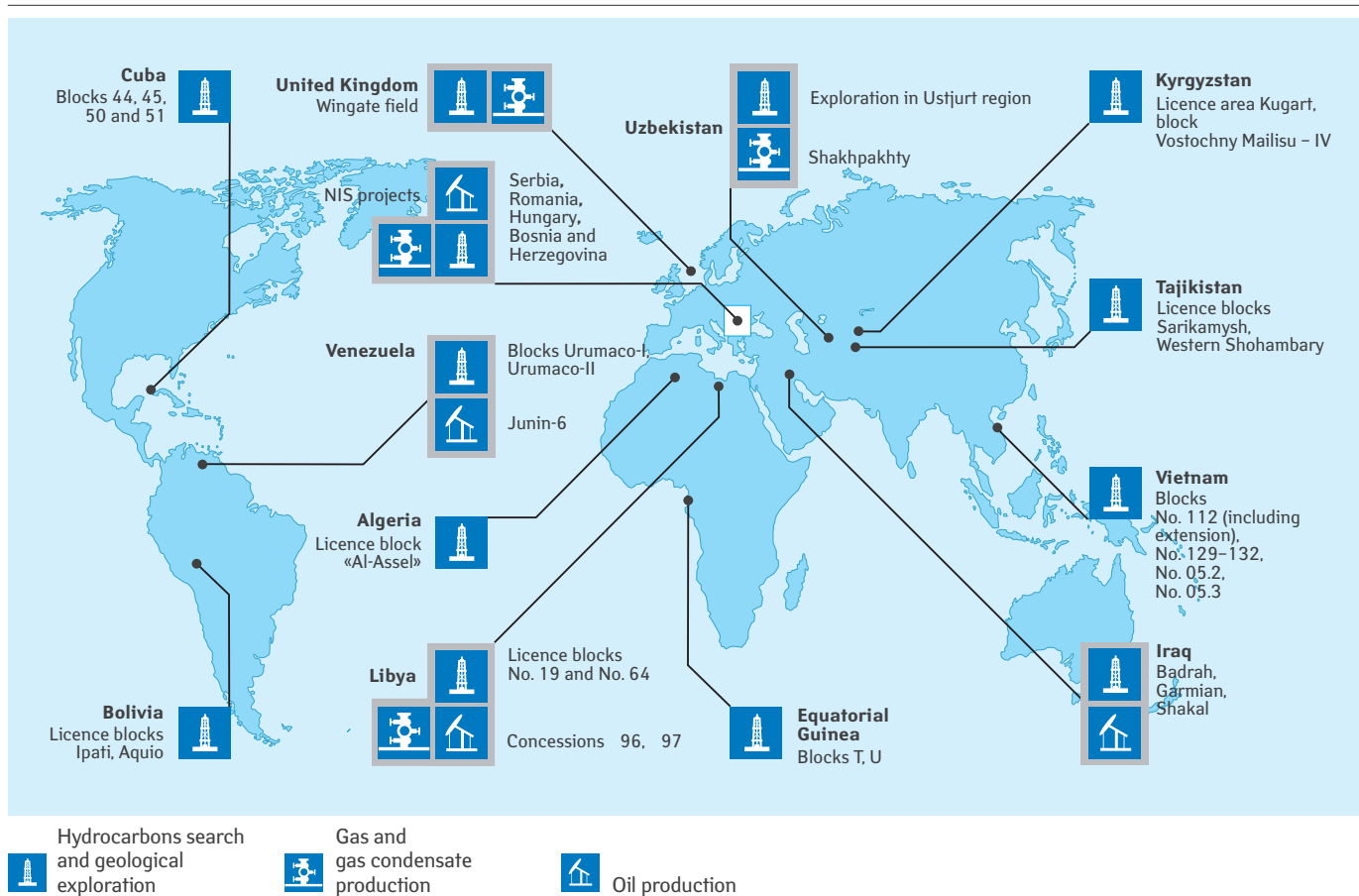
Capital investments into oil and gas condensate production amounted to RR 85.2 bln (in 2011 – RR 72.4 bln.).

## Developing of Hydrocarbons Abroad

### Exploration

As per its contract obligations, in the reporting year *Gazprom* continued its hydrocarbons exploration and production activities abroad.

### *Gazprom Group's* major hydrocarbon exploration and production projects abroad



In 2012 exploration financing in foreign projects amounted to RR 8.9 bln (including VAT).

Geological exploration of hydrocarbons at license blocks of *Gazprom Group* in foreign countries

	2010	2011	2012
Exploration drilling, thousand meters	21.8	21.8	24.0
Completed exploration wells, units	10	6	7
including producing wells, units	4	6	1
Seismic exploration 2D, thousand line km	11.4	1.3	0.7
Seismic exploration 3D, thousand km <sup>2</sup>	2.6	0.7	0.4

In 2012 the *Group* performed most of its exploration activities abroad at its license blocks in Vietnam, Algeria, Tajikistan, and seismic surveying in Serbia and Hungary. Due to February 2011 force-major events under Product Sharing Agreement (PSA) projects at No. 19 and No. 64 blocks in Libya, operations were limited.

Prospecting and exploratory drilling activities were performed in the territory of foreign states in the reporting year as part of joint cooperation in which *Gazprom Neft Group* is involved, namely: in Iraq (Badra) – 9.3 thousand m, Venezuela (Junin-6) – 2.3 thousand m, Cuba – 4.7 thousand m.

In August 2012 *Gazprom Neft* completed the first stage of exploration operations under two PSA in Equatorial Guinea. No commercial hydrocarbon reserves have been identified and the agreements have been terminated.

The first exploration well Catoche-1 drilled in the offshore area of Cuba has not discovered any commercial reserves of hydrocarbons either. The project is implemented by the *Gazprom Neft Group* together with the Malaysian Company-operator Petronas.

Licenses for two sites in Tajikistan (Sargazon and Rengan) were returned in the reporting year due to identification of high geological, technical and economical risks associated with their development.

## New Projects Abroad

**Vietnam.** In April 2012, an agreement on entering the project for the joint development of licensed blocks 05.2 and 05.3 in the offshore areas of Vietnam in the South China Sea water zone was signed with Petrovietnam. The document stipulates receipt of a 49% interest in PSAs based on the terms of this project.

**Iraq.** *Gazprom Neft* entered new hydrocarbons exploration and production projects in Iraq: the *Company* signed two PSAs for Garmian and Shakal blocks located in the South of Kurdistan. Resource potential of the fields, according to the *Group's* estimates, is in excess of 500 mln toe.

**Libya.** In December 2012, OAO *Gazprom Neft* sent a notification to the Italian company ENI on its intent to exercise its option to acquire 33.3% in the consortium of companies developing the Elephant oil field in Libya. OAO *Gazprom Neft* is planning to become an eligible participant of the project during 2013, provided that the Libyan authorities grant their permission.

*Gazprom* continues its expansion on global oil markets striving to strengthen its positions. In 2012 the *Group* became a participant in new projects in Vietnam and Iraq, it laid the ground for expanding its presence in Libya.

## Production

*Gazprom Group* also participates in hydrocarbon production projects abroad. In 2012 the *Group's* Serbian concern NIS produced 1.2 million tons of oil and 0.6 bcm of gas. *Gazprom* participates in joint projects in Iraq, Libya, Venezuela and the UK.

*Gazprom* owns a 20 % interest in the project related to the development of Wingate field in the North Sea (blocks 44/24b and 44/19f). In 2012 production volumes attributable to the *Group's* share amounted to 150 million cm of gas and 900 tons of condensate. Volume of oil produced in Kurdistan (Iraq) totaled 4.6 thousand tons.

In Libya Wintershall AG (the operator), the *Group's* associate company, continues to develop nine fields in the framework of oil concessions C96 and C97. *Gazprom Group's* share in the 2012 hydrocarbon production amounted to 2.1 million tons of oil and 0.3 bcm of gas.

In parallel with the exploration work, oil production was commenced at Junin-6 block located in the Orinoko river basis in Venezuela. Russian oil companies participate in the project via OOO National Oil Consortium in which *Gazprom Neft* has a 20 % share.

## Prospects

### Gas

Gas reserves on conventional hydrocarbon fields secure long-term gas supplies (70 years and more) to the domestic and foreign markets.

In these circumstances, one of *Gazprom's* key production goals is to develop the unique and large fields of the Yamal Peninsula in northern offshore areas to maintain and increase the level of hydrocarbon production volume.

#### Russian mid-term priority projects

- AU and PK horizons of Yubileynoye field in Nadym-Pur-Tazovsky with productivity of 1.7 bcm p.a.;
- Achimov deposits of Urengoiyskoye field, by 2020 gas production is expected to reach up to 30.0 bcm;
- Lower Cretaceous deposits of Pestovoye field with productivity of 2.0 bcm p.a., commissioning planned for 2015–2016;
- Cenomanian –Aptian deposits of Bovanenkovskoye field, design capacity of 115 bcm p.a. is expected to be reached in 2019–2021.

It is expected to secure required gas production levels in the mid-term through further infrastructure development on the existing fields and commissioning of new fields in the Nadym-Pur-Tazovsky Region of the Yamal Peninsula and Kirinskoye field (Sakhalin-3 project).

#### Russian long-term priority projects

- Yamal Peninsula fields:
  - Cenomanian –Aptian deposits of Harasaveyskoye field with design productivity of 32.0 bcm p.a.;
  - Neocomian-Jur deposits of Bovanenkovskoye and Harasaveyskoye fields with productivity of 25.0 and 12.0 bcm p.a. correspondingly;
  - Kruzenshternskoye field with productivity of 33.0 bcm p.a.
- Fields of Obiskaya and Tazovskaya (primarily the fields of Severo-Kamennomyskoye and Kamennomyskoye-sea with productivity of 15.3 bcm p.a. and 15.1 bcm p.a. correspondingly);
- Barents Sea shelf (Shtokman field: its development project envisions gas production volumes of 71 bcm p.a. with potential for increase up to 95 bcm p.a.);
- Sea of Okhotsk shelf (primarily Yuzhno-Kirinskoye and Mynginskoye fields with the combined productivity of 14.7 bcm p.a.);
- Chayandinskoye field with productivity of 25.0 bcm p.a.;
- Kovyktinskoye field with productivity of 35.3 bcm p.a.

In the long-term, strategic gas production regions include the Yamal Peninsula, water zones of northern seas and Far East seas of Russia, the fields of East Siberia and the Far East. For achievement of large-scale state objectives concerning Yamal Peninsula resources development, creation of new centers of gas production and transportation in Eastern Siberia and Far East, development of offshore fields, expansion of presence at global hydrocarbon markets, including high technology operations with liquefied natural gas, gasification of Russian regions significant investments as well as special tax conditions are needed to support economic efficiency of hydrocarbon fields development and receiving of justified rate of return on the *Company's* capital. In this regard measures of state support in part of formulating of terms of taxation take on particular importance. OAO Gazprom has developed proposals to the Government of The Russian Federation on measures of state support of entities executing investment activities and realization of Far East and Eastern Siberia gas industry development projects.

## GAZPROM proposals for tax preferences to develop gas industry in the Far East and Eastern Siberia

- Lower export customs duties for gas condensate and crude oil for entities, producing hydrocarbons at Eastern Siberia and the Far East fields;
- Exemption of entities, producing hydrocarbons at the Far Eastern continental shelf of the Russian Federation, from export customs duties for produced hydrocarbons;
- Exemption from import customs duty and VAT for imports of production equipment and exemption from assets tax;
- Zero MET rate for natural gas and gas condensate, produced at hydrocarbon fields of the Far East and Eastern Siberia for 25–35 years, and for the Far Eastern continental shelf of the Russian Federation – for the overall period of field development;
- Assets tax preferences (down to 0 %) on assets, used in implementation of the Eastern Gas Program, including trunk pipelines, power transmission lines, integral facilities and gas refining and petrochemical facilities, helium and LNG production;
- Transport tax exemption for fixed and floating offshore platforms, drilling ships, offshore mobile drilling units;
- 10-year exemption from corporate income tax for the federal budget part, for new production projects in Eastern Siberia and the Far East with investments of at least RR 150 mln for 3 years, over RR 500 mln – for 5 years;
- Corporate income tax preferences for the part, paid to budgets of constituent regions of the Russian Federation, in the form of a reduced rate down to 0 % for the first 5 years, and down to 10 % – for the next 5 years for companies, investing in new production projects in Eastern Siberia and the Far East at least RR 150 mln for 3 years, over RR 500 mln – for 5 years; to 13.5 % – for the following years up to full cost recovery.

For the purpose of increasing of Yamal Peninsula hydrocarbon crude production projects' economic attractiveness OAO Gazprom has proposed to establish differentiated tax rate on extraction of fossils in part of hydrocarbons, produced on the fields of Yamal Peninsula depending on economical-geographic factors taking into consideration natural-climatic conditions, grade of industrial infrastructure development, level of reserves depletion, complexity of composition and depth of productive formations bedding.

Participation in foreign projects is aimed at the expansion of *Gazprom's* resource base outside of Russia in order to strengthen its position on foreign oil and gas markets.

### Crude Oil

From the point of view of oil business development, huge hydrocarbon production potential in Russia is concentrated in the northern areas of the Yamal-Nenetsky Autonomous Area (Novoportovskoe oil and gas condensate field, fields of OOO SeverEnergia subsidiaries, Messoyakha project), water zone of the Pechora Sea (Prirazlomnoye and Dolginskoe oil fields) and Orenburg Region (eastern part of the Orenburgskoe oil and gas condensate field and new areas).

In addition, East Siberia fields, such as Kuyumbinskoe and Chonskoe, are expected to contribute to the achievement of the production targets.

## Mid-term priority projects in Russia

- Productive horizons of Neocomian and Tyumen suite of Novoportovskoye field, with planned start of development in 2016 with peak oil production at the level of 13 million tons in 2019;
- Productive horizons of Permo-Carboniferous deposits of Dolginskoye field, exploration to continue in 2013–2014, commercial production to start in 2020 with peak oil production of 4.8 million tons in 2027;
- Productive strata of Permo-Carboniferous deposits of Prirazlomnoye field, production drilling is planned for 2013 with peak oil production of 6.6 million tons by 2018.



The following are the long-term strategic goals: strengthening *Gazprom's* positions in the Arctic offshore area, development of non-licensed areas in the Gydan and Yamal peninsulas, participation in the development of non-conventional reserves of West Siberia as well as growth of foreign projects portfolio.

Mid-term priority projects abroad

- Productive horizons of lower miocene and oligocene at Junin-6 block in Venezuela, development of the block is planned for 2018 with peak of production at the level of 450 thousand barrels per day up to 2034;
- Deposits of Mishrif-Rumaila-Maaddud suites (Cenomanian and Turonian of Upper Cretaceous) at Badra field in Iraq with start of development in 2018 with production at the level of 210 thousand barrels per day in 2019;
- Productive strata of Jerebi suite (oligocene), eocene and Cretaceous period at Shakal and Garmian blocks in Kurdistan (Iraq) with production start in 2014 and with annual peak oil production at the level of 0.91 million tons in 2019;
- Productive strata of Jerebi suite (oligocene), eocene and Cretaceous period at Halabja block in Kurdistan (Iraq) with production start in 2016 and with annual peak oil production at the level of 3.5 million tons in 2019;
- Productive horizons of baden, lower Pontian and Pannonian in Pannonian sedimentary basin in Serbia, Bosnia, Hungary, Romania and Croatia.

A long-term goal is to expand to the following regions: Middle East, the Balkans, West and North Africa, Latin America.

# Gas Transportation, Storage and Distribution

## Gas Transportation in Russia

The primary transportation objective of the *Group* is to ensure secure and safe supply of gas to consumers.

The *Group's* trunk pipeline system provides high security and uninterrupted supply of gas to consumers due to structurally reliable design, multi-line large-diameter (1,420, 1,220 and 1,020 mm) pipelines, maintained under uniform operating conditions, availability of intersystem connectors, reserve GPU capacity, scheduled reconstruction and overhaul activities, and use of underground storages.

As of the end of 2012, the total length of trunk pipelines and branch pipes owned by OAO Gazprom and its gas transportation subsidiaries in Russia was 168.3 thousand km. The Gas Transportation System includes 222 compressor stations with 3,738 gas compressor units with the total capacity of 43.87 thousand MW. In addition, gas is transferred to GTS via gas pipelines of gas producers, refinery subsidiaries and OOO Gazprom PHG, with the total length of 4.1 thousand km.

**Gazprom's GTS, a world largest system, in 2012 spanned 168.3 thousand km.**

The distribution of the length of trunk gas pipelines in Russia on terms of service life as of 31.12.2012, thousand km



Detailed information on key specifications of gas transportation facilities of OAO Gazprom and its gas transportation subsidiaries is presented in "Gazprom in Figures 2008–2012" fact sheet.

Volume of gas pumped into Gazprom's GTS in Russia in 2012 totalled 666.2 bcm, which was 2.5 % lower than the level of 2011 due to the complex impact of two factors: lower gas sales of the Gazprom Group in the domestic market together with the increased share of gas from non-Group entities pumped into the GTS.

Gas pumped into Gazprom's GTS in Russia, bcm

	2010	2011	2012
Amount pumped into the system	614.1	630.9	615.2
Including: Central Asian gas	35.3	31.8	31.7
Azerbaijani gas	0.8	1.5	1.6
Gas withdrawn from UGSFs in Russia	40.8	47.1	44.3
Decrease in the amount of gas within the GTS	6.3	5.2	6.7
<b>Total</b>	<b>661.2</b>	<b>683.2</b>	<b>666.2</b>

Gas distributed through *Gazprom's* GTS in Russia, bcm

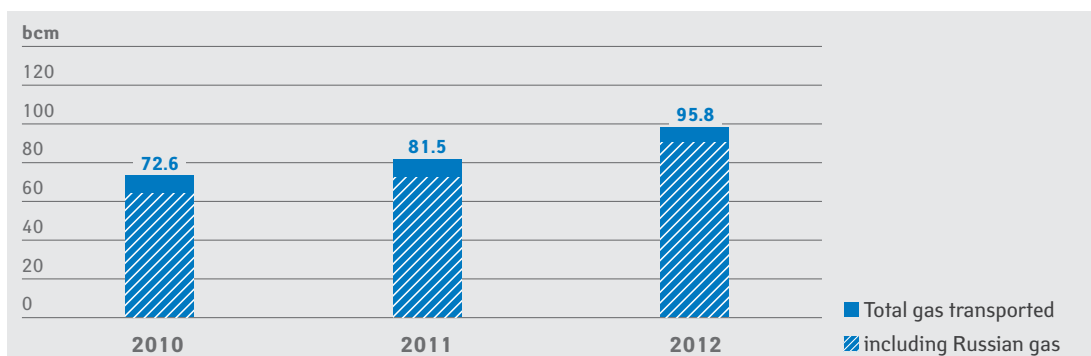
	2010	2011	2012
Supply inside Russia	354.9	365.6	362.3
Including Central Asian gas	0.1	0.1	0.04
Supply outside Russia	209.3	217.7	209.3
Including: Central Asian gas	35.2	31.8	31.6
Azerbaijani gas	0.8	1.5	1.6
Gas pumped into UGSFs in Russia	47.7	48.2	44.1
Technical needs of the GTS and UGSFs	43.6	45.8	40.9
Increase in the amount of gas reserves within the GTS	5.7	5.9	9.6
<b>Total</b>	<b>661.2</b>	<b>683.2</b>	<b>666.2</b>

OAO Gazprom as the owner of GTS provides pipeline access to independent companies only when there is free capacity available and when such companies hold gas production licenses and have contracts with customers for their gas. Furthermore, their gas has to meet specific technology standards. In 2012 gas transportation services via *Gazprom's* GTS in Russia were provided to 25 third-party companies.



An overview of Russian natural gas market is presented in "Marketing" section.

Providing non-Group companies with access to *Gazprom's* GTS in Russia



For the purpose of higher security of gas supplies, technical and environmental safety and efficient gas transportation, *Gazprom* annually performs overhaul activities and scheduled preventive maintenance of the GTS.

Diagnostic survey and overhaul activities of *Gazprom's* gas transportation facilities in Russia

	2010	2011	2012
<b>Gas trunk pipelines diagnostic examination</b>			
Pig assisted inspection, thousands km	21.9	21.7	22.2
Diagnostics of corrosion, thousands km	28.1	26.1	23.0
<b>Overhaul activities</b>			
Gas trunk pipeline, km	2,427.3	2,436.6	2,487.2
Including repair of seal coating of gas trunk pipeline	1,819.5	1,805.8	1,840.3
Gas distribution station, units	242	273	327

In 2012, there were 16 technical failures at trunk gas pipelines, i.e. 0.091 failures per 1,000 km.

## Gas Transportation Abroad

The *Group's* key foreign gas transportation asset is OAO Beltransgaz. The total length of gas pipelines operated by the company is 8.1 thousand km, a half of which was built less than 20 years ago. As of December 31, 2012 the company operated 10 line CS and 227 gas distribution stations (GDS).

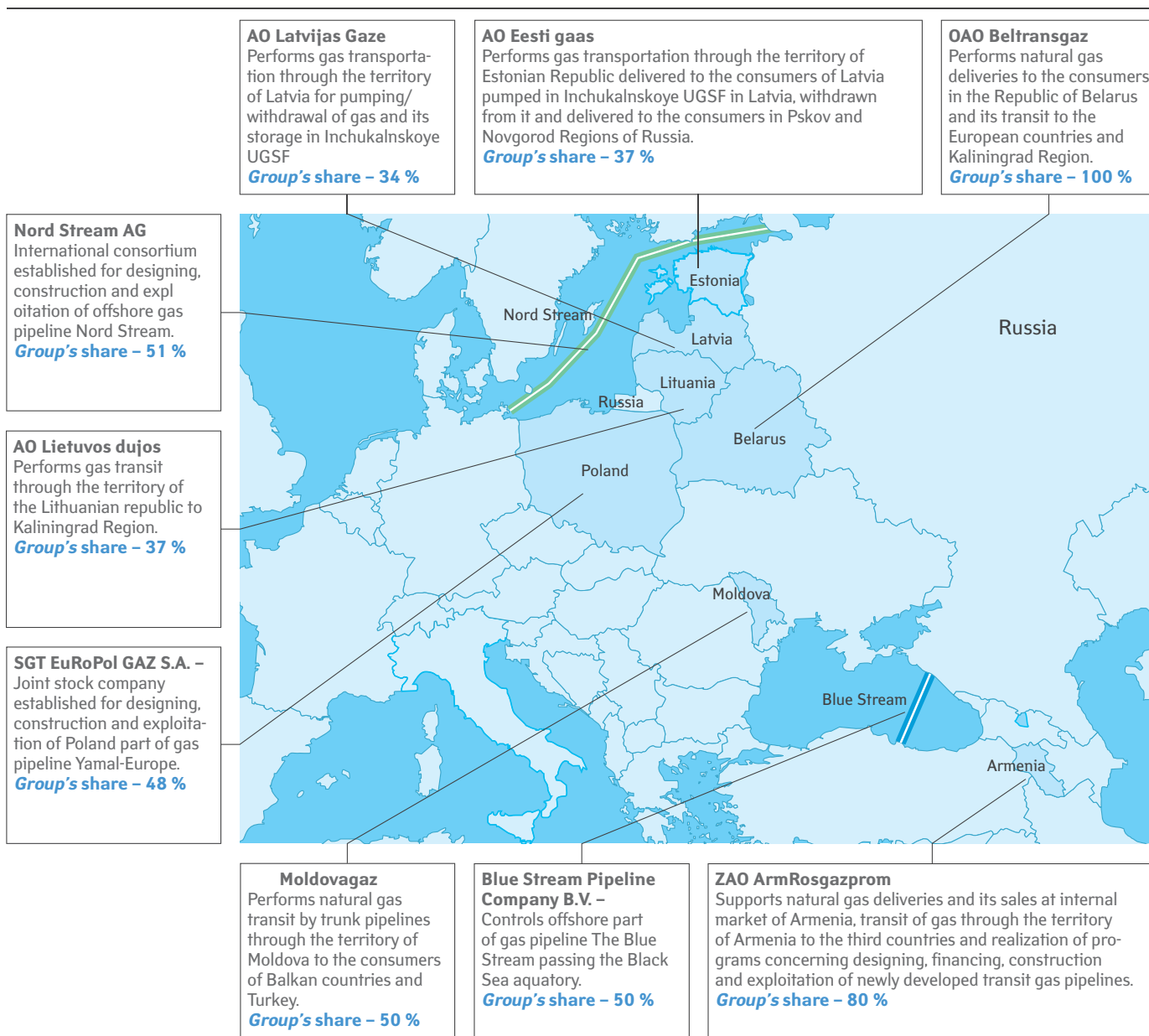
OAO Beltransgaz supplies natural gas to consumers in the Republic of Belarus and performs its transit to European countries and Kaliningrad region. In 2012, 64.5 bcm of natural gas were pumped into the GTS operated by OAO Beltransgaz, including 44.3 bcm of gas transported through the territory of Belarus.

*Gazprom* also owns the GTS in the Republic of Armenia which includes trunk pipelines with the total length of 1.9 thousand km and 76 GDS. The key purpose of incorporation of ZAO Armros-Gazprom was to secure supply and sales of natural gas on the domestic Armenian market, transit of natural gas through Armenian territory to third countries and implementation of programs for design, financing, construction and maintenance of new transit pipelines.

To ensure reliability and safety of gas transportation in Belarus and Armenia, the *Company* carried out diagnostics and repairs of pipelines in 2012. In Belarus the *Company* performed smart pigging of 531.5 km of gas pipelines, including 107 km of Yamal-Europe pipeline, acoustics emission diagnostics of 11 hard-to-reach sections of trunk pipelines. In Armenia the *Company* ran pipeline corrosion diagnostics of 86 km of pipelines.

*Gazprom's* gas transit abroad is ensured by the *Group's* subsidiary companies.

# The Group's subsidiaries and associated companies engaged in gas transportation on the territory of foreign countries



GAZprom takes part in managing the above companies via its board representatives, supervisory councils, shareholders' and management committees.

Nord Stream AG subsidiary is related to implementation of Nord Stream project. The total volume of transportation in 2012 amounted to about 11.8 bcm of gas.



**Leadership  
and Efficiency**

**WE GROW  
AND WE LEAD**







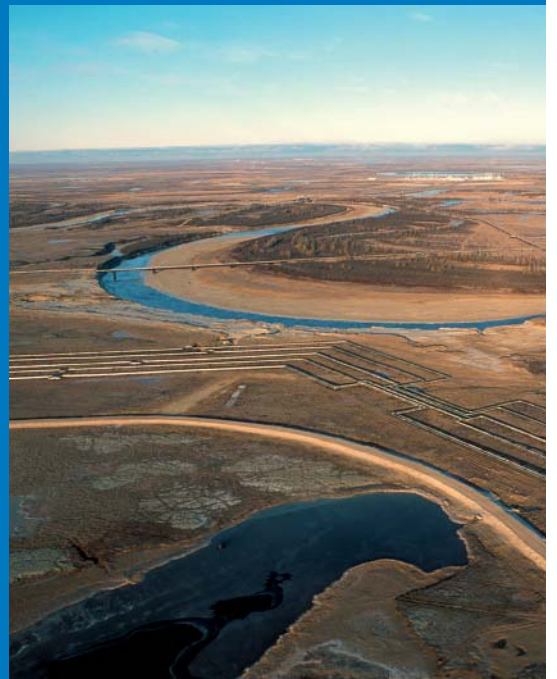
## We are the leader in reserves

We started commercial production at Yamal – the future flagship of gas production that will seal *Gazprom's* leadership for decades to come.



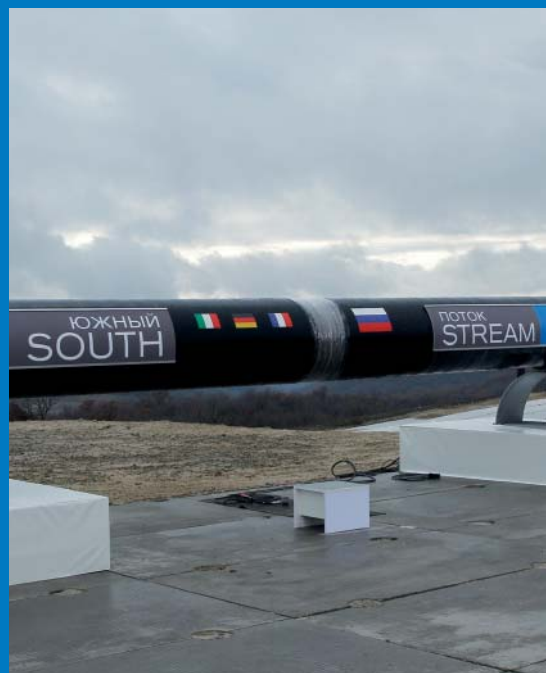
## We are the leader in transportation

*Gazprom* owns the largest gas transportation system in the world, which is over 160 thousand kilometers long.



## We are the leader in export

In the near future *Gazprom* will launch the construction of the South Stream gas pipeline, which will strengthen its leading position in the markets of Europe.



## Gas Transportation System Development

**In October 2012 Bovanenkovo-Ukhta pipeline received first gas from Bovanenkovskoye field.**

Domestic market gas supply and export contract obligations are supported by OAO Gazprom's gas transportation projects. Capital investment of the *Group* into gas transportation in 2012 amounted to RR 563.8 bln.

Key capital investments are aimed at the construction of the Bovanenkovo – Ukhta (the linear part of the first line with two compressor sections with the total capacity of 224 MW is complete) and Ukhta – Torzhok trunk pipeline systems, as well as the Gryazovets – Vyborg trunk gas pipeline (the linear part of the second line with four compressor sections with the total capacity of 345 MW is complete).

In addition, the construction of SRTO-Torzhok gas pipeline (the last three compressor stations with the total capacity of 240 MW are complete) and Pochinki – Gryazovets gas pipeline (Vyaznikovskaya compressor station with the capacity of 64 MW is complete, which will secure the estimated level of gas transportation up to 2020) is finished.

In 2012 3.2 thousand km of trunk pipelines and branch connections, and nine compressor stations at gas pipelines with the total capacity of 1.249 MW were commissioned as part of gas transportation projects.

**2013 gas transportation capacity development plans**

**Completion of Gryazovets – Vyborg pipeline construction.** It is planned to commission four CS with 208 MW capacity.

**Increasing throughput of the first line of Bovanenkovo – Ukhta gas pipeline system.** It is planned to commission six CS with 756 MW capacity.

**Commissioning the pipeline from Kirinskoye gas condensate field onshore facility to main Sakhalin CS.** The project is implemented to connect "Sakhalin-3" fields to Sakhalin – Khabarovsk – Vladivostok pipeline. The gas pipeline will span 140 km.

At the end of 2012 *Gazprom* started the expansion and renovation of the UGSS in order to secure gas supplies to the offshore section of the South Stream gas pipeline. Starting from December 2015 a phase-by-phase gas transportation capacities commissioning of up to 63 bcm of gas per year is planned. The project envisions construction of 2 506 km of the pipeline and 10 CS with the total capacity of 1,516 MW.

OAO Gazprom's long-term objectives include the development of gas infrastructure in East Siberia and Far East as part of the Eastern gas Program.

Activities aimed at the development of the Sakhalin – Khabarovsk – Vladivostok trunk pipeline are underway. R&D activities are performed as part of the Power of Siberia Trunk Pipeline project for gas transportation from Yakutsk and Irkutsk production centres.

South Stream and Nord Stream gas transportation projects are implemented in foreign countries, and potential participation in the construction of gas pipelines to the Asian-Pacific Region is under consideration.

Progress of Nord Stream and South Stream gas transportation projects

**South Stream**

**Offshore section.** In November 2012, in order to eliminate the risk of additional tax burden for the minority shareholders of South Stream Transport AG, OAO Gazprom, ENI, EDF and Wintershall Holding put into effect their joint resolution to change the jurisdiction of South Stream Transport AG from Switzerland to Netherlands. As a result, a new project entity South Stream Transport B.V. was incorporated.

On November 14, 2012 a final project investment decision was made under the South Stream Transport B.V. Shareholders' Agreement and in accordance with the target offshore part of the South Stream project schedule.

On December 7, 2012 the official start was given to South Stream construction.

**European onshore section.** In 2012, final positive investment decisions were made together with the states of Bulgaria, Serbia, Hungary and Slovenia. In September, *Gazprom* and its Slovenian partner in the Plinovodi d.o.o. project incorporated a joint project entity South Stream Slovenia LLC to implement the project in the territory of Slovenia.

**Nord Stream**

In April 2012 construction of the second line of the gas pipeline was completed ahead of schedule.

In the end of August 2012 a symbolic "gold" weld joint connected the Russian onshore section with the offshore section of the second line of Nord Stream pipeline.

The first line underwent successful tests in May – June 2012.

On October 8, 2012 Portovaya CS hosted official commissioning of the second line of Nord Stream pipeline.

Reconstruction and re-equipment of gas transportation facilities is also a key area of focus. The Complex Program for Reconstruction and Re-equipment of Gas Transportation Facilities in 2011–2015 is being implemented in the territory of Russia. The Program is implemented in order to:

- achieve target gas transportation volumes;
- secure gas transportation and supplies to customers of all levels;
- ensure industrial and environmental safety of gas transportation facilities;
- increase the economic efficiency of gas transportation, including resource and energy efficiency.

In 2012 the amount of funds for reconstruction and re-equipment of gas transportation facilities in Russia amounted to RR 23.6 bln.

Reconstruction and technical re-equipment of gas transportation facilities in Russia

	2011	2012
<b>Reconstruction</b>		
Trunk gas pipelines, km	131.0	131.8
Gas Distribution Stations, units	2	2
<b>Replacement and upgrade of gas pumping unit, units</b>	14	15
<b>Note.</b> Reconstruction and technical upgrade of gas transportation facilities in Russia in accordance with the comprehensive program of reconstruction and technical re-equipment of gas transportation facilities in 2011–2015.		



## Underground Gas Storage

**Development of the underground gas storage system is one of *Gazprom's* strategic goals. Underground gas storage facilities:**

- help control seasonal differences in gas consumption;
- reduce peak loads;
- ensure flexible and secure gas supplies.

Reliability of gas supply to Russian consumers and gas exports is guaranteed by a wide network of underground gas storage facilities (UGSF), situated in key consumption areas and integral to UGSS. During the period of peak load, the network of underground storages ensures about 20 % of gas supply to Russian consumers and exports, and in the days of quick freeze this figure reaches 30 %. During maximum gas withdrawal season in 2012/2013 the share of gas supplies from UGSF in Russia reached 38.3 %.

The *Group* operates 21 UGSFs in 25 storage facilities in Russia: 17 storage facilities are built in depleted gas fields and 8 are built in aquifers. As of 31 December 2012, the total volume of active gas in UGSFs reached 68.16 bcm. The storage facility operates 18 CS with 37 compressor units, 242 GPUs with the total capacity of 838.31 MW and 2,621 production well.

In 2012, 44.3 bcm of gas were withdrawn from UGSF in Russia, and 44.1 bcm of gas were pumped into UGSF, including 100 million cm of buffer gas (Nevskoe UGSF). Maximum daily capacity as of 20 December 2012 was 670.7 million cm per day. Potential daily capacity increased by 23.4 million cm as compared to 2011.

By the start of the withdrawal season of 2012 – 2013, the volume of the operating gas reserve in Russian UGSFs reached 66.28 bcm, which is 1.03 bcm higher than in the previous season.

Forecasted gas demand growth dictates the need for further UGSF network development. In 2012 the *Company* carried out expansion of the existing and construction of new UGSF. In 2012, activities aimed at the increase of underground gas storage capacities in Russia were carried out at the Kanchurinsko-Musinskoe UGSF (active capacity increased by 0.3 bcm), Sovkhoznoe UGSF (active capacity increased by 0.7 bcm), Severo-Stavropolskoe UGSF (active capacity increased by 0.196 bcm, 6 production wells were connected), Krasnodarskoe UGSF (active capacity increased by 0.25 bcm), and Peschano-Umetskoe UGSF (2 production wells were connected). Construction of new UGSFs is underway: Bednodemyanovskoye UGSF in aquifer and Volgogradskoye oin salt deposits, the *Company* is also looking for new areas for further UGSF construction.

In 2012 capital investments of *Gazprom Group* into underground gas storage amounted to RR 18.2 bln (in 2011 – RR 20.0 bln)

By 2013/2014 withdrawal season *Gazprom* plans to increase its operating gas reserve from 66.28 to 69.01 bcm, bring its maximum daily capacity up to 727.8 million cm, increasing it by 57.1 million cm. The program involves the following UGSFs: Sovkhoznoye, Stepnovskoye, Nevskoye, Kalinigradskoye, Kanchurinskoye, Kasimovskoye, Musinskoye, Severo-Stavropolskoye. For 2013 it is planned to increase the active capacity of UGSFs by 2.75 bcm and connect of 42 wells, capital investments in the activities will amount to RR 35.18 bln.

The tasks of long-term development of the underground gas storage system in Russia are set in the General Gas Industry Development Scheme up to 2030 and are aimed at the increase of the daily withdrawal capacity of UGSFs and reserve gas volumes. *Gazprom's* strategy tasks include technical re-equipment, reconstruction and expansion of existing storage facilities as well as development of new UGSFs. By the withdrawal season of 2015-2016, it is planned to increase maximum daily capacity up to 819.6 million cm.

To increase the security of export gas supplies, *Gazprom* uses UGSF capacities in foreign countries.

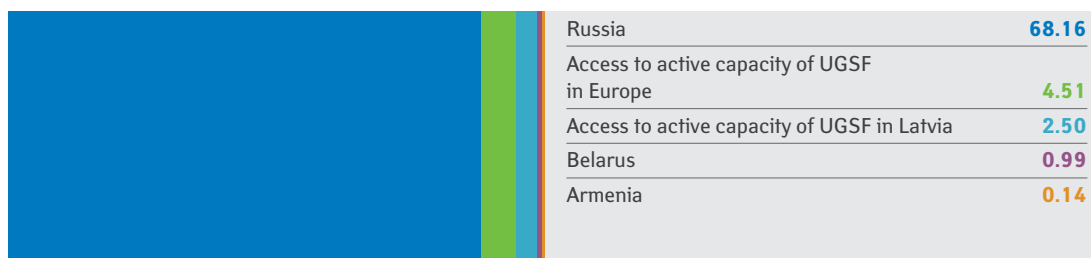
In Europe the *Group* has access to active UGSF capacities in Austria (Haidach), UK (Humbly Grove), Germany (Reden, Katarina, UGSFs of VNG and Vitol), Serbia (Banatsky Dvor). Overall during six years up to the reporting year, *Gazprom's* European gas storage capacity more than tripled – from 1.4 to 4.5 bcm, with daily performance also increasing from 18.2 to 53.3 million cm. In the reporting year, 5.4 bcm of gas were pumped into European UGSFs, and total gas withdrawal was 1.6 bcm.

**In December 2012 *Gazprom* reached the Russian record UGSF performance of 670.7 mmcm per day.**

*Gazprom* also uses underground gas storage facilities in the FSU countries.

- In Latvia, *Gazprom* uses capacities of the Inchukalnskoe UGSF.
  - In Belarus, *Gazprom* owns three underground gas storage facilities – Pributskoe, Osipovichskoe and Mozyrskoe UGSFs with the total active capacity of 993 million cm and maximum daily production of 18.0 million cm. In 2012 these storage facilities operated 3 CS, including 4 compressor sections, 13 gas compressor units with the total capacity of 16.1 MW and 105 storage wells.
  - In Armenia, *Gazprom* owns the Abovianskaya underground gas storage station with the active capacity of 135 million cm, maximum daily production of 9.2 million cm, a compressor section, 9 gas compressor units with the total capacity of 9.9 MW, 19 storage wells.
- Overall, the *Group* pumped 2.7 bcm into UGSFs in FSU countries and withdrew 2.5 bcm of gas from those UGSFs.

Active capacity of UGSF, used by the *Group*, as of 31.12.2012, bcm



In 2012, the second cavern of the Katarina UGSF in Germany was commissioned, and the active capacity increased to 115 million cm. The project includes 12 salt caverns, construction of above-ground facilities and a connector pipeline to YAGAL trunk pipeline, connecting Yamal-Europe pipeline to German gas pipeline network. The active volume of the UGSF will amount to 629 million cm with 13 million cm daily withdrawal capacity, enabling UGSF Katarina to reduce peak loads. An option to increase daily performance of the gas storage facility to 26 million cm is under consideration. The gas storage facility is expected to reach its design capacity by 2025.

Activities at the Haidach UGSF in Austria and Banatsky Dvor in Serbia were continued.

*Gazprom* takes part in prospective underground gas storage projects in foreign countries.

- The Netherlands. Construction of UGSF Bergemeer with start of commercial operations planned for 2014. *Gazprom* provided to the UGSF its cushion gas in exchange for the right of access to 1.9 bcm of active volume of the storage facility and 26.4 million cm of daily withdrawal volume.
- Czech Republic. Feasibility study of UGSF projects in Czech Republic. A UGSF project based on depleted Damborice field with 456 million cm of active gas with daily production of 7.6 million cm.
- Turkey. Tarsus project, involving washing out 12 salt caverns, construction of a 900 million cm UGSF with daily production of 10–15 million cm.

*Gazprom* is conducting technical and economic assessment of participation options in joint UGSF projects in the UK (Saltfleetby), France, Germany

The *Group* plans to increase own gas storage capacities in Europe and reach the level of 5 bcm of active gas by 2015.

## Gas Distribution and Gasification

***Gazprom* is a gas distribution leader in Russia. Subsidiary and affiliated gas distribution companies of *Gazprom Group* provide transportation of gas via distribution pipelines and secure uninterrupted pipeline operations.**

The share of subsidiary and affiliated gas distribution companies of *Gazprom Group* in Russian gas sector is more than 80 %.

Being a gas distribution leader in the Russian Federation, *Gazprom* ensures safe and reliable operation of gas distribution systems, implements its unified technical policy and exercises corporate control over the compliance with industrial safety requirements. *Gazprom's* operating principles for Russian regions are established in its Regional Policy Concept.

*Gazprom Group* includes OAO *Gazprom Gazoraspredeleniye*, a holding *Company* with 7 branches, 155 subsidiaries and 20 affiliated GDS, and OOO *Gazprom Transgaz Kazan*, an operator of trunk pipelines and gas distribution systems in the Republic of Tatarstan.

As of December 31, 2012 subsidiaries and affiliated GDS of *Gazprom Group* maintained 654.4 thousand km of gas distribution pipelines, securing transportation of 239.1 bcm of natural gas.

Consumers of *Gazprom Group's* subsidiaries and associated organizations in 2012

2012	Consumers	Change to the level of 2011
24.8 mln	apartments and private households	+ 0.5 mln
21.6 thousand	industrial enterprises	+ 0.2 thousand
43.1 thousand	boiler-houses	+ 0.2 thousand
223.8 thousand	utilities	+ 8.1 thousand

In 2012 OAO Gazprom Gazoraspredeleniye continued implementation of the Reconstruction and Re-Equipment Program for Gas Facilities and developed project documentation for 127 sites and completed construction and installation at 119 reconstruction sites.

Gasification of Russian regions is a strategically important activity of *Gazprom* in Russia with direct impact on social and economic development of regions and living standards of people. The regional gasification program is coordinated by OOO Gazprom Mezhregiongaz.

The 2012 investment volume into Russian regional gasification program amounted to RR 33.8 bln.

OOO Gazprom Mezhregiongaz used master gas supply and gasification schemes and proposals from regional administrations to develop gas supply and gasification development programs for 2012–2015 for those regions of the Russian Federation that participate in OAO Gazprom gasification programs. The programs include upgrades and construction of gas transportation facilities, construction of interconnection networks by *Gazprom Group* and obligations of regions to prepare consumer infrastructure – construction of distribution networks, boiler plant switchover to natural gas, household preparation and enforcement of timely payments for supplied gas.

Implementation of *Gazprom's* gasification program in 2012 saw completion of construction of 235 gasification facilities with the total length of 3.4 thousand km, providing gas supply to 429 communities in 40 territorial subjects of the Russian Federation. 54 thousand apartments and households were connected to gas supply and 473 boiler plants switched over to gas in those regions of the Russian Federation, where regional administrations fulfilled their obligations to prepare consumer infrastructure.

*Gazprom's* Russian Regional Gasification Results for 2005–2012

- Investments –RR 180 bln.
- 1,527 interconnection networks, spanning 22 thousand kilometers.
- 600 thousand apartments and households, 3,623 boiler plants in 2,953 towns connected to gas supply.
- The average level of natural gas penetration increased from 53.3 to 64.4 %, including cities – from 60.0 to 70.1 %, rural communities – from 34.8 to 53.1 %.

**Gasification of Russian regions is aimed at broadest and economically viable gasification level.**

- In 2012 *Gazprom* continued its activities in major strategically significant areas:
- gasification of Russian regions, aimed at achieving the economically viable gasification level, meeting consumer demand for gas, improvement of living conditions of the population and growth of economic potential of Russian regions.
  - alignment of joint activities of OAO Gazprom and administrations of constituent regions of the Russian Federation, aimed at simultaneous development of “gas pipeline – consumer” combination and loading constructed facilities immediately after commissioning;
  - construction of gasification facilities for Sochi 2014 Olympics.

Moreover, standalone LNG gasification projects are being designed for consumers in Khabarovsk and Perm regions. Investment feasibility studies have been developed for Altai, Buryatia, Dagestan, Tyva and Khakassia Republics, Tyumen, Leningrad, Tomsk, Volgograd and Novosibirsk regions, Yamalo-Nenetsky Autonomous Okrug.

Successful implementation of the gasification program is assisted by a multi-level cooperation system of the *Company* and regional Russian authorities, based on cooperation agreements. In 2012 *Gazprom* signed open-ended agreements with Krasnoyarsk region, Primorye region and Sverdlovsk region.

Overall, *Gazprom* has contracts with 81 constituent regions of the Russian Federation. Government relations of structural entities of OAO Gazprom and its subsidiaries create favorable conditions for *Gazprom Group* activities, development of regulatory framework for cooperation with regions and improvement of the existing operational formats and search for new ones.



Signing a gasification contract is an OAO Gazprom requirement for gasification of Russian regions. In 2012 gasification contracts were made with Lipetsk, Smolensk, Vologda, Murmansk and Sakhalin regions, the Republic of Komi and Chechen Republic. Overall, as of December 31, 2012 *Gazprom* had gasification contracts with 66 constituent regions of the Russian Federation.

In 2012 the Russian regional gasification program for 2013 was approved with RR 33.4 bln in investments. Allocation of investments for 2013 and subsequent years will depend on the ability of Russian regional administrations to fulfill their consumer infrastructure obligations, including switchover of vehicles to compressed natural gas in accordance with synchronization schedules and lack of debt for supplied gas.

In 2012 *Gazprom* accelerated its efforts for developing regional NGV fuel markets and created a specialized company OOO Gazprom Gazomotornoye Toplivo, developing and implementing marketing programs for expansion of NGV filling station network in Russia and increasing numbers of NGV fuel-powered vehicles. NGV fuel infrastructure development proposals were made to 69 regions of the Russian Federation, participating in the Gasification Program. As of December 31, 2012, 59 Russian regions had 243 NGV filling stations, 210 of these were owned by *Gazprom Group*. In order to accelerate development of regional NGV fuel markets *Gazprom*, starting from 2013 includes in the Gasification Program NGV filling station project activities and switchover of vehicles to NGV fuel. In 2013 this area will receive RR 1 bln in investment.

## Refining

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**Refining is an important business, diversifying operations of the *Group* and ensuring deeper and more efficient use of natural resources.**

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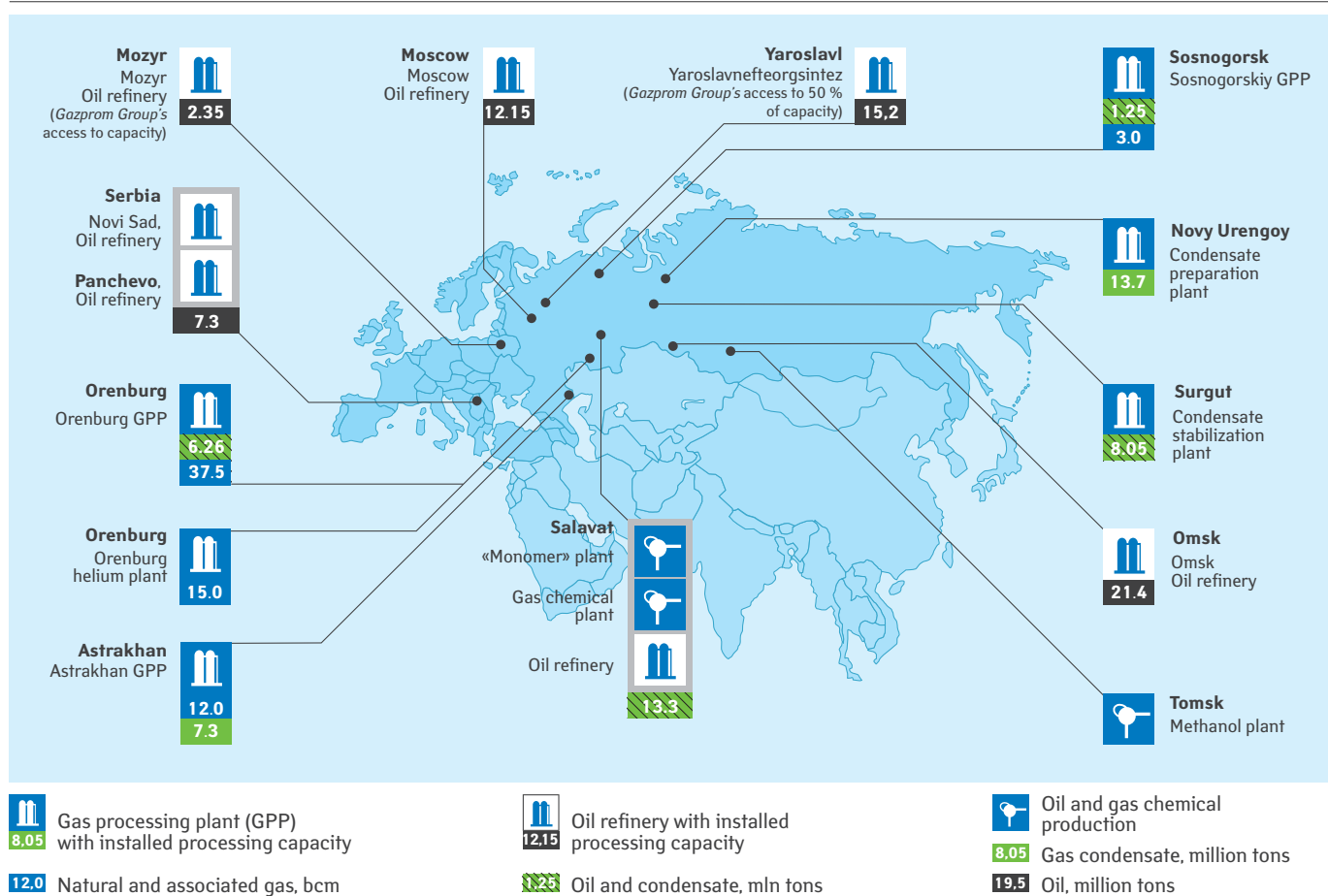
*Gazprom Group* processing capacities include gas and gas condensate processing plants, oil refining capacities of *Gazprom Neft* and OOO Sibmetakhim that owns a metanol production plant in Tomsk.

In 2012, due to obtaining the control over OAO Gazprom neftekhim Salavat the processing capacities of the company were expanded with refining and petrochemical assets.

The total processing and refining capacity of *Gazprom Group* amounts to 53.4 bcm of natural gas and 92.5 million tons of unstable gas condensate and crude oil per year.

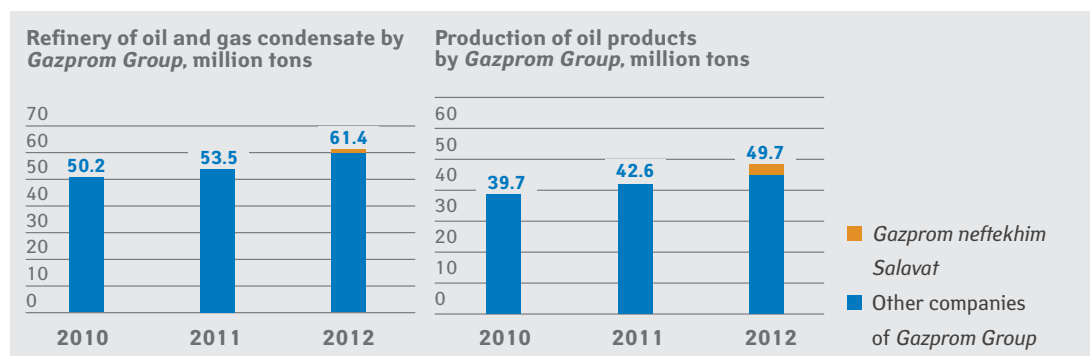
The *Group's* capital investments in refining in 2012 amounted to RR 128.5 bln, increasing by 15.5 %, or RR 17.2 bln versus 2011 level.

**Gazprom Group's oil and gas refining and petrochemical capacities as of 31.12.2012**

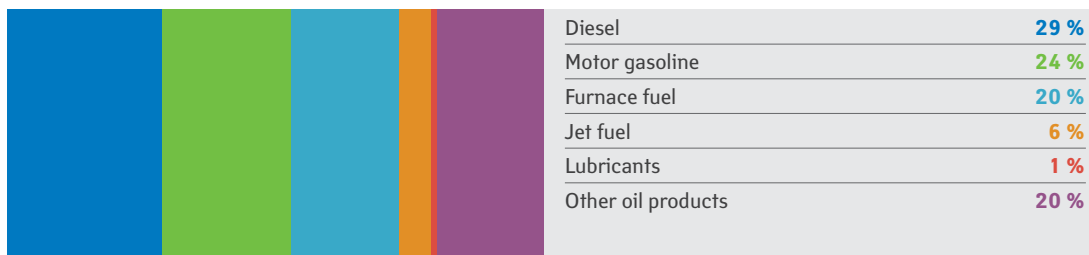


In 2012 the *Group* processed 32.7 bcm of natural gas (in 2011 – 33.2 bcm) and 61.4 mln tons of oil and unstable gas condensate (processing feedstock not included). The *Group* produced 49.7 mln tons of oil products (in 2011 – 42.6 mln tons), 3.1 mln tons of liquefied hydrocarbon gases (in 2011 – 3.0 mln tons) and 4.9 million cm of helium (in 2011 – 3.5 million cm). Consolidation of *Gazprom Group* figures with *Gazprom neftekhim Salavat* expanded *Gazprom* product mix: with consolidation period taken into account, the *Group* manufactured 438.5 thousand tons of mineral fertilizers, 232.3 thousand tons of monomers, 99.0 thousand tons of organic synthesis products, 62.8 thousand tons of polymers.

*Gazprom Group* refinery of liquid hydrocarbons and oil refined products production



Structure of the oil products produced by *Gazprom Group* in 2012, %



The decrease in gas processing and dry stripped gas production in 2012 as compared with 2011 is explained by the decreased gas production at Orenburgskoe and Vuktylsky oil and gas condensate fields being the raw material bases for Orenburgsky and Sosnogorsky refineries. Helium refining at Orenburg helium refinery was recovered up to the prior year level.

The increase in unstable gas condensate processing volumes is explained by the increased production of liquid hydrocarbons in Western Siberia.

Acquisition of Control over OAO Gazprom neftekhim Salavat

In May 2012, the *Group* completed acquisition of 18.48 % shares of OAO Gazprom neftekhim Salavat and increased its ownership interest to 87.51 %. As a result of this transaction *Gazprom* obtained control over OAO Gazprom neftekhim Salavat. In the second half of 2012, the *Group* acquired additional 10.33 % of OAO Gazprom neftekhim Salavat shares increasing its ownership interest to 97.84 %.

OAO Gazprom neftekhim Salavat is a major Russian petrochemical and refining complex. It includes an oil refinery, a petrochemical plant and a fertilizer plant (gas chemical facility).

The product list of the company has over 90 items: gasolines, diesel fuels, kerosene's, fuel oils, bitumen, vacuum gasoil, styrene, polystyrene, high-pressure polyethylene, plasticizers, butyl alcohols, sulphur, ammonia, urea, ammonium nitrate, compound nitrogen-phosphoric and nitrogen phosphor potassium fertilizers. The broad product mix provides for extensive geography of sales of the company both on domestic and exports markets.

Hydrocarbons refining capacity of *Gazprom Neftekhim Salavat* amounts to 0.95 bcm of natural gas and 13.3 million tons of oil and gas condensate per year.

The increase in oil refining volumes is explained by consolidation of the data of OAO Gazprom neftekhim Salavat starting from 1 June 2012 due to the control established by *Gazprom Group*, increased demand for oil products. Due to modernisation of production capacities, gasoline and diesel fuel (classes 4 and 5) production volumes increased.

