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Russia, Moscow
M2M Oil and Gas Subcommittee

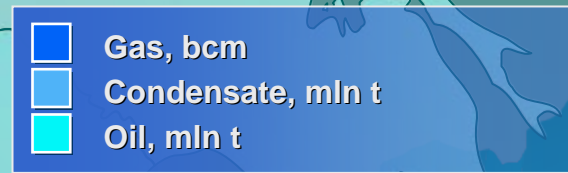
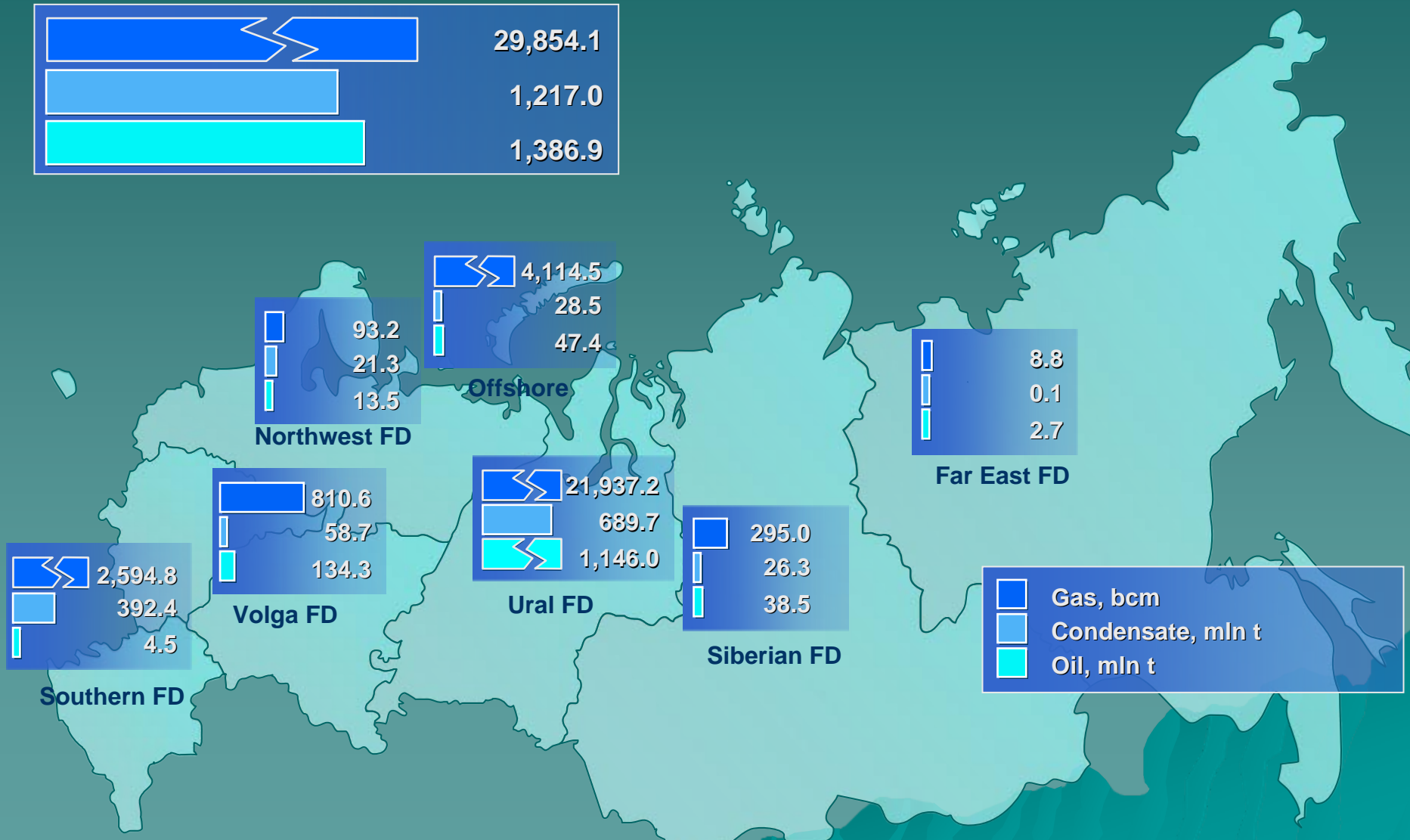
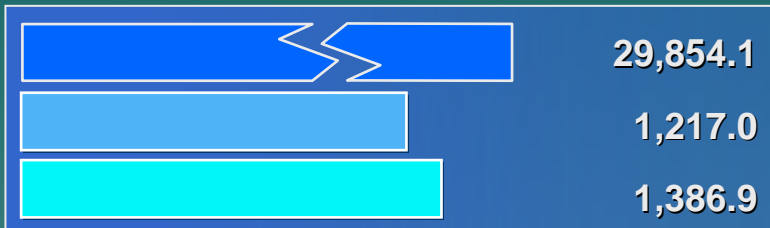
OVERVIEW OF RUSSIAN GAS AND OIL SECTOR

20 May, 2008
Rome

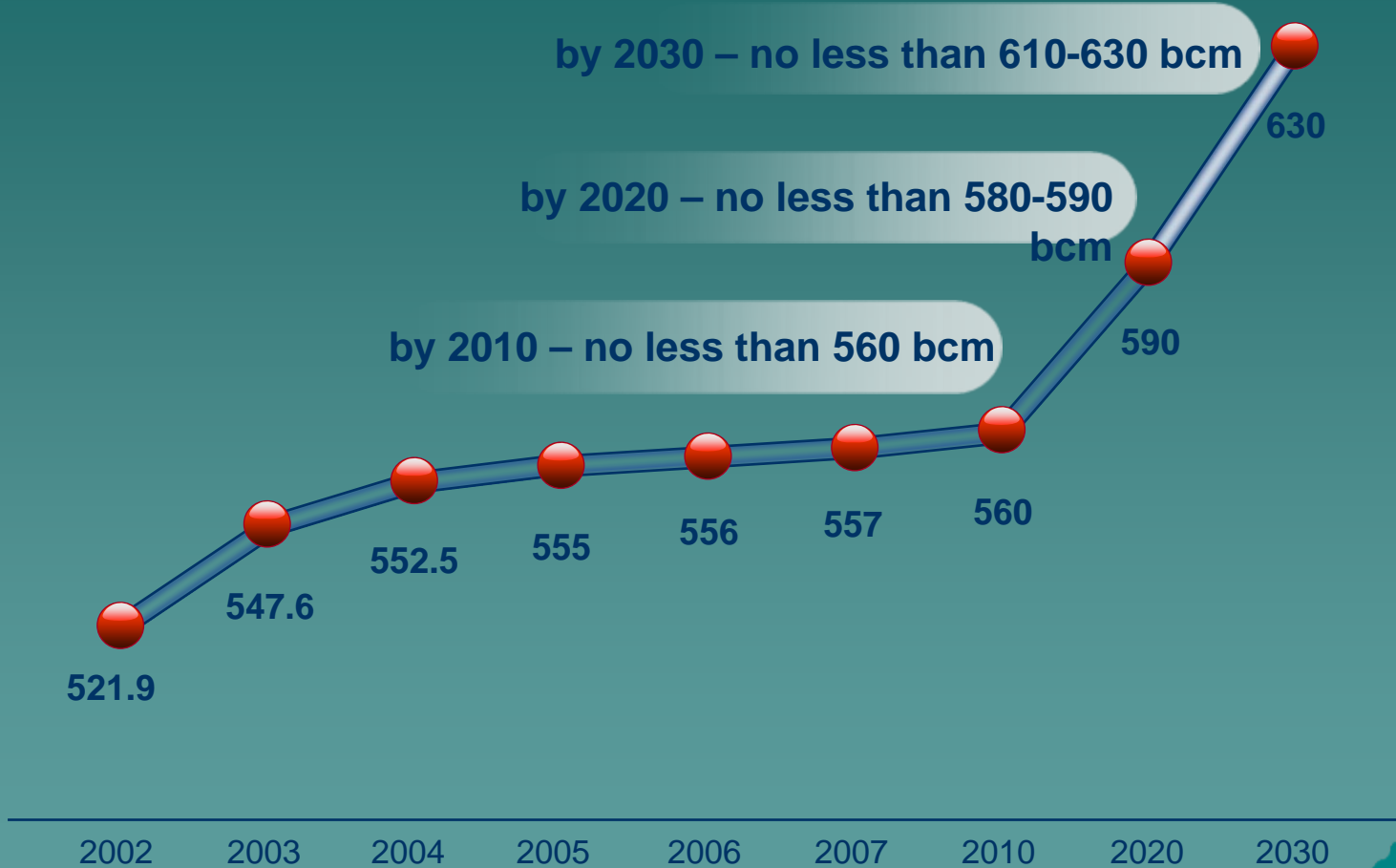
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Gas and Oil reserves

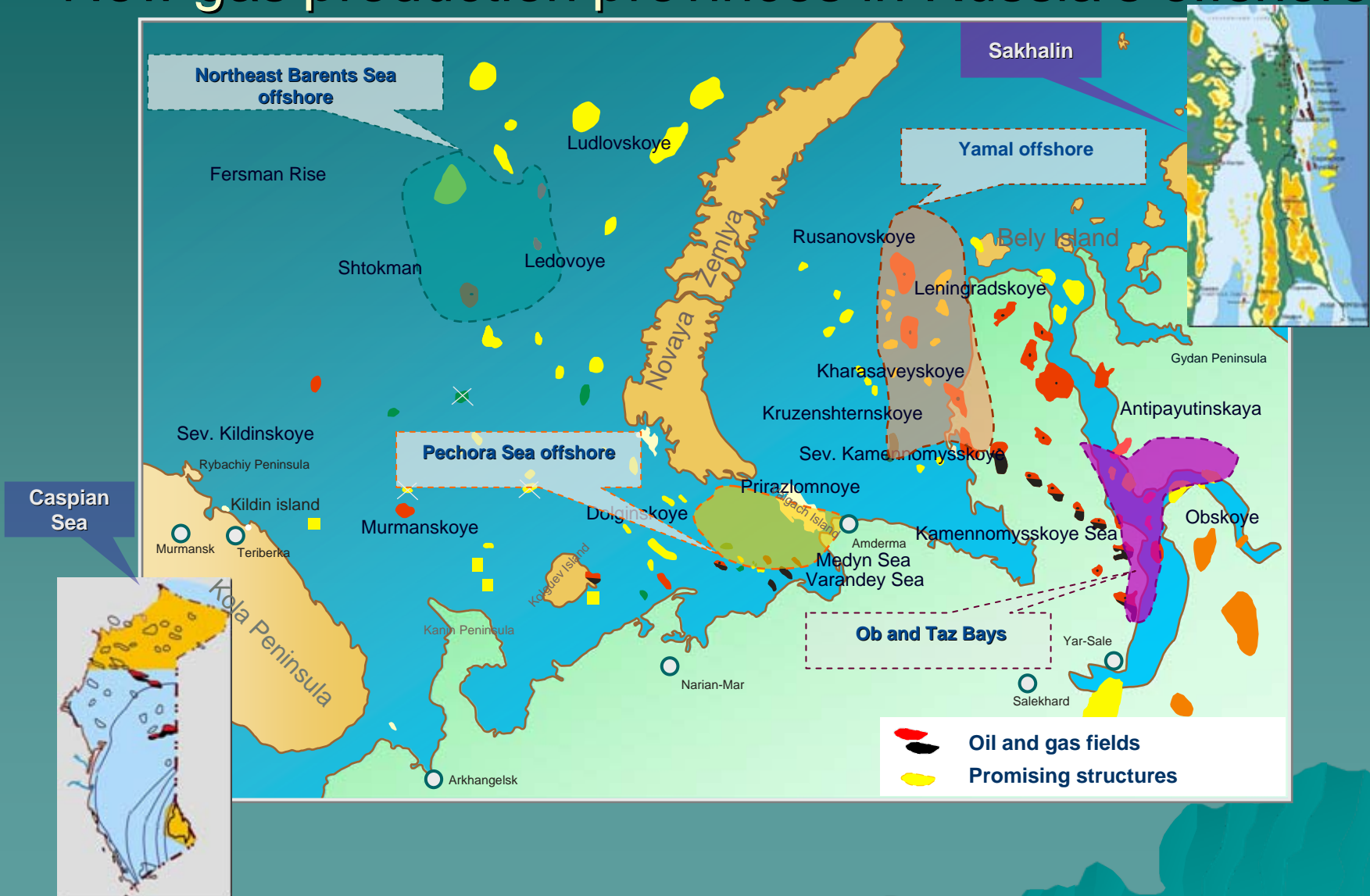
Total



Gas production



New gas production provinces in Russia's offshore



Yamal - a new development stage for gas production and transportation



The Bovanenkovskoye field – commissioning in 2011 of the first start-up complexes with a capacity of no less than 15 bcm per year and a gas trunkline between Bovanenkovo and Ukhta

The aggregate reserves in the Bovanenkovskoye, Kharasaveyskoye and Novoportovskoye fields – 5.8 tcm of gas, 100.2 mln t of condensate, and 227 mln t of oil

Yamal's explored gas reserves – 10.4 tcm

Eastern Russia



27% of Russia's initial in-place resources – more than 67 tcm

Oil business development

Annual oil output
by 2020 - 80 mln t

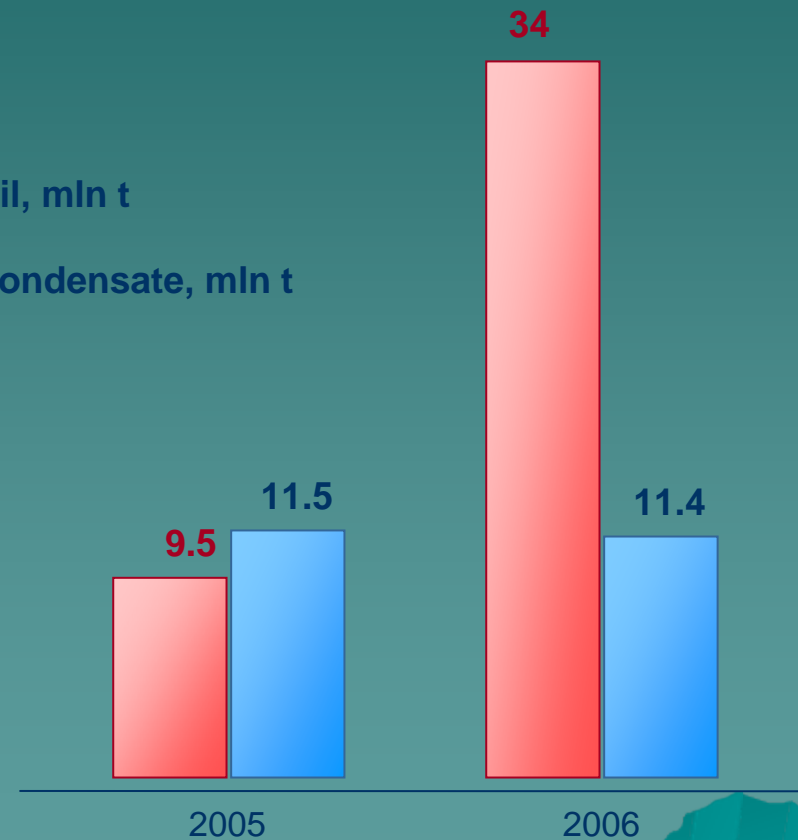
Oil and condensate
reserves – 2.6 bln t

Bringing onstream explored
oil fields on a by-stage basis

Expanding the resource
base

Developing the petrochemical
sector, GTL technology

oil, mln t
condensate, mln t



Gazprom's gas transmission system

Current status

The length of gas trunklines –
156.9 thousand km

including spur lines –
44.5 thousand km

Compressor stations – **217**

Gas pumping units – **3,629**
with a total installed capacity
of **41,000 MW**

In 2006 **717.8 bcm of gas** was fed into
Gazprom's gas transmission system,
including 115 bcm injected by
independent producers




New gas pipeline routes



 Nord Stream

 Gryazovets – Vyborg

 South Stream

 NTO – Torzhok

 Possible gas transmission route from the Shtokman field

 Sokhranovka CS–Oktyabrskaya CS gas pipeline

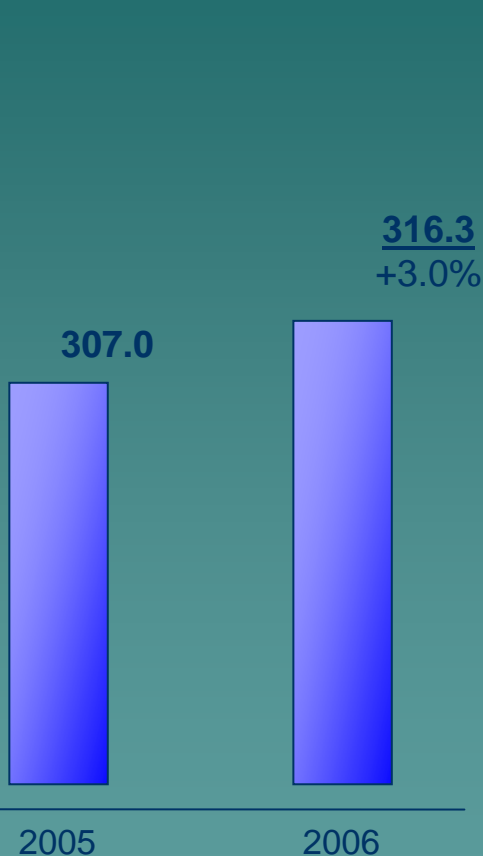
 Kasimovskoye UGS site – Izobilnoye CS gas pipeline

 Urengoy transit centre expansion

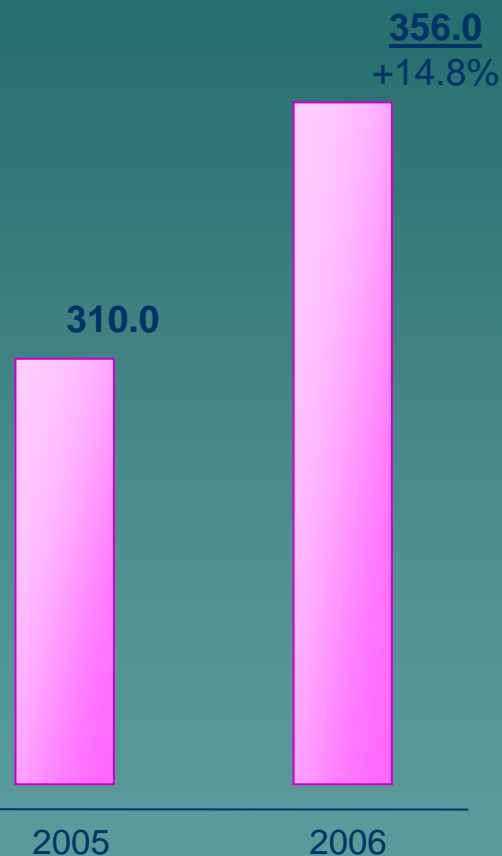
Shaping a gas pipeline system in eastern Russia



Operations on the in-country market



Gas sales volume, bcm



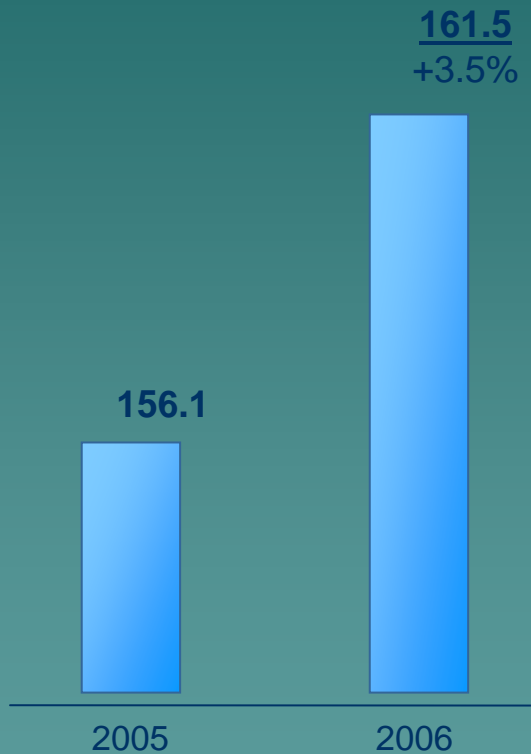
Receipts from gas sales, RUR bln

Gas export to the CIS and Baltic countries

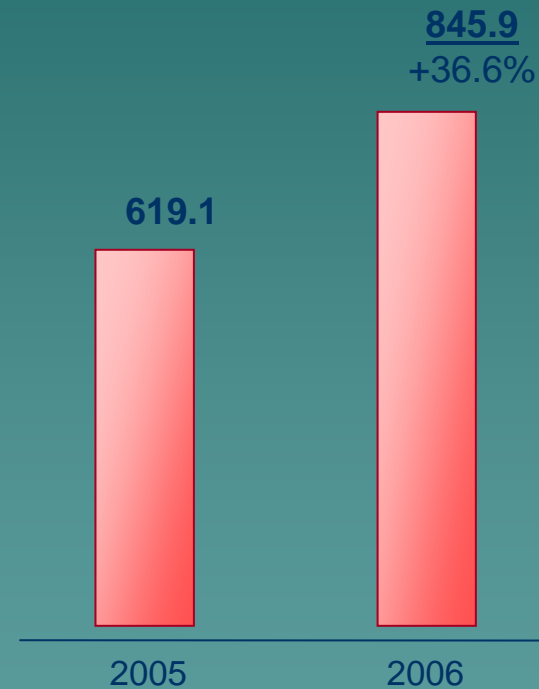
- Switching to market relations with the CIS and Baltic countries
- Expanding presence on the CIS and Baltic markets
 - acquiring stakes in gas transmission and marketing companies
 - establishing joint ventures

**Gas sales volume – 101.0 bcm (up 31.9%),
Receipts from sales – RUR 209.7 bln (up 93.5%)**

Russian gas in european market



Gas sales volume, bcm



Receipts from sales, RUR bln

Long-term contracts and strategic agreements of Russia

Contracts extended with



E.ON Ruhrgas – four contracts extended through 2035 for a total supply volume of up to 20 bcm per year



OMV – extensions agreed on till 2027 and new contracts signed for the supply of 6.9 bcm/yr to Austria



Eni – extensions till 2035 for the supply of gas to Italy



Gaz de France – extensions till 2031 for the supply of gas to France



RWE Transgas (Czech Republic) – till 2036. Deliveries will grow to 9 bcm starting 2010

Agreements signed



on the Main Terms & Conditions of >20 bcm/yr Gas Deliveries through the Nord Stream Gas Pipeline with E.ON Ruhrgas, DONG Energy, Gazprom Marketing & Trading and Gas de France



with BASF and E.ON to swap assets



on the Strategic Partnership with Eni

Underground gas storages in Europe

Agreements concluded

- to potentially create a Poederlee (Belgium) underground storage site, Gazprom's share – 75%
- to increase Gazprom's share to 75% in the Humbly Grove UGS facility

Gazprom has obtained the right to tap into the Hinrichshagen structure (Germany) for UGS site construction purposes

Gazprom takes UGS capacities on lease (between 2006 and 2007- 400 mln m³ of working gas volume in Germany and Austria)



Sakhalin-2



The project contemplates developing the Piltun-Astokhskoye oil (reserves – around 600 mln t) and Lunskeye gas (reserves – 700 bcm) fields

The project is aimed at LNG supply to Asia-Pacific

Gazprom's exploration and production abroad

Vietnam



Venezuela



India



Uzbekistan



Electric power trading and CO₂ emission quotas sales by Russia

May 2006

Gazprom Marketing & Trading joined the Code of Rules governing purchases, sales and transportation of electric power in the Great Britain

October 2006

First electric power trading deal

November 2006

Gazprom Marketing & Trading sealed its first deal to trade in CO₂ emission quotas in Europe

New products and technologies

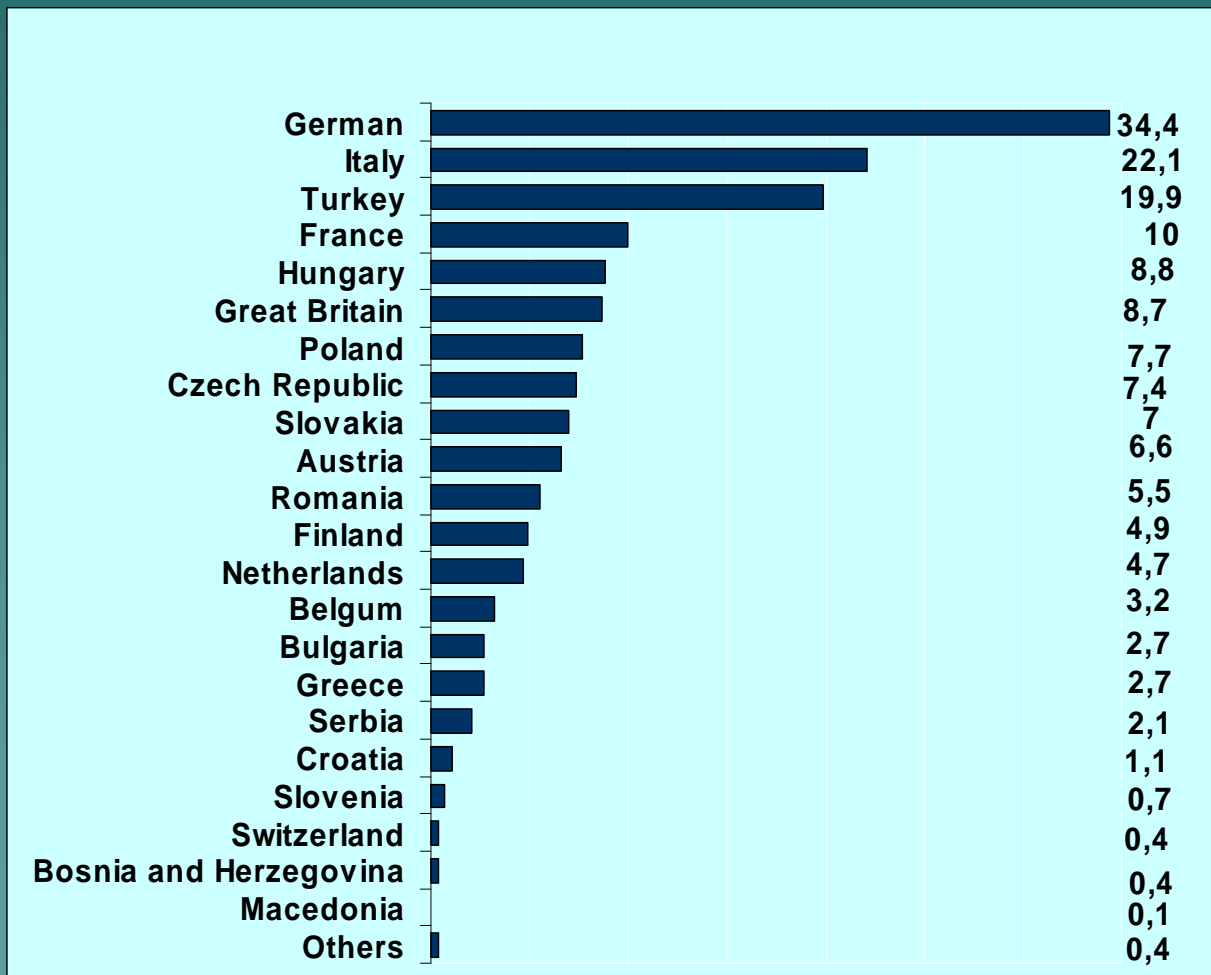
Synthetic liquid fuel (SLF) production

- Intensive development of low pressure gas reserves, associated gas, gas fields located at long distances from gas transportation infrastructure

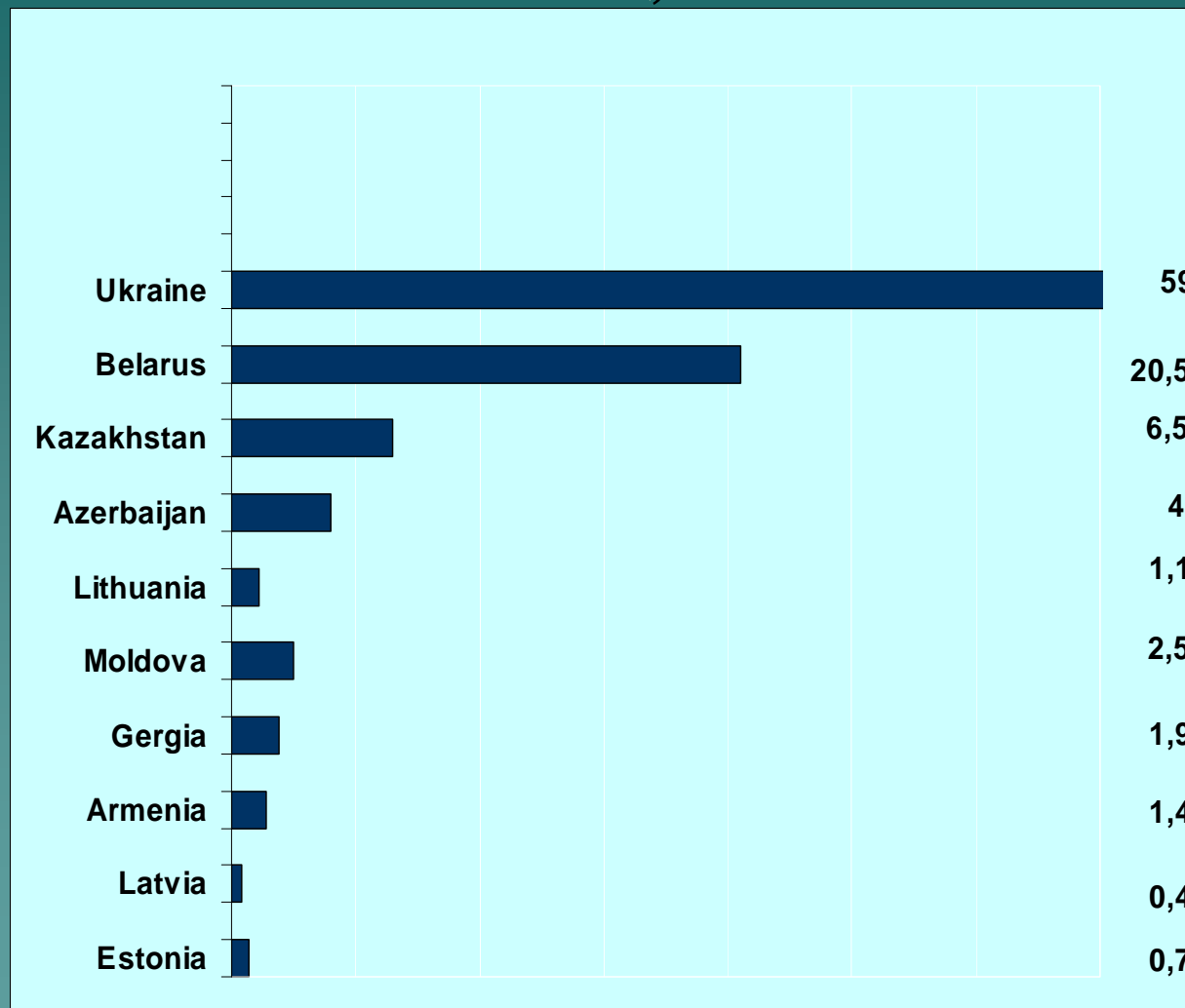
Coalbed methane extraction

- Expansion of the hydrocarbon resource base and target markets
- Gasification of the Kemerovo Oblast and southern Siberia

Gas sales by Gazprom to Europe in 2006, bcm



Gas sales for the CIS and Baltic States in 2006, bcm



OPERATING DATA

	2005	2006
Increment of gas reserves, bcm	583,4	590,9
GAS PRODUCTION , bcm	555,0	556,0
Condensate production, mln t	11,5	11,4
Oil production, mln t	9,5	34,0
Gas sales in Russia, bcm	307,0	316,3
Gas sales on European market, bcm	156,1	161,5
Gas export to the CIS and Baltic countries, bcm	76,6	101,0
Gas processing	33,9	33,5
Products of processing, thousand tons		
Petroleum	2 242,7	2 158,8
Fuel oil	1 640,8	1 442,9
Liquefied gas	1 881,9	1 837,7
Sulphur	5 361,8	5 396,3

Thank you!

The image features a solid teal background. In the bottom right corner, there is a stylized, darker teal silhouette of a mountain range. The text "Thank you!" is centered in the upper half of the image, rendered in a white, serif font with a subtle drop shadow.