

**Alexey MILLER**

Chairman,  
Gazprom Management  
Committee

# ENERGY FOR THE PLANET

23<sup>th</sup> World Gas Congress, Amsterdam, 6 June 2006





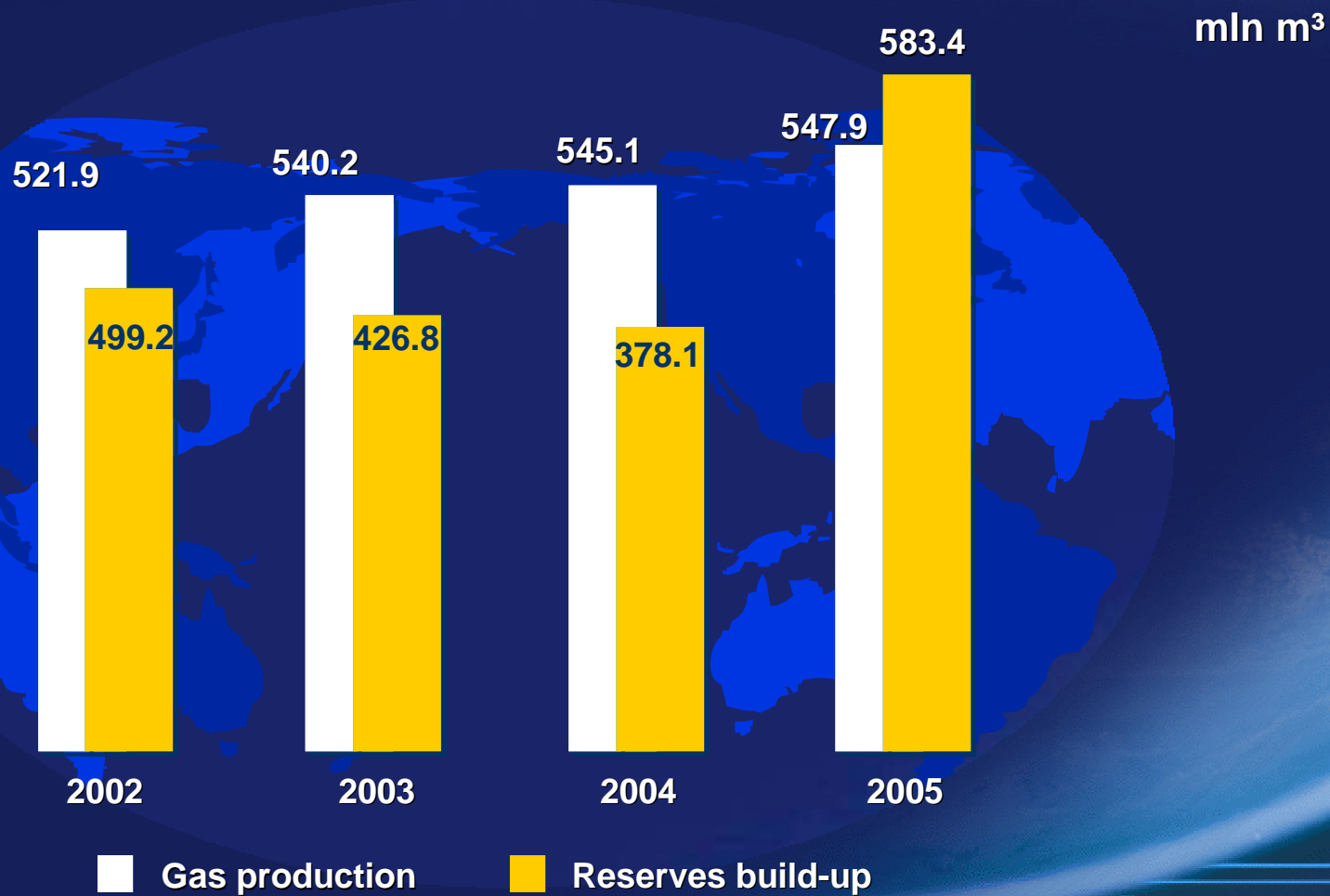
## Gazprom on the Rise

### Gazprom Group's operating highlights

|   |           |
|---|-----------|
| Gas production, bcm   | 547.9     |
| Gas sales in Russia, bcm  | 307.0     |
| Gas sales in Europe, bcm  | 156.1     |
| Gas sales in the CIS and Baltic States, bcm   | 76.6      |
| Net receipts from sales of goods, products, work and services (excluding VAT, excises and other charges), RUR mln | 1 231 262 |
| Net profit, RUR mln   | 203 439   |

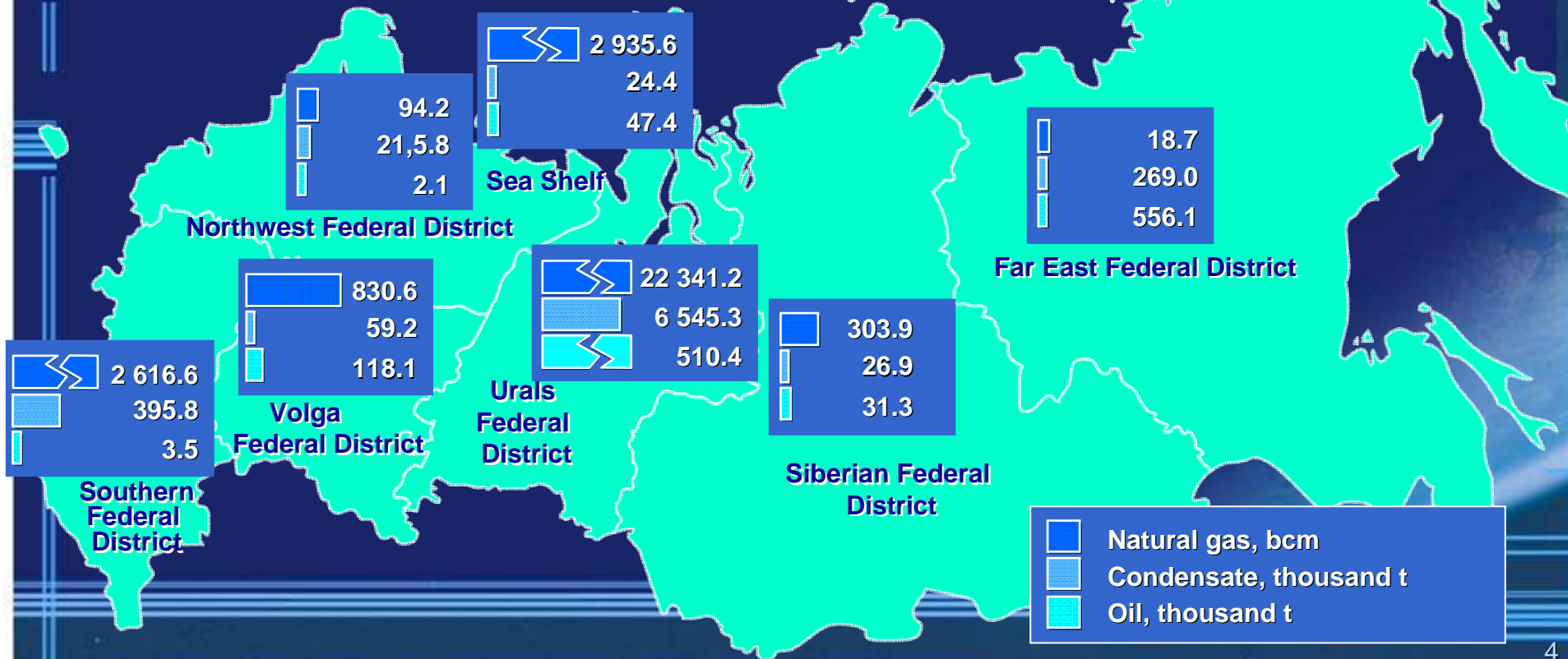
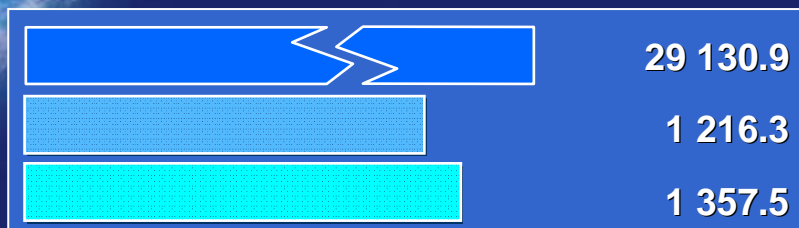





