



Gazprom long-term positioning on internal and external markets

current and new production basins and related transportation infrastructure development

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29th round of Informal Russia-EU consultations on EU Regulatory Topics &
22nd meeting of the EU-Russia Gas Advisory Council's Work Stream on Internal Market Issues (WS2 GAC)

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GAS RESERVES



GAS PRODUCTION



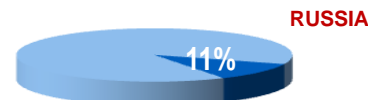
GAS TRANSMISSION SYSTEM

- Length of Gazprom's trunk pipelines – 171,200 km
- Aggregate active volume of 26 UGSF⁽¹⁾ in Russia – 73.6 bcm
- Available active volume of UGSF in Europe – 5.0 bcm
- Natural gas volume transported via GTS⁽²⁾ in Russia – 602.6 bcm

GAS PROCESSING

- Volumes processed – 31.2 bcm
- Liquids volume processed – 67 mt

LIQUIDS PRODUCTION



ELECTRIC POWER AND HEAT GENERATION

- Aggregate power generation capacity – 39 GW
- Aggregate heat generation capacity – 69 Tcal/h
- Total power produced – 148 bln kWh
- Total heat produced – 117 mln Gcal

MARKETING

- World's largest gas exporting company
- European gas market share – 31%
- Russian power market share – 14%

PERSONNEL

Number of employees – 462,400

⁽¹⁾ Underground gas storage facility

⁽²⁾ Gas transmission system

Source: GAZPROM Annual Report 2015, Factbook «GAZPROM in Figures 2015»

GAZPROM'S HUGE HYDROCARBON RESERVES AND LONGEST RESERVE LIFE, BBOE

Gazprom Group
123 bboe (40 yrs)



Supermajor Combined
99 bboe (14 yrs)



Major Emerging Markets Combined
102 bboe (17 yrs)



- **Gazprom's reserves secure sustainable development and competitive ability in the near, medium and long term**
- **Optimization of geological exploration costs in order to increase efficiency**

X bboe 2014 total proved reserves of hydrocarbons

(X yrs) Reserve life in years based on 2014 total proved reserves and 2014 production of hydrocarbons

Sources: Bloomberg, Company's data

Exploration & Production

- New production regions development:
 - Yamal peninsula
 - Eastern Siberia & the Far East
 - Russian continental shelf
- Prioritize development of fields located close to existing UGSS infrastructure

Transportation & UGS

- Development and modernization of the UGSS
- GTS development in the new production regions and Eastern Russia
- Diversification of the export pipeline routes:
 - Western direction
 - Eastern direction
- Storage capacities buildup

Distribution & Marketing

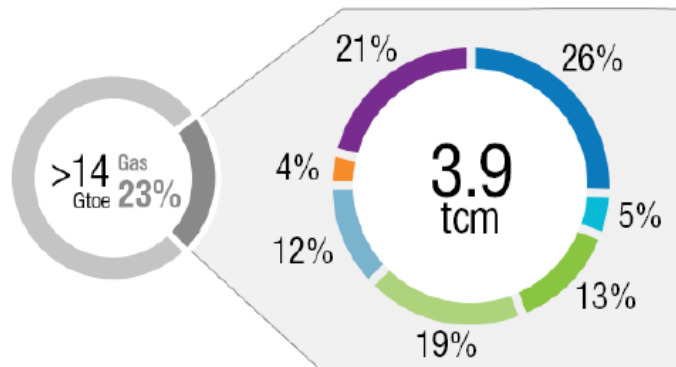
- Retain current position in the Russian market
- Retain current position in the European market
- Diversify markets by entering into the most promising North-East Asian market
- Expand LNG business
- The development of new gas market niches (NGV fuel, bunkering)