### Gas Refining

Gas and liquid hydrocarbons are refined at Astrakhan, Orenburg and Sosnogorsk GPP as well as Orenburg Helium Plant. Liquid hydrocarbons refining products are also produced at Surgut Condensate Stabilization Plant and Urengoy Condensate Preparation Plant. These assets are operated by gas producing and gas processing subsidiaries of OAO Gazprom.

Gas, oil and gas condensate refineries are advanced high-technology complexes, yielding a broad range of products – motor fuels, jet fuel, commercial gas, liquefied hydrocarbon gases, products for petrochemical production facilities, fuel oil, sulphur and helium.

Under its Comprehensive Program for Reconstruction and Technical Re-Equipment of Gas and Liquid Hydrocarbons Processing Facilities for 2011–2015, the *Company* conducted a number of activities in the reporting year.

Astrakhan GPP:

- construction of a hydrotreating unit, light oil products loading rack under “Expansion of gas condensate refining facilities No. 3, 6” project;
- construction of a flare header for low-pressure sour gases for the I, II plant lines;
- construction of an automated feedstock, semi-product and commercial products management system at the GPP;
- comprehensive activities to set up production of Class 5 motor gasoline starting from 2013.

Orenburg GPP:

- reconstruction of water treatment facilities with internal water drainage system;
- reconstruction of production facilities.

Surgut Condensate Stabilization Plant:

- construction of an LP gas utilization unit;
- construction of condensate stabilization units (production lines 8–9);
- construction of dark oil product (stable condensate) loading ramp.

The *Group* also continued constructing the incomplete area of the second line of Urengoy – Surgut condensate pipeline (508th km – 588th km).

### Oil Refining and Petrochemistry

Omsk Oil Refinery is the largest refinery asset of the *Group*, one of Russia's most advanced and one of the world's largest oil refineries. Its installed capacity as of December 31, 2012 is 21,4 mln tons of crude oil per year. Refining depth in 2012 amounted to 89 %, one of the best ratios in the industry.

The *Group* also owns Moscow Oil Refinery, securing about 40 % of Moscow region oil product requirements, NIS refineries in Panchevo and Novi Sad (Serbia), oil and lubricant plants in Bari (Italy) and in Moscow region, and the oil refining and petrochemical complex of *Gazprom neftekhim Salavat*. Late in 2012 *Gazprom Neft* acquired a bitumen plant in Kazakhstan.

Along with these, *Gazprom* has access to the refining facilities of OAO Slavneft-Yaroslavnefteorgsintez by virtue of holding 50 % share in OAO NGK Slavneft, and also has access to the refining facilities of Mozyr Oil Refinery after signing a crude oil supply conditions memorandum in the end of 2011 with the Republic of Belarus.

There is a *Gazprom* program of upgrade and reconstruction of its refining facilities and construction of new units underway, focused on improvement of environmental specifications of manufactured fuels, significant improvement of refining depth, expansion of volumes and range of manufactured products. The program enabled Russian refineries of *Gazprom Neft* to start production of Class 4 and 5 fuels already in 2013, i.e. two years ahead of the schedule, approved by Russian Government.

Major capital investment volumes were allocated for implementation of the following oil refining and petrochemical projects:

- construction of an isomerization unit, hydrotreating unit for catalytic cracking gasoline, and reconstruction of diesel fuel hydrotreating unit at Moscow Oil Refinery;
- construction of hydrotreating unit for catalytic cracking gasoline and diesel fuel hydrotreating unit at Omsk Oil Refinery;
- construction of a vacuum rectification unit with 6 million tons p.a. capacity at *Gazprom neftekhim Salavat* refinery (the unit was commissioned in 2012).

### Gas and Oil Refining, Petrochemistry Strategy

The main objectives of *Gazprom Group's* development in gas processing and gas chemistry include:

- increasing the rate of extraction of valuable components (ethane, propane, butane, helium) of natural gas and their effective use for further refining to marketable products with high added value;
- modernisation and upgrading of gas condensate processing facilities for production of motor fuels of class 5 via synchronous development of gas condensate and crude oil preparation capacity;
- ensuring diversification of natural gas markets via creation of new LNG capacity;
- creating new gas processing and gas chemistry centres on the basis of fields located in Eastern Siberia and Far East, including extraction, storage and transportation of helium.

Implementation of relevant hydrocarbons processing projects focuses on manufacturing advanced and high added value commercial products, diversification of energy product supply to target markets, building foundations for development of plastic-consuming enterprises in Russia, support to development of regions.

To ensure refining of the prospective liquid hydrocarbon stock obtained in the process of gas production in gas condensate fields of Western Siberia, it is planned to:

- expand and reconstruct Urengoy plant on condensate treatment for transportation to bring it to design capacity (12 million tons of unstable condensate per year) by 2015;
- build treatment and transportation facilities for gas condensate and oil from the Achimov formation;
- finalize construction of the condensate pipeline Urengoy – Surgut;
- increase the capacities on stabilization of oil and gas condensate blended product at Surgut stable condensate plant, expand and reconstruct the plant.

ОАО Газпром continues implementation of its gas chemistry complex construction near Novy Urengoy based on project financing principles, the complex will use condensate deethanization gases, produced by Urengoy Condensate Preparation Plant, as its primary feedstock.

To improve the quality of the produced motor fuels it is planned to commission a pentane-hexane fraction isomerisation unit at Astrakhan refinery and Surgut Condensate Stabilization Plant in 2013 and 2015, respectively, enabling significant cost reduction for high-octane components, used in gasoline production.

In addition, feasibility studies of other projects on gas processing and gas chemistry in UGSS operating area (TransValGaz project) and in Eastern Siberia (GPP and helium plant in Amur region, GPP in Irkutsk region) are being performed.

The oil business development strategy envisions increasing oil refining volumes by expanding access to oil refining capacity abroad. By 2020 it is planned to refine 70 million tons of oil p.a., including 40 million tons in Russia; by increasing the conversion rate up to 90 %; increasing yield of light oil products up to 77 %, by expanding access to refining capacities outside the Russian Federation up to 25–30 million tons p.a. Strategic goals set by *Gazprom* in refinery include production of goods that comply with the technical regulations, i.e. class 5, increase the yield of light fractions. In addition, one of the key goals is upgrading the production to existing and projected standards of industrial safety.

Moscow Oil Refinery plans to set up production of polymer modified asphalt cement and emulsified asphalt mixtures. Use of polymer modified asphalt cement significantly increases interrepair life of highway surfaces. *Gazprom Neft* is developing this area in partnership with Total. The unit has production capacity of 60 thousand tons per year.

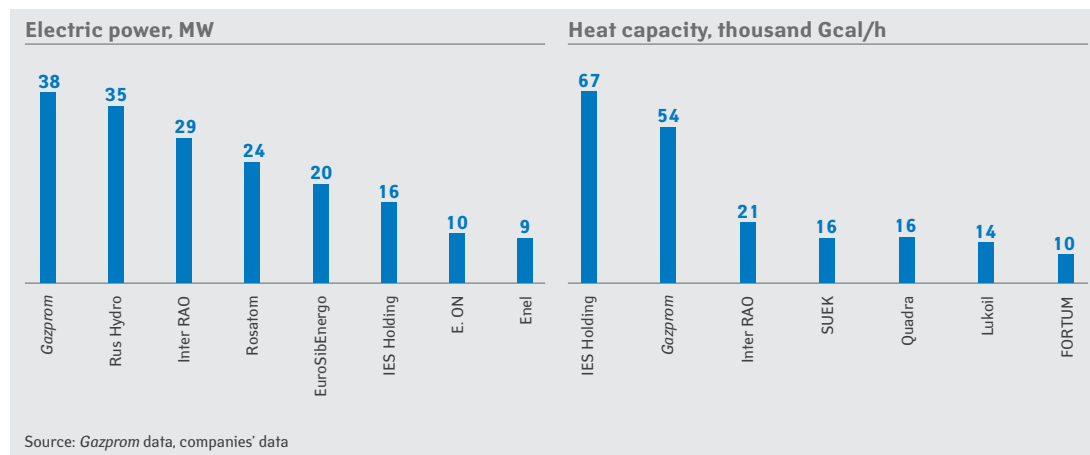
Being the largest Russian manufacturer of sulphur, *Gazprom* is seeking to maintain its leading positions on the global market by improving its product quality, expanding its exports geography and development of domestic consumption. One of the objectives of the *Group* is to take part in development of a new sector of domestic construction industry, based on sulphur-cement compounds. Achievement of this objective will enable use of alternative construction materials based on sulphur asphalt and sulphur concrete, giving a new impetus to development of Russian construction industry.

# Electric Power Business

*Gazprom* is a Russian power market leader and a major investor in the industry.

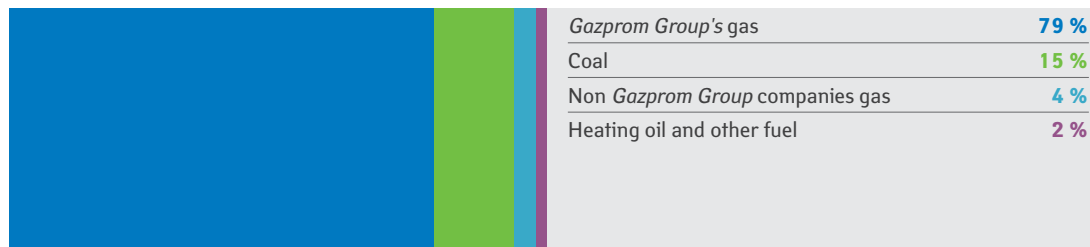
*Gazprom Group* keeps the leading position in the Russian electricity market being the largest owner of power generating assets. *Gazprom's* share in electricity generation in Russia is approximately 17 %, heat generation – 8 %.

Installed capacity of Russian electric power companies



Power generation assets of the *Group* in Russia are consolidated under the management of 100 % subsidiary OOO *Gazprom Energoholding*, which holds controlling stakes in OAO *Mosenergo* and OAO *TGK-1* generating companies. The controlling stake in OAO *OGK-2* is held by OAO *Tsentrenergo*-holding, a subsidiary of OOO *Gazprom Energoholding*. Power generation assets of *Gazprom* are located in financially solvent regions, including Moscow and Saint-Petersburg. The asset structure combines both coal- and gas-fired stations, enabling flexible fuel balance management. The *Group* also includes hydro-electric power stations of OAO *TGK-1*.

Fuel balance of *Gazprom Energoholding* in 2012, %

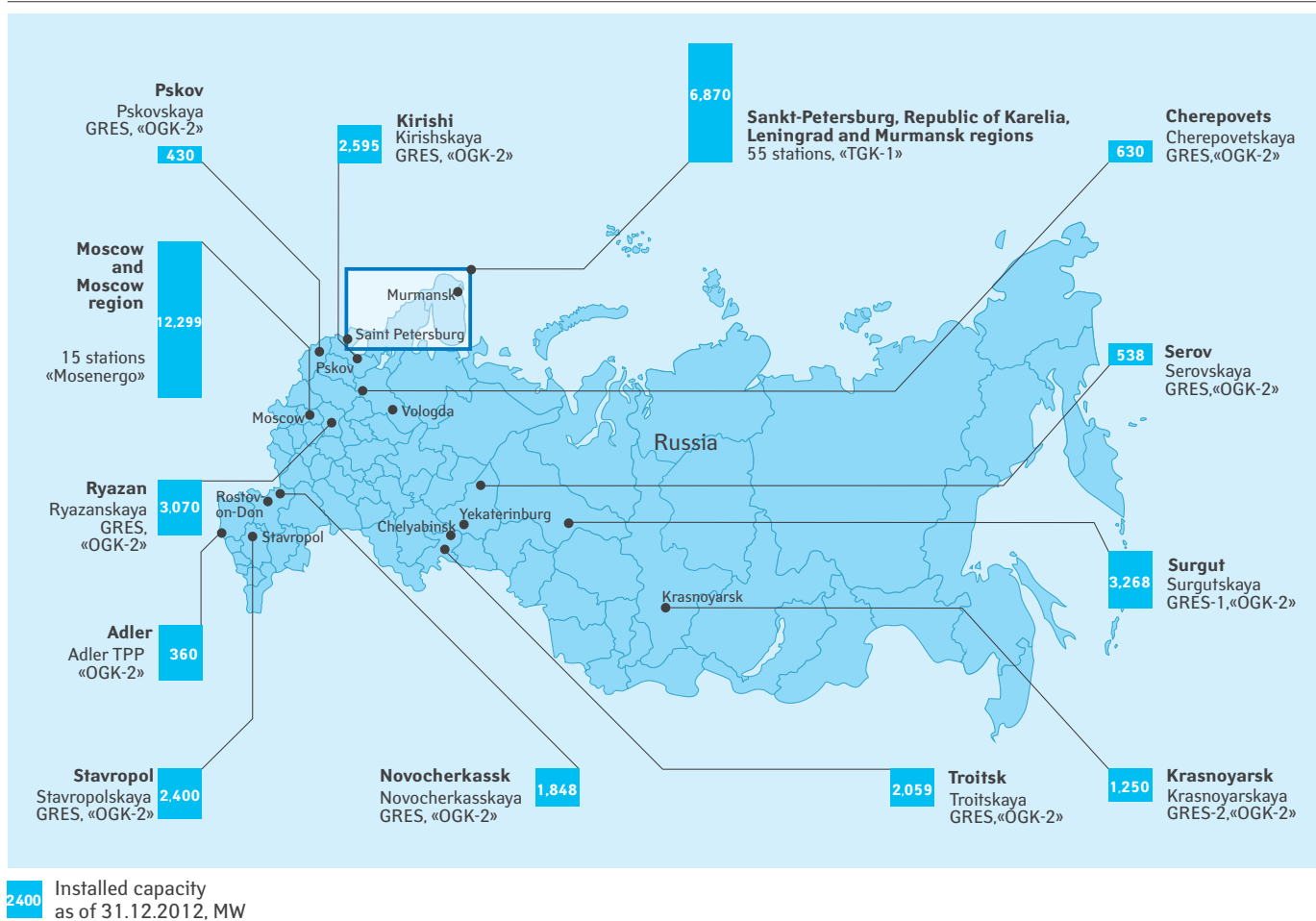


As of 31 December 2012 the *Group* included ZAO *Kaunasskaya* electric power station that owns *Kaunassky* thermal power plant in Lithuania. In accordance with the decision of the Board of Directors made in 2011 on sale of shares of ZAO *Kaunasskaya* electric power station, a sales contract was signed in October 2012. The transaction was closed in March 2013.

In 2006-2012 the *Group's* entity, ZAO *ArmRosgazprom* implemented *Razdan-5* project in Armenia. The project's objective was to build a combined cycle gas turbine with the capacity of 460 MW based on the steam power plant with the capacity of 300 MW uncompleted in 1980 and a new combined cycle gas turbine by Alstom. In January 2012, the 5th power generating unit of *Razdansk* TPP was put into test production. Commissioning of the facility enabled *Gazprom Group* to capture a significant share of Armenian power market and get an opportunity to supply power to neighboring countries of the region.



## Major Gazprom Group's electric power assets in 2012



## Electric and thermal power market

From 2007 to 2011, the electricity market was fully liberalised. As for the unregulated gas market, it is still at the development stage, therefore, income from electricity sales is higher.

During the reform, a capacity payment scheme was launched which helps cover semi-fixed costs of generating companies. Starting from 2012, the competitive capacity selection procedure was launched which regulated the price depending on bids submitted by a generating company and capacity demand.

## Generation and sales of electric power and heat

Based on the 2012 results the Group's electricity generation in Russia was 166.9 billion kWh that is 3.4 % lower than in 2011; heat generation – 101.1 million Gcal that is 2.3 % higher than in 2011. The decrease in electricity generation is explained by the decline in prices in the wholesale electricity market during the first half of 2012 and commissioning new nuclear capacities in Moscow generation centre (Kalininsky NPP).

In 2012 Kaunassky TPP (Lithuania) generated 0.3 billion kW/h of electricity and 1.4 million Gcal of heat.

In 2012 the 5th power generating unit of Razdansky TPP operating under the testing regime generated approximately 1 billion kW/h of electricity.

In 2012 electricity generated by Gazprom Group totaled 168.2 billion kW/h and heat – 102.5 million Gcal.

All electricity generated by the Russian generating companies of the Group is sold on the wholesale market of electricity and capacity and also exported to Finland.

The subsidiary, OAO Mezhtregionenergosbyt is one of the leaders in the Russian power trading market. Its consumers include more than 700 large and middle electricity consumers in

47 territorial subjects of the Russian Federation. The company is also an active participant of the wholesale and retail electricity markets. OAO Mezhhregionenergosbyt provides for above 85 % of electricity consumption of *Gazprom Group* subsidiaries.

*Gazprom Group* also carried out power trading operations at European trading floors. In 2012 total power trading volume amounted to 272 TW/h. In addition, in 2012 the *Group* supplied 2.1 TW/h of power to final consumers in the United Kingdom and Germany.

The *Group's* electric power and heat sales revenues (ex-VAT and similar mandatory payments) amounted to RR 340.8 bln, falling by 0.6 % versus 2011.

### Operational efficiency improvement

*Gazprom Group* is carrying out activities to improve operational efficiency, implements cost optimization programs and measures to improve financial results to ensure the growth of its electricity assets' value:

- Lean Production program;
- optimization of labor costs;
- implementation of a shareholder value growth program;
- improvement of technical re-equipment and reconstruction process.

Implementation of the above efforts enabled optimization of costs in 2012 by RR 7,268 mln, including:

- OAO Mosenergo – RR 1,911 mln
- OAO TGK-1 – RR 2,853 mln
- OAO OGK-2 – RR 2,504 mln

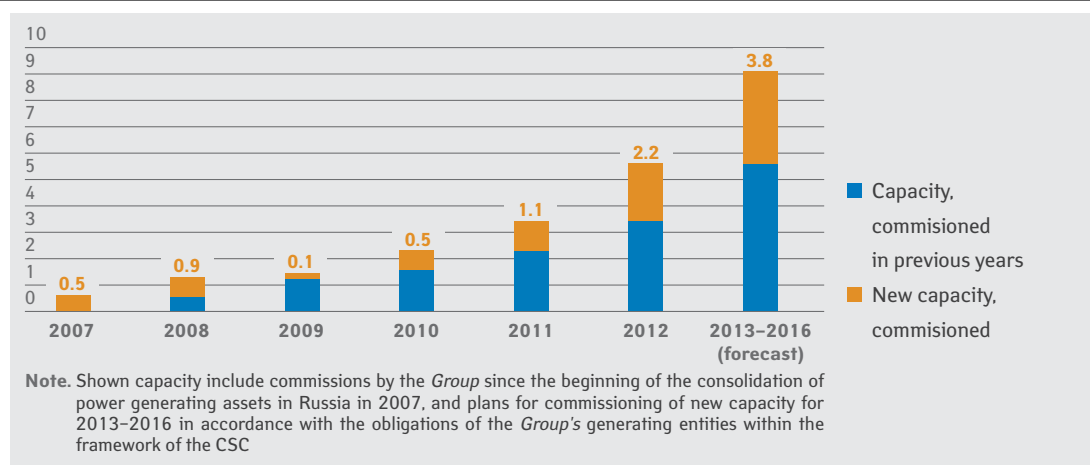
The decisions made by the companies' boards of directors provide for the continuation of these activities. In 2013-2015 the full-scale implementation of Lean Production program and programs on enhancing shareholder value in OAO OGK-2 and OAO TGK-1 is expected to produce the major effect.

### Investment projects

*Gazprom Group* is the major investor in the Russian power industry. Generating companies of the *Group* implement an investment program based on capacity supply contracts (CSC) obligations, guaranteeing significant cash flows by sales of new power generation units capacity.

In 2012 the *Group* completed construction of two combined cycle power units of 180 MW each at Adler TPP (OAO OGK-2). Construction of Adler TPP, considering its capacity, will resolve the issue of power shortages in Sochi region. The plant will ensure reliable power supply to Olympic sites during 2014 Winter Olympics and further development of the region.

*Gazprom Group's*  
new electric power  
capacity in Russia  
commissioned in  
2007–2012, GW



**In 2012 the Group launched 2.2 GW of new power capacity.**

- A number of other facilities were also commissioned in 2012.
- Upgrade of Kirishskaya GRES (OA0 OGK-2) power generating unit of Combined Cycle Plant-800 MW, the plant was commissioned in Q1 of the reporting year. Capacity growth – 540 MW.
  - A new power generating unit of Combined Cycle Plant-450 commissioned at Pravoberezhny TPP (OA0 TGK-1). Capacity growth – 450 MW.
  - Reconstruction of a coal-fired power generating unit at Novocherkassaya GRES (OA0 OGK-2) completed with replacement of major equipment. Capacity growth – 36 MW.
  - 29.5 MW hydro turbine unit No. 3 commissioned at Lesogorsky HPP (OA0 TGK-1).
- The key ongoing investment projects include:
- Novocherkassaya GRES (OA0 OGK-2). Construction of the first Russian circulating fluidized bed technology 330 MW power plant is underway.
  - Troitskaya GRES (OA0 OGK-2). New coal-fired 660 MW power plant construction is underway.
  - TPPs of OA0 Mosenergo. Construction of combined cycle power plants at TPP-26 (420 MW), TPP-12 (220 MW), TPP-16 (420 MW).

Capital investments of *Gazprom Group* into generation and sales of heat and power in 2012 amounted to RR 52.0 bln.

The *Group's* companies shall put into operation around 9GW of new capacities in Russia by 2016.

Based on the analysis of the European electric power market in 2012, OA0 Gazprom identified four regions which are the most promising for developing its activities in electric power segment abroad: Germany, United Kingdom, Turkey and the Balkans. The implementation of decisions promoting investment in gas-to-power generation, in particular the “payment for capacity” tool, in the EU or certain European countries, is a crucial condition for OA0 Gazprom’s participation in the European power sector, especially projects for building generating capacity.

## Marketing

### Russian Gas Market Overview

**The Group sees improving efficiency of gas supply to Russian consumers as its primary marketing objective in Russia.**

Russian domestic gas market has two sectors, a regulated and an unregulated sector. *Gazprom Group* is the major supplier of gas on the regulated market. The key areas for gas market development are an increase of the share of the unregulated segment and creation of equal competition conditions for all participants. At the same time, today the state provides for more comfortable operating market conditions for independent manufacturers. In this regard the *Company* faces a number of factors, limiting its competitive abilities on the domestic market.

Factors, limiting competitiveness of OA0 Gazprom on the domestic market

**Increasing tax burden for OA0 Gazprom.** The changes in Part 2 of the Tax Code of the Russian Federation, made in November 2011, envision 2.15 times increase of the Mineral Extraction Tax rate for natural gas, applicable to OA0 Gazprom and companies, where it has over 50 % share, starting from January 1, 2012. For the next two years it is expected that Mineral Extraction Tax rates will increase by 14.3 and 6.9 % correspondingly.

**Government regulating pricing and marketing policies of OA0 Gazprom.** Strict government regulation of pricing and marketing policies of OA0 Gazprom gives independent manufacturers significant advantages in domestic gas sales, related to an opportunity to sell gas at flexible prices and lack of infrastructure maintenance costs. The current model of wholesale prices with inherent interregional cross-subsidies and the model of gas transportation tariffs give independent manufacturers competitive advantages in northern and north-eastern regions of Russia (with minimal transport leg). This leads to regional monopolization and limits market competition.

A comprehensive system of organized trades for sales of gas on the domestic market (including spot segment) is being developed. In April 2012 the Russian Government issued its Resolution No. 323, enabling OA0 Gazprom and its affiliates to sell up to 15 bcm at flexible prices at commodity exchanges in 2012, and starting from 2013 – up to 17.5 bcm of natural gas, but not more than the volumes sold at the exchange by independent manufacturers. However, due to lack of regulatory framework, regulating gas trades at the existing trading floors, there were no sales of gas volumes, established by the Regulation.

The *Company* continues its communications with federal executive bodies with the purpose of obtaining a permission for OAO Gazprom to sell gas not only at commodity exchanges, but via trading systems as well (electronic trading platforms). The fundamental point of the *Company* is that the two gas sales formats are complementary and necessary for domestic gas market development. Currently experts of OAO Gazprom and the Ministry of Energy are considering issues of actual launch of exchange-based and electronic gas trades.

### Demand

2012 gas consumption volume in Russia amounted to 465.4 bcm, 1.6 % lower than in 2011.

The key consumers are power generation, metals industry and agricultural chemistry. These industries take up to 50 % of the total gas volume. High gas consumption is also demonstrated by utilities sector and households.

### Supply

*Gazprom* is the largest domestic supplier of gas with more than 70 % of all gas supply. In 2012 independent companies produced 140.9 bcm of natural gas in Russia, amounting to 21.5 % of the total gas production in Russia. The largest independent gas producers are OAO NOVATEK, OAO TNK-BP Holding, OAO NK LUKOIL, OOO NGK ITERA and OAO NK Rosneft.

The independent gas producers marketed their gas via the companies, established by OAO Gazprom jointly with OAO NK LUKOIL and OAO TNK-BP Holding – OOO Gasoil Trading and OOO Novo-Urengoyanskaya Gazovaya Compania.

Most of the gas, produced by independent manufacturers, is sold in Russian regions, located close to production fields. In the reporting year the average gas transportation distance for OAO Gazprom and its subsidiaries exceeded relevant figures of independent manufacturers by more than 1.8 times.

In 2012 independent manufacturers completely covered gas needs of Sverdlovsk and Chelyabinsk region. A large share of regional gas supplies was taken by independent manufacturers in Khanty-Mansiysky Autonomous area – Yugra (73 %), Perm region (72 %), Novosibirsk (55 %), Kemerovo (52 %), Tomsk (46 %) regions (with independent gas supplies via OOO Gazprom Mezhhrengongaz and its regional subsidiaries). The major counterparties of independent manufacturers are power generating companies and high-value industrial enterprises with solvent demand.

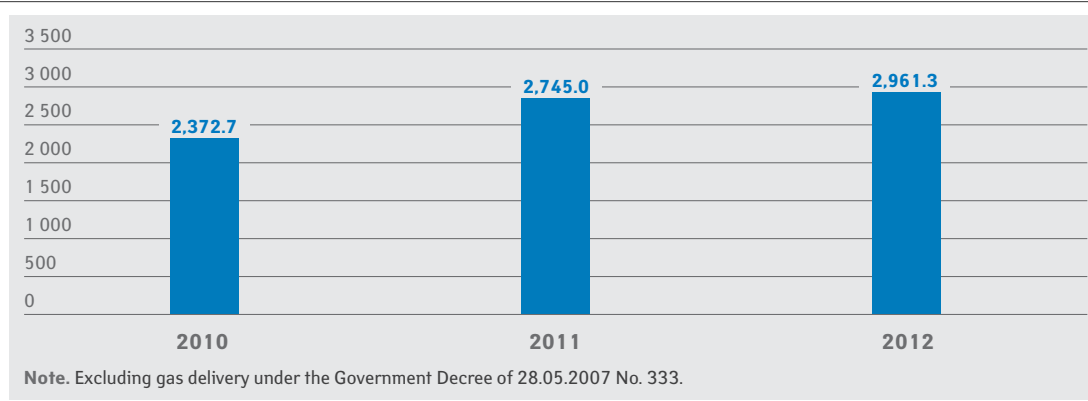
Considering all of the above, OAO Gazprom and its subsidiaries, in accordance with the Federal Law “Supply of Gas in the Russian Federation” still bear the responsibility for uninterrupted and accident-free supply to all Russian consumers, regardless of their geographic location and industry affiliation.

### Pricing

In line with the government gas pricing policy, in 2012 wholesale gas market prices for Russian consumers increased by 8 % versus 2011.

***Gazprom* is the largest domestic supplier of gas with more than 70 % of all gas supply.**

Dynamics of average regulated wholesale gas prices for Russian consumers, RR / mcm

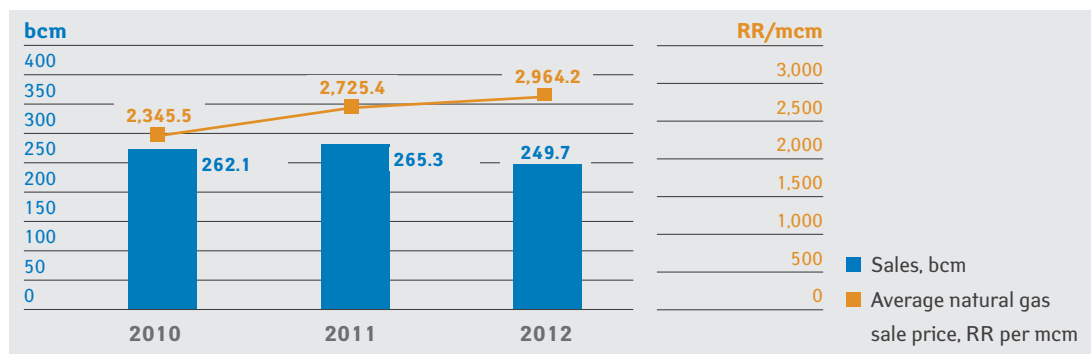


Key parameters of “Outlook for Social and Economic Development of the Russian Federation for 2013 and the planned period of 2013–2015” establish the following caps for average annual wholesale gas price increases with annual price indexation starting from the second half of the year: in 2013 – 15.0 %, in 2014 – 15.0 %, in 2015 – 14.6–5.0 %.

## Domestic Gas Sales

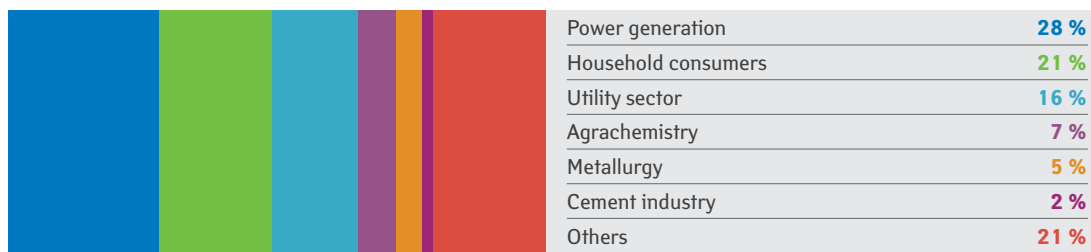
In 2012 *Gazprom Group* sold 249.7 bcm of gas to its Russian Federation customers, which is 5.9 % below the level of 2011.

*Gazprom Group's* natural gas sales in Russia



The *Group's* 2012 gas sales revenue in Russia reached up to RR 740.3 bln, which is 2.4 % above the level of 2011.

Structure of *Gazprom's* gas sales by consumer groups in Russia in 2012, %



In 2012 the reduction of metals industry share in sales was observed due to discontinued supply of the *Group's* gas to metals companies of Chelyabinsk region.

## Overview of the European Natural Gas Market

**Maintaining its leading positions at its traditional markets, the *Company* is actively developing new areas and ways of international trade.**

The key export market of *Gazprom Group's* operations is the market of European countries.

### Demand

The key 2012 feature of the European gas market was further reduction of gas consumption. Preliminary estimates show that gas consumption in core European countries fell by 13.1 bcm, or by 2.4 %, and amounted to 542.9 bcm.

Unlike 2011, when weather conditions were the key reason for a significant reduction of gas consumption, plunging consumption in 2012 was caused by stagnating industrial production in Europe and decreasing economic advantages of gas in power generation due to the following factors:

- gas prices at trading hubs going up with coal prices going down;
- commissioning of new renewable capacity and introduction of preferential procedures for consumption of such power (renewable power is the first to enter the grid);
- reduction of carbon emission permit costs, driving environmental advantages over coal to the minimum.

The most significant effect out of the above factors was demonstrated by gas and coal price disparity. Unlike those of other energy sources, coal prices over 2012 fell due to new coal mining projects being commissioned all over the world and increased coal exports from the USA, where coal is ousted by natural gas. The spike in gas prices on European market was primarily caused by redirection of significant LNG volumes to premium APR markets.

Another reason for lower consumption of gas was reduction of industrial production in all countries-major consumers of gas, excluding Turkey.

Further implementation of energy saving programs also had some downward effect on gas consumption in 2012.

### Supply

The major European market competitors of *Gazprom Group* are gas and LNG suppliers from Algeria, UK, Qatar, Libya, Nigeria, the Netherlands and Norway.

Despite further demand reduction, European production of gas, according to preliminary estimates, grew by 3.0 bcm, or 1.1 %, versus 2011, and amounted to 291.5 bcm. The most significant gas production growth was demonstrated by Norway. According to preliminary estimates, Norway's gas and LNG volumes supplied to the European market in 2012 amounted to 122.3 bcm, which is 12.9 % higher than in 2011 (LNG volumes, supplied to APR countries and North America, are not included).

Gas production increase in Norway is related to higher gas prices at trading hubs and to greater flexibility of Norwegian manufacturers in supply volume adjustments. Furthermore, Norway is actively moving to 100 % gas-indexed pricing, which contributes to expansion of its customer base.

At the same time gas production in UK declined (according to a preliminary estimate, by 7.1 bcm, or by 14.0 %). Gas production in the Netherlands did not have any significant changes versus 2011 (0.3 bcm reduction, or 0.4 %).

Falling gas demand and climbing domestic production led to lower volumes of gas import by European countries. Thus, Russian gas supply to the European market in 2012 amounted to 138.8 bcm, which is 11.2 bcm, or 7.5 %, lower than the figure for 2011.

According to preliminary estimates, Algerian gas and LNG supply to the European market in 2012 amounted to about 51 bcm, which is 3 % lower than in 2011.

The steepest decline of supply to the European market was demonstrated by LNG manufacturers. According to preliminary estimates, Qatar reduced its supply by 15.5 bcm of gas (about 35 %) due to increased supply to APR markets, demonstrating significantly higher levels of spot and contract prices.

Libya was the only country outside Europe to increase its supply to the European markets in 2012. According to preliminary estimates, Libyan gas supply in 2012 amounted to 6.1 bcm, which is 144 % higher than in 2011. But this was caused by absolute lack of Libyan gas supply for the most of 2011.

### European Market Gas Sales

The major counterparties of *Gazprom Group* in Europe are E.ON Ruhrgas, Wingas, WIEH (Germany), ENI (Italy), Botas (Turkey), PGNiG (Poland), GDF SUEZ (France), Panrusgas (Hungary), RWE Transgas (Czech Republic), SPP (Slovakia), EconGas (Austria) and GasTerra (the Netherlands).

In 2012, the overall sales of gas to far abroad countries under long-term contracts were 138.8 bcm that is 7.5 % lower than in 2011. More than 8 % of the above volume was transported by Nord Stream pipeline. To date, the largest buyers of the Russian gas include Germany, Turkey and Italy.

Gas sales of *Gazprom Group's* subsidiaries to final customers in the United Kingdom, Ireland, France, the Netherlands, Czech Republic and Slovakia totalled 4.0 bcm of gas. The *Group's* associated companies and joint ventures also supplied gas to the final customers in Bulgaria, Germany, Italy, Romania, Serbia, Turkey, Croatia and Finland.

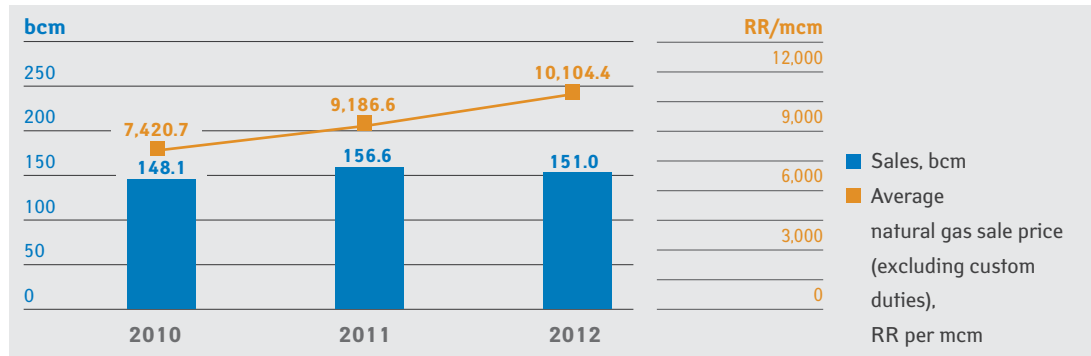
Given the significant overall reduction of gas consumption, OAO Gazprom's share of the European market in 2012 fell by 1.6 percentage points.

*Gazprom Group* in 2012 sold in total 151.0 bcm of natural gas in European countries, with revenues (excluding customs duties) amounting to RR 1,525.3 bln.

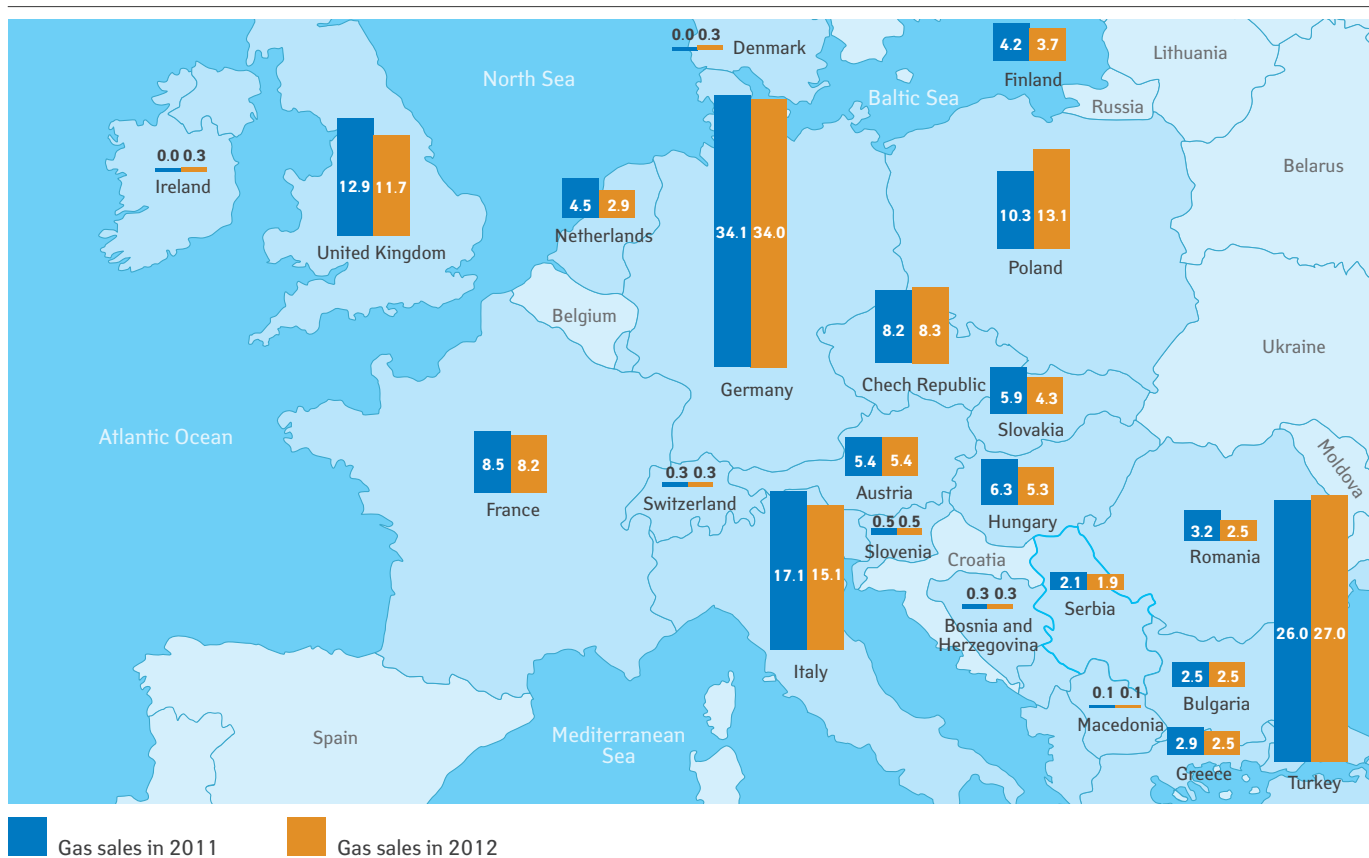
**25.4 % –  
OA O Gazprom's  
gas share  
of the European  
market.**



Gazprom Group's natural gas sales in Far Abroad countries



Gazprom Group's natural gas sales structure to Far Abroad countries, bcm



### Export Contract Pricing

Export pricing dynamics for natural gas under OAO Gazprom contracts in 2012 followed patterns of previous years, mostly affected by global liquid fuel price fluctuations. In 2012 Brent oil prices and prices for oil products-competitors of gas at European markets remained at the level of 2011.

In 2012, the average price for gas amounted to US \$ 402/1,000 cm against US \$ 383/1,000 cm in 2011 (5.0 % growth).

Currently, the European gas market is characterised by a hybrid two-level pricing system. Despite limited application of trading floors (hubs) prices in certain long-term contracts, OAO Gazprom has no plans to abandon oil indexation.

For maintaining competitiveness of the Russian gas on European markets OAO Gazprom regularly holds negotiations on contractual prices modification with its partners. In 2012, agreements on adaptation of price conditions were reached with E.ON Ruhrgas, Shell Energy Europe, ENI, EGL, EconGas, Centrex, GWH, GasTerra, DONG, PGNiG, Bulgargaz EAD, WIEE, Conef Energy.

Due to the changes in OAO Gazprom's long-term contracts, retrospective payments resulting from the post factum revision of the supply price become an increasingly pressing issue. This issue is the subject of extended negotiations with partners to agree the volumes and terms of payments.

As of 31 December 2012 *Gazprom Group's* liabilities associated with revision of price conditions of gas supplies amounted to RUB 115.3 billion. Actual payments made in 2012 had minimal impact on export revenue and as a result, in 2012 the average export price was much higher than expected.



See more about oil prices in "Overview of Global Oil Market" section.

## Promising Natural Gas Markets

*Gazprom Group's* marketing strategy envisages diversification of export revenue sources through expanding its presence in the promising natural gas markets. The priorities are to increase LNG volumes in the *Group's* export portfolio and to diversify geographically by entering markets of North-East Asia countries and other APR countries.

### Liquefied Natural Gas

*Gazprom's* export pipeline supply outreach is limited. LNG marketing is the instrument to provide the *Group* with significant expansion of its new accessible markets spectrum and with options for further export volume growth. The strategy envisions increasing LNG volumes in the exports portfolio both with Russian projects and foreign ones, providing opportunities to:

- Reach out to remote regions;
- Get access to niche markets of those countries with no developed pipeline infrastructure, or countries with no pipeline supply options;
- Sell to end customers without involvement of transit countries and redirect volumes to other markets both in situations of adverse market conditions and for capturing profits from arbitrage transactions at spot market.

Implementation of new Russian projects of OAO Gazprom will be key to the *Company's* presence on LNG market. Accelerated delivery of new LNG volumes to the market is crucial in view of the market conditions.

### OAO Gazprom's new LNG volume projects

- In February 2013 the Management Committee of OAO Gazprom approved Substantiation of investments in construction of LNG plant in the district of Vladivostok. The project involves construction of an LNG plant with a capacity of 10 million tons per year expandable to 15 million tons a year on the Lomonosov peninsula. Commissioning the first phase of the plant is planned for 2018. Gas from Sakhalin, Yakutsk and Irkutsk gas production centers will be the resource base for the plant. The target markets for the plant will be APR countries.
- Russian Arctic shelf fields, primarily Shtokman GCF, are one of the key sources for LNG projects. On July 1, 2012 OAO Gazprom made a decision to change the project's configuration. The new business model proposes phased implementation of LNG production capacity, with each phase producing up to 14–15 million tons per year (a part of produced gas to be supplied for Murmansk Region needs). *Gazprom* is in consultations with several foreign investors. At the same time with the above activities, the *Company* prepared tender documentation for LNG plant construction in line with the improved technical design, *Gazprom* developed FEED for the offshore part of the project and obtained a number of tax preferences.

In 2012 *Gazprom Group* sold 22 batches of LNG with the volume of 68.7 trillion BTU (1.44 million tons or 1.92 bcm) including 4 batches of LNG which were supplied under the contract with Indian company GSPC. The share of Russian gas in *Gazprom Group's* supply portfolio in 2012 amounted to 43 %.

The LNG market share of *Gazprom Group* by results of 2012 made 0.6 % (in 2011 – 1.3 %), which is largely explained by specifics of contracts in the current trading portfolio and by reduction of freely available LNG volumes for sale on the market versus 2011.

New LNG transportation routes

In December 2012, the world's first transportation of LNG by Northern Sea Route was performed. The successful voyage of River Ob LNG carrier, chartered by *Gazprom*, inspires extensive use of the Northern Sea Route for supply of Russian LNG both to APR countries and to European market.

OA O *Gazprom* has been successfully developing its LNG business in the Atlantic and Asia-Pacific regions for several years, actively marketing LNG volumes both for short-term and long-term and searching for new LNG transportation routes.

Expansion of *Gazprom's* contract base in 2012

- LNG supply contracts signed with:
  - Kogas (Republic of Korea) for supplying 16 batches of LNG (1.33 bcm) in 2013–2014;
  - GAIL (India) supplying for 2.5 million tons per year during 20 years;
- A long-term offtake contract for all LNG volumes negotiated under a gas liquefaction project at a floating facility in the exclusive economic zone of Israel.

**Low-tonnage LNG and compressed natural gas**

*Gazprom* views the use of natural gas as motor fuel for overland and waterborne transport as a new business area on European market.

The upcoming pollutant emission regulations for Baltic and North Seas and Euro-6 automotive standards allow for forecasting strong demand for natural gas vehicle fuel, and LNG and CNG use is more cost-efficient. Availability of options to use LNG as fuel for various modes of transportation (automotive, railway and waterborne transport) puts it in the same league with traditional fuels. *Gazprom* has plans to develop the infrastructure required for production, transportation and distribution of LNG and CNG as motor fuels.

Target Market Segments

- CNG – passenger and medium commercial vehicles;**  
**LNG – long-haul trucks and urban transportation;**  
**LNG – maritime transport.**

In Europe *Gazprom* is represented in the segment of CNG and LNG as automotive fuels (as of 2012 – on German, Czech and Slovak markets) by its *Gazprom Germania GmbH* and *Vemex* subsidiaries. In 2012 the number of natural gas vehicle filling stations of the *Group's* subsidiaries in these countries increased from 4 to 12, and it is planned to get their number up to 30 by 2015.

*Gazprom Group* plans to expand its presence in the segment of natural gas vehicle fuel in Europe both by construction or acquisition of natural gas vehicle filling stations (mostly in Germany, Poland, Czech Republic, Turkey and a number of other countries), and by developing package proposals for large transportation companies and automotive manufacturers for switchover of vehicles from oil products to gas.

*Gazprom Group* companies are considering project opportunities in natural gas vehicle fuel segment outside European markets as well. In 2012 *Gazprom EP International B.V.* held negotiations with Petrovietnam on possible implementation of a CNG production and use project in Vietnam.

## 2012 activities to promote natural gas vehicle fuel to markets

- A transport gasification discussion was initiated with representatives of European Commission and European Parliament, as well as in international organizations (UN's Economic Commission for Europe, The Gas Exporting Countries Forum, International Gas Union, European Business Congress, regional NGV fuel associations).
- Companies of *Gazprom Group* took an active part in facilitating and conducting "The Blue Corridor" gas vehicle rallies.
- The *Company* conducted successful demonstrations of an fueling complex, based on an LNG-powered bus and a mobile cryogenic tanker, in five Polish cities.

In 2012 OAO Gazprom launched efforts to develop a customer portfolio, based on non-binding agreements with potential consumers in the segment of LNG bunkering of sea vessels. On September 20, 2012 OAO Gazprom and ООО Группы Самма signed a Memorandum of Understanding for use of OAO Gazprom LNG volumes as bunkering fuel for sea vessels, owned or operated by Группы Самма, and also for cooperation of the companies in the segment of bunkering infrastructure development.

### Markets of North-East Asian Countries

One of *Gazprom Group's* most promising projects is to supply natural gas to China. *Gazprom* carries out work to arrange the export of pipeline gas volumes of up to 60 bcm. In 2012 OAO Gazprom continued intensive negotiations with CNPC to approve conditions for supply of Russian gas to China.

The *Company* is reviewing opportunities for Russian gas supply to other countries of the region.

### Overview of the Market of the FSU Countries

**The key elements of OAO Gazprom strategy for FSU markets are maintaining attractiveness of Russian gas to consumers and expansion of access to end users.**

FSU gas markets are special for OAO Gazprom, since the *Group* is both the supplier of pipeline natural gas and its buyer, and some of the countries manage transit of OAO Gazprom gas and are the *Group's* partners in underground gas storage.

### Demand

The total consumption of gas by FSU countries– importers in 2012 fell due to the general economic conditions, further reduction of industrial production and the increasing share of coal and other energy resources in their fuel balance. According to preliminary estimates, 2012 gas consumption in these countries fell by 3.7 %, or by 3.8 bcm versus 2011, amounting to about 99.1 bcm. At the same time there was reduction of gas demand in some countries (Ukraine – by 7.6 %, Baltic countries – by 4.4 %), and growth in other countries (Armenia– by 18.9 %, Kazakhstan – by 2.9 %, Belarus – by 1.2 %).

The largest FSU consumers are Ukraine (55 %), Belarus (21 %) and Kazakhstan (11 %). In 2012 the share of *Gazprom Group* gas in the total gas consumption of Ukraine amounted to 60 %, Belarus – 99 %, Kazakhstan – 32 %.

### Supply

Just as in previous years, in 2012 *Gazprom Group* supplied 100 % of natural gas, consumed in Moldova, Latvia, Lithuania and Estonia.

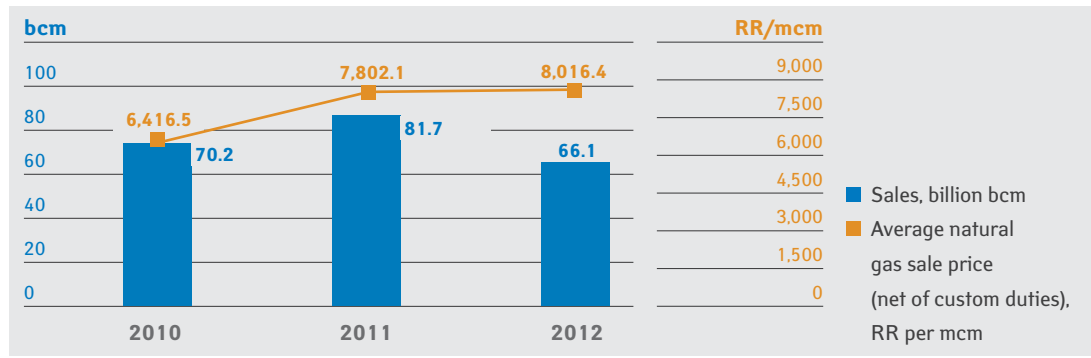
Of FSU countries – importers of gas, domestic gas takes a significant portion of gas market in Ukraine (about 40 %) and Kazakhstan (68 %). Kazakhstan is a net exporter of natural gas, but its northern and southern regions are accessible only for gas supply from Russia and Uzbekistan. This is why Kazakhstan imports gas from Russia, Uzbekistan and Turkmenistan under swap operations with *Gazprom Group*. In 2012 such supply amounted to 3.4 bcm of gas and remained at the level of 2011.

The share of *Gazprom Group* in the total consumption of FSU countries-gas importers in 2012 amounted to 67 % and fell by 1 %, or by 3.6 bcm versus 2011. Nevertheless, *Gazprom Group* remains the predominant supplier to the markets of FSU countries-gas importers.

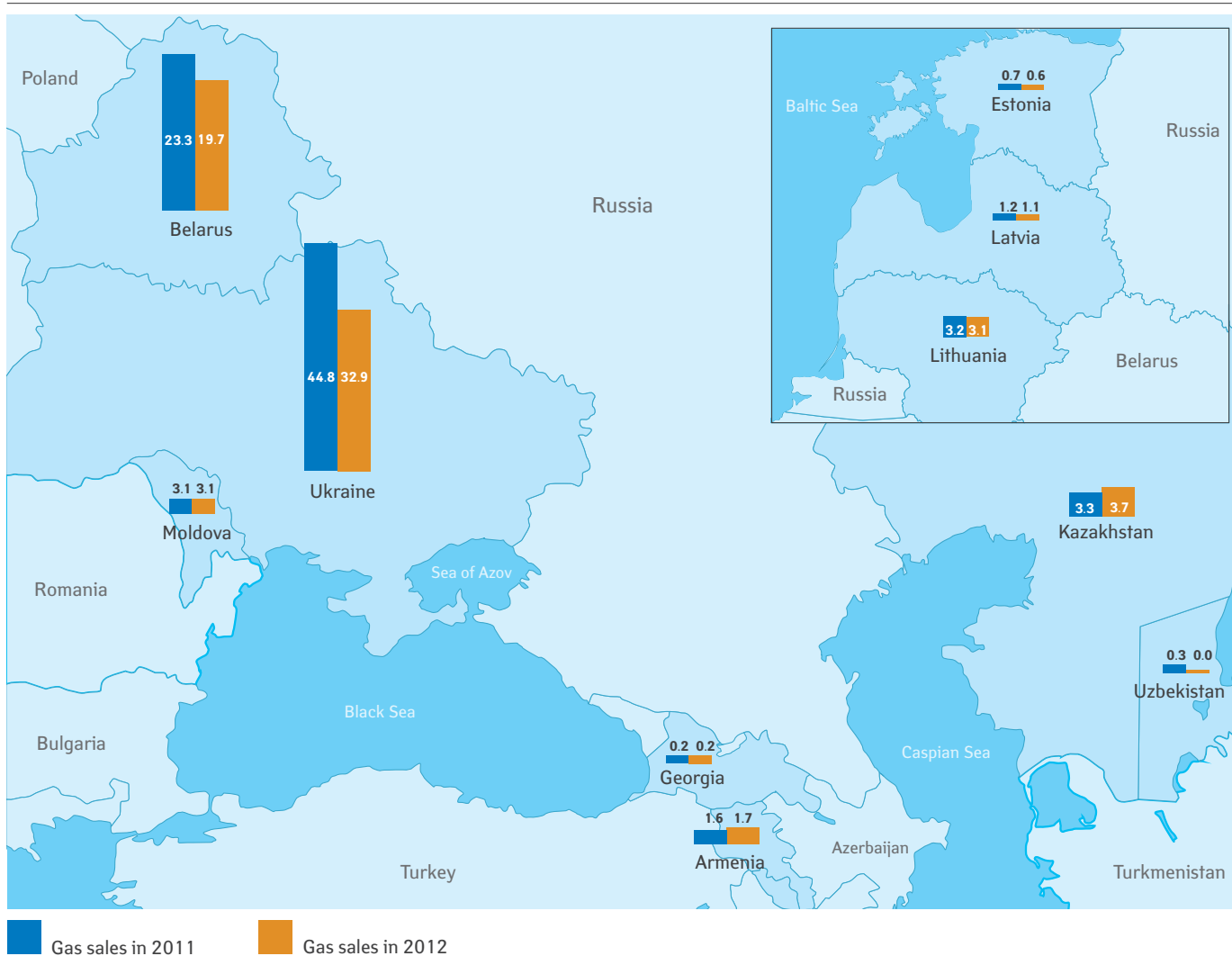
## Gas Sales in the Former Soviet Union Countries

In 2012 *Gazprom Group's* natural gas sales in FSU countries amounted to 66.1 bcm (2011 – 81.7 bcm).

*Gazprom Group's*  
natural gas sales  
in FSU countries



## Gazprom Group's natural gas sales structure to FSU countries, bcm





## Gas Purchases at Markets of the Former Soviet Union Countries

In 2012 *Gazprom Group* continued to purchase gas in the Central Asia and Azerbaijan under its gas marketing cooperation.

Of all FSU countries, along with Russia and Kazakhstan, natural gas is exported by Turkmenistan, Uzbekistan and Azerbaijan. The total exports volumes of these countries in 2012 amounted to 78.9 bcm.

The share of *Gazprom Group* in the exports of Central Asian and Azerbaijan gas in 2012 amounted to 45 %. China is another large buyer of Central Asian gas.

Purchase of the Central Asian and Azerbaijani gas by *Gazprom Group*, bcm

Country	2010	2011	2012
<b>For delivery to far abroad countries</b>			
Turkmenistan	10.7	11.2	10.9
Uzbekistan	11.4	8.0	8.7
Kazakhstan	12.4	11.9	11.6
Azerbaijan	0.8	1.5	1.6
The average purchase price of gas at the border of supplying country, US \$/1,000 cm	197.2	244.0	278.6
<b>For delivery to the south of Kazakhstan</b>			
Turkmenistan	-	0.3	-
Uzbekistan	2.4	2.4	2.7

To facilitate supply of Turkmenistan's and Uzbekistan's gas to the borders of the Russian Federation, OAO Gazprom executed contracts with gas transportation companies of Uzbekistan and Kazakhstan for 2011–2012 and 2011–2015 correspondingly.

## Overview of Global Oil and Refined Products Market

### Demand

According to estimates of the International Energy Agency (IEA), in 2012 the total global consumption of oil amounted to about 89.8 mln barrels per day. Despite the seemingly quiet oil markets, at present there are visible trends of significant structure changes. The first trend is related to the obvious eastward shift of demand for crude oil. European crude oil demand in 2012 reduced by 3.3 %, and Asian oil demand grew by 3.5 %. There is a sharp contrast between Europe and Asia not only in oil demand trend shifts, but in economic growth rates as well. North America is in between the two regions. All of these regions demonstrate uncertainty of further developments of the situation. China is sending mixed signals to the global economy. Furthermore, it is still unclear, is the recent reduction of crude oil demand in Europe a start of a trend, or is it just an isolated fact.

IEA forecasts 2013 demand for crude oil at the level of 90.7 mln barrels per day.

Despite Asia and Europe following opposite oil demand trends, the volume of demand for oil products in both regions is growing, and this is the second current trend.

### Supply

According to IEA estimates, in 2012 the total global production of crude oil amounted to about 90.9 mln barrels per day, which is 2.8 % more than in 2011. The growth is supported by increased production in Saudi Arabia, UAE, Kuwait, Iraq, which hiked their production to bring down global oil price growth rates. Moreover, USA increased their crude oil production to reduce their dependency on imports with raw material prices being high and the ongoing domestic debt crisis.

### Pricing

Despite some fluctuations in 2012, Brent quotes on the average remained quite high – about US \$ 111 per barrel, corresponding to the level of 2011. The only period of quotes plunging below US \$ 90 per barrel turned out to be quite short. On the other hand, the Middle East situation did not escalate, and US \$200 per barrel forecasts of analysts never came true.

Brent Oil Price dynamics in 2012, US \$/barrel.



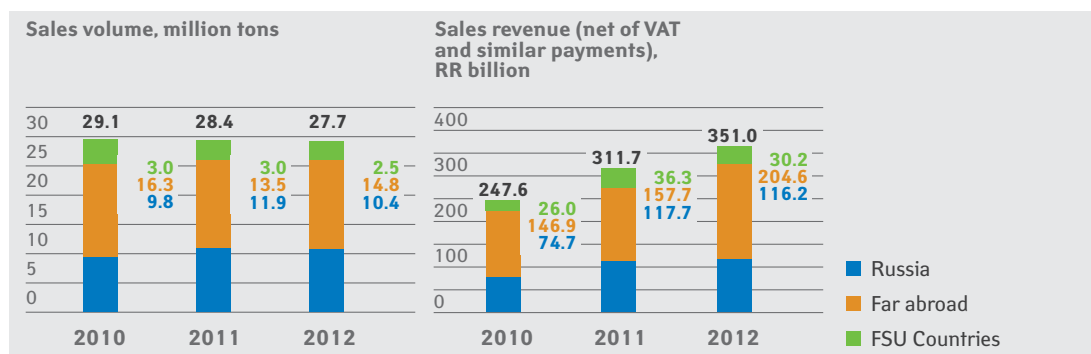
One can identify several factors for high crude oil prices in 2012

- Global demand for crude oil continued growing on the back of increasing consumption in developing countries.
  - Global economy adapted to high prices and no price reduction goals were pursued.
  - Instability in countries of the Middle East
  - Governments of many countries (especially of USA) carried out 'cheap money' policies to support financial markets, resulting in high liquidity at the commodity market, because investors preferred commodities to shares or debt securities (due to the European debt crisis).
- It is expected that all of the above factors will be relevant in 2013.

### Crude Oil and Gas Condensate Sales

The total volume of *Gazprom Group* sales of oil and stable gas condensate in 2012 amounted to 27.7 mln tons (2011 – 28.4 mln tons).

*Gazprom Group's* Sales of Oil and Gas Condensate



The *Group's* sales of oil and stable gas condensate (ex-VAT and similar payments) in 2012 amounted to RR 351.0 bln, up by 12.6 % versus last year.

Due to the need to utilize the *Group's* own production capacities in accordance with the approved oil refining and export programs, the free oil sales (not taking into account supplies for replacement) in Russia were insignificant.

*Gazprom Group's* major export markets for oil in 2012 were the countries of North-Western and Central Europe and Mediterranean where Urals crude oil is mostly supplied. Supplies to FSU countries included those to the Republic of Belarus (Mozyr Oil Refinery) and Kazakhstan (Pavlodar Oil Refinery). The prices applied to these supplies are based on formulas and depend upon the pricing situation for Urals crude oil.

## Sales of Refined Products

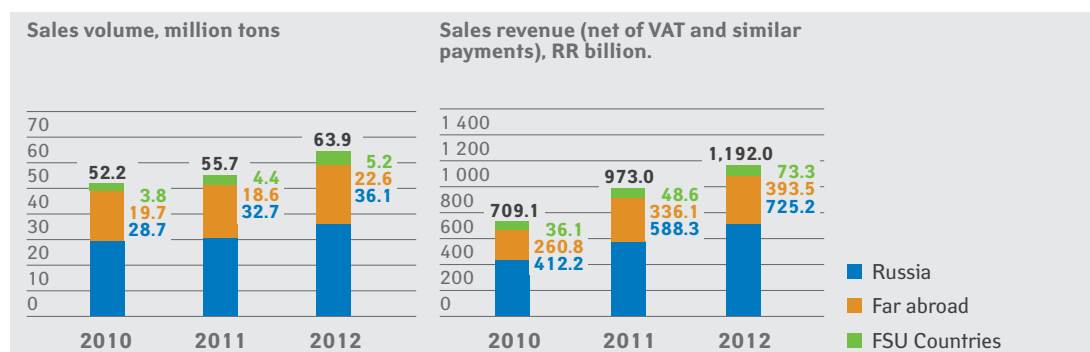
*Gazprom Group's* total sales of refined oil and gas products in 2012 amounted to 63.9 mln tons, up by 14.7 % versus last year. Sales revenues of refined products reached up to RR 1,192.0 bln. (ex-VAT, excise tax and similar required payments), up by 22.5 % versus 2011.

The increase in oil refining volumes is explained by consolidation of the data of OAO *Gazprom neftekhim* Salavat and its subsidiaries, and also by increased volumes of hydrocarbon feedstock refining by *Gazprom Neft* and GPPs of the *Group*.

Price dynamics in the reporting year demonstrated overall growth versus 2011. Prices for all major items exceeded the level of last year. Sulphur was one of the few exclusions – the average sulphur price was two times below 2011 figures, caused by global sulphur market conditions and sulphur-based fertilizers. In the short-term stable high crude oil prices, supporting positive dynamics of refined product quotes, are expected (with seasonal fluctuations).

**In 2012 the *Group* maintained its leading positions in Russia in supply of motor gasoline.**

*Gazprom Group's*  
Sales of Refined  
Products



*Gazprom Group*  
at the market  
of refinery  
production in 2012

Refinement product	The share in Russia, %	Main competitors
Automobile gasoline	30 %	OAO «Rosneft», OAO «TNK-B », OAO «Lukoil», OAO «Bashneft»
Diesel	27 %	OAO «Lukoil», OAO «Sibur Holding», OAO «NOVATEK»
Liquefied Hydrogen Gas	43 %	

By 2012 results the *Group* maintained its leading positions in Russia in supply of motor gasoline, having sold 10.5 million tons, and remained the largest diesel fuel supplier in Russia: domestic sales amounted to 8.8 million tons.

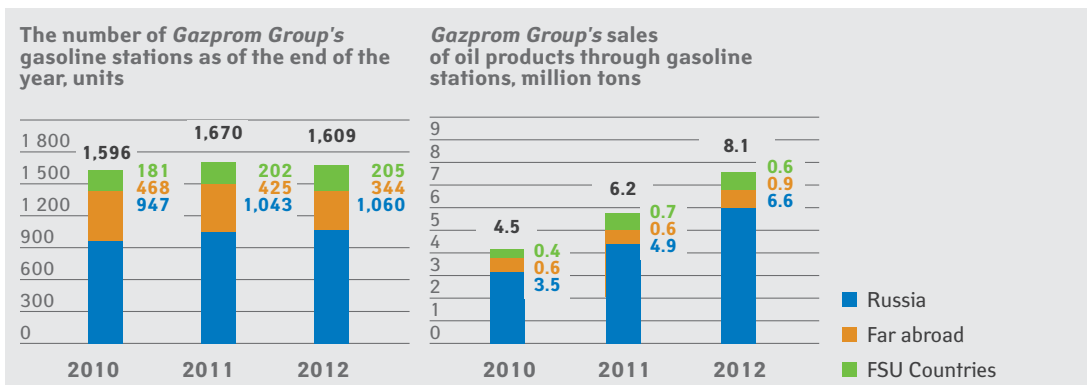
Around 13 % of the total volume of refined and petrochemical products sales of the *Group* were sold via the network of fuel stations of *Gazprom Neft Group*, reaching up to 8.1 million tons (in 2011 – 6.2 million tons). The increase in sales is explained by modernisation and optimisation of own network of fuel stations and increased operational efficiency of each fuel station. In 2012 76 fuel stations were built or acquired, 87 were completely reconstructed, 135 fuel stations were rebranded.

Sales revenues from gas station sales of products and services grew by 49 %, and the number of gas stations with stores increased by 30 % – from 584 to 758.

In 2012 the *Company* opened gas stations in Kurgan region and in the Ukraine, launched G-Drive Racing automotive sports support project, expanded the range of its Gazpromneft gas station branded products, launched new premium G-Drive brand products. The *Company* also opened the first multi-fuel filling station in Saint-Petersburg, where one can fill her up not only with gasoline and diesel, but with any of natural gas motor fuels – CNG and LHG.

One of the most significant objectives for 2013 will be a large-scale reconstruction of acquired MTK, Mosnefteproduct and Korimos gas stations in Moscow and Moscow region. It is also planned to expand the network in North-Western region of Russia and in Kazakhstan.

Sales of oil products through *Gazprom Neft Group's* gasoline stations



In the reporting year the *Company* also performed optimization of its sales network structure in Eastern Europe.

Premium Business Segments of *Gazprom Neft Group*

- Fueling aircraft (ZAO Gazpromneft-Aero). Selling aviation fuel through its subsidiaries in Russia, Kazakhstan and Tajikistan. The share in the Russian retail market – 20 %.
- Fueling ships (OOO Gazpromneft Marin Bunker). Supplying marine fuel and fueling seagoing and river vessels in 15 sea ports and 9 river ports in Russia. The share in the Russian retail market – 18.5 %.
- Production and sales of motor oil (OOO Gazpromneft-smazochkiye materialy). The range of products includes over 300 various lubricants produced in Russia and Western Europe.

With limited domestic consumption of sulphur, major volumes of the product are still exported (65 % of total sales volume), where *Gazprom Group* share is about 12 % of the global market. The product is marketed in a tough competitive environment. The key competitors of *Gazprom* in traditional markets are manufacturers from Kazakhstan, Canada and Middle Eastern countries. Russian domestic sales of the *Group's* sulphur continue experiencing pressure from Kazakhstan manufacturers.

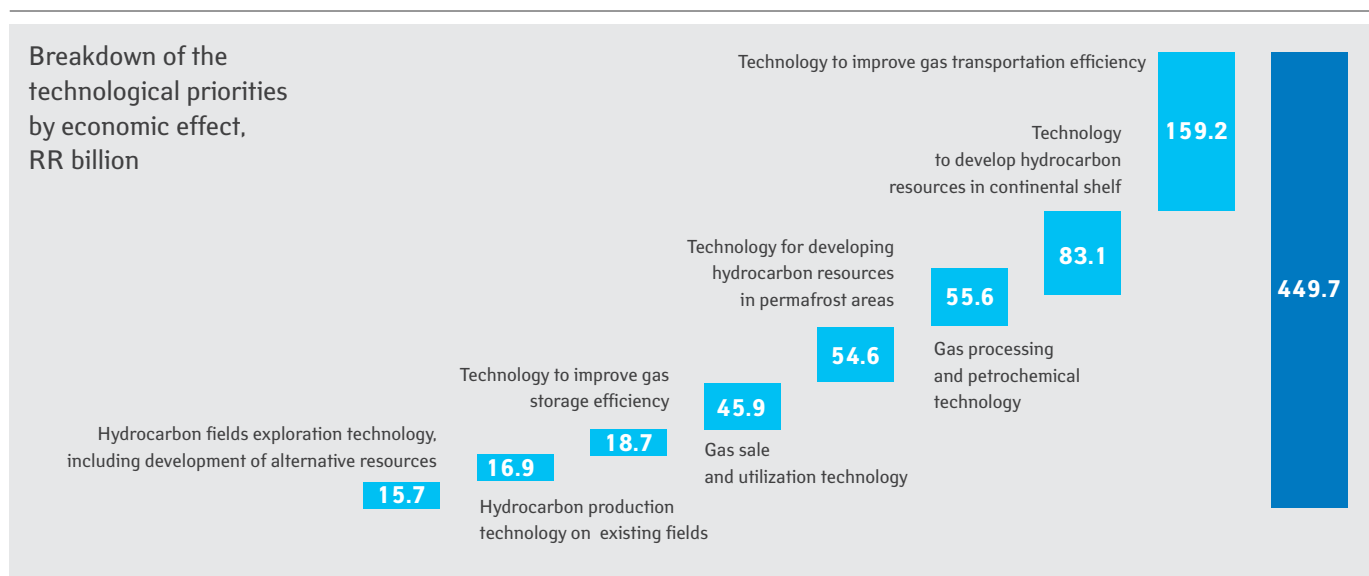
In 2012, the *Group* started selling liquid helium produced during processing at ZAO Krior capacities that was subsequently sold on external markets. Total sales of gaseous helium amounted to 2.7 million cm, sales of liquid helium amounted to 3.0 million litres.

# INNOVATIVE DEVELOPMENT

Unique climate and geological conditions of new production regions that *Gazprom* plans to develop require the development and implementation of new technology, equipment, and materials. The long-term objective of the innovation activities is to continuously enhance the level of technology that would support the *Company's* leadership in the global energy business.

The *Group's* innovation activities are based on the Program of OAO Gazprom's Innovative Development for the period up to 2020 (hereinafter – the Program of Innovative Development) approved by the *Company's* Board of Directors.

The Program of Innovative Development covers a set of interdependent actions aimed at the development and implementation of new technologies, innovative products and services at the global level, as well as creation of favourable conditions for the development of innovative activity in OAO Gazprom and adjacent industries of the Russian Federation. The document highlights basic directions of technology improvement or technology priorities in gas, oil and electric power businesses. Investments into these areas will allow *Gazprom* to obtain the maximum economic benefit.



The key activity areas of the reporting year are covered in more detail below.

## Research and development

R&D activities of the *Company* were performed in accordance with the Innovative Development Program to implement the approved technology priorities. The volume of R&D activities, performed for *Gazprom Group* in 2012, in monetary terms (ex-VAT) amounted to RR 7.7 bln (2011 – RR 7.9 bln).

The most optimal legal protection decision is taken on each result of intellectual activity: either expediency of patenting or selection of security system. As of 31 December 2012 *Gazprom Group* subsidiaries held 1,828 patents for patent rights subjects (207 patents were obtained in the reporting year). In 2012, 328 patent rights subjects were used in the operations and corresponding economic benefit amounted to RR 1.1 billion.

**More than 10 % of patents held by the *Group* entities were obtained in 2012.**



## Exploration

For the purposes of improving the accuracy of forecasting the hydrocarbon deposits development the *Company*:

- has developed a geological model, including the structure and oil and gas bearing capacity of the sedimentary cover in the south block of the Siberian platform; has substantiated the prospectivity of oil and gas sequences in the junction zone of the Russkaya platform and the Urals for the purposes of licensing the most prospective subsoil blocks;
- has assessed the resources and oil and gas potential of the West African offshore licensed blocks for the purposes of developing the efficient investment policy of OAO Gazprom in West and South-West Africa;
- continues to explore coal bed characteristics at the scientific base in the Kuzbass for the purpose of increasing well production rates.

Preparation is under way to commence advanced projects of developing Cenonian and Turonian gas deposits in the north of West Siberia, non-conventional resources of gas (gas hydrates, shale and coal gases, tight gas), hydrocarbon fields in the north-east offshore area of the Sakhalin island.

## Development and production

To improve efficiency of field development including development of new gas production regions and offshore areas of northern seas, the *Group*:

- has developed technical solutions supporting creation of domestic subglacial gas production equipment and technology in the process of developing field infrastructure in the Russian offshore areas (as exemplified by the Rusanovsky and Leningradsky fields of the Kara Sea);
- has been developing technical requirements and technical solutions for the creation of equipment for the subglacial gas production facility that would promote development of gas condensate fields in sea ice hazardous regions of the north-east offshore area of the Barents sea;
- has developed and tested at pilot sites solutions for technical and biological rehabilitation with the use of biologies, bio-polymers, drilling waste and granulated seeding of disturbed and contaminated lands of the Bovanenkovo Group of fields;
- has been implementing automated systems of remote control and management of wells in electrified and non-electrified clusters, as well as systems managing vital infrastructure of gas fields on the principles of minimal manned technology.

The work is continued in the following areas:

- feasibility study of pumping carbon dioxide into the productive strata of the Astrakhansky gas condensate field for the purpose of increasing condensate recovery;
- creation of the scientific basis for and technology of wave action on the productive strata for the purposes of increasing hydrocarbon recovery and well productivity.

## Gas Transportation and underground storage

To ensure reliability and safety of gas transportation and storage as well as to improve efficiency of gas pumping equipment, the *Company* has been developing and implementing:

- a system that will manage technical condition and integrity of the linear part of the trunk pipelines and compressor stations of the UGSS;
- smart pigging tools of the new generation that are based on magneto-electric acoustical method of control, diagnostic tools for gas pipelines with internal anti-friction coating designed for the pressure of above 10 MPa;
- optimal solutions in the area of forecasting geological risks associated with building up underground storage facilities for gas, oil and refinery products in rock-salt deposits in the Russian Federation, including East Siberia regions where helium-rich gas fields are developed.

## Hydrocarbon feedstock processing and petrochemical product manufacturing

In the area of gas processing the *Company* continues to implement projects related to creating technologies of synthetic liquid fuel (SLF) production from natural gas:

- the Fischer-Tropsch process based technology of large-scale SLF production (over 100 thousand tons);
- the small scale SLF production technology based on the use of dual function catalysts aimed at production of high-octane gasoline directly at gas production sites (depleted and low pressure wells).

Commercial realisation of the new technologies is planned to begin upon completion of the corresponding research and development work after 2015.

Under its activities to develop helium-rich gas fields, the *Company* has been designing a process of an integrated feedstock processing that would result in obtaining LNG and helium, as well as a process of and technical solutions for helium transportation and storage. In particular, the *Company* has been developing a pilot industrial two-stage membrane unit for extracting helium from high pressure natural gas for Kovykta and Irkutsk gas production centres. The unit will be tested at a processing facility of the Kovykta field.

## Electric power generation

In the reporting year generating companies of *Gazprom Group* implemented the following projects:

- TPP-16 of OAO Mosenergo: construction of an innovative CCGT unit with the capacity of 420 MW on the basis of a GTP unit with the capacity of 280 MW;
- Troitskaya GRES (OAO OGK-2): construction of a new carbon block with the capacity of 660 MW;
- Construction of a carbon block with CFB-330 at Novocherkassaya GRES is underway; it will allow to use several different types of coal including those of low quality for boiler equipment operation.

The short-term development plans also include: an upgrade of GTP-160 turbines for CCGT-450 units; building up of a unit CCGT-500 MW or more; development of technical solutions for the reconstruction of blocks T-250/300-240.

In the process of developing the framework for an integrated development of the Yamalo-Nenetsky Autonomous Region energy supply system, the *Company* has substantiated circuitry and priority processes for the implementation of non-conventional and renewable power sources (wind farms, small scale hydro power plants, thermal pumps, solar energy collectors, solid and bio-waste recycling technologies) to ensure supply of energy to remote communities of the region.

In the area of small-scale power generation the *Company* continues to develop power supply plants based on solid polymer fuel cells (with the capacity of up to 10 kW) that are intended to be used for autonomous supply of power to cathodic control stations, communication hubs, telemechanics and other users in hard-to-reach areas, and as emergency (backup) sources of electrical power.

## Improving innovation management

To fulfill the task of innovative activities control that is defined in the Program of Innovative Development, in the reporting year the *Company* took actions to improve the system controlling a number of research entities and the corporate R&D management system.

To promote innovative activities the *Group* subsidiaries have approved standard organisational structures for gas transportation and gas producing subsidiaries of OAo Gazprom. These structures envisage creation of innovative activities support divisions that will implement the Program of Innovative Development.

## International R&D cooperation

*Gazprom's* interaction with foreign partners is not limited to business only. Business relations are generally accompanied by mutually beneficial cooperation in R&D carried out on the basis of underlying agreements and joint programs.

In Europe *Gazprom's* partners in research and development projects are well known German companies E.ON Ruhrgas AG, BASF / Wintershall Holding, Verbundnetz Gas AG, Siemens AG, Europipe, as well as Nederlandse Gasunie, a Dutch company; GDF SUEZ, a French company; ENI, an Italian company, and Statoil ASA, a Norwegian company.

In the Asian-Pacific Region the science and technology cooperation is being actively developed with the Korean gas corporation KOGAS, the Oil and Gas Corporation of Vietnam, the Chinese corporation CNPC, the Agency for Natural Resources and Energy under the Japanese Ministry of Economy, Trade and Industry.

This cooperation facilitates an exchange of best operating practices, an exchange of information on prospects and priorities of global technical development of the gas industry, identification of topical science and technology issues the joint solution of which creates a foundation for new international knowledge and technology.

### 2012 demonstrations of Russian innovative technologies at foreign facilities

**France, GDF SUEZ facilities.** Comprehensive electrometric corrosion inspection of 5 km of Center-Vostok underground gas pipeline without pipeline pigs.

**Germany, BASF/Wintershall Holding facilities.** Tests of BIOROS biopreparation for treatment of environmental areas contaminated with hydrocarbon pollutants showed its advantages over similar preparations at positive temperatures below +10°. The project demonstrated great capacity of microbiology technologies and confirmed value of microbiologic absorbent development.

### Results of joint R&D activities with Gasunie

— **A multi-level IT system, enabling forecasting and optimizing distribution of gas flows through European gas pipelines based on customer orders.** The system uses data from public sources only. The system may be used at international European gas hubs to resolve various gas trading related issues. A prototype of the system was demonstrated at the Gas Center of UN's Economic Commission for Europe, at The European Network of Transmission System Operators for Gas and at dispatch meetings to European gas companies. The system received great feedback and will see further cooperation for its improvement.

— **Feasibility studies for production and supply of biomethane, development of infrastructure for extended LNG use.** Using those results, OAo Gazprom, Gasunie and Russian companies Evrotekhnik and BioGazEnergoStroi signed a Memorandum on implementation of a production project in Russia for further exports of 'green gas' to European Union. *Gazprom Export* and Gasunie also signed a Memorandum of Understanding in the area of low-tonnage LNG supply development.

Given positive results of their cooperation OAO Gazprom and its partners plan to continue their interaction in R&D areas that are of mutual interest to them, including:

- technologies of helium extraction in field conditions of East Siberia and Far East;
- technologies of distributed compressing to increase operational efficiency of fields in their closing stage;
- using gas as a motor fuel;
- harmonization of gas industry national standards and norms, including those related to the quality of supplied gas;
- environmental protection, energy saving and energy efficiency.

In total, the results of R&D cooperation are an important factor for acceleration of *Gazprom Group's* technological progress and reinforcement of its competitive advantages.

# ENVIRONMENT PROTECTION, INDUSTRIAL SAFETY AND ENERGY EFFICIENCY

## Environment protection

*Gazprom Group's* responsible approach is based on consistent reduction of production activity impact on the environment, securing environmental safety in line with global standards.

### Environmental management system

The Environmental Policy is the basis of Environmental Management System (EMS). In October 2011, the Board of Directors approved OAO Gazprom's Environmental Policy and recommended that *Gazprom Group's* entities should use this document.

The key principle of the environmental policy of OAO Gazprom

The key principle of the Environmental Policy of the *Company* is to ensure most efficient use of natural resources and preservation of the environment for future generations. Being a major Russian user of natural resources, *Gazprom Group* observes strict compliance with Russian and international environmental protection laws and follows its voluntary environmental responsibility obligations.

**OAO Gazprom, being an environmentally responsible company, declared 2012 the Year of Environmental Protection and developed a relevant action plan.**

Implementation of the Environmental Policy is managed by OAO Gazprom's Coordination Committee for environment protection and energy efficiency issues, controlling and assessing environmental activities of the *Company*.

EMS of OAO Gazprom is an extensive structure, integrating environmental protection management bodies of the parent company and 28 exploration, production, transportation, storage and refining of hydrocarbons subsidiaries, 100 % owned by OAO Gazprom (OAO Gazprom and its subsidiaries in the scope of EMS). In 2011, EMS of OAO Gazprom was successfully certified and in 2012, it was subject to the compliance audit that confirmed EMS compliance with International Standard ISO 14001:2004. The certification audit and compliance audit were provided by the independent accredited entity Det Norske Veritas.

In line with its EMS, the *Company* adopted Corporate Environmental Goals, used by subsidiaries for development of relevant measures and regular reporting to OAO Gazprom.



See more in OAO Gazprom's Environmental Report.

Corporate ecological Objectives established for OAO Gazprom and its subsidiaries in the perimeter of EMS

No.	Corporate Ecological Objective	Entities for Which Objective is Established	2012 Indicators Compared to Basic Level of 2008
1.	Reduction of methane emission in atmosphere	All subsidiaries engaged in production, transportation storage and refining of gas and condensate	12 % decrease
2.	Reduction of per unit emissions of nitrogen oxide in atmosphere (due term of achievement – 2018)	All subsidiaries engaged in gas transportation	per unit emissions have not increased
3.	Reduction of volume of waste and not satisfactory filtered water disposed into surface water bodies	All subsidiaries inflicting negative environmental impact	3.5 % decrease
4.	Reduction of portion of wastes aimed for burial.	All subsidiaries inflicting negative environmental impact	10 % increase
5.	Reduction of payments for above-limit impact as aggregated indicator of negative environmental	All subsidiaries inflicting negative environmental impact	93 % decrease
6.	Reduction of per unit gas consumption for internal technological needs	All subsidiaries engaged in gas transportation	13 % decrease
7.	Implementation of EMS in accordance with international standard ISO 14001:2004	Subsidiaries in the perimeter of OAO Gazprom's EMS and OAO Gazprom's administration	EMS are implemented in OAO Gazprom's administration and 28 subsidiaries

**Environmental management systems of OAO Gazprom, OAO Mosenergo, OAO OGK-2, OAO TGK-1, OOO Gazpromneft Smazochnie Materialy are certified in line with ISO 14001:2004 international standard.**

In 2012 the established corporate goals were mainly achieved. The growth of volumes of waste for disposal was caused by 122 % increase (137 thousand tons more than in 2008) in waste volumes at gas producing subsidiaries of OAO Gazprom. Over 40 % (104.3 thousand tons) of waste, generated by gas producing subsidiaries, result from drilling activities.

To achieve the established goals, the subsidiaries implement technologies and methods, aimed at use and utilization of drilling waste, selective collection and use of waste as secondary material and energy resources. For example, OOO Gazprom dobycha Noyabrsk during its development of Yety-Purovskoye field used sumpleless drilling with subsequent drilling waste processing into construction material by patented Russian technologies.

OAO Gazprom developed and is successfully using a corporate environmental impact audit system and a corporate environmental controls system.

In 2012 OAO Gazprom has conducted the following preventive activities:

- Due diligence of design documentation for 242 construction and reconstruction sites, 195 technical specifications and design engineering specifications;
- 722 audits in 54 subsidiaries and contractors, inspecting performance of customers and general contractors.

In 2012, as a result of 256 governmental inspections in *Gazprom Group's* subsidiaries 207 violations of the Russian environmental legislation were identified. Penalties paid amounted to RR 6.0 million, including:

- OAO Gazprom and its subsidiaries, 100 % owned by OAO Gazprom – RR 1.7 million;
- *Gazprom Neft Group* – RR 4.0 million;
- *Gazprom Energoholding* – RR 0.3 million.



## Environmental impact indicators

Gross pollutant emissions made by stationary sources of ambient air contamination of *Gazprom Group* increased by 286.7 thousand tons or 9 % as compared with prior year. *Gazprom Neft Group's* contribution was the largest and its emissions increased by 276.4 thousand tons. The most significant volume of emissions (84 %) of *Gazprom Neft Group* falls for emissions from associated gas burning.

### Environmental impact of *Gazprom Group*



The 3 % growth of pollutant emissions into the air from stationary sources of *Gazprom Energo-holding* companies was caused by a change in the fuel balance (use of coal and fuel oil instead of natural gas) at a number of generation facilities and also by commissioning of a new CGPU-800 unit at Kirishskaya GRES (OAO OGK-2).

OAO *Gazprom* and its subsidiaries 100 % owned by OAO *Gazprom*, reduced their atmospheric emissions by 31 thousand tons versus 2011 levels, including reduction of CO<sub>2</sub> emissions by 30.6 thousand tons (by 7 %). Lower gross emissions are explained by lower hydrocarbons production, transportation, gas injection and withdrawal volumes at Russian UGSFs, and also by conduct of comprehensive energy saving measures.

The amount of waste with *Gazprom Group* increased by 5 % versus the previous year, which was primarily caused by consolidation of an acquired asset – OAO *Gazprom Neftkhim Salavat*.

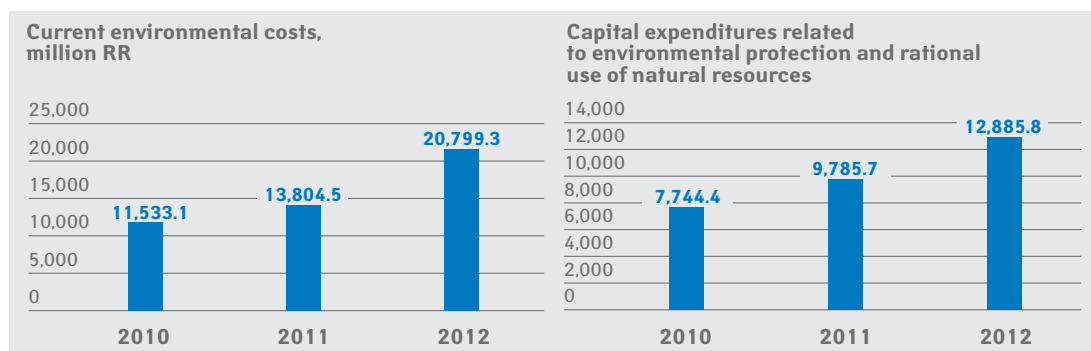
In 2012 the *Group* reduced up to 4.9 bcm (2011 – 5.3 bcm) the volume of water disposed into surface water bodies by means of reducing the water consumption volume, including for technical needs. Power companies of the *Group* account for 96 % of consumed and almost 98 % of disposed water volumes. 96.5 % of waste water disposed to surface water was filtered and met standard quality requirements.

The area of land, recultivated by *Gazprom Group* in 2012 amounted to 9.7 thousand hectares.

## Environmental protection costs

Overall *Gazprom Group* current environmental protection costs in 2012 amounted to RR 20.8 bln (including RR 2.4 bln of overhaul costs for basic production assets, designed for environmental protection), which is 51 % more than in 2011.

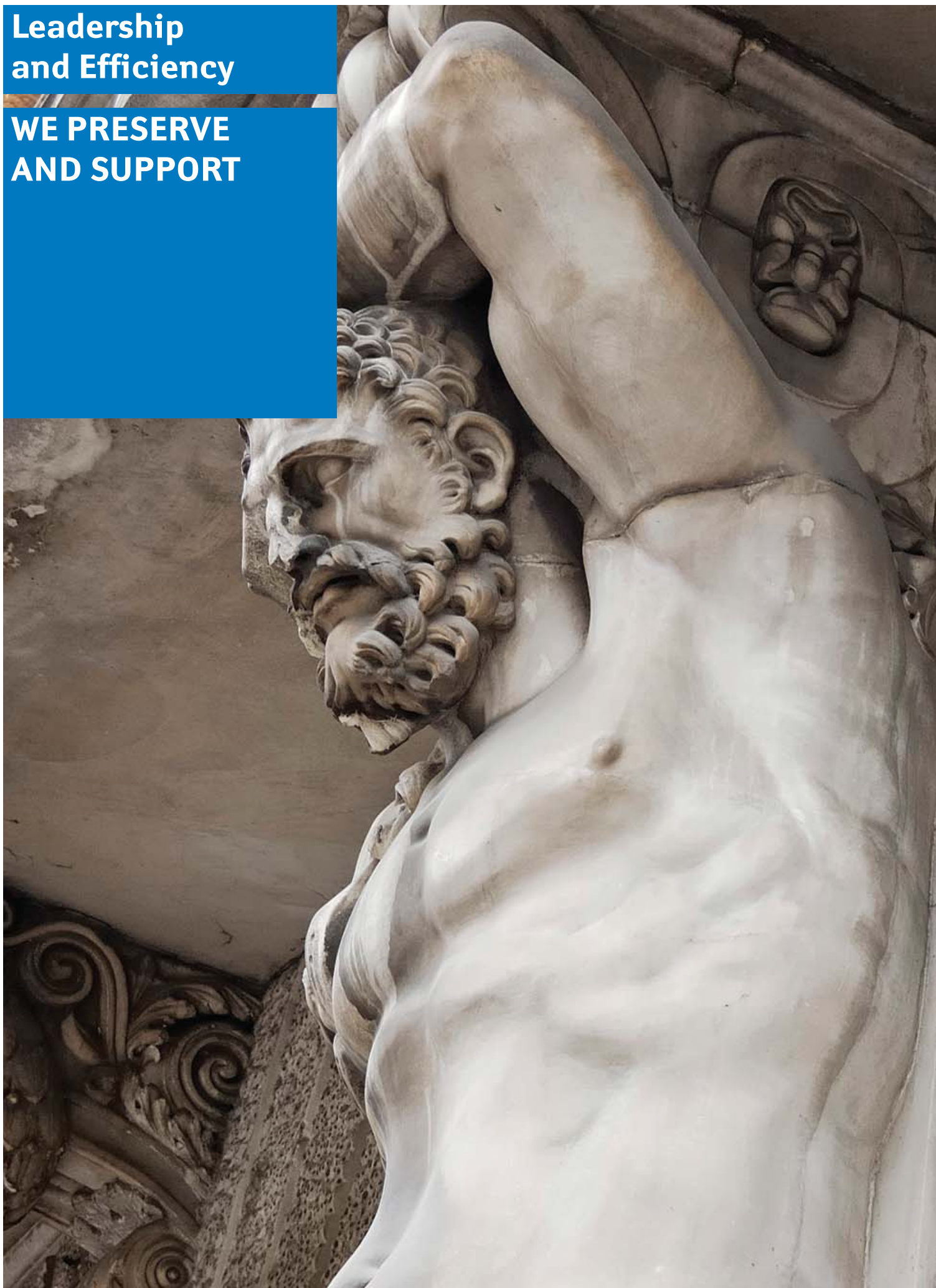
### *Gazprom Group's* environmental expenditures



Investments of *Gazprom Group* into fixed assets for environmental protection and efficient use of natural resources increased by RR 12.9 bln (31.7 % increase to 2011 level). About 85 % of the above investments in 2012 were made by OAO *Gazprom* and its subsidiaries 100 % owned by OAO *Gazprom*.

**Leadership  
and Efficiency**

**WE PRESERVE  
AND SUPPORT**







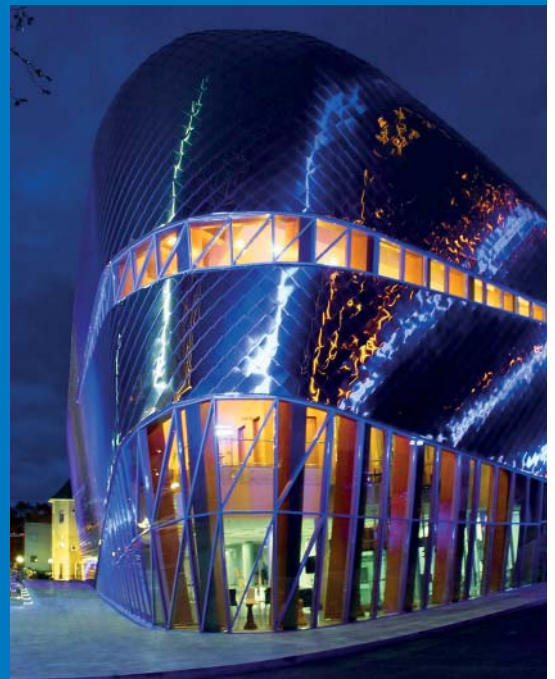
## We support the industry

We started using unique domestic pipes of 1420 mm in diameter. These heavy-duty cold-resistant pipes were designed for a working pressure that is record-high for land gas pipelines.



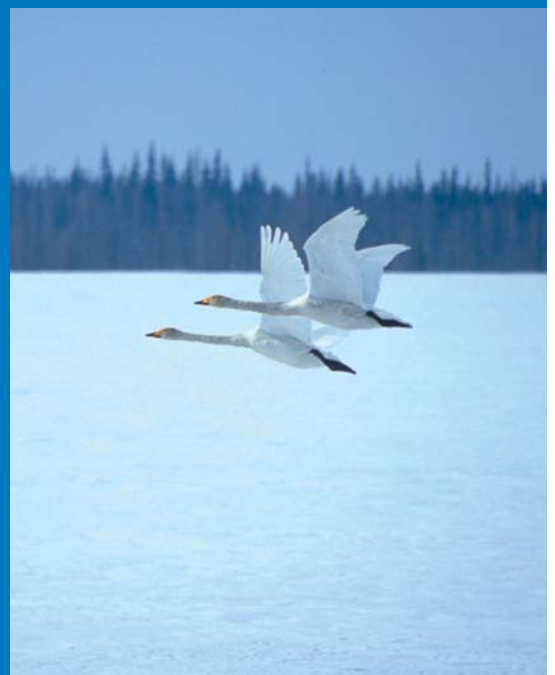
## We support children's sports

Gazprom for Children is the largest social project of the *Company*. Its main objective is to create conditions for harmonious spiritual and physical development of children and adolescents. For this purpose, *Gazprom* builds and reconstructs sports centers and multifunctional sports playgrounds.



## We support ecological standards

An important way to attain strategic objectives in the area of environmental protection is the implementation and operation of an efficient Environmental Management System based on ISO 14001.



The structure of *Gazprom Group's* operating costs and costs for the services of environmental protection in 2012, %



In 2012 the *Group* paid RR 1.6 billion to the budgets of different levels for negative impact on the environment. Out of that amount RR 0.6 billion were paid for negative impact within the established limits and RR 1.0 billion were paid for negative impact in excess of the established limits.

A 54 % increase as compared to 2011 is explained by the increased payments for negative impact on the environment in *Gazprom Neft Group* due to applying multiplying co-efficients of 4.5 and 5 to the established payments for pollutant emissions. This is explained by the fact that *Gazprom Neft* did not complete the works allowing to reach 95 % Associated petroleum gas (APG) utilization level by 2012 in accordance with the Resolution of the Russian Government of 8 January 2009 No. 7 "On measures for promoting the reduction of air pollution caused by APG products combusted at flare facilities".

### Corporate climate policy

Climate initiatives and activities of OAO Gazprom are performed in line with Russian Energy Strategy – 2030, "Environment Protection" government program of the Russian Federation for 2012–2020 and the Environmental Doctrine of the Russian Federation.

The corporate greenhouse gas inventory system of OAO Gazprom is an example of corporate environmental and climate protection responsibility, which meets national and international requirements.

In 2012 at the XXV World Gas Conference in Kuala-Lumpur (Malaysia) OAO Gazprom presented reports on comprehensive research for assessment, registration and control of corporate greenhouse gas emissions, potential opportunities for implementation of investment projects and best available technologies for greenhouse gas emission reduction across all sectors of Russian gas industry.

International R&D cooperation programs enable OAO Gazprom to share experience and conduct joint R&D activities on the issue of greenhouse gas emission, for example, with such companies as E.ON Ruhrgas, GDF SUEZ, Gasunie.

The *Company's* cooperation with US Environmental Protection Agency resulted in publication of a number of research papers on results of "Methane capture in Russian gas industry: Achieving economic and environmental benefits" grant research.

OAO Gazprom annually reports to Rosgidromet its quantitative estimates of annual greenhouse gas emissions for preparation of the greenhouse gas emissions Inventory of the Russian Federation in accordance with requirements of UN FCCC and Russian law.

OAO Gazprom regularly participates in the annual Carbon Disclosure Project of the international investment community.

**The corporate greenhouse gas inventory system of OAO Gazprom meets national and international requirements.**

## Carbon Disclosure Project

Carbon Disclosure Project (CDP) is a partnership of over 500 financial entities all over the world, holding and managing funds for over US \$ 60 trln. CDP maintains the world's largest database on corporate greenhouse gas emissions, used for making investment decisions.

**A CDP poll recognized OAO Gazprom as the best Russian oil and gas company of 2012.**

Participation in CDP project allows *Gazprom* to present its greenhouse gas emission reduction efforts to global financial institutions and investors, as well as get access to a global corporate climate change database, enabling research and analysis of experience of global oil and gas majors.

In 2012, CO<sub>2</sub> and CH<sub>4</sub> emissions of OAO Gazprom's main upstream, downstream and underground storage subsidiaries were 123.8 million tons of O<sub>2</sub> equivalent, which is 9.6 million tons (7 %) less than in 2011. Reduction of greenhouse gas emissions resulted from decreased consumption of natural gas for compression purposes due to lower volumes of gas production and transportation, and fewer scheduled preventive repairs at gas producing entities, as well as certain activities performed as part of OAO Gazprom's Energy Efficiency Program for 2011–2013. APG flaring has major importance for resolving the greenhouse gas emissions issue in oil and gas segment.



See more in "Exploration and Production" section.

## Environmental requirements to suppliers and contractors

In order to ensure environmental safety at construction and operation of production facilities, *Gazprom Group* companies put forward strict environmental protection requirements to their contractors.

Subsidiaries and entities of *Gazprom Group* establish contractor responsibility for required environmental protection activities in relevant contracts. In some cases customer places on contractors all responsibility for required environmental protection activities, obtaining all necessary permits and environmental reporting, and also specifies financial liabilities to secure corrective actions.

# Industrial and labor safety

**Life and health of its employees are the absolute priority for *Gazprom*. The *Company* strives to ensure maximum safety working environment, especially at hazardous production facilities.**

OA0 Gazprom's Corporate Labor and Industrial Safety Policy, establishing goals and obligations of the *Company*, is the underlying document for regulating OA0 Gazprom industrial and labor safety activities.

The key provisions of the Policy are implemented across OA0 Gazprom, its major exploration, production, refining, transportation and underground gas storage subsidiaries, and also in subsidiaries, operating UGSS of Russia, with the total headcount of 300 thousand employees. This organizational perimeter is managed by the Unified system for managing labor and industrial safety of OA0 Gazprom, which includes a set of regulations, activities and recommendations, establishing uniform organizational procedures, aimed at creation of safe and healthy labor conditions for employees.

It is planned to extend the Unified system for managing labor and industrial safety of OA0 Gazprom and include in its scope more subsidiaries of the *Company*.

General management of labor and industrial safety activities is performed by a Deputy Chairman of the Management Committee of OA0 Gazprom, supervising operations of production departments of OA0 Gazprom. Those activities in the *Company* and its subsidiaries, including methodological support to implementation of the Policy, are coordinated by OOO Gazprom Gazobezopasnost – a specialized company in charge of emergency response services for OA0 Gazprom.

# Core Directions of Carrying-out of OAO Gazprom's Obligations in Industrial and Labor Safety

## Assumed Obligation

- Top-priority measures promotion aimed to prevent negative production impacts on personal and public
- Monitor compliance of industrial and labor safety requirements
- Continuous educational and competency development of management, specialists and other employees
- Requirements to suppliers and contractors carrying-out activities on *Company's* facilities to observe standards and norms of labor and industrial safety
- Involvement of personnel in active participation in labor and industrial safety activities, arrangement of conditions, including development of motivation patterns, under which any employee of OAO Gazprom and its subsidiaries realizes responsibility for his own and surrounding persons safety.

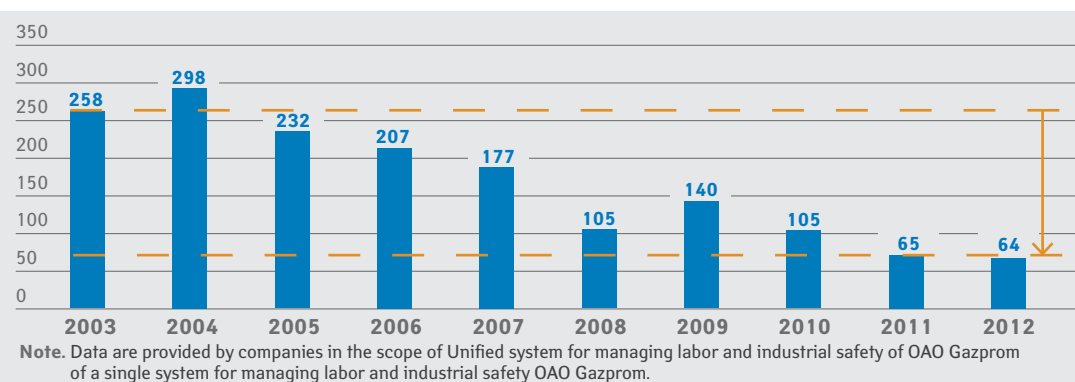
## Execution in 2012

- Furnished work clothes quality inspection
- Comprehensive inspections of state of industrial and labor safety in OAO Gazprom's subsidiaries
- Implementation of educational and personal development program: 188 OAO Gazprom's managers and specialists complete training and were attested in industrial safety and knowledge of labor protection requirements;
- development of normative base: reviews on sample training plans, methodological recommendations in certain aspects of labor and industrial safety activities;
- 167 employees were attested by OAO Gazprom's Central Attestation Commission.
- Requirements on observing standards and norms of labor and industrial safety settled in OAO Gazprom are fixed in contracts concluded by OAO Gazprom with its agents and partners.
- Involvement of employees of all grades in the process of risk elimination and personal responsibility of every employee for observing requirements on minimization of industrial risks able to cause life and health damage and OAO Gazprom and its subsidiaries' property losses.

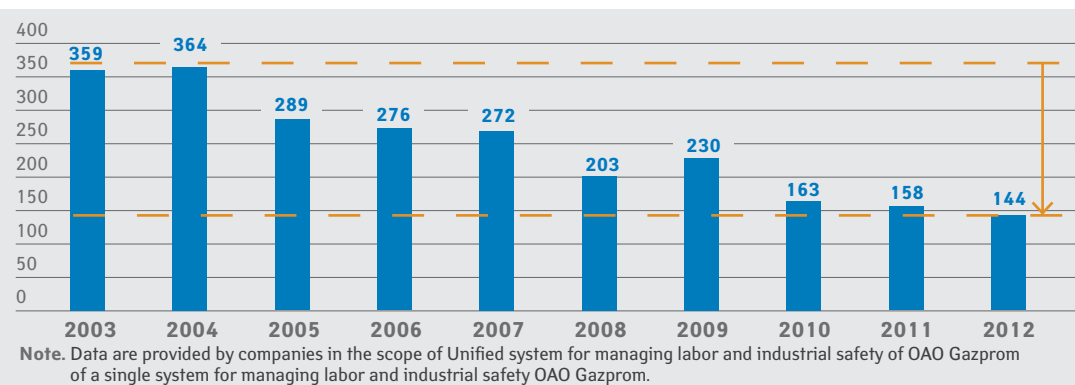
Over 10 years the number of accidents at hazardous production facilities reduced by 4 times.

Continuous reduction of work accident figures, work-related injuries and occupational diseases is one of the key responsibilities of OAO Gazprom in the area of labor and industrial safety. Considering probabilistic nature of such accidents, performance efficiency of the *Company* in the relevant area should be assessed on a broad time horizon.

The number of intendants at hazardous production facilities



Amount of persons, injured in industrial accidents



Over 10 years the number of employees, injured in work accidents, went down by 2.5 times.

In 2012 the *Company* prepared a foundation for greater organizational outreach of the Unified system for managing labor and industrial safety of OAO Gazprom: OAO Beltransgaz, which joined *Gazprom Group* in the end of 2011, audited its system system of labor and industrial safety, fire



and explosion safety, and conducted personnel training and certification of the central certification commission of the subsidiary by OAO Gazprom rules and regulations.

In order to meet the obligations established by the Policy to consistently improve the Unified system for managing labor and industrial safety both in OAO Gazprom and its subsidiaries and entities, the *Company* is guided by applicable requirements of Russian laws and by universally recognized requirements of OHSAS 18001:2007 standard "Occupational Health and Safety Management Systems". The following activities were systemically performed in 2012:

- Schedule for preparation, implementation and certification of a system for managing labor and industrial safety in entities within the scope of the Unified Gas Supply System of OAO Gazprom in compliance with OHSAS 18001:2007 standard requirements prepared.
- Assessment audit of the Unified system for managing labor and industrial safety of OAO Gazprom» for compliance with OHSAS 18001:2007 standard requirements in the *Company* and its five subsidiaries performed by ZAO Buro Veritas Certifications Rus.
- 19 employees of OAO Gazprom subsidiaries trained as auditors/leading auditors for occupational health and safety management systems (as per OHSAS 18001:2007 requirements).

In the reporting year the OAO Gazprom considered the issue of establishing an Occupational Health and Safety Commission. It is envisioned that this body, responsible for implementation of OAO Gazprom's Labor and Industrial Safety Policy and performance review of labor and industrial safety, ensuring industrial safety and performance efficiency of the Unified system for managing labor and industrial safety of OAO Gazprom, will start its work in 2013.

*Gazprom Neft Group* has an integrated Industrial, Environmental and Labor Safety system, meeting international standards OHSAS 18001, ISO 14001 and ISO 9001, in place. The system covers both environmental safety issues and labor and industrial safety issues. *Gazprom Neft* carries out its operations in line with its corporate Industrial, Environmental and Labor Safety Policy, and these activities are coordinated at the level of the Corporate Center by the Department of Production Safety. *Gazprom Neft Group* also has an Industrial, Environmental and Labor Safety Board in place.

Labor and industrial safety management at *Gazprom Energoholding* is defined by applicable Russian laws and current regulations in relevant areas. Responsibility for compliance with requirements is borne by general directors, and chief engineers of entities and branches coordinate relevant activities.

Common goals, operating principles and obligations, used by OAO Gazprom, generally apply to the labor and industrial safety policy currently in use at *Gazprom neftekhim Salavat*. The *Company* complies with requirement of federal, regional and industry regulations and international standards. In the reporting period the *Company* carried out relevant activities to implement and improve an occupational health and safety management system, based on OHSAS 18001:2007 and interstate GOST 12.0.230-2007 standard.

# Energy Saving and Energy Efficiency

**Energy saving activities by *Gazprom* enable higher energy efficiency of production and reduced adverse environmental impact.**

In order to improve its operations, OAO Gazprom pursues a consistent policy of energy savings and raising energy efficiency for its production processes. The *Company* views reduction of negative environmental impact of production activities and reduction of production costs as priorities.

Areas for energy efficiency improvement activities of OAO Gazprom and its exploration, production, refining, transportation and underground gas storage subsidiaries were established in the long-term Concept for Energy Saving and Improving Energy Efficiency of OAO Gazprom for 2011–2020, approved by the Board of Directors of the *Company*.

Key long-term goals and objectives of OAO Gazprom for energy saving and energy efficiency improvement

- maximum utilization of energy savings potential in all business areas based on the government support for energy savings policy of OAO Gazprom and improvement of energy savings management. The overall technologically feasible energy savings potential for the period up to 2020 are estimated at 28.2 mln tce (including 22.5 bcm of natural gas), and it is planned to save 6.4 mln tce in 2011–2013 in line with the developed mid-term program.
- improving energy efficiency of OAO Gazprom's subsidiaries and entities based on innovative technologies and equipment.
- reduction of man-caused environmental pressure.

To comply with energy saving laws and regulations of the Russian Federation, energy savings and energy efficiency benchmarks for production and technology processes for the gas segment of the *Group's* business in production, transportation, refining and underground gas storage were approved:

- reduction of specific consumption of fuel and energy resources for process needs over the period up to 2020 – at least 1.2 % per year;
- reduction of specific consumption of natural gas for own technological needs and losses in primary operations – at least 11.4 %;
- reduction of greenhouse gas emissions – at least 48.6 mln tons of CO<sub>2</sub>-equivalent.

Provisions of the Concept are detailed in mid-term three-year energy savings and energy efficiency programs. In the reporting period the *Company* implemented its mid-term program for 2011–2013. OAO Gazprom and its exploration, production, refining, transportation and underground gas storage subsidiaries met their 2012 targets. The total volume of fuel and power resource savings amounted to 2.18 mln TCE, benefits from implementation of the program in the reporting year are estimated at RR 5.28 bln.

Saving energy fuel and power resources by activity in 2012

Kind of activity	Natural gas, thousand cm	Electric power, thousand kW h	Thermal energy, Gcal
Gas, gas condensate, crude oil production	182,693.8	4,923.1	45,643.8
Gas transportation	1,597,792.5	198,551.1	63,056.4
Underground gas storage	10,999.6	6,350.5	0.0
Gas, gas condensate and crude oil processing	7,847.6	21,047.1	131,586.8
Distribution of gas	7,686.2	24,564.9	1,498.9
<b>Total</b>	<b>1,807,019.7</b>	<b>255,436.7</b>	<b>241,785.9</b>
<b>Total, thousand tons of fuel oil equivalent</b>	<b>2,060.0</b>	<b>83.0</b>	<b>34.5</b>

The largest fuel and power resource savings (87.0 %) were achieved in trunk pipeline transportation, and its key savings areas in 2012 were:

- performance optimization of production facilities of the gas transportation systems;
- reduction of gas consumption for production needs of the line pipe and gas distribution stations; repairs of GPUs;
- reconstruction and upgrades of CS production facilities;
- performance optimization of power equipment, power equipment repairs;
- installation of variable frequency drives and soft starting for electric motors.

Implementation of renewable power technologies is still another area for improving energy efficiency in gas transportation and gas production subsidiaries of OAO Gazprom. In 2012 the *Company* continued implementation of autonomous power units for line and remote consumers at its production facilities:

- 0.3–20.0 KW turboexpanders (units for cooling gas during the process of its expansion) are operated and tested at production facilities of four subsidiaries;
- OOO Gazprom transgaz Yekaterinburg designed a 1.0 KW turboexpander unit for power generation to supply GDS production needs;
- OOO Gazprom transgaz Stavropol uses 2.5 KW solar power modules;
- OOO Gazprom transgaz Saratov is implementing a project to equip five pipeline branches with telemechanics units, using renewable power sources (solar batteries, wind turbines).
- In 2010 those employees of subsidiaries, that achieve savings of fuel and energy resources, receive additional bonuses for energy savings.

Consumption of fuel and energy resources by *Gazprom Group's* subsidiaries

Gas consumption for own process needs by major production, transportation and underground gas storage subsidiaries of OAO Gazprom amounted to approximately 47 bcm and is evaluated at RR 108.7 bn. The total electric power consumption reached up to 15.4 bln kWh, of these 7.1 % were generated by *Group's* power stations. Process needs also took 25.2 mln Gcal of heating energy (77.8 % generated at corporate facilities). Electrical and heating power purchase costs amounted correspondingly to RR 36.5 bln an RR 7.0 bln.

Consumption values for fuel and energy resources were significantly lower than the benchmark specific consumption value for fuel and energy resources, determined by FTS order for this business.

Fuel and energy resources consumption values for trunk pipeline gas transportation of the *Group* in 2012

Parameter	Actual value	Target (FTS order No. 88-e dated 31.03.2011)
Consumption for process needs	89.2 %	No more than 98.8 %
Specific consumption for process needs	31.29 kg foe./mln cm km	No more than 36.44 kg foe./mln cm km
Process losses of gas	3,129 mln cm	5,464.7 mln cm

During the reporting period *Gazprom Neft* performed targeted activities to develop a regular energy savings system – an energy management system, which will enable use of systemic solutions both in technology and in management.

Under its Energy Savings Program for Oil Refining Companies and Energy Savings Program for Oil and Gas Production Companies, *Gazprom Neft* in 2012 saved 0.3 million tce of fuel and energy resources, with benefits amounting to RR 2.0 bln. The greatest contribution to achievement of these values was brought about by using maximum efficiency mode of furnaces with installation of fixed oxygen analyzers, optimization of condensate collection and recovery, upgrades of economizers and exhaust heat boiler superheaters.

Implementation of energy saving technologies, development and implementation of methodologies, based on rational utilization of energy resources are among top priorities of Russian power generation companies of the *Group*. In the reporting period energy savings and energy efficiency policy documents were in effect in all *Gazprom Energoholding* companies: OAO Mosenergo and OAO OGK-2 implemented mid-term energy savings programs up to 2015, and OAO TGK-1 used its Environmental Policy. Most of fuel and energy resource savings in the power generation companies of *Gazprom Energoholding* in 2012 were achieved after commissioning of new modern combined cycle power units at several TPPs, heat-extraction power generation and energy savings activities.

# SOCIAL POLICY

## Managing Human Capital

**Committed professionals are the most important strategic resource of *Gazprom*, enabling successful development of complex production regions, construction of unique transportation routes and entry into new markets.**

Following requirements of the International Labor Organization Conventions, *Gazprom Group* observes international standards concerning freedom of association, payroll, duration of the workday, labor conditions, compensation for employees' labor, social insurance, paid leave, labor safety, etc.

### Personnel Structure and Professional Development

*Gazprom Group* is a major employer in Russia. As of December 31, 2012 the listed number of employees engaged in companies of the *Group* was 431.2 thousand, including 27.4 thousand employed by the *Group's* companies registered outside Russia.

The structure of *Gazprom Group's* employees by subsidiaries as of December 31, 2012, thousand people



<i>Gazprom Group</i> major production, transportation, processing and storage subsidiaries	222.5
<i>Gazprom Neft Group</i>	58.6
<i>Gazprom energoholding</i>	26.5
ОАО Gazprom	23.3
<i>Gazprom neftekhim Salavat</i>	15.6
Other subsidiaries	84.7

The structure of *Gazprom Group's* employees by categories as of December 31, 2012, thousand people



Workers	245.5
Specialists	111.1
Management	55.9
Other employees	18.7

The increase in the listed number of employees versus December 31, 2011 data is related to affiliation of ОАО Gazprom Neftekhim Salavat and its subsidiaries with *Gazprom Group*. Age profile of the *Group's* employees is well-balanced – employees under 30 y.o. make up 19 % and employees over 50 y.o. and older account for 25 %.



Detailed information on age profile of *Gazprom Group* employees is presented in "Gazprom in Figures 2008-2012" fact sheet.

Modern HR support formats for international projects of the Group

Personnel recruitment for international projects is carried out by a specialized subsidiary, OOO Gazprom Personnel. OAO Gazprom builds its personnel allocation relations with international project partners under secondment contracts, made by OOO Gazprom Personnel and a joint company – project operator. At present OOO Gazprom Personnel has partnership relations with Sakhalin Energy Investment Company Ltd. and joint project companies, implementing South Stream project.

**Gazprom Group companies are among the most attractive employers for young people and students of leading Russian universities.**

In order to maintain and increase the professional level of its employees in accordance with its needs, the *Group* has a System of on-going in-house professional education of OAO Gazprom personnel in place, functioning through the corporate training centers. Approaches used by *Gazprom* in the personnel training and re-training make it possible to efficiently manage employees' knowledge and to develop capacity to achieve the goals of innovative development. In 2012 the number of employees who went through professional development and re-training programs amounted to 178,9 thousand employees of *Gazprom Group*.

OAO Gazprom pays special attention to on-boarding young specialists. The *Company* employs individual training and development approach for this employee category. In 2012 entities of *Gazprom Group* hired more than 2.1 thousand young specialists-graduates of higher education institutions and vocational schools and spent over RR 68 mln. on their training.

### Personnel Motivation System

The *Group's* personnel motivation system, comprising material and immaterial stimulation is aimed at attracting and retaining highly-qualified employees, reinforcing employee commitment to higher performance efficiency.

Uniform corporate approaches to remuneration and employee motivation are established by the Standard Compensation and Benefits Policy for employees of OAO Gazprom entities.

The existing payroll systems provide official salaries and base rates in line with personal qualification and business skills, bonuses for employees' current performance, extra payments depending on labor environment and scope of work performed, annual performance bonuses and one-off bonuses (paid for the commissioning of production facilities and other facilities, implementation of new machinery, energy resource savings, discovery of new hydrocarbon deposits, etc.).

In order to develop uniform corporate payroll approaches, a new version of Standard Compensation and Benefits Policy for employees of OAO Gazprom entities was developed in the reporting year. The document establishes specific compensation conditions for employees of entities, operating offshore oil and gas fields, and elaborates compensation conditions for R&D specialists, catering and internal audit units.

OAO Gazprom and its key production, transportation, underground storage and marketing subsidiaries also have a well-developed top management motivation system, featuring an annual bonus system and a share reward program.

Annual bonus system takes into account corporate and individual key performance indicators in the reporting year. The list of key performance indicators was approved by OAO Gazprom's Board of Directors under the Regulation for annual bonus system for OAO Gazprom's top management. At the corporate level the list includes specific costs in natural gas production, specific costs in natural gas transportation, in-kind natural gas sales, commissioning of top-priority production facilities and reduction of costs for procurement of products (work, services).

Share reward program targets long-term motivation of key employees depending on OAO Gazprom shareholder value growth. In 2012 the *Company* drew up implementation results for the program and decided to improve the program in the area of reduction of administrative costs and setting flexible completion timelines. As per these instructions, a Regulation on participation of top managers in OAO Gazprom equity capital was developed and approved by the Board of Directors of the *Company* to supercede the previous document. Structure of program participants and its launch date in line with the above decision are expected to be considered by the Board of Directors in the second half of 2013.

**In 2012 the list of corporate key performance indicators was expanded to include the procurement cost reduction indicator.**



## Social Security and Social Partnership System

**Interests of more than 270 thousand employees of the Group are represented by OAO Gazprom's Interregional Trade Union Organization.**

The core principle for ensuring social security is the principle of social partnership – a constructive bilateral dialogue of employees and employers to regulate social and labor relations.

In 2012 social and labor relationships within *Gazprom Group* were regulated by the current labor legislation, the Master Agreement of All-Russia trade union associations, All-Russia employer associations and the Government of the Russian Federation; the Industry agreement for the organizations of the oil and gas industries and the construction of objects of the oil and gas sector; collective contracts and other local regulations of *Gazprom Group* entities.

Key social policy areas and principles are established in the General Collective Contract of OAO Gazprom and in collective contracts of its subsidiaries.

The current social policy focuses on ensuring social security of employees and motivating them for long-term efficient performance in the *Company*. The policy includes benefits, guarantees and compensations, medical services, treatment and aftercare in health resorts, various types of personal insurance, establishing comfortable and safe labor environment, providing additional pension benefits.

A successful housing program is underway to resolve employee housing issues, the program is based on a market economy facility – bank mortgage lending. In the reporting year the facility helped improve housing conditions of over 9 thousand employees and pensioners of entities, participating in the General Collective Agreement.

## Social Projects

***Gazprom* is committed to high social responsibility standards. The *Company* traditionally spends significant funds on supporting science, sports, culture and arts.**

A Russian economy leader, *Gazprom* is heavily involved in implementation of multiple social projects at various levels, including those of national significance. The *Company* traditionally pays special attention to implementing social projects, supporting such public spheres as sports, culture, education, science; *Gazprom* also takes part in projects, focused on renaissance of national values.

### Supporting Children and Youth

The *Group* realizes significance of the oncoming generation for future development of the country and pays special attention to children and youth support projects. "Gazprom to Children" program is a key social project of OAO Gazprom. The program focuses on creating conditions for harmonious intellectual, cultural and physical development of young Russians, and on getting as many children and adolescents to involved in sports and arts sections.

The program has been being implemented since 2007 in 73 Russian regions with involvement of 45 subsidiaries and entities of *Gazprom Group*. Implementation of the program saw construction and refurbishment of 943 sports and culture facilities for the total amount of RR 15,4 bln. The total volume of charity support to development of children sports and arts, purchasing sports equipment and establishing sports sections over the years amounted to RR 959,6 mln.

Starting from 2010, OAO Gazprom has been supporting «This World is Ours!» International Children Forum. In 2012 OAO Gazprom provided its support to the III «This World is Ours!» International Children Forum in Bonn as part of bilateral year of Russia and Germany, the *Company* also organized an International Student Forum in Berlin. In the reporting year the *Company* continued sponsoring the only Russian radio station for children – "Detskoye Radio".

In 2012 OAO Gazprom held its traditional Christmas and New Year parties for over a thousand children from residential schools, orphanages and shelters of Moscow, the *Company* also provided significant support to disabled children, children from large families and orphaned children.

## Supporting Culture and Arts

GAZPROM and Austrian OMV supported classical music concerts by Rakhmaninov Trio and an Austrian singer W.Holzmeyer in the State Tretyakov Gallery.

Fostering Russian educational and cultural traditions, GAZPROM sponsored delivery of master classes by famous Russian musicians and professors for students of leading Chinese conservatories in Beijing, Shanghai, Tianjin.

In the reporting period the *Company* continued its cooperation with the State Tretyakov Gallery and South Korean Kogas for the publication of "Golden Map of Russia. Russian Art Masterpieces" in Korean language.

In 2012 GAZPROM took part in financing the publication of a five volume edition by Ye.A. Yevtushenko "In Russia a Poet is More Than Just a Poet". The *Company* also sponsored the I Saint-Petersburg International Film Forum and Film Festival, featuring film makers from Argentina, Belgium, Bosnia and Herzegovina, Germany, Israel, Iran, Canada, Columbia, Latvia, Morocco, Russia, Turkey and Philippines.

The Corporate "Fakel" Festival, an event, participated by amateur groups and performers from subsidiaries and entities of GAZPROM, promotes preservation and reinforcement of traditions of multiple Russian nations, contributes to moral and aesthetic upbringing of young people. The 2012 area tournament (Southern area) of the V Corporate "Fakel" Festival in Astrakhan brought together over 1 500 performers from 20 GAZPROM subsidiaries. For the first time the festival was participated by OAO Beltransgaz teams from Belarus.

## Supporting Sports and Physical Education in Russia

2012 saw further close cooperation with sports federations. GAZPROM is the general sponsor of Russian Rhythmic Gymnastics Federation, Russian Volleyball Federation, Russian Chess Federation, Russian Biathlon Union, Russian Football Union, Russian Rowing and Canoeing Federation, International Judo Federation and Zenit football club. *Gazprom* continued financing equestrian sports competitions, which started in 2011. In 2012 the *Company* started providing financial support to " " automotive racing team and supported a number of major judo competitions. Nord Stream regatta brought gold to a Russian team, sponsored by *Gazprom Group*, and GAZPROM provides financial support to a number of Saint-Petersburg Yacht Club projects.

In 2012 GAZPROM continued its financial support to Russian Olympic Committee with the purpose of preparation of Russian athletes for Sochi-2014 Olympics.

Starting from 1996, *Gazprom Group* has been holding corporate Spartakiada Games for employees and children, training in sports sections of GAZPROM subsidiaries and entities. In February – March 2012 Yekaterinburg hosted the IX adult and the IV children summer Spartakiada Games of GAZPROM, where 24 adult and 13 children teams, representing 27 subsidiaries of the *Group* competed.

### Supporting Sochi- 2014 XXII Winter Olympics

Preparation for the upcoming Sochi 2014 Winter Olympics is the most important current national project. *Gazprom Group* is taking a active part in construction of new sports facilities and development of Sochi region.

ОАО Газпром Biathlon and Ski Complex in Krasnaya Polyana in 2012 saw commissioning of the biathlon shooting range (semienclosed shooting gallery) and the roller skiing track, enabling test competitions: Russian Biathlon Cup, Russian Ski Race Cup Finals and Russian Paralympian Biathlon and Ski Race Championship.

In 2012 *Gazprom* continued construction of the Mountain Olympic Village, which is a part of "The Biathlon and Ski Complex, Mountain Tourist Center for 1 100 visitors, Psehako Ridge access road" project.

In the reporting period the *Company* continued construction of a transit station for Alpica-Service mountain resort transit hub, including a ground station for Alpica-Service cableways and a unique S 5-kilometer cableway; the *Company* also continued upgrading facilities of the mountain resort.

In 2012 the *Company* completed construction of Psekhako-2 cableway and continued with construction of Mountain Tourist Center utility infrastructure, including heatin and water, power supply networks.

In accordance with Olympic Facility Construction Program, the *Company* completed construction of Adler TPP, contributing to development of the region and regional infrastructure.

### Supporting Russian Orthodox Church

Under its Russian Orthodox Church support activities, ОАО Газпром financed repairs and restoration at Saint Alexander Nevsky Lavra in Saint-Petersburg, and also continues financing construction of a Pilgrim House at Jordan River in Jordan.

### Supporting Russian Education

ОАО Газпром traditionally implements projects related to the support of national education, and improvement of professional personnel development quality, including key universities, identified in ОАО Газпром Innovative Development Program – 2020: I.M. Gubkin Russian State University of Oil and Gas, Tomsk National Research Polytechnic University, Ukhta State Technical University, Kazan National Research Technological University, Lomonosov Moscow State University, Bauman Moscow State Technical University, Saint-Petersburg State University of Economics and Finance (since August 2012 – Saint-Petersburg State University of Economics), National Mineral Resources University (Mining University), Higher School of Management of St. Petersburg State University and Admiral Makarov State University of Maritime and Inland Shipping.

# CORPORATE GOVERNANCE

Development of a modern corporate governance system remains the focal point of OAO Gazprom, being viewed as a most important driver for higher performance efficiency, investment attractiveness and market capitalization.

## Corporate Governance Principles

The fundamental principles for corporate governance are outlined in OAO Gazprom's Corporate Governance (Conduct) Code, adopted at OAO Gazprom's General Shareholders Meeting on June 28, 2002, and meet universally recognized global standards.

The *Company's* corporate governance is primarily focused on unswerving observance of rights of all *Gazprom's* shareholders. The core corporate governance documents of OAO Gazprom are designed to secure fair treatment of shareholders, protection of their rights and interests regardless of the amount of shares they hold.

The core documents securing rights of OAO Gazprom shareholders

- Gazprom's Charter;
- Regulation on OAO Gazprom's General Shareholders Meeting;
- Regulation on OAO Gazprom's Board of Directors;
- Regulation on OAO Gazprom's Management Committee;
- Regulation on the Chairman of OAO Gazprom's Management Committee;
- Regulation on OAO Gazprom's Audit Commission;
- Code of Corporate Governance (Conduct) of OAO Gazprom;
- Dividend Policy of OAO Gazprom;
- Procedures for Documenting of Proposals and Requests of Shareholders Related to the Convocation of the General Shareholders Meeting;
- Regulation on Information Disclosure of OAO Gazprom;
- Procedure for Shareholders' Familiarization with Information of OAO Gazprom;
- Code of Corporate Ethics of OAO Gazprom.

Pursuant to the Code of Corporate Governance (Conduct) the *Company* undertakes to develop corporate relations in line with the principles, securing:

- real opportunity for shareholders to exercise their rights, related to their stake in OAO Gazprom;
- strategic operational management and efficient control by the Board of Directors over performance of executive bodies, accountability of the Board of Directors to the General Shareholders Meeting;
- the need for executive bodies to manage operating performance reasonably and in good faith, their accountability to the Board of Directors and to the General Shareholders Meeting;
- timely disclosure of information, including financial status, performance indicators, ownership and governance structure;
- efficient control over financial and operational activities;
- rights of OAO Gazprom employees, provided for by laws, development of partnership relations of the *Company* and its employees to resolve social issues and regulate labor conditions;
- active interaction with investors, lenders and other stakeholders to increase the *Company's* assets, value of shares and other securities of OAO Gazprom.

2012 results  
of OAO Gazprom's  
corporate governance  
framework  
development

- **Resolution of OAO Gazprom Board of Directors No. 2038, dated July 30, 2012, approved the Corporate Ethics Code of OAO Gazprom.** The *Company* launched implementation of the Code in subsidiaries and affiliates of the *Group*. The Corporate Ethics Code reinforces corporate values of the *Company*, establishes procedures for conflict of interest situations and declares zero tolerance for corrupt practices. In order to bring occurrence of conflict of interest situations to the minimum, the Corporate Ethics Code establishes restrictions, including those related to employment of relatives, employee involvement in competitor activities, in elected public bodies, gifts, use of resources of the *Company*, including its assets and information, by its employees for personal purposes. Observance of the Code is mandatory for OAO Gazprom and its subsidiary legal entities, and is advisory in nature for legal entities with participation of OAO Gazprom, but outside of its control.
- **The *Company* approved procedures for access to insider information and confidentiality rules.** The measures for insider information protection will enable control over information that might affect value of OAO Gazprom securities.
- **Regarding the preparation for OAO Gazprom's General Meeting of Shareholders the period of providing shareholders with the materials for the General Meeting of Shareholders was extended – from 20 days to 30 days.** It will allow time for the shareholders to take the balanced decisions on the issues brought up for vote.
- **The corporate Report on the activities related to sustainable development experienced fundamental changes: its coverage was extended by oil and electric power segments of business.** In November 2012, the Board of Directors of OAO Gazprom approved the *Company's* non-financial reporting practice and entrusted the Management Committee with ensuring the publication of corporate reports on sustainable development activities on an ongoing basis.
- **The *Company's* key documents that ensure the observance of the shareholders' rights were translated into English and placed on OAO Gazprom web-site ([www.Gazprom.com](http://www.Gazprom.com)).**

OAO Gazprom also recognizes the importance of improving corporate governance in its subsidiaries and affiliated entities and focuses on ensuring transparency of operations of the above entities and practical implementation of key principles, defined by the Corporate Governance (Conduct) Code of OAO Gazprom.

Moreover, OAO Gazprom is seeking to achieve maximum efficient use of corporate governance principles, specified in the Corporate Governance Code, recommended by FCSM of Russia in its instruction No. 421/r dated April 4, 2002 (hereinafter – FCSM Code). OAO Gazprom directly follows recommendations of the document and proposes to its investors and shareholders other solutions, focused on protection of their rights and legal interests with consideration to its corporate specifics (vertical integration and business diversity, shareholder structure). Furthermore, individual aspects of public company business, specified in FCSM Code, are comprehensively regulated by applicable Russian laws, thus making their further detailing in by-laws of the *Company* unnecessary.

## Corporate Governance Subjects

The key subjects of OAO Gazprom's corporate governance are its management and control bodies: General Shareholders Meeting, Board of Directors, Management Committee, Chairman of the Management Committee and Audit Commission. Independent audit of financial and operational activities of the *Company* is performed by an external auditor.

Considering the broad spectrum of issues, related to preparation and delivery of corporate events at OAO Gazprom, large scale and complexity of such matters and also significance of decisions made for OAO Gazprom and stakeholders, corporate secretary functions, prescribed by FCSM Code, are distributed between structural units of OAO Gazprom within their respective competence. Most of these functions are concentrated with the Secretariat of the Board of Directors, the Administration of the Management Committee, and also with Department for Property Management and Corporate Relations.

OAO Gazprom is the parent *Company* for a group of subsidiaries and affiliated companies, with the following corporate interactions:

- participation of OAO Gazprom's representatives in governance bodies, collegiate executive bodies and control bodies of entities, shares (stakes, interests) in which are owned by OAO Gazprom;
- making individual decisions on operations of subsidiaries, where OAO Gazprom is the sole shareholder, in line with applicable laws;

- exercising the right to issue mandatory instructions to subsidiaries, in line with applicable laws.
- Responsibility for control over performance efficiency of subsidiaries and affiliated companies by business areas is vested with structural units of OAO Gazprom, depending on their line of business. Coordination and methodology support for representatives of OAO Gazprom and its subsidiaries in governance bodies of investment subjects are the responsibility of Department for Property Management and Corporate Relations.

### General Shareholders Meeting

General Shareholders Meeting is the supreme management body of OAO Gazprom.

Rights and lawful interests of shareholders are secured by procedures for preparation and holding General Shareholder Meetings.

Shareholders Meeting is announced no later than 30 days prior to its date, including publications in «Rossiyskaya gazeta» and/or «Tribuna» newspapers and OAO Gazprom corporate website. As per the Charter of OAO Gazprom, all information for shareholders is made available 20 days prior to the meeting in an office of OAO Gazprom's executive body and in other places, listed in notifications of upcoming General Shareholders Meetings, this information is comprehensive and enables decision-making on agenda issues of a shareholders meeting. During preparation for the General Shareholders Meeting of OAO Gazprom in 2013 the period of availability of meeting information to shareholders was extended to 30 days.

#### OAO Gazprom Corporate Governance Principles

Real opportunity for shareholders to exercise their rights, related to their stake in the Company.

The list of persons, eligible to participate in a General Shareholders Meeting, is generated based on the register of shareholders and may be presented for review by request of persons on the list with at least 1 % of voting rights.

Each person, specified in the list of persons, eligible to participate in a General Shareholders Meeting, receives a voting ballot for General Shareholders Meeting voting. Voting at General Shareholders Meetings is based on "one voting share-one vote principle", excluding cumulative voting.

### Board of Directors

The Board of Directors performs general management of OAO Gazprom's operations, excluding those issues that are reserved for General Shareholders Meeting by the Federal law "On Joint-Stock Companies".

#### OAO Gazprom Corporate Governance Principles

Strategic operational management and efficient control by the Board of Directors over performance of executive bodies, accountability of the Board of Directors to the General Shareholders Meeting.



## Competence of the Board of Directors

The Board of Directors is controlled and elected by General Shareholders Meeting.

### Key objectives of the Board of Directors

- Determine development strategy of the *Company*;
- Increase market capitalization of the *Company*;
- Provide for OAO Gazprom's information disclosure for shareholders and other stakeholders;
- Develop internal control mechanisms;
- Regularly evaluate performance of executive bodies of OAO Gazprom and top management performance.

### Key powers of OAO Gazprom Board of Directors

- Approval of forward-looking plans and key activity programs of the *Company*, including annual budget and investment programs;
- Setting up executive bodies of the *Company* and terminating their powers;
- Determining reward and compensation amounts for the Chairman and Members of the Management Committee, approval of holding positions in executive bodies of other entities.

The Charter does not expressly provide for the right of the Board of Directors to approve terms and conditions of contracts with the Chairman and Members of the Management Committee, but the Board of Directors is entitled to approve terms and conditions of contracts, considering the fact that the list of matters within its competence is an open one.

The Board of Directors is focused on improvement of internal control system and corporate risk management development issues. Risk management procedures are established at the level of OAO Gazprom executive bodies.

The Board of Directors plays a significant role in OAO Gazprom asset transactions and in choosing a corporate course of actions for those companies that are subjects to long-term OAO Gazprom investments.



See more information in "Internal Control System and Audit" and "Risk Management" sections.

## Rights, Responsibility and Liabilities of Members of the Board of Directors

Rights, responsibility and liabilities of members of the Board of Directors are established in the Charter and the Regulation on the Board of Directors.

Members of the Board of Directors have the right to receive information, required for performance of their functions, from OAO Gazprom. Thus, for preparation to a meeting of the Board of Directors, a member of the Board of Directors may exercise his right for information by sending a request to the Chairman of the Management Committee for provision of additional information on agenda issues. Chairman of the Management Committee provides requested documents and information during five calendar days from the date of the request's receipt.

In accordance with the Regulation on OAO Gazprom Board of Directors, members of the Board of Directors are not supposed to use their status and OAO Gazprom information, available to them, for personal purposes or allow use thereof for personal purposes by any other parties. Members of the Board of Directors bear responsibility to the *Company* for losses, incurred by the *Company* through their wrongful acts (omission of act), unless federal laws specify other grounds and responsibility limits.

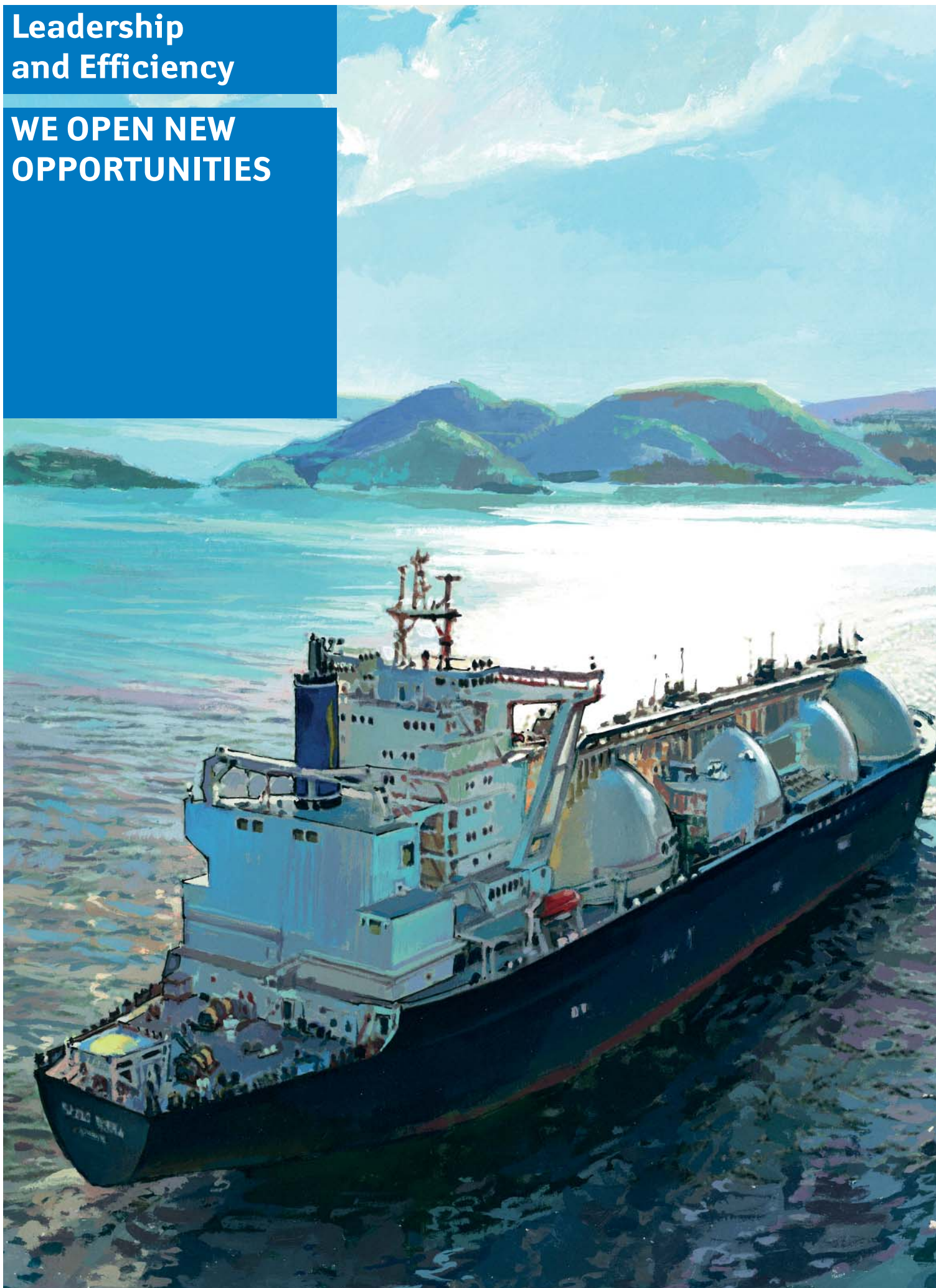
The Code of Corporate Ethics of OAO Gazprom also contains provisions, aimed at prevention or minimization of adverse implications of conflict of interest situations. The Code of Corporate Ethics applies to all employees of OAO Gazprom, including members of the Board of Directors, who are also employees of the *Company*. In line with the Code, employees should abstain from actions, which lead or could potentially lead to a conflict between their personal interests and interests of the *Company*.

"Insider Information" provision of the Regulation on Information Disclosure of OAO Gazprom specifies, that members of the Board of Directors are required to report their OAO Gazprom shareholdings and transactions with such shares.

According to OAO Gazprom Board of Directors Regulation, members of the Board of Directors are required to report to the Board of Directors, Audit Commission and Auditor of the *Company* the following information: legal entities where they own whether alone or together with their affiliate(s)

**Leadership  
and Efficiency**

**WE OPEN NEW  
OPPORTUNITIES**

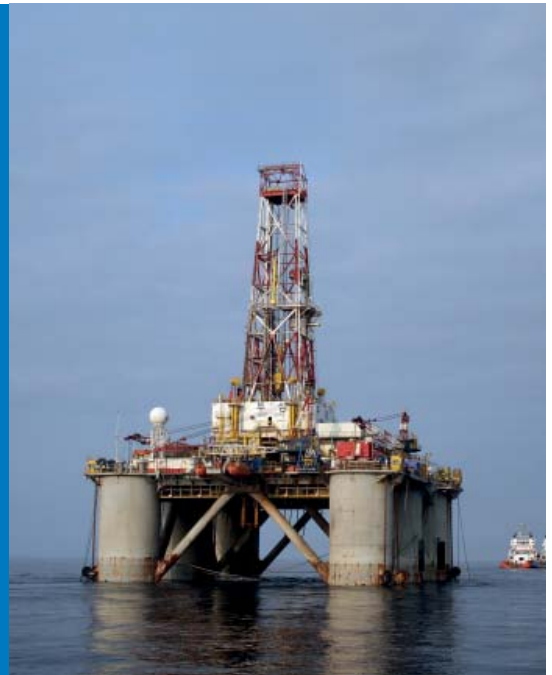






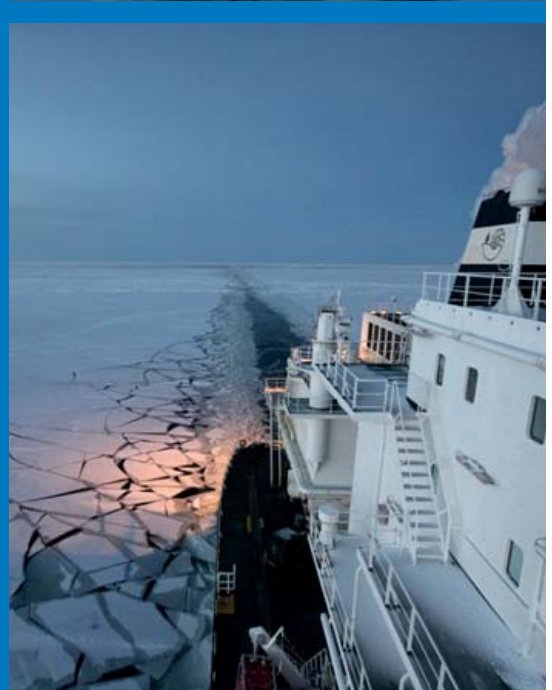
## We open deposits

We are getting ready to start production at Kirinskoye field. It is unique for Russia because for the first time ever the subsea production system will be used there.



## We open new routes

In October 2012 liquefied gas carrier ship "Reka Ob" became the first in the world to cross the Northeast Passage.



## We open prospects

Joint efforts of *Gazprom* and the constituent entities of the Russian Federation will help to speed up the development of the gas engine fuel market and launch the establishment of the all-Russian gas engine infrastructure.



20 or more percent of voting stocks (shares, equities); legal entities where they hold positions in the executive organs thereof; any transactions known to them whether being concluded or proposed where they may be deemed interested party.

### **Election Procedures for Members of the Board of Directors and Composition of the Board of Directors**

Election and early termination of powers of members of the Board of Directors are assigned to the competence of General Shareholders Meeting of OAO Gazprom. Members of the Board of Directors are elected by cumulative voting in line with the procedure, outlined in the Charter.

According to a General Shareholders Meeting resolution, the Board of Directors has 11 members, unless otherwise established by a General Shareholders Meeting resolution. Members of the Management Committee of OAO Gazprom cannot take up more than one fourth of members of the Board of Directors.

In accordance with applicable Russian laws and the Charter of OAO Gazprom, the right to nominate candidates to OAO Gazprom's Board of Directors, including those meeting independence criteria, is available to those shareholders (shareholder), jointly holding at least 2 % of OAO Gazprom's voting shares.

A director may be considered independent when he is capable of making independent judgments and free from any conditions that may affect his opinion.

As of December 31, 2012, Kulibayev Timur Askarovich and Musin Valery Abramovich, elected on June 29, 2012 to the Board of Directors by the Extraordinary General Shareholders Meeting of OAO Gazprom, have independent director status in line with the criteria of the recommended FCSM Code.



Information on OAO Gazprom Board Members as of December 31, 2012 is presented in «Board of Directors and Management Committee» section.

### **Committees of the Board of Directors**

Structure and operational procedures of committees of the Board of Directors are established by Standard Regulation on the Board of Directors' Committee.

Forming committees and commissions of the Board of Directors, approval of their composition regulations are assigned to the competence of the Board of Directors.

The Audit Committee of the Board of Directors of OAO Gazprom, consisting of Board members and, was established by a resolution of the Board of Directors in order to assist the Board of Directors' function of securing efficient control over financial and operational activities of the *Company*. The Audit Committee of the Board of Directors is headed by Musin V. A., an independent director.

There is no objective need to create additional special committees in the *Company's* governance structure at the level of the Board of Directors: OAO Gazprom developed corporate decision-making procedures for decisions to be made at the level of the Board of Directors on significant issues, related to determining development strategy, recruiting highly qualified top managers for management of the *Company* and settling corporate conflicts.

*Raising long-term performance efficiency of the Company in the long-term.* Existing comprehensive integration of all planning levels of OAO Gazprom enables participation of the Board of Directors in defining strategic goals and controlling progress of their achievement. Particularly, the Board of Directors approves the list and levels of strategic target indicators of OAO Gazprom, which are milestones for long-, mid- and short-term planning. The Board of Directors also approves annual budget and investment program. Strategic planning and investment activities functions are effectively distributed between the Board of Directors and the Management Committee of OAO Gazprom. The organizational structure provides for special units, responsible for support of strategic planning process and investment activities – Prospective Development Department and Investment and Construction Department. OAO Gazprom's approach to strategic planning, based on balanced scorecard system, meets current requirements and enables efficient achievement of OAO Gazprom's objectives. The existing OAO Gazprom's procedures of comprehensive participation of the Board of Directors in resolving fundamental activity planning matters are an efficient alternative to creation of a specialized committee of the Board of Directors.

Recruiting highly qualified top managers for management of the Company. The established HR system and the remunerations system for top managers allow for OAO Gazprom to recruit highly skilled professionals, required for the Company to achieve its targets and objectives. OAO Gazprom adopted a Comprehensive Program for Implementation of the Human Resources Management Policy for OAO Gazprom, its subsidiaries and entities for 2011–2015. The Program focuses on further improvement of HR activities of OAO Gazprom, its subsidiaries and entities. Coordination of the Program's implementation and general management is performed by Coordinating Council, comprised of officers of structural units of OAO Gazprom's administration and heads of departments of subsidiaries and entities. The existing OAO Gazprom's material incentives system for top management is aimed at execution of business objectives of the Company, implementation of OAO Gazprom's strategic operations areas by securing personal commitment of each officer.

OAo Gazprom  
Corporate  
Governance  
Principles

Rights of the *Company* employees, provided for by laws, development of partnership relations of the *Company* and its employees to resolve social issues and regulate labor conditions.

A regulation on compensations procedure for members of the Board of Directors of OAO Gazprom has been developed in line with internationally recognized corporate governance principles and provisions of FCSM Code. Therefore, there is no need in establishing an HR and Compensations Committee of the Board of Directors.

*Settling corporate conflicts, compliance with ethics rules by OAO Gazprom and building corporate relations based on trust.* The adopted Code of Corporate Ethics of OAO Gazprom provides for establishing a Corporate Ethics Committee, focused on prevention and settlement of conflict of interest situations.

Introduction of any additional elements into the governance structure of OAO Gazprom at the level of the Board of Directors will lead to excessive complexity of OAO Gazprom's decision-making process. This does not rule out establishing additional specialized committees of the Board of Directors later on, if it is determined that performance of such committees will increase management efficiency of the *Company*.

### Meetings of the Board of Directors

Board meeting procedures are established in the Regulation on the Board of Directors.

Meetings of the Board of Directors follow a six-month Action Plan of the Board, prepared in line with proposals of the Chairman and Deputy Chairman of the Board of Directors, members of the Board of Directors, the Management Committee, the Chairman of the Management Committee, Audit Commission and OAO Gazprom's auditor.

Internal documents of OAO Gazprom do not specify frequency of meetings of the Board of Directors, but they are held at least once in six weeks, and normally even more often: in 2012 there were 87 meetings (12 of these with personal attendance).

Quorum requirements for the Board of Directors are established in the Charter; over a half of elected members of the Board of Directors are required to pass resolutions on agenda issues by simple majority of votes.

Members of the Board of Directors are required to participate in meetings of the Board of Directors in person. If a member cannot attend a meeting for any reason, such member of the Board of Directors must notify the Board of Directors, specifying reasons for his absence. In this case such a member of the Board of Directors may send his written opinion on agenda issues. Although internal documents of OAO Gazprom do not require independent directors to attend meetings of the Board of Directors of OAO Gazprom, independent directors are to take an active part in meetings of the Board of Directors on key issues, assisted by the established OAO Gazprom's action planning practices for the Board of Directors and availability of liability insurance program for persons on governance bodies of OAO Gazprom.

Board Meeting Attendance by OAO Gazprom Board members in 2012

Full Name of Board Member	Board Meeting Attendance (of all Board meetings that a member could attend)
A.I. Akimov	49 out of 87
A.G. Ananenko *	37 out of 51
F.R. Gazizullin	86 out of 87
V.A. Zubkov	87 out of 87
E.E. Karpel	85 out of 87
T.A. Kulibayev	85 out of 87
V.A. Markelov **	35 out of 36
V.A. Mau	86 out of 87
A.B. Miller	82 out of 87
V.A. Musin	85 out of 87
M.L. Sereda	83 out of 87
I.H. Yusufov	87 out of 87
* A.G. Ananenko performed his OAO Gazprom Board Member duties till 29.06.2012	
** V.A. Markelov started performing his OAO Gazprom Board Member duties from 29.06.2012	

**Significant corporate actions**

*Interaction with entities – objects of OAO Gazprom investments.* Voting position of representatives of the *Company* in executive bodies of investment objects of OAO Gazprom are to be approved by the Board of Directors, on the following issues:

- participation and discontinuation of participation of an investment object in other entities;
- contributions to property of investment object by its participants;
- contributions to property of other entities by investment object;
- reorganization or liquidation of investment object.

*Approval of transactions.* OAO Gazprom has preliminary Board approval procedures in place for specific categories of significant transactions. These procedures are a part of the system of risk management and risk control, and are developed in accordance with the Charter of OAO Gazprom, "Procedures for interaction of OAO Gazprom with companies and entities, where OAO Gazprom holds shares (interests, equities)", other by-laws and corporate governance principles to ensure transparency of the *Company* and its entities, where OAO Gazprom holds more than 50 % of shares (interests, equities).

Transactions, requiring approval of the Board of Directors

- Acquisition, disposal or charge on fixed asset items of the *Company* with value over 0.3 % of balance sheet value of OAO Gazprom assets, calculated based on its accounting statements for the latest reporting date;
- Drawing on and/or providing (issuing) loans, credits, guarantees, collateral and sureties by the *Company* in the amount of over 0.3 % of OAO Gazprom assets, calculated based on its accounting statements for the latest reporting date;
- Acquisition, disposal or charge by OAO Gazprom or its subsidiaries of assets in the form of shares (convertible securities and/or security derivatives), stakes and interests in other entities (investment objects);
- Contribution by OAO Gazprom or its subsidiaries into assets of investment objects (limited liability companies, partnerships, cooperatives), excluding those entities, where OAO Gazprom or its subsidiary is the sole shareholder.

Decision on approval of a transaction is made by simple majority of votes of members of the Board of Directors, attending the meeting.

Transaction procedures require that opinions on market value of fixed asset items (property) by an independent appraiser are submitted to the Board of Directors for transaction approvals.

The Chairman of the Management Committee of OAO Gazprom makes quarterly presentation of information on execution of transactions, approved by the Board of Directors.



## Major Transactions and Interested Party Transactions

No major transactions (as defined in the current Russian law) were carried out by OAO Gazprom in 2012. The List of transactions, made by OAO Gazprom in 2012 and recognized as interested party transactions in accordance with applicable Russian laws, approved by resolutions of the annual General Shareholders Meeting of June 30, 2011 and of June 29, 2012, and resolutions of the Board of Directors, is presented in 'Additional Information' section. All the transactions approved by the Annual General Shareholders Meeting and OAO Gazprom's Board of Directors support operating and commercial activities of the *Company* and its corporate interests.

## Management Committee and Chairman of the Management Committee

The sole executive body of OAO Gazprom is the Chairman of the Management Committee, the collegiate executive body is the Management Committee.

### Rights, Responsibility and Liabilities of Executive Bodies

Activities of the Management Committee and the Chairman of the Management Committee are prescribed by the Charter and internal documents of OAO Gazprom, including Management Committee Regulation and Management Committee Chairman Regulation.

## OAO Gazprom Corporate Governance Principles

— The need for executive bodies to manage operating performance reasonably and in good faith, their accountability to the Board of Directors and to the General Shareholders Meeting.

The Management Committee and its Chairman report to General Shareholders Meeting and the Board of Directors. The Management Committee Regulation establishes that the Management Committee is required to report to the Board of Directors annually and also when so requested by the Board of Directors. These procedures and reporting standards for executive bodies of OAO Gazprom that provide for prompt presentation of required information at a request of members of the Board of Directors, enable provision of more comprehensive information on OAO Gazprom's performance to members of the Board of Directors, than monthly reports, recommended by FCSM Code.

## Key objectives of OAO Gazprom Management Committee

- Provision of the reliable functioning of the Unified Gas Supply System (UGSS) and gas supply to consumers;
- organization of the management of assets of the *Company* for the purpose of achievement of high level of profitability;
- increase of the efficiency of the system of internal control and the system of risk monitoring;
- provision of the observance of rights and legitimate interests of the shareholders.

## Competence of Executive Bodies

### Core Powers of OAO Gazprom Management Committee

- Elaboration for submission to OAO Gazprom Board of Directors of perspective plans and main programs of the *Company* activities, including the annual budget and the *Company's* investment programs, drawing up of reports on the implementation thereof, as well as elaboration and approval of the current plans of OAO Gazprom activities;
- organization of the control of the flows of gas, its transportation and sales thereof and exercise of control over the functioning of UGSS;
- approval of regulations in order to provide appropriate organization and reliability of accounting in OAO Gazprom and timely submission of annual report and other financial accountability documents to respective bodies as well as provision of information on the *Company* activities to shareholders, creditors and mass-media;
- establishing procedures for the shareholders to familiarize themselves with the information on OAO Gazprom;
- establishing procedures for keeping record of the *Company* subsidiaries.

The Management Committee and the Chairman of the Management Committee perform their current management in such a way as to secure dividend to shareholders and provide for development of OAO Gazprom. In order to achieve these goals, the executive bodies primarily strive to implement goals, strategy and policy of OAO Gazprom, and also promptly, efficiently and properly execute decisions of the Board of Directors and General Shareholders Meeting.

### Structure and Composition of the Collegiate Executive Body

The Management Committee is formed by the Board of Directors in line with the Charter out of top managers of OAO Gazprom, its subsidiaries and such other persons with relevant professional skills and management experience, primarily in OAO Gazprom's area of business.

Management Committee Members must perform their duties for the benefit of the *Company* reasonably and in good faith. Availability of this requirement in OAO Gazprom Charter restricts actions, which could potentially lead to a conflict between Management Committee Members and interests of OAO Gazprom.

The quantitative composition of the Management Committee is determined by the Board of Directors and is deemed to be optimum for constructive discussion of issues and making timely and efficient management decisions.

## Internal Control System and Audit

The Internal Control System is a combination of internal control bodies and internal control procedures (methodology), rules of conduct and employee actions to achieve goals of the *Company*. The Internal Control System is an important component for ensuring both shareholder and investor rights.

### ОАО Газпром Corporate Governance Principles

Efficient control over financial and operational activities.

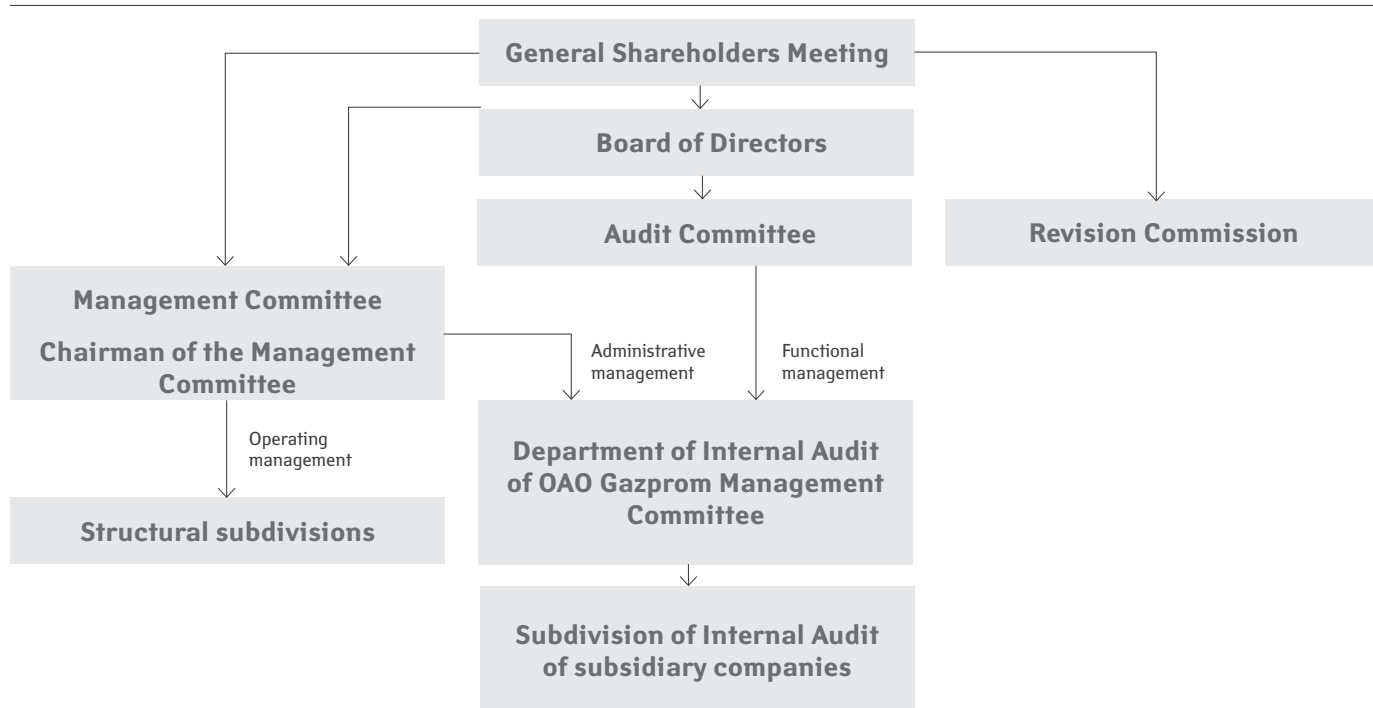
Goal, objectives and components of the internal control system, its functioning principles, management bodies and persons, responsible for internal control, are established in the Regulation on OAO Gazprom's Internal Control System, approved by resolution of OAO Gazprom's Board of Directors No. 2091 dated December 14, 2012, replacing the 2009 version of the document. The Regulation was developed in accordance with laws of the Russian Federation, FCSM Code recommendations, OAO Gazprom Charter and by-laws, international internal control and audit standards. References to international standards have been introduced in the new version for the first time.

The purpose of the internal control system is to secure reasonable assurance that OAO Gazprom is capable of achieving the following objectives:

- Performance efficiency;
- Complete, timely and accurate OAO Gazprom statements and reports of all types;
- Compliance with applicable laws;
- Asset security (including information assets).

The internal control system has the relevant structure to achieve the objective.

# Organizational structure of the internal control system management of OAO Gazprom of OAO Gazprom's internal control system



Improvement of the internal control system and its adjustment to the scope of OAO Gazprom business, alignment with best Russian and international practices enables stronger management level and higher performance efficiency, reduces risks, which could hinder achievement of objectives of the *Company*.

## Revision Commission

The Revision Commission, composed of nine members, is elected by General Shareholders Meeting. The authority of the Audit Commission is determined by the Federal Law "On Joint-Stock Companies" and by the Charter of OAO Gazprom for issues outside the law's competence.

### Key tasks of OAO Gazprom Revision Commission

- exercise control over generation of reliable financial and accounting statements of OAO Gazprom and other information on financial and business activities and property status of the *Company*;
- exercise control over compliance of financial accounting procedures with legislation and over submission by OAO Gazprom of financial statements and information to relevant bodies and shareholders;
- enhance efficiency of the *Company's* assets management and other financial and business activities of OAO Gazprom, reduce financial and operating risks, enhance the internal control system.

The short-term compensations, paid to members of the Revision Commission in 2012 (including salaries, bonuses and compensation for participation in the Commission), amounted to RR 82,064 thousand, including personal income tax and insurance premium. For Commission members who are employees of OAO Gazprom the short-term compensation is stipulated by employment contracts.

## Audit Committee of the Board of Directors

In 2012 the Audit Committee of OAO Gazprom Board of Directors continued its operations at the Board of Directors.

The Committee reports to OAO Gazprom Board of Directors and acts under the powers, vested in it by the Regulation on the Audit Committee of OAO Gazprom Board of Directors, approved by Resolution of OAO Gazprom Board of Directors No. 819 dated March 14, 2006.

### Major Task of the Audit Committee of OAO Gazprom Board of Directors

- Preliminary comprehensive review of all issues in the competence of OAO Gazprom Board of Directors and development of recommendations for the Board of Directors so that it could make decisions to ensure the functioning of an efficient internal control system over OAO Gazprom's financial and business activities.

In order to achieve the objective, the Audit Committee of OAO Gazprom Board of Directors performs the following key functions.

### Key Functions of the Audit Committee of OAO Gazprom Board of Directors

- Evaluate potential OAO Gazprom auditors;
- evaluate the auditor's opinion;
- evaluate efficiency of OAO Gazprom's internal control procedures and prepare proposals about their improvement.

In 2012 the Audit Committee was composed of three members of OAO Gazprom's Board of Directors: F.R. Gazizullin, V.A. Musin, and M.L. Sereda.

The chairman of the Audit Committee of OAO Gazprom Board of Directors is V.A. Musin. During the year the Audit Committee of OAO Gazprom Board of Directors held four meetings and considered nine issues.

## Internal Audit Department

The Internal Audit Department carries out its activities in accordance with International professional principles of the internal audit standards.

The Department administratively reports to the Chairman of the Management Committee via Administration of the Management Committee and operates under the Audit Committee of the Board of Directors.

### Key documents, approved in 2012 to increase performance efficiency of the internal audit system

- A new version of the Regulation on the Internal Audit Department of the Administration of the Management Committee of OAO Gazprom;
- Code of Professional Ethics for internal auditors (Resolution of the Board of Directors No. 1956 dated March 14, 2012), establishing rules of conduct and key principles for employees of the Department and internal audit divisions of *Gazprom Group* entities during performance of their professional activities. The core guiding principles for the auditors are integrity, objectivity, confidentiality and professional expertise;
- Regulations and methodologies, establishing procedures for planning and delivery of internal audit inspections;
- Activities to bring the internal audit system in line with International professional internal audit standards.

One of the key objectives of the Internal Audit Department is to provide OAO Gazprom top management with information and proposals, targeted at improving performance of the *Company* and based on results of internal audit inspections of business units and subsidiaries of OAO Gazprom.

In 2012 the Internal Audit Department carried out inspections of subsidiaries and entities, business units of OAO Gazprom, focused on identifying risks and assessing performance efficiency of significant business areas and processes of the *Company*.

The results of audits carried out by the Department are promptly reported to the Chairman of the Management Committee and annually presented to the Management Committee and the Audit Committee of the Board of Directors. Internal audit inspection results were used to prepare proposals, aimed at improvement of operations of OAO Gazprom and followed up by relevant orders of the Chairman of the Management Committee to business units, subsidiaries and entities of OAO Gazprom. Implementation of such orders is monitored by the Internal Audit Department.

## External Auditor

ОАО Газпром's auditor is selected every year based on an open tender, in accordance with laws of the Russian Federation.

The winner of the tender audits three types of reports:

- accounting statements of ОАО Газпром (parent company);
- consolidated accounting statements of ОАО Газпром in line with Russian laws;
- consolidated financial statements of ОАО Газпром prepared in accordance with the International Financial Reporting Standards (IFRS).

In 2012 ZAO PricewaterhouseCoopers Audit was recognized as the winner and approved as the auditor by ОАО Газпром's Annual General Shareholders Meeting on June 29, 2012. The price of the contract suggested by the winner amounted to an equivalent of US \$ 6,980,000 (ex-VAT) and was approved by Resolution of the Board of Directors No. 2035 dated July 25, 2012.

ZAO PricewaterhouseCoopers Audit follows its independence policy, which envisages the following:

- use of monitoring system, ensuring provision of annual confirmation of independence by the auditor's employees;
- prohibit employees from having any financial investment in the company by which audit services are rendered;
- monitor any close personal or family relationships between its employees and representatives of *Gazprom Group's* top management at any level of its organizational structure.

In order to prevent any impairment of objectivity and hence the quality of its services, ZAO PricewaterhouseCoopers Audit carries out obligatory rotation of its key management personnel engaged in auditing ОАО Газпром. As outlined, the period of continuous work of a decision-maker in respect of ОАО Газпром's audit cannot exceed seven years.

ZAO PricewaterhouseCoopers Audit also provides ОАО Газпром with other audit-related services. ОАО Газпром and the auditor analyze the subject matter of the contract before signing it in order to ensure the auditor's independence. The amount paid in 2012 for audit-related services is equivalent to US \$ 2,043,300 (VAT included).

# Dividend Policy

The Dividend Policy of OAO Gazprom focuses on observance of investor right to receive dividend, while balancing out interests of the *Company* and its shareholders.

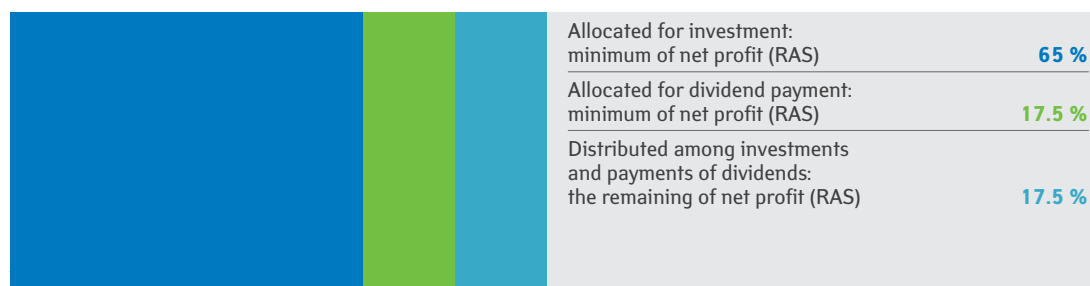
The Dividend Policy of OAO Gazprom is developed in line with the applicable laws of the Russian Federation, the Charter and by-laws of OAO Gazprom, the Code, recommended by FCSM; the Policy establishes guiding principles for the Board of Directors to prepare its recommendations to General Shareholders Meeting for profit allocation including dividend payment resolutions.

The distinctive feature of the new Dividend Policy, adopted by the Board of Directors in 2010, is the increase of the maximum cap of dividends payable to 35 % of net profit, securing greater participation of shareholders in OAO Gazprom's profits. Dividends are calculated based on the amount of OAO Gazprom's profit, posted in annual RAS accounts. When determining dividends and preparing recommendations to General Shareholders Meeting for profit allocation, the Board of Directors is guided by the following principles:

- transparency of dividend calculation methodology;
- alignment of short-term (profits) and long-term (development of OAO Gazprom) interests of shareholders;
- focus on increasing investment attractiveness and capitalization of OAO Gazprom.

The established dividend amount calculation methodology enables payments ranging from 17.5 % to 35 % of corporate net profit, provided the Reserve Fund is fully formed in line with the Charter. As of December 31, 2012 the Reserve Fund was fully formed.

## OAO Gazprom's Dividend Policy Details



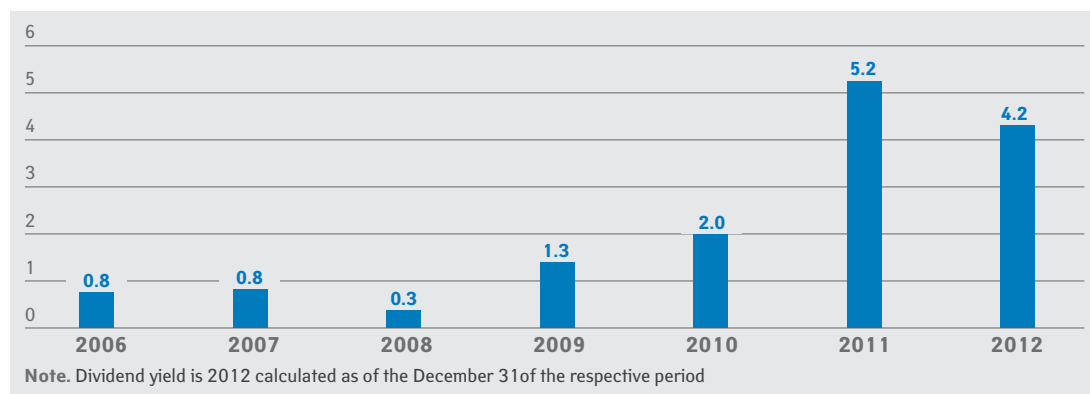
Net profit amount for dividend calculation may be adjusted (downward) for additional valuation of financial investments and similar economic events of business activities of OAO Gazprom.

Dividend policy and amendments are published at OAO Gazprom's website.

The Dividend Policy provides for dividends payable on OAO Gazprom's ordinary shares. Due to the fact that the Charter does not provide for issue of preferred shares, the Dividend Policy has no dividend payment procedures for these.

For 2012 performance, the Board of Directors of OAO Gazprom proposes to pay dividend of 25.5 % of the net profit by RAS, amounting to RR 141.8 bln, or RR 5.99 per share. This resolution is completely in line with the position of the Government of the Russian Federation (Russian Government Resolution No. 2083-r dated November 12, 2012).

## Dividend yield, 2006-2012, %





The Charter of OAO Gazprom specifies that dividend payout period should not exceed 60 days from the the date of dividend payout resolution. The Charter of OAO Gazprom also prohibits any preferences in dividend payout periods for individual shareholders of one share category.

Dividends paid out in 2012 based on OAO Gazprom's results for 2011 as of December 31, 2012

	Accrued, thousand RR	Paid, thousand RR	Unpaid, thousand RR*	Unpaid to accrued dividend ratio
Total	212,351,411	212,156,122	195,289	0.09 %
Including those accrued / paid on shares:				
Belonging to the Government	81,485,926	81,485,926	—	—
Belonging to OAO Rosneftgaz and OAO Rosgazifikatsiya controlled by the Government	24,693,590	24,693,590	—	—
Belonging to individuals and entities (exclusive of those controlled by the Government)	106,166,520	105,976,606	189,914	0.18 %
Belonging to unidentified holders	5,375	—	5,375	100 %
* Dividends remained unpaid to those shareholder entities and individuals that had not submitted the data for the transfer of dividends in accordance with Clause 5 of Article 44 of Federal Law No. 208-FZ "On joint stock companies" dated December 26, 1995. Dividends accrued on shares belonging to unidentified holders are paid as shareholders' rights to those whose securities are identified.				

# **Compensation and Liability Insurance of Members of the Board of Directors, Members of the Management Committee and Chairman of the Management Committee**

## **Compensation to the Members of the Board of Directors, the Members of the Management Committee and the Chairman of the Management Committee**

The total 2012 short-term compensation paid by OAO Gazprom to the members of the Board of Directors, members of the Management Committee and the Chairman of the Management Committee (including salaries, bonuses and compensation for participating in OAO Gazprom's control bodies) amounted to RR 1,562,887 thousand. This amount is inclusive of individual income tax and insurance premiums. The members of the Board of Directors who hold public positions and/or positions in public civil service do not get any compensation from OAO Gazprom. The compensation paid to the members of the Board of Directors is approved by the Annual General Shareholders Meeting. The short-term compensation paid to the Chairman of the Management Committee, the members of the Management Committee, and the members of the Board of Directors who are OAO Gazprom employees is stipulated in labor contracts and also includes payment for health services.

### Regulation on procedures for determining the amount of compensation to the members of the Board of Directors

The Regulation envisages that the compensation paid to a member of the Board of Directors is composed of two parts: basic and premium.

The basic part of the compensation is paid for exercising the authority of a member of the Board of Directors. Its amount is determined based on the practice established in OAO Gazprom for paying compensations to the members of the Board of Directors.

The premium part of the compensation is paid for any additional responsibilities fulfilled by a member of the Board of Directors when functioning as Chairman of the Board of Directors or Deputy Chairman of the Board of Directors, or when working in the Committees of the Board of Directors. The premium part of the compensation depends upon the performance assessed against OAO Gazprom's corporate key performance indicators applicable within the annual bonus system for OAO Gazprom's management.

In order to compensate for negative effects of inflation, the Regulation envisages adjustments of the compensation amount payable to the members of OAO Gazprom's Board of Directors.

The document also envisages that the Board of Directors may recommend that considering the existing economic situation the General Shareholders Meeting should pay smaller compensations to the members of the Board of Directors than the amount calculated based on the Regulation.

In accordance with Russian legislation, OAO Gazprom transfers payments to the Pension Fund of the Russian Federation for its employees, including the Chairman of the Management Committee and members of the Management Committee, as well as the members of the Board of Directors who are OAO Gazprom employees.

OAO Gazprom also provides for the voluntary medical insurance to the Chairman of the Management Committee, members of the Management Committee, and members of the Board of Directors who are OAO Gazprom employees. The total for insurance premiums related to voluntary medical insurance amounted to RR 856 thousand in 2012.



Information about the annual bonus system for OAO Gazprom's top management and applicable corporate key performance indicators is presented in the «Managing Human Capital» section.

### **Liability Insurance of the Members of the Board of Directors and the Management Committee**

In order to provide *Gazprom Group* with insurance protection, liability of the members of the Board of Directors (including independent directors, but excluding public officials) and the Management Committee is insured to reimburse shareholders, lenders, or other persons against damages caused by unintended negligent actions (failure to act) of the insured individuals when carrying out their managerial duties.

Having such an insurance contract is a current practice accepted by large international companies that may face unforeseen expenses due to claims filed by third parties and litigations, which in their turn may impair the *Company's* financial performance, business reputation and image.

This type of insurance is relevant for OAO Gazprom because there is a probability of claims against OAO Gazprom or members of its Board of Directors and Management Committee in an environment characterized by the *Company's* increasing integration into the global economy, liberalization of OAO Gazprom share market and availability of American Depository Receipt (ADR) program, as well as by changes in Russian and international law and corporate governance.

The single limit insurance contract provides insurance coverage for the following risks:

- claims filed by third parties against the members of the Board of Directors and the Management Committee for the reimbursement of losses caused by unintended negligent actions of the insured individuals when carrying out their managerial duties;
- claims filed by third parties against OAO Gazprom for the reimbursement of losses caused by unintended negligent actions of members of the Board of Directors and the Management Committee of OAO Gazprom when carrying out their managerial duties.

The insurance contract provides two-part single limit liability insurance. The first part secures insurance for governing laws other than laws of the Russian Federation, has global coverage and offers the most favorable conditions for OAO Gazprom, its Board and Management Committee members; the second part provides insurance in line with laws of the Russian Federation and is to the greatest possible extent (under the limits of the legal framework of the Russian Federation) approximated to the conditions of the first part.

Based on the quotations of this risk determined by western re-insurers for OAO Gazprom, the insurance premium under the contract signed in 2012, was kept at the level of 2011 and amounted to US \$1.57 mln. whereas the insured amount is US \$100 mln.

Insurance compensation under the contract to insure liability of the members of the Board of Directors and the Management Committee of OAO Gazprom complies with international standards in terms of the insured risk scope and reimbursement limits.

# Equity Capital and Equity Market

GAZPROM's share capital amounts to RR 118,367,564,500 divided into 23,673,512,900 ordinary registered shares with a par value of RR 5 each. No preferred shares are available.

## Equity Capital Structure

The share capital structure did not see any significant changes in 2012.

Share capital structure, %

	as of December 31, 2011	as of December 31, 2012
Shareholding controlled by the Russian Federation, including:	50.002 %	50.002 %
Russian Federation represented by the Federal Agency for State Property Management	38.373 %	38.373 %
GAZPROM Rosneftegaz	10.740 %	10.740 %
GAZPROM Rosgazifikatsiya	0.889 %	0.889 %
The Bank of New York Mellon (Depository bank of GAZPROM's ADR Program)	28.350 %	26.955 %
Other registered entities	21.648 %	23.043 %

The Russian Federation is the largest shareholder, controlling over 50 % of the shares.

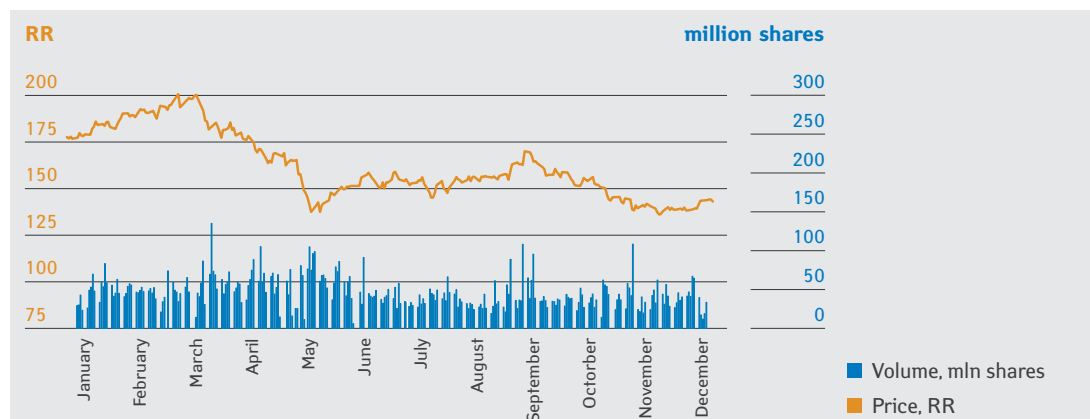
Entities with a shareholding of more than 2 % as of December 31, 2012, %

	Shareholding
Russian Federation represented by the Federal Agency for State Property Management	38.373 %
The Bank of New York Mellon (Depository bank of GAZPROM's ADR Program)	26.955 %
GAZPROM Rosneftegaz	10.740 %
GAZPROM Gerosgaz Holdings B.V.	2.930 %

## Share Price Dynamics and Capitalization

Ordinary GAZPROM shares are listed at Moscow Stock Exchange, which was founded in December 2011 after the merger of MICEX and RTS exchanges. GAZPROM shares are among the most liquid shares on Russian stock market and are on the list of securities, used as baseline for MICEX and RTS index calculations.

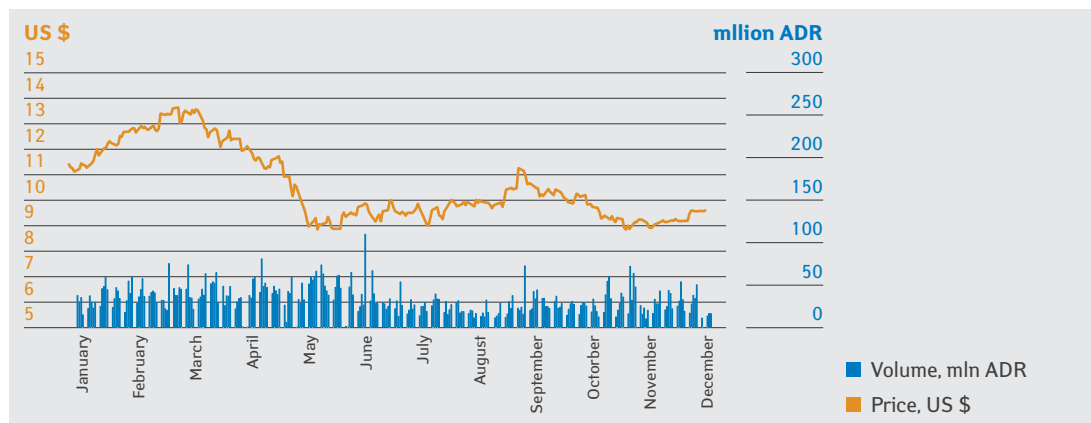
GAZPROM's share price performance on Moscow Stock Exchange in 2012, Ticker: GAZP



ADR of GAZPROM are being traded at London, Berlin and Frankfurt stock exchanges, with most trades happening at London Stock Exchange (LSE).

A significant portion of OAO Gazprom's ADRs is traded on the US over-the-counter market by qualified institutional investors.

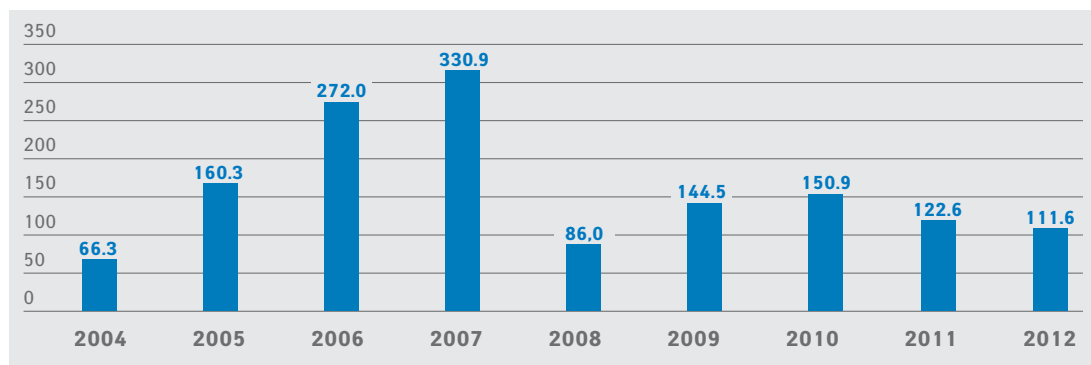
OAO Gazprom's ADR price performance on LSE in 2012, Ticker: OGZD



As of December 31, 2012 the market capitalization of OAO Gazprom amounted to US \$ 111.6 bln, falling by 9 % over the year. The average 2012 market capitalization of OAO Gazprom versus 2011 also went down by 20 % and amounted to US \$ 124.2 bln. The total 2012 shareholder return, which is calculated as a change during the year in the value of capital invested into OAO Gazprom's ordinary shares traded on Moscow Stock Exchange to include the pay-out of dividends in the reporting year but without their reinvestment, amounted to minus 10.8 %.

Lack of a consistent liberalization program for Russian gas market (including delay of gas pricing liberalization timelines) and clear MET increase strategy, as well as frequent revisions of other parameters, established by Russian Government, make it difficult for the investment community to simulate development projections for the *Company* and increase uncertainty, related to assessment of fair value of OAO Gazprom shares. Furthermore, lack of differentiation in the tax system significantly reduces development profitability of strategically important *Gazprom Group* gas production projects, including development of Yamal Peninsula fields and continental shelf projects. The above conditions were among the key factors, that adversely affected dynamics of OAO Gazprom share value in the reporting period.

OAO Gazprom's market capitalization as of December 31, 2004–2012, US \$ billion



# Investor and Shareholder Relations, Information Disclosure

GAZPROM is developing a corporate governance system to meet universally recognized global standards and to ensure exercise of all rights of its shareholders. A most important component of the system is implementation of comprehensive measures to build long-term and efficient relations with investment community. GAZPROM has developed a corporate information disclosure policy, which is currently being implemented, the *Company* is creating communication programs, focused on better interested party awareness of GAZPROM status and development prospects.

## GAZPROM Corporate Governance Principles

— Active interaction with investors, lenders and other stakeholders to increase the Company's assets, value of shares and other securities of the Company.

### Relations Management

In order to maintain open and constructive dialogue with investment community, GAZPROM has a successful Coordinating Committee for Shareholder and Investor Relations in place. The Committee is headed by a Deputy Chairman of the Management Committee – head of Finance and Economics Department. The Committee includes heads of units, responsible for development and implementation of a relevant strategy. Investment community relations are built in line with an annual action plan, developed by the Coordinating Committee.

Shareholder and investor relations issues are of strategic importance and are reviewed at meetings of GAZPROM Board of Directors.

The key principles of shareholder and investor relations management are the following:

- conformity to plan and continuity;
- targeted and individual approach (selecting target audiences and development of most efficient communications programs);
- comprehensive nature (interaction with all investment community representative categories and analysts at traditional and new markets via a broadest range of communications);
- proactive measures (review of specific conditions of investment environment comfort, likely relevant questions and preparation of adequate information coverage).

### Information Disclosure

GAZPROM's Information Disclosure Regulation is developed in line with applicable laws of the Russian Federation, the Charter, the Code of Corporate Governance (Conduct), GAZPROM by-laws, Russian and international corporate governance practices.

## GAZPROM Corporate Governance Principles

— Timely disclosure of information, including financial status, performance indicators, ownership and governance structure.

The Regulation establishes the basic principles of disclosing information, information and documents to be disclosed, and information disclosure procedures. The Board of Directors of GAZPROM provides for the fullest disclosure of information, relevant for investment and management decision-making.

The key principles of disclosing GAZPROM information include:

- regularity and promptness;
- availability, reliability and completeness;
- balanced and neutral nature;
- security.



## Insider information protection

Pursuant to the laws on prevention of unlawful use of insider information and market manipulation, the *Company* has taken actions to improve its insider information protection.

In order to ensure compliance with the law, with OAO Gazprom with Order No. 417 dated 30.12.2011 approved the List of Insider Information of OAO Gazprom, the list is published at the official corporate website of the Company.

Order No. 305 dated 02.11.2012 established the Procedures for Access to Insider Information of OAO Gazprom and Confidentiality Rules.

OAO Gazprom maintains a List of persons with access to insider information.

OAO Gazprom discloses its insider information in accordance with applicable laws.

## Forms of Information Exchange Between OAO Gazprom and Shareholders, Investors and Analysts



Considering that such form of relations does not provide for any feedback, top management of OAO Gazprom traditionally pays close attention to building multilateral constructive relations with the investment community through direct open dialogue.

### Direct Dialogue

Every year OAO Gazprom regularly holds the following key events to maintain its relations with the investment community:

- conference calls on publication of consolidated IFRS reports of OAO Gazprom (quarterly);
- participation of representatives of the *Company* in international investor conferences by leading investment banks;
- meetings of OAO Gazprom top management with shareholders and investors in the office of the *Company*, road-show meetings (held regularly and in association with significant events);
- meetings of *Gazprom Group* top management with representatives of the investment community during visits to production and infrastructure facilities;
- Investor Days of OAO Gazprom, OAO Gazprom Neft, OOO Gazprom Energoholding (annual).

In 2012 an OAO Gazprom delegation for the first time held in New York City a number of working meetings with representatives of corporate holders of OAO Gazprom ADRs, including the depository of OAO Gazprom ADR Program – The Bank of New York Mellon, to share corporate governance progress in the *Company*. It is planned to make such meetings regular.

The above mentioned activities give top managers and representatives of OAO Gazprom an opportunity to answer questions of representatives of the investment community, present the most current information on performance of OAO Gazprom, its latest achievements and update investors on its current development strategy. Regular interaction with the investment community could be helpful in increasing investor attractiveness of the *Company* and have a positive effect on evaluation of OAO Gazprom shares by investors. Investors highly value their opportunity to communicate directly with OAO Gazprom decision-makers. Communications of OAO Gazprom managers and investors highlight key issues of concern to the investment community and their suggestions.

Comprehensive and focused shareholder and investor relations activities yield good results. Foreign institutional investors display stable and high levels of interest in OAO Gazprom shares. ADRs are held by over 400 institutional investors from 40 countries. OAO Gazprom has been a traditional leader: its ADRs account for about 50 % of all foreign investment in Russian oil and gas sector.

**OAO Gazprom is traditionally recognized as one of the best Russia and CIS companies in investor relations.**

ADR holders  
geographic  
distribution  
by country, %



European Countries	45 %
including United Kingdom	20 %
Switzerland	5 %
Germany	4 %
Other European Countries	16 %
United States	45 %
Singapore	6 %
Others	4 %

High level of investor confidence in OAO Gazprom shares has its positive effect on debt financing costs: the *Company* is a leader in this area as well raising its loans at record low rates. The total volume of OAO Gazprom bonds on the market amounts to about US \$ 26 bln.

Debt investors  
geographic  
distribution  
by country, %



European Countries	51 %
including United Kingdom	21 %
Switzerland	17 %
Other European Countries	13 %
United States	36 %
Asia and Middle East Countries	6 %
Russia	4 %
Others	3 %

## Corporate Governance Improvement Prospects

**Introduction of the Code of Corporate Ethics.** To implement provisions of the Code of Corporate Ethics, in 2013 OAO Gazprom plans to issue an OAO Gazprom order to approve a Regulation on Corporate Ethics Committee of OAO Gazprom. 2013 plans also feature implementation of corporate ethics codes, modeled after the Code of Corporate Ethics of OAO Gazprom in legal entities, controlled by the *Company*.

**Dividend policy improvements and dividend payout procedure regulations.** In 2013 OAO Gazprom plans to develop its dividend payout procedures. For the purposes of further dividend policy improvements, the *Company* is conducting a review of an option for transition to use of consolidated *Group* IFRS profit as basis for dividend calculation.

**Improvement of shareholder and investor relations.** Further OAO Gazprom activities to improve shareholder and investor relations envision the following measures:

- publication of a clear and consistent strategy for key businesses of the *Group* (gas, oil and power industry);
- more detailed disclosure of information on ongoing projects (expected returns, total investment volume);
- reduction of financial statements publication period;
- delivering road-shows in Middle Eastern, Latin American countries and in Australia to expand investor base with investment portfolios worth US \$ 140 bln.;
- participation in activities to improve laws of the Russian Federation, related to investment climate improvement.

Furthermore, in order to increase transparency of OAO Gazprom, it is planned to determine a list of additional information to augment the required volume, established by law and by-laws of OAO Gazprom, to be disclosed by the *Company* at its corporate website.

**Development of a planning system based on strategic target values.** The developed planning system, based on strategic target values, will be expanded to international operations, oil and power business, gas distribution activities on the domestic market in the Russian Federation. The planning system, based on strategic target values, will be integrated with budgeting and investment planning systems.

**Optimization of asset ownership structure.** OAO Gazprom implements projects for optimization of asset ownership structure in *Gazprom Group*, and also improves management structures of OAO Gazprom and its subsidiaries.

In 2012 these activities were performed in the following areas:

*Preparation for optimization of the structure of holding foreign gas marketing assets.* Change of asset ownership structure involves reduction of asset ownership chains, elimination of intermediate links and consolidation of assets by their business profile.

*Consolidation of oil assets in Gazprom Neft.* For the purposes of consolidating the license and assets of Novoportovskoye field, previously ringfenced in OOO Gazprom Neft Novy Port, created after separation from OOO Gazprom dobycha Nadym, OAO Gazprom Neft entered OOO Gazprom Neft Novy Port by making a contribution to the registered capital of the company and became the owner of 90% the registered capital of OOO Gazprom Neft Novy Port.

*Optimization of ownership structure of foreign exploration and production assets.* The *Group* prepared transactions for consolidation of activities and assets of ZAO Zarubezhneftegaz in Gazprom EP International B.V., with OAO Gazprom being its sole participant.

*Consolidation of small-scale power generation assets in OOO Gazprom energo.* OAO Gazprom Board of Directors approved participation of OAO Gazprom in entities, divested from key 100 % subsidiaries of OAO Gazprom for ringfencing and further consolidation of power assets in OOO Gazprom energo.

*Consolidation of gas distribution assets.* To improve gas distribution performance efficiency of *Gazprom Group*, in 2012 the *Group* continued consolidation of its gas transportation assets in OAO Gazprom Gazoraspredeleniye. The asset consolidation allows for creating safe operating conditions for gas distribution systems, based on uniform standards, rules and requirements, implement a uniform policy for technologic development of gas distribution and gas supply, and also for securing financial sources for development of regional gasification in the Russian Federation and reconstruction of medium and low pressure networks.

*Sale of non-core/inefficient assets.* Actual proceeds of OAO Gazprom and its subsidiaries from sales of non-core/inefficient assets in 2012 amounted to RR 7.1 bln, excluding intra-*Group* transactions for RR 6.1 bln, of which: RR 3.3 bln – proceeds from sale of assets in the form of shares (interests) and RR 2.8 bln – proceeds from sale of other securities and movable and immovable property items.

In 2012 OAO Gazprom sold shares (interests), including those of the following companies: OAO ZapsibGazprom (RR 0.13 bln), OOO GazpromPurInvest (RR 2.7 bln), and also received a deposit for the divested 99.5 % block of shares in the equity capital of ZAO Kaunasskaya TPP (RR 0.3 bln). The *Company* sold distressed assets with rather low market value and premarket preparations over several years, including OOO SMU-7 (RR 2.7 mln), Structural Concrete Plant in Surgut (RR 112.8 mln), fuel and lubricant storage in Novy Urengoy (RR 36.1 mln).

# RISK MANAGEMENT

Risk management is one of the instruments to improve decision-making quality and sustainable development of *Gazprom Group*. The *Company* is persistently developing a system to clearly identify existing risks, alert stakeholders to these risks and minimize possible negative implications for *Gazprom*.

## Development of risk management system

Risk management within the framework of the unified corporate system is defined as continuous cycle of making and implementing management decisions about risks identification, risk response, control of efficiency and planning of risk management and monitoring. This cycle is an integral part of the *Company's* general management system and focuses on risk optimization that serves OAO Gazprom's interests in all areas of the *Group's* operations.

The *Company's* development towards vertical integration and diversification of its operations and improvement of global corporate governance practice require the appropriate development of the corporate risk management system.

### Objective of risk management system development

Ensuring managerial decision-making based on comprehensive risk information;  
Prompt response to critical risks;  
Monitoring of key risks, which could have a significant effect on achievement of *Gazprom Group* goals;  
Improving quality of information on existing risks for *Gazprom Group*;  
Planning and budgeting activities with comprehensive risk information.

### Development stages of the risk management corporate system

Decision to establish a [core unit] within OAO Gazprom	Unique classifier of <i>Gazprom Group</i> main risks	Contact scheme between OAO Gazprom and its subsidiaries
Requirements to management processes organization in OAO Gazprom and its subsidiaries	Matrix of authorities to organize risk management system	Fundamental documents on main risks management in subsidiaries
Model of dataflow and cooperation of different management levels of <i>Gazprom Group</i> in main risks management	OAO Gazprom main risks management policy and regulation	Risk management system development in subsidiaries
Common approach definition	Establishment of methodological procedure	
2011–2012	2013	2014

These activities are focused on building major risks management system and implemented in *Gazprom Group* in accordance with the plan of actions approved by the Chairman of the Management Board of OAO Gazprom.

In 2011–2012 *Gazprom Group* developed unified approaches to organizing its risk management system.

In 2013–2014, the activities on improving the risk management system will be continued. It is expected to develop a methodological base for organising risk management in OAO Gazprom, develop the schemes of the *Company's* interaction with subsidiaries, associates and jointly-controlled companies and prepare a package of fundamental documents on major risks management in these companies. Draft normative documents are expected to be considered and approved at the level of executive management bodies of OAO Gazprom.

# Key risk factors

## Strategic and country-specific risks

### Risks relating to the global credit crunch developments

Despite the recent positive trends, there is still a wide spread uncertainty about how and at what rate the world economy will recover from the deep global recession.

Unfavourable economic conditions may have an adverse impact on the *Group's* operations.

#### Management / influence on the risk level

*Gazprom* pursues the policy that ensures financial stability, improvement of financial position and optimisation of debt portfolio that will enable to respond adequately if macroeconomic situation worsens.

### Risks relating to operations in the European gas market

*Gazprom* is the largest natural gas supplier in Europe. EU countries are actively pursuing the policy of gas market liberalization that contributes in the competition and increase in spot sales. The aforementioned liberalization can entail the partial refusal from a long-term contract system.

Liberalization policy also provides for separation of gas production assets from transportation networks within EU. Lack of exemption from the above provision means that the *Group* is not able to own or exercise control over transport business that will impede the implementation of the investments projects in EU.

In addition, the EU energy sector strategy is focused on the diversification of sources of energy resources supplies, development of alternative energy sources.

Disparity of prices under long-term contracts and gas prices at spot markets represent a certain risk for *Gazprom*.

#### Management / influence on the risk level

*Gazprom* is maintaining the system of long-term contracts as the basis of its business which maximises its returns and provides guaranteed supplies to its customers. The *Group* is actively negotiating with its customers on finding mutually beneficial solutions depending on the market situation development. Refusal from the system of long-term contracts may disrupt the balance of demand and supply in the European gas market and result in unpredictable consequences, including threat to energy security of importing countries. For the purpose of diversifying its operations *Gazprom* considers the Asia-Pacific countries as key new markets.

### Risks associated with the development of renewable power sources

A number of developed countries, firstly European countries pursue a policy of encouraging the use of renewable energy sources (wind power, solar power, biomass energy, distributed power generation, lower-grade heat) development including by means of the government grants for developing this industry.

Therefore, the above countries may experience growth of generating power from renewable sources that can result in displacing gas generation and reduction of gas consumption by major European customers.

#### Management / influence on the risk level

0AO *Gazprom* actively conducts an education campaign related to economic, technological and ecological advantages of gas use including for generating electricity. Generating electricity from renewable sources to ensure the reliability of supplies should be supplemented with its generation from other types of fuel having high requirements to maneuvering capabilities of equipment. From this viewpoint, natural gas is the most efficient type of fuel to support the generation of electricity from renewable energy sources.

At the same time, *Gazprom* continues implementing the projects aimed at diversification of types and areas of its activities.



**Risks of state regulation in the sector**

The Russian Federation controls 50.002 % of OAO Gazprom's shares. The governmental representatives are the members of *Gazprom's* Board of Directors whose powers include the approval of the financial plan and the investment program; in this way the government exercises the control over financial flows of OAO Gazprom.

In accordance with the Federal Law "On natural monopolies" the *Gazprom's* gas transportation via pipelines is regulated as natural monopoly operations.

The government regulates the wholesale prices for gas which *Gazprom* applies to the major portion of domestic sales; tariffs for trunk pipeline transportation services provided to independent producers; tariffs for trunk pipeline transportation services via gas distribution networks; charges for procurement and sale services as well as retail prices for gas.

At the same time the government is interested in the *Company's* effective development because *Gazprom* is one of the largest Russian taxpayers and supplies a half of primary energy sources in the country.

**Management / influence on the risk level**

*Gazprom's* strategy is aimed at mutually beneficial cooperation with the government so as to ensure the energy security of the country and stable development of the *Company*. The development strategy of OAO Gazprom has been designed and implemented in cooperation with governmental agencies and is an integral part of the Russian Energy Strategy.

In 2010, for improving the state's pricing policy in gas industry the Russian Government adopted the Resolution No 1205 "On improving the state regulation of gas prices" under which the regulation of wholesale gas prices for industrial consumers in the mid-term perspective is based on the price formula that provides for a gradual achievement of equal profitability of gas supplies at export and domestic markets during the transition period considering the prices of alternative fuels sources. Timing of practical application of prices which provide for equal profitability of gas supplies on export and domestic markets will depend on the development of pricing environment on external gas markets and compliance with the dynamics of changes in the regulated prices for gas supplies on domestic market forecasted by the Russian Government.

OAO Gazprom is engaged in an active dialogue with the Russian Government with regard to improving its pricing policy.

**Risks relating to natural gas transit**

Major volumes of natural gas sold in Europe transit FSU territories, in particular Ukraine, Belarus and Moldova. Gas transit through the territories of these countries is associated with a risk that they will fail to fulfill their transit obligations and this fact will result in the risks of inappropriate fulfillment of obligations by OAO Gazprom under the contracts for gas supplies to Europe.

**Management / influence on the risk level**

To mitigate its dependence on transit countries the *Group*:

- is gradually shifting to principles and procedures generally accepted in the global gas business for market pricing of gas imported by FSU and of related gas transit services;
- is implementing gas transportation projects aimed at diversification of export routes (the second thread of Nord Stream gas pipeline was put into operation; works under South Stream project are under way);
- is expanding the use of UGSF abroad;
- is developing the LNG trading.

**Risks associated with entering new regions and new markets**

A key direction of the *Gazprom Group's* development strategy is the expansion of regions of its operations. *Gazprom* implements projects related to exploration and production of hydrocarbons in FSU countries, South America, South-East Asia, Africa and Middle East. Potential for entering gas markets of Asia, Africa, South and North America is being considered.

**Management / influence on the risk level**

Subsidiary undertakings and joint companies with foreign partners are established in the new regions for the purpose of obtaining the necessary business experience.

*Gazprom's* representative offices abroad are operating to enhance efficiency of *Gazprom's* interaction with governmental agencies, enterprises, companies and organizations of the respective countries and regions and provide information and analytical support to managing the international projects. As of 31 December 2012 fourteen representative offices of OAO Gazprom are registered abroad, including Algeria, Belarus, Brazil, India, Iran, Kazakhstan, Qatar, the People's Republic of China, Kyrgyzstan, Latvia, Moldova, Turkmenistan, Turkey and Ukraine.

**Risks associated with the development of gas production from unconventional sources**

Higher prices of natural gas and the progress in science and technology in the last decades supported the increasing interest to unconventional resources of natural gas. In North American countries the share of gas produced from unconventional sources is expected to grow in the long-term perspective. As a result, American gas market will be supplied with its own gas resources. The planned commencement of LNG production in the North America may result in increasing competition at global markets.

Projects on gas production from unconventional sources being implemented in various countries, in particular in China, may decrease the demand in imported gas in these countries.

**Management / influence on the risk level**

To support competitiveness of natural gas production and supply by applying the traditional methods, *Gazprom*:

- controls investment and running costs of production;
- improves and implements new technologies that enhance efficiency of traditional gas production.

Russia has large unconventional gas reserves and *Gazprom* develops technologies of their development.

At the same time perspectives of unconventional gas production are still uncertain as such a production is economically viable only when prices are consistently high and continued investments are required to maintain the formation productivity and it is also associated with significant environmental risks.

**Geographical and climatic risks**

Climate specifics and geographical location of principal regions where *Gazprom* operates significantly impact the *Group's* performance. *Gazprom's* production in West Siberia accounts for a substantial portion of the overall natural gas production and it is characterized by challenging environmental conditions and high costs. The fields in the Yamal Peninsula and resources of the Russian continental shelf will be developed in even more harsh climates.

*Gazprom's* gas sales and revenues may be affected by climatic conditions of short-term nature. Due to warm winters of recent years gas sales to Europe were decreasing. However, the influence of this factor of a probabilistic nature on *Gazprom's* gas sale volumes and revenues for the last several years is not significant as the alteration of cold and warm winters compensate the impact.

**Management / influence on the risk level**

The *Group* successfully implements the efficient technological processes developed for harsh climate conditions. The *Group* also develops and implements programs of improving efficiency of gas production and transportation, including efficiency of gas transportation network.

The *Group* also actively participates in the development and implementation of governmental programs aimed at improving the use of energy resources in Russia.

**Risks relating to customs, foreign currency and tax regulation**

**Risks associated with the changes in currency regulation and tax legislation in the Russian Federation**

*Gazprom* is involved in international transactions, it has foreign currency denominated assets and liabilities and foreign currency accounts opened with foreign banks. At the background of ongoing liberalization of foreign currency legislation, the Russian Government and Central Bank of Russia undertook measures to increase control over transactions denominated in foreign currency.

Tax legislation is the most flexible area of law which is often modified, supplemented and updated.

**Significant changes in tax legislation in 2012**

- establishment of the consolidated taxpayers' group (from 1 January 2012);
- amendments to the Russian transfer pricing legislation which entitles taxpayers to justify their compliance with the arm's-length price rules as applied to controlled transactions through the preparation of documents to be used for tax control purposes (from 1 January 2012);
- increase in Mineral Extraction Tax rates as applied to natural gas from all types of hydrocarbon fields (from 1 January 2012 and from 1 January 2013) and gas condensate (from 1 January 2013);
- adding coal methane to the list of produced mineral resources for MET purposes and its recognition as an item not subjected to this tax (from 1 January 2013);
- cancellation of the property tax benefit for entities with gradual increase of maximum tax rates applied to trunk grid pipelines, power transmission lines and buildings being their integral technological part (from 1 January 2013).

During the reporting period, the Russian Government started considering a potential formula to calculate MET rates applied to natural gas. There is still a risk that MET payments for OAO Gazprom will increase from 2016. Given OAO Gazprom's responsibility to secure gas supplies as well as construction, operation, renovation and development of the Unified Gas Supply System, further growth of the fiscal burden can significantly impact OAO Gazprom's income and sources of financing capital expenditure, as well as overall security of gas supplies.

In addition, changes in regulatory framework related to pricing for tax purposes may result in additional risks associated with application of internal settlement prices between OAO Gazprom and the *Gazprom Group's* entities.

#### **Management / influence on the risk level**

OAO Gazprom activities are based on the principles of integrity and openness of information for tax authorities. *Gazprom* monitors changes in currency and tax legislation and makes every effort to comply with the requirements following the best law application practice and is also focused on mutually beneficial cooperation with the government so as to ensure the energy security of the country and stable development of the *Group*.

Building the effective tax risk management system in *Gazprom Group* as a whole is one of the key objectives for medium-term period. Centralised database in place and permanent monitoring of crucial risks in the *Group's* entities will enable to identify them timely at an early stage and minimize their adverse impact in advance.

In order to minimize tax risks associated with transfer pricing *Gazprom Group* established a consolidated *Group* of taxpayers in 2013, where OAO Gazprom acts as a responsible participant, and has been implementing internal control procedures to ensure compliance with transfer pricing law.

To restrict further increase in MET rate OAO Gazprom continues to cooperate with governmental agencies to maintain the balance between fiscal burden and necessity of significant investments in the nearest future to ensure reliable gas supplies. In addition, in order to create the conditions for engaging complex field in remote locations, OAO Gazprom has prepared and sent to the Russian Federation Government economically feasible propositions to differentiate MET on natural gas with account of economic and geographic factors, the degree of reserves depletion, depth of formation and blend composition of natural gas.

#### **Risks relating to changes in rules of customs control and payments in the Russian Federation**

Operations of the *Group* relating to export of hydrocarbons are subject to customs regulations. Some of key issues relating to export supply of natural gas are disputed by the *Group* and the customs agencies, in particular, approach to the procedure for paying export customs duty and its return, including the return arising out of customs value adjustment due to changes in the retroactive procedure of price parameters of the natural gas supplied to counterparties. A number of disputes were challenged by OAO Gazprom/OOO Gazprom Export in court. The actions of customs agencies were invalidated.

Due to the current practice of customs value adjustments due to the retroactive recalculation of the price of sold gas, which was supported by a number of positive court decisions in favour of OAO Gazprom, the necessity to recover excess amounts of paid export customs duty which covers a third of losses on recalculation was almost entirely eliminated. At the same time, tax authorities interpret this as a negative fact for the federal budget, and once again suggest replacing the ad valorem export customs duty for natural gas with the specific rate. OAO Gazprom believes that there are insufficient grounds for such changes.

Overall, the current procedure for the payment of the customs duty on exported natural gas before the transportation based on estimated supplies parameters has a risk of unpredictability related to the export customs duty to be paid upon supplies.

#### **Management / influence on the risk level**

The *Group* makes every effort to comply with the customs legislation requirements, control and propose the respective amendments to the current customs clearance considering the gas industry interests; interacts with regulators regarding disputable issues, including the Russian Government.

As a result of performed work OAO Gazprom's argument against the specific export customs duty on natural gas were accepted by the Russian Ministry of Energy and Ministry of Economic Development which confirmed that the current procedure for calculating the export duty promotes flexible natural gas supplies, stable share of Russian gas in global markets and guaranteed stable proceeds from customs payment into the federal budget.

At the same time, there are certain complexities around the customs duty payment procedure which result from the necessity to pay it before actual supplies based on estimated price and volumes. As a result, it is necessary to continue the joint work with federal authorities aimed at the development of amendments to the Federal Law "On Customs Regulation in the Russian Federation" of 27 November 2010 to improve the customs duty payment procedure.

### Financial risks

#### Foreign exchange risks, interest rate and inflation risks

*Gazprom's* sales revenue is largely denominated in US dollars and Euro, while most of the costs are denominated in rubles.

A part of OAO Gazprom debt portfolio is represented by syndicated loans from Western banks. The interest rate on many of these loans is based on LIBOR/EURIBOR rates.

Therefore, changes in inflation rates and exchange rates significantly affect the *Group's* performance results.

#### Management / influence on the risk level

OAO Gazprom is developing a methodology and contractual base for using hedging instruments in accordance with the requirements of the Russian legislation. Regulation on tax accounting policies of OAO Gazprom for 2011 includes provisions related to tax accounting for transactions with financial instruments of forward-type deals (FIFD) including hedging currency and other risks. Natural hedging of risks associated with market changes in the foreign exchange rates and interest-bearing payments by:

- calculating net currency position of the *Gazprom Group* and balancing the cash flows of OAO Gazprom in terms of currency, volumes and period of receipt/payment;
- maintaining the currency balance in OAO Gazprom debt portfolio similar to the proportion of currency in revenue.

#### Credit and liquidity risks

Untimely or partial fulfillment by some counterparties of their contractual obligations to the *Company* may have an adverse impact on *Gazprom* operations. In particular, the increase in gas prices in FSU with low solvency of final customers in the region entails a risk of partial and/or untimely payments under the contracts for the gas supplied.

Foreign counterparties' failure to perform their payment obligations for the gas supplied may result in a risk of bringing OAO Gazprom to administrative responsibility by the Russian currency regulation authorities for breaching currency legislation.

#### Management / influence on the risk level

The *Group* pursues a transparent policy requiring fulfillment of contractual obligations regarding payments for supplies and non-payers.

All counterparties engaged in gas supplies to far abroad countries are assigned with an internal credit rating (according to the adopted methodology of credit risks assessments). Based on assessment of the counterparties' creditworthiness and Monte Carlo modelling the credit risks are quantitatively assessed by applying CreditVaR method.

The basic tools to manage credit risks associated with gas supplies to far abroad countries include preparation of a list of authorized counterparties, with which the deals can be concluded and the requirement to provide the guarantees from the counterparties with low credit rating. The *Group* monitors the changes in the internal credit ratings of these counterparties on a daily basis and if they significantly decline, the respective contracts may be amended to mitigate non-payment risks.

The *Gazprom Group* cooperates with credit institutions based on credit risk limits established on a regular basis.

#### Market risks including risks associated with decrease in volumes and cost of gas sold at foreign markets

Export sales of gas generate a major portion of the *Group's* revenue. Gas is exported under long-term contracts at prices linked to the world prices for major core products (oil products, coal, gas). Therefore, there arise risks of failure to receive the planned revenue (export price of commercial gas) or adverse change in the portfolio cost due to market factors effects. Price risks associated with fluctuations of prices for oil products and gas indices which are the basis for prices calculation under export contracts and risks of volume associated with the fact that the buyers are provided with certain flexibility in gas withdrawal are the basic factors of market risk.

The potential decrease in oil prices including due to the potential reduced volumes of oil imported by the United States because of development of own hydrocarbons production from unconventional sources also may result in the reduced revenues of OAO Gazprom.

The decrease in oil and oil products prices will result in improving the competitiveness of the Russian gas sold at export market under the contracts linked to oil prices that may increase the demand for gas in future.

Due to existence of contracts denominated in different payment currencies (mainly, US dollars and Euro) the currency risks associated with the adverse changes in exchange rates will also have impact on revenues.

**Management / influence on the risk level**

Price and volume risks represent key risks for OAO Gazprom.

The key method applied for quantitative assessment of price risks associated with gas sales to far abroad countries is Earnings at Risk (EaR) assessment that allows calculating the potential revenue deviation at a specific planning stage. For these purposes the probable scenarios of the portfolio are modelled considering the current contractual conditions and history of changes in risk factors related to prices, volumes and currency.

For considering new market risk factors and changes in the existing risk factors behaviour the methodology of risk assessment is improved.

The *Group* is taking measures to mitigate these risks, namely:

As the pricing policy that is pursued by the state and aimed at transferring from the regulating the wholesale gas prices to the regulating the gas transportation tariffs improves, a share in the revenue from *Gazprom* supplies at the domestic market will increase mitigating the effects of export sales risks.

*Gazprom* is entering new markets, including Asian-Pacific Region, LNG global market that will enable to mitigate the volume risk and, partially price risk.

For the purposes of internal optimization the changes in the contractual conditions or conclusion of new contracts, identification of the affirmatively authorized deals and financial instruments and accordingly, counterparties with which these deals can be concluded, represent the main tool of the internal optimization. Currently, a major part of long-term contracts include "take-or-pay" conditions, which stipulate an advance payment against gas supply in subsequent period, even if the gas is not taken in the current year.

In addition, predominantly diverging trends in movements of prices for oil, oil products and Russian rouble exchange rate partially provide for natural hedging of *Gazprom* currency revenue denominated in roubles.

**Operating risks**

**Risks relating to non-extension of subsoil licenses**

The *Group* operates in compliance with subsoil licenses for exploration and production of hydrocarbons. Most licenses provide for an opportunity to suspend, amend or withdraw them if the requirements of license agreements are not complied with.

Licenses for production at major *Group* fields cover the period to 2012-2028. The Russian legislation provides for an opportunity to extend the licenses but do not provide the license holder with vested right of extension.

**Management / influence on the risk level**

*Gazprom* satisfies license requirements and takes all required steps to minimize the probability of license withdrawal, suspension or amendment.

**Cost escalation risks**

During the pre-crisis years growth rates related to unit costs of capital construction in petroleum industry exceeded the inflation rates due to increase in prices of raw materials, component parts, services including prices of metals, gas-compressor plants, drilling costs, etc.

During the global crisis the costs of some items stabilized or even decreased but, as before, there is a probability of outrunning growth of costs in prospect.

**Management / influence on the risk level**

*Gazprom* organizes tenders to select suppliers and directly works with its suppliers.



**Risks relating to exploitation of operating facilities**

ОАО Газпром upstream, midstream and downstream operations are exposed to a wide range of technological, technical and natural and climatic character risks and risks associated with negative actions of personnel and third parties, including risks of employees' errors, thefts, terrorist attacks, subversive activities.

The above risks may have an adverse impact on the property interests of *Gazprom Group* and entail the decrease in production and economic indicators of *Gazprom* operations.

At that, liquidation of effects of natural and technogenic accidents and other adverse events requires significant financial costs.

When implementing the investment programs the priority is providing guarantees of completing the construction (reconstruction) of investee which, among other issues, is associated with the construction and assembly risks characterized by a high damage level.

**Management / influence on the risk level**

The unified gas supply system ensures the system reliability of gas supplies assuming that in case of a failure at one of its sections gas can be supplied via other routes by means of technological and intersystem shunt pipes.

Stability of the system operation is ensured by implementation of the advanced diagnostic technique, reconstruction and upgrading.

ОАО Газпром has developed, approved and is implementing the policy on HSEA aimed at ensuring occupational safety, life and health safety of ОАО Газпром's and its subsidiaries' employees and operational reliability of hazardous production facilities.

To ensure the sustainable operations of ОАО Газпром and its subsidiaries and minimize the financial resources directed to mitigation of consequences resulting from natural and technogenic accidents and other unfavorable events (including terrorist attacks, subversive activities) the *Group* arranges a complex insurance coverage of the *Group's* companies including property insurance program (including off-shore facilities), insurance against production breaks at gas processing plants, insurance of hazardous facility operator's liability.

**Risks associated with assessment of hydrocarbon reserves**

The *Group's* development plans are based on the amount and location of hydrocarbon reserves that are assessed in accordance with scientifically grounded and generally accepted standards. Accuracy of reserves assessments depends on the quality of available information and technological and geological interpretation.

At the same time the regions where a significant part of the *Group's* reserves are located, are well explored that reduce these risks.

**Management / influence on the risk level**

The results of the *Gazprom Group* reserves assessment in accordance with the Russian classification of reserves are recorded on the balance sheet after annual consideration and approval by the State Reserves Commission.

ОАО Газпром has developed and is implementing the procedures for reserves assessment in accordance with international standards PRMS engaging an independent appraiser.

The accuracy of reserves assessment is based on a unique experience accumulated by *Gazprom* over many years of activities in this sphere.

**Risks associated with vertical integration and diversification of operations**

Over recent five years *Gazprom* significantly expanded oil business through acquisition of ОАО Газпром нефть, joined electricity generation and sales business. The *Company* also expands its activities on foreign markets of natural gas by applying new form of trading, develops business related to LNG production and sales.

Any failure in integration of past or future acquisitions may have an adverse impact on the *Group's* business, financial position and performance results.

**Management / influence on the risk level**

The *Group* improves the internal corporate governance structure for the purposes of breaking down the financial flows by types of activities and enhancing the efficiency of *Gazprom* as a vertically integrated *Company*.

The *Group* also performs actions to bring the organizational structures of its subsidiaries engaged in gas production, transportation and processing into compliance with the corporate requirements of ОАО Газпром including the adopted standards of personnel number and corporate span of control.



The effective management procedures and projects on enhancing the efficiency of OAO Gazprom and its subsidiaries operations management, which are currently being implemented by the *Group* will also cover the *Group's* entities that exercise a significant influence on the *Gazprom's* performance results.

*Gazprom* has successfully developed, approved and is implementing the strategies in electric power and oil businesses aimed at increasing *Gazprom's* market value and establishing itself as a leader in electric power and oil businesses.

In accordance with the strategy on information system development the *Group* takes actions to create a unified information space. The above-noted work will enable to improve the transparency of corporate reporting preparation from the primary data sources to key performance indicators and risks.

**Risks relating to registration of title to real estate and land plots of OAO Gazprom**

Under constant increase in property and land resources of OAO Gazprom the *Company* may experience the claims made by the third parties, if the title to these assets is incorrectly or untimely registered.

Lack of registered title to the real estate items and land plots can have an adverse impact on attracting the investments in oil and gas industry.

Intensive development of town-planning activities in the Russian Federation regions identified the necessity to minimize the risk of violating the protected zones of UGSS and power supply network.

**Management / influence on the risk level**

The *Gazprom Group* is intensively and timely working over registering the title both to the land plots used to locate the production capacities and real estate items.

The *Group* is extensively applying all possible legal methods to defend the *Group's* interests including applications to the court regarding the confirmation and subsequent registration of title to the real estate items and land plots.

The *Gazprom Group* is extensively working over prevention and elimination of the protected zones violations by preparing the maps (plans) of protective zones and including the information about these protected zones in the State Immovable Property Cadastre.

OA0 Gazprom also participates in the development of amendments to the civil legislation and draft laws regulating land relations. For these purpose the *Company* held the first international conference "Managing the corporations' real estate". Based on the conference results the resolution which initiates the creation of Corporate Owners' Club, an association aimed at formulating, structuring and promoting the interests of corporate owners related to real state management that will ensure an ongoing and efficient dialogue with government authorities and institutes for development, was approved.

**Environmental risks**

The *Gazprom Group* production activity is associated with the use of natural resources and accordingly, involves a potential risk of environmental disruption.

Environmental damage or pollution may result in:

- legal consequence, including bringing to responsibility;
- finance costs associated with payments of fines and compensations of the incurred damage;
- damage to the business reputation.

**Management / influence on the risk level**

The *Gazprom Group* pursues a consistent environmental policy, implements programs and actions to reduce environmental effect, provides the financing for environmental activity, implements advanced resource-conservative and energy-conservative and other environmental protection technology.

Environmental Management System of OAO Gasprom was successfully certified for compliance with ISO 14001:2004. *Gazprom Group* continues improving its Environmental Management System. OA0 Gasprom performs predesigned environmental researches, assessment of environmental effects of the planned operations, environmental assessments of projects. At all stages of construction, operation and decommissioning of assets the *Company* exercises a control over compliance with legislation and corporate environmental standards. implements environmental monitoring, develops and implements environmental protection measures.

The key component of environmental risks management is the use of the best available technologies when designing, re-equipping and upgrading the production process.

Within the framework of comprehensive insurance coverage of the *Group's* entities the *Group* maintains liability insurance when constructing and operating dangerous production facilities that enables to compensate the damage incurred to environment and minimizes a risk of adverse financial consequences for the *Group's* subsidiaries. In 2012, OAO Gazprom made the decision on the necessity to maintain insurance for the liability of OAO Gazprom and its subsidiaries for environmental damage. The developed insurance terms will provide for coverage of life danger, harm to health, damage to other persons' property and environment as a result of land and offshore drilling and exploration works, production of hydrocarbons, their transportation, refining and storage, construction and other operations performed by OAO Gazprom, its subsidiaries, associated companies and jointly-controlled companies. The commencement of insurance is planned for the second half of 2013.

The *Gazprom Group* maintains transparency of its ecological information.

In addition, 2013 was announced as the Ecology Year in OAO Gazprom. The *Company* plans to hold more than 1,200 activities including implementation of technical developments at gas production and transportation sites for mitigating the impact on environment, education events and providing assistance to specially protected natural areas..

# GLOSSARY

<b>ADR of OAO Gazprom</b>	American depository receipt issued on OAO Gazprom's shares. Equals two ordinary shares of OAO Gazprom
<b>APG</b>	Associated petroleum gas
<b>APR</b>	Asian and Pacific Region includes countries located on continental Asia, America and in the Pacific Ocean zone
<b>Central Asia</b>	Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan
<b>CGPU</b>	Comprehensive gas processing unit
<b>CNG</b>	Compressed natural gas
<b>CS</b>	Compressor Station
<b>CSA</b>	Capacity supply agreement
<b>Dollars, US \$</b>	U.S. dollars
<b>Far Abroad</b>	Foreign countries, excluding FSU Countries
<b>FSU Countries</b>	Republics of the former USSR, except for the Russian Federation
<b>FTS of Russia</b>	Federal Tariff Service of Russia
<b>Gasification</b>	Construction of low-pressure gas pipelines to ensure gas supply to the ultimate consumers
<b>GDS</b>	Gas distribution subsidiary
<b>GPP</b>	Gas processing plant
<b>GPU</b>	Gas pumping unit
<b>GRES</b>	State district power station
<b>GTS</b>	Gas transportation system
<b>IFRS</b>	International Financial Reporting Standards
<b>LHG</b>	Liquefied hydrocarbon gases
<b>LNG</b>	Liquefied natural gas
<b>LSE</b>	London Stock Exchange
<b>MICEX</b>	Moscow Interbank Currency Exchange

<b>NTR</b>	Northern Tyumen regions
<b>RAS</b>	Russian Accounting Standards
<b>Rubles, RR</b>	Russian rubles
<b>UGSF</b>	Underground gas storage facility
<b>UGSS</b>	Unified Gas Supply System of Russia
<b>Brent</b>	A reference oil for the various types of oil in the North Sea, used as a basis for pricing
<b>EURIBOR</b>	European Interbank Offered Rate
<b>ISO 14001</b>	International Organization for Standardization
<b>ISO 9001</b>	International Organization for Standardization
<b>LIBOR</b>	London Interbank Offered Rate
<b>OHSAS 18001:2007</b>	Occupational Health and Safety Management Systems
<b>Urals</b>	A reference oil used as a basis for pricing for the Russian export oil mixture

## Units of measurement and Conversion table

Measure	Definition	Correspondence
bcm of natural gas	Billion Cubic meters of natural gas as measured at a pressure of one atmosphere and 20°C	= 35.316 billion cubic feet (bcf) of natural gas 1 mcm of natural gas=1.154 tce
barrel of crude oil	–	= 0,1364 metric ton of crude oil
barrel of gas condensate	–	= 0.1222 metric ton of gas condensate
BTU	British thermal unit	1 mln BTU = 0,028 mcm of natural gas = 0,02 t LNG
ton of oil	–	7.33 barrels of crude oil
ton of gas condensate	–	= 8.18 barrels of gas condensate
tce	A ton of standard coal equivalent	867 cm of natural gas, 0.7 ton of gas condensate, 0.7 ton of crude oil

## List of the foreign companies mentioned in the report

Full name	Short name	Country
ОАО Белтрансгаз	–	Belarus
AO Latvijas Gaze	–	Latvia
AO Lietuvos dujos	–	Lithuania
AO Moldovagaz	–	Moldovia
ЗАО АрмРосгазпром	–	Armenia
ЗАО Kaunas Heat and Power Electric Plant	–	Lithuania
ОО KazRosGaz	–	Kazakhstan
	Blue Stream Pipeline Company B.V.	Netherlands
BOTAS - Petroleum Pipeline Corporation	Botas	Turkey
	Bulgargaz EAD	Bulgaria
entrex Europe Energy & Gas AG	Centrex	Austria
China National Petroleum Corporation	CNPC	China Peoples Republic
Conef Energy SRL	Conef Energy	Romania
	DeGolyer and MacNaughton	USA
DONG Energy	DONG	Denmark
EconGas GmbH	EconGas	Austria
	E.ON Exploration and Production GmbH	Germany
E.ON Ruhrgas AG	E.ON Ruhrgas	Germany
EDF SA	EDF	France
EGL AG	EGL	Switzerland
ENI S.p.A.	ENI	Italy
EUROPIPE GmbH	Europipe	Germany

Full name	Short name	Country
GAIL (India) Limited	GAIL	India
GasTerra B.V	GasTerra	Netherlands
Gazprom EP International B.V.	Gazprom EP International	Netherlands
Gazprom Germania GmbH	Gazprom Germania	Germany
Gazprom Gerosgaz Holdings B.V.	Gazprom Gerosgaz Holdings	Netherlands
GDF Suez S.A.	GDF SUEZ	France
Gujarat State Petroleum Corporation Ltd	GSPC	India
GWH Gashandel GmbH	GWH	Austria
Korea Gas Corporation	Kogas	South Korea
N.V. Nederlandse Gasunie	Nederlandse Gasunie	Netherlands
Naftna Industrija Srbije A.D.	NIS	Serbia
	Nord Stream AG	Switzerland
	OMV	Austria
Panrusgas Gas Trading Plc.	Panrusgas	Hungary
	Petrovietnam	Vietnam
Polish Oil & Gas Company (PGNiG SA)	PGNiG	Poland
	RWE Transgas	Czechia
Sakhalin Energy Investment Company Ltd.	Sakhalin Energy	Bermuda Islands
Salym Petroleum Development N.V.	Salym Petroleum Development	Netherlands
SGT EuRoPol GAZ S.A.		Poland
Shell Energy Europe Limited	Shell Energy Europe	United Kingdom
Siemens AG		Germany
South Stream Slovenia LLC		Slovenia
South Stream Transport B.V. (up to November 2012 – South Stream Transport AG)	South Stream Transport	Netherlands
Slovenský plynárenský priemysel, a.s.	SPP	Slovakia
Statoil ASA		Norway
	The Bank of New York Mellon	USA
Total S.A.	Total	France
VELEX s. r. o.	Vemex	Czechia
Vitol S.A.	Vitol	Switzerland
Verbundnetz Gas AG	VNG	Germany
Wintershall Erdgas Handelshaus Zug AG	WIEE	Switzerland
Wintershall Erdgas Handelshaus GmbH	WIEH	Germany
WINGAS GmbH	Wingas	Germany
Wintershall AG		Germany
Wintershall Holding GmbH	Wintershall Holding	Germany
Wintershall Noordzee B.V.	Wintershall Noordzee	Netherlands



## ADDITIONAL INFORMATION

### List of Interested Party Transactions in 2012

#### List of Interested Party Transactions in 2012 Approved by OAO Gazprom's Governance bodies

1. Agreement No.1 to the order principal No. 3 dated 25.01.2011 to the agency contract No. PNR-15-2010 dated 02.07.2010 with ZAO Gazprom invest Yug, concerning contract support for comprehensive installation and commissioning works. Limited amount of reimbursable by OAO Gazprom expenses (including VAT paid by ZAO Gazprom invest Yug to the third parties) is RR 53,969,506.75. The limited remuneration fee of ZAO Gazprom invest Yug (including extra fees) is RR 114 342.18 (net of VAT). The interested person is Y. Y. Golko, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 30.06.2011.

2. Agreement No. 1 to the order principal No. 4 dated 24.01.2011 to the agency contract No. PNR-15-2010 dated 02.07.2010 with ZAO Gazprom invest Yug concerning contract support for comprehensive installation and commissioning works. Limited amount of reimbursable by OAO Gazprom expenses (including VAT paid by ZAO Gazprom invest Yug to the third parties) is RR 28,547,130.04. The limited remuneration fee of ZAO Gazprom invest Yug (including extra fees) is RR 60,481.21 (net of VAT). The interested person is Y. Y. Golko, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 30.06.2011.

3. Agreement no. 1 to the order principal No. 6 dated 07.06.2011 to the agency contract No. PNR-15-2010 dated 02.07.2010 with ZAO Gazprom invest Yug concerning contract support for comprehensive installation and commissioning works. Limited amount of reimbursable by OAO Gazprom expenses (including VAT paid by ZAO Gazprom invest Yug to the third parties) is RR 23,320,874.21. The limited remuneration fee of ZAO Gazprom invest Yug (including extra fees) is RR 49,408.68. The interested person is Y. Y. Golko, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 30.06.2011.

4. Addendum No.50 to the contract No.1GLa-2000 dated 16.11.1999 with AO Latvijas Gaze for the natural gas supply to Latvian Republic for 2000–2030 due to amendments concerning determination of volumes of gas deliveries to AO Latvijas Gaze in 2012. The volume of gas delivery 1n 2012 is 1,395,000,000 cm of which: - under terms "take-or-pay" – 1,116,000,000 cm; - above "take-or-pay" – 279,000,000 cm. Addendum comes into force from the signing by the parties date is applicable to the parties effective from 01.01.2012. The interested persons are K.G. Seleznev, V.V. Rusakova, E.E. Karpel, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's Board of Directors No. 1923 dated 19.01.2012.

5. Addendum (alteration) No.1 to agency order No.158pr-006/75-22 dated 13.08.2010 to the agency contract No.50- 60/158pr dated 12.06.2006 with OOO Gazprom Komplektatsiya, concerning contract support of delivery of goods for OAO Gazprom needs through tender procedures on the right to conclude mentioned contracts due to adjustments of time of work delivery, cost of goods, agency remuneration, terms and conditions of payment. Time of work delivery – 2011-2012. Total cost of goods (including VAT) comprises RR 2,293,674,218.13. Agency remuneration – 1.5% of the cost of goods delivered. Calculated in this way sum of agency remuneration is to be enlarged on VAT amount. The total remuneration fee with VAT comprises RR 34,405,113.27. Total sum of execution of agency order is equal to RR 2,328,079,331.40. Terms and conditions of OAO Gazprom payments to OOO Gazprom Komplektatsiya: - 40% from cost of goods is paid by OAO Gazprom as reimbursable expenses; - The rest of cost of goods delivered and agency remuneration is paid within 20 (twenty) banking days the base of act of services delivery in accordance with agency agreement. The interested person is I.Y. Fedorov, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 30.06.2011.

6. Additional agreement No.4 to the gas delivery contract No. 30Pk-2010/2009-690-M dated 27.01.2010 with OAO Novatek due to adjustments of volume of gas delivery in 2011 and 2012 and price for gas in 2012. The volume of gas supply in 2011 is up to 17,200 mmcm. In 2012 – up to 10,000 mmcm. The price for gas for the period from 01.01.2012 to 31.12.2012 is RR 1,390 for 1 000 cm. The interested persons are K.G. Seleznev, A.I. Akimov, members of OAO Gazprom's governance bodies. Approved by the resolution of OAO Gazprom's Annual General Shareholders Meeting dated 30.06.2011. The price for gas from 01.01.2012 up to 31.12.2012 is RR 1,390 for 1,000 cm. The interested persons are K.G. Seleznev, A.I. Akimov, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 30.06.2011.

7. Buy and sell agreement with GPB (OJSC). OAO Gazprom purchases 375,000 additional ordinary personal shares of GPB (OJSC) with nominal value of RR 1, 000 each, with total cost RR 375,000,000.00, at a price of RR 20,000 per share, with payment by cash for the total amount of RR 7,500,000,000.00 as a result of which OAO Gazprom's share in registered capital of GPB (OJSC) shall be 35,54 %. The interested persons are A.B. Miller, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, K.G. Seleznev, A.I. Akimov, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's Board of Directors dated 23.12.2011 No. 1911.

8. Agreement of cancellation of a contract on subordinated deposit dated 15.12.2008 No. 1 with GPB (OJSC). Contract of subordinated deposit No. 1 dated 15.12.2008 is cancelled till 31.01.2012. Till 31.01.2012 GPB (OJSC) returns full amount of the deposit to the account of OAO Gazprom, mentioned in the contract, and pays the interstaccrued on the deposit account. The interested persons are A.B. Miller, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, K.G. Seleznev, A.I. Akimov, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's Board of Directors dated 23.12.2011 No. 1911.

9. Addendum No.53 to the contract on volumes and terms and conditions of deliveries of natural gas to the Lithuanian Republic in 2000 - 2015 No.1GLi-2000 dated 16.12.1999 with AO Lietuvos dujos due to adjustments of volume of gas delivery, mark up price for gas and calculated cost of the contract. Starting from 2012, 80% of annual volume of natural gas is delivered on "take-or-pay" basis. The volumes of gas delivery in 2012-2015: total in 2012 – 1,300 mmcm; total in 2013 – 1,250 mmcm; total in 2014 – 1,250mmcm; total in 2015 – 1,200 mmcm. Calculated amount of the contract will account to EUR 2,531,409,938. The interested persons are K.G. Seleznev, V.A. Golubev, members of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 30.06.2011.

10. Addendum No. 21 to the Contract No.6GLi-2004 dated 05.02.2004 for the natural gas supply in 2004-2017 with ZAO Kaunas Heat and Power Plant due to adjustments of volume of gas delivery, mark up price for gas and calculated amount of the contract. Starting from 2012, 80% of annual volume of natural gas is delivered on "takeor- pay" basis. The volume of gas supply in 2012 is 270 mmcm. The basic price for gas delivered by OAO Gazprom to ZAO Kaunas Heat and Power Plant is settled in the amount of EUR 180 for 1,000 cm. Calculated amount of the contract will account to EUR 743,759,400. The interested persons are K.G. Seleznev, V.A. Golubev, members of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 30.06.2011.

11. Agreement with OAO Gazprom neftekhim Salavat on restructuring the debt of OAO Gazprom neftekhim Salavat to OAO Gazprom for liquid hydrocarbons. Restructuring of the debt of OAO Gazprom neftekhim Salavat to OAO Gazprom, as of 01.07.2011 under the following contracts: No. K7009-005 dated 25.12.2008, No. 8-10 (g) dated 31.01.2006, No. 79-10/09 dated 07.12.2009, No. B75-G05410 dated 25.01.2010, by way of payment in installments. The principal debt amounts are: – under contract No. K7009-005 25.12.2008 – RR 1,325, 614,780.50, including VAT; – under contract No. 8-10 (g) dated 31.01.2006 – RR 3,107, 938, 937.87 , including VAT; – under contract No. 79-10/09 dated 07.12.2009 – RR 2,631,877,360.22, including VAT; – under contract No. B75-G05410 dated 25.01.2010 – RR 1,132,897,118.39, including VAT. The total amount of debt of OAO Gazprom neftechim Salavat to OAO Gazprom as of 01.07.2011 is RR 8,198,328,232.98 including VAT(hereinafter Debt). The debt is paid on the monthly basis for each contract in accordance with the schedule of payment (further – Schedule of payment) via transfer of money by OAO Gazprom neftechim Salavat to the corporate bank account of OAO Gazprom, mentioned in payment details of the relevant contract, in the following order: – payment currency - Rubles; – the time of payment – 25date of each (current) month; – the amount of payment under each contract – according to the Schedule of payment; – the period of restructuring of Debt – within 5 (five) years (until 01.07.2016). For the allowance of installment payment plan to OAO Gazprom neftechim Salavat pays to OAO Gazprom interst rate, paid monthly in the amount of 6.81 % per annum from the amount of noncovered debt separately for each contract for each day of last pay. For the violation by OAO Gazprom neftechim Salavat of the time of transfer of payment and/or the amount of interest OAO Gazprom is allowed to charge penalty (fine) in the amount of 0.1 % from the amount of unpaid Debt and unpaid interest in time for each day of overdue. The agreement comes into force from the date of its signing by the parties and is effective until full repayment by OAO Gazprom neftechim Salavat of Debt and accrued interest under contracts. The terms and conditions of the contract are applicable to the parties effective from 01.07.2010. The interested persons are K.G. Seleznev, E.V. Mikhailova, members of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's Board of Directors No. 2040 dated 13.08.2012.

12. Agreement No. 01/1600-S-8/12 to the rental contract No. 01/1600-D-6/12 dated 30.12.2011 with ZAO Gazprom telecom due to specification of conditions of contract in the part of order of exploitation of leased property. The interested person is M.L.Sereda, member of OAO Gazprom's Board of Directors. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

13. Agreement No. 01/1600-S-9/12 to the rental contract No. 01/1600-D-9/12 dated 30.12.2011 with ZAO Gazprom telecom due to specification of conditions of contract in the part of order of exploitation of leased property. The interested person is M.L.Sereda, member of OAO Gazprom's Board of Directors. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

14. Agreement No. 01/1600-S-9/12 to the rental contract No. 01/1600-D-10/12 dated 30.12.2011 with ZAO Gazprom telecom due to specification of conditions of contract in the part of order of exploitation of leased property. The interested person is M.L.Sereda, member of OAO Gazprom's Board of Directors. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

15. Addendum No. 5/12 to the contract No.MRG-2009/1-016/09 dated 29.12.2008 with OOO Gazprom mezhregiongaz due to adjustments of volumes of gas deliveries in 2012. The volume of gas supply from 01.01.2012 up to 31.12.2012 is 257.0 bcm, including: at regulated prices (the main gas supply) – 233.6 bcm; under conditions established by the Government of the Russian Federation by Decree No. 333 dated 28.05.2007 (additional gas supply), – 23.4 bcm. The volume of gas supply from Inchugalinsky PHG in the period from 2012 up to 2014 is 2, 100.0 mmcm. The interested person is K.G. Seleznev, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

16. Addendum No. 4 to the contract No.23 PK-2009 dated 29.12.2008 with ZAO Nortgaz Plant for the natural gas supply due to the change in the volume of gas and pricing formula in 2012. The volume of gas supply in 2012 is up to 68.0 mmcm, the price of gas supplied in 2012 amounts to RR 1,143.30 for 1, 000 cm, net of VAT. The interested person is K.G. Seleznev, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

17. Agreement with TOO KazRosGaz concerning gas transportation arrangement services through the territory of the Russian Federation in 2012. The volume of gas transportation in 2012 is up to 8 122 mmcm. The rate of payment for services for transportation of 1 000 cm of gas for 100 km is set at the rate of US \$ 2.0, including all taxes and charges payable on the territory of the Russian Federation, as well as VAT at the statutory rate. Interested persons are A.I. Medvedev, K.G. Seleznev, V.A. Golubev, members of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

18. Travel costs insurance contract for employees, traveling on business, with OAO SOGAZ. Insurance coverage for travel costs of employees of OAO Gazprom (hereinafter – the Insured), going on business trips from their permanent places of residence. OAO SOGAZ upon OAO Gazprom's request issues insurance policies, containing all significant insurance contract conditions, provided for by applicable laws of the Russian Federation, and processed in line with the Rules for insurance coverage of traveling citizens, approved by the Chairman of the Board of OAO SOGAZ on 23.03.2011, per every Insured person. The insurance policy covers all accidents (events) that happen over the period of any business trip of an insured person in a territory, listed by the person in his insurance policy, including accidents (events), occurring as a result of emergencies at production or other facilities; hostilities, maneuvers or any other military activities; civil war, civil commotion of any kind; natural disasters and acts of God; terrorist acts. Insurance policy categories: 1. Term policy (one trip). 2. Term policy (at least 180 days), covering an unlimited amount of trips, with duration of each trip at least 45 days. 3. Term policy (at least one year), covering an unlimited number of trips with no limitation on the duration of stay for any trip. Contract comes in force on January 1, 2012 and is effective up to December 31, 2012. Interested persons are A.B. Miller, N.N. Dubik, A.V. Kruglov, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's Board of Directors No. 1939 dated 13.02.2012.

19. Gas supply contract with OOO Gazprom mezhregiongaz. OAO Gazprom delivers to OOO Gazprom mezhregiongaz combustible natural gas including dry topped gas produced by OAO Gazprom and/or its affiliates for its further realization to consumers of the Russian Federation: Republic of Dagestan, Kabardino-Balcar Republic, Karai- Cherkess Republic, Republic of Ingushetia and Republic of North Ossetia-Alania. The volume of gas delivery in the period from 01.01.2012 to 31.12.2012 is 6,399.8 mmcm, including: at regulated prices (the main gas supply) – 6,280.3 mmcm; under conditions established by the Government of the Russian Federation by Decree No. 1021 dated 29.12.2000 with amendments approved by the Government of the Russian Federation by Decree No. 333 dated 28.05.2007 (additional gas supply) – 119.5 mmcm. The interested person is K.G. Seleznev, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 30.06.2011.

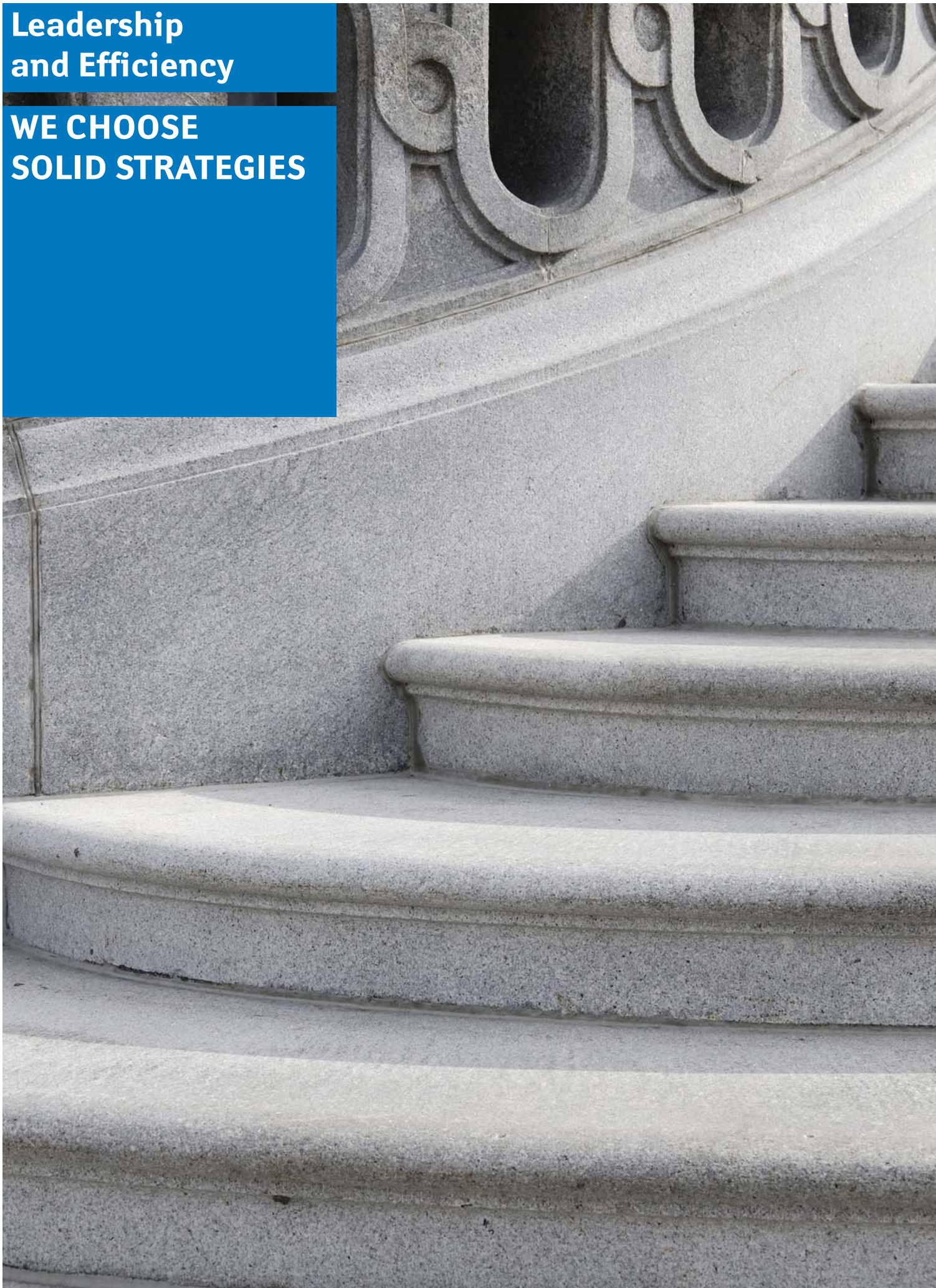
20. Gas supply contract with OOO Gazprom mezhregiongaz. OAO Gazprom delivers to OOO Gazprom mezhregiongaz combustible natural gas including dry topped gas produced by OAO Gazprom and/or its affiliates for its further realization to consumers. The volume of gas delivery in 2012 is 1,786.9 mmcm. Interested person is K.G. Seleznev, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

21. Addendum No. 2 to the contract No. 7NPtr-2010 dated 20.01.2010 with OAO Tomskgazprom for gas transportation arrangement services due to adjustment of volume of gas transportation in 2012. The volume of gas transportation in 2012 is 3,169.1 mmcm. Interested persons are A.V. Kruglov, M.L. Sereda, K.G. Seleznev, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 30.06.2011.



**Leadership  
and Efficiency**

**WE CHOOSE  
SOLID STRATEGIES**







## We choose quality

Energy unit of CCGT Plant-450 of the Pravoberezhnaya Thermal Power Plant is another contribution of *Gazprom* to the quality of heat supply in Saint Petersburg and to the reliability of its energy system.



## We choose speed

The second line of the Nord Stream was put into operation in the record-short time. This pipeline connected the European markets to the largest gas deposits in the North of Russia.



## We choose efficiency

The CCGTs at the new Adler Thermal Power Plant are the most efficient in the sector.



22. Tax Consolidated Group Contract (hereinafter – TCG) with ООО ГазпромАВИА Aviation Company, ОАО Газпром ВНИИГАЗ, ООО Газпром Газнадзор, ООО Газпром Газобезопасност, ОАО Газпром Газораспределение, ОАО Газпром Газэнергосет, ООО Газпром Геологоразведка, ООО Газпром Добыча Астрахан, ООО Газпром Добыча Надым, ОАО ВостокГазпром, ООО Газпром Invest Vostok, ООО Газпром Invest Zapad, ЗАО Газпром Invest Yug, ООО Газпром Inform, ООО Газпром Komplektatsiya, ООО Газпром Pererabotka, ООО Газпром Podzemremont Orenburg, ООО Газпром Podzemremont Urengoy, ОАО Газпром Promgaz, ООО Газпромtrans, ООО Газпром Transgaz Yekaterinburg, ООО Газпром Transgaz Kazan, ООО Газпром Transgaz Makhachkala, ООО Газпром Transgaz Nizhny Novgorod, ООО Газпром Transgaz Samara, ООО Газпром Transgaz Saint-Petersburg, ООО Газпром Transgaz Saratov, ООО Газпром Transgaz Stavropol, ООО Газпром Transgaz Tomsk, ООО Газпром Transgaz Ufa, ООО Газпром Transgaz Ukhta, ООО Газпром Transgaz Tchaikovsky, ООО Газпром Transgaz Yugorsk, ООО Газпром Centrremont, ООО Газпром Export, ООО Газфлот, ООО Georesurs, ОАО TomskГазпром, ЗАО Yamalgazinvest, ООО Газпром Добыча Краснодар, ООО Газпром Добыча Нойабрск, ООО Газпром Transgaz Краснодар, ООО Газпром UGS, ООО Газпром Neft Shelf, ООО Газпром Добыча Shelf, ООО Газпром Добыча Orenburg, ООО Газпром Добыча Urengoy, ООО Газпром Mezhhregiongaz, ООО Газпром Sera, ООО Газпром Transgaz Surgut, ООО Газпром Добыча Yamburg, ООО Газпром Transgaz Volgograd, ООО Газпром Transgaz Moscow, ЗАО Газпром YRGM Development, ЗАО Газпром YRGM Trading. Liable member of the TCG – ОАО Газпром. Members of TCG are entities, where ОАО Газпром directly or indirectly has an equity share, with its share in each such entity at least 90 %. The contract is made with the purpose of consolidating entities into TCG for accrual and payment of corporate profit tax, resulting from consolidated financial performance of all entities in accordance with tax laws of the Russian Federation, and in all other cases, not regulated by tax laws of the Russian Federation, in accordance with civil procedure laws of the Russian Federation. Liabilities of the parties are related to accrual and payment of corporate profit tax of the entities in TCG. Powers of the liable member of TCG: ОАО Газпром is a legal representative of TCG members in all respects, related to accrual and payment of corporate profit tax in TCG, in TCG corporate profit tax audits by tax and other agencies, and execution of any other powers, established by the Tax Code of the Russian Federation. ОАО Газпром as a legal representative is entitled to exercise the following powers: – sign and submit addresses, letters, statements, protests, appeals and other complaints, tax returns, applications for tax refunds (credits) to tax authorities, other documents, related to TCG operations, including those in the interests of individual TCG members, sent to tax authorities; – represent interests of TCG members during review of tax audit materials and protests on additional tax control audits, during reconciliation with tax agencies; – receive and submit documents, appeals and other complaints, related to TCG activities, including those in the interests of individual TCG members, to tax authorities; – perform other activities, required to represent interests of TCG members in their relations with tax authorities of the Russian Federation and other parties to relations, regulated by tax laws of the Russian Federation; – the authority to certify document copies; – the authority to send any mail, including telegrams, registered mail with lists of enclosures, first-class mail and any other letters, related to TCG, via mail services; – the authority to send correspondence via electronic channels. TCG members undertake to issue to ОАО Газпром power of authority for any other powers, required for the latter to perform its obligations under the contract, including but not limited to, representation of TCG member interests in arbitration proceedings and during court enforcement, related to TCG profit tax, in one month after execution of the contract. TCG members authorize ОАО Газпром to adopt an accounting policy for TCG profit tax purposes (hereinafter – TCG Accounting Policy). TCG Accounting Policy, adopted by ОАО Газпром, will be binding for all parties to the contract. TCG members authorize ОАО Газпром to adopt TCG methodology documents. In the event of delays in payment of any amounts payable under the contract, ОАО Газпром has the right to demand, and TCG member, at a demand from ОАО Газпром, is required to pay a penalty fee of 1/300 of the refinancing rate of the Central Bank of the Russian Federation in force at the time of the delay, on the overdue amount per each day of delay. The penalties, specified in the contract, shall be considered accrued as of the moment of dispatch of written request by ОАО Газпром. In the event, when a party disagrees with such a claim, it has the right to go to court. TCG is created for an indefinite period of time. The contract shall be considered executed on the day of its signing by all parties. The contract shall be effective till the date, determined in accordance with Paragraph 4, Article 25.3 of the Tax Code of the Russian Federation. The contract shall apply to the period starting from 01.01.2012. Termination of the contract shall not in any way impair rights, duties and liabilities of any party, arising before the date of its termination. The contract shall be valid for the parties even after its expiry in relation to the legal relationships for accrual and payment of profits for TCG over those reporting (tax) periods, when a party was a TCG member. Interested persons are A.I. Medvedev, V.A. Golubev, Y.Y. Golko, K.G. Seleznev, E.V. Mikhailova, V.A. Kruglov, M.L. Sereda, E.A. Vasilieva, V.V. Rusakova, I.Y. Fedorov, members of ОАО Газпром's governance bodies. Approved by the Resolution of ОАО Газпром's Board of Directors No. 1975. dated 26.04.2012

23. Addendum No. 3/12 to the Contract No. MRG/np-2010/1-007/10 dated 30.07.2010 with ОАО Газпром mezhhregiongaz due to the adjustments of volumes of gas deliveries in 2012. The volume of gas supply to consumers in Kamchatka Krai of the Russian Federation (excluding Sobolevsky district) in 2012 is 331.6 mmcm. Interested person is K.G. Seleznev, member of ОАО Газпром's collegiate executive body. Approved by the Resolution of ОАО Газпром's Annual General Shareholders Meeting dated 30.06.2011.

24. Agreement to the contract concerning amendments to the contract for investments projects execution No. YuP-003 dated 13.04.2011 with ООО Газпром Centrremont due to changes in investment program for 2012. The cost of services of ООО Газпром Centrremont for 2012 is RR 9,745,762.71.00 (net of VAT). The interested persons are A.V. Kruglov, M.L. Sereda, members of ОАО Газпром's governance bodies. Approved by the Resolution of ОАО Газпром's Annual General Shareholders Meeting dated 30.06.2011.



25. Contract with OAO Gazprom Promgaz for performance of the research work. OAO Gazprom binds and OAO Gazprom Promgaz commits to execute in accordance with technical assignment the research work. The theme: "To conduct research of the possibility of usage of alternative sources of gas supply of the Republic of Buriatia for the purposes of gasification (coal mine methane (coalbed methane), gas-hydrates, shale gas, semiminor oilfield and others). To prepare recommendations". The cost of work is RR 8,486,000.00 (net of VAT). The time of work delivery is from 01.11.2011 up to 30.04.2012. The terms and conditions of the contract are applicable to the parties effective from 01.11.2011. The interested person is V.V. Rusakova, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

26. Addendum No. 5 to the Contract No.1GM-07-11 dated 29.12.2006 with AOOT Moldovagaz concerning terms and conditions of natural gas delivery to the Republic of Moldova in 2007–2011 dated 29.12.2006 due to its prolongation up to 30.06.2012 inclusive and due to adjustments of volume of gas deliveries in the second quarter of 2012. The total volume of gas delivery on the DAP conditions the border of Ukraine and the Republic of Moldova for the consumers in the Republic of Moldova, including for OOO Tiraspoltransgaz, in the second quarter of 2012 shall not exceed 544 mmcm. Estimated cost of the deliverable gas for the consumers of the Republic of Moldova in the second quarter of 2012 shall approximately amount to US \$ 210.00 mln. (VAT included) The interested persons are N.N. Dubik, V.A. Golubev, members of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

27. Addendum No. 4 to the Contract No. 2GM-11 dated 31.12.2010 with AOOT Moldovagaz concerning terms and conditions of natural gas transit via the territory of the Republic of Moldova in 2011 due to its prolongation up to 31.03.2012 inclusive and due to adjustments of volume and cost of gas transportation arrangement services. In the first quarter of 2012 the volume of gas transportation in the regime of transit via the territory of the Republic of Moldova for the delivery to other European countries in the direction of GMS Orlovka shall amount to 6,250 mmcm. In payment of services rendered by AOOT Moldovagaz to OAO Gazprom for gas transportation through the territory of the Republic of Moldova for deliveries to other countries in the service range of OOO Tiraspoltransgaz OAO Gazprom in the first quarter of 2012 shall provide, and AOOT Moldovagaz shall receive for the support of gas balance of the Republic of Moldova gas in the volume up to 24.1 mmcm. The cost of gas delivered on the DAP conditions the border of Ukraine and the Republic of Moldova for the consumers in the Republic of Moldova, in the first quarter of 2012 is established at the amount of US \$ 382.24 per 1000 cm. Estimated cost of the deliverable gas, in payment for services rendered by AOOT Moldovagaz to OAO Gazprom for the transportation of gas over the territory of the Republic of Moldova to other countries in the first quarter of 2012 shall approximately amount to US \$ 9,212 thousands. The interested persons are N.N. Dubik, V.A. Golubev, members of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

28. Addendum No. 5 to the Contract No. 2GM-11 dated 31.12.2010 with AOOT Moldovagaz concerning terms and conditions of natural gas transit via the territory of the Republic of Moldova in 2011 due to its prolongation up to 30.06.2012 and due to adjustments of volume and cost of gas transportation arrangement services. In the second quarter of 2012 the volume of gas transportation in the regime of transit via the territory of the Republic of Moldova for the delivery to other European countries in the direction of GMS Orlovka shall amount to 4,878 mmcm. In payment of services rendered by AOOT Moldovagaz to OAO Gazprom for the gas transportation over the territory of the Republic of Moldova to other countries in the service range of OOO Tiraspoltransgaz OAO Gazprom in the first quarter of 2012 shall provide, and AOOT Moldovagaz shall receive for the support of gas balance of the Republic of Moldova gas in the volume up to 18 mmcm. Estimated cost of services provided by AOOT Moldovagaz for the transportation of gas in the regime of transit via the territory of the Republic of Moldova in the second quarter of 2012 amounts approximately to US \$ 13,900 thousands (VAT included). Estimated cost of gas, delivered in the second quarter of 2012 in payment for services rendered by AOOT Moldovagaz for the transportation of gas via the territory of the Republic of Moldova to other countries amounts approximately to US \$ 6,922 thousands. The interested persons are N.N. Dubik, V.A. Golubev, members of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

29. Order No. 4 to the agency contract No. PNR-2-2010 dated 03.06.2010 with ZAO Yamalgazinvest, concerning contract support for comprehensive installation and commissioning works. Limited amount of reimbursable by OAO Gazprom expenses of ZAO Yamalgazinvest (including VAT paid by ZAO Yamalgazinvest to the third parties) is RR 5,216,378.80. The limited remuneration fee of ZAO Yamalgazinvest (including extra fees) is RR 11,051.65 (net of VAT). The interested persons are E.A. Vasilieva, Y.Y. Golko, members of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

30. Order No. 5 to the agency contract No. PNR-2-2010 dated 03.06.2010 with ZAO Yamalgazinvest, concerning contract support for comprehensive installation and commissioning works. Limited amount of reimbursable by ОАО Gazprom expenses of ZAO Yamalgazinvest (including VAT paid by ZAO Yamalgazinvest to the third parties) is RR 147,212,000. The limited remuneration fee of ZAO Yamalgazinvest (including extra fees) is RR 311,889.83 (net of VAT). The interested persons are E.A. Vasilieva, Y.Y. Golko, members of ОАО Gazprom's collegiate executive body. Approved by the Resolution of ОАО Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

31. Addendum No. 4/12 to the contract No. MRGtr-2009/1-003/09 dated 19.01.2009 with ООО Gazprom mezhregiongaz on gas transportation arrangement services due to adjustments of volumes of gas deliveries in 2012. The volume of gas transportation in 2012 is 3,421.5 mmcm. The interested person is K.G. Seleznev, member of ОАО Gazprom's collegiate executive body. Approved by the Resolution of ОАО Gazprom's annual General Shareholders Meeting dated 30.06.2011.

32. Additional agreement concerning amendments to the contract No. 2/919-99 on a joint venture (simple partnership) dated 20.08.1999 with ОАО Gazprom Kosmicheskije Sistemy, ООО Novfinteh. Insertion by ОАО Gazprom additional property deposit to the joint work, as a result of which: -The amount of deposit of ОАО Gazprom shall be RR 3,252,322,916.7, which amounts to the 95.99 % share of the total property, - The amount of deposit of ОАО Gazprom Kosmicheskije Sistemy shall be RR 134,810,399.98, which amounts to the 3.98 % share of the total property. Property deposit (property) is a completed construction project "Network of cellular communications for provision of air traffic control on the Yamal peninsula". The value of contribution (property) is RR 71,960,274.97. The interested persons are M.L. Sereda, S.F. Homyakov, members of ОАО Gazprom's collegiate executive body. Approved by the Resolution of ОАО Gazprom's annual General Shareholders Meeting dated 30.06.2011. The interested persons are M.L. Sereda, S.F. Homyakov, members of ОАО Gazprom's governance bodies. Approved by the Resolution of ОАО Gazprom's Board of Directors No. 1944 dated 20.02.2012.

33. Additional agreement No. 13 to the gas supply contract No. 25Pk-2007 dated 13.12.2007 with ОАО Severneftegazprom due to specification of the place of transfer of gas and the transfer of ownership from ОАО Severneftegazprom to ОАО Gazprom. The interested persons are A.I. Medvedev, V.V. Cherepanov, members of ОАО Gazprom's collegiate executive body. Approved by the Resolution of ОАО Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

34. Additional agreement No. 1 to the liability insurance contract No. 11DO0633 dated 30.09.2011 with ОАО SOGAZ due to specification of the list of insured persons. The interested persons are A.B. Miller, N.N. Dubik, members of ОАО Gazprom's governance bodies. Approved by the Resolution of ОАО Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

35. Contract with ОАО Gazprom Neft concerning gas transportation arrangement services. In the period from 01.01.2012 up to 31.12.2012 the volume of gas transportation is 6,357.965 mmcm. The interested persons are A.B. Miller, A.V. Kruglov, V.A. Golubev, K.G. Seleznev, N.N. Dubik, V.V. Cherepanov, members of ОАО Gazprom's governance bodies. Approved by the Resolution of ОАО Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

36. Buy and sell agreement of sale of equipment with ОАО Gazprom Gazoraspredeleniye. ОАО Gazprom undertakes to transfer into ownership of ОАО Gazprom Gazoraspredeleniye, and ОАО Gazprom Gazoraspredeleniye undertakes to accept and pay for equipment (further – property) beneficially owned by ОАО Gazprom. The cost of property is RR 869,000 (net of VAT in the amount of RR 156,420.00). The order of counting – ОАО Gazprom Gazoraspredeleniye within 20 calendar days as of the date of signing of agreement executes prepay by transfer of RR 869,000.00, (net of VAT in the amount of RR 156,420.00) to the ОАО Gazprom current account. The time of performance of obligations – ОАО Gazprom is obliged within 5 calendar days from the date of execution by ОАО Gazprom Gazoraspredeleniye of obligation to pay for property to transfer property to ОАО Gazprom Gazoraspredeleniye under acceptance acts by the form OS-1 gazex. ОАО Gazprom Gazoraspredeleniye receives freehold interest in the property from the point of signing by the parties of acceptance act. The Agreement is effective up to performance by the parties of their obligations arising from it in full. The interested persons are K.G. Seleznev, E.V. Mikhailova, members of ОАО Gazprom's collegiate body. Approved by the Resolution of ОАО Gazprom's Board of Directors No. 1942 dated 15.02.2012.

37. Addendum No. 43 to the Contract No. 22NPtr/k-2004 dated 06.10.2003 with ОАО Novatek for gas transportation arrangements services due to rewording of the contract. ОАО Gazprom provides services for the transportation arrangements by trunk gas pipeline over the territory of the Russian Federation, as well as over the territory of the Republic of Kazakhstan in the period from 01.01.2012 up to 31.12.2015 in the following volumes: 2012 – 40,122.267 mmcm, 2013 – 33,057.019 mmcm, 2014. – 28,512.808 mmcm, 2015 – 3,620.0 mmcm. The interested persons are K.G. Seleznev, A.I. Akimov, members of ОАО Gazprom's governance bodies. Approved by the Resolution of ОАО Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

38. Addendum No. 5 to the Contract No. 30Pk-2010/2009-690-M dated 27.01.2010 with OAO Novatek for gas transportation arrangements services due to specification of the volume of gas delivery in 2012. The volume of gas delivery in 2012 amounts to 11,600,000 mmcm. The interested persons are K.G. Seleznev, A.I. Akimov, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

39. Additional agreement No. 6 to the commission contract No. GE 01/09 dated 07.12.2009 with OOO Gazprom Export due to specification of range of goods (refinement products). The interested person is A.I. Medvedev, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

40. Agreement of shares subscription with OAO Belgazprombank. OAO Gazprom purchases 425,000,000,000 supplemental registered ordinary shares of OAO Belgazprombank with nominal value of Br 1 each, with total cost Br 425,000,000,000, at offering price of Br 1 per share, paid in cash for a total of US \$ 50.00 mln, as a result of which the share of OAO Gazprom in the authorized capital of OAO Belgazprombank shall be 49.67 %. The interested person is A.V. Kruglov, member of OAO Gazprom's collegiate body. Approved by the Resolution of OAO Gazprom's Board of Directors No. 1945 dated 20.02.2012.

41. Addendum No 14 to the contract No. 22NPphg/k-2007 dated 23.07.2007 with OAO Novatek for gas transportation arrangement services due to adjustment of volume of gas pumping, storage and withdrawal of gas in the QI, Q II and QIII 2012 and the cost of services. The volume of pumping, storage and withdrawal of gas in QII and QIII 2012 amounts to 532.8 mmcm, in QI 2012 – 1,015.386 mmcm. The cost of services for the arrangement of pumping of gas in the reported period is defined as the product of the actual volume pumped gas in the reporting month and the rate for organization of its injection in the amount of: – RR 20.90 per 1,000 cm for Puginsky UGSF; – RR 46.91 per 1,000 cm for Kasimovsky UGSF. Net of VAT. The cost of services for the arrangement of withdrawal of gas in the reporting month is defined as the product of the actual volume of withdrawn gas in the reporting month and the rate for the organization of its withdrawal in the amount of: – RR 20.90 per 1,000 cm for Puginsky UGSF; – RR 46.91 per 1,000 cm for Kasimovsky UGSF. Net of VAT. The cost for arrangement of gas storage is defined monthly based on the actual volume of injection, storage and withdrawal of gas in the season of storage, and the rate per season of storage in the amount of: – RR 508.28 per 1,000 cm for Puginsky UGSF; – RR 651.77 per 1,000 cm for Kasimovsky UGSF. The interested persons are K.G. Seleznev, A.I. Akimov, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

42. Addendum No. 51 to the contract No. 1GLa-2000 dated 16.11.2009 with AO Latvijas Gaze for the natural gas supply to Latvian Republic for the period of 2000–2030 due to adjustments of tariffs of gas transportation. The price of services for gas transportation over the territory of the Latvian Republic, that belongs to OAO Gazprom, for pumping gas into UGSF and while withdrawal from it for Russian and other consumers, located behind its borders is EUR 1.62 per 1,000 cm for the distance of 100 km. The interested persons are K.G. Seleznev, V.V. Rusakova, E.E. Karpel, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

43. Agreement for the provision of services with OOO Gazprom Centrremont. OOO Gazprom Centrremont undertakes to provide services for engineering and technical support supply of replacement parts for the flow of centrifugal compressors pumping units installed on the booster compressor station (BCS) of OAO Gazprom, in accordance with the assignment to provide services, and OAO Gazprom is obliged to accept and pay for such services. The cost of services according to the contract amounts to RR 4,850, 118.55, (net of VAT in the amount of RR 873,021.34). The payment of provided services to OOO Gazprom Centrremont is executed by OAO Gazprom within 30 calendar days as of the date of signing of the act of acceptance of services provided by the parties at the appropriate stage in the presence of an invoice by transferring funds to the account of OOO Gazprom Centrremont. The time of services delivery is from the date of signing of the contract up to 30.12.2012. Agreement enters into force since the date of its signing and is effective up to performance by the parties of their obligations arising from it in full. The interested persons are A.V. Kruglov, M.L. Sereda, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's Board of Directors No. 1980 dated 21.05.2012.

44. Additional agreement No. 1 to the contract No. 11RT0321 dated 01.07.2011 concerning insurance of property with OAO SOGAZ due to adjustments of limits of responsibility for one insurance event and the insurance rate for certain types of insurances. The interested persons are A.B. Miller, N.N. Dubik, A.V. Kruglov, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

45. Agreement on opening line of credit with GPB (OJSC). GPB (OJSC) provides ОАО Gazprom credit (credits) in Rubles and/or US dollars and/or EUR in terms and on conditions, provided by the Agreement and the loan contracts, drawn by the Parties through the signing of evidence, in which the Parties have agreed on the terms of the related loan, and the Client is obliged to repay the loan (loans) and to pay accrued interest to it (them). The limit of indebtedness under the credit facility (the maximum lump sum payable under the credit facility) is set in the amount of RR 60,000,000,000.00. The interested persons are A.B. Miller, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, K.G. Seleznev, A.I. Akimov, members of ОАО Gazprom's governance bodies. Approved by the Resolution of ОАО Gazprom's Annual General Shareholders Meeting dated 29.06.2012.

46. Agreement for the provision of e-banking service (EBS) with ОАО AB RUSSIA. In accordance with the agreement ОАО AB RUSSIA and ОАО Gazprom use the Client – Bank system for secure communication (using certified cryptographic protection of information) of electronic documents. The interested person is K.G. Seleznev, member of ОАО Gazprom's collegiate executive. Approved by the Resolution of ОАО Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

47. Additional agreement No. 1/12 to the contract No. S/MRGp-2011/1-005/11 dated 17.10.2011 with ООО Gazprom mezhregiongaz due to adjustments of volumes of gas deliveries in 2012. The volume of gas supply in 2012 for consumers in Primorski Krai is 1,048,491 mmcm, consumers in the Sakhalin Region is 258,489 mmcm. The interested person is K.G. Seleznev, member of ОАО Gazprom's collegiate executive body. Approved by the Resolution of ОАО Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

48. Addendum No. 6 to the Contract No. 2GM-11 dated 31.12.2010 with АООТ Moldovagaz concerning terms and conditions of natural gas transit via the territory of the Republic of Moldova in 2011 due to the prolongation its prolongation up to 31.12.2012 inclusive and due to adjustments of volume and cost of gas transportation arrangement services. In the second quarter of 2012 the volume of gas transportation in the regime of transit via the territory of the Republic of Moldova for the delivery to other European countries in the direction of GMS Orlovka shall amount to 8,231 mmcm. In payment of services rendered АООТ Moldovagaz to ОАО Gazprom for the gas transportation over the territory of the Republic of Moldova to other countries in the service range of ООО Tiraspoltransgaz ОАО Gazprom in the first quarter of 2012 shall provide, and АООТ Moldovagaz shall receive for the support of gas balance of the Republic of Moldova gas in the volume up to 37 mmcm. Estimated cost of services provided by АООТ Moldovagaz for the transportation of gas in the regime of transit via the territory of the Republic of Moldova in the second quarter of 2012 amounts approximately to US \$ 24,786 thousands (VAT included). Estimated cost of gas, delivered in the second quarter of 2012 in payment for services rendered by АООТ Moldovagaz for the transportation of gas via the territory of the Republic of Moldova to other countries amounts approximately to US \$ 15,005 thousands (VAT included). The interested persons are N.N. Dubik, V.A. Golubev, members of ОАО Gazprom's collegiate executive body. Approved by the Resolution of ОАО Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

49. Addendum No. 6 to the Contract No. 1GM-07-11 dated 29.12.2006 with АООТ Moldovagaz concerning terms and conditions of natural gas delivery to the Republic of Moldova in 2007–2011 due to prolongation of its prolongation up to 31.12.2012 inclusive and due to adjustments of volume of gas deliveries in the second quarter of 2012. The volume of gas supply in the second quarter of 2012 amounts to 544 mmcm, the total volume of gas delivery on the DAP conditions (Incoterms 2010) the border of Ukraine and the Republic of Moldova for the consumers in the Republic of Moldova, including for ООО Tiraspoltransgaz, in the second quarter of 2012 shall not exceed 1,574 mmcm. Estimated cost of the deliverable gas for the consumers of the Republic of Moldova in the second quarter of 2012 shall approximately amount to US \$ 638.34 mln (VAT included) The interested persons are N.N. Dubik, V.A. Golubev, members of ОАО Gazprom's collegiate executive body. Approved by the Resolution of ОАО Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

50. Additional agreement No. 14 to the gas supply contract No. 25Pk-2007 dated 13.12.2007 with ОАО Severneftegazprom due to specification of price of gas delivery for the second quarter of 2012. The cost of gas, deliverable during the period from 10:00 01.07.2012 up to 10:00 01.01.2013 amounts to RR 1,413.25 per 1,000 cm of gas (net of VAT). The interested persons are A.I. Medvedev, V.V. Cherepanov, E.V. Mikhailova, members of ОАО Gazprom's collegiate executive body. Approved by the Resolution of ОАО Gazprom's Annual General Shareholders Meeting dated 29.06.2012.

51. The insurance contract with ОАО SOGAZ. The period of insurance is from 01.07.2012 up to 30.06.2013 (both the dates included). The total insured amount is determined to be RR 5,500,000,000. The interested persons are A.B. Miller, N.N. Dubik, A.V. Kruglov, members of ОАО Gazprom's governance bodies. Approved by the Resolution of ОАО Gazprom's Annual General Shareholders Meeting dated 29.06.2012.

52. Additional agreement No. 8 to the commission contract No. GE 01/09 dated 07.12.2009 with ООО Gazprom Export due to specification of range of goods (refinement products). The interested person is A.I. Medvedev, member of ОАО Gazprom's collegiate body. Approved by the Resolution of ОАО Gazprom's Annual General Shareholders Meeting dated 29.06.2012.

53. Additional agreement No. 7 to the gas supply contract No. 30Pk-2010/2009-690-M dated 27.01.2010 with ОАО Novatek due to adjustments in the cost of gas. The cost of gas, deliverable since 01.07.2012, is RR 1,598.50 per 1,000 cm. The interested persons are K.G. Seleznev, A.I. Akimov, members of ОАО Gazprom's governance bodies. Approved by the Resolution of ОАО Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

54. Agreement No. 01/1600-S-172/12 to the rental contract No. 01/1600-D-19/12 dated 30.11.2011 with ОАО Gazoraspredeleniye due to fixed assets revaluation, adjustment of the list of property and the amount of rent. The amount of monthly lease fee from July to September 2012 is RR 69,241,816.00 (net of VAT); The amount of lease fee effective from 01.10.2012 up to 29.10.2012 is RR 64,774,602.00 (net of VAT). The interested persons are K.G. Seleznev, E.V. Mikhailova, V.K. Markov, members of ОАО Gazprom's collegiate body. Approved by the Resolution of ОАО Gazprom's Annual General Shareholders Meeting dated 29.06.2012.

55. Agreement No. 25/2012-1 concerning amendments to the contract for investment projects execution No. 53-887 dated 08.12.1999 with ОАО Gazprom Kosmicheskije Sistemy due to approval of investment program for 2012. The cost of services of ОАО Gazprom Kosmicheskije Sistemy for 2012 is RR 25,423.73 (net of VAT). The interested persons are S.F. Homyakov, M.L. Sereda, members of ОАО Gazprom's governance bodies. Approved by the Resolution of ОАО Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

56. Rental contract with ООО Gazpromtrans. The amount of lease fee for the period up to 01.06.2012 is RR 609,056,590.00 (net of VAT); the amount of monthly lease fee effective from June to September 2012 is RR 121,811,318.00 ( net of VAT); the amount of lease fee for 01.10.2012 – 29.10.2012 is RR 113,952,523.00 ( net of VAT). Agreement comes into force from the date of its signing and up to 29.10.2012. The terms and conditions of the agreement are applicable to the parties effective from 01.01.2012. The interested persons are V.A. Golubev, Y.Y. Golko, members of ОАО Gazprom's collegiate executive body. Approved by the Resolution of ОАО Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

57. Agreement No. 01/1600-S-183/12 on changes and ammendments to the rental contract No. 01/1600-D-7/12 dated 30.12.2011 with ЗАО Gazpromtelecom due to fixed assets revaluation, adjustment of the list of property and the amount of lease fee. The amount of monthly lease fee (exclusive VAT; VAT is paid by ЗАО Gazprom Telecom in the Republic of Belarus) effective from July 2012 to September 2012 is RR 2,343,261.00; the amount of lease fee (excluding VAT; VAT is paid by ЗАО Gazprom Telecom in the Republic of Belarus) effective from 01.10.2012 up to 29.10.2012 is RR 2,192,083.00. The interested person is M.L. Sereda, member of ОАО Gazprom's Board of Directors. Approved by the Resolution of ОАО Gazprom's Annual General Shareholders Meeting dated 29.06.2012.

58. Agreement No. 01/1600-S-184/12 on changes and ammendments to the rental contract No. 01/1600-D-8/12 dated 30.12.2011 with ЗАО Gazpromtelecom due to fixed assets revaluation, adjustment of the list of property and the amount of lease fee. The amount of monthly lease fee effective from July 2012 to September 2012 is RR 1,167,702.00 (netof VAT); the amount of lease fee effective from 01.10.2012 up to 29.10.2012 is RR 1,092,366.00 (net of VAT). The interested person is M.L. Sereda, member of ОАО Gazprom's Board of Directors. Approved by the Resolution of ОАО Gazprom's Annual General Shareholders Meeting dated 29.06.2012.

59. Agreement No. 01/1600-S-185/12 on changes and ammendments to the rental contract No. 01/1600-D-6/12 dated 30.12.2011 with ЗАО Gazpromtelecom due to fixed assets revaluation, adjustment of the list of property and the amount of lease fee. The amount of monthly lease fee effective from July 2012 to September 2012 is RR 5,742,719.00 (net of VAT); the amount of lease fee effective from 01.10.2012 up to 29.10.2012 is RR 5,372,221.(net of VAT). The interested person is M.L. Sereda, member of ОАО Gazprom's Board of Directors. Approved by the Resolution of ОАО Gazprom's Annual General Shareholders Meeting dated 29.06.2012.

60. Agreement No. 01/1600-S-186/12 on changes and ammendments to the rental contract No. 01/1600-D-5/12 dated 30.11.2011 with ЗАО Gazpromtelecom due to fixed assets revaluation, adjustment of the list of property and the amount of lease fee. The amount of monthly lease fee effective from July 2012 to September 2012 is RR 10,437,035.00( net of VAT); the amount of lease fee effective from 01.10.2012 up to 29.10.2012 is RR 9,763,678.00 ( net of VAT. The interested person is M.L. Sereda, member of ОАО Gazprom's Board of Directors. Approved by the Resolution of ОАО Gazprom's Annual General Shareholders Meeting dated 29.06.2012.

61. Order No. 8 to the agency contract No. PNR-15-2010 dated 02.07.2010 with ЗАО Gazprom invest Yug, concerning contract support for comprehensive installation and commissioning works. Limited amount of reimbursable by ОАО Gazprom expenses (including VAT paid by ЗАО Gazprom invest Yug to the third parties) is RR 115,000,000.00. The limited remuneration fee of ЗАО Gazprom invest Yug (including extra fees) is RR 38,008.48 (net of VAT). The interested person is Y.Y. Golko, member of ОАО Gazprom's collegiate executive body. Approved by the Resolution of ОАО Gazprom's annual General Shareholders Meeting dated 29 .06.2012.

62. Agreement No. 26/2012-1 concerning changes of contract for investment projects execution No. 53-775 dated 09.08.1999 with ZAO Gazpromtelecom due to new version of investment project for 2012. The cost of services of ZAO Gaztelecom for 2012 is RR 20,000. (net of VAT). The interested person is M.L. Sereda, member of OAO Gazprom's Board of Directors. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

63. Additional agreement No. 4 to the contract on opening current foreign currency account and cash management services in foreign currency dated 12.02.1999 with GPB (OJSC) due to introduction of conditions about providing GPB (OJSC) unconditional and irrevocable right to charge off cash resources from the account on the basis of accounting documents, as provided for in the legislation of the Russian Federation, including: – based on cash letter; – based on payment demand – at the time of debiting the account in the presence of priorly given OAO Gazprom GPB (OJSC) bill of acceptance; And also conditions of charge off of cash resources from the account without additional order by OAO Gazprom. The interested persons are A.B. Miller, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, K.G. Seleznev, A.I. Akimov, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 29.06.2012.

64. Additional agreement No. 4 to the contract on opening current foreign currency account and cash management services in foreign currency dated 29.08.1994 with GPB (OJSC) due to introduction of conditions about providing GPB (OJSC) unconditional and irrevocable right to charge off cash resources from the account on the basis of accounting documents, as provided for in the legislation of the Russian Federation, including: – based on cash letter; – based on payment demand – at the time of debiting the account in the presence of priorly given OAO Gazprom GPB (JSC) bill of acceptance; And also conditions of charge off of cash resources from the account without additional order by OAO Gazprom. The interested persons are A.B. Miller, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Seleznev, A.I. Akimov, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 29.06.2012.

65. Additional agreement No. 62 to the bank account contract No. 0001/98 dated 05.01.1998 with GPB (OJSC) due to introduction of conditions about providing GPB (OJSC) unconditional and irrevocable right to charge off cash resources from the account on the basis of accounting documents, as provided for in the legislation of the Russian Federation, including: – based on cash letter; – based on payment demand – at the time of debiting the account in the presence of priorly given OAO Gazprom GPB (OAO) bill of acceptance; and also conditions of charge off of cash resources from the account without additional order by OAO Gazprom. The interested persons are A.B. Miller, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, K.G. Seleznev, A.I. Akimov, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 29.06.2012.

66. Contract with OAO Gazprom Promgaz for performance of the pre-investment research work. OAO Gazprom binds by the order for performance of pre-investment research to develop "Declaration of Intent to invest into construction of complex for manufacture of polyethylene in Astrakhan Region". The cost of work is RR 12,949,224.00 (net of VAT). The time of work delivery in total, is 28.02.2013. The interested person is V.V. Rusakova, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 29.06.2012.

67. Agency agreement with OOO Gazprom Centrremont. OAO Gazprom instructs, and OOO Gazprom Centrremont undertakes to perform fee-based legal and other actions, related to registration (re-registration) of OAO Gazprom's rights for land plots, required for operations of facilities (hereinafter – land plots), with discontinuation of OAO Gazprom's rights to the land plots, implementation of lease contracts in line with the contract and instructions of OAO Gazprom. Agency agreement: OAO Gazprom shall pay OOO Gazprom Centrremont a 0.01% fee of the expenses, reimbursed to OOO Gazprom Centrremont and related to performance of instructions of OAO Gazprom under the contract (excluding VAT amounts, paid by OOO Gazprom Centrremont to third parties). On top of the amount of the fee, calculated in line with this section, OOO Gazprom Centrremont shall invoice OAO Gazprom for VAT at a rate, established by tax and collection laws of the Russian Federation. Payment procedures: Agency fee is payable within 30 days after the date of delivery by OOO Gazprom Centrremont of an acceptance certificate for services rendered, together with an invoice by OOO Gazprom Centrremont for the amount of the fee for services rendered. OOO Gazprom Centrremont shall invoice OAO Gazprom no later than 5 calendar days from the date of signing a services acceptance certificate. Documented expenses, sustained by OOO Gazprom Centrremont in relation to its performance of instructions under the contract (excluding funds, transferred to OOO Gazprom Centrremont earlier to reimburse for spent funds), shall be reimbursed based on an acceptance certificate, signed by the parties, and an invoice by OOO Gazprom Centrremont. The contract comes into force from the date of its signing and is effective without limit in time. The interested persons are A.V. Kruglov, M.L. Sereda, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's Board of Directors No. No. 1905 dated 02.12.2011.



68. Order No. 3 to the agency contract No. PNR-13-2010 dated 29.06.2010 with OOO Gazpromtrans, concerning contract support for comprehensive installation and commissioning works. Limited amount of reimbursable by OAO Gazprom expenses (including VAT paid by OOO Gazpromtrans to the third parties) is RR 57, 166, 124.68. The limited remuneration fee of OOO Gazpromtrans (including extra fees) is RR 121, 114.68 (net of VAT). The interested persons are V.A. Golubev, Y.Y. Golko, members of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

69. Agreement No. 01/1600-S-239/12 to the rental contract No. 01/1600-D-66/12 dated 30.11.2011 with ZAO Yamalgazinvest due to fixed assets revaluation, adjustment of the list of property and the amount of rent. The amount of monthly lease fee from July 2012 to September 2012 is RR 189,254.00 (net of VAT); the amount of lease fee for 01.10.2012 – 29.10.2012 is RR 177,044.00 (net of VAT). The interested persons are E.A. Vasilieva, Y.Y. Golko, V.K. Markov, members of OAO Gazprom's collegiate body. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 29.06.2012.

70. Agreement No. 01/1600-S-238/12 to the rental contract No. 01/1600-D-61/12 dated 30.11.2011 with OAO Gazprom Kosmicheskie Sistemy due to fixed assets revaluation, adjustment of the list of property and the amount of rent. The amount of monthly lease fee from July 2012 to September 2012 is RR 227,995.00 (net of VAT); the amount of lease fee for 01.10.2012 – 29.10.2012 is RR 213,286.00 (net of VAT). The interested persons are M.L. Sereda, S.F. Homyakov, V.A. Markelov, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 29.06.2012.

71. Agreement No. 01/1600-S-236/12 to the rental contract No. 01/1600-D-50/12 dated 30.11.2011 with OAO Gazprom Promgaz due to fixed assets revaluation, adjustment of the list of property and the amount of rent. The amount of monthly lease fee from July 2012 – September 2012 is RR 313,453, (net of VAT); the amount of rent for 01.10.2012 – 29.10.2012 is RR 293,230.00 (net of VAT). The interested person is V.V. Rusakova, member of OAO Gazprom's collegiate body. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 29.06.2012.

72. Agreement No. 01/1600-S-246/12 to the rental contract No. 01/1600-D-60/12 dated 30.11.2011 with OAO Gazprom neftechim Salavat due to fixed assets revaluation, adjustment of the list of property and the amount of rent. The amount of monthly lease fee from July 2012 – September 2012 is RR 22,090.00 (net of VAT); the amount of lease fee for 01.10.2012 – 29.10.2012 is RR 20,665.00, (net of VAT). The interested persons are K.G. Seleznev, E.V. Mikhailova, members of OAO Gazprom's collegiate body. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 29.06.2012.

73. Agreement No. 01/1600-S-247/12 to the rental contract No. 01/1600-D-61/12 dated 30.11.2011 with OAO Gazprom Kosmicheskie Sistemy due to fixed assets revaluation, adjustment of the list of property and the amount of rent. The amount of monthly lease fee from July 2012 – September 2012 is RR 9,355, (net of VAT); the amount of lease fee for 01.10.2012 – 29.10.2012 is RR 8,751.00 (net of VAT). The interested person is K.G. Seleznev, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 29.06.2012.

74. Agreement No. 01/1600-S-248/12 to the rental contract No. 01/1600-D-44/12 dated 30.11.2011 with OAO Gazprom Neft due to fixed assets revaluation, adjustment of the list of property and the amount of rent. The amount of monthly lease fee from July 2012 – September 2012 is RR 293,495.00 (net of VAT); the amount of lease fee for 01.10.2012 – 29.10.2012 is RR 274,560.00, (net of VAT). The interested persons are A.B. Miller, A.V. Kruglov, K.G. Seleznev, N.N. Dubik, V.V. Cherepanov, E.V. Mikhailova, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 29.06.2012.

75. Agreement No. 01/1600-S-249/12 to the rental contract No. 01/1600-D-47/12 dated 30.11.2011 with OAO Centrgaz due to fixed assets revaluation, adjustment of the list of property and the amount of rent. The amount of monthly lease fee from July 2012 – September 2012 is RR 230,512.00 (net of VAT); the amount of lease fee for 01.10.2012 – 29.10.2012 is RR 223,076.00, (net of VAT). The interested persons are M.L.Sereda, V.A. Golubev, Y.Y. Golko, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 29.06.2012.

76. Additional agreement No. 2 to the contract No. TKG-12 dated 07.02.2012 with TOO KazRosGaz concerning gas transportation arrangement services through the territory of the Russian Federation in 2012 due to change of volume of gas transportation. The volume of gas transportation through gas transportation system of Russia is up to 9,522 mmcm. The interested persons are A.I. Medvedev, K.G. Seleznev, V.A. Golubev, members of OAO Gazprom's collegiate executive. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

77. Agreement No. 01/1600-S-212/12 to the rental contract No. 01/1600-D-58/12 dated 30.11.2011 with OAO Vostokgazprom due to fixed assets revaluation, adjustment of the list of property and the amount of rent. . The amount of monthly lease fee from July 2012 – September 2012 is RR 18,971.00 (net of VAT); the amount of lease fee for 01.10.2012 – 29.10.2012 is RR 17,747.00 (net of VAT). The interested persons are M.L. Sereda, K.G. Seleznev, A.V. Kruglov, E.A.Vasilieva, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 29.06.2012.

78. Addendum No 16 to the contract No. 22NPphg/k-2007 dated 23.07.2007 with OAO Novatek for gas transportation arrangement services due to adjustment of volume of gas pumping, storage and withdrawal of gas. The volume of pumping, storage and withdrawal of gas is 1, 972.949 mmcm. The interested persons are K.G. Seleznev, A.I. Akimov, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 29.06.2012.

79. Addendum No. 45 to the Contract No.22NPTr/k-2004 dated 06.10.2003 with OAO Novatek for gas transportation arrangement services due to adjustment of volume of gas transportation. The volumes of gas transportation are: in 2012- 40,264.267 mmcm., in 2013 – 33,586.019 mmcm., in 2014 –29,844.808 mmcm., in 2015 – 4,952 mmcm. The interested persons are K.G. Seleznev, A.I. Akimov, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 29.06.2012.

80. Additional agreement No. 2 to liability insurance contract No. 11DO0633 dated 30.09.2012 with OAO Sogaz due to changes in the list of insured persons. The interested persons are A.B. Miller, N.N. Dubik, A.V. Kruglov, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 30.06.2011.

81. Addendum No.56 to the contract on volumes and terms and conditions of deliveries of natural gas to the Lithuanian Republic for the period from 2000 through 2015 No.1Gli-2000 dated 16.12.1999 with AO Lietuvos dujos due to adjustments of volume of gas transported by AO Lietuvos dujos through the territory of the Lithuanian Republic. The volume of gas transportation through the territory of the Lithuanian Republic aimed for AO Achema in 2013 – 1,300 mmcm , the volume of gas transportation through the territory of the Lithuanian Republic aimed for Gas Stream AG in 2013 – 500 mmcm. The interested persons are K.G. Seleznev, V.A. Golubev, members of OAO Gazprom's collegiate executive. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 29.06.2012.

82. Addendum No. 7 to the Contract No. 2GM-11 dated 31.12.2010 with AOOT Moldovagaz concerning terms and conditions of natural gas transit via the territory of the Republic of Moldova in 2011 due to the adjustment of contract determination. The interested persons are N.N. Dubik, V.A. Golubev, members of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 29.06.2012.

83. Order No. 10 to the agency contract No. PNR-15-2010 dated 02.07.2010 with ZAO Gazprom invest Yug, concerning contract support for comprehensive installation and commissioning works. Limited amount of reimbursable by OAO Gazprom expenses (including VAT paid by ZAO Gazprom invest Yug to the third parties) is RR 15,500,000.00. The limited remuneration fee of ZAO Gazprom invest Yug (including extra fees) is RR 5,122.88 ((net of VAT)). The interested person is Y.Y. Golko, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 29.06.2012.

84. Order No. 4 to the agency contract No. PNR-14-2010 dated 02.07.2010 with OOO Gazprom Centrremont, concerning contract support for comprehensive installation and commissioning works. Limited amount of reimbursable by OAO Gazprom expenses (including VAT paid by OOO Gazprom Centrremont to the third parties) is RR 20,697,152.80. The limited remuneration fee of OOO Gazprom Centrremont (including extra fees) is RR 43,849.90 (net of VAT). The interested persons are A.V. Kruglov, M.L. Sereda, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 29.06.2012.

85. Agreement No. 01/1600-S-266/12 on amendments to the rental contract No 01/1600-D-40/12 dated 30.11.2011 with OOO Gazpromtrans due to fixed assets revaluation, specification of asset holdings list and lease fee. The amount of monthly lease fee from July to September 2012 is RR 3,070,533.00 (net of VAT); The amount of lease fee effective from 01.10.2012 up to 29.10.2012 is RR 2,872,434.00 (net of VAT). The interested persons are V.A. Golubev, Y.Y. Golko members of OAo Gazprom's collegiate executive body. Approved by the Resolution of OAo Gazprom's annual General Shareholders Meeting dated 29.06.2012.

86. Life insurance contract with OOO SK SOGAZ- ZHIZN. Insured persons are O.E. Aksyutin, E.A. Vasilieva, Y.Y. Golko, V.A. Golubev, N.N. Dubik, A.N. Kozlov, A.V. Kruglov, A.I. Medvedev, A.B. Miller, V.V. Rusakova, K.G. Seleznev. Beneficiaries are insured persons or persons appointed by them as beneficiaries, or inheritors of insured persons. The subject matter of the contract is voluntary life insurance of insured persons in accordance with The Rules of Life Insurance approved by acting general director of OOO SK SOGAZ- ZHIZN dated 10.11.2011 (hereinafter The Rules) and with the Contract. OOO SK SOGAZ- ZHIZN in case of insurance event undertakes to execute insurance payment in the manner stipulated by the Contract and The Rules, and OAo Gazprom undertakes to pay insurance premium in the manner stipulated by the Contract. The Contract is concluded in accordance with following insurance programmes: 1. Combined personal insurance, including risks of "death" or "endowment"; 2. First time diagnosis of critical disease; 3. Total permanent disability. Insurance events: range of insurance events is defined in items 3.2.1 – 3.2.4 of article 3.2 of The Rules. Total insurance sum for insured persons is RR 337,180,658.00. Total insurance premium for insured persons is RR 221,756,011.78. The Contract comes into force from 28.03.2012 and is active up to 27.03.2017 or until the latest date of expiration of insurance coverage. The interested persons are O.E. Aksyutin, E.A. Vasilieva, Y.Y. Golko, V.A. Golubev, N.N. Dubik, A.N. Kozlov, A.V. Kruglov, A.I. Medvedev, A.B. Miller, V.V. Rusakova, K.G. Seleznev, members of OAo Gazprom's collegiate executive body. Approved by the Resolution No. 1964 of OAo Gazprom's Board of Directors dated 06.04.2012.

87. Addendum No.52 to the contract No.1GLa-2000 dated 16.11.1999 with AO Latvijas Gaze for the natural gas supply to Latvian Republic for 2000–2030 due to adjustments of volume of gas pumping. Planned volume of Winter gas pumping to UGSF for AO Latvijas Gaze needs in pumping season 2012 will be up to 600 mmcm. Total amount of advance payments will be EUR 54 mln. The interested persons are K.G. Seleznev, V.V. Rusakova, E.E. Karpel, members of OAo Gazprom's governance bodies. Approved by the Resolution of OAo Gazprom's annual General Shareholders Meeting dated 29.06.2012.

88. Guarantee agreement with The Royal Bank of Scotland plc, OAo Sberbank of Russia to secure obligations of OOO Novy Urengoy Gas Chemicals Complex (Beneficiary: Debtor (Borrower) (hereinafter – OOO NYGCC)) to The Royal Bank of Scotland plc (Facility agent (Creditor)) and OAo Sberbank of Russia (Initial Creditor) on OOO NYGCC Loan facility agreement, secured by OAo Gazprom guarantee, and on Pre-transaction commission fee agreement. OAo Gazprom unconditionally and irrevocably: – guarantees to each Creditor and the facility agent, collectively referred to as "Co-financers", timely and proper performance by OOO NYGCC of all its obligations in accordance with the Loan facility agreement, secured by OAo Gazprom guarantee, and by the Pre-transaction commission fee agreement; – undertakes to each Co-financer, that in the event of OOO NYGCC failure to repay any amount on time in line with the Loan facility agreement, secured by OAo Gazprom guarantee, and by the Pre-transaction commission fee agreement or in relation to these, OAo Gazprom shall in 10 business days from the date of receipt by OAo Gazprom of a notification from The Royal Bank of Scotland plc with the requirement under the Guarantee agreement to pay the specified amount, as if the Company were the principal debtor; and – shall reimburse each Co-financer in 10 business days from the date of receipt by OAo Gazprom of a notification, requiring reimbursement of any losses, sustained by such Co-financer, if any guaranteed obligation is or becomes exempt from enforcement, illegal or unlawful; the amount of reimbursable losses shall equal to the amount that a Co-financer would receive otherwise. The limit of OAo Gazprom's liability under the contract amounts to USD 830, 000,000.00. Liability of OAo Gazprom: if OAo Gazprom fails to repay the amount, required by The Royal Bank of Scotland plc when due or before expiry of such period, then OAo Gazprom shall also pay to The Royal Bank of Scotland plc penalty interest, payable in the amount of penalty fees under the Loan facility agreement, secured by OAo Gazprom's guarantee, accrued on the amount of the claim starting from the date, following the due payment date, and to the date of actual payment of the amount of the claim by OAo Gazprom, before, at the time or after a court judgment. The Agreement comes into force as of the date of its execution parties and shall be terminated on the date of final, unconditional, irrevocable and full payment of all amounts, payable by OOO NYGCC to the Co-financers 164 in line with the Loan facility agreement, secured by OAo Gazprom guarantee, and by the Pre-transaction commission fee agreement, and after full discharge of all payment obligations of OOO NYGCC in line with the Loan facility agreement, secured by OAo Gazprom guarantee, and by the Pre-transaction commission fee agreement (regardless of whether the actual payee is OOO NYGCC or OAo Gazprom). The Agreement shall be regulated by English laws. Interested party– Russian Federation – a shareholder of OAo Gazprom, holding over 20 % of voting shares of OAo Gazprom. The transaction was approved by resolution of the Board of Directors of OAo Gazprom No. 2041 dated 13.08.2012.

89. Guarantee agreement with Sumitomo Mitsui Banking Corporation EURpe Limited to secure obligations of OAO Gazprom Space Systems (Beneficiary: Debtor (Borrower)) to Sumitomo Mitsui Banking Corporation EURpe Limited (Creditor) under a Loan facility agreement with OAO Gazprom Space Systems, secured by OAO Gazprom guarantee and the Commission fee agreement. OAO Gazprom unconditionally and irrevocably: – guarantees to Sumitomo Mitsui Banking Corporation EURpe Limited timely performance by OAO Gazprom Space Systems of all its obligations in accordance with the Loan facility agreement, secured by OAO Gazprom guarantee, and by the Commission fee agreement; – undertakes to Sumitomo Mitsui Banking Corporation EURpe Limited that in the event of OAO Gazprom Space Systems' failure to repay any amount on time in line with the Loan facility agreement, secured by OAO Gazprom guarantee, and/or by the Commission fee agreement or in relation to these, OAO Gazprom shall in 10 business days from the date of receipt by OAO Gazprom of a notification under the Guarantee agreement from Sumitomo Mitsui Banking Corporation EURpe Limited to pay the specified amount, as if the Company were the principal debtor; – undertakes to reimburse Sumitomo Mitsui Banking Corporation EURpe Limited in 10 business days from the date of receipt by OAO Gazprom of a notification under the Guarantee agreement, Sumitomo Mitsui Banking Corporation EURpe Limited, requiring reimbursement of any losses, sustained by Sumitomo Mitsui Banking Corporation EURpe Limited, if any guaranteed obligation is or becomes exempt from enforcement, illegal or unlawful; the amount of reimbursable losses shall equal to the amount that Sumitomo Mitsui Banking Corporation EURpe Limited would receive otherwise. The limit of OAO Gazprom's liability under the contract amounts to EUR 36, 740, 000.00. Liability of OAO Gazprom: if OAO Gazprom fails to repay the amount, required by Sumitomo Mitsui Banking Corporation EURpe Limited when due or before expiry of such period, then OAO Gazprom shall also pay to Sumitomo Mitsui Banking Corporation EURpe Limited penalty interest, payable in the amount of penalty fees under the Loan facility agreement, secured by OAO Gazprom's guarantee, accrued on the amount of the claim starting from the date, following the due payment date, and to the date of actual payment of the amount of the claim by OAO Gazprom, before, at the time or after a court judgment. The Agreement comes into force as of the date of its execution parties and shall be terminated on the date of final, unconditional, irrevocable and full payment of all amounts, payable by OAO Gazprom Space Systems to Sumitomo Mitsui Banking Corporation EURpe Limited in line with the Loan facility agreement, secured by OAO Gazprom guarantee, and by the Commission fee agreement, and after full discharge of all payment obligations of OAO Gazprom Space Systems in line with the Loan facility agreement, secured by OAO Gazprom guarantee, and by the Commission fee agreement (regardless of whether the actual payee is OAO Gazprom Space Systems or OAO Gazprom). The Contract is governed by English law. The interested persons are S.F. Khomyakov, M.L. Sereda, V.A. Markelov, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's Board of Directors No. 2057 dated 20.09.2012.


90. Order No.9 to the agency contract No. PNR-15-2010 dated 02.07.2010 with ZAO Gazprom invest Yug, concerning contract support for comprehensive installation and commissioning works. Limited amount of reimbursable by OAO Gazprom expenses (including VAT paid by ZAO Gazprom invest Yug to the third parties) is RR 549,569,709.24. The limited remuneration fee of ZAO Gazprom invest Yug (including extra fees) is RR 1,164,342/60 (net of VAT). The interested person is Y.Y. Golko, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

91. Agreement No 1 to the principal's order No. 5 dated 11.04.2012 to the agency contract No. PNR-2-2010 dated 03.06.2010 with OAO Yamalgazinvest, concerning contract support for comprehensive installation and commissioning works. Limited amount of reimbursable by OAO Gazprom expenses (including VAT paid by OAO Yamalgazinvest to the third parties) is RR 1,649,354,912.00. The limited remuneration fee of OAO Yamalgazinvest (including extra fees) is RR 3,494,396.00 net of VAT. The interested persons are E.A. Vasilieva A.V., Y.Y. Golro, V.K. Markov, members of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 30.06.2011.

92. Contract with OAO Gazprom Promgaz for performance of the research work. OAO Gazprom binds and OAO Gazprom Promgaz commits to execute in accordance with requirements of Technical assignment research work. The theme: "Principal areas of improvement of normative basis for use of liquefied hydrocarbon, liquefied natural and compressed natural gases for the purposes of gasification". The cost of work is RR 30,430,000.00 (net of VAT). The time of work delivery is from 01.08.2012 up to 30.09.2014. The interested person is V.V. Rusakova, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of the OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012

93. Agreement No 1 to the principal's order No. 3 dated 10.08.2012 to the agency contract No. PNR-13-2010 dated 29.06.2010 with OOO Gazpromtrans, concerning contract support for comprehensive installation and commissioning works. Limited amount of reimbursable by OAO Gazprom expenses (including VAT paid by OOO Gazpromtrans to the third parties) is RR 123,000,000.00. The limited remuneration fee of OOO Gazpromtrans (including extra fees) is RR 260,593.22 (net of VAT). The interested persons are V.A. Golubev, Y.Y. Golko, members of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012

94. Order No. 6 to the agency contractNo. PNR-2-2010 dated 03.06.2010 with ZAO Yamalgazinvest, concerning contract support for comprehensive installation and commissioning works. Limited amount of reimbursable by OAO Gazprom expenses (including VAT paid by ZAO Yamalgazinvest to the third parties) is RR 194,100,000.00. The limited remuneration fee of ZAO Yamalgazinvest (including extra fees) is RR 411,228.81 net of VAT. The interested persons are E.A. Vasilieva, Y.Y. Golko, V.K. Markov, members of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 30.06.2011.

95. License contract with ZAO Gazprom telecom for use of trademarks. OAO Gazprom (Licensor) grants an ordinary (non exclusive) license to ZAO Gazprom telecom (License holder) for use of trademarks OAO Gazprom – Газпром, Gazprom and  registered in State register of trademarks (service marks) of the Russian Federation, certificates for trademarks (service marks) No. 228275 dated 19.11.2002, No.228276 dated 19.11.2002, No. 220181 dated 03.09.2002 (hereinafter Licensor trademarks) for all goods and services for which Licensor trademarks are registered. License holder has the right to use Licensor trademarks in following cases: License holder has the right to use Licensor trademarks in following cases: – on goods, labels which are produced, sold, demonstrated on exhibitions and fairs, put into operation by other means on the territory of Russian Federation/ stored or transported with this purpose, or imported to the Russian Federation; – for performing works and services, including exploitation of oil and gas fields, construction of oil and gas pipelines; – on business, supporting and other documents including those connected with the goods put into operation; – in offers concerning sale of the goods, performing of the services, for use in advertisements, charitable and sponsor events, printed publications, official blanks, outdoor signs including administrative and production buildings, multifunctional filling centers with accompanying kinds of motorway service, shops, car washes, cafes, car care centers/tire fitting, recreational centers, on transport, clothes and means of individual protection; – on License holder's stamp; – in the Internet; – in the License holder's corporate name. License remuneration for the right to use any trademark is adjusted quarterly and equals to 300 minimum statutory monthly pay ( MSMP) established by legislation of the Russian Federation in force on the date of signing of acceptance acts ( net of VAT). The interested person is M.L. Sereda, member of OAO Gazprom's Board of Directors. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 30.06.2011.

96. Contract with OAO Gazprom Promgaz for performance of the research work. OAO Gazprom binds and OAO Gazprom Promgaz commits to execute in accordance with requirements of Technical assignment research work. The theme: "Development of estimation procedures of financial and economic efficiency of methan-coal fields exploitation in coincidence with public and regional effects". The cost of work is RR 7,233,892.95 (net of VAT). The time of work delivery is from 01.08.2012 up to 30.06.2013. The interested person is V.V. Rusakova, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of the OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

97. Liability insurance contract with OAO Sogaz. The subject of the contract is insurance of OAO Gazprom and/or insured persons liability against infliction of harm to the third persons in result of unwitting erratic actions of insured persons performing management activity in accordance with "Rules of liability insurance of executive officers and governance bodies of corporate entities" of OAO Sogaz dated 29.04.2005. The insurance amount (total liability limit) equals to RR equivalent of US \$ 100,000,000.00 on the exchange rate of Central Bank of Russian Federation on the date of payment. Total insurance premium equals to RRequivalent of US \$ 1,575,000.00. Insurance contract is effective within one year, coming in force at 00:00 01.10.2012 (date of beginning of Insurance period) and is valid up to 24:00 30.09.2013 (date of termination of Insurance period). The interested persons are A.B. Miller, N.N. Dubik and A.V. Kruglov, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

98. Addendum No.46 to the contract No.22NPTr/k-2004 dated 06.10.2003 with OAO Novatek for gas transportation arrangement services due to adjustments of volumes of gas transportation volume . The volumes of gas transportation are: in 2012- 40,301.267 mmcm. in 2013 – 38,681.764 mmcm., in 2014 – 39,919.496 mmcm., in 2015 – 15,026.688 mmcm. The interested persons are K.G.Seleznev, A.I.Akimov, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

99. Agreement No. 01/1600-S-277/12 on amendments to the rental contract No 01/1600-D-71/12 dated 30.11.2011 with ZAO Gazprom invest Yug due to fixed assets revaluation, specification of asset holdings list and lease fee. The amount of monthly lease from July to September 2012 is RR 141,100.00 (net of VAT); the amount of monthly lease fee effective from July to September 2012 is RR 645,389,845.00 (net of VAT). The amount of lease fee effective from 01.10.2012 up to 29.10.2012 is RR 131,997.00 (net of VAT). The interested persons is Y.Y. Golko, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

100. Agreement No. 01/1600-S-292/12 on amendments to the rental contract No 01/1600-D-56/12 dated 30.11.2011 with DOAO Centrenergogaz due to fixed assets revaluation, specification of asset holdings list and lease fee. The amount of monthly lease from July to September 2012 is RR 9,209,014.00 (net of VAT); the amount of monthly lease fee effective from July to September 2012 is RR 645,389,845.00 (net of VAT). The amount of lease fee effective from 01.10.2012 up to 29.10.2012 is RR 8,614,884.00 (net of VAT). The interested person is M.L. Sereda, member of OAO Gazprom's Board of Directors. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

101. Agreement No. 01/1600-S-284/12 on amendments to the rental contract No 01/1600-D-84/12 dated 30.11.2011 with OOO Gazprom centrremont due to fixed assets revaluation, specification of asset holdings list and lease fee. The amount of monthly lease from July to September 2012 is RR 215,794.00 (net of VAT); the amount of monthly lease fee effective from July to September 2012 is RR 645,389,845.00 (net of VAT). The amount of lease fee effective from 01.10.2012 up to 29.10.2012 is RR 201,872.00 (net of VAT). The interested persons are A.V. Kruglov M.L. Sereda, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

102. Rental contract with OAO Gazprom Gazoraspredelenye. The amount of lease fee for the period up to 01.10.2012 is RR 9,132.00 (net of VAT). The amount of monthly lease fee effective from 01.10.2012 up to 29.10.2012 is RR 13,004,334.00 (net of VAT). The amount of lease fee effective from 01.10.2011 up to 30.10.2011 is RR 12,584,839.00 (net of VAT). Agreement comes into force from the signing date. The terms and conditions of the agreement are applicable to the parties effective from 01.08.2012. The interested persons are K.G. Seleznev, E.V. Vikhailova, V.K. Markov, members of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

103. Agreement No. 01/1600-S-290/12 on amendments to the rental contract No 01/1600-D-84/12 dated 30.11.2011 with OAO Gazprom Gazoraspredelenye due to return of a part of rented property. The interested persons are K.G. Seleznev, E.V. Vikhailova, V.K. Markov, members of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

104. Agreement to the contract of the voluntary medical insurance of individuals No. 12LM0010 dated 29.06.2012 with OAO SOGAZ due to change of list of insured persons and of insurance sum and insurance premium. The total number of insured persons is 8,332. The total insurance sum amounts to RR 94,452,000,000.00. The total insurance premium is RR 181,752,256.00. The interested persons are A.B. Miller, N.N. Dubik, A.V.Kruglov, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012

105. Addendum No. 23 to the Contract No.6GLi-2004 dated 05.02.2004 with ZAO Kaunas Heat and Power Plant due to adjustments of volume of gas delivery and calculated cost of the contract. In 2012-2017 85% of annual volume of natural gas is delivered on "take-or-pay" basis. The volume of gas supply in 2013 is 270 mmcm. The basic price for gas delivered by OAO Gazprom to ZAO Kaunas Heat and Power Plant is settled in the amount of EUR 180 for 1,000 cm. Calculated cost of the contract will account to EUR 548,459,400.00. The interested persons are K.G. Seleznev, V.A. Golubev, members of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

106. Gas supply contract with OOO Gazprom mezhregiongaz. OAO Gazprom delivers to OOO Gazprom mezhregiongaz natural combustible gas produced by independents for its further realization to consumers of the Russian Federation (with exception of Chechen Republic, Kabardino-Balcar Republic, Karachaevo-Cherkess Republic, Republic of Dagestan, Republic of Ingushetia, Republic of North Ossetia-Alania). The volume of gas supply in QIII and QIV 2012 is 2237.9 mmcm. The interested person is K.G. Seleznev, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

107. Contract for fixed assets stock-taking with OAO Gazprom Promgaz. The cost of work is RR 57,600.00 (net of VAT). The time of service delivery is from 30.10.2011 up to 19.12.2012. The interested person is V.V. Rusakova, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

108. Contract for fixed assets stock-taking with OAO Centrgaz. The cost of work is RR 1,772.00 (net of VAT). The time of service delivery is from 30.10.2011 up to 19.12.2012. The interested persons are M.L. Sereda, V.A/ Golubev, Y.Y. Golko, members of OAO Gazprom's collegiate executive bodies. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.



109. Order No. 5 to the agency contract No. PNR-14-2010 dated 02.07.2010 with ООО Газпром Центрремонт, concerning contract support for comprehensive installation and commissioning works. Limited amount of reimbursable by ОАО Газпром expenses (including VAT paid by ЗАО Газпром Центрремонт to the third parties) is RR 1,026,600.00. The limited remuneration fee of ЗАО Газпром Центрремонт (including extra fees) is RR 2,175 (net of VAT). The interested persons are A.V. Kruglov, M.L. Sereda, members of ОАО Газпром's collegiate executive bodies. Approved by the Resolution of ОАО Газпром's annual General Shareholders Meeting dated 29 .06.2012.

110. Order No. 7 to the agency contract No. PNR-2-2010 dated 03.06.2010 with ЗАО Ямалгазинвест, concerning contract support for comprehensive installation and commissioning works. Limited amount of reimbursable by ОАО Газпром expenses (including VAT paid by ЗАО Ямалгазинвест to the third parties) is RR 17,169,000.00. The limited remuneration fee of ЗАО Ямалгазинвест including extra fees) is RR 36,375.00 (net of VAT). The interested persons are E.A. Vasilieva, Y.Y. Golko, V.K. Markov, members of ОАО Газпром's collegiate executive body. Approved by the Resolution of ОАО Газпром's annual General Shareholders Meeting dated 29 .06.2012.

111. Contract for fixed assets stock-taking with ООО Газпром Центрремонт. The cost of work is RR 1,155.00 (net of VAT). The time of service delivery is from 30.10.2011 up to 19.12.2012. The interested persons are A.V. Kruglov, M.L. Sereda, members of ОАО Газпром's collegiate executive bodies. Approved by the Resolution of ОАО Газпром's annual General Shareholders Meeting dated 29 .06.2012.

112. Contract for fixed assets stock-taking with ООО Газпром Комплектатсия. The cost of work is RR 124,128.00 (net of VAT). The time of service delivery is from 30.10.2011 up to 19.12.2012. The interested person is I.Yu. Fedorov, member of ОАО Газпром's collegiate executive body. Approved by the Resolution of ОАО Газпром's annual General Shareholders Meeting dated 29 .06.2012.

113. Contract with ОАО Газпром Промгаз for performance of the research work. ОАО Газпром binds and ОАО Газпром Промгаз commits to execute in accordance with technical assignment the research work. The theme: "Developing of normative documents on analysis of technical risks in gas distribution systems and proposals on elimination of losses from breakdowns and incidents". The cost of work is RR 27,115,000.00 (net of VAT). The time of work delivery is as of 21.09.2012 up to 30.11.2014. The interested person is V.V. Rusakova, member of ОАО Газпром's governance body. Approved by the Resolution of ОАО Газпром's annual General Shareholders Meeting dated 29 .06.2012.

114. Agreement No. 01/1600-S-300/12 on amendments to the rental contract No 01/1600-D-77/12 dated 30.11.2011 with ООО Газпром Комплектатсия due to fixed assets revaluation, specification of asset holdings list and lease fee. The amount of monthly lease fee from July to September 2012 is RR 212,970.00 (net of VAT); The amount of lease fee effective from 01.10.2012 up to 29.10.2012 is RR 199,230.00 (net of VAT). The interested person is I.Yu. Fedorov member of ОАО Газпром's collegiate executive body. Approved by the Resolution of ОАО Газпром's annual General Shareholders Meeting dated 29.06.2012.

115. Rental contract with ОАО Газпром Газораспределение. The amount of lease fee for the period up to 29.10.2012 is RR 634,645.00 (net of VAT). The amount of monthly lease fee effective from April to September 2011 is RR 9,575.00 (net of VAT). The amount of lease fee effective from 01.10.2011 up to 30.10.2011 is RR 9,266.00 (net of VAT). Agreement comes into force from the signing by the parties date. The terms and conditions of the agreement are applicable to the parties effective from 01.09.2012. The interested persons are K.G. Seleznev, E.V. Mikhailova V.K. Markov, members of ОАО Газпром's collegiate executive body. Approved by the Resolution of ОАО Газпром's annual General Shareholders Meeting dated 29 .06.2012.

116. Amendment agreement No. 1 to the Tax Consolidated Group Contract dated 22.03.2012 with ООО Газпром АВИА Aviation Company, ОАО Газпром ВНИИГАЗ, ООО Газпром Газнадзор, ООО Газпром Газобезопасност, ОАО Газпром Газпораспределение, ОАО Газпром Газэнергосет, ООО Газпром Геологоразведка, ООО Газпром Добыча Астрахан, ООО Газпром Добыча Надым, ОАО ВостокГазпром, ООО Газпром Invest Vostok, ООО Газпром Invest Zapad, ЗАО Газпром Invest Yug, ООО Газпром Inform, ООО Газпром Комплектатсия, ООО Газпром Переработка, ООО Газпром Подземремонт Оренбург, ООО Газпром Подземремонт Уренгой, ОАО Газпром Промгаз, ООО Газпромтранс, ООО Газпром Трансгаз Екатеринбург, ООО Газпром Трансгаз Казан, ООО Газпром Трансгаз Мakhachkala, ООО Газпром Трансгаз Nizhny Novgorod, ООО Газпром Трансгаз Samara, ООО Газпром Трансгаз Saint-Petersburg, ООО Газпром Трансгаз Саратов, ООО Газпром Трансгаз Ставрополь, ООО Газпром Трансгаз Томск, ООО Газпром Трансгаз Уфа, ООО Газпром Трансгаз Укhta, ООО Газпром Трансгаз Tchaikovsky, ООО Газпром Трансгаз Yugorsk, ООО Газпром Tsentrremont, ООО Газпром Export, ООО Газфлот, ООО Геоурсы, ОАО ТомскГазпром, ЗАО Ямалгазинвест, ООО Газпром Добыча Краснодар, ООО Газпром Добыча Нойabrск, ООО Газпром Трансгаз Краснодар, ООО Газпром UGS, ООО Газпром Нефть Shelf, ООО Газпром Добыча Shelf, ООО Газпром Добыча Оренбург, ООО Газпром Добыча Уренгой, ООО Газпром Межрегионгаз, ООО Газпром Сера, ООО Газпром Трансгаз Surgut, ООО Газпром Добыча Yamburg, ООО Газпром Трансгаз Volgograd, ООО Газпром Трансгаз Moscow, ЗАО Газпром YRGM Development, ЗАО Газпром YRGM Trading, ОАО Газпром нефтехим Салават, ООО Газпром Энерго, ООО Сибметакхим, ООО Темрюкмортранс, ООО Газпром Связь, ООО Газпром Сотсинвест, ООО GES Surgut, ООО Питер Газ, ООО Газпром Добыча Иркутск (TCG members). Liable member of the TCG – ОАО Газпром. Members of TCG are entities, where ОАО Газпром directly or indirectly has an equity share, with its share in each such entity at least 90 %. Amendments to the Tax Consolidated Group Contract dated 22.03.2012 (hereinafter – the

Contract) are made with the purpose of including new members into the Tax Consolidated Group (hereinafter – TCG), specifying timelines for submitting registers to the Liable Member of TCG, term of monthly advance payments and deductions as of the end of corporate tax profit reporting period to the Liable Member of TCG, and also term for determining deduction amounts for each TCG member as of the end of the tax period and sending settlement notifications. Considering that the Parties already have the Contract, and that the following entities expressed their intention to join the Contract:

- ОАО Gazprom neftekhim Salavat,
- ООО Gazprom Energo,
- ООО Sibmetakhim,
- ООО Temryukmortrans,
- ООО Gazprom Svyaz,
- ООО Gazprom Sotsinvest,
- ООО GES Surgut,
- ООО Piter Gaz,
- ООО Gazprom Dobycha Irkutsk,

the parties agreed to add the above entities to the list of TCG members.

The Amendment agreement comes into force on the first day of the corporate tax profit period, following the tax period, when it will be registered with tax authorities. Interested persons are A.I. Medvedev, V.A. Kruglov V.A., Golubev, E.A. Vasilieva, M.L. Sereda, V.V. Rusakova, K.G. Seleznev, E.V. Mikhailova, Y.Y. Golko, V.K. Markov, I.Y. Fedorov, members of ОАО Gazprom's governance bodies. Approved by the Resolution of ОАО Gazprom's Board of Directors No. 2106 dated 26.12.2012

117. Bank guarantee issue agreement with GPB (OJSC). GPB (OJSC) undertakes to issue bank guarantees (hereinafter collectively referred to as "Guarantees", individually "Guarantee") at a written request by ОАО Gazprom from the date of execution of the Agreement to 29.12.2014 in favor of the Federal Customs Service (FCS of Russia) with the purpose of proper performance by ОАО Gazprom of its customs duty payment obligations, possible interest and penalty fees, arising in line with the Customs Code and laws of the Russian Federation on customs activities, when performing customs activities of ОАО Gazprom as a customs broker, to customs agencies of the Russian Federation in those regions, where ОАО Gazprom performs activities, collectively meeting the following requirements: – the amount of all concurrent Guarantees, issued at ОАО Gazprom's request, shall not exceed the rouble equivalent of EUR 1 000 000 at the official exchange rate of the Bank of Russia as of the date of issue of relevant guarantees, increased by 10 %; – the period of validity of each Guarantee shall not go beyond 31.12.2015; – each original Guarantee is issued to an authorized representative of ОАО Gazprom upon presentation of a duly processed power of attorney to receive originals of Guarantees. ОАО Gazprom shall pay GPB (OJSC) a fee for issue of each Guarantee for the period from its effective date to the date of its expiry, calculated at the rate of 0,5 % per year from the Guarantee amount, with a condition that the fee for complete or incomplete quarter of the period cannot be less than the rouble equivalent of USD 300 at the official rate of the Bank of Russia at the date of payment. The maximum amount of GPB (OJSC) fee, payable by ОАО Gazprom for issue of Guarantees under the Agreement, in any case shall not exceed RR 1 500 000. Interested persons are A.B. Miller, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, K.G. Seleznev, A.I. Akimov, members of ОАО Gazprom's governance bodies. Approved by the Resolution of ОАО Gazprom's annual General Shareholders Meeting dated 29.06.2012.

118. Rental contract with ОАО Druzhba. The amount of lease fee for the period from December 2012 to October 2013 is RR 7,425,441.00 (net of VAT). Agreement comes into force from the signing date and is in force up to 31.10.2013. The interested person is A.N. Kozlov, member of ОАО Gazprom's collegiate executive body. Approved by the Resolution of ОАО Gazprom's annual General Shareholders Meeting dated 29.06.2012.

119. Contract for fixed assets stock-taking with ОАО Gazprom neftechim Salavat. The cost of work is RR 49,562.00 (net of VAT). The time of service delivery is from 30.10.2012 up to 19.12.2012. The interested person are K.G. Seleznev, E.V. Mikhailova, M.L. Sereda, members of ОАО Gazprom's governance bodies. Approved by the Resolution of ОАО Gazprom's annual General Shareholders Meeting dated 29.06.2012.

120. Contract for fixed assets stock-taking with ООО Gazprom mezhregiongaz. The cost of work is RR 1,075.00 (net of VAT). The time of service delivery is from 30.10.2012 up to 19.12.2012. The interested person is K.G. Seleznev, member of ОАО Gazprom's collegiate executive body. Approved by the Resolution of ОАО Gazprom's annual General Shareholders Meeting dated 29.06.2012.



121. Contract for fixed assets stock-taking with ЗАО Yamalgazinvest. The cost of work is RR 14,438.00 (net of VAT). The time of service delivery is from 30.10.2012 up to 19.12.2012. The interested persons are E.A. Vasilieva, Y.Y. Golko, V.K. Markov, members of ОАО Gazprom's collegiate executive body. Approved by the Resolution of ОАО Gazprom's annual General Shareholders Meeting dated 29.06.2012.

122. Contract for fixed assets stock-taking with ZAO Gazprom invest Yug. The cost of work is RR 2,150.00 (net of VAT). The time of service delivery is from 30.10.2012 up to 19.12.2012. The interested person is Y.Y. Golko, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

123. Contract for fixed assets stock-taking with DOAO Centrenergogaz. The cost of work is RR 29,494.00 (net of VAT). The time of service delivery is from 30.10.2012 up to 19.12.2012. The interested person is M.L. Sereda, member of OAO Gazprom's Board of Directors. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 30.06.2011.

124. Buy and sell agreement of shares with OAO ROSNFTEGAZ. OAO ROSNFTEGAZ undertakes to transfer into ownership of OAO Gazprom and OAO Gazprom takes liability to accept and pay for 9,256,659 ordinary personal shares of OAO Chechengazprom with nominal value of RR 100 each (hereinafter Shares). The price of Shares is set by the Parties at RR 281,000,000.00. The payment for Shares is executed by transfer of cash on OAO ROSNFTEGAZ bank account within 20 calendar days from the date of signing of the contract. The moment of title transfer for the Shares from OAO ROSNFTEGAZ to OAO Gazprom is making a credit entry at personal account of OAO Gazprom in shareholders register of OAO Chechengazprom. The agreement comes into force from the signing date and is valid until full and proper fulfillment by the parties of admitted obligations. The interested person is A.I. Akimov, member of OAO Gazprom's Board of Directors. Approved by the Resolution of OAO Gazprom's Board of Directors No. 2073 dated 06.11.2012.

125. Buy and sell agreement of shares with OAO ROSNFTEGAZ. OAO ROSNFTEGAZ undertakes to transfer into ownership of OAO Gazprom and OAO Gazprom takes liability to accept and pay for 460,996 ordinary personal shares of OAO Chechengazprom with nominal value of RR 100 each (hereinafter Shares). The price of Shares is defined by the Parties at RR 1.00. The payment for Shares is executed by transfer of cash on OAO ROSNFTEGAZ bank account within 20 calendar days from the date of signing of the contract. The point of transition of property on Shares from OAO ROSNFTEGAZ to OAO Gazprom is making an entry in personal account of OAO Gazprom in shareholders register of OAO Chechengazprom. Contract comes into force from the signing date and is valid until full and proper fulfillment by the parties of admitted obligations. The interested person is A.I. Akimov, member of OAO Gazprom's Board of Directors. Approved by the Resolution of OAO Gazprom's Board of Directors No. 2072 dated 06.11.2012.

126. Agreement No. 1 to license contract with OOO Gazprom mezhregiongaz dated 15.05.2007 due to extension of subject of the contract (trade mark ) and granting a right to conclude sublicense agreements. OAO Gazprom (Licensor) grants an ordinary (non exclusive) license to OOO Gazprom mezhregiongaz ZAO Gazprom telecom (License holder) for use of trademarks OAO Gazprom – Газпром, Gazprom and  registered in State register of trademarks (service marks) of the Russian Federation, certificates for trademarks (service marks) No. 228275 dated 19.11.2002, No.228276 dated 19.11.2002, No. 220181 dated 03.09.2002 (hereinafter Licensor trademarks) for all goods and services for which Licensor trademarks are registered. License holder has the right to use Licensor trademarks in following cases:

License holder has the right to use Licensor trademarks in following cases:

- on goods, labels which are produced, sold, demonstrated on exhibitions and fairs, put into operation by other means on the territory of Russian Federation/ stored or transported with this purpose, or imported to the Russian Federation;
- for performing works and services, including exploitation of oil and gas fields, construction of oil and gas pipelines;
- on business, supporting and other documents including those connected with the goods put into operation;
- in offers concerning sale of the goods, performing of the services, for use in advertisements, charitable and sponsor events, printed publications, official blanks, outdoor signs including administrative and production buildings, multifunctional filling centers with accompanying kinds of motorway service, shops, car washes, cafes, car care centers/tire fitting, recreational centers, on transport, clothes and means of individual protection;
- on License holder's stamp;
- in the Internet;
- in the License holder's corporate name.

License holder, under preliminary accedance of Licensor in written, has the right to conclude with the third parties (Sublicense holders) sublicense agreements for use of trademark of Licensor. License remuneration for the right to use any trademark is adjusted quarterly and equals to 300 minimum statutory monthly pay ( MSMP) established by legislation of the Russian Federation in force on the date of signing of acceptance acts ( net of VAT) as well as for the right to use any trademark under sublicense agreements in the amount of 300 minimum statutory monthly pay ( MSMP) established by legislation of the Russian Federation in force on the date of signing of acceptance acts ( net of VAT).. The interested person is K.G. Seleznev, member of OAO Gazprom's governance body. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 30.06.2011.

127. Agreement No. 01/1600-S-316/12 on amendments to the rental contract No 01/1600-D-80/12 dated 31.10.2009 with ООО Газпромтранс due to fixed assets revaluation, specification of asset holdings list and lease fee. The amount of monthly lease fee from July to December 2012 is RR 4,529,688.00 (net of VAT); The amount of monthly lease fee effective from January to December 2013 is RR 3,198,373.00 (net of VAT). The interested persons are V.A. Golubev, Y.Y. Golko members of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

128. Additional agreement No. 1 Amendments to the life insurance contract No. No. 001L08F000084/12-75 dated 10.04.2012 with ООО SK SOGAZ-ZHIZN due to incorporation of new persons in the list of insured persons. New insured persons are V.A. Markelov, V.K. Markov, E.V. Mikhailova. Beneficiaries are insured persons or persons appointed by them as beneficiaries, or inheritors of insured persons. Total insurance sum for insured persons is RR 63,566,833.80. Insurance premium for new insured persons is RR 42,126,931.42. The period of insurance coverage for new insured persons is from 20.12.2012 up to 19.12.2017. The interested persons are V.A. Markelov, V.K. Markov, E.V. Mikhailova, members of OAO Gazprom's collegiate executive body. Approved by the Resolution No. 2087 of OAO Gazprom's Board of Directors dated 13.12.2012.

129. Contract for fixed assets stock-taking with ООО Газпромтранс. The cost of work is RR 105,993.00 (net of VAT). The time of service delivery is from 30.10.2012 up to 19.12.2012. The interested persons are V.A. Golubev, Y.Y. Golko, members of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

130. Contract for fixed assets stock-taking with OAO Vostokgazprom. The cost of work is RR 1000.00 (net of VAT). The time of service delivery is from 30.10.2012 up to 19.12.2012. The interested persons are M.L. Sereda, K.G. Seleznev, A.V. Kruglov, E.A. Vasilieva, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

131. Additional agreement No.2 to the insurance contract No.12LA0201 dated 29.12.2011 with OAO SOGAZ concerning accidents and diseases due to changes in the list and number of insured persons, insurance sum and insurance premium. Total number of insured persons is 2,249. Total insurance sum is RR 121,680,025,000.00. Total insured premium is RR 30,505,030.81. The interested persons are A.B. Miller, N.N. Dubik, A.V. Kruglov, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom annual Shareholders Meeting dated 29.06.2012.

132. Addendum No. 7 to the Contract No. 1GM-07-11 dated 29.12.2006 with AOOT Moldovagaz concerning terms and conditions of natural gas delivery to the Republic of Moldova in 2007–2011 dated 29.12.2006 due to its prolongation up to 30.06.2012 inclusive and due to adjustments of volume of gas deliveries in 2013. The total volume of gas delivery on the DAP conditions (Incoterms 2010) the border of Ukraine and the Republic of Moldova for the consumers in the Republic of Moldova, including ООО Тирасполтрансгаз, in 2013 shall not exceed 3,157 mmcm. Estimated cost of the deliverable gas for the consumers of the Republic of Moldova in 2013 shall approximately amount to US \$ 1,219.00 mln. (VAT included) The interested persons are N.N. Dubik, V.A. Golubev, members of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 29.06.2012.

133. Addendum No. 8 to the Contract No. 2GM-11 dated 31.12.2010 with AOOT Moldovagaz concerning terms and conditions of natural gas transit via the territory of the Republic of Moldova in 2011 due to its prolongation up to 31.03.2012 inclusive and due to adjustments of volume and cost of gas transportation arrangement services. In 2013 the volume of gas transportation in the regime of transit via the territory of the Republic of Moldova for the delivery to other European countries in the direction of GMS Orlovka shall amount to 18,964 mmcm. In payment of services rendered by AOOT Moldovagaz to OAO Gazprom for gas transportation through the territory of the Republic of Moldova for deliveries to other countries in the service range of ООО Тирасполтрансгаз OAO Gazprom in 2013 shall provide, and AOOT Moldovagaz shall receive for the support of gas balance of the Republic of Moldova gas in the volume up to 80.0 mmcm. The cost of gas transportation in the regime of transit via the territory of the Republic of Moldova in 2013 is estimated at the amount of US \$ 56,892.00 thousands (VAT included). Estimated cost of the deliverable gas, in payment for services rendered by AOOT Moldovagaz to OAO Gazprom for the transportation of gas over the territory of the Republic of Moldova to other countries in 2013 shall approximately amount to US \$ 30,882.00 thousands. The interested persons are N.N. Dubik, V.A. Golubev, members of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's Annual General Shareholders Meeting dated 20.06.2012.

134. Contract for fixed assets stock-taking with OAO Gazprom нефть. The cost of work is RR 896.00 (net of VAT). The time of service delivery is from 30.10.2012 up to 19.12.2012. The interested persons are A.B. Miller, A.V. Kruglov, V.A. Golubev, K.G. Seleznev, N.N. Dubik, E.V. Mikhailova, V.V. Cherepanov, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

135. Contract for fixed assets stock-taking with ZAO Gazprom telecom. The cost of work is RR 587,316.00 (net of VAT). The time of service delivery is from 30.10.2012 up to 19.12.2012. The interested person is M.L. Sereda, member of OAO Gazprom's Board of Directors. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

136. Contract for fixed assets stock-taking with OAO Gazprom gazoraspredelenye. The cost of work is RR1,638,602 (net of VAT). The time of service delivery is from 30.10.2012 up to 19.12.2012. The interested persons are K.G. Seleznev, E.V. Mikhailova, V.K. Markov, members of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

137. Contract for fixed assets stock-taking with OAO Gazprom Kosmicheskije Sistemy. The cost of work is RR 24,396.00 (net of VAT). The time of service delivery is from 30.10.2012 up to 19.12.2012. The interested persons are S.F. Khomyakov, M.L. Sereda, V.A. Markelov, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

138. Additional Agreement No. 5 to Loan agreement No.0608 05.06.2008, with OOO CentrKaspneftegaz due to amendments made to the Loan agreement to extend the principal debt and interest repayment term. The term of repayment of the principal shall be no later than 25.12.2013. Interest, accrued on the Agreement over the period from 26.12.2009 to 25.12.2013, shall be payable by OOO CentrKaspneftegaz at any one time on the date of repayment of the principal – 25.12.2013. The Supplement Agreement comes into force from the signing by the parties date. The interested person is V.V. Cherepanov, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's Board of Directors No. 2114 dated 28.12.2012

139. Additional Agreement No. 4 to Loan agreement No. CKNG-0507, dated 29.05.2007, with OOO TsentrKaspneftegaz due to amendments made to the Loan agreement to extend the principal debt and interest repayment term. The term of repayment of the principal shall be no later than 25.12.2013. Interest, accrued on the Agreement over the period from 26.12.2009 to 25.12.2013, shall be payable by OOO TsentrKaspneftegaz at any one time on the date of repayment of the principal – 25.12.2013. The Supplement Agreement comes into force as of the date of its execution by the Parties. Interested party - member of a collegiate executive body of OAO Gazprom V.V. Cherepanov. The transaction was approved by resolution of the Board of Directors of OAO Gazprom No. 2115 dated 28.12.2012.

140. Contract for fixed assets stock-taking with OOO Gazprom export. The cost of work is RR 4,759.00 (net of VAT). The time of service delivery is from 31.10.2011 up to 19.12.2011. The interested person is A.I. Medvedev, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

141. Contract of voluntary medical insurance with OAO SOGAZ. The total number of insured persons is 8,486. The total insurance sum is RR 96,453,000,000.00, Insurance covers insurable events the total insurance premium is RR 175,156,900.00. The contract comes into force from 01.01.2013 and is effective up to 31.12.2013. Insurance covers insurable events happened in the period from 00:00 01.01.2013 up to 24:00 31.12.2013. The interested persons are A.B. Miller, N.N. Dubik, A.V. Kruglov, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

142. Agreement to the contract of voluntary medical insurance with OAO SOGAZ due to specification of number of insured persons, insurance sum and insurance premium. The total number of insured persons as of 21.12.2012 is 8,492 people. The total insurance sum is RR 96,435,000,000.00. The total insurance premium is RR 182,489,543.70. The interested persons are A.B. Miller, N.N. Dubik, A.V. Kruglov, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.


143. Addendum No. 24 to the Contract No.6GLi-2004 dated 05.02.2004 for the natural gas supply in 2004-2017 with ZAO Kaunas Heat and Power Plant due to specifications of accounting procedure and quality of gas delivered. The interested persons are K.G. Seleznev, V.A. Golubev, members of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

144. Customs representatives' civil liability insurance contract with OAO SOGAZ. Insurance sum is established in the amount of RR 20,000,000.00 for any insurable event. Total amount of insurance premium is RR 250,000.00. The contract comes in force at 00:00 01.01.2013 and is effective up to 24:00 31.12.2013. The interested persons are A.B. Miller, N.N. Dubik, A.V. Kruglov, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

145. Addendum No. 17 to the contract No.22NPphg/k-2007 dated 23.07.2007 with ОАО Novatek due to change of volume of gas pumping, storage and withdrawal. The volume of gas pumping, storage and withdrawal in the period from 01.04.2012 to 31.03.2013 is up to 1,972.949 mmcm and from 01.04.2013 to 31.04.2014 is up to 500 mmcm. The interested persons are K.G. Seleznev, A.I. Akimov, members of ОАО Gazprom's governance bodies. Approved by the Resolution of ОАО Gazprom's annual General Shareholders Meeting dated 29.06.2012.

146. Addendum No.53 to the contract No.1GLa-2000 dated 16.11.1999 with AO Latvijas Gaze for the natural gas supply to Latvian Republic for 2000–2030 due to specifications of accounting procedure and quality of gas delivered. The interested persons are K.G. Seleznev, V.V. Rusakova, E.E. Karpel, members of ОАО Gazprom's governance bodies. Approved by the Resolution of ОАО Gazprom's annual General Shareholders Meeting dated 29.06.2012.

147. Addendum No.57 to the contract No.1GLi-2000 dated 16.11.1999 with AO AO Lietuvos dujos for the natural gas supply to Latvian Republic for 2000–2015 due to specifications of accounting procedure and quality of gas delivered. The interested persons are K.G. Seleznev, V.A. Golubev, members of ОАО Gazprom's collegiate executive body. Approved by the Resolution of ОАО Gazprom's annual General Shareholders Meeting dated 29.06.2012.

148. License contract with ОАО Gazprom Gazoraspredeleniye for use of trademarks. ОАО Gazprom (Licensor) grants an ordinary (non exclusive) license to ОАО Gazprom Gazoraspredeleniye (License holder) for use of trademarks ОАО Gazprom – Газпром, Gazprom and  registered in State register of trademarks (service marks) of the Russian Federation, certificates for trademarks (service marks) No. 228275 dated 19.11.2002, No.228276 dated 19.11.2002, No. 220181 dated 03.09.2002 (hereinafter Licensor trademarks) for all goods and services for which Licensor trademarks are registered. License holder has the right to use Licensor trademarks in following cases: License holder has the right to use Licensor trademarks in following cases:


- on goods, labels which are produced, sold, demonstrated on exhibitions and fairs, put into operation by other means on the territory of Russian Federation/ stored or transported with this purpose, or imported to the Russian Federation;
- for performing works and services, including exploitation of oil and gas fields, construction of oil and gas pipelines;
- on business, supporting and other documents including those connected with the goods put into operation;
- in offers concerning sale of the goods, performing of the services, for use in advertisements, charitable and sponsor events, printed publications, official blanks, outdoor signs including administrative and production buildings, multifunctional filling centers with accompanying kinds of motorway service, shops, car washes, cafes, car care centers/tire fitting, recreational centers, on transport, clothes and means of individual protection;
- on License holder's stamp;
- in the Internet;
- in the License holder's corporate name.

License holder, under preliminary accedance of Licensor in written, has the right to conclude with the third parties (Sublicense holders) sublicense agreements for use of trademark of Licensor. License remuneration for the right to use any trademark is adjusted quarterly and equals to 300 minimum statutory monthly pay ( MSMP) established by legislation of the Russian Federation in force on the date of signing of acceptance acts ( net of VAT) as well as for the right to use any trademark under every sublicense agreement in the amount of 300 minimum statutory monthly pay ( MSMP) established by legislation of the Russian Federation in force on the date of signing of acceptance acts ( net of VAT). The interested persons are K.G. Seleznev, E.V. Mikhailova, V.K. Markov, members of ОАО Gazprom's collegiate executive body. Approved by the Resolution of ОАО Gazprom's annual General Shareholders Meeting dated 29.06.2012.

149. Insurance contract with ОАО SOGAZ concerning accidents and diseases. Total number of insured persons at the time the contract was entered into was 2,403 persons. Total insurance sum is RR 123,745,375.00. Total insurance premium is RR 31,836,525.00. The contract comes into force at 00:00 01.01.2013 and is in force up to 31.12.2013 inclusive. The interested persons are A.B. Miller, N.N. Dubik, A.V. Kruglov, members of ОАО Gazprom's governance bodies. Approved by the Resolution of ОАО Gazprom annual Shareholders Meeting dated 29.06.2012.

150. Rental contract with ОАО Gazprom gasoraspredeleniye. The amount of lease fee for the period up to 01.01.2012 is RR 74,068,477.00 (net of VAT). The amount of lease fee effective for Decemder 2012 is 69,579,478.00 (net of VAT); the amount of monthly lease fee for the period from January to September 2013 is RR 60,213,904.00 (net of VAT). The amount of monthly lease fee effective from 01.10.2013 up to 28.10.2013 is RR 54,386,752.00 (net of VAT). The contract comes into force from the date of its signing and is effective up to 28.10.2013. The terms and conditions of the contract are applicable to the parties effective from 30.10.2012. The interested persons are K.G. Seleznev, E.V. Mikhailova, V.K. Markov, members of ОАО Gazprom's collegiate executive body. Approved by the Resolution of ОАО Gazprom annual Shareholders Meeting dated 29.06.2012.



151. License contract with ООО Gazpromviet for use of trademarks. ОАО Gazprom (Licensor) grants an ordinary (non exclusive) license to ООО Gazpromviet (License holder) for use of trademarks ОАО Gazprom – Газпром, Gazprom and  registered in State register of trademarks (service marks) of the Russian Federation, certificates for trademarks (service marks) No. 228275 dated 19.11.2002, No.228276 dated 19.11.2002, No. 220181 dated 03.09.2002 (hereinafter Licensor trademarks) for all goods and services for which Licensor trademarks are registered. License holder has the right to use Licensor trademarks in following cases: License holder has the right to use Licensor trademarks in following cases:

- on goods, labels which are produced, sold, demonstrated on exhibitions and fairs, put into operation by other means on the territory of Russian Federation/ stored or transported with this purpose, or imported to the Russian Federation;
- for performing works and services, including exploitation of oil and gas fields, construction of oil and gas pipelines;
- on business, supporting and other documents including those connected with the goods put into operation;
- in offers concerning sale of the goods, performing of the services, for use in advertisements, charitable and sponsor events, printed publications, official blanks, outdoor signs including administrative and production buildings, multifunctional filling centers with accompanying kinds of motorway service, shops, car washes, cafes, car care centers/tire fitting, recreational centers, on transport, clothes and means of individual protection;
- on License holder's stamp;
- in the Internet;
- in the License holder's corporate name.

License remuneration for the right to use any trademark is adjusted quarterly and equals to 300 minimum statutory monthly pay ( MSMP) established by legislation of the Russian Federation in force on the date of signing of acceptance acts ( net of VAT). The interested person is K.G. Seleznev, member of ОАО Gazprom's governance body. Approved by the Resolution of ОАО Gazprom's annual General Shareholders Meeting dated 30.06.2011. The interested person is V.V. Cherepanov, member of ОАО Gazprom's collegiate executive body. Approved by the Resolution of ОАО Gazprom's annual General Shareholders Meeting dated 29.06.2012.

152. Rental contract with ЗАО Yamalgazinvest. The amount of lease fee for the period up to 01.01.2013 is RR 390,718.00 (net of VAT). The amount of monthly lease fee effective from January to September 2013 is RR 1,489.00 (net of VAT). The amount of lease fee effective from 01.10.2013 up to 28.10.2013 is RR 1,345.00 (net of VAT). The contract comes into force from the date of its signing and is effective up to 28.10.2013. The terms and conditions of the contract are applicable to the parties effective from 30.10.2012. The interested persons are E.A. Vasilieva, Y.Y. Golko, V.K. Markov, members of ОАО Gazprom's collegiate executive body. Approved by the Resolution of ОАО Gazprom's annual General Shareholders Meeting dated 29.06.2012

153. Rental contract with ООО Gazprom Komplektatsiya. The amount of lease fee for the period up to 01.01.2013 is RR 439,680.00 (net of VAT). The amount of monthly lease fee effective from January to September 2013 is RR 1,826.00 (net of VAT); the amount of lease fee effective from 01.10.2013 up to 28.10.2013 is RR 1,649.00 (net of VAT). The contract comes into force from the date of its signing and is effective up to 28.10.2013. The terms and conditions of the contract are applicable to the parties effective from 30.10.2012. The interested person is I.Yu. Federov, member of ОАО Gazprom's collegiate executive body. Approved by the Resolution of ОАО Gazprom's annual General Shareholders Meeting dated 29.06.2012

154. Rental contract with ЗАО Gazprom telecom. The amount of lease fee for the period up to 01.12.2012 is RR 6,113,217.00 (net of VAT). The amount of lease fee for December 2012 is 5,742,719, the amount of monthly lease fee effective from January to September 2013 is RR 4,925,775.00 (net of VAT). The amount of lease fee effective from 01.10.2013 up to 28.10.2013 is RR 4,449,087.00 (net of VAT). The contract comes into force from the date of its signing and is effective up to 28.10.2013. The terms and conditions of the contract are applicable to the parties effective from 30.10.2012. The interested person is M.L. Sereda, member of ОАО Gazprom's Board of Directors. Approved by the Resolution of ОАО Gazprom's annual General Shareholders Meeting dated 29.06.2012

155. Rental contract with ЗАО Gazprom telecom. The amount of lease fee for the period up to 01.12.2012 is RR 11,110,392.00 (net of VAT). The amount of lease fee for December 2012 is 10,437,035.00, the amount of monthly lease fee effective from January to September 2013 is RR 9,879,299.00 (net of VAT). The amount of lease fee effective from 01.10.2013 up to 28.10.2013 is RR 8,923,238.00 (net of VAT). The contract comes into force from the date of its signing and is effective up to 28.10.2013. The terms and conditions of the contract are applicable to the parties effective from 30.10.2012. The interested person is M.L. Sereda, member of ОАО Gazprom's Board of Directors. Approved by the Resolution of ОАО Gazprom's annual General Shareholders Meeting dated 29.06.2012

156. Rental contract with ООО Gazprom mezhregiongaz. The amount of lease fee for the period up to 01.01.2013 is RR 19,314.00 (net of VAT). The amount of monthly lease fee effective from January to September 2013 is RR 475.00 (net of VAT). The amount of lease fee effective from 01.10.2013 up to 28.10.2013 is RR 429.00 (net of VAT). The contract comes into force from the date of its signing and is effective up to 28.10.2013. The terms and conditions of the contract are applicable to the parties effective from 30.10.2012. The interested person is K.G. Seleznev, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012

157. Rental contract with DOAO Centrenergogaz. The amount of lease fee for the period up to 01.01.2013 is RR 10,012,158.00 (net of VAT). The amount of monthly lease fee effective from January to September 2013 is RR 7,653,452.00 (net of VAT). The amount of lease fee effective from 01.10.2013 up to 28.10.2013 is RR 6,912,795.00 (net of VAT). The contract comes into force from the date of its signing and is effective up to 28.10.2013. The terms and conditions of the contract are applicable to the parties effective from 30.10.2012. The interested person is M.L.Sereda, member of OAO Gazprom's Board of Directors. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

158. Rental contract with DOAO Centrgaz. The amount of lease fee for the period up to 01.01.2013 is RR 468,460.00 (net of VAT). The amount of monthly lease fee effective from January to September 2013 is RR 1,790.00 (net of VAT); the amount of lease fee effective from 01.10.2013 up to 28.10.2013 is 1,617.00 (net of VAT). The contract comes into force from the date of its signing and is effective up to 28.10.2013. The terms and conditions of the contract are applicable to the parties effective from 30.10.2012. The interested persons are M.L.Sereda, V.A. Golubev, Y.Y. Golko, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

159. Rental contract with ZAO Gazprom telecom. The amount of lease fee (net of VAT; VAT is paid by ZAO Gazprom telecom in the Republic of Belarus) for the period from 30.10.2012 to 31.12.2012 is RR 4,837,700.00; the amount of monthly lease fee effective from January to September 2013 is RR 2,319,013.00 (net of VAT; VAT is paid by ZAO Gazprom telecom in the Republic of Belarus); the amount of lease fee effective from 01.10.2013 up to 28.10.2013 is 2,094,592. The contract comes into force from the date of its signing and is effective up to 28.10.2013. The terms and conditions of the contract are applicable to the parties effective from 30.10.2012. The interested person is M.L.Sereda, member of OAO Gazprom's Board of Directors. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

160. Rental contract with ZAO Gazprom telecom. The amount of lease fee for the period from 30.10.2012 to 31.12.2012 is RR 2,410,740.00 (net of VAT); the amount of monthly lease fee effective from January to September 2013 is RR 1,159,523.00 (net of VAT); the amount of lease fee effective from 01.10.2013 up to 28.10.2013 is RR 246,993.00 (net of VAT). The contract comes into force from the date of its signing and is effective up to 28.10.2013. The terms and conditions of the contract are applicable to the parties effective from 30.10.2012. The interested person is M.L.Sereda, member of OAO Gazprom's Board of Directors. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012.

161. Rental contract with OAO Gazprom promgaz. The amount of lease fee for the period up to 01.01.2013 is RR 680,337.00 (net of VAT); the amount of monthly lease fee effective from January to September 2013 is RR 273,457.00 (net of VAT); the amount of lease fee effective from 01.10.2013 up to 28.10.2013 is RR 246,993.00 (net of VAT). The contract comes into force from the date of its signing and is effective up to 28.10.2013. The terms and conditions of the contract are applicable to the parties effective from 30.10.2012. The interested person is V.V. Rusakova, member of OAO Gazprom's collegiate body. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012

162. Rental contract with OAO Vostokgazprom. The amount of lease fee for the period up to 01.01.2013 is RR 39,166.00 (net of VAT); the amount of monthly lease fee effective from January to September 2013 is RR 11,287.00 (net of VAT); the amount of lease fee effective from 01.10.2013 up to 28.10.2013 is RR 10,195.00 (net of VAT). The contract comes into force from the date of its signing and is effective up to 28.10.2013. The terms and conditions of the contract are applicable to the parties effective from 30.10.2012. The interested persons are M.L. Sereda, K.G. Seleznev, A.V. Kruglov, E.A. Vasilieva, members of OAO Gazprom's governance bodies. Approved by the Resolution of OAO Gazprom's annual General Shareholders Meeting dated 29.06.2012

163. Addendum No. 7/13 to the contract No.MRG-2009/1-016/09 dated 29.12.2008 with ООО Gazprom mezhregiongaz due to adjustments of volumes of gas deliveries in 2013. The volume of gas supply from 01.01.2013 up to 31.12.2013 is 249.849 bcm, including: at regulated prices (the main gas supply) – 219.333 bcm; under conditions established by the Government of the Russian Federation by Decree No. 1021 dated 29.12.2000 with amendments approved by the Government of the Russian Federation by Decree No. 333 dated 28.05.2007 (additional gas supply) – 30.516 bcm. The interested person is K.G. Seleznev, member of ОАО Gazprom's collegiate executive body. Approved by the Resolution of ОАО Gazprom's annual General Shareholders Meeting dated 29.06.2012.

164. Addendum No. 4/13 to the contract No. MRG/np-2010/1-007/10 dated 30.07.2010 on gas supply with ООО Gazprom mezhregiongaz due to adjustments of volumes of gas deliveries in 2013. The volume of gas deliveries to the consumers of Kamchatka Krai of the Russian Federation (except Sobolevsky district) in 2013 is 418.6 mmcm. The interested person is K.G. Seleznev, member of ОАО Gazprom's collegiate executive body. Approved by the Resolution of ОАО Gazprom's annual General Shareholders Meeting dated 29.06.2012.

165. Addendum No. 2/13 to the contract No. S/MRG/p-2011/1-005/10 dated 17.10.2011 on gas supply with ООО Gazprom mezhregiongaz due to adjustments of volumes of gas deliveries in 2013. The volume of gas deliveries to the consumers of Primorski Krai (except households) in 2013 is 1,130.2 mmcm. The interested person is K.G. Seleznev, member of ОАО Gazprom's collegiate executive body. Approved by the Resolution of ОАО Gazprom's annual General Shareholders Meeting dated 29.06.2012.

166. Gas supply contract with ООО Gazprom mezhregiongaz. ОАО Gazprom delivers to ООО Gazprom mezhregiongaz combustible natural gas including dry topped gas produced by ОАО Gazprom and/or its affiliates for its further realization to consumers of the Russian Federation: Republic of Dagestan, Kabardino-Balcar Republic, Karachaevo-Cherkess Republic, Republic of Ingushetia and Republic of North Ossetia-Alania. The volume of gas supply in the period from 01.01.2013 to 31.12.2013 is 5,636.0 mmcm, including: at regulated prices (the main gas supply) – 5,427.2 mmcm; under conditions established by the Government of the Russian Federation by Decree No. 1021 dated 29.12.2000 with amendments approved by the Government of the Russian Federation by Decree No. 333 dated 28.05.2007 (additional gas supply) – 208.8 mmcm. The interested person is K.G. Seleznev, member of ОАО Gazprom's collegiate executive body. Approved by the Resolution of ОАО Gazprom's annual General Shareholders Meeting dated 29.06.2012.

167. Gas supply contract with ООО Gazprom mezhregiongaz. ОАО Gazprom delivers to ООО Gazprom mezhregiongaz combustible natural gas including dry topped gas produced by ОАО Gazprom and/or its affiliates for its further realization to consumers of Chechen Republic. The volume of gas 2013 is 1,748.1 mmcm. The interested person is K.G. Seleznev, member of ОАО Gazprom's collegiate executive body. Approved by the Resolution of ОАО Gazprom's annual General Shareholders Meeting dated 29.06.2012.

168. Additional agreement No. 9 to the commission contract No. GE 01/09 dated 07.12.2009 with ООО Gazprom Export due to specification list of goods (products of refinery) and ООО Gazprom Export essentials. The interested person is A.I.Medvedev, member of ОАО Gazprom's collegiate executive body. Approved by the Resolution of ОАО Gazprom's annual General Shareholders Meeting dated 29.06.2012.

169. Additional agreement No. 10 to the commission contract No. GE 01/09 dated 07.12.2009 with ООО Gazprom Export due to change of form of commission order. The interested person is A.I.Medvedev, member of ОАО Gazprom's collegiate executive body. Approved by the Resolution of ОАО Gazprom's annual General Shareholders Meeting dated 29.06.2012.

170. Buy and sell agreement of real estate with ОАО Gazprom Gazoraspredelenie. Property holdings: objects of gas distribution systems. The cost of real estate is RR 72,527,000.00 plus VAT at a amount of RR 13,054,860.00 The interested persons are E.A. Mikhailova, K.G. Seleznev, members of ОАО Gazprom's collegiate executive body. Approved by the Resolution of ОАО Gazprom's Board of Directors No. 1941 dated 15.02.2012.

171. Buy and sell agreement of real estate with ООО Gazprom mezhregiongaz. Property holdings: under construction objects of gas pipelines of Orenburg Region. The cost of real estate is RR 43,832,665.00 plus VAT at a amount of RR 7,889,879.83 The interested person is K.G. Seleznev, member of ОАО Gazprom's collegiate executive body. Approved by the Resolution of ОАО Gazprom's Board of Directors No. 1978 dated 21.05.2012.

**As requested by the Prime Minister of the Russian Federation No. VP-P13-9308 dated 28.12.2011 in 2012 the agreements included provisions taking into account the obligations to provide the information about changes in the chain of owners, including beneficiaries (including the final), and (or) in the executive branch, and the right of OAO Gazprom on unilateral refusal to perform the contract in the event that the counterparty doesn't perform it's duty:**

1. Agreement No. 2 to the contract No. 2036-1030-10-2 dated 30.08.2010 with OAO Gazprom Promgaz for performance of the research work. The interested person is V.V. Rusakova, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's Board of Directors No. 2031 dated 16.07.2012.

2. Agreement No. 1 to the contract No. 2221-0700-10-2 dated 05.03.2011 with OAO Gazprom Promgaz for performance of the research work. The interested person is V.V. Rusakova, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's Board of Directors No. 2031 dated 16.07.2012.

3. Agreement No. 1 to the contract No. 2020-0750-10-2 dated 30.08.2010 with OAO Gazprom Promgaz for performance of the research work. The interested person is V.V. Rusakova, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's Board of Directors No. 2031 dated 16.07.2012.

4. Agreement No. 1 to the contract No. 2222-0700-10-2 dated 10.08.2011 with OAO Gazprom Promgaz for performance of the research work. The interested person is V.V. Rusakova, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's Board of Directors No. 2031 dated 16.07.2012.

5. Agreement No. 1 to the contract No. 1696-1503-09-2 dated 13.11.2010 with OAO Gazprom Promgaz for performance of the research work. The interested person is V.V. Rusakova, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's Board of Directors No. 2031 dated 16.07.2012.

6. Agreement No. 1 to the contract No. 2223-0350-10-2 dated 16.11.2010 with OAO Gazprom Promgaz for performance of the research work. The interested person is V.V. Rusakova, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's Board of Directors No. 2045 dated 16.08.2012.

7. Agreement No. 1 to the contract No. 1699-1530-09-2 dated 10.03.2011 with OAO Gazprom Promgaz for performance of the research work. The interested person is V.V. Rusakova, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's Board of Directors No. 2045 dated 16.08.2012.

8. Agreement No. 1 to the contract No. 2072-1440-10-2 dated 30.08.2010 with OAO Gazprom Promgaz for performance of the research work. The interested person is V.V. Rusakova, member of OAO Gazprom's collegiate executive body. Approved by the Resolution of OAO Gazprom's Board of Directors No. 2045 dated 16.08.2012.

**As requested by the Prime Minister of the Russian Federation No. VP-P13-9308 dated 28.12.2011 in 2012 the agreements, the essential terms of which were approved by the OAO Gazprom's Annual General Shareholders Meeting dated 30.06.2011, include provisions, taking into account the obligations of the counterparty to provide information about changes in the chain of owners, including beneficiaries (including the final), and (or) executive bodies, as well as the right of OAO Gazprom on unilateral refusal to perform the contract in the event that the counterparty doesn't perform it's duty:**

1. Additional agreement No. 1 to the contract for fixed assets stock-taking with OAO Druzhba dated 11.11.2011. The interested person is A.N. Kozlov, member of OAO Gazprom's collegiate executive body.

2. Additional agreement No. 1 to the contract for fixed assets stock-taking with OOO Gazprom Komplektatsiya dated 11.11.2011. The interested person is I.Y. Fedorov, member of OAO Gazprom's collegiate executive body.

3. Additional agreement No. 1 to the contract for fixed assets stock-taking with ОАО Gazprom Neftechim Salavat dated 11.11.2011. The interested persons are K.G. Seleznev, E.V. Mihailova, members of ОАО Gazprom's collegiate executive body.

4. Additional agreement No. 1 to the contract for fixed assets stock-taking with ОАО Gazprom Kosmicheskie Sistemy dated 11.11.2011. The interested persons are S.F. Khomyakov, M.L. Sereda, members of ОАО Gazprom's collegiate executive body.

5. Additional agreement No. 1 to the contract for fixed assets stock-taking with ООО Gazpromtrans dated 11.11.2011. The interested persons are V.A. Golubev, Y.Y. Golko, members of ОАО Gazprom's collegiate executive body.

6. Addendum No. 1 to the contract No. GB/TR dated 25.11.2011 with ОАО Beltransgaz for natural gas transportation over the territory of the Republic of Belarus in 2012–2014. The interested persons are N.N. Dubik, O.E. Aksutin, Y.Y. Golko, members of ОАО Gazprom's collegiate executive body.

7. Addendum No. 1 to the contract No. GB/KP dated 25.11.2011 with ОАО Beltransgaz for gas delivery to the Republic of Belarus in 2012–2014. The interested persons are N.N. Dubik, O.E. Aksutin, Y.Y. Golko, members of ОАО Gazprom's collegiate executive body.

8. Addendum No. 3 to the contract No. 2GM-11 dated 31.12.2010 with АООТ Moldovagaz concerning terms and conditions of natural gas transit over the territory of the Republic of Moldova in 2011. The interested persons are N.N. Dubik, V.A. Golubev, members of ОАО Gazprom's collegiate executive body.

9. Addendum No. 4 to the contract No. GM-07-11 dated 29.12.2006 with АООТ Moldovagaz concerning terms and conditions of natural gas delivery to the Republic of Moldova in 2007–2011. The interested persons are N.N. Dubik, V.A. Golubev, members of ОАО Gazprom's collegiate executive body.

10. Additional agreement No. 2 to the property insurance contract No. 11RT0321 dated 01.07.2011 with ОАО Sogaz. The interested persons are A.B. Miller, N.N. Dubik, A.V. Kruglov, members of ОАО Gazprom's governance bodies.

11. Additional agreement No. 1 to the contract for fixed assets stock-taking with ОАО Vostokgazprom dated 11.11.2011. The interested persons are M.L. Sereda, K.G. Seleznev, A.V. Kruglov, E.A. Vasilieva, members of ОАО Gazprom's governance bodies.

12. Additional agreement No. 1 to the contract for fixed assets stock-taking with ОАО Gazprom Neft dated 11.11.2011. The interested persons are A.B. Miller, A.V. Kruglov, V.A. Golubev, K.G. Seleznev, N.N. Dubik, V.V. Cherepanov, members of ОАО Gazprom's governance bodies.

13. Additional agreement No. 1 to the contract for fixed assets stock-taking with ООО Gazprom Invest Yug dated 11.11.2011. The interested person is Y.Y. Golko, member of ОАО Gazprom's collegiate executive body.

14. Addendum No. 5 to the contract No. R-TR-09 dated 30.03.2009 with company Gazprom Germany GmbH concerning natural gas transportation (transit). The interested persons are A.I. Medvedev, A.V. Kruglov, members of ОАО Gazprom's collegiate executive body.

15. Additional agreement No. 1 to the customs representatives' civil liability insurance contract No. 11GL0765 dated 29.12.2011 with ОАО SOGAZ. The interested persons are A.B. Miller, N.N. Dubik, A.V. Kruglov, members of ОАО Gazprom governance bodies.

16. Additional agreement No. 1 to the contract for fixed assets stock-taking with ОАО Gazprom Promgaz dated 11.11.2011. The interested person is V.V. Rusakova, member of ОАО Gazprom's collegiate executive body.

17. Additional agreement No. 1 to the contract for fixed assets stock-taking with ОАО Centrgaz dated 11.11.2011. The interested persons are M.L. Sereda, V.A. Golubev, Y.Y. Golko, members of ОАО Gazprom governance bodies.

18. Additional agreement No. 1 to the contract for fixed assets stock-taking with ОАО Gazprom Gazoraspredelenie dated 11.11.2011. The interested persons are K.G. Seleznev, E.V. Mihailova, members of ОАО Gazprom's collegiate executive body.

19. Additional agreement No. 1 to the contract for fixed assets stock-taking with DOAO Centrenergogaz dated 11.11.2011. The interested person is M.L. Sereda, member of OAO Gazprom's Board of Directors.

20. Additional agreement No. 1 to the contract for fixed assets stock-taking with ZAO Yamalgazinvest dated 11.11.2011. The interested persons are E.A. Vasilieva, Y.Y. Golko, members of OAO Gazprom's collegiate executive body.

21. Additional agreement No. 1/12 to the contract for fixed assets stock-taking with OOO Gazprom Mezhregiongaz dated 11.11.2011. The interested person is K.G. Seleznev, member of OAO Gazprom's collegiate executive body.

22. Agreement No. 1 to the insurance contract No. 12LA0201 dated 29.12.2011 with OAO SOGAZ concerning accidents and diseases. The interested persons are A.B. Miller, N.N. Dubik, A.V. Kruglov, members of OAO Gazprom governance bodies.

23. Agreement No. 16/2012 to the contract for investment projects execution No. ID-1-2006 dated 04.10.2006 with ZAO Gazprom Invest Yug. The interested person is Y.Y. Golko, member of OAO Gazprom's collegiate executive body.

24. Addendum No. 1/12 to the contract of gas delivery No. MRG/Ch-2012/1-003/12 dated 31.01.2012 with OOO Gazprom Mezhregiongaz. The interested person is K.G. Seleznev, member of OAO Gazprom's collegiate executive body.

25. Addendum No. 1/12 to the contract of gas delivery No. MRG/K-2012/1-002/12 dated 31.01.2012 with OOO Gazprom Mezhregiongaz. The interested person is K.G. Seleznev, member of OAO Gazprom's collegiate executive body.

26. Addendum No. 6/12 to the contract of gas delivery No. MRG-2009/1-016/09 dated 29.12.2008 with OOO Gazprom Mezhregiongaz. The interested person is K.G. Seleznev, member of OAO Gazprom's collegiate executive body.

27. Additional agreement No. 2 to the contract No. 700086 dated 30.12.2008 for the organization of passenger rail services with OOO Gazpromtrans. The interested persons are V.A. Golubev, Y.Y. Golko, members of OAO Gazprom's collegiate executive body.

28. Additional agreement No. 1 to the contract for fixed assets stock-taking with OOO Gazprom Telecom dated 11.11.2011. The interested person is M.L. Sereda, member of OAO Gazprom's Board of Directors.

29. Addendum No. 5 to the contract of gas delivery No. 23-Pk-2009 dated 29.12.2008 with ZAO Nortgaz. The interested person is K.G. Seleznev, member of OAO Gazprom's collegiate executive body.

30. Addendum No. 22 to the contract for natural gas delivery in 2004–2017 No. 6GLi-2004 dated 05.02.2004 with ZAO Kaunas Heat and Power Plant. The interested persons are K.G. Seleznev, V.A. Golubev, members of OAO Gazprom's collegiate executive body.

31. Additional agreement No. 7 to the commission contract No. GE 01/09 dated 07.12.2009 with OOO Gazprom Export. The interested person is A.I. Medvedev.

32. Additional agreement No. 1 to the contract for fixed assets stock-taking with OOO Gazprom Centrremont dated 11.11.2011. The interested persons are A.V. Kruglov, M.L. Sereda, members of OAO Gazprom's governance bodies.

33. Agreement to the contract of the voluntary medical insurance of individuals with OAO SOGAZ No. 12 LM 0010 dated 29.12.2011. The interested persons are A.B. Miller, N.N. Dubik, A.V. Kruglov, members of OAO Gazprom's governance bodies.

34. Additional agreement No. 1 to the agency contract concerning contract support for comprehensive installation and commissioning works "under load" at OAO Gazprom's facilities, commissioned by contracts for investment projects, and other activities necessary to perform the commissioning of works "under load", No. PNR--15-2010 dated 02.07.2010 with ZAO Gazprom Invest Yug. The interested person is Y.Y. Golko, member of OAO Gazprom's collegiate executive body.

35. Additional agreement No. 2 to the agency contract concerning contract support for comprehensive installation and commissioning works "under load" at OAO Gazprom's facilities, commissioned by contracts for investment projects, and other activities necessary to perform the commissioning of works "under load", No. PNR-14-2010 dated 02.07.2010 with OOO Gazprom Centrremont. The interested persons are A.V. Kruglov, M.L. Sereda, members of OAO Gazprom's governance bodies.



36. Additional agreement No. 1 to the agency contract concerning contract support for comprehensive installation and commissioning works "under load" at OAO Gazprom's facilities, commissioned by contracts for investment projects, and other activities necessary to perform the commissioning of works "under load", No. PNR-2-2010 dated 03.06.2010 with ZAO Yamalgazinvest. The interested persons are E.A. Vasilieva, Y.Y. Golko, members of OAO Gazprom's collegiate executive body.

37. Additional agreement No. 1 to the agency contract concerning contract support for comprehensive installation and commissioning works "under load" at OAO Gazprom's facilities, commissioned by contracts for investment projects, and other activities necessary to perform the commissioning of works "under load", No. PNR-13-2010 dated 29.06.2010 with OOO Gazpromtrans. The interested persons are V.A. Golubev, Y.Y. Golko, members of OAO Gazprom's collegiate executive body.

38. Agreement No. 7/2012 to the contract for investment projects execution No. 01/0412-3716 dated 11.12.2009 with OOO Gazprom Centremont. The interested persons are A.V. Kruglov, M.L. Sereda, members of OAO Gazprom's governance bodies.

39. Agreement No. 31/2012 to the contract for investment projects execution No. YGI-99 dated 01.01.1999 with ZAO Yamalgazinvest. The interested persons are E.A. Vasilieva, Y.Y. Golko, members of OAO Gazprom's collegiate executive bodies.

40. Agreement No. 24 to the contract for investment projects execution No. 53-887 dated 08.12.1999 with OOO Gazprom Kosmicheskoye Sistemy. The interested persons are S.F. Khomyakov, M.L. Sereda, members of OAO Gazprom's governance bodies.

41. Agreement No. 17/2012 to the contract for investment projects execution No. 42 dated 29.09.2003 with OOO Gazpromtrans. The interested persons are V.A. Golubev, Y.Y. Golko, members of OAO Gazprom's collegiate executive body.

42. Agreement to the agency contract No. 50-60/158pr dated 12.12.2006 with OOO Gazprom Komplektatsiya. The interested person is I.Y. Fedorov, member of OAO Gazprom's collegiate executive body.

43. Agreement No. 01/1600-S-65/12 to the rental contract No. 01/1600-D-77/12 dated 30.11.2011 with OOO Gazprom Komplektatsiya. The interested person is I.Y. Fedorov, member of OAO Gazprom's collegiate executive body.

44. Agreement No. 01/1600-S-28/12 to the rental contract No. 01/1600-D-124/12/n dated 31.12.2011 with ZAO Gazprom Telecom. The interested person is M.L. Sereda, member of OAO Gazprom's Board of Directors.

45. Agreement No. 01/1600-S-27/12 to the rental contract No. 01/1600-D-8/12 dated 30.12.2011 with ZAO Gazprom Telecom. The interested person is M.L. Sereda, member of OAO Gazprom's Board of Directors.

46. Agreement No. 01/1600-S-26/12 to the rental contract No. 01/1600-D-7/12 dated 30.12.2011 with ZAO Gazprom Telecom. The interested person is M.L. Sereda, member of OAO Gazprom's Board of Directors.

47. Agreement No. 01/1600-S-25/12 to the rental contract No. 01/1600-D-6/12 dated 30.12.2011 with ZAO Gazprom Telecom. The interested person is M.L. Sereda, member of OAO Gazprom's Board of Directors.

48. Agreement No. 01/1600-S-24/12 to the rental contract No. 01/1600-D-5/12 dated 30.11.2011 with ZAO Gazprom Telecom. The interested person is M.L. Sereda, member of OAO Gazprom's Board of Directors.

49. Agreement No. 01/1600-S-107/12 to the rental contract No. 01/1600-D-61/12 dated 30.11.2011 with OAO Gazprom Kosmicheskoye Sistemy. The interested persons are S.F. Khomyakov, M.L. Sereda, members of OAO Gazprom's governance bodies.

50. Agreement No. 01/1600-S-105/12 to the rental contract No. 01/1600-D-40/12 dated 30.11.2011 with OOO Gazpromtrans. The interested persons are V.A. Golubev, Y.Y. Golko, members of OAO Gazprom's collegiate executive body.

51. Agreement No. 01/1600-S-104/12 to the rental contract No. 01/1600-D-116/12/n dated 31.12.2011 with OOO Gazpromtrans. The interested persons are V.A. Golubev, Y.Y. Golko, members of OAO Gazprom's collegiate executive body.

52. Agreement No. 01/1600-S-103/12 to the rental contract No. 01/1600-D-199/2011 dated 31.08.2011 with OOO Gazpromtrans. The interested persons are V.A. Golubev, Y.Y. Golko, members of OAO Gazprom's collegiate executive body.

53. Agreement No. 01/1600-S-93/12 to the rental contract No. 01/1600-D-19/12 dated 30.11.2011 with OAO Gazprom Gazoraspredeleye. The interested persons are K.G. Seleznev, E.V. Mihailova, members of OAO Gazprom's collegiate executive body.

54. Additional agreement No. 6 to the contract on gas delivery No. 30PK-2010/2009-690-M dated 27.01.2010 with ОАО NOVATEK. The interested persons are K.G. Seleznev, A.I. Akimov, members of ОАО Gazprom's governance bodies.

55. Agreement No. 01/1600-S-114/12, 1/12 to the rental contract No. 01/1600-D-72/12 dated 30.11.2011 with ООО Gazprom Mezhregiongaz. The interested person is K.G. Seleznev, member of ОАО Gazprom's collegiate executive body.

56. Agreement No. 01/1600-S-123/12 to the rental contract No. 01/1600-D-58/12 dated 30.11.2011 with ОАО Vostokgazprom. The interested persons are M.L. Sereda, K.G. Seleznev, A.V. Kruglov, E.A. Vasilieva, members of ОАО Gazprom's governance bodies.

57. Agreement No. 01/1600-S-124/12 to the rental contract No. 01/1600-D-47/12 dated 30.11.2011 with ОАО Centrgaz. The interested persons are M.L. Sereda, V.A. Golubev, Y.Y. Golko, members of ОАО Gazprom's governance bodies.

58. Agreement No. 01/1600-S-127/12 to the rental contract No. 01/1600-D-44/12 dated 30.11.2011 with ОАО Gazprom Neft. The interested persons are A.B. Miller, A.V. Kruglov, V.A. Golubev, K.G. Seleznev, N.N. Dubik, V.V. Cherepanov, members of ОАО Gazprom's governance bodies.

59. Agreement No. 01/1600-S-131/12, 1 to the rental contract No. 01/1600-D-56/12 dated 30.11.2011 with DOAO Centrenergogaz ОАО Gazprom. The interested person is M.L. Sereda, member of ОАО Gazprom's Board of Directors.

60. Agreement No. 01/1600-S-134/12 to the rental contract No. 01/1600-D-60/12 dated 30.11.2011 with ОАО Gazprom Neftechim Salavat. The interested persons are K.G. Seleznev, E.V. Mihailova, members of ОАО Gazprom's collegiate executive body.

61. Agreement No. 01/1600-S-136/12 to the rental contract No. 01/1600-D-50/12 dated 30.11.2011 with ОАО Gazprom Promgaz. The interested person is V.V. Rusakova, member of ОАО Gazprom's collegiate executive body.

62. Additional agreement No. 1 to the contract for natural gas transportation over the territory of the Russian Federation in 2012 No. TKG-12 dated 07.02.2012 with TOO KazRosGaz. The interested persons are A.I. Medvedev, K.G. Seleznev, V.A. Golubev, members of ОАО Gazprom's collegiate executive body.

As requested by the Prime Minister of the Russian Federation No. VP-P13-9308 dated 28.12.2011 in 2012 the agreements, the essential terms of which were approved by the OAO Gazprom's Annual General Shareholders Meeting dated 29.06.2011, include provisions, taking into account the obligations of the counterparty to provide information about changes in the chain of owners, including beneficiaries (including the final), and (or) executive bodies, as well as the right of OAO Gazprom on unilateral refusal to perform the contract in the event that the counterparty doesn't perform it's duty:

1. Addendum No. 15 to the contract on the provision of services related to gas pumping, storage and extraction No. 22NPphg/k-2007 dated 23.07.2007 with OAO NOVATEK. The interested persons are K.G. Seleznev, A.I. Akimov, members of OAO Gazprom's governance bodies.

2. Addendum No. 44 to the contract for gas transportation arrangement services No. 22NPtr/k-2004 dated 06.10.2003 with OAO Novatek. The interested persons are K.G. Seleznev, A.I. Akimov, members of OAO Gazprom's governance bodies.

3. Agreement No. 01/1600-S-190/12 to the rental contract No. 01/1600-D-71/12 dated 30.11.2011 with ZAO Gazprom Invest Yug. The interested person is Y.Y. Golko, member of OAO Gazprom's collegiate executive body.

4. Agreement No. 28/2012 to the contract for investment projects execution No. 53-577 dated 09.08.1999 with ZAO Gazprom Telecom. The interested person is M.L. Sereda, member of OAO Gazprom's Board of Directors.

5. Agreement to the contract of bank account No. RK4078483 dated 05.05.2003 with OAO AB RUSSIA. The interested person is K.G. Seleznev, member of OAO Gazprom's collegiate executive body.

## Information on Transactions with OAO Gazprom's Shares Carried Out by Members of OAO Gazprom's Board of Directors and Management Committee in 2012

Name	Transaction date	Type of transaction	Number of OAO Gazprom's ordinary registered shares
V.A. Golubev	24.01.2012	Sale	170,114
M.L. Sereda	21.02.2012	Sale	51,348

## Information on the Actual Results of Execution of Orders and Directions of the President of the Russian Federation and Orders of the Government of the Russian Federation

### **Investment Program Implementation (Order of the First Deputy Prime-Minister of the Government of the Russian Federation I.I. Shuvalov No. ISh-P13-5361, dated 18.09.2009)**

As per the Investment Program for 2012, approved by a resolution of the Board of Directors of OAO Gazprom, the actual implementation volume of investments in 2012 amounted to RR 1,106.6 bln, the volume of capital investments - to RR 1,016.05 bln, long-term financial investments - to RR 72.3 bln, acquisition of non-current assets - RR 0.6 bln.

The investment priorities for capital construction under the Investment Program were the following:

- development of Bovanenkovskoye field;
- implementation of gas transportation projects, including construction of trunk gas pipeline systems Bovanenkovo - Ukhta and Ukhta - Torzhok, gas pipelines Gryazovets - Vyborg, Pochinki - Gryazovets, Northern Tyumen regions - Torzhok, gas pipeline from Kirinskoye onshore facilities to Sakhalin main compressor station;
- development of underground gas storage system.

The key areas of long-term financial investments in 2012 were related to OAO Gazprom's involvement in construction of Nord Stream and South Stream pipelines, development of gas reserves abroad, gas processing and power generation projects, including construction of Adler TPP.

The financing of OAO Gazprom's Investment Program in 2012 amounted to RR 910.1 bln (including capital investment financing in the amount of RR 837.8 bln).

### **Improvement of mineral extraction tax rates for natural gas (Assignments of the Prime Minister of the of the Russian Federation D.A. Medvedev No. DM-P9-7pr dated 13.06.2012, No. DM-P9-36pr dated 24.09.2012; Assignments of the Deputy Prime Minister of the Russian Federation A.V. Dvorkovich No. AD-P9-5934 dated 04.10.2012, No. AD-P9-7060 dated 23.11.2012)**

OAO Gazprom prepared its proposals for improvement of mineral extraction tax rates for natural gas, particularly:

- the *Company* assessed the proposals of the Ministry of Energy and the Ministry of Finance of Russia on MET gas rates calculation;
- the *Company* conducted activities on determining MET rate differentiation ratios and rate caps to secure feasible returns for investment projects and ongoing projects of OAO Gazprom per each proposed formula;
- the *Company* prepared and delivered to Ministry of Energy, the Ministry of Economic Development and Trade and the Ministry of Finance of Russia its proposals on possible tax breaks for deposits in Eastern Siberia, the Far East and Yamal Peninsula.

**Stimulating gas production on the continental shelf (Para. 1 of the Order of the Government of the Russian Federation No. 443-r dated 12.04.2012 •Key measures for reinforcement of Russia's strategic positions in the global energy industry for the period up to January 1, 2016 ; Paras 2, 3 of the Order of the Government of the Russian Federation No.700-r dated 03.05.2012 •Classification of projects for development of subsoil sections, containing tight oil reserves, classified on reservoir permeability and oil viscosity parameters ; Assignments of the Prime Minister of the of the Russian Federation D.A. Medvedev No. DM-P9-36pr dated 24.09.2012, the Deputy Prime Minister of the Russian Federation A.V. Dvorkovich No. AD-P9-7115 dated 24.11.2012)**

The *Company* prepared its proposals for measures to stimulate gas production on the continental shelf of the Russian Federation, particularly:

- The *Company* prepared and sent to the Government of the Russian Federation its proposals to stimulate gas production on the continental shelf of the Russian Federation, with detailed assessment of impact of the new tax system on the shelf projects, implemented by OAO Gazprom;
- The *Company* developed proposals on defining development conditions for Prirazlomnoye oil field and Kirinskoye gas condensate field;
- The *Company* prepared and sent to the Ministry of Energy of Russia financial and economic models of Prirazlomnoye oil field, Kirinskoye GCF, Shtokmanovskoye GCF, Leningradskoye GCF, Severo-Kamennomysskoye GCF.

**Disclosure of ownership structure, including beneficiaries, by counterparties on ongoing contracts**

**(Assignments of the Prime Minister of the of the Russian Federation V.V. Putin No. VP-P13-9308 dated 28.12.2011 and No. VP-P24-1269 dated 05.03.2012)**

OAO Gazprom made changes in its internal documents, stating that failure of a counterparty to disclose ownership structure information, including beneficiaries (including end beneficiaries), will prevent execution of new contracts and cause termination of existing contracts, namely:

- OAO Gazprom issued order No. 11 dated 24.01.2012 "Amendments to OAO Gazprom Regulation on Contracting, approved by OAO Gazprom order No.54 dated June 14, 2002";
- OAO Gazprom issued order No.30 dated 08.02.2012 " Amendments to OAO Gazprom Regulation on Contracting, approved by OAO Gazprom order No.54 dated June 14, 2002" (the order was issued in relation to cancellation by the Ministry of Energy of Russia of the previous RR 50 mln transaction limit when determining counterparty disclosure of information on ownership structure (Letter No. 13-19 dated 19.01.2012);

In the reporting period:

- The *Company* sent to the Ministry of Energy of Russia, the Federal Tax Service of Russia, Rosfinmonitoring information about 347 680 executed contracts (6 571 contracts of OAO Gazprom, 341 109 contracts of its subsidiaries);
- Amendments made to 1 170 existing contracts due to inclusion of provisions for counterparties to disclose information on changes in ownership structure, including beneficiaries (including end beneficiaries), and (or) in executive bodies, and also the right of OAO Gazprom to unilaterally terminate contract in the event of counterparty failure to disclose;
- Amendments made to all actually used standard contracts (50 amendments), and also to contract template (one change).

### Development of voluntary environmental responsibility mechanisms.

According to the Directive of the Government of the Russian Federation dated March 30, 2012, state-controlled companies must adopt "voluntary environmental responsibility mechanisms" and then regularly report implementation of such mechanisms. Companies of the *Group* currently use almost all of the voluntary environmental responsibility mechanisms, including: vertically integrated EMS, compliant with ISO 14001:2004 international standard, Environmental Policy in place, determining and implementing environmental targets, voluntary disclosure of data on environmental impact, implementation of preventive controls – corporate environmental review of project materials and corporate environmental inspection, development and approval of target corporate environmental programs in OAO Gazprom.

Pursuant to Decree of the President of the Russian Federation No. 1157 dated August 10, 2012, the year of 2013 was declared the Year of the Environment in the Russian Federation. OAO Gazprom, being an environmentally responsible *Company*, in support of the government initiative declared 2013 the Year of Environmental Protection and developed a relevant action plan.

### Gasification of regions

**(Assignments of the President of the Russian Federation D.A. Medvedev No. 007228 dated 27.01.2011 and of the Prime Minister of the of the Russian Federation V.V. Putin No. VP-P9-708 dated 05.02.2010)**

Structural units of OAO Gazprom considered the issue of construction timelines for branch pipeline Yurgamysh – Kurgan, a section of branch pipeline Shumikha – Mishkino – Yurgamysh – Kurgan with a branch to Kurtamysh.

Taking into account the need to accelerate construction of the above facility, the *Company* launched parallel design and construction of Yurgamysh – Kurgan branch pipeline, allowing for its commissioning in 2014.

2012 Capital Construction Plan, adjusted by performance results for the first half of 2012 and approved by No. 2069 Resolution of the Board of Directors of OAO Gazprom dated October 30, 2012, the above mentioned construction project was supposed to be allocated capital construction limit amount of RR 57,28 mln for land acquisition and development of project documentation.

2013 Capital Construction Plan, approved by No. 2095 Resolution of the Board of Directors of OAO Gazprom dated December 20, 2012, provided for allocation of capital investment limit amount of RR 800.0 mln for construction and installation at construction Phases I and II, including Vvedenskoye GDS and 60.67 km of line pipe of Yurgamysh – Kurgan branch pipeline.

Considering the above facts, the branch pipeline Shumikha – Mishkino – Yurgamysh – Kurgan with a branch to Kurtamysh will be commissioned in 2014.

**(Assignment of the President of the Russian Federation D.A. Medvedev No.Pr-183 dated 25.01.2011 in response to a query by Kurgan region governor O.A. Bogomolov about participation of OAO Gazprom in construction of trunk gas pipeline from Uporovo GDS (Tyumen region) – Lebyazhie (Kurgan region))**

The *Company* reviewed the gas supply scheme for eastern districts of Kurgan region.

It is proposed to supply gas to eastern districts of Kurgan region by constructing a branch pipeline from Vargashi GDS –Lebyazhie, connected to Shatrovskaya CS – Kurgan –Vargashi GDS branch pipeline, with Urengoy-Chelyabinsk trunk pipeline as the gas supply source.

In 2012 GGU Upravleniye kapitalnogo stroitelstva Kurganskoi oblasti developed materials "Feasibility study of construction of a branch pipeline and GDS in Lebyazhie (with potential for development of eastern districts)" and submitted them for internal review by OAO Gazprom. OAO Gazprom's review states that the feasibility study shows low return values, failing to meet corporate requirements of OAO Gazprom to return on investment, and needs to be refined.

OAO Gazprom will make a decision on inclusion of the project into its PIR Plan after the second review of the feasibility study, amended in line with the Report of OAO Gazprom No. 184-2012/04230 dated 07.12.2012.

Taking into account the need of further consideration of the issue of construction of a branch pipeline, the deadline for presentation of the report to the President of the Russian Federation is shifted to July 30, 2013.



**Resolutions of the Board of Directors of OAO Gazprom • Feasibility of divestment of OAO Gazprom's non-core assets in economy sectors with significant levels of competition, including purposes of maximum possible involvement of small and medium businesses (Directive No. 4965p-P13 dated 17.09.2012)**

The Board of Directors of OAO Gazprom passed its Resolution No. 2064 dated 12.10.2012 on infeasibility of divestment of OAO Gazprom's non-core assets in economy sectors with significant levels of competition, including purposes of maximum possible involvement of small and medium businesses.

In accordance with directives to representatives of interests of the Russian Federation for participation in meetings of boards of directors (supervisory boards) of open joint stock companies, approved by the Prime Minister of the of the Russian Federation D.A. Medvedev (No. 6247p-P13 dated 15.11.2012), representatives of interests of the Russian Federation – members of the Board of Directors of OAO Gazprom were instructed to initiate a Board meeting, introduce the agenda issue "Development and approval of divestment of non-core assets of the *Company*" and then vote "for" a draft resolution to develop and approve a non-core asset divestment program.

Pursuant to the above instructions, the Board of Directors commissioned the Chairman of the Management Committee to develop a non-core asset divestment program and to submit it for consideration by the Board of Directors in 1-st half of 2013 (Resolution of the Board of Directors of OAO Gazprom No. 2090 dated 14.12.2012).

**Resolution of the Board of Directors of OAO Gazprom • On development and approval of the Program for divestment of non-core assets of the Company (In accordance with directives to representatives of interests of the Russian Federation for participation in meetings of boards of directors (supervisory boards) of open joint stock companies, approved by the Prime Minister of the of the Russian Federation D.A. Medvedev No. 6247p-P13 dated 15.11.2012)**

The Board of Directors of OAO Gazprom (Resolution No. 2090 dated 14.12.2012) commissioned the Chairman of the Management Committee to develop a non-core asset divestment program and to submit it for consideration by the Board of Directors in 1-st half of 2013.

**Utilisation of Associated Petroleum Gas**

Pursuant to the list of orders of the Prime-Minister of the Government of the Russian Federation No. PR-1461 dated August 10, 2008 for metering associated petroleum and natural gas, including flares at production facilities, OAO Gazprom is designing metering hubs for burned gas in its subsidiaries under its Investment Program.

**Acquisition of gas transportation and gas distribution assets**

Pursuant to the Order of the Government of the Russian Federation No. 1819-r dated 30.11.2009 "Divestment of registered shares of OAO Rosneftgaz", OAO Gazprom acquired 9,256,659 ordinary registered shares of OAO ChechenGazprom and 460,996 ordinary registered shares of OAO Chechengaz.

**Implementation of Gas Transportation Projects**

**(Para. 5 of the Order of the Government of the Russian Federation No. BP-P2-4776 dated August 11, 2009).**

OAO Gazprom submits South Stream project status information every quarter to the Ministry of Energy of Russia for preparation of reports to the Government of the Russian Federation (Letters No. 01/2000-398, 27.03.2012; No. 01/2000-837, 29.06.2012; No. 03/1200-1335, 02.10.2012; No. 03/1200-1875, 28.12.2012).

Pursuant to the Order of the Government of the Russian Federation No. IS-P2-6616 dated 19.09.2011, and to the query of the Ministry of Energy of Russia No. AYа-8312/12 dated 25.08.2011, OAO Gazprom sends monthly progress reports for the offshore section of South Stream Project in the exclusive economic zone of the Republic of Turkey.

Decisions to Reduce Procurement Costs of Products (Work, Services) per Unit of Output at Least by 10 % per Year During Three Years in Real Terms and Using Resulting Reduction Values as a Key Performance Indicators for Evaluation of Performance Efficiency of Entities and Managers (sub-para. "E", Para. 1 of the List of Orders of the President of the Russian Federation No. Pr-846 dated 02.04.2011)

Methodology for calculation of parameters of reduction of costs of purchased products (works, services) per unit of production approved by the Order of OAO Gazprom No. 86 dated 30.03.2012 was developed on the basis of approaches recommended by the Ministry for Energy of Russia. Results of reduction of costs are summarized at three blocks:

- reduction of costs of purchased material and technical resources;
- reduction of costs of purchased works and services under core activities;
- reduction of costs of purchased works and services under investment activities. developed in pursuance of and approved by, Economic Expert Analysis and Pricing Department calculates parameters of reduction of costs for purchases of the most important types of material resources and services, included in relevant reports.

Results of execution of sub-para. "E", Para. 1 of the List of Orders of the President of the Russian Federation No. Pr-846 dated 02.04.2011 are approved as one of the key indicators of evaluation of efficiency of job of OAO Gazprom's managers.

**Resolutions of the Board of Directors of OAO Gazprom on Procurement Information Disclosure and Transition to Online Procurement (Directives of the Prime-Minister of the Government of the Russian Federation V.V.Putin No. 6464p-P13 dated 06.12.2010 and No. 2828p-P113 dated 16.06.2011)**

In pursuance of the Directives of the Prime-Minister of the Government of the Russian Federation V.V. Putin 6464p-P13 dated 06.12.2010 and No. 2828p-P113 dated 16.06.2011, resolutions of the Board of Directors of OAO Gazprom No. 1738 dated March 22, 2011 and No. 1846 dated July 21, 2011, the following activities were completed:

- In 2012 Decisions of the Board of Directors of OAO Gazprom No. 1969 dated 19.04.2012. and No. 2104 dated 26.12.2012 introduced amendments in the Procurement Regulation in accordance with No. 223-FZ Federal Law dated 18.07.2011 and by-laws.
- In accordance with requirements of No. 223-FZ Federal Law dated 18.07.2011, all information about procurement, including procurement regulations, procurement plans, notifications, documentation, protocols and other are published in the public section of the official government web-site [www.zakupki.gov.ru](http://www.zakupki.gov.ru).
- An electronic trading platform of OAO Gazprombank started its operations in 2012. In QIV 2012 the platform had over 280 electronic procurement publications for *Gazprom Group* requirements for the total amount of over RR 11 bln.
- The web-site of OAO Gazprom publishes the plan of public competitive procurement, procurement announcements, notifications and documentation, detailed information about current procurements. The web-site also features results of open competitive procurement tenders and information about resulting contracts.es results of open competitive procurement tenders and information about resulting contracts.

### **Stimulating small and medium businesses**

Pursuant to Para. 2 of the minutes of the meeting with the Prime-Minister of the Russian Federation No. VP-P9-7pr dated 23.03.2012, and also the Resolution No. 2081 of the Board of Directors of OAO Gazprom dated 26.11.2012, the set of documents for OAO Gazprom procurement activities now includes provisions, stimulating involvement of Russian small and medium businesses as subcontractors. Information about the need to include the above provisions into procurement documents of *Gazprom Group* companies is communicated to companies of *Gazprom Group*.

The Prime-Minister of the Russian Federation D.A. Medvedev and the Minister of Economic Development of the Russian Federation A.R. Belousov were sent proposals for creation of a uniform public government resource – a Register of Russian small and medium businesses, adoption of relevant regulations of the Russian Federation, including criteria for classification of companies as small and medium businesses.

### **Creation of a register of bad-faith suppliers**

Pursuant to the Directive of the First Deputy Prime-Minister of the Government of the Russian Federation I.I. Shuvalov No. ISh-P13-754 dated 09.02.2012, OAO Gazprom prepared and sent its proposal to the Anti-Monopoly Ministry of Russia on modifications of the Directive of the Government of the Russian Federation "Approval of the list of information, included in the register of bad-faith suppliers", which were included in the text of the Government Directive No. 1211 dated 22.11.2012 "Maintaining the register of bad-faith suppliers", provided for by the Federal Law "Procurement of products, works, services by individual types of legal entities".

## **Information Featured at OAO Gazprom's Corporate Web-Site**

- 
- Members of OAO Gazprom's Audit Commission
  - Meetings held by OAO Gazprom's Board of Directors in 2012.
  - Meetings held by the Audit Committee of OAO Gazprom's Board of Directors in 2012.
  - Ongoing legal proceedings related to debt recovery enforcement as of December 31, 2012.
  - OAO Gazprom participation in share capital of third party companies as of December 31, 2012.
  - List of 2012 of OAO Gazprom transactions for acquisition(disposal) of shares (interests) in companies; investments into registered capital of subsidiaries
-

# ADDRESSES AND CONTACTS

## Full Name

Open Joint Stock Company Gazprom

## Abbreviated Name

ОАО Газпром

## Location

16 Nametkina St., Moscow, Russian Federation

Mailing Address: 16 Nametkina St., Moscow, GSP-7, 117997

Tel: +7 (495) 719-30-01 (for references); Fax: +7 (495) 719-83-33

## Web Site

[www.Gazprom.ru](http://www.Gazprom.ru)

## E-mail

[Gazprom@Gazprom.ru](mailto:Gazprom@Gazprom.ru)

## Certificate of Entry Into the Unified State Register of Legal Entities

Issued by the Moscow Department of the Ministry of Taxes and Fees of the Russian Federation on August 02, 2002, No. 1027700070518

Identification Number of Taxpayer (INN): 7736050003

## Shareholder Relations Office

Tel.: +7 (495) 719-49-86, 719-26-01. Fax: +7 (495) 719-39-37

E-mail: [I.Bestchastnova@adm.gazprom.ru](mailto:I.Bestchastnova@adm.gazprom.ru)

## Investor Relations Office

*Baranov Andrey Vitalyevich*

Tel.: +7 (495) 719-25-89. Fax: +7 (495) 719-35-41

E-mail: [A.Baranov@gazprom.ru](mailto:A.Baranov@gazprom.ru)

## Auditor to ОАО Gazprom

ZAO PricewaterhouseCoopers Audit

Member of the non-commercial partnership "Russian Audit Chamber" (NP RAC), which is a self-regulatory organization of auditors - registration number 870 in the register of NP RAC members.

The main registration number in the register of auditors and audit organizations – 10201003683.

Location and mailing address: 10 Butyrsky Val, Moscow, Russian Federation, 125047

Tel.: +7 (495) 967-60-00. Fax: +7 (495) 967-60-01

## Registrar

Closed joint stock Company "Specialized registrar - Holder of gas industry shareholders register" (ZAO SR-DRAGA)

Location and mailing address: 71/32 Novocheremushkinskaya St., Moscow, 117420, Russian Federation

Tel.: +7 (495) 719-39-29. Fax: +7 (495) 719-45-85

This annual report is preliminary approved by the resolution of OAO Gazprom's Board of directors No. 2168 dated May 21, 2013

Chairman of the  
Management Committee



Alexey B. Miller

Chief Accountant



Elena A. Vasilieva