## Resources Replenishment



# Gazprom: Reserves by Region

## Total

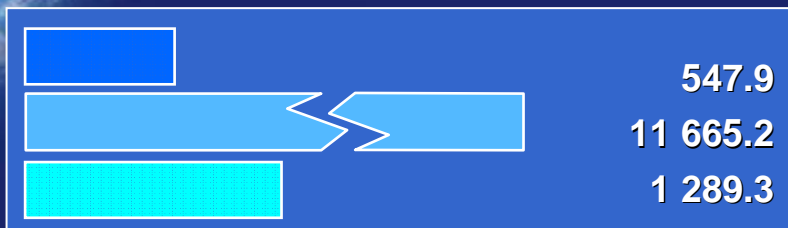


 Natural gas, bcm  
 Condensate, thousand t  
 Oil, thousand t

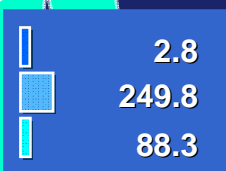


# Gazprom: Gas Production by Region

## Total



## Northwest Federal District



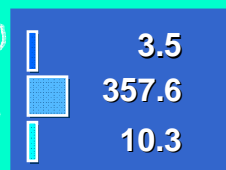
## Volga Federal District



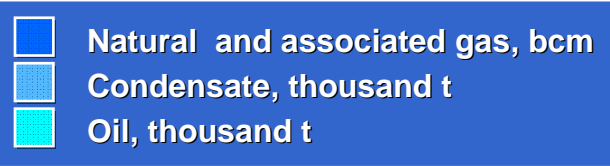
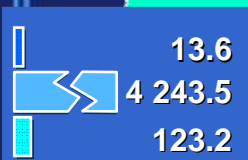
## Urals Federal District



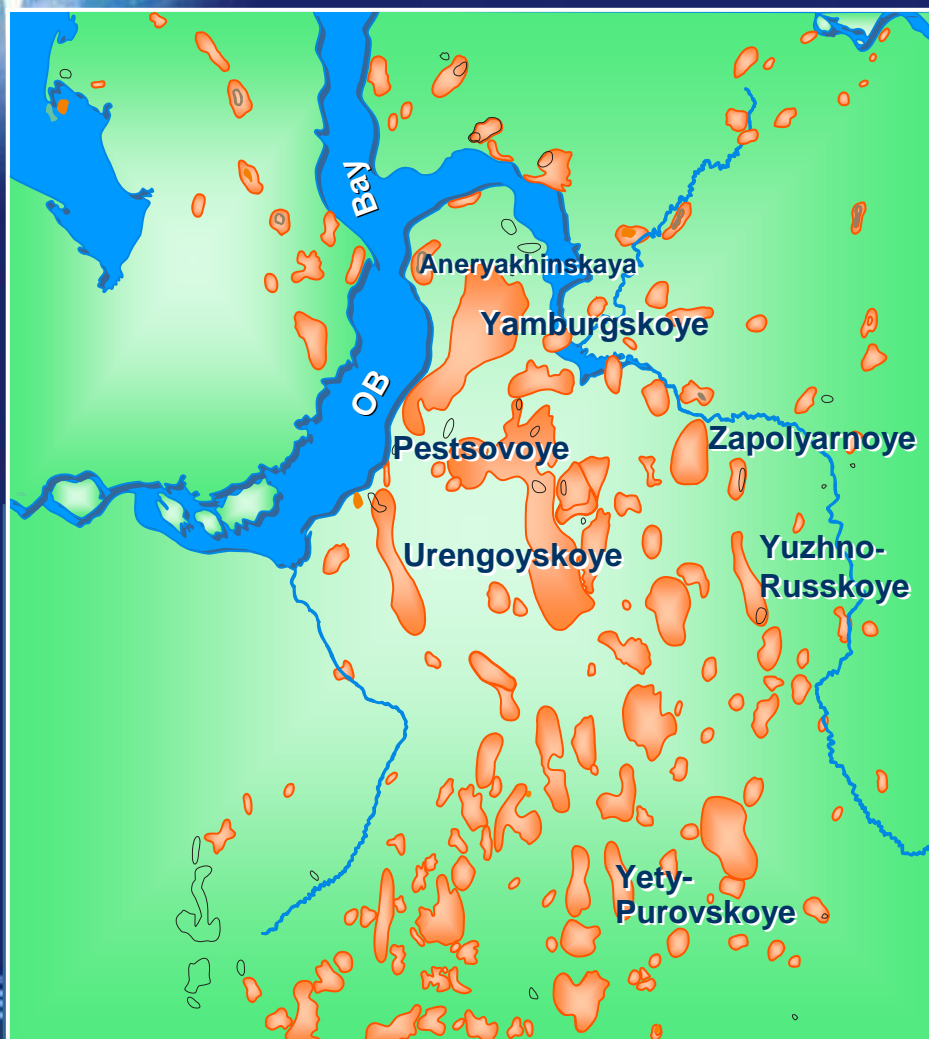
## Siberian Federal District



## Southern Federal District



## Gas Production Build-Up



|  | mln m <sup>3</sup> |
|--|--------------------|
| Yamburgskoye oil, gas and condensate field                         | + 14.8             |
| Pestsovoye oil, gas and condensate field                           | + 11.6             |
| Yety-Purovskoye gas field  | + 6.8              |
| Aneryakhinskaya area of Yamburgskoye oil, gas and condensate field | + 6.7              |
| Zapolyarnoye oil, gas and condensate field                         | + 5.4              |

# Gazprom: Promising Areas





# Gazprom: Global Vertically Integrated Energy Company

## Key business segments



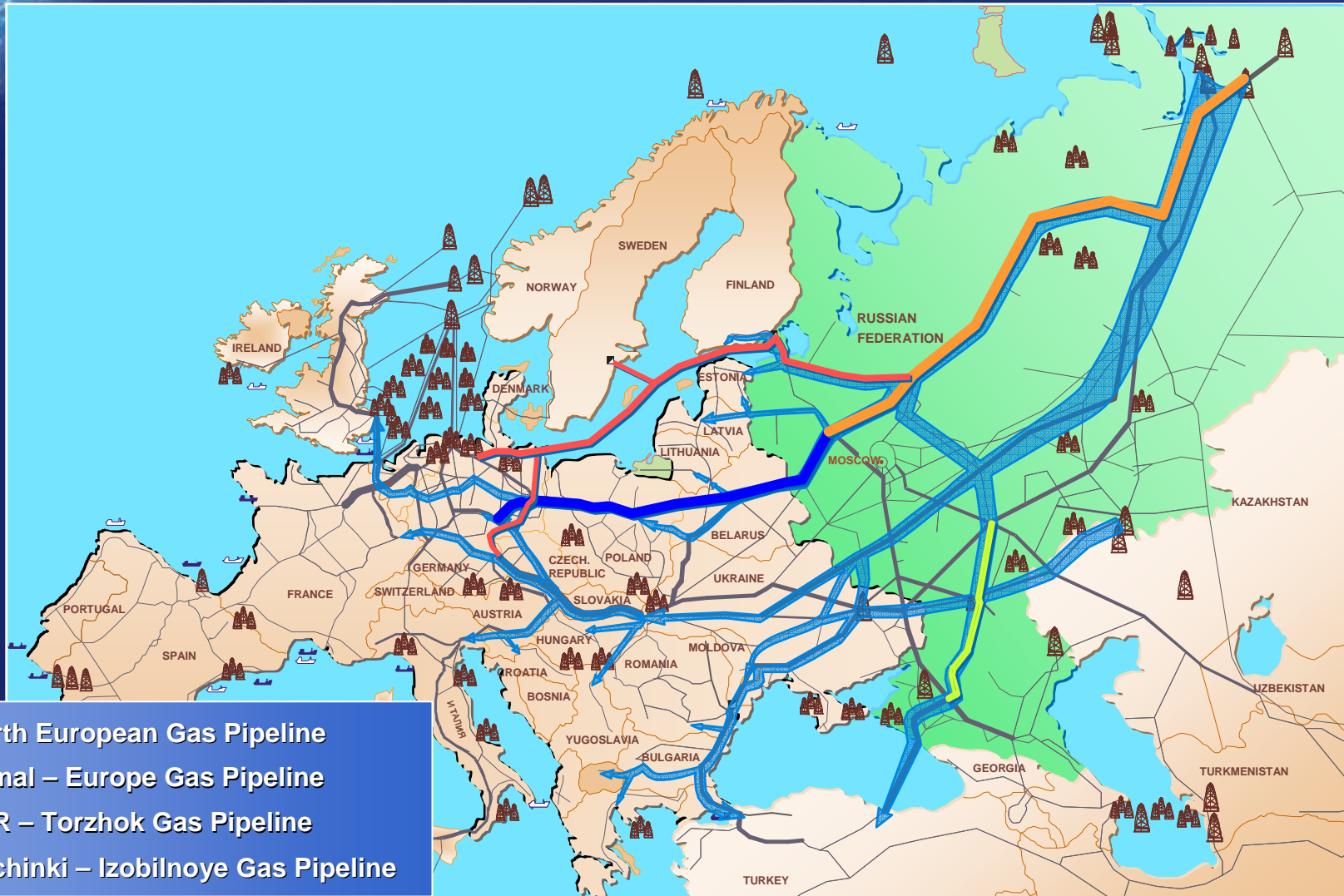
Upcoming activity ways will ensure stability augmentation and growth of Gazprom's income







# Gazprom: Gas Transmission System Development



-  North European Gas Pipeline
-  Yamal - Europe Gas Pipeline
-  NTR - Torzhok Gas Pipeline
-  Pochinki - Izobilnoye Gas Pipeline

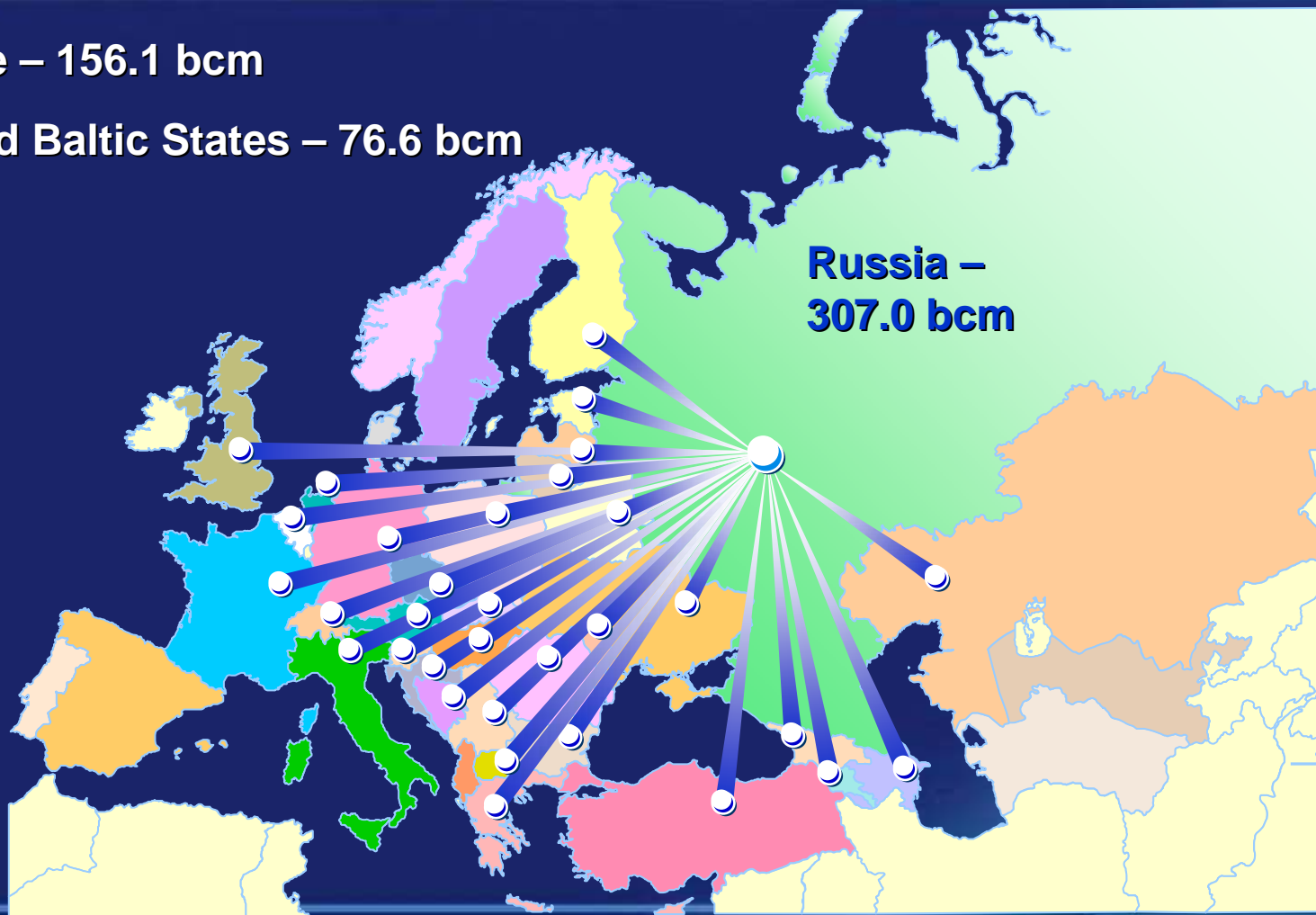


## Gazprom: Marketing and Sales

Europe – 156.1 bcm

CIS and Baltic States – 76.6 bcm

Russia –  
307.0 bcm



### Electric power production

- 10.5 % stock in RAO UES of Russia
- 25.01 % stock in OAO Mosenergo

### Oil production and refining

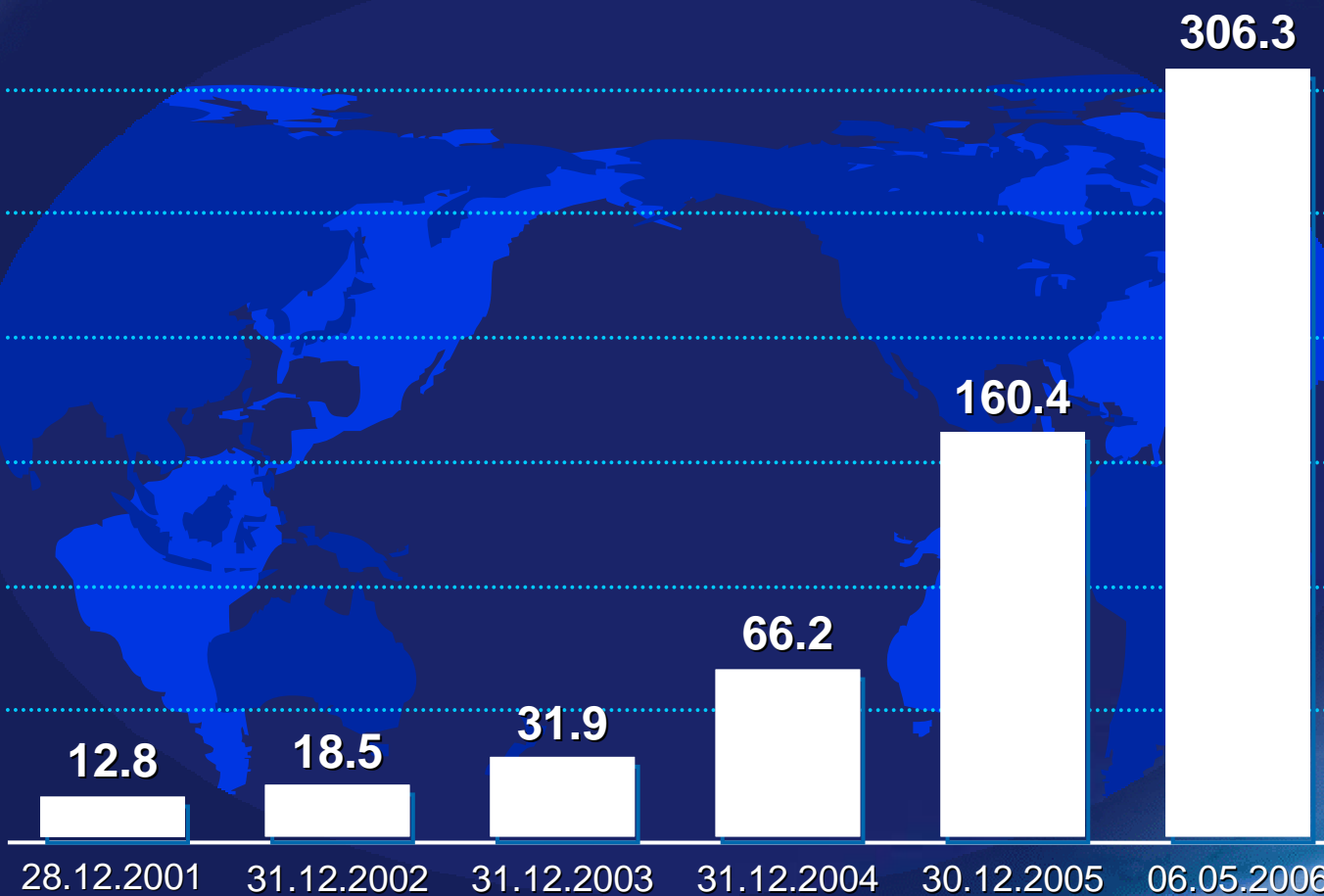
- 75.68% stock in OAO Sibneft
- 49 production licenses  
10 – exploration licenses
- Oil reserves – 730.8 mln t
- Crude oil production – 45 mln t,  
including Slavneft – 12 mln t
- Refining – 17.6 mln t





## Market Capitalization

US\$ bln





## Natural Gas: Consumption and Prices

|   | 2002           | 2005           |
|---|----------------|----------------|
| <b>World natural gas consumption, bcm</b> | <b>2 614.6</b> | <b>2 865.3</b> |
| including                                 |                |                |
| OECD North America                        | 785.3          | 765.6          |
| OECD Europe                               | 488.1          | 548.0          |
| OECD Pacific                              | 137.2          | 136.1          |
| Non-OECD countries (estimated)            | 1 202.0        | 1 413.6        |

Sources: IEA, IRTs Gazprom

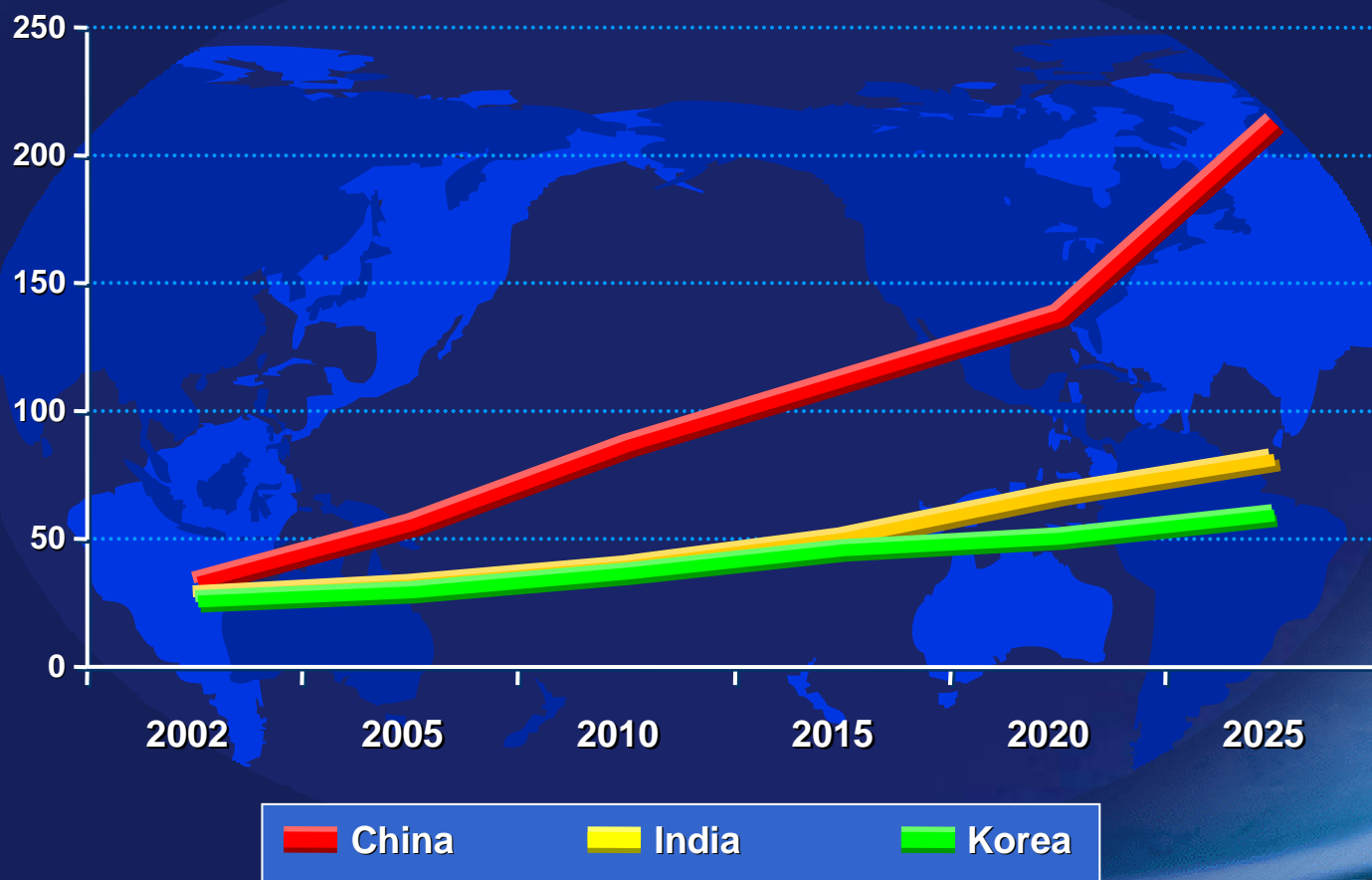
|  | December 2002 | December 2005 |
|--|---------------|---------------|
| <b>World gas prices</b>  |               |               |
| Russian natural gas border price in Germany, US\$ per 1,000 m <sup>3</sup> of NG | 101.29        | 250.56        |
| Indonesian LNG price in Japan, \$ per volume equal to 1,000 m <sup>3</sup> of NG | 177.36        | 266.99        |
| Spot price per 1,000 m <sup>3</sup> of NG at Henry Hub, Louisiana                | 170.91        | 469.77        |

Source: International Monetary Fund Primary Commodity Prices



# Natural Gas Consumption in China, India and South Korea

bcm



Sources: IEA, EIA IEO

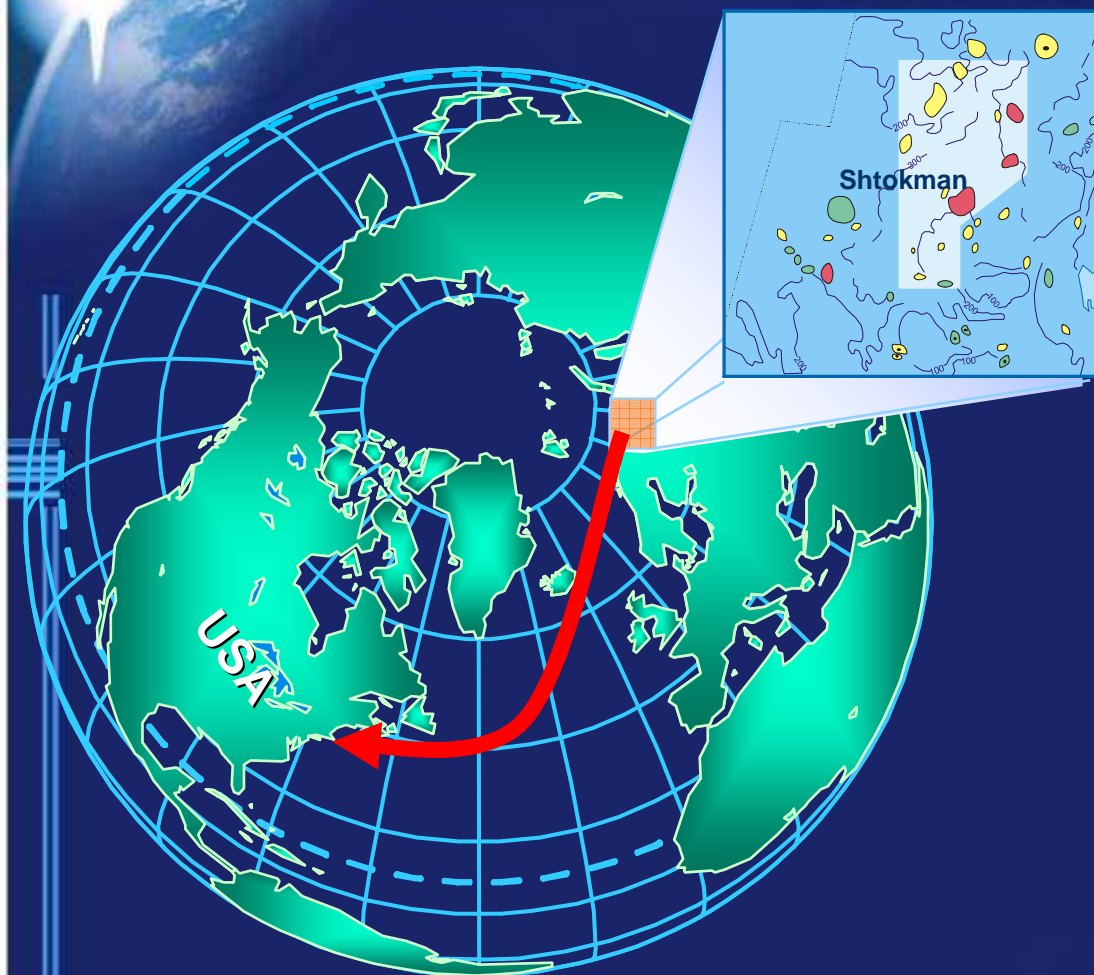


# LNG Transmission Distances



Source: CevronTexaco

## LNG Delivery to USA



### I stage

- ✦ Swap deals

### II stage

- ✦ Shtokman gas and condensate field development

The C1+C2 explored natural gas reserves are estimated at 3.7 tcm  
Annual natural gas and condensate production is about 70 bcm and 0.6 bcm, respectively

- ✦ 15 mln t/y LNG plant construction

- ✦ Underwater pipeline construction for natural gas and condensate delivery from gas field to LNG plant





## LNG Projects Reality

- ★ High technical and technological risks
- ★ Significant costs increase compared to projected budgets
- ★ Delays in project execution



## Supply Security Formula

### FOR CONSUMER:

- Secured volumes
- Acceptable prices
- Stability in delivery

### FOR SUPPLIER:

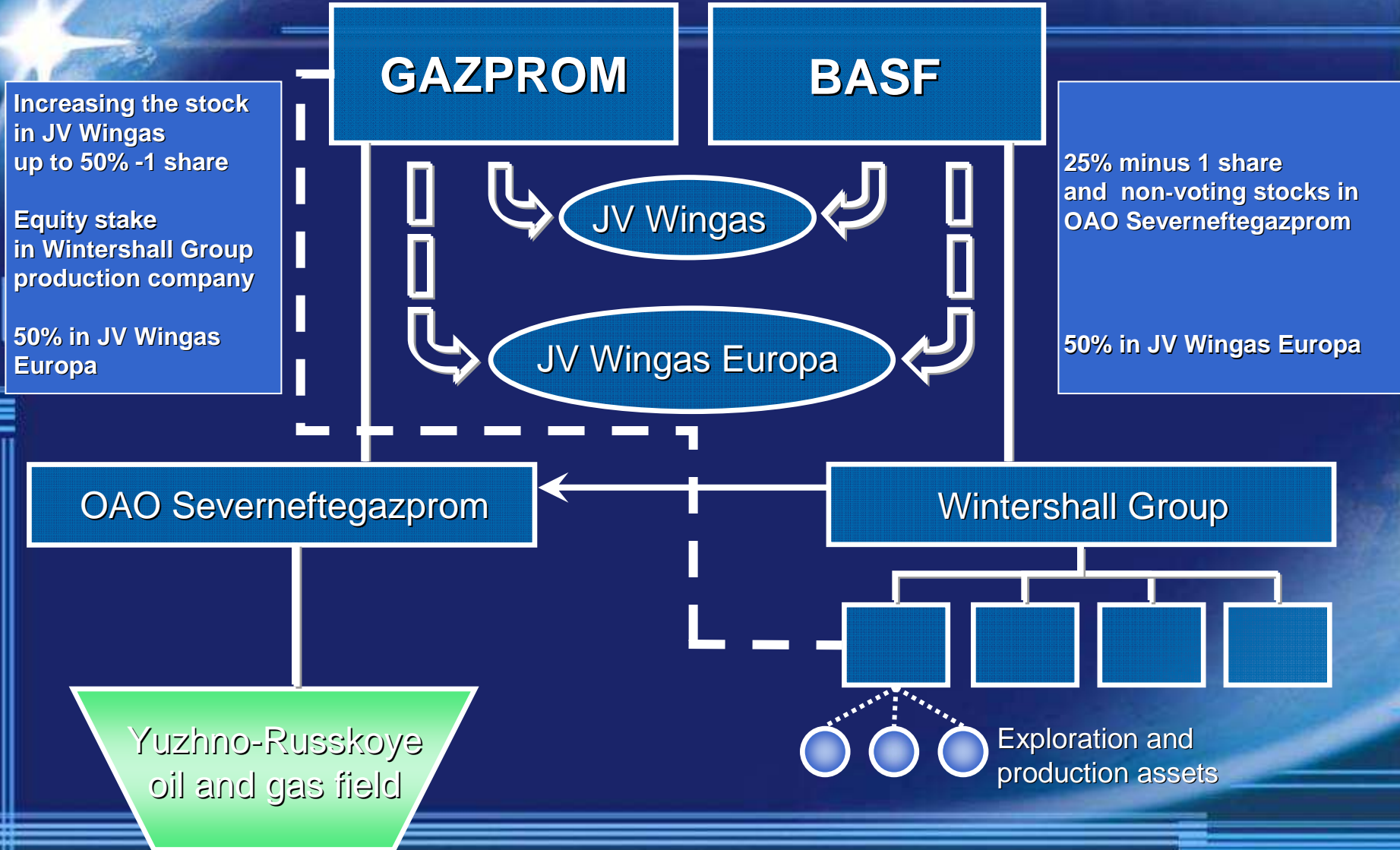
- Forecasted prices
- Secured sales
- Transit security

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Gas supply security



# Gazprom - BASF



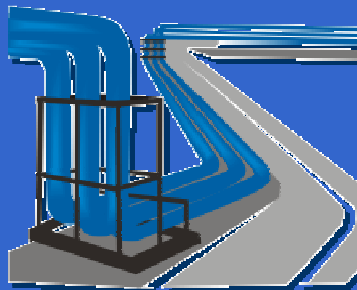


# Gazprom: Diversification

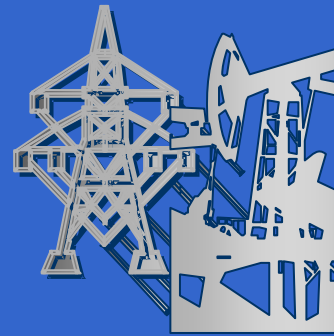
## Markets



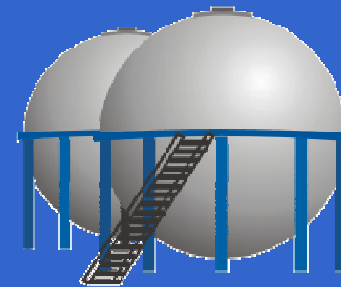
## Transmission routes



## Businesses and assets



## Products





## NEGP and Blue Stream: Direct Connection to European Gas Networks

NEGP designed capacity –  
55 bcm per year

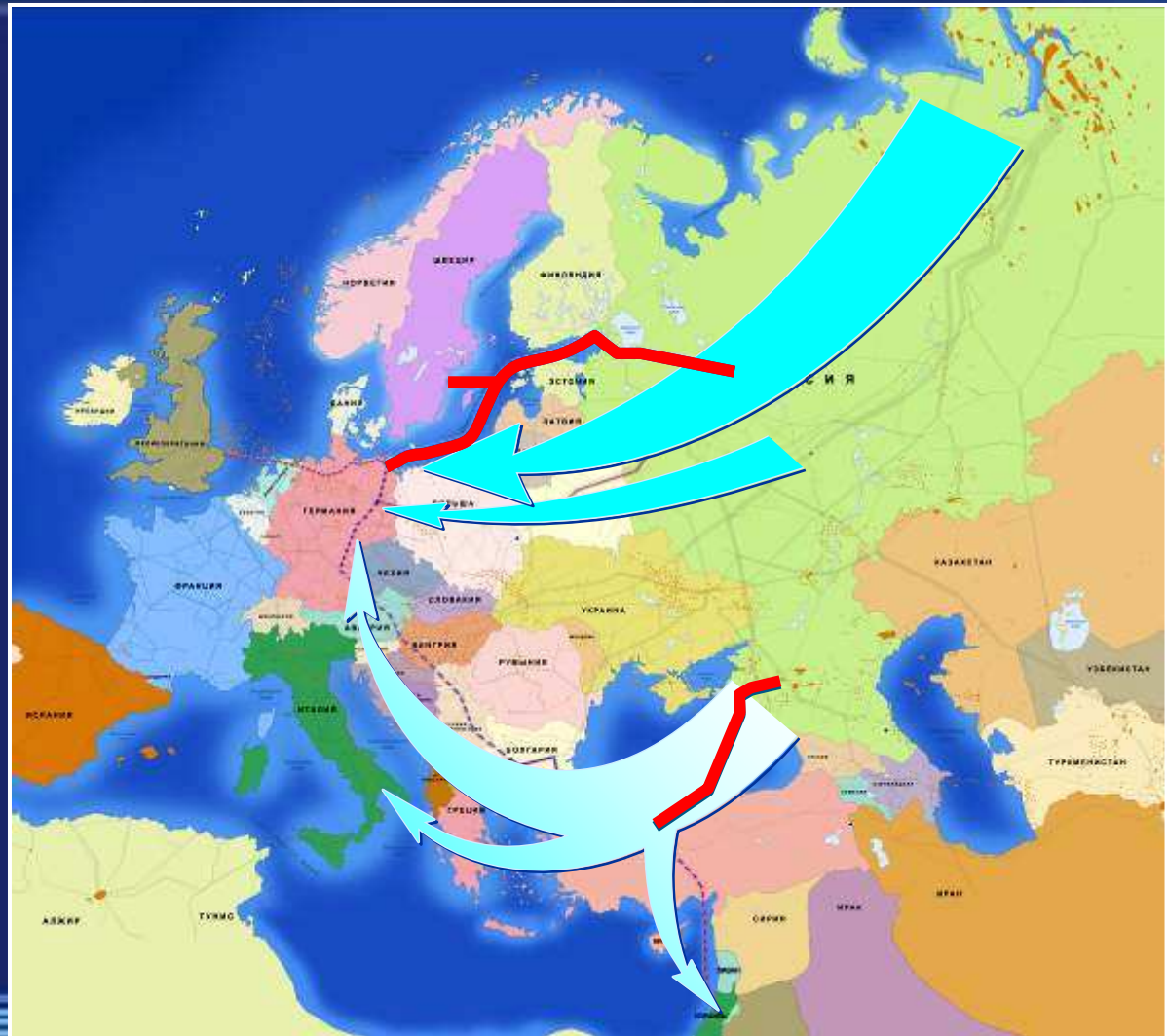
Russian onshore pipeline  
section from Gryazovets  
to Vyborg – 917 km

Offshore pipeline section –  
1 198 km.

Planned extension to German  
border on the Baltic Sea  
bottom.

First line commissioning  
in 2010.

Investments – in excess  
of EUR 4 bln





# Primary Gas Supplier to Europe

Proved oil and gas reserves of the world major energy companies, BBOE



Gazprom



ExxonMobil



BP



Petrochina



RD/Shell

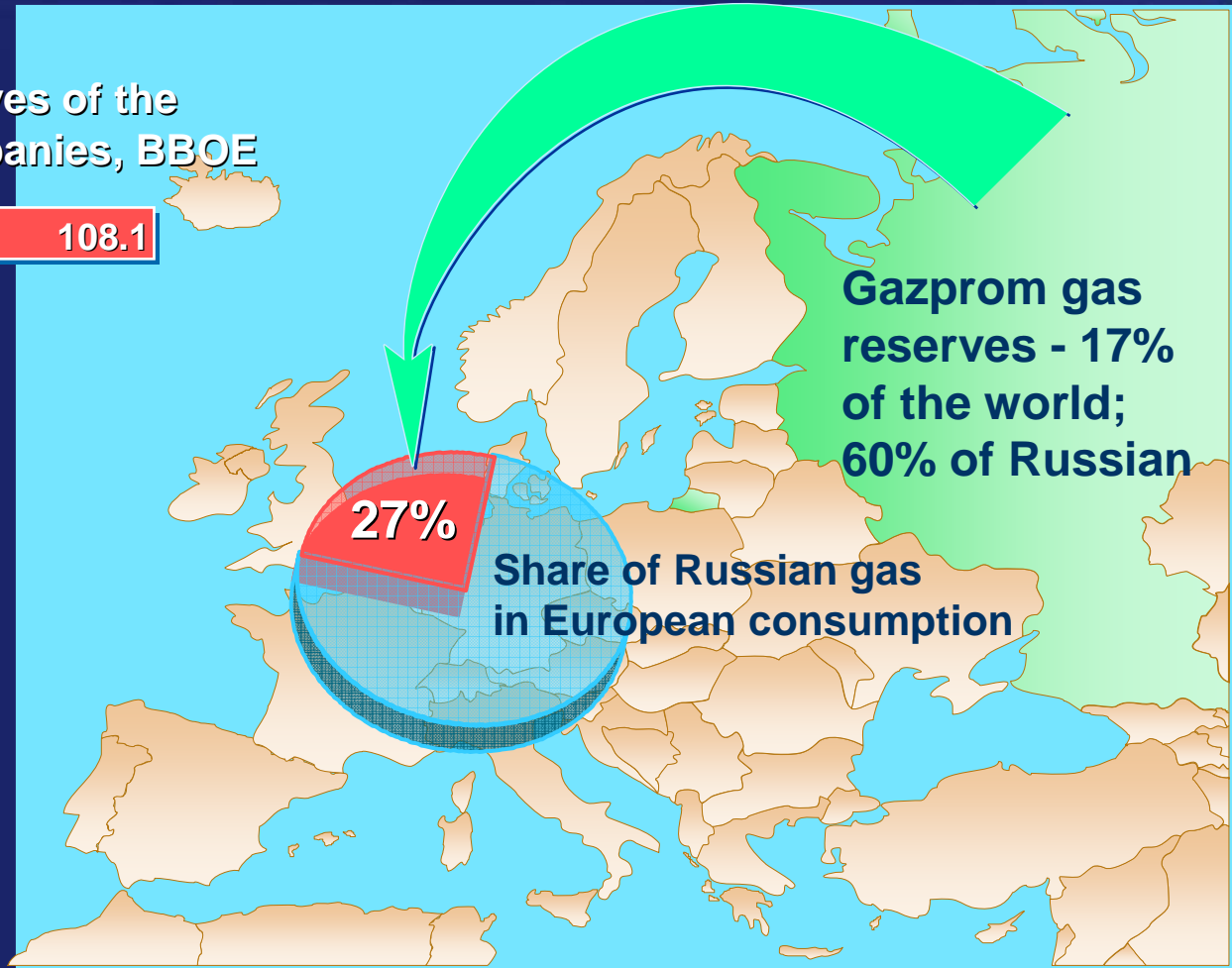


ChevTex



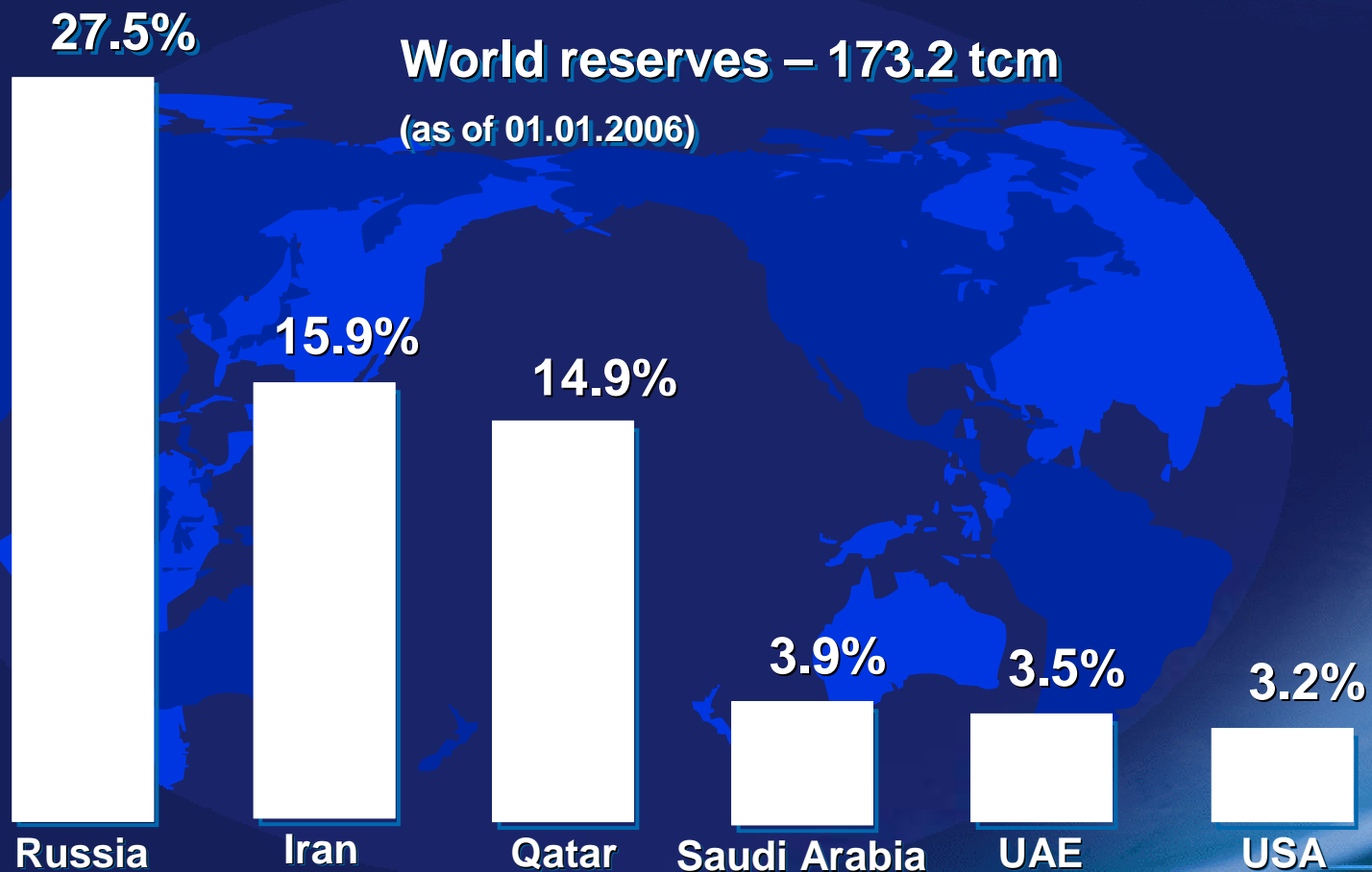
Total

Gas Oil





## Gas of Russia: Strategic Potential



Source: Oil & Gas Journal

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