Note: UGS is underground gas storage, UGSS is unified gas supply system

2015

NATURAL GAS IN WORLD
TOTAL PRIMARY ENERGY
CONSUMPTION

NATURAL GAS
CONSUMPTION
BY REGION

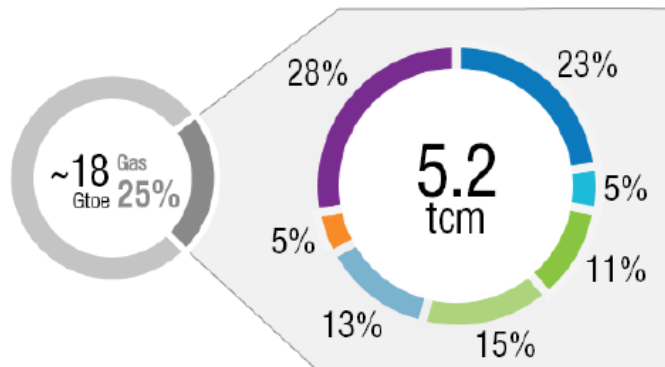


■ North America ■ OECD Europe ■ Middle East ■ Asia Oceania
■ Latin America ■ Other Europe and Eurasia ■ Africa

2035 forecast

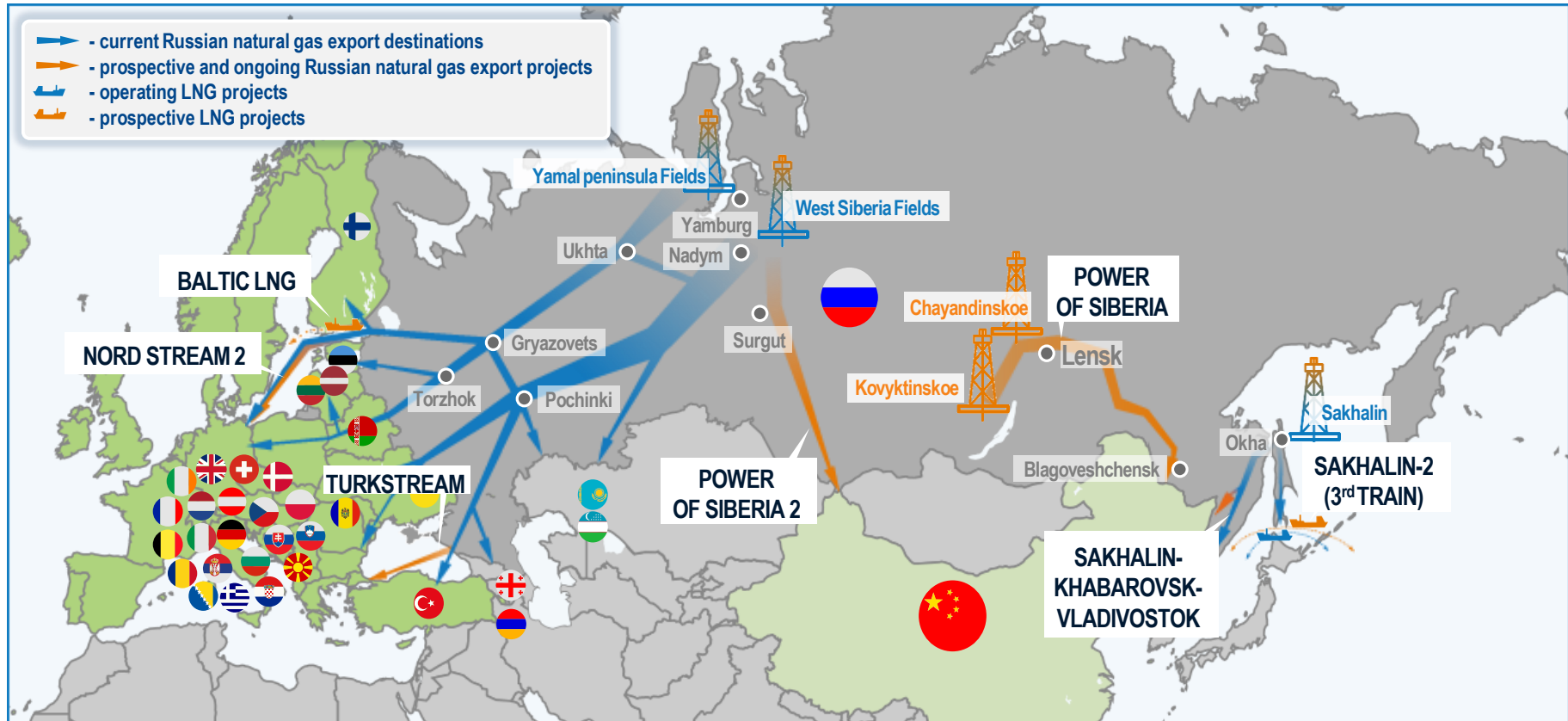
NATURAL GAS IN WORLD
TOTAL PRIMARY ENERGY
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NATURAL GAS
CONSUMPTION
BY REGION



Calorific value of natural
gas = 8850 kcal/m³ (20 deg. C)

- Global primary energy demand is expected to grow over the next two decades at an average rate of 1.1% per year
- Natural gas is expected to increase its share in world energy mix from 23% in 2015 to 25% in 2035 to the detriment of oil and coal
- Global gas demand is expected to continue rising by an average rate of 1.6% per year until 2035
- Asia-Pacific is projected to replace North America as the main gas consuming market by 2035



Transportation site	Commencement of operation	Length, km	Capacity, bcm/year
Pipeline "Nord Stream 2"	Dec. 2019	~1,200	27.5 x 2 (55)
Pipeline "TurkStream"	Oct. 10, 2016 Intergovernmental agreement signed	~910 (sea sector) ~180 (land sector)	15.75 x 2 (31.5)

LNG plant	Commencement of operation	Capacity, mtpa
Baltic LNG	2021	2 x 5

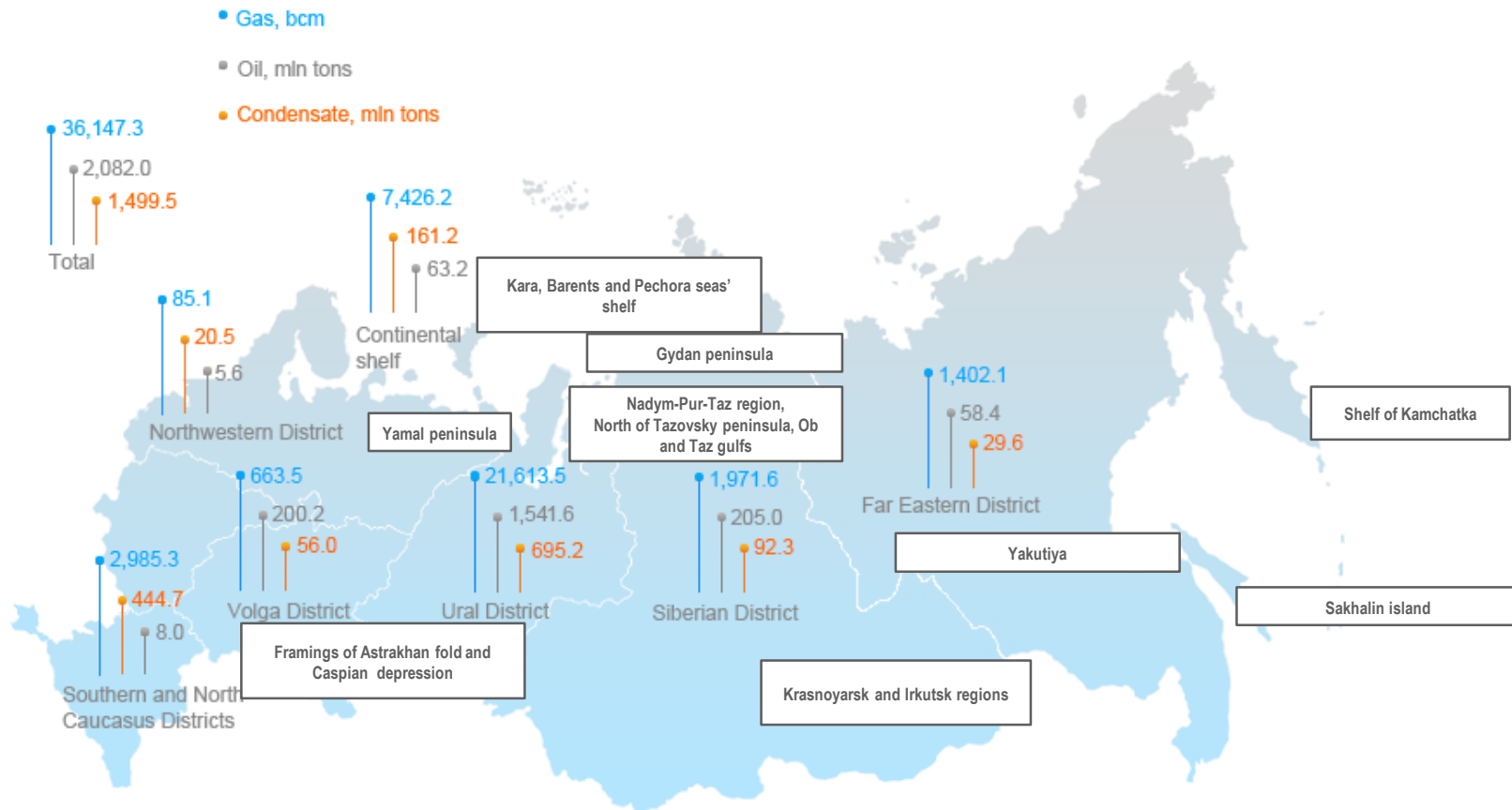
 Current Russian natural gas export destinations

 Prospective and ongoing Russian natural gas export projects

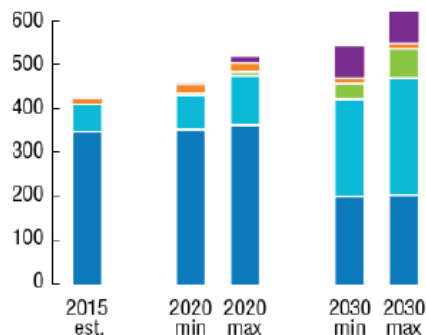
 Prospective LNG projects



- In the European part of Russia, Gazprom initiated two export gas pipeline projects: "Nord Stream 2" and "TurkStream"
- Indicated projects are executed in line with the strategy of export route diversification and aimed at mitigation of transit risks and increasing reliability of Russian gas supplies



PROSPECTIVE SOURCES OF GAZPROM'S GAS PRODUCTION, BCM



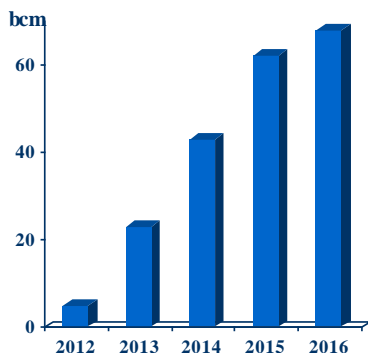
- East Siberia and Far East fields
- Gazprom Neft
- Other new fields
- Yamal Megaproject
- Operating fields



Gazprom's key greenfields gas projects	Commissioning and attainment of projected capacity	Plateau production, bcm/ year
Kharasaveiskoye (cenoman-apt)	2021 – 2025	32
Kharasaveiskoye (neocomian-jurassic)	2024 – 2027	18
Bovanenkovskoye (neocomian-jurassic)	2023 – 2027	25
Kruzenshternovskoye	2025 – 2029	33
Kamennomysskoye-sea	2023 – 2027	15
Severo-Kamennomysskoye	2025 – 2032	15
Yuzhno-Kirinskoye	2021 – 2034	21
Chayandinskoye	2018 – 2024	25
Kovyktinskoye (incl. Chikanskoye field)	2022 – 2026	35

Source: Factbook «GAZPROM in Figures 2015»

BOVANENKOVSKOYE FIELD PRODUCTION






COMBINED CAPEX FOR YAMAL PROGRAM DEVELOPMENT

2015E

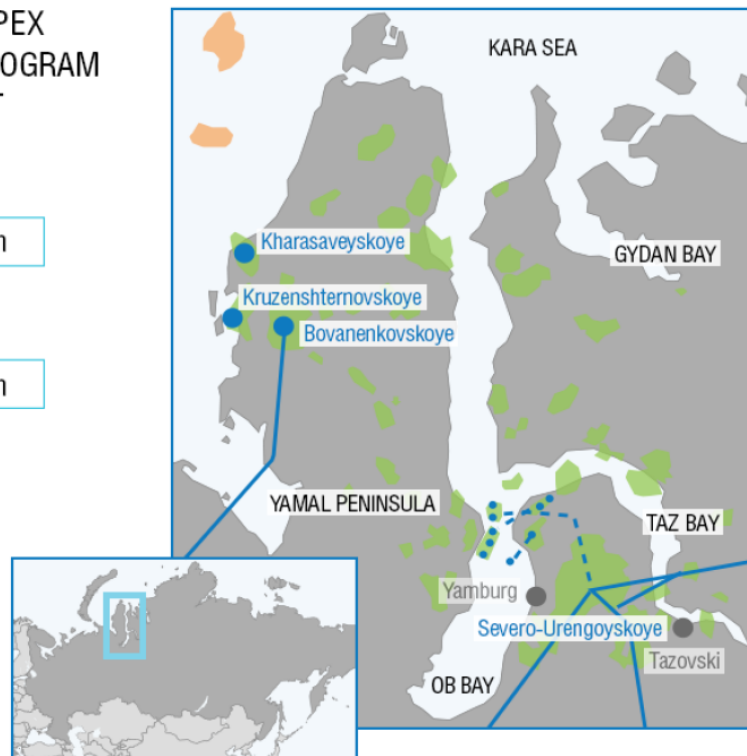
RUB 118.4 bln

2016F

RUB 216.7 bln

-  Operating gas pipelines
-  Projected gas pipelines and gas pipelines under construction
-  Wells, well clusters

-  Continental fields
-  Offshore fields



Yamal megaproject:

Number of fields: 32

Total reserves & resources of all Yamal Peninsula fields:

- 26.5 tcm
- 1.6 b tons of gas condensate
- 300 m tons of oil

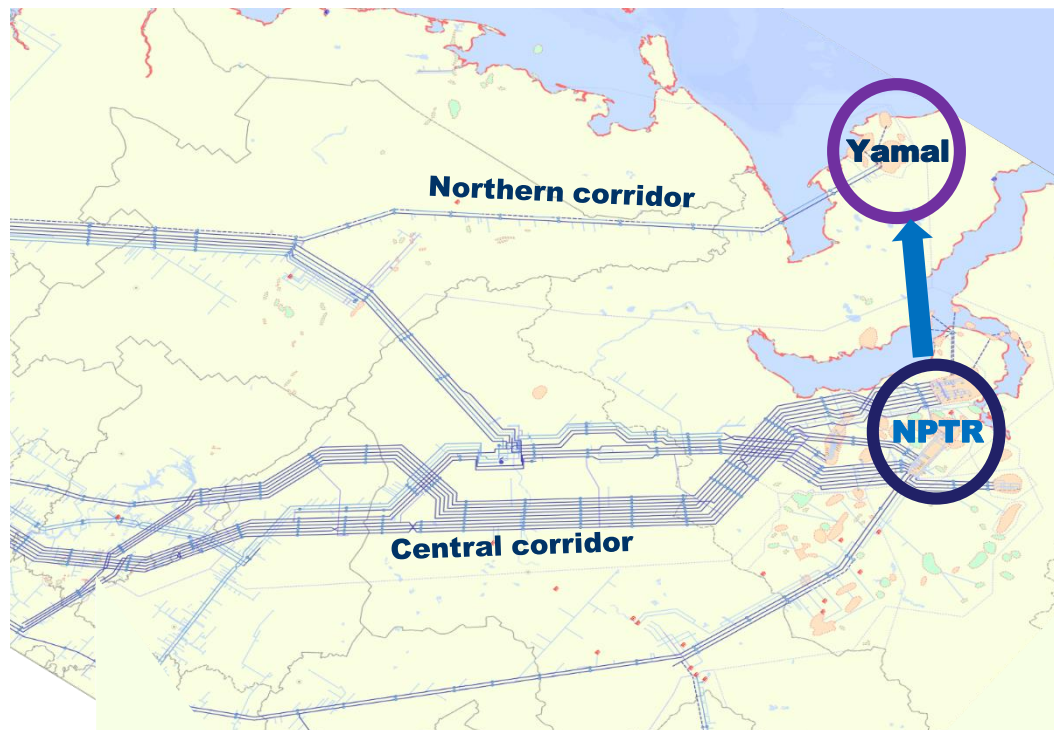
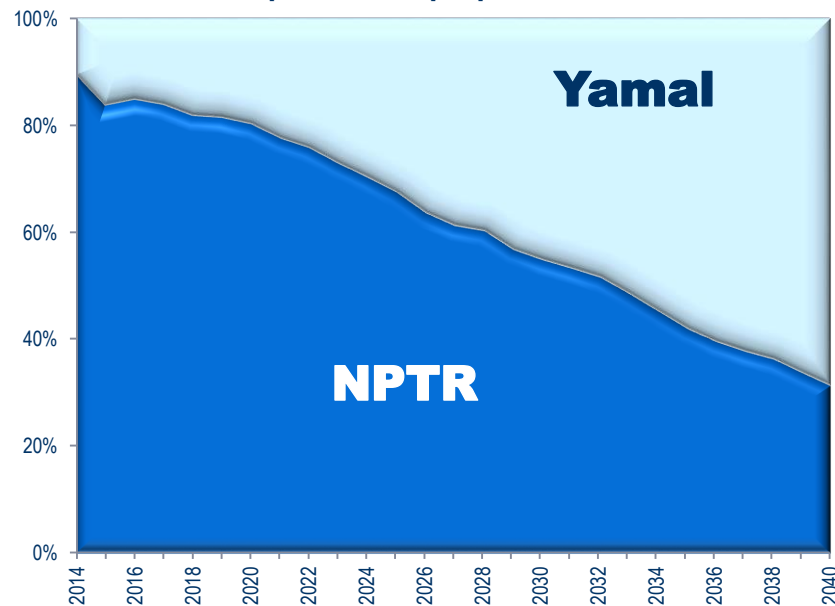
Production in Yamal:

Nowadays concentrated in Bovanenkovskoye.

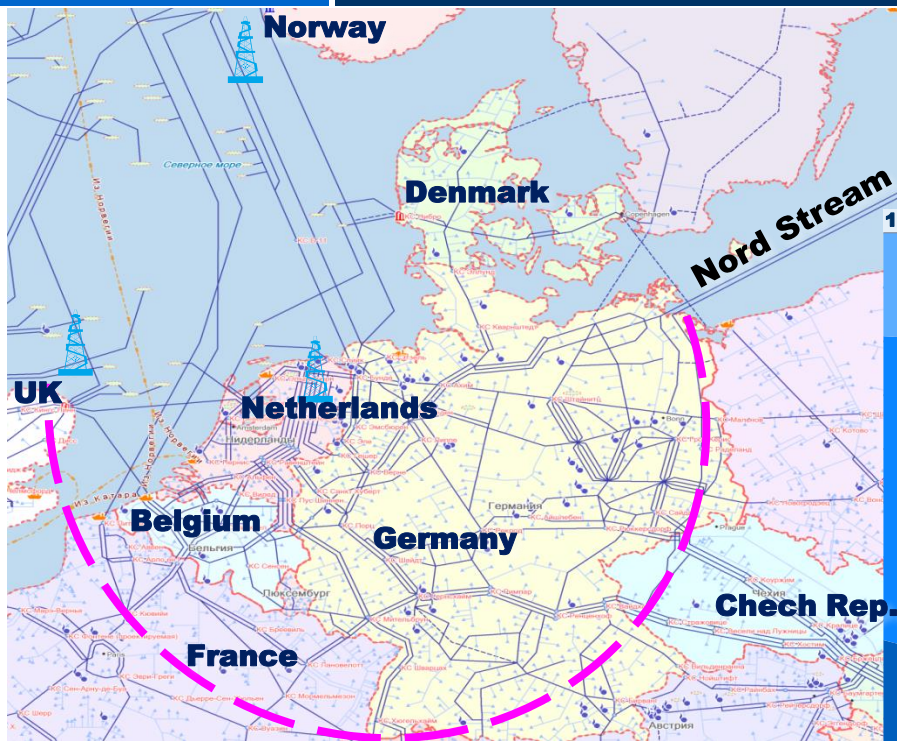
Prospects: up to 360 bcm/ a.

Gazprom's main resource base is shifting northward to Yamal

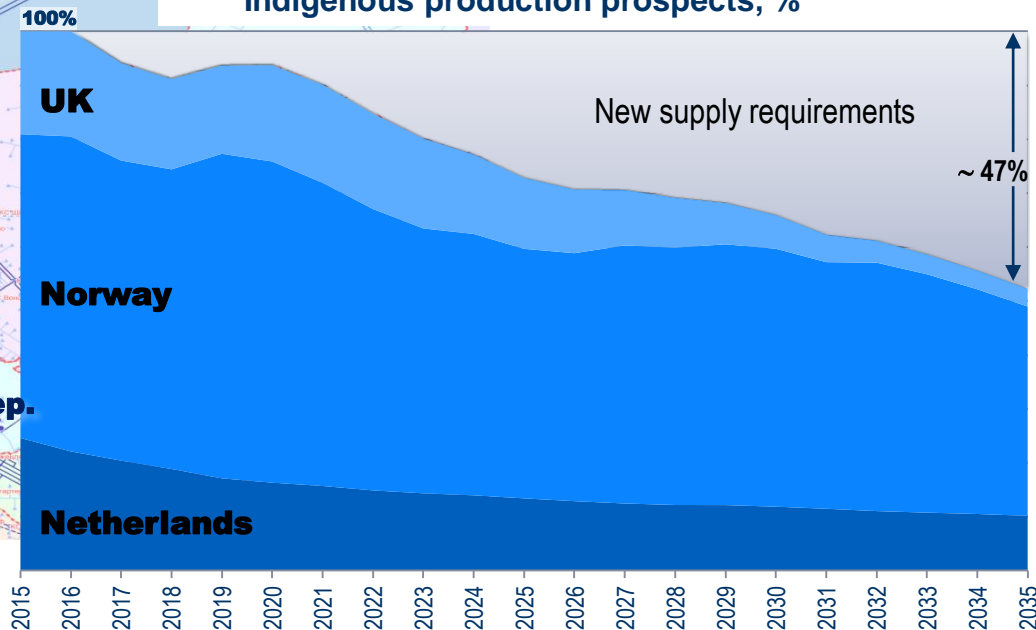
Nadym Pur-Taz Region & Yamal Peninsular gas production proportion



Due to the shift of Gazprom's resource base to the North the appropriate extensions need to be done in the Northern corridor.



Indigenous production prospects, %



Essential decline of indigenous production is expected in North-West Europe which predetermines movement of export routes from central to northern direction.

Based on IHS January 2016 figures



Pipeline length via Nord Stream 2 is 1885 km shorter than via Ukraine system.



***Thank you
for your attention